इंडियनऑयल

IndianOil

Integrated Annual Report 2019-20

COMMITMENTS MADE
PROMISES DELIVERED

Pehle Indian, Phir Oil

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PROMISES DELIVERED

IndianOil is one of the frontline organizations that led the charge in the fight against COVID-19 in 2020. All IOCians came together as one to ensure unhindered supply of essential products across the country, ably supported by the brave employees of the channel partners, while following the necessary safety protocols advised by the Government of India. IndianOil's terminals & depots, LPG distributorships and fuel stations maintained adequate stocks of petrol, diesel and LPG to prevent any fuel shortage. Emergency aviation fuel supply for the Vande Bharat Mission evacuation flights provided relief to citizens stranded across the world during the pandemic.

IndianOil employees and business partners have ensured last-mile delivery of petroleum products and services even to remote locations despite lockdown-related obstacles. They have thus fearlessly discharged their duties.

Our heroes win no laurels
Stand on no pedestals, bow to no applause.

They fight their battles in marooned villages,
Makeshift hospitals and on hostile frontiers
For they toil unheard, unsung and unperturbed.

Theirs is the sweat that quenches this land
And inspires its revolutions,
And forges in us a bold, new belief.

A belief driven by the possibilities of tomorrow
By hunger, pride and courage,

And a white hot, searing flame inside each one of us
That says these are not mere words on a page,

But the rumbling signs of a movement.

The cover theme for this Integrated Annual Report depicts the unwavering commitment of IndianOil Corona-Warriors who have been at the forefront to meet India's energy demands efficiently and effectively, despite numerous odds.

Pehle Indian, Phir Oil

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इंडियनऑयल

Indian Oil Corporation Limited
Registered Office: IndianOil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East), Mumbai - 400051

In this Report, one lakh corresponds to 0.1 million and one crore to ten million.

ABOUT THE REPORT

Reporting Approach

With extensive petroleum refining, distribution and marketing infrastructure and state-of-the-art R&D facilities, Indian Oil Corporation Limited ("IndianOil" or "the Company") is one of the India's largest commercial enterprises. As a responsible corporate citizen, IndianOil has been publishing its *Sustainability Report* since 2005-06 to share the highlights of its social, economic and environmental performance with its stakeholders.

In continuation of its efforts in promoting transparency and inclusivity, the Company is publishing its third Integrated Annual Report for the year 2019-20. With the addition of the Integrated Reporting Framework, IndianOil aims at providing comprehensive, inclusive and integrated information pertaining to value creation by the organisation for each stakeholder group.

This report is IndianOil's effort towards providing insights to its internal and external stakeholders about the Company's internal and external environment, opportunities, risks, material issues & mitigation plans, strategies and roadmap for the future that is aimed at contributing to the sustainable development of the nation.

Reporting Framework

This report has adopted the International Integrated Reporting Council (IIRC) framework for disclosing its performance and showcasing value creation for each stakeholder group.

Reporting Scope & Boundary

This report covers the Company's operations in the areas of refineries, pipelines, marketing, research & development, petrochemicals, natural gas, exploration and production & alternative energy.

Reporting Period

For the financial and statutory information disclosed, the reporting period is April 1, 2019 to March 31, 2020. To provide a holistic perspective to the stakeholders, this report carries comparison of the last three to five years' trends for select items.

FROM THE CHAIRMAN'S DESK

Dear IndianOil Shareholders,

It gives me immense pleasure to greet you all as Chairman of the large and vibrant IndianOil family.

I consider it my privilege to present to you the Integrated Annual Report 2019-20 of the Company, spotlighting its performance and vision, to steer forward as an able partner of India's growth story.

You would be happy to note that we continue to adopt the International Integrated Reporting Council's (IIRC) format to communicate about the value that your Company creates for its stakeholders, and the communities that it operates in, through the description under six capitals-Financial, Manufactured, Human, Intellectual, Social and Relationship and Natural capital.

I am glad to state that this corporate report brings to you a combined and unified account of our efficiency and productivity, in resourceful allocation and utilisation of various capitals, with a focus not only on value creation and commercial contribution but also towards social cause so as to emerge as a financially stable international energy major.

IndianOil- A National Trust for Energy Security

The Maharatna badge earned by IndianOil from the Govt. of India is an honour and credit that we are passionate about. The prestigious status of a 'Maharatna' has empowered us to chart bold and innovative strategies for the energy resilience of the nation. Be it the ambitious introduction of BS VI fuels, or alternate energy solutions, or enriching the energy needs of India's hinterland with availability of fuels, or maintaining energy supplies through national emergencies and calamities, IndianOil has shouldered its responsibility as a responsible leading energy major of the country with expertise and aplomb.

The birth of IndianOil sowed the seeds of its energy missionary role: we were founded on the principles of

Traversing across diffucult terrains, IndianOil leaves no stone unturned in touching lives of a billion Indians.

Shri S. M. Vaidya

a national trust for economic and energy prosperity. Rendering overriding prominence to the energy needs of the country ahead of business considerations remains an intrinsic part of the Company's DNA. Adorning the role of a frontline warrior in India's energy security has charted out a purpose for the Company which is unparalleled and unequalled by any other. This energy missionary role would be our guiding tenet as the global economy witnesses transformative times.

Aligning with the 'New Normal'

The COVID-19 pandemic has by far been the most unprecedented disruptive event in recent times. The resultant socio-economic crisis has had multifarious complexities in the conduct of business or governance. However, I have no doubt that the Nation and the world will recoup with greater growth, rapid prosperity and better quality of development post the Corona crisis.

Our frontline teams of retail, aviation and LPG officers rose to the call of the Nation for ensuring seamless business continuity with provision of essential fuels and providing support to the first responders and the communities. Team IndianOil's commitment and resilience shined as abundant testimony to our core values of Care, Innovation, Passion and Trust.

I am glad to state that we received appreciation for our steadfast and determined approach in ensuring timely supply of petroleum products even to the remotest corners of the country.

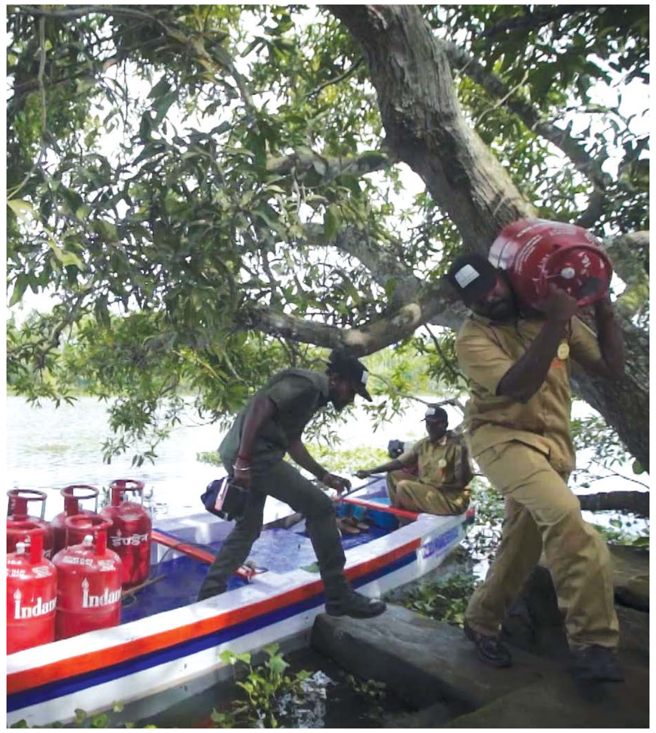
The dexterity with which IndianOil teams across all verticals, aligned themselves to the 'new normal' is an evidence of IndianOil's tenacity to face challenging times-'Leaders are no strangers to challenges'

We swiftly put in place a comprehensive strategy aided by a strong digital framework, to maintain business continuity while also ensuring the health and safety of all our stakeholders, including employees, channel partners, their subordinate staff and large number of contract workers.

Work from home, virtual meetings, unprecedented business decisions to suit the extraordinary times became a New Normal. The Company contributed ₹ 225 crore to PM CARES fund and all the employees of the Company contributed two days' salary amounting to ₹ 24 crore towards COVID-19 relief fund. All operating locations i.e. refineries, pipelines, terminals, depots, bottling plants, lube blending plants etc. remained operational during the lockdown. Nearly 60% of employees continued to work from regular work places and rest from remote / home.

While the lower demand of petroleum products impacted refineries throughput, the Company took quick steps to increase LPG production by optimising refinery operations to meet the sharp rise in demand caused by lockdown as well as supply of free LPG for 3 months to PMUY customers under Pradhan Mantri Garib Kalyan Yojana (PMGKY).

Despite the lockdown, about 25 lakhs cylinders were delivered to the doorsteps of customers every day, with the Company's LPG bottling plants and the field force toiling together as a team



IndianOil commissioned 524 new LPG distributorships taking their total number to 12,450 during FY 2019-20.

COVID 19 COVER: Medical insurance cover for COVID-19 was provided to about 3,23,000 frontline personnel, including retail outlet customer attendants, LPG delivery boys, POL tank-truck crew, DGR guards on pipeline patrol duty, Mobile Manufacturing Unit (MMU) operators and crew of Explosives group etc. In order to extend a helping hand to the family of contract workers and workforce of business partners, who are exposed to the risk of contracting COVID-19, the Company has ensured an ex-gratia assistance of ₹ 5 lakhs to the family of any such worker, who expires due to COVID-19.

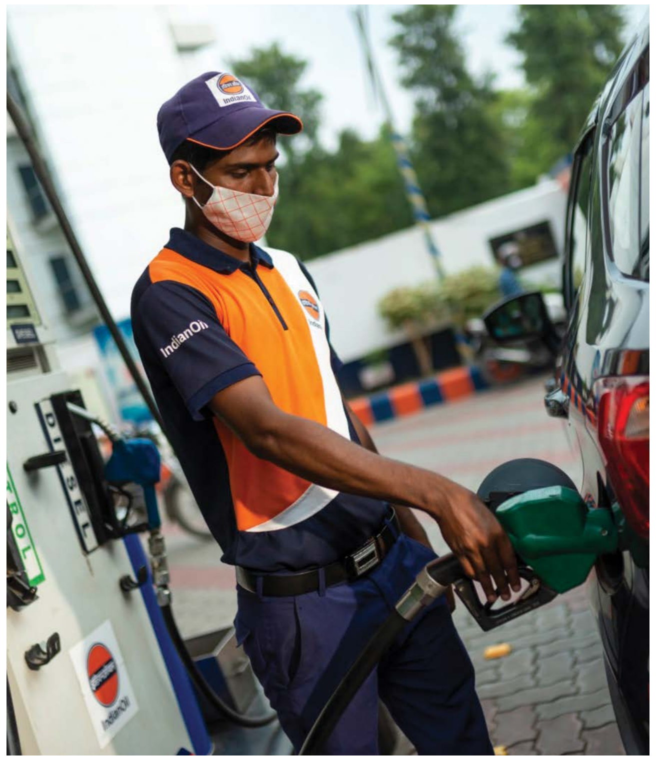
Industry Scenario and Change in Business Paradigms

With a population of 1.4 billion and one of the world's fastest-growing major economies, India will be vital for the future of the global energy markets. The Government of India has made impressive progress in recent years in increasing citizens' access to electricity and clean cooking. It has also successfully implemented a range of energy market reforms. IndianOil has fittingly partnered every visionary energy program of the Nation towards energy security, accessibility, sustainability and affordability.

With around 249.9 million metric tonnes (MMT) refining capacity, India is the second largest refiner in Asia. India's energy demand is expected to double to 1,516 Mtoe by 2035. Moreover, country's share in global primary energy consumption is projected to increase two-folds by 2035 making it the World's third largest energy consumer. IndianOil is seized of the opportunities in marketing of fossil fuels and the promise held by alternate energy ventures.

India's consumption of petroleum products grew to 213.69 MMT during FY20 from 213.22 MMT in FY19. India retained its spot as the third largest consumer of oil in the world. Nevertheless the COVID pandemic has tested the marketing tenets of companies worldwide. POL consumption registered a decline during March'20. Experts opine that overall POL consumption may take 1.5 to 2 years' time to reach its pre-COVID level.

COVID related consumer behavioural changes will continue to have an impact on both the quantum and mix of petroleum demand until the crisis erodes out . It may grow to be a threat multiplier as its economic effects would be far reaching for extended periods. Emerging socio-economic measures and resultant market responses are bound to have an impact on consumer behaviour.



IndianOil continued to keep India on the move even during complete lockdown across the nation.

- The Company sold 78.54 MMT of petroleum products in the year 2019-20; its refineries clocked a throughput of 69.42 MMT, which is more than the plated capacity, and 2.8 MMT of naphtha was processed by Panipat Naphtha Cracker; and the Company's pan-India pipelines network registered a throughput of 85.35 MMT of crude oil and petroleum products.
- The total gas sale in 2019-20 was approx. 4.72 MMT as against 3.96 MMT in 2018-19, a growth of 19% year-on-year. Petrochemicals sales in 2019-20 was 2.08 MMT as compared to 2.42 MMT in 2018-19 due to closure of PTA plant at Panipat for six months. The share of production from its eight producing E&P assets in 2019-20 was 4.252 TMToe.
- IndianOil incurred a capital expenditure of over ₹ 29,000 crore during the year 2019-20, which is about 113% of the overall capex target.
- The Board of the Company has approved an investment proposal of ₹ 8,410 crore for CGD projects in nine Geographical Areas (GAs) awarded to the Company by PNGRB as part of the 10th round. With this, the Company's total capex in CGD business will be ₹ 13,873 crore in 17 GAs over the next eight years.

As regards the product mix, while, preference for personal vehicles will push gasoline demand, on the other hand, work from home and limited discretionary travel will act as a limiting force for various industries and their products.

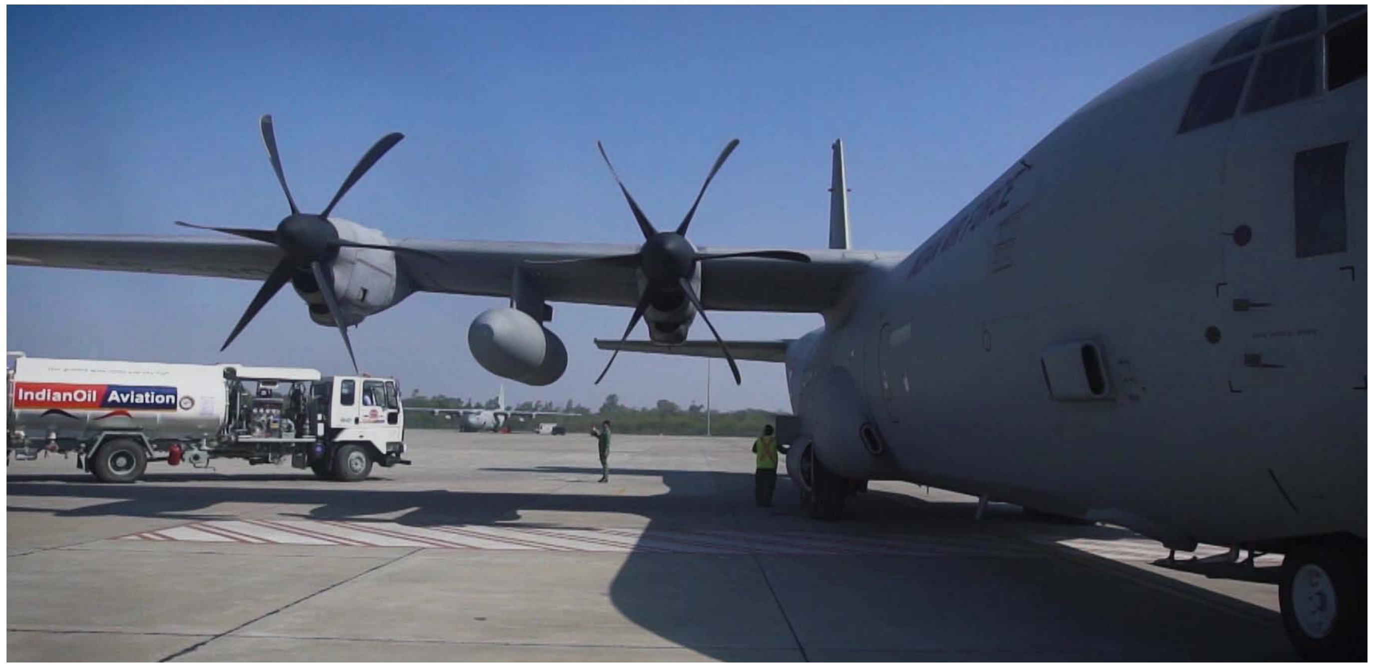
IndianOil-Fuelling Lives. Energising Nation

The financial year 2019-20 has been a watershed year for IndianOil in many ways. From the Year of Solutions in 2019, we moved on to the Year of Digitalisation in 2020, signifying the Company's relentless pursuit of excellence in customer-driven operations – a legacy since inception.

Matching the pace of energy demand in the country, IndianOil posted yet another robust year of performance in 2019-20, retaining its numero uno position in the downstream petroleum sector and strengthening its new verticals of Gas, Petrochemicals and E&P. The Corporation continued with its legacy of putting the nation first as it expanded its business verticals by integrating alternative and renewable sources in its energy value chain in a big way.

Appropriating the call of the times towards technology and digitalisation the Company's eco-system is being transformed through a consultative and collaborative approach that facilitates digital solutions to every business unit. Artificial Intelligence, Internet of Things, Big Data and other industry aspects are being integrated together with innovative process technologies, to provide efficient, clean and green energy solutions for all customer segments and businesses to ensure nation's economic and energy growth.

IndianOil refineries achieved a throughput of 69.42 MMT during FY 2019-20.



IndianOil Aviation fuelled the defence aircraft working tirelessly during pandemic COVID-19.

Aviation

- IndianOil maintained its leadership in aviation fuelling during the year with a market share of 63.8% among PSUs and 60.5% in the industry. It registered a growth of 0.6% despite Industry's de-growth of 0.4%. This was achieved despite closure of Jet Airways with whom IndianOil had almost 85% business share and COVID-19 outbreak severely affecting airlines operations in March, 2020.
- With the commissioning of four new AFSs at Naharlagun, Pantnagar, Ludhiana and Agatti, IndianOil is currently operating 119 AFSs in the country.
- Uninterrupted fuel supply was ensured for Indian Air force relief teams during natural calamities, including Cyclone Fani in Odisha and Cyclone Vayu in Gujarat.
- IndianOil takes pride in meeting 90% ATF requirements of the Indian Air Force. The Indian Air Force has also reposed it confidence in IndianOil by renewing the supply contract for another two years, till March 31, 2022.

Growth drivers of IndianOil's 2019-20 journey

The Company's biggest success in 2019-20 was undoubtedly the seamless pan-India transition from BS-IV grade fuels directly to BS-VI fuels across its refinery-pipelines-marketing network by March 16, 2020, a full fortnight ahead of the target date of April 1, 2020. IOCians led the country's oil sector with unwavering focus and coordinated thrust by implementing a ₹ 17,000 crore mega BS-VI upgradation programme across all its refineries, which cascaded into an inter and intra-divisional team spirit.

With this, IndianOil became the first oil PSU to be fully **BS-VI compliant** right from the refineries to the pump nozzles of its 28,059 fuel stations across the country. IndianOil also started supply of BS-VI compliant lubricants to major auto-OEMs like Tata Motors, VECV, Mahindra, Maruti, Hyundai Motors, KIA Motors, etc.

Another achievement of the year was IndianOil becoming the first Company in India to offer **IMO-compliant marine fuel** (0.5% Sulphur) and lubricants from January 1, 2020. This international grade compliance ensured an uptick in the sale of this product. The company's R&D, Refineries and Marketing worked closely to effect this result.

IndianOil led the oil marketing companies in achieving the target of release of 8 crore LPG connections under Pradhan Mantri Ujjwala Yojana (PMUY) by September 2019, seven months ahead of the timeline. The Company accounted for 3.75 crore of the **8 crore new LPG connections** given to women from below poverty line households.

LPG

- The target of 8 crore connections under the PMUY was achieved seven months ahead of target in Sept.'19. IndianOil played a pivotal role in the implementation of the scheme by releasing more than 3.75 crore connections.
- LPG sales reached an all-time high of 12.3 million tonnes, a YoY growth of 6.6%. Indane is now selling about 27 lakh cylinders every day.
- Marketing of differentiated LPG (nano-additised LPG) for commercial applications was launched in Pune and is now being marketed in Belgaum, Hyderabad, Ajmer, Nabha, Ujjain, Erode, Vijayawada and New Delhi.
- With penetration of domestic LPG exceeding 97%, the focus has shifted to industrial/commercial LPG. For the first time, sale of packed commercial LPG has cumulatively exceeded 1 MMT in a year.

Hon'ble Prime Minister of India, Shri Narendra Modi handing over the 8th crore PMUY connection to Ms. Ayesha Shaikh.

As part of the SATAT scheme (Sustainable Alternative Towards Affordable Transportation) IndianOil commenced sale of **Compressed Bio-Gas (CBG)** with the brand name 'IndiGreen' from its fuel stations at Pune and Kolhapur in September, 2019. The CBG produced by local entrepreneurs from biomass and bio-waste is being supplied to the fuel stations through cascades of multiple cylinders, as done with CNG.

India's first **transnational Motihari-Amlekhganj products pipeline** to Nepal, laid by IndianOil, was commissioned in July 2019, eight months ahead of schedule. While the Company's pipelines network grew by over 400 km during the year to span more than 14,600 km in length, the Pipelines teams achieved an unprecedented feat of lowering 114.59 km of mainline pipelines in a single day across various projects in the country on February 22, 2020. This is against an average achievement of 25 to 30 km per day.

IndianOil launched **a special winter-grade BS-VI diesel** for supply through the fuel stations in the high-altitude regions of the Himalayas in November, 2019. The new grade will eliminate the problem of diesel freezing in vehicles when winter temperatures drop to as low as -30^0 C in high-altitude sectors like Ladakh, Kargil, Kaza and Keylong. With a pour-point of -33^0 C, the winter-grade diesel will not lose its fluidity function even in extreme winter conditions, thus reducing the hardships faced by the local people in transportation and mobility.

Union Home Minister, Shri Amit Shah launching IndianOil Winter Grade Diesel in the presence of Union Minister of Petroleum & Natural Gas and Steel, Shri Dharmendra Pradhan and senior IndianOil executives.

IndianOil has put in place an improved procedure for procurement of crude oil through the **trading desk mechanism (i-TRADE),** and procured the first such cargo in March, 2019. The new mechanism provides significant flexibility to the process to take advantage of opportunities in the market and to negotiate with the counter-parties to achieve the best price for a cargo.

The first ever overseas agreement to licence **IndianOil's INDMAX technology** was concluded when the process licensor Lummus Technology Inc, USA, signed the agreement with Serbia's Naftna Industrija Srbije (NIS). IndMax FCC technology will be used in the FCC modernisation project of NIS's refinery at Pancevo for enhanced production of valuable olefins and higher-octane naphtha. This breakthrough has opened up new vistas for expanding the global footprint of **AtmaNirbhar-** 'Make in India' products.

IndianOil R&D developed 133 lubricant formulations during the year.

Import of bulk LPG by road from Bangladesh into Northeast India was jointly inaugurated by the Hon'ble Prime Ministers of India and Bangladesh on October 5, 2019. Trial supply of 108 tonnes of bulk LPG from Bangladesh was received at IndianOil's Bishalgarh bottling plant in Tripura.

IndianOil has invested USD 12.5 Million through its wholly-owned subsidiary, IOC Sweden AB, to acquire a minority equity stake in Israel-based company, Phinergy, which is in the business of **Aluminium air battery systems** for automobiles.

IOC Middle East FZE (a Wholly Owned Subsidiary of IndianOil) has signed an agreement with Qatrat Naft LLC, a wholly-owned subsidiary of Al-Jeri Transportation Company, Saudi Arabia, in October, 2019 to form a JV Company for development of **retail network in Saudi Arabia** and other countries in the region.

Coinciding with the visit of the President of the United States to India, IndianOil executed a tripartite Letter of Co-operation with two US companies, ExxonMobil and Chart Energy Inc., on February 25, 2020 for delivering **LNG in ISO containers** to Indian cities that are not connected to pipeline networks. Conceived as virtual pipelines to fuel industries, households and vehicles in cities not connected to the gas grid, the use of ISO containers will enable easy and economical multimodal transportation of LNG through road, rail and waterways, and will also help in export of LNG to neighbouring countries.

IndianOil has commissioned a 5-tonne per day **bio-methanation plant** at Faridabad in September, 2019, which shall convert municipal bio-waste to CBG. Arrangements have been made to supply the gas from this IOT-enabled plant free of cost to ISKCON for their midday meal kitchens for Govt. school children.

IndianOil's Natural Gas sales grew by 19% during FY 2019-20.

Retail

- With the addition of about 1,400 retail outlets, including 664 Kisan Seva Kendra and 271 CNG stations, in the year 2019-20, the retail network has been formidably strengthened to an all-India total of 29,085 retail outlets (including 8,515 KSKs) and 755 CNG stations.
- All operational retail outlets have been automated and 95% of them have been equipped with VSATs to ensure seamless connectivity and smooth data transfer.
- About 2,500 retail outlets were converted to operate on solar energy during the fiscal. Their total number has now gone up to 16,678 (57.3% of the retail network).
- 59 Mobile dispensers were commissioned in the year to explore new channels of fuel delivery.
- Over 50 battery charging/swapping stations set up in partnership with various companies.

IndianOil R&D Centre has developed a **solar indoor cooking system** with an expected life-span of 10 years in collaboration with M/s Sun Bucket, USA, using concentrated solar thermal concept. With pilot launch commenced at Leh and Udaipur in September, 2019, the Corporation is targeting wider use of these systems as an economical and eco-friendly initiative.

After the success of Noida and Bhubaneswar centres of **IndianOil Vidushi,** (intense residential engineering coaching to under-privileged girl students) the scheme has been expanded to two more cities, i.e., Patna and Jaipur, to provide specialised coaching and mentoring to girl students to pass JEE-IIT and other Central and State engineering entrance exams. 117 girls were enrolled in FY 2019-20 at the four Vidushi centres. As part of Swachh Bharat Abhiyan, IndianOil teams cleaned and maintained 37 **water bodies** across the country.

Start-up Fund: IndianOil's start-up fund has incubated 24 start-ups in two rounds of funding. Besides this, dedicated process owners from the R&D group are closely involved in hand-holding the identified start-ups till the proof of concept stage. 11 patents and six copyrights have been filed jointly.


Specialised coaching and mentoring provided to under-privileged girls for JEE Mains and Advanced under 'IndianOil Vidushi', CSR programme.

R&D

IndianOil R&D achieved the 1,000-patents landmark in the year 2019-20. While 128 patents (37 in India and 91 overseas) were filed during the year, 123 patents were granted, taking the Company's portfolio of active patents to 929.

Plastic-neutrality: To promote re-use of single-use plastic in road construction, about 16 tonnes of waste plastic was used to lay a road with 1%, 2% and 3% waste plastic in the bituminous mix on an experimental basis. The durability of the road is being monitored jointly by the R&D Centre and the Central Road Research Institute (CRRI).

A Special grade of CRMB (Crumb rubber-modified bitumen) has been formulated and produced using 2 wt.% of waste plastic, with comparable performance to the standard CRMB55 grade.

Based on a novel patented process of IndianOil R&D, 100% single-use waste plastic is being re-used for making polybags for filling bitumen.

Under its philosophy of *Presenting the Past to the Future,* **The IndianOil Foundation (IOF)** continued its endeavours to create and maintain state-of-the-art tourist and allied facilities at select national heritage sites in the country. At the Konark Sun Temple in Odisha, a UNESCO world heritage site, IOF has built a world-class Interpretation Centre with display galleries and an auditorium for screening films. To commemorate the great Paika rebellion of Odisha against colonial rule, IOF is setting up the Barunei Paika Bidroha Smruti Project, for which the foundation stone was laid in December, 2019.

Energising Tomorrows. Transforming the Nation

With the rebooting of the economy, the oil demand too would bounce back after a historic slump due to the COVID-19 pandemic. In the last few months, product demand too is picking its way to a positive recovery. Despite setbacks, a resilient India continues to script its growth story, all set to be a key driver of global energy demand. The world economic growth outlook released recently predicts that India will overcome the present setback due to the pandemic and achieve a growth rate of 6% in the year 2021 from 4.2% last year.


World-class Interpretation Centre built by The IndianOil Foundation at the Konark Sun Temple in Odisha.

As *The Energy of India,* your Company too is geared to leverage the rich and varied opportunities opening up in the energy domain. The future outlook suggests that the demand for petroleum products in the country hasn't peaked as yet. In fact, India is keenly looking at doubling its energy requirements by the year 2040 and raising its per capita energy consumption. Your Company is in step to utilise emerging energy opportunities and deliver customer convenience solutions.

The scenario opens up numerous possibilities with a wider basket that has diverse forms like coal, oil and natural gas coexisting with bio-energy and renewables. Each energy form has its role etched out in fuelling the emergent nation which is the world's third largest consumer of oil. Your Company's growth agenda aptly reflects this diversity and translates into refinery expansions as well as scaling up renewables and alternative fuel options.

While the aspirations of our nation are unique, the commitment towards a low-carbon economy remains steadfast. The post-COVID world will witness a renewed consensus for urgent climate action with a greater push for sustainable solutions. Your company is geared to cater to all forms of energy requirements of the Nation.


Moving towards sustainable growth, IndianOil has installed 226 MW of renewable energy across India.

In the journey of over six decades, your Company has weathered many storms and emerged stronger and resilient. Your Company has always functioned on strong fundamentals of converting adversities to opportunities, broadening the context of energy narrative and working towards result-driven solutions, defying sceptical predictions to prove India's resilience for energy leadership, comprehensively committed to what is important for the Nation's energy security, sustainability, accessibility and affordability.

Your Company and its people have always put country first in the dispensation of their duties. Your Company believes in engineering change, empowering lives while leveraging technology and ushering in sustainable tomorrows.

I seek your support and encouragement in our exciting journey ahead!!

Sd/-

(S. M. Vaidya)
Chairman

ABOUT INDIANOIL

HIGHLIGHTS OF THE YEAR 2019-20

FINANCIAL CAPITAL

Revenue

₹ **5,66,950** crore

EBITDA

₹ **22,356** crore

Profit After Tax

₹ **1,313 crore**

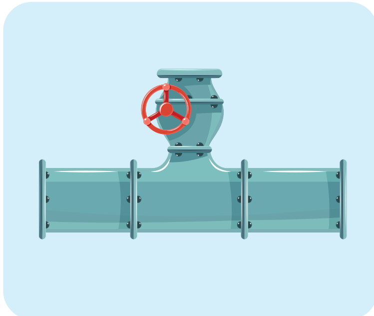
MANUFACTURED CAPITAL

CAPEX

₹ **31,421** crore

Refineries Throughput

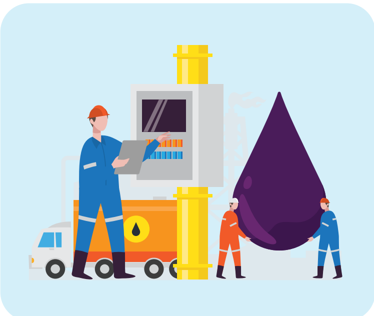
69.42 MMT



Pipelines Throughput

85.35 MMT

INTELLECTUAL CAPITAL



Notional Savings through R&D initiatives

₹ **470** crore

Sales from Innovation

₹ **808** crore

New Lube Formulations

133

HUMAN CAPITAL

Learning & Development Expenditure

₹ **97** crore

Dedicated Workforce as on 31.03.2020

32,998

Employee Training Man-days

1,15,394

NATURAL CAPITAL

Alternative Energy Expenditure

₹ **88.19** crore

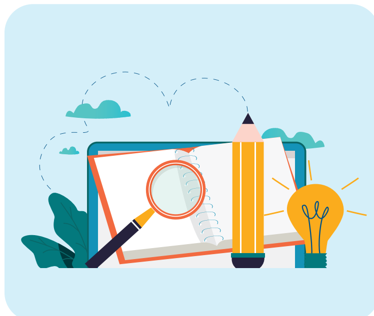
Refineries' Energy Intensity Index (EII)

99.60

GHG emission avoided through pipeline transportation (TMTCO$_2$e)

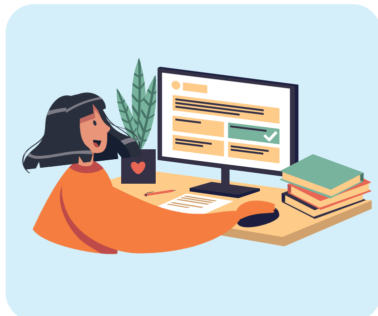
1,446

SOCIAL AND RELATIONSHIP CAPITAL



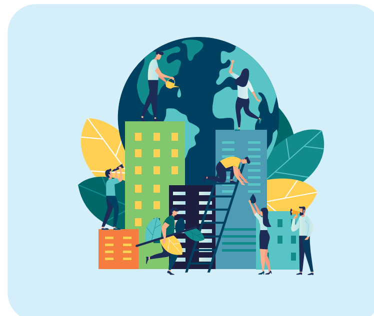
CSR Expenditure

₹ **543** crore



Beneficiaries of IndianOil Vidushi programme

113



Flagship Programmes

20

OVERVIEW

OVERVIEW OF THE COMPANY

Indian Oil Corporation Limited (IndianOil) is one of India's largest commercial enterprises and the country's flagship integrated and diversified energy major. The Company's philosophy is embedded in the principles of strong customer connect, quality consciousness and transparency, where energy is tapped responsibly and delivered to the consumers most affordably.

IndianOil is listed among the world's largest corporates in Fortune's prestigious 'Global 500' listing, and is also ranked among the top 10 strongest brands of India in 2019 by Brand Finance, UK. Guided by the corporate vision to establish itself as 'a globally admired company' and energised by a committed team of 32,998 high-calibre people, IndianOil's business interests encompass the entire hydrocarbon value chain – from exploration & production (E&P) of oil & gas, refining, pipeline transportation and marketing to natural gas, petrochemicals, alternative energy sources and globalisation of downstream operations.

IndianOil accounts for the largest market share of India's petroleum products consumption, with domestic sales of 78.54 million metric tonnes (MMT) in 2019-20. In addition, the Company achieved sales of 4.72 MMT in natural gas and 2.08 MMT in petrochemicals.

The Company's refineries achieved a combined throughput of 69.42 MMT in 2019-20, exceeding their total installed capacity. Its retail network expanded to 29,085 fuel stations (including 8,515 Kisan Seva Kendra outlets in rural areas) and 755 CNG-dispensing stations. Its cross-country pipelines network posted a throughput of 85.35 MMT of crude oil and petroleum products during the year. The Company's share of production from its eight producing E&P assets in 2019-20 was 4.257 million tonnes of oil equivalent (mtoe).

Driven by state-of-the-art technologies and cutting-edge R&D, IndianOil became the first oil PSU to fully transition from BS-IV automotive fuels directly to the world-standard BS-VI fuels, right from its refineries to the pump nozzles of its fuel stations across the country, on March 16, 2020, a full fortnight ahead of the April 1, 2020 deadline.

IndianOil has played a pivotal role in the implementation of the Pradhan Mantri Ujjwala Yojana (PMUY) scheme. The scheme's target of release of 8 crore free LPG connections to below poverty-line households was achieved seven months ahead of the mandated timeline, in September 2019. The Company maintained its leadership in aviation fuelling during the year with a market share of 60.5%.

IndianOil is fully aligned to India's aspirations to transition to clean energy and has planned large investments in alternative energy and sustainable development projects. As a part of the SATAT (Sustainable Alternative Towards Affordable Transportation) scheme of the Government of India, IndianOil commenced sale of compressed bio-gas (CBG) produced from bio-mass and bio-waste with the brand name 'IndiGreen' from its fuel stations in Pune and Kolhapur in September 2019. CBG produced by local entrepreneurs is being supplied to fuel stations in the vicinity through cascades of multiple cylinders for sale to CNG vehicles.

IndianOil was ranked as the 3rd strongest Indian brand in the latest Annual Report of Brand Finance, 2019. Based on performance across pillars of Marketing Investment, Stakeholder Equity and Business Performance, IndianOil secured a Brand Strength Index (BSI) score of 84.6 out of 100, making it the strongest Oil and Gas brand in the Country.

As part of its ongoing efforts to harness renewable energy, the Company has converted nearly 2,500 more of its fuel stations to operate on solar energy during 2019-20, and their total number is now at a record 16,678 (57.3% of the retail network). IndianOil has set up over 50 battery charging/swapping stations for use of electric vehicles in partnership with various companies.

IndianOil's R&D Centre is driving efforts to recycle single-use plastic in road construction – by mixing waste plastic in the bituminous mix for laying roads. The durability of such roads is being monitored jointly with the Central Road Research Institute. The R&D team has also conceived a host of other technology pathways to up-scale non-recyclable plastics into value-added products.

The year 2020 is being observed as the Year of Digitalisation at IndianOil in recognition of Information Technology (IT) as the backbone of the Company's countrywide business operations. Coupled with workflow process automation, Industry 4.0, analytics, machine learning and mobility proliferation, digitalisation, or IT enablement, is transforming the Company's business operations in line with the changing times and enabling it to emerge as the enterprise of the future.

Project 'ePIC' (electronic Platform for IndianOil Customers), one of the notable digital initiatives of the Company that made significant strides during the year 2019-20, has Customer Relationship Management (CRM) and Secondary Dealer Management System (SDMS) as its key components,

Some of the Company's significant achievements during 2019-20 are given below:

STRONG BRAND VALUE

- As the 'company of choice' for millions of customers from diverse segments, IndianOil has built up a portfolio of leading energy brands, including Indane LPG cooking gas, SERVO lubricants, XTRAPREMIUM petrol, XTRAMILE diesel, PROPEL petrochemicals, etc. Besides the corporate brand, both Indane and SERVO have earned the coveted Superbrand status.

INVESTMENTS IN STATE-OF-THE-ART INFRASTRUCTURE:

- ₹17,000 crore investment in refineries for upgradation to produce BS-VI fuels
- Countrywide pipelines network aggregates to 14,670 km
- Import and export facilities at select ports
- LNG terminals and additional capacity-booking

WORLD CLASS RESEARCH AND DEVELOPMENT

- IndianOil's R&D Centre at Faridabad is one of Asia's finest in downstream petroleum R&D, with 929 active patents
- The Centre has four decades of pioneering work in lubricants formulations, refinery processes and pipeline transportation
- New focus areas for cutting-edge research include nanotechnology, petrochemicals and polymers, 2G and 3G bio-fuels, carbon capture & utilisation, energy storage devices, solar to fuels and Hydrogen fuel applications
- The Centre is also incubating 24 start-ups for innovations in the hydrocarbons sector, with active hand-holding by internal process owners

EXTENSIVE DIGITALIZATION TO ENHANCE CUSTOMER EXPERIENCE

- 24,860 automated fuel stations are equipped with real-time data transfer facilities
- VSATs have been provided in all automated fuel stations to ensure smooth connectivity and data transfer

PRESENCE IN INTERNATIONAL MARKETS

- Countries in the Indian subcontinent include Mauritius, Sri Lanka, Nepal, Bangladesh and Myanmar
- Other countries of operations include the United States of America, Canada, The Netherlands, Sweden, the United Arab Emirates, Singapore, etc.

BUSINESS PRUDENCE

- IndianOil is committed to sustained growth and return to shareholders
- IndianOil strives to achieve adequate return on the capital employed and maintain a reasonable annual dividend on the equity capital
- IndianOil endeavours to ensure maximum economy in expenditure
- IndianOil aims to operate all its facilities in an efficient manner to generate adequate internal resources to meet its revenue costs and to take care of project investments, without budgetary support

At a time when the global supply chains have been severely impacted by the ongoing COVID-19 pandemic, digital technology has emerged as one of the strongest suites of IndianOil. The Company's unified Information Systems (IS) services worked assiduously to ensure seamless delivery of IT services during the trying months. Ever since the nationwide lockdown was announced and work-from-home made mandatory for non-essential services, the Company's IS team focussed on creation of robust digital workplaces, resilience of IT infrastructure, operational effectiveness and user delight.

IndianOil's Performance FY 2019-20

LARGEST REFINER IN INDIA	The group refining capacity is 80.2 MMT, which accounts for 32% (approx.) share of national refining capacity. Overall MBN (Specific Energy Consumption of refineries) of 71.9 achieved, while operational availability was 97.7%. The refineries played a stellar role in the Company's transition to BS-VI fuels in a record time. IndianOil is also the first company in India to offer IMO-compliant marine fuel (<0.5% Sulphur) from January 1, 2020.
UNPARALLELED NETWORK OF CROSS-COUNTRY PIPELINES	14,670 km in length with a throughput capacity of 94.42 MMTPA for crude oil and refined products and 21.69 MMSCMD for gas.
MARKETING: REACHING EVERY NOOK AND CORNER OF THE COUNTRY	Pan-India geographical expanse with 52,703 customer touchpoints. The retails network has expanded to 29,085 fuel stations (including 8,515 KSKs) and 755 CNG stations.
R&D: SUPPORTING BUSINESS INTERESTS	IndianOil R&D achieved the 1,000-patents landmark in FY 2019-20. While 128 patents (37 in India and 91 overseas) were filed during the year, 123 patents were granted, taking the Company's portfolio of active patents to 929.
PETROCHEMICALS: EXPANDING BEYOND CORE BUSINESS	Second largest player in India with international presence. New 700 KTA polypropylene unit set up at Paradip. Panipat Naphtha Cracker processed 2.8 million tonnes of Naphtha during the year. 5 new polymer grades produced and obtained 12 OEM approvals in 2019-20.
NATURAL GAS: FOR A CLEAN AND GREEN TOMORROW	Total gas sales in FY 2019-20 was 4.72 MMT, a growth of 19% y-o-y. This includes sale of 1.40 MMT to IndianOil refineries, upstream sales, and sales through CNG and CBG marketing activities. In 2019-20, 83,700 tonnes natural gas product sold through 'LNG at the Doorstep', 132% y-o-y growth.
EXPLORATION AND PRODUCTION: HEADING UPSTREAM FOR ENERGY SECURITY	IndianOil's share of production from eight producing assets in FY 2019-20 was 4.25 Mtoe.

ALTERNATIVE ENERGY AND SUSTAINABLE DEVELOPMENT: TRANSITING TO CLEAN ENERGY	IndianOil has a portfolio of 226.2 MW of renewable energy, including 167.6 MW of wind-power capacity and 58.6 MW of solar photo-voltaic capacity. The total generation from these projects during FY 2019-20 was 392.95 million KWh, which resulted in emission mitigation of 322 tCO_2e.
EMPLOYEE DEVELOPMENT: SWADHYAYA – INDIANOIL E-LEARNING PORTAL	Passionately developed by in-house subject matter experts, a technology-aided world-class e-learning platform set up. 450 plus modules covering about 70 functions developed. More than 200,000 courses completed by employees.
BUSINESS DEVELOPMENT: EXPLORING NEW AVENUES	New branch office set up in Nepal. Overseas collaborations increased.

GEOGRAPHICAL PRESENCE

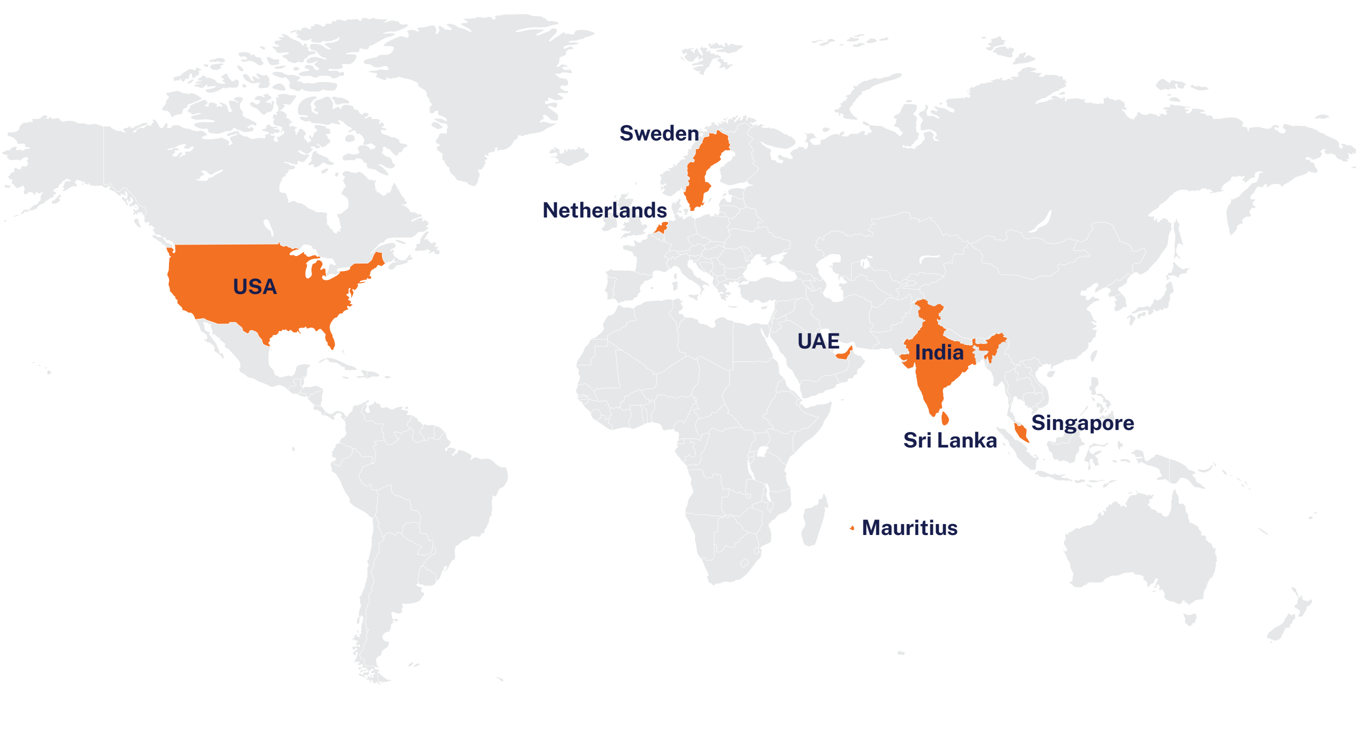
IndianOil's global aspirations continue to be fulfilled through its subsidiaries in Sri Lanka, Mauritius, the UAE, Singapore, Sweden, USA and The Netherlands. The Company is also pursuing diverse business interests in India and abroad with the setting up of over 20 joint ventures with reputed business partners.

IndianOil exports petrochemicals under the brand name PROPEL to over 70 countries. The Company's leading brand of SERVO lubricants is exported to 25 countries. SERVO exports to Nepal and Bangladesh have grown by 25% (highest recorded export sales) and 4% respectively in 2019-20. Overseas lube distributors have also been appointed in Myanmar, Indonesia, Qatar and Vietnam.

IndianOil's current upstream portfolio comprises Participating Interest in 12 overseas assets in 10 countries, viz., Canada, Gabon, Israel, Libya, Nigeria, Oman, Russia, UAE, USA and Venezuela. The Company is evaluating multiple business opportunities in Bangladesh, Myanmar, Nepal, Saudi Arabia, Azerbaijan and Africa.

The Company has opened new overseas offices in Myanmar and Bangladesh for pursuing opportunities in marketing petroleum products, petrochemicals, lubricants, etc., besides development of downstream infrastructure, in the neighbouring countries.

INDIANOIL'S GLOBAL PRESENCE



EXTERNAL FORCES

The overall economic conditions of the country have a direct bearing on IndianOil's business. The high growth rates of the Indian economy for nearly a decade or so in the past had been a key propeller of the Company's consistently good performance. As also a healthy growth in the end-use sectors such as automobiles, logistics, agriculture, aviation and infrastructure development, among others.

IndianOil's business model is highly dependent on import of crude oil. The dynamics of the international oil markets and the underlying geo-political issues directly impact prices and supply conditions – all of which in turn have a pronounced impact on the Company's business. Besides, being a public sector company dealing in essential commodities, the stance and direction of Government policies also impinge directly on the Company's business activities.

In addition, wide-ranging changes taking place in the energy sector, driven by policy and technology, are leading to an era of energy transition, which in turn is changing the consumption and production patterns of energy in the country. Renewable energy, digitalisation, electric mobility and energy efficiency are emerging as the driving forces to address climate change and global warming.

Accordingly, IndianOil has been investing across the energy value chain and in new areas such as renewables, electric mobility, bio-fuels and Hydrogen, among others. The Company is also investing in a big way in petrochemicals, which is set to be the biggest driver of oil demand over the long-term. IndianOil's refinery expansion plans for the future will include petrochemicals integration.

In order to cope well with sudden disruptions in crude oil procurement, IndianOil has been constantly improving both the pattern and practices of crude oil sourcing. The Company has been expanding and diversifying its crude oil basket as well as sources on a continuous basis. Sourcing of crude oil from the United States is a part of this strategy. In terms of practices too, the Company has achieved more flexibility in deciding the ratio for term and spot buying depending upon the economics.

In the context of the current COVID-19 pandemic and the lockdowns imposed in the country, disruption in the supply chain and labour shortages in the extended network were some immediate problems that the Company faced. However, like in every other crisis situation, IndianOil was steadfast in meeting the nation's requirements of essential commodities.

To serve India better each day, IndianOil is further strengthening its distribution and marketing infrastructure.

GOVERNANCE

IndianOil constantly endeavours to promote the principles of integrity, transparency and accountability in its business dealings. The Company's corporate governance framework has emerged from its commitment to conducting its business in an ethical, transparent and fair manner, and to maximise stakeholder value.

POLICY FRAMEWORK

For effective implementation of its corporate governance practices, the Company has a well-defined policy framework inter-alia consisting of the following:

COMPONENTS OF POLICY FRAMEWORK

- Code of Conduct for Directors and Senior Management Personnel and their obligations
- Policy for determination of Material Price Sensitive Information and Disclosure Obligations
- Sustainability and Corporate Social Responsibility Policy
- Integrity Pact to enhance transparency in business
- Conduct, Discipline and Appeal Rules for officers
- Human Resources Initiatives
- Code for Prevention of Insider Trading in the Securities of IndianOil
- Policy for determining Material Subsidiaries
- Enterprise Risk Management Policy
- Policy for Preservation of Documents
- Dividend Distribution Policy
- Policy on Related Party Transactions
- Whistle -Blower Policy

BOARD OF DIRECTORS

IndianOil has an active and well-versed Board to promote its core principles of integrity, transparency and accountability, and embed excellence in every facet of the business. It is responsible for supervising the overall functioning of the Company and plays a key role in setting the strategic direction of the Company. The Board is fully committed to catering to stakeholders' aspirations and societal expectations.

The IndianOil Board comprises of Whole-time Directors, Government-nominee Directors and Independent Directors. They have diverse academic qualifications, industry knowledge, experience and expertise, and bring in a diversity of perspectives appropriate for the Company.

IndianOil, being a public sector undertaking, the power to appoint Directors (including Independent Directors) and the terms and conditions of such appointments, including remuneration and evaluation, vests with the Government of India.

During the financial year 2019-20, 11 Board meetings were held. For Board meetings, IndianOil has adopted digital platform to upload agenda items at least seven days in advance. Different divisions/functions also present highlights of their business activities, including financial, operational and other business development activities.

The Board minutes are prepared promptly after every Board meeting and circulated to all Directors for their comments, if any, and approved by the Chairman thereafter. The approved minutes are then circulated to the departments/groups concerned for initiating appropriate action and implementation.

OVERVIEW OF THE BOARD

Whole-time Directors

Shri Shrikant Madhav Vaidya
Chairman

57 years
Graduate in Chemical Engineering

Shri G K Satish
Director (Planning & Business Development)

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

Dr. SSV Ramakumar
Director (Research & Development)

57 years
Doctorate in Chemistry

Shri Ranjan Kumar Mohapatra
Director (Human Resources)

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

Shri Gurmeet Singh
Director (Marketing)

59 years
Graduate in Mechanical Engineering

Shri Akshay Kumar Singh
Director (Pipelines)

59 years
Graduate in Mechanical Engineering

Shri Sandeep Kumar Gupta
Director (Finance)

55 years
Graduate in Commerce & Chartered Accountant

Government Nominee Directors

Dr. Navneet Mohan Kothari

43 years
Joint Secretary (M), MOP&NG
IAS Officer (2001)

Smt. Indrani Kaushal

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

Independent Directors

Shri Vinoo Mathur

71 years
Graduate in Science and Post-Graduate in Transport & Development

Shri Samirendra Chatterjee

67 years
IAS Officer (1976) and Post-Graduate in Physics

Shri C.R. Biswal

67 years
IAS Officer (1981) and Post-Graduate in Physics

Dr. Jagdish Kishwan

67 years
Indian Forest Service Officer (1975) and Post-Graduate in Mathematics

Shri Sankar Chakraborti

49 years
Graduate in Physics and MBA

Shri D. S. Shekhawat

48 years
Chartered Accountant

Shri Rajendra Arlekar

66 years
Graduate in Commerce

Ms. Lata Usendi

46 years
Graduate in Humanities

COMMITTEES OF THE BOARD

The Board has formed various committees to facilitate decision-making process efficient.

Statutory Board Committees

Other Board Committees

- Project Evaluation Committee
- Marketing Strategies and Information Technology Oversight Committee
- De-leasing of Immoveable Properties Committee
- Contracts Committee
- Planning and Projects Committee
- LNG Sourcing Committee
- Dispute Settlement Committee

The committees function under the supervision of the Board and hold meetings as and when required to expedite the decision-making process.

STRATEGY

IndianOil's long-term strategic approach has the overarching objective of optimising value creation for all stakeholders, building long-term business resilience in anticipation of future risks, and exploiting all emerging opportunities to sustain business growth in both domestic and international markets.

IndianOil is leveraging its existing businesses to cater to the growing demand for different forms of energy like petroleum products, natural gas, renewables, etc. Additionally, the Company is exploring new business opportunities in low-carbon energy sources for strategic entry into these emerging high-growth markets. Keeping in view the futuristic scenario as well as the emerging challenges, IndianOil is focussed on the following:

- Consolidation of existing business
- Entry into new business areas
- Ensuring future-readiness

The IndianOil management has set short, medium and long-term targets to achieve the Company's vision and is fully focussed on prudent allocation of resources and funds to achieve them. Such a decision-making process ensures timely diversification of the business to be able to adapt to upcoming changes in various energy segments.

The Company's strategic perspectives over the short, medium and long-term are given below:

Short-term Perspective

The COVID-19 pandemic has made the business environment highly dynamic and uncertain and IndianOil has done well in adapting to the changed scenario. Managing the current crisis with enhanced efficiency and digitalisation efforts remains the key focus of the Company, with emphasis on ensuring uninterrupted supplies and tapping new opportunities like exports to neighbouring markets. Nevertheless, the Company's focus on long-term growth areas continues, together with efforts and investments in that direction.

Backed by its robust infrastructure and a motivated team of 'Corona Warriors,' including its employees, retailers and their support staff, the Company maintained uninterrupted flow of essential fuels despite the pandemic, ensuring timely, safe and hygienic supplies across the country. The Company's proactive initiatives in digitalisation paid rich dividends during the nationwide lockdown, enabling a significant proportion of its employees to seamlessly shift to work-from-home mode to support frontline operations. Customers too were provided with multiple options to make cashless and contactless payments with ease.

With subsequent relaxations in lockdown conditions, IndianOil has taken up the safety, physical and mental health of its employees, contract workers and channel partners along the supply chain as a priority. New best practices of working together were adopted while maintaining physical distance at the workplace to keep productivity levels high. With focus on long-term growth, the Company continued its investment in infrastructure projects even in these unprecedented times, thereby contributing to employment generation.

Medium to Long-term Perspective

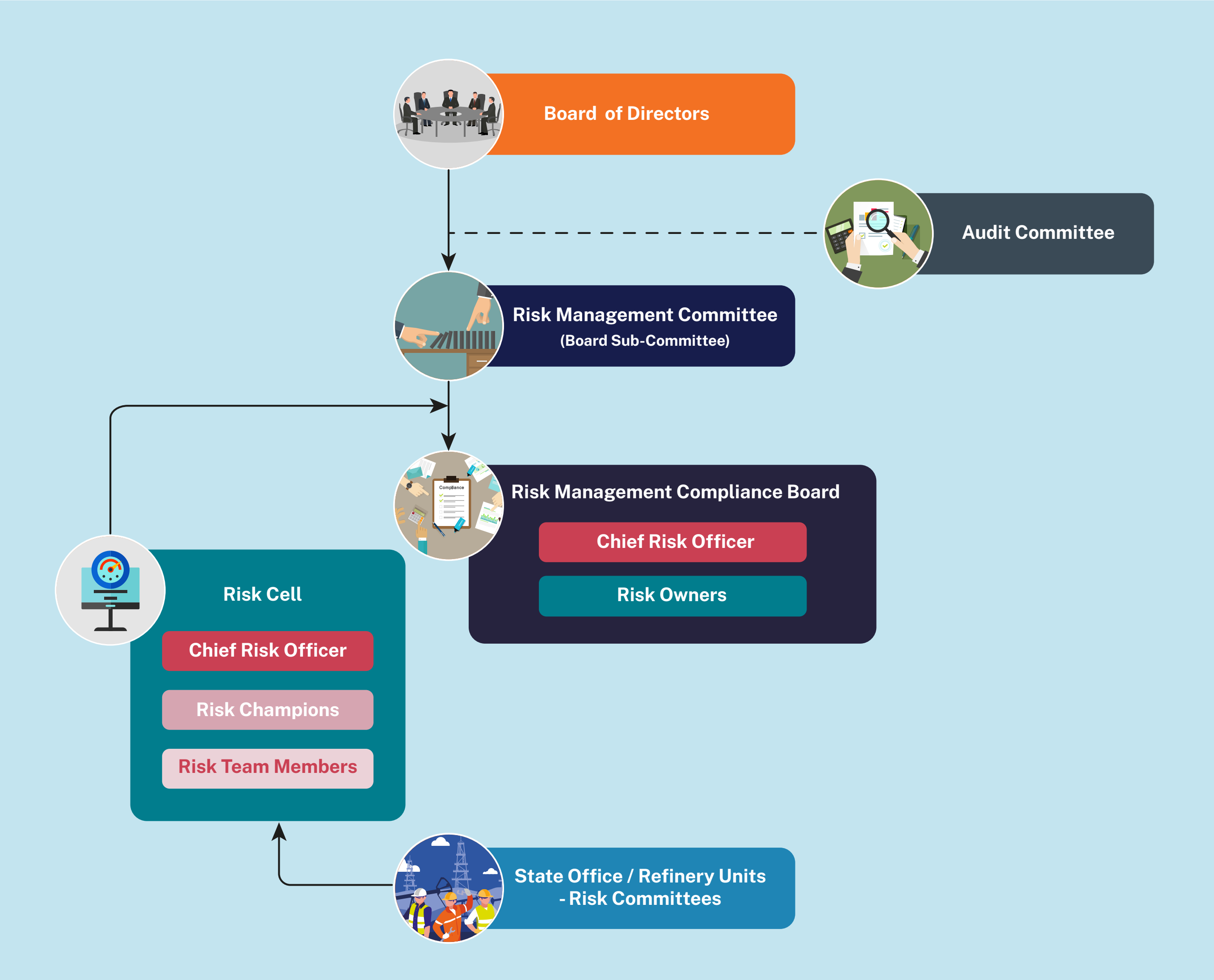
The Company believes that despite the prevailing lull in economic activities, India's energy demand is slated to grow over the medium to long-term, and the nation will be a key driver of energy and oil demand over the long-term. Its long-term strategy would, therefore, continue to be to leverage its position as India's flagship supplier of fuels, doing business responsibly and expanding its global outreach. At the same time, the ongoing energy transition is changing the way global energy systems function. Transition to a clean and green energy future has become even more imperative given the learnings of how a physical event like the COVID-19 pandemic could cripple supply chains across the world.

The Company's long-term strategy, therefore, is to align its businesses and investments with the emerging trends of energy transition. Its key tenets are: fortifying the core refining & marketing business; integration of value chains; focus on total fuel solutions and digitalisation; continued thrust on cutting-edge R&D and technology absorption; and collaborations and partnerships in new areas of growth.

RISK MANAGEMENT

IndianOil operates in a highly dynamic business environment dependent on various internal and external drivers, which broadly encompass geo-political issues, laws & regulations, technological advancements, disruptive innovations and stakeholder concerns. To deal with this ever-changing and aggressive business paradigm, the Company has in place a comprehensive, robust and all-inclusive risk management framework, devised by the Risk Management Committee (RMC) of the Board, that empowers it to deal with potential risks.

Under the RMC, there is a Risk Management Compliance Board (RMCB) which regularly scans the internal and external environment in consultation with Risk Champions of various divisions/departments to keep track of potential risks. These risks are further classified into High, Medium, Low and Risk-on-Radar categories depending upon the probability of their occurrence and potential impact. To make the monitoring and measuring system robust and dynamic, each risk is assigned with Key Performance Indicators (KPIs), which are continuously reviewed by the RMCB. In compliance with SEBI's Listing Regulations, RMCB periodically submits risk review reports to the RMC. Activities and processes pertaining to risk management are also reviewed by the Audit Committee and the Board.



Major Risks Identified*	Major KPIs of the Risks	Mitigation Plan
Threat to market share	• Product wise growth in market share vis-à-vis industry growth • Number of new retail outlets commissioned • Impact of Alternative Fuel on Sale of POL Product • Tender Lost/Won • Market Share Loss to Private Players in LPG	• Emphasis on expansion of Retail outlets network including enhancing reach in rural markets • Undertaking customer acceptance surveys, making customer redressal systems more robust • Providing better customer experience through facilities improvement, service excellence validation & adherence, Dealer Management, Branded Fuel, etc. • Improved look and feel at retail outlets by providing improved facilities such as upgraded DUs, LED lights, enhanced and robust automation, etc. • New customer acquisition and retention of existing customers through differential facilities/award to loyal customers • Competitive credit / price discounts terms to customers/resellers for sales growth • Import of Products having insufficient production such as LPG and base oils

Major Risks Identified*	Major KPIs of the Risks	Mitigation Plan
Erosion in margins	• Impact on margin due to variation in demand • Impact on margin due to crack variation (planned vs actual) • Product Mix Variation (planned vs actual) • Variation between actual & planned crude mix procurement • Non-Fuel Revenue	• Processing of cheaper / high-sulphur crude oil grade • Exploring new grades of Crude • Reducing fuel loss while improving distillate yield • Hedging of crack margins
Cost and time overruns in projects	• Time overruns • Cost overruns • % milestone achievement (planned vs actual) • Loss of market Opportunities / margin	• Extensive monitoring of Critical Activities • Enhancing control over project activities • Improvement in Vendor Selection Process / Criteria
Lack of adequate infrastructure	• Additional capacity augmented-actual vs planned • Unmet demand • Incremental operational cost	• Investment in new infrastructure • Expansion of existing capacities
Return on producing E&P assets	• Return on Investment • Production volume (planned vs actual)	• Comprehensive due diligence • Close monitoring and control • Periodic review and assessment

* This list contains only major risk identified by IndianOil and is not an exhaustive list of all the risks being consistently tracked by the Company.

OPPORTUNITIES

IndianOil is continuously monitoring the business environment and, based on market insights, industry trends, customer feedback & aspirations and macroeconomic & regulatory changes, its various divisions identify the most profitable business opportunities in association with the Corporate Strategy group, which are further discussed in detail with the management. The Company's core strategy teams constantly scan the external environment and carry out a detailed analysis of the energy sector, competition and demand-supply position to identify key growth areas, which are further deliberated upon by the management for action. IndianOil engages actively with various industry bodies, think-tanks, research institutions and Government agencies for assessing new opportunities. Specific studies and market surveys are also conducted in collaboration with management consultants.

The Company also engages in discussions with leading global oil & gas companies and peers to identify areas of common interest. These are then assessed, complementary core competencies evaluated, and decisions taken to jointly advance through collaboration.

The different opportunities being monitored and tracked by the Company can be classified into three categories, namely:

Consolidation of existing business

IndianOil has set up a trading desk in New Delhi for purchase of crude oil from the international market on a real-time basis, helping it cut import price by locking in the best price and quality.

The Company is keeping a close watch on the country's product demand and has aligned its refinery expansion plans with the demand outlook for the future. It is also pursuing business opportunities in neighbouring countries as well as other countries.

IndianOil has demonstrated its commitment to cleaner fuels through launch of IMO-compliant low-sulphur furnace oil for marine vessels from October 2019 and transition to BS-VI grade transportation fuels from April 1, 2020.

Entry into new business areas

As part of the SATAT scheme (Sustainable Alternative Towards Affordable Transportation), IndianOil has recently commenced sale of Compressed Bio-Gas, produced from bio-mass, from select fuel stations in Pune and Kolhapur under the brand name IndiGreen. The Company is evaluating more such commercialisation opportunities in bio-fuels, bio-gas, alternative energy and energy storage to be able to provide its customers with more environment-friendly energy options.

Ensuring future-readiness

IndianOil is also exploring business opportunities across the e-mobility value chain. In its quest to embrace emerging energy alternatives and to create viable, customer-convenient automobile battery technology options, IndianOil has taken equity participation in M/s. Phinergy of Israel for production of metal-air batteries. The Company has also invested in and collaborated with a leading biotechnology company looking to utilise waste industrial gases to make bio-fuels and useful chemicals. This technology is being implemented at one of the refineries of IndianOil.

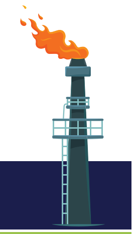
IndianOil's R&D group is looking to offer commercial technology solutions in-house as well as to other companies globally. The first ever overseas agreement to licence the Company's proprietary IndMax technology was signed with M/s. Naftna Industrija Srbije (NIS) for their Pancevo Refinery in Serbia.

Refining and Marketing

Opportunities Identified	Action/Plans
Long-term growth potential for oil demand in India: • In the post-COVID scenario, India's economy will expand and grow over the long-term, while there may be some pain in the interim; this expansion will form the fundamental basis of the country's energy demand growth. Eventually, India may step up to play a bigger role in global supply chains that will drive energy and oil demand both globally and within the country • The current trends of low level of energy utilisation per capita within the country will increase over time with increased per capita income and better access to energy, thereby driving up the overall energy demand • The country's GDP and road freight movement will continue to grow and drive diesel demand • Passenger movement is also set to increase in tandem with economic growth and urbanisation and thereby drive petrol demand in the country over the long-term • Aviation is a segment that could continue to be hit in the medium-term depending on how the pandemic unfolds and the behavioural shifts it leads to • Petrochemicals will continue to be a key demand driver over the long-term, propelled by economic growth and current low per capita consumption rates in the country • A growing rural economy and the need for transition to clean cooking fuels in households will drive demand for cleaner and greener fuels	**Consolidation of existing business activities** • Augmenting refining capacity • Upgradation of products quality **Ensuring future-readiness** • Further strengthening of distribution and marketing infrastructure

Petrochemicals

Opportunities Identified	Action/Plans
High growth potential for petrochemicals in India: • India trails the global per capita polymer consumption. At 10 kg, Indian per capita polymer consumption is one-third of the world average of 35 kg, one-fourth of consumption levels in China and one-tenth of the US consumption levels • Increasing demand in consumer durables and non-durables will boost demand for petrochemicals in the long-term • IndianOil's petrochemicals business acts as a cushion to its low-margin refining business	**Consolidation of existing business activities** • Value Addition to existing products **Ensuring future-readiness** • Development of integrated refinery-cum-petrochemical complexes **Entry into new business areas** • Expansion, collaborations and acquisitions

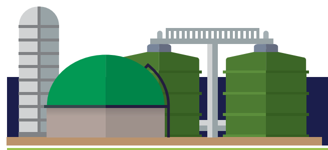


Gas

Opportunities Identified	Action/Plans
Growth of natural gas share owing to policy thrust, LNG boom, air pollution and climate change-related concerns: • Share of gas in India's energy mix is currently 6%. This is below the world average of 21% and 11.5% in the Asia Pacific • India has one of highest number of CNG vehicles in the world • India is today the fourth largest LNG buyer in the world • The Government of India is taking several steps to improve the gas infrastructures and has even provided a budgetary grant for this. The Indian Government wants to increase the share of gas in primary energy mix from 6% at present to 15% • The reach of city gas distribution (CGD) networks is being scaled up to target 10 million new connections	**Consolidation of existing business activities** • Post the 9th and 10th rounds of CGD bids, IndianOil is scaling up its presence in the CGD sector in a big way **Ensuring future-readiness** • Scaling up and investing in natural gas value chain, LNG import terminals capacity, CGD segment and enhancing pipeline infrastructure **Entry into new business areas** • IndianOil is investing across the entire gas value chain – cross-country pipelines, LNG import terminals, CGD networks and small-scale LNG • Exploring new avenues – LNG bunkering, overseas business, LNG by road, etc.

Renewable Energy

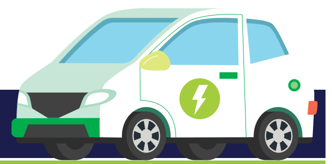
Opportunities Identified	Action/Plans
Expanded role of renewables in India's energy mix: • India is already one of the fastest growing renewable energy markets. The country has taken up aggressive targets for renewable energy installations	**Ensuring future-readiness** • IndianOil has been an early investor in wind-power and solar energy among the Indian downstream companies • Further investments are planned in this segment with R&D support



Modern Bio-energy

Opportunities Identified	Action/Plans

Policy thrust on modern bio-energy:
 	
• Indian energy policy-makers place a lot of thrust on modern bio-energy
• National Policy on Biofuels 2018
  • 20% ethanol-blending and 5% bio-diesel mix in fuels by the year 2030
  • Traditional and advanced bio-fuels
  • Bio-fuel from municipal solid waste
 	
• The Government's SATAT scheme (Sustainable Alternative Towards Affordable Transportation), which targets setting up of 5,000 CBG (compressed bio-gas) plants over the next few years, has given further impetus to this sector
	Consolidation of existing business activities
	• IndianOil is one of the leading players in the SATAT programme
	• Raising the percentage of ethanol-blending in petrol
	• Integration of refinery processes with bio-fuels production
	
	Ensuring future-readiness
	• IndianOil has been steadily raising the percentage of ethanol-blending in petrol. Also investing in setting up of 2G ethanol plants and integration of refinery processes with bio-fuel production, besides intensive R&D in 2G and 3G ethanol
	
	Entry into new business areas
	• Investing in CBG, waste-to-fuel technologies



Electric Mobility

Opportunities Identified	Action/Plans
Policy thrust on electric mobility: • Phase II of FAME (Faster Adoption and Manufacturing of Electric Vehicles), being implemented for a period of three years from April 1, 2019 with budgetary support of ₹ 10,000 crore, is focussing on supporting electrification of public and shared transportation	**Ensuring future-readiness** • Exploring opportunities for manufacture and retailing of batteries **Entry into new business areas** • IndianOil is exploring opportunities for manufacture and retailing of batteries, besides setting-up fast-charging stations.

Industry 4.0

Opportunities Identified	Action/Plans
Industry 4.0 is enabling mega changes in the way oil & gas industry operates: • Industry 4.0 technologies such as Artificial Intelligence (AI), Augmented Reality (AR), Virtual Reality (VR) and Internet of Things (IoT) hold the potential to significantly enhance the efficiency with which energy is produced and consumed, and can contribute to enhanced safety in energy operations	**Consolidation of existing business activities** • IndianOil is exploring integration of technologies such as AI, VR and IoT in its business • The COVID-19 crisis has brought to light the virtues of digital working and virtual meetings • There is an impetus to technology applications in monitoring and controlling critical business functions such as those in refineries, supply & distribution and retailing

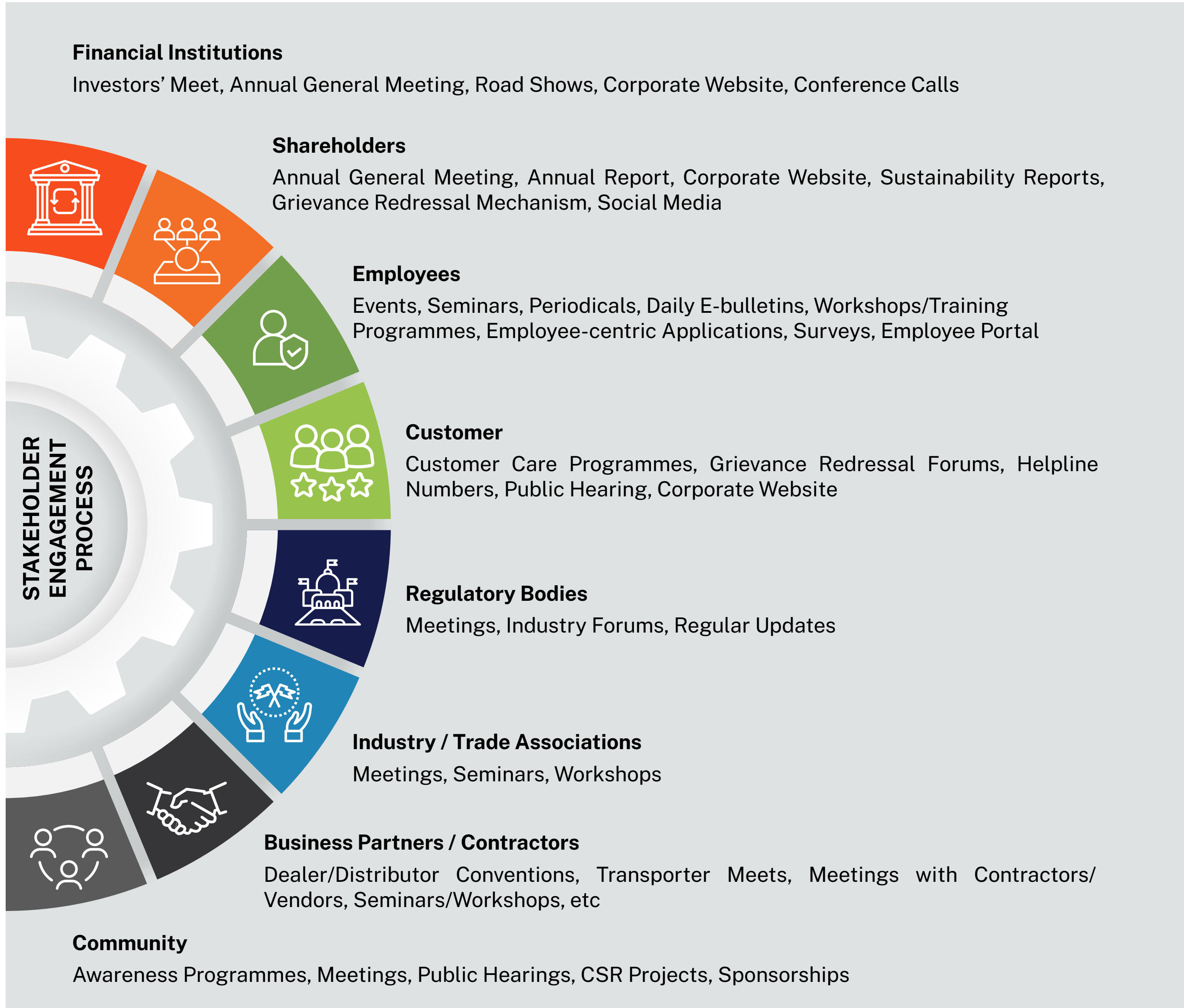
STAKEHOLDER ENGAGEMENT AND MATERIALITY

STAKEHOLDER ENGAGEMENT

IndianOil nurtures an underlying belief that every stakeholder of the Company is a business partner and a crucial element in its value chain. The Company believes that effective stakeholder engagement is vital for the sustained growth of business and is the foundation of good corporate governance. By following transparent, systematic, documented and replicable stakeholder engagement processes, IndianOil seeks to explore opportunities of mutual advantage, identify causes of stakeholder discontent, and reduce the risks facing its business.

IndianOil engages with a diverse set of internal and external stakeholders spread across geographies in a periodic and structured manner, using various modes, forums and platforms. The Company's symbiotic and synergistic relationship with its stakeholders helps in identifying their unique and distinctive priorities. It also enables the Company to develop a business strategy that optimises value creation for each stakeholder.

How we stay connected with our stakeholders



OUR STAKEHOLDER ENGAGEMENT PROCESS

- Effectively monitor stakeholder issues
- Evaluate stakeholder concerns and develop action plan
- Review action taken for redressal of issues
- Ensure inclusion of stakeholders in triple growth bottom line
- Enhance transparency and accountability

MATERIALITY

Identification of material issues is the preliminary step in developing the sustainability strategy of the Company in the short to medium-term. The second step involves developing action points to handle these material issues at an organisational level, and drilling these down to formulate department-level KPIs (Key Performance Indicators), metrics and targets.

IndianOil conducted a materiality assessment exercise in 2018-19 to identify issues that are material to the Company as well as to its stakeholders. Through continuous engagement and exhaustive deliberations with internal and external stakeholders, IndianOil has identified 26 material issues under four broad categories, viz., Economic, Environmental, Social and Corporate Governance & Compliance. These material issues are prioritised based on their potential impact on the business and importance to the stakeholders. The Company has developed individual action plans to address these material issues.

Economic
- Brand Value
- Supply Chain Management
- Competition
- Economic Performance
- Indirect Economic Impact
- Geo-political Risk

Environment
- Spills
- Energy Efficiency
- Managing Environmental Impact
- Water Management
- Emission Mitigation
- Waste Management
- Energy Transition
- Sustainable Procurement

Social
- Customer Satisfaction
- Occupational Health & Safety
- Product & Operational Efficiency
- Security Practices
- Cyber Security
- Human Rights
- Employment Practices
- Labour Management
- Corporate Social Responsibility
- Workforce Diversity

Corporate Governance & Compliance
- Compliance
- Regulatory & Legal Challenges

The materiality analysis arising out of stakeholder engagement increases IndianOil's commitment to address environmental, social, governance and economic impact of its operations and strengthen its relationship with all stakeholders.

Our actions to mitigate some of the high priority issues is given in the table below:

Customer Satisfaction	• Ensuring continuous supply of petroleum products to essential services even during the period of lockdown for COVID-19 • Sharp customer focus and enhanced customer experience • Ensuring timely supplies across the country through different interventions • Capturing customer feedback and redressing customer grievances in a timely manner • Motivating staff at fuel stations to provide better customer service; awareness programmes for customers visiting fuel stations for social distancing
Supply Chain Management	• Reducing lead time of delivery through intermediate storage of products • Optimisation of quality, quantity and distribution through centralised automation • Supporting vendors to become more efficient and minimising ecological footprint through automation and solarisation of fuel stations, and installation of GPS in transport fleet • Uninterrupted supply of LPG cooking gas through robust supply chain and delivery agents to approximately 25 lakh households each day even during the nationwide lockdown • Even in the face of restricted movement of people and vehicles during lockdowns, the Company is ensuring continuous operations with optimised manpower
Brand Value	• Brand-building and promotional initiatives • Tracking of customer sentiments on social media • Improving customer loyalty through better products, services and dedicated customer loyalty programs such as XtraRewards • Focus on customer care, safety and meaningful engagement
Occupational Health & Safety	• During COVID-19, work-from-home arrangement was encouraged for employees engaged in non-critical operations, using mobile communications, digital connectivity and dedicated portals • During COVID-19, IndianOil issued various advisories, guidelines and codes of conduct for workplace hygiene and social distancing at all locations, including petrol pumps and LPG distributorships • During COVID-19, all locations of the Company are doing thermal scanning of people entering the premises. Hourly announcements through public address systems and flex posters at prominent places provide information on ways to avoid transmission of virus. Also, personnel involved in round-the-clock production and operations are thoroughly briefed on adoption of safety and hygiene practices. Stay and food arrangements have been made for all contract workers and migrant workers at operating and project sites. Local communities in the vicinity of the operating locations are also being advised on safety and hygiene issues. • With lifting of the national lockdown in phases, attendance of employees at workplaces was optimised to ensure social distancing norms and safety guidelines • Undertaking external safety audits • Undertaking safety training and awareness programmes • Undertaking Quantitative Risk Analysis (QRA) • Conducting hazard and operability (HAZOP) studies • Undertaking third-party audits by PNGRB-certified agencies to assess the emergency-preparedness of operating locations
Managing Environmental Impacts	• Adhering to air, water, green-belt and other environment-related compliances • Improving process efficiencies • Developing green terminals and buildings with lower ecological footprint • Increasing waste and water recycling/reuse • Reducing emissions from product/service offerings • Forays into production and marketing of alternate energy
Product and Operational Efficiency	• Upgrading refineries for supply of BS-VI compliant automotive fuels • Operational efficiencies maintained through streamlined supply chain and optimum use of facilities • Efficient value-added products like blended fuels/lubricants on offer • Providing access to alternative energy sources such as natural gas, renewable energy, etc. • Continuous R&D in product and process improvements, renewable energy technologies

OUR VISION AND VALUES DRIVE OUR BUSINESS PROCESSES

COMMITMENTS MADE

WHAT WE USE

ECONOMIC

FINANCIAL CAPITAL

We have a disciplined approach for allocation of financial capital to sustain our business and fund growth. We use cash generated by our operations, divestments, debt and equity financing.

MANUFACTURED CAPITAL

We make significant investments in plant and equipment to operate reliably and deliver high-quality products. These investments help us to manage our environmental footprint and assist us to comply with regulatory requirements.

INTELLECTUAL CAPITAL

We have enhanced our robust foundation through proprietary licenced technologies, softwares, licences, procedures and protocols. To leverage the opportunities presented by a dynamic business environment, we are continuously developing our business to achieve operational excellence, process & product improvements and overall efficiencies.

ENVIRONMENT

NATURAL CAPITAL

Maintaining a balanced stock of natural resources or environmental assets (water, air, land, material biodiversity and ecosystem health) are of utmost importance for our future prosperity. In our efforts to minimise the negative externalities of the value chain, and our products and services, we are greening our infrastructure, fuel use, processes, supply chain elements, retail network, product offerings and also working towards meaningful use of wastes generated in the process. Our commitment is not restricted to organizational boundary but moves to finding meaningful solutions to various national issues with regard to clean energy and waste to energy.

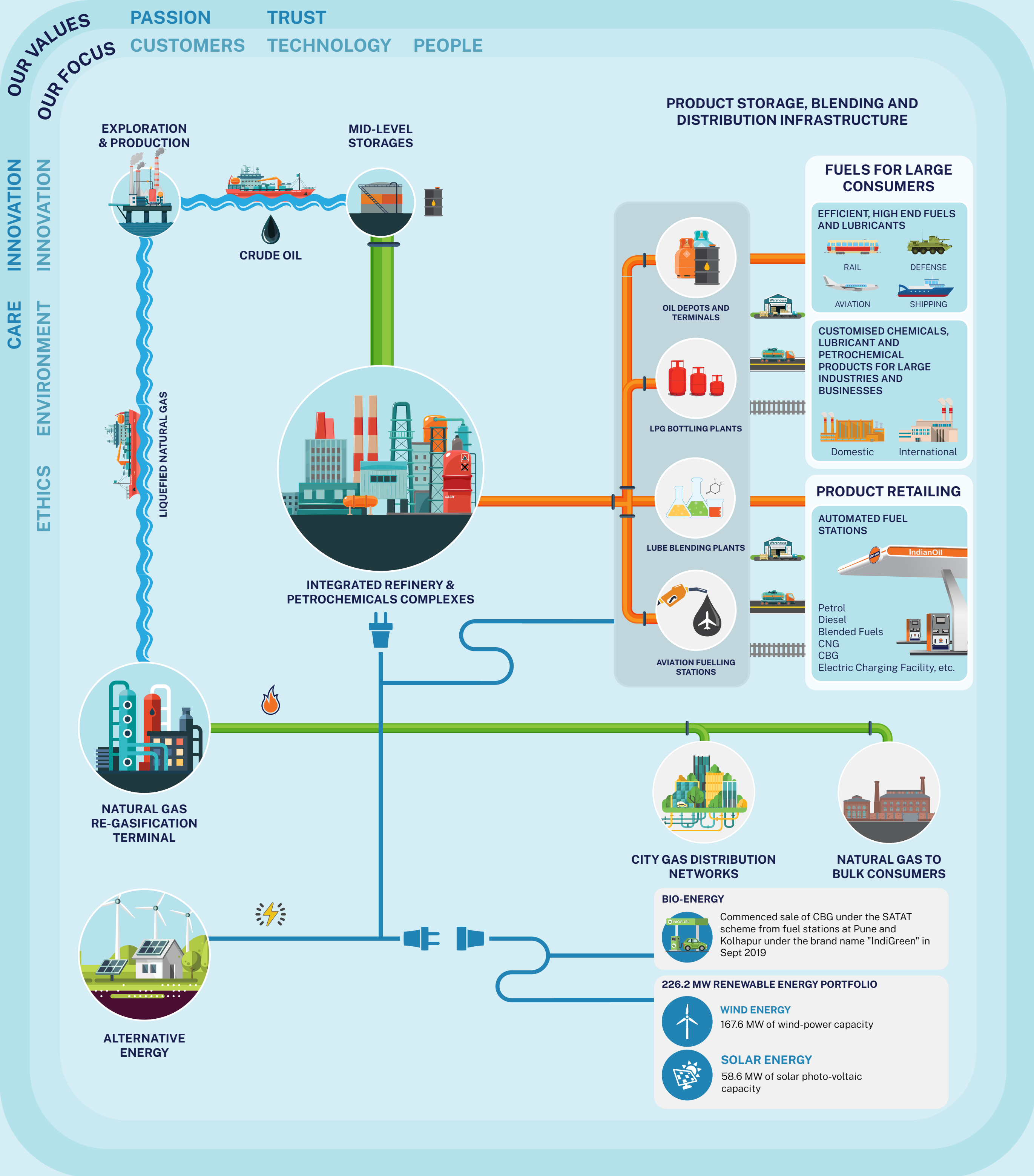
SOCIAL

HUMAN CAPITAL

We seek high-performing, innovative and talented people with the right skills and experience to increase and operate our business, in a safe and efficient manner. We focus on being an inclusive organisation, building and retaining critical skillsets and developing leadership capabilities.

SOCIAL & RELATIONSHIP CAPITAL

We integrate the needs of our stakeholders into our business to deliver upon our commitments and to create an enabling environment for our operations and investments. We have a multi-stakeholder approach to address challenges.



WHAT WE CREATE AND DELIVER

PROMISES DELIVERED

FINANCIAL CAPITAL

The outcomes of financial capital demonstrate our commitment towards upholding and enhancing shareholder value as well as to contribute meaningfully to the business value chain and society. These actions signify our commitment to the SDGs 12 and 17.

MANUFACTURED CAPITAL

The outcomes from the manufactured capital allow us to deliver value to our customers and contribute to nation through our buildings, plants, machinery, pipelines and retail network. These also create strong relationships with technology and P&M providers, thereby helping us deliver value for the SDGs 9, 11 and 17.

INTELLECTUAL CAPITAL

The value generated from our Intellectual Capital is embodied in our strengths in Research & Development, which allow us to create market differentiating products as well as reduce the import dependence of the nation by developing indigenous technologies. This allows us to demonstrate strong commitments to the SDGs 7 and 9.

NATURAL CAPITAL

Our outcomes from Natural Capital signify our commitment to give back more to the nature than we take. We take care to minimise the impact of our operations across the value chain through use of renewable energy technologies and preference for eco-friendly modes of transport like pipelines and shipping, which are less polluting than roadways and railways. Our R&D in clean fuels and alternative energy also demonstrate our intentions to transition to a cleaner tomorrow. Our actions signify our commitment to assist the nation in meeting the targets for the Climate Action NDCs. This also allows us to meet the SDGs 7 and 13.

HUMAN CAPITAL

Our employees and workforce are the strongest pillars for lasting value creation. We are committed to providing a safe, inclusive, diverse, supportive and highly engaging workplace for all our employees. Our codes of conduct, policies and ethics signify our commitment to achieving the SDGs 3, 5 and 8 as outcomes of our Human Capital.

SOCIAL & RELATIONSHIP CAPITAL

IndianOil recognises society in general and local communities in particular as partners in the value creation journey and every form of community investment is treated as efforts to enhance the social capital of the nation, which creates a virtuous cycle of gainful education, healthcare, employment and higher standards of living. IndianOil is strongly committed to achieve the SDGs 1, 2, 3, 4, 6 and 10 through its outcomes for Social Capital.

THE ENERGY OF INDIA

DESCRIPTION OF CAPITALS

FINANCIAL CAPITAL

Investing with prudence

With focussed approach on creating and managing stakeholder value, IndianOil is delivering operational excellence by judiciously allocating and using its resources. The Company has tools in place for critical assessment of capital structure through forecasting and budgeting. The Company is adequately leveraged and has retained the highest domestic rating from credit rating agencies. The Company has been able to manage its liquidity requirement through a prudent mix of borrowings and internal accruals. The Company keeps applying its refined risk management capabilities to all stages of business, beginning with selecting investment candidates, starting up projects, enhancing corporate value, and strategically upgrading assets.

The Company provides opportunities for shareholders and investors to learn more about strategy, financial matters, corporate governance, and other relevant topics directly from top management, by way of investor meets for maintaining trust of market participants. The Company has spent over ₹ 29,400 crore on capital projects at standalone level. In addition, about ₹ 1,900 crore was spent on capital expenses through Special Purpose Vehicle (SPV) / Investment in Group companies.

In the ongoing challenging financial market conditions, fluctuating commodity prices, exchange rates and petroleum product prices, the Company keeps on scanning internal and external environment and is positive on the long-term business outlook as well as its financial position while keeping a close eye on any material changes to future economic conditions as the COVID-19 situation continues to evolve in India and globally. The Company continues to remain among the world's largest corporates in the prestigious *Fortune* 'Global 500' listing with a rank of 151 for the year 2020.

		FY 2020 (₹ crore)	FY 2019 (₹ crore)
KEY INPUTS	Equity	**93,769**	1,08,658
	Expenses	**4,73,452**	4,98,180
	Net Debt	**1,16,545**	86,359
	CAPEX	**31,421**	28,208
	Investment in Equity Shares of other group entities	**19,611**	18,874
KEY OUTPUTS	Revenue	**5,66,950**	6,05,932
	Profit After Tax (PAT)	**1,313**	16,894
	EBITDA	**22,356**	36,952
	Cash earnings per share (₹)	**10.98**	25.85

OUTCOMES

IndianOil has been consistently the largest contributor to the national and state exchequers in the form of duties and taxes. During 2019-20, ₹ 1,82,067 crore was paid to the exchequers in the form of duties and taxes.

IndianOil has made the following contribution to stakeholders:
- Employees: ₹ 8,793 crore
- Community (CSR): ₹ 543 crore
- Providers of Capital:
  - Interest to lenders: ₹ 5,979 crore
  - Dividend to shareholders: ₹ 3,902 crore

IndianOil also rewards its equity stakeholders consistently through healthy dividend payouts over the period.

To diversify the loan portfolio and to engage with a new set of domestic investors, the Company raised ₹ 7,995 crore during the year through issuance of Unsecured Redeemable Non-Convertible Debentures (Rupee Bonds) in three tranches.

These bonds were issued at very competitive rates bettering the benchmark indices.

Moody's has assigned a rating of "Baa3" while Fitch has assigned a rating of "BBB-", which signifies IndianOil's strong operational and strategic linkages in line with Fitch's Parent-Subsidiary Linkage Criteria. Rating provided is same as India's Sovereign Rating.

MATERIAL ISSUES ADDRESSED

Economic Performance | Competition | Brand Value | Geo-political Risk

MANUFACTURED CAPITAL

In pursuit of excellence

IndianOil, a diversified, integrated energy major, has been in pursuit of excellence in customer-driven operations since inception. The Company relies on significant fixed assets (property, plants, and equipment) to deliver solutions safely, efficiently, reliably and sustainably. The Company continues to invest, nurture and grow these assets, reduce the environmental footprint of its facilities and enable compliance with new regulatory requirements.

IndianOil is making significant investments in maintenance and sustenance activities to ensure that the business continues to operate sustainably.

		FY 2020	FY 2019
KEY INPUTS	Refining capacity (MMTPA)	**69.70**	69.20
	Pipeline network (km)	**14,670**	14,231
	Number of petrochemical plants	**5**	5
	Number of upstream domestic blocks	**12**	10
	Number of upstream overseas blocks	**12**	12
	Natural gas pipeline (km)	**163**	161
	LNG terminal capacity (MMT)	**9.18**	9.18
	Natural gas pipeline capacity (MMSCMD)	**28**	26.7
KEY OUTPUTS	Refinery throughput (MMT)	**69.42**	71.82
	Pipeline throughput (MMT)	**85.35**	88.53
	Gas throughput (MMSCM)	**2,400**	1,837
	Petroleum products sold (MMT)	**78.54**	79.96
	Production volume from E&P (MMT)	**4.25**	4.39
	Number of LPG connections released under PMUY till March 31, 2020 (crore)	**3.75**	3.30
	Number of customer touchpoints	**52,703**	50,847
	Nelson Complexity Index (NCI)	**9.13**	8.80
	Distillate yield (%)	**80.16**	80.36
	Operational availability factor (OA) (%)	**97.70**	97.40

OUTCOMES

Investing in assets, including best-in class equipment and machinery, to ensure operational efficiency.

Leveraging extensive infrastructure to hold a competitive market position in the oil & gas industry.

Continuous expansion to new geographies while offering new and customised products.

Uninterrupted supply of piped natural gas (PNG) as cooking fuel to individual households.

Reducing import dependence with equity oil.

Playing a pivotal role in achieving the target of various initiatives of the Government of India.

Substituting conventional fuels with less polluting natural gas for industrial customers and promoting CNG as auto fuel.

Developing robust gas infrastructure across densely populated urban/semi-urban areas.

Investing in capacity enhancement and building capacity to be *"The Energy of India"*.

Augmenting digital manufacturing solutions and implementing new technologies for real-time assessment of plant assets and performance insights.

MATERIAL ISSUES ADDRESSED

Supply Chain Management | Cyber Security | Security Practices | Compliance | Geo-political Risk

INTELLECTUAL CAPITAL

Innovation through R&D

IndianOil has been enhancing its robust foundation through proprietary and licenced technologies, software, licences, procedures and protocols. The Companys' thrust on research and innovation not only enhances the operational efficiency but also helps in gaining technical and commercial edge in the industry.

IndianOil aspires to be the pioneer in leading energy solutions and is committed to develop, demonstrate and deploy novel, innovative, environment-friendly, customer-centric products and process technologies to address energy-related issues of national importance to attain self-reliance in the field of energy and allied areas. The Company also strives to protect proprietary intellectual property. Apart from carrying out path-breaking research in core petroleum activities like Lubricants, Refining, Petrochemicals and Pipeline, IndianOil R&D is pursuing promising & futuristic areas of alternative energy segments like Bio-Energy, Solar Energy, Hydrogen, Energy Storage, Batteries, CCU Technologies, etc.

		FY 2020	FY 2019
KEY INPUTS	R&D expenditure (₹ crore)	428.04	437.34
	Number of employees in R&D	480	441
	Number of scientists in R&D	420	373
	Number of support staff in R&D	60	68
	Number of start-ups incubated	24	11
	Number of in-house training programmes organised by R&D	58	56
	Number of partnerships with research institutes	8	3
KEY OUTPUTS	Sales from innovation (₹ crore)	808	934
	Number of patents filed	128	160
	Number of patents granted	123	107
	Notional savings from R&D (₹ crore)	470	497
	New lube formulations issued	133	103

OUTCOMES

Investing in future-centric research facilities and manpower to keep the Company at the top of the innovation curve.

Adopting nano-technological interventions in product platforms related to fuels, lubricants, battery and catalysts to achieve superior performance characteristics.

Spearheading the Start-Up initiative to support innovation and entrepreneurial eco-systems. Start-Up initiative has acquired its own Trademark named as IndS_UP.

Pursuing research in alternative energy and clean technologies in partnership with the Government, academic institutions, industry peers and private industry.

Leveraging on licencing refining technology ; IndianOil has achieved the status of refining technology exporter.

Contributing through research in plastic neutrality – single-use plastic in bituminous mix for road construction, special grade of CRMB with 2% plastic, bitumen packaging in plastics, etc.

Carbon conversion and utilisation to ethanol, bio-diesel and high-value lipids.

MATERIAL ISSUES ADDRESSED

- Product & Operational Efficiency
- Energy Transition
- Energy Efficiency
- Regulatory & Legal Challenges
- Competition

HUMAN CAPITAL

Crossing milestones with IndianOilPeople

IndianOil's Corporate core values are a sign of its endurance. The dedication and purpose of our people are aligned to our values of Care, Innovation, Passion and Trust that enable us to serve our customers with a commitment to deliver responsibly.

In line with IndianOil's philosophy of 'One IndianOil-One HR', the HR group has launched a slew of initiatives, including digital portals/solutions to provide a common platform for IOCians and other stakeholders, bringing down divisional boundaries. The Company's policies and processes are focussed on human resource development by encouraging a consultative and collaborative approach that facilitates digital solutions.

		FY 2020	FY 2019
KEY INPUTS	Learning & Development expenditure (₹ crore)	97.06	99.27
	Total number of employees	32,998	33,498
	Male employees (%)	91.3	91.4
	Women employees (%)	8.7	8.6
	Number of training programmes	2,700	3,000
	Employee training man-days	1,15,394	1,23,754
	Health & Safety training hours	9,33,358	14,10,261
KEY OUTPUTS	Attrition Rate (%)	<1	<1
	Average age of employees	39	39
	Lost Time Injury Frequency Rate (LTIFR) (per million hours worked)	0.01	0.05
	Fatal accident rate (FAR) (per million hours worked)	0.01	0.05
	Total recordable injury rate (TRIR) (per million hours worked)	0.01	0.05

OUTCOMES

Inculcating digital solution-based approach among employees by observing 2020 as the "Year of Digitalisation".

Investing in technology-aided platform to promote the culture of e-learning across the organisation on "any-time any-device" basis.

Aiming an increase in women representation in leadership roles by encouraging and providing opportunities to women employees .

Streamlining labour compliance processes, increasing transparency and relevance to various divisions of IndianOil.

Investing in the enhancement of transparent compliance management system focussing on labour and wage-related areas.

Reducing the injury rate and fatality rate by providing need-specific training and investing in technology and digitalisation.

Embedding focussed talent sourcing and succession planning to enable long-term strategy and accelerate diversity.

MATERIAL ISSUES ADDRESSED

- Occupational Health & Safety
- Human Rights
- Labour Management
- Employment Practices
- Workforce Diversity
- Compliance

NATURAL CAPITAL

Preserving environment for tomorrow

IndianOil recognises its responsibility to the people and environment. In line with the strategic approach to become a future-ready organisation, the Company is taking several initiatives to enhance its energy efficiency, reduce GHG emission, water consumption & waste while augmenting capacities in the domains of clean energy, green buildings, etc.

The Company is actively exploring opportunities and new avenues to expedite its sustainability journey which in turn would improve the Company's economic and business competitiveness, thereby paving the way for a sustainable future for all.

KEY INPUTS

	FY 2020	FY 2019
Alternative energy expenditure (₹ crore)	**88.19**	136
Energy consumed at refineries (trillion BTU)	**225.74**	225.63
Number of energy conservation projects (ENCON) implemented at refineries	**43**	67
Capacity of renewable energy (MW)	**226**	216
Cumulative Number of rainwater harvesting system installed	**683**	608
Cumulative Number of bio-gas plants installed	**122**	50
Waste water treated (million kl)	**47.81**	45.17
Cumulative number of fuel stations solarised	**16,678**	14,173

KEY OUTPUTS

	FY 2020	FY 2019
Specific energy consumption of refineries (MBN)	**71.90**	71.00
Energy Intensity Index (EII) rating	**99.60**	97.90
Energy conservation projects estimated to save Standard Refinery Fuel Tonnes (SRFT) per annum	**71,422**	82,078
GHG emission due to crude oil processing from refineries & petrochemical plants (MMTCO$_2$e)	**18.84**	18.74
GHG emission reduction by means of renewable energy project (TMTCO$_2$e)	**322**	318
GHG emission reduction by means of energy conservation projects (TMTCO$_2$e)	**231**	255
GHG emission avoided through pipeline transportation (TMTCO$_2$e)	**1,446**	1518
Fuel & Loss (%)	**8.87**	8.57
Waste water recycled (million kl)	**41.35**	40.15
Waste paper recycled (tonnes)	**204**	137
Organic waste processed (tonnes)	**~1,050**	~400

OUTCOMES

Investing in production of 2G ethanol from agricultural waste to reduce stubble burning and emissions.

Investing in renewable energy, electrical mobility and bio-fuels to address climate risks as well as regulatory risks.

Spearheading the Government's Sustainable Alternative towards Affordable Transportation (SATAT) initiative which aims to produce compressed bio-gas from various organic wastes. The initiative would reduce methane emissions due to organic waste decay.

Converting fuel stations to operate on solar energy, which has the least negative impact on the environment. Cumulatively 16,678 fuel stations have been converted to operate on solar energy.

Diligent use of scarce resources with minimal environmental footprints and preserving natural ecosystem. For example, maximizing wastewater recycling.

Revamping and redesigning its operations, supply chain and products in order to drive its sustainability agenda.

*Change in emission saving estimation owing to a change made in estimation methodology, i.e. instead of using generic emission factors, using national emission factor for rail emissions (as per 12th Five Year Plan Vol.-II)

MATERIAL ISSUES ADDRESSED

- Managing Environmental Impact
- Water Management
- Waste Management
- Emission Mitigation
- Energy Efficiency
- Sustainable Procurement
- Spills

SOCIAL & RELATIONSHIP CAPITAL

Enhancing collective well-being

IndianOil's vision for sustainable growth of the business rests on building a strong relationship with its stakeholders. By building trust and long-term relationships with its stakeholders, IndianOil is creating ways and means for the communities to explore new opportunities. The Company's constant endeavour to ensure the social welfare / upliftment of the disadvantaged, vulnerable and marginalised sections of society have not been limited to geographies of operation, but expanded pan-India.

IndianOil believes in total transparency, integrity and accountability in its functioning as a prerequisite for achieving its Vision of becoming a major diversified, transnational, integrated energy major.

KEY INPUTS

	FY 2020	FY 2019
CSR expenditure (₹ crore)	**543**	491
Number of flagship programmes under skill development, sports and education	**20**	13
Number of programmes under healthcare	**7**	6
Number of programmes under environment sustainability and disaster management	**6**	2
Number of programmes under sanitation and drinking water	**5**	2
Number of States/UTs in which CSR programmes are operational	**33**	34

Note : *The detailed breakup of CSR expenditure on the various CSR Projects has been provided in the Annexure to the Directors' Report*

KEY OUTPUTS

	FY 2020	FY 2019
Number of beneficiaries of IndianOil Vidushi programme	**113**	56
Number of beneficiaries of IndianOil Gyanodaya scholarships	**1,256**	1138
Number of patient footfall in target geographies for IndianOil Arogyam facilities	**3,11,409**	90,000
Number of beneficiaries of Aids & Assistive devices to Divyangjan	**>13,000**	>20,000
Number of beneficiaries of Sports Scholarships (IndianOil Acers)	**177**	103

OUTCOMES

Providing affordable and accessible healthcare and sanitation facilities.

Empowering women and uplifting socially / economically backward groups.

Improving the availability and accessibility of safe drinking water and protection of water resources.

Spreading education in rural hinterlands.

Providing employment opportunities to under-privileged students.

Providing access to cleaner fuel (LPG connections) to rural BPL families under *Pradhan Mantri Ujjwala Yojana* (PMUY).

Improving living standard, providing better livelihood opportunities leading to empowerment of divyangjan.

Developing digital applications and forums for ease of stakeholders.

Increasing suppliers and distributors base while strengthening the existing relations.

Open channel of communications and constructive relationship with neighbouring communities, Non-Governmental Organisations and the media.

Partnership based on mutual interest with all representative unions and work councils.

MATERIAL ISSUES ADDRESSED

- Corporate Social Responsibility
- Brand Value
- Customer Satisfaction
- Indirect Economic Impact
- Managing Environmental Impact
- Water Management

BOARD OF DIRECTORS

1	Shri Shrikant Madhav Vaidya	Chairman	w.e.f. July 1, 2020
		Director (Refineries)	w.e.f. October 14, 2019 & upto June 30, 2020
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 Gurmeet Singh	Director (Marketing)	
6	Shri Akshay Kumar Singh	Director (Pipelines)	
7	Shri Sandeep Kumar Gupta	Director (Finance)	w.e.f. August 3, 2019
8	Dr. Navneet Mohan Kothari	Government Nominee Director	w.e.f. March 25, 2020
9	Smt. Indrani Kaushal	Government Nominee Director	
10	Shri Vinoo Mathur	Independent Director	
11	Shri Samirendra Chatterjee	Independent Director	
12	Shri Chitta Ranjan Biswal	Independent Director	
13	Dr. Jagdish Kishwan	Independent Director	
14	Shri Sankar Chakraborti	Independent Director	
15	Shri D. S. Shekhawat	Independent Director	
16	Shri Rajendra Arlekar	Independent Director	w.e.f. July 24, 2019
17	Ms. Lata Usendi	Independent Director	w.e.f. November 6, 2019
18	Shri Sanjiv Singh	Chairman	upto June 30, 2020
19	Shri B. V. Rama Gopal	Director (Refineries)	upto July 31, 2019
20	Shri Ashutosh Jindal	Government Nominee Director	upto November 3, 2019
21	Shri Ashish Chatterjee	Government Nominee Director	w.e.f. December 12, 2019 & upto March 24, 2020
22	Shri Parindu K. Bhagat	Independent Director	upto December 1, 2019

COMPANY SECRETARY

Shri Kamal Kumar Gwalani

CORE TEAM

Sitting in the Centre -
Shri S.M. Vaidya, Chairman

Standing from Left to Right -
Shri Akshay Kumar Singh, Director (Pipelines)
Shri Ranjan Kumar Mohapatra, Director (Human Resources)
Shri G.K. Satish, Director (Planning & Business Development)
Dr. SSV Ramakumar, Director (Research & Development)
Shri Gurmeet Singh, Director (Marketing)
Shri Sandeep Kumar Gupta, Director (Finance)

SENIOR MANAGEMENT TEAM

Vinod Kumar
Chief Vigilance Officer

B K Ravi
Advisor (Security)

Amita Singh (Ms)
Executive Director I/C (Corporate Affairs & Pricing), Corporate Office

B S Giridhar
Executive Director (Marketing Strategy), Marketing

DLN Sastri
Executive Director I/C (International Trade), Corporate Office

S K Awasthi
Executive Director (Health, Safety & Environment), Corporate Office

Subodh Dakwale
Executive Director (Corporate Communications & Branding), Marketing

P K Yadav
Executive Director I/C (Gas), BD

Alok Khanna
Executive Director (Strategic Information Systems), Refineries

V K Misra
Executive Director (Coordination) & Convenor (Petrotech)

S K Sharma
Executive Director (City Gas Distribution), Pipelines

Sanjeev Kumar Jain
Executive Director (Engineering & Projects), Marketing

Rahul Bhardwaj
Executive Director (Quality Control), Marketing

Sunil Mathur
Executive Director (LPG), Marketing

Suresh Chopra
Executive Director I/C (Projects), Refineries

S S Lamba
Executive Director & State Head (Gujarat State)

V C Sati
Executive Director (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

Harsh Kumar Sachdev
Executive Director (Regional Services-Northern Region), Marketing

Rakesh Sehgal
Executive Director (Supplies), Marketing

Deepak Agarwal
Executive Director I/C (Information Systems), Corporate Office

S K Sharma
Executive Director (Technology Promotion & Forecasting), R&D

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

Sanjay Manchanda
Executive Director & Refinery Head (Guwahati Refinery)

R D Kherdekar
Executive Director (Pricing), Marketing

Sudhir Kumar
Executive Director & Refinery Head (Gujarat Refinery)

C K Tiwari
Executive Director & Head (IIPM)

Harendra Kumar Singh
Executive Director (Projects), Pipelines

Sanjoy Kumar Dam
Executive Director (Law), Marketing

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

S S John
Executive Director & Refinery Head (AOD Refinery)

Arun Kumar Ganjoo
Executive Director (Corporate Communications), Corporate Office

Ravindra Garg
Executive Director (Health, Safety & Environment), Marketing

TDVS Gopala Krishna
Executive Director & Refinery Head (Paradip Refinery)

Partha Ghosh
Executive Director & Refinery Head (Haldia Refinery)

Pramod Narang
Executive Director (Maintenance & Construction), Pipelines

D S Nanaware
Executive Director (Southern Region Pipelines)

Om Parkash Jain
Executive Director (Finance), BD

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

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

Dilip Kumar Banerjee
Executive Director (Western Region Pipelines)

Manish Sinha
Executive Director (Explosives), Marketing

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

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

Umesh Goel
Executive Director (Information Systems), Corporate Office

Manoj Bajaj
Executive Director (Process-Projects), Refineries

Sanjaya Bhatnagar
Executive Director (Technical Services), Gujarat Refinery

Jitendra Prasad Sinha
Executive Director (Eastern Region Pipelines)

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

Amitabh Akhauri
Executive Director & State Head (Maharashtra State), Marketing

Sanjay Sahay
Executive Director (Aviation), Marketing

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

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

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

Abhijit Choudhury
Executive Director (Construction), Pipelines

Brij Behari
Executive Director (Optimisation), Corporate Office

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

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

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

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

Sanjeev Gupta
Executive Director (Corporate Strategy), Corporate Office

Vigyan Kumar
Executive Director(Retail Sales), Marketing

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

Kalyan Halder
Executive Director (Finance), Pipelines

Dr. G S Kapur
Executive Director (Chemical Technology), R&D

C M Kachroo
Executive Director (IIPM)

Sekar Sambasivan
Executive Director (Materials & Contracts), Refineries

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

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

Manoj Sharma
Executive Director (Operations), Refineries

R C Upadhyay
Executive Director (Human Resources), Refineries

Sanjay Kumar V
Executive Director (South Eastern Region Pipelines)

Rameshwar Lal
Executive Director (Health, Safety & Environment), Pipelines

P S Mony
Executive Director (Institutional Business), Marketing

S K Surchowdhury
Executive Director (Northern Region Pipelines)

Sandeep Jain
Executive Director (Business Development)

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

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

Vinod Kumar
Executive Director (International Trade), Corporate Office

Arvind Kumar
Executive Director & Refinery Head (Mathura Refinery)

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

D S Sehgal
Executive Director (Vigilance), Corporate Office

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

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

N N Rao
CEO, SDI, Bhubaneswar

RSS Rao
Executive Director & State Head (Telangana & Andhra Pradesh State), Marketing

Liton Nandy
Executive Director(Information Systems), Marketing

Sugam Prasad
Executive Director (Employee Relations & CSR), Corporate Office

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

Debasish Nanda
Executive Director (Gas), Corporate Office

Matthew Thomas
Executive Director (Corporate Finance & Treasury), Corporate Office

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

Amarendra Kalita
Executive Director & Refinery Head (Bongaigaon Refinery)

OBJECTIVES AND OBLIGATIONS

OBJECTIVES

To serve the national interests in oil and related sectors in accordance and consistent with Government policies.

To ensure maintenance of continuous and smooth supply of petroleum products by way of crude oil refining, transportation and marketing activities and to provide appropriate assistance to consumers to conserve and use petroleum products efficiently.

To enhance the country's self-sufficiency in crude oil refining and build expertise in laying of crude oil and petroleum product pipelines.

To further enhance marketing infrastructure and reseller network for providing assured service to customers throughout the country.

To create a strong research & development base in refinery processes, product formulations, pipeline transportation and alternative fuels with a view to minimising/eliminating imports and to have next generation products.

To optimise utilisation of refining capacity and maximise distillate yield and gross refining margin.

To maximise utilisation of the existing facilities for improving efficiency and increasing productivity.

To minimise fuel consumption and hydrocarbon loss in refineries and stock loss in marketing operations to effect energy consumption.

To earn a reasonable rate of return on investment.

To avail of all viable opportunities, both national and global, arising out of the Government of India's policy of liberalisation and reforms.

To achieve higher growth through mergers, acquisitions, integration and diversification by harnessing new business opportunities in oil exploration & production, petrochemicals, natural gas and downstream opportunities overseas.

To inculcate strong 'core values' among the employees and continuously update skill sets for full exploitation of the new business opportunities.

To develop operational synergies with subsidiaries and joint ventures and continuously engage across the hydrocarbon value chain for the benefit of society at large.

OBLIGATIONS

Towards customers and dealers

To provide prompt, courteous and efficient service and quality products at competitive prices.

Towards suppliers

To ensure prompt dealings with integrity, impartiality and courtesy and help promote ancillary industries.

Towards employees

To develop their capabilities and facilitate their advancement through appropriate training and career planning.

To have fair dealings with recognised representatives of employees in pursuance of healthy industrial relations practices and sound personnel policies.

Towards community

To develop techno-economically viable and environment friendly products.

To maintain the highest standards in respect of safety, environment protection and occupational health at all production units.

Towards defence services

To maintain adequate supplies to Defence and other paramilitary services during normal as well as emergency situations.

FINANCIAL OBJECTIVES

To earn adequate return on the capital employed and maintain a reasonable annual dividend on equity capital.

To ensure maximum economy in expenditure.

To manage and operate all facilities in an efficient manner so as to generate adequate internal resources to meet revenue cost and requirements for project investment, without budgetary support.

To develop long-term corporate plans to provide for adequate growth of the Corporation's business.

To reduce the cost of production of petroleum products by means of systematic cost control measures and thereby sustain market leadership through cost-competitiveness.

To complete all planned projects within the scheduled time and approved cost.

MAIN OFFICES & MAJOR UNITS

Registered Office

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

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

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

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

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
IndianOil Bhavan,
139, Nungambakkam High Road,
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 – BKC
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

AUDITORS, REGISTRAR & TRANSFER AGENT, STOCK EXCHANGES, BANKERS AND DEBENTURE TRUSTEE

Registrar & Transfer Agents

KFin Technologies Pvt. Ltd.
(Earlier Karvy Fintech Private Ltd.)
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda,
Hyderabad – 500 032
Tel. Nos. : (040) 67162222
Toll Free No. : 1800 3454 001
Fax No. : (040) 23001153
E-mail Address: einward.ris@kfintech.com
Website : www.kfintech.com

Stock Exchanges

BSE Ltd.
P.J. Towers, Dalal Street,
Mumbai - 400 001

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.
Apeejay House, 6th Floor,
3, Dinshaw Wachha Road,
Churchgate, Mumbai - 400 020
Website: www.sbicaptrustee.com

Statutory Auditors

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

Branch Auditor

O. Aggarwal & Co., New Delhi

Cost Auditors

Narasimha Murthy & Co.,
Hyderabad

K. G. Goyal & Associates,
New Delhi

DGM & Associates,
Kolkata

Chandra Wadhwa & Co.,
New Delhi

G. R. Kulkarni & Associates,
Mumbai

Vivekanandan Unni & Associates,
Chennai

Central Cost Auditor

Chandra Wadhwa & Co., New Delhi

Secretarial Auditor

Ragini Chokshi & Co.,
Company Secretaries, Mumbai

GROUP COMPANIES

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 fertilizer plants at Sindri, Gorakhpur and Barauni	Coal India Ltd. NTPC Ltd. Fertilizer Corporation of India Ltd. Hindustan Fertilizer Corporation Ltd.
IHB Pvt. Ltd.	Laying, building, operating and expanding LPG Pipeline from Kandla (Gujarat) to Gorakhpur (UP)	Bharat Petroleum Corporation Ltd. Hindustan Petroleum Corporation Ltd.
Indian Oiltanking Ltd.	Terminalling, EPC services and manufacturer of Compressed Bio-Gas (CBG)	Oiltanking India GmbH, Germany
IndianOil Adani Gas Pvt. Ltd.	City Gas Distribution	Adani Gas Ltd.
IndianOil Petronas Pvt. Ltd.	Terminalling services and parallel marketing of LPG	Petronas, 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.
Kochi Salem Pipelines Private Ltd.	Laying pipeline for transport 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 infra-structure 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.
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

	AS PER IND-AS							AS PER OLD IGAAP
	2019-20	2018-19	2019-20	2018-19	2017-18	2016-17	2015-16	2015-16
	(US $ Million)		(₹ in Crore)					
I Financial								
Revenue From Operations	**79,976**	86,686	**5,66,950**	6,05,932	5,06,428	4,45,442	4,06,828	4,07,296
Profit Before Exceptional Items, Finance Cost, Tax, Depreciation & Amortisation (EBITDA)	**3,154**	5,286	**22,356**	36,952	43,114	35,989	23,371	22,329
Profit Before Exceptional Items, Finance Cost & Tax (EBIT)	**1,917**	4,211	**13,590**	29,438	36,047	29,766	18,552	17,476
Profit Before Exceptional Items & Tax	**1,074**	3,595	**7,611**	25,127	32,564	26,321	15,462	14,476
Profit Before Tax	**(521)**	3,595	**(3,694)**	25,127	32,564	26,321	16,826	15,840
Profit After Tax	**185**	2,417	**1,313**	16,894	21,346	19,106	11,242	10,399
Other Comprehensive Income (net of tax)	**(1,468)**	(333)	**(10,409)**	(2,324)	397	4,868	(6,940)	
Total Comprehensive Income	**(1,283)**	2,084	**(9,096)**	14,570	21,743	23,974	4,302	
Contribution to Central & State Exchequer	**25,683**	27,671	**1,82,067**	1,93,422	1,90,670	1,79,014	1,32,064	1,32,064
Cumulative Dividend (on issued share capital)			**63,920**	60,018	51,109	39,940	30,714	30,714
Value Added	**2,799**	6,874	**19,844**	48,054	53,193	45,708	31,849	31,330
Distribution :								
To Employees	**1,240**	1,588	**8,793**	11,102	10,079	9,719	7,114	7,637
To Providers of Capital								
-Finance Cost	**843**	616	**5,979**	4,311	3,483	3,445	3,090	3,000
-Dividend	**680**	1,383	**4,820**	9,671	9,479	10,545	2,867	3,399
To Government-Income Tax & Dividend Tax	**(567)**	1,462	**(4,021)**	10,218	13,139	9,392	6,170	6,121
Retained in Business								
-Depreciation	**1,237**	1,075	**8,766**	7,514	7,067	6,223	4,819	4,853
-Retained earnings	**(634)**	750	**(4,493)**	5,238	9,946	6,384	7,789	6,320
What Company Owns								
Net Fixed Assets	**17,666**	17,164	**1,33,682**	1,18,708	1,13,927	1,07,880	91,347	90,895
Capital Work In Progress (CWIP)	**3,930**	3,412	**29,738**	23,599	14,348	10,738	21,025	21,022
Investments	**5,172**	7,221	**39,139**	49,940	47,488	47,305	37,181	23,975
Other Non Current Assets	**844**	926	**6,390**	6,401	9,029	7,987	6,900	8,375
Other Current Assets	**12,937**	16,474	**97,889**	1,13,931	94,657	85,299	63,595	82,340
Total	**40,549**	**45,197**	**3,06,838**	**3,12,579**	**2,79,449**	**2,59,209**	**2,20,048**	**2,26,607**
What Company Owes								
Equity								
-Share Capital	**1,213**	1,328	**9,181**	9,181	9,479	4,739	2,370	2,428
-Other Equity	**11,179**	14,384	**84,588**	99,477	100,692	94,990	85,765	71,521
Total	**12,392**	**15,712**	**93,769**	**1,08,658**	**1,10,171**	**99,729**	**88,135**	**73,949**
Borrowings	**15,402**	12,487	**1,16,545**	86,359	58,030	54,820	52,880	52,469
Tax Liability (Net)	**946**	2,023	**7,160**	13,989	10,726	6,811	6,403	9,468
Other Non Current Liabilities	**496**	448	**3,751**	3,098	3,912	4,101	20,543	20,038
Other Current Liabilities	**11,313**	14,527	**85,612**	1,00,476	96,610	93,748	52,087	70,683
Total	**40,549**	**45,197**	**3,06,838**	**3,12,579**	**2,79,449**	**2,59,209**	**2,20,048**	**2,26,607**
Net worth (as per Companies Act)	**11,610**	13,364	**87,851**	92,424	91,664	81,474	75,176	73,498
Market Capitalisation	**10,158**	22,167	**76,867**	153,310	171,511	187,948	95,564	95,564
Enterprise Value	**25,489**	34,649	**192,876**	2,39,630	2,29,487	2,42,715	1,48,182	1,47,771
II Distributions								
Key Financial Indicators								
IOCL Reported GRM (in $/bbl)			**0.08**	5.41	8.49	7.77	5.06	5.06
IOCL Normalized GRM (in $/bbl)			**2.64**	4.81	7.37	4.99	7.50	7.50
Singapore GRM (in $/bbl)#			**3.21**	4.88	7.22	5.83	7.46	7.46
Earnings Per Share*	**0.02**	0.26	**1.43**	17.89	22.52	20.16	11.86	10.71
Cash Earnings Per Share*	**0.15**	0.37	**10.98**	25.85	29.98	26.72	16.94	15.70
Book Value Per Share*	**1.35**	1.71	**102.13**	118.35	116.23	105.21	92.98	76.14
Market Price Per Share (NSE)*			**81.65**	162.85	176.60	193.53	98.40	98.40
Price Earning Ratio			**57.08**	9.10	7.84	9.60	8.30	9.19
Dividend Payout Ratio			**297%**	53%	52%	48%	30%	33%
Total Payout Ratio			**358%**	63%	63%	58%	36%	39%
Retention Ratio			**-258%**	37%	37%	42%	64%	61%
Debt Equity Ratio								
-Total Debt To Equity			**1.24:1**	0.79:1	0.53:1	0.55:1	0.60:1	0.71:1
-Long -Term Debt To Equity			**0.57:1**	0.35:1	0.19:1	0.25:1	0.40:1	0.47:1
Current ratio			**1.24:1**	1.22:1	1.07:1	0.99:1	1.36:1	1.26:1
Return on Average Net Worth (%)			**1.46**	18.35	24.66	24.39	15.12	14.74
Return on Average Capital Employed (%)			**7.72**	18.10	24.22	22.57	16.36	18.37
Debtor Turnover Ratio (times)			**39.60**	46.63	53.43	54.66	55.79	54.05
Inventory Turnover Ratio (times)			**8.31**	8.52	7.47	8.37	10.20	9.40
Interest Service Coverage Ratio (times)			**1.82**	8.57	12.32	9.94	6.49	6.37
Debt Service Coverage Ratio (times)			**1.70**	4.31	3.31	2.03	1.76	1.68
EBITDA Margin (%)			**4.56**	6.99	10.22	9.96	6.67	6.37
Operating Profit Margin (%)			**2.05**	4.97	7.74	7.07	4.64	4.34
Net Profit Margin (%)			**0.27**	3.19	5.06	5.29	3.21	2.97

Source Reuters

Note:

Exchange rate used:-

For 2019-20 Average Rate 1 US $ = ₹ 70.89 and Closing Rate 1 US $ = ₹ 75.67 as on March 31, 2020
For 2018-19 Average Rate 1 US $ = ₹ 69.90 and Closing Rate 1 US $ = ₹ 69.16 as on March 31, 2019

* **Note:** Absolute figures in US$ and ₹ Adjusted for Bonus Shares (1:1 issued in March 2018 and 1:1 issued in October 2016)

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 Borrowings + Long-Term Borrowings + Current Maturities of Long-Term Debt
6	Tax Liability (Net)	Deferred Tax Liability + Curent Tax Liability + Income Tax Liability - (Curent Tax Asset + Income Tax Asset)
7	Other Current Liabilities	Current Liabilities - (Short-Term Borrowings + Current Maturities of Long-Term Debt)
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	Total Debt To Equity	Borrowings / Equity
15	Long-Term Debt To Equity	(Long-Term Borrowings + Current Maturities of Long -Term Debt) / Equity
16	Return on Average Net Worth (%)	Profit After Tax / Average Net worth (as per Companies Act)
17	Return on Average Capital Employed (%)	EBIT / Average Capital Employed
18	Interest Service coverage ratio	(Profit Before Tax+Finance Cost+Depreciation) / Finance cost
19	Debt Service Coverage ratio	(Profit After Tax+Finance Cost+Depreciation) / (Finance Cost+Principal repayment (Long-Term))
20	Operating Profit Margin	(Profit Before Exceptional Item and Tax+Finance Cost-Other Non Operating Income) / (Revenue from operations Net of Excise Duty)
21	Inventory Turnover Ratio	(Total Income-Profit before Exceptional Item and Tax-Selling and Distribution Expenses) / Average Inventory
22	Current Ratio	Current Assets / (Current Liabilities Short-Term Borrowings-Current Maturities of Long-Term Debts)

II Operations

Million Metric Tonnes

	2019-20	2018-19	2017-18	2016-17	2015-16
Operating Performance					
Product Sales					
Domestic					
-Petroleum Products	**78.541**	79.453	77.133	74.110	72.603
-Gas	**3.318**	2.461	1.904	1.920	1.929
-Petrochemicals	**2.224**	2.553	2.275	2.453	2.413
-Explosives	**0.205**	0.183	0.177	0.158	0.144
Total Domestic	**84.288**	**84.650**	**81.489**	**78.641**	**77.089**
Export	**5.408**	5.244	7.274	4.849	3.575
Total	**89.696**	**89.894**	**88.763**	**83.490**	**80.664**
Refineries Throughput	**69.419**	**71.816**	**69.001**	**65.191**	**56.694**
Pipelines Throughput	**85.349**	**88.527**	**85.675**	**82.490**	**79.824**

III Manpower Numbers

	2019-20	2018-19	2017-18	2016-17	2015-16
	32,998	33,498	33,157	33,135	32,803

Figures for the previous year have been regrouped, wherever necessary.

DIRECTORS' REPORT

Dear Members,

On behalf of the IndianOil Board, I present to you the 61st Annual Report and the third Integrated Annual Report of the Company for the financial year ended March 31, 2020, along with the Audited Standalone and Consolidated Financial Statements and Auditors report thereon.

Matching the pace of the energy demand in the country, the Company posted robust performance during the year, retaining its numero-uno position in the downstream petroleum sector and strengthening its new verticals of Gas, Petrochemicals and E&P.

THE RESILIENT COMPANY: TREADING THROUGH THE COVID-19 CHALLENGE

The unprecedented COVID-19 novel Coronavirus, followed by the lockdown enforced by various countries to flatten the rising curve of the pandemic, had severely impacted businesses across the world. In India too, the Government announced a nationwide lockdown with effect from March 25, 2020, which continued with certain relaxations till May 31, 2020. Thereafter, the lockdown was lifted partially by the Central and State Governments with few restrictions.

Despite the lockdown, the dedicated workforce of the Company as well as its channel partners put in their best to maintain the supply lines of fuels for households and essential / emergency services across the country.

Since the commencement of the nationwide lockdown, the Company put in place a comprehensive strategy to maintain business continuity while also ensuring the health and safety of all its stakeholders, including its employees, channel partners, their subordinate staff, and a large number of contract workers.

The Company had witnessed a demand growth of 0.8% for petroleum products in 2019-20 till February 2020. However, sales declined by 21% in March 2020 due to the lockdown, dragging down the growth for the entire year to -1.1%. The performance of the Company was impacted by the prolonged lockdown, leading to lower sale of petroleum products by 46% during the month of April 2020 as well. With relaxations by the Central Government as well as the State Governments, product sales improved from May onwards but remained lower as compared to that of the previous year. During the period April - July 2020, the sale of petroleum products was only 74% of the sales achieved during the corresponding period last year. The Natural Gas sales, which had grown by 19% in 2019-20, witnessed a fall in April - May, 2020 falling to 74% of April - May, 2019 levels. With relaxations and ease of lockdown by the Central and State Governments, Natural Gas sales improved from June onwards and growth rates of 15% and 17% were achieved in June & July, 2020 respectively.

Some significant steps taken by the Company in the face of the pandemic are as under:

- All operating locations, i.e., refineries, pipelines, terminals, depots, LPG bottling plants, lube blending plants, etc., remained operational throughout the lockdown period. Nearly 60% of the employees continued to work from regular work-places and the rest remotely or from home.
- While the lower demand of petroleum products impacted refineries' throughput, the Company took immediate steps to increase LPG production by optimising refinery operations to meet the sharp rise in demand caused by the lockdown as well as provision of free LPG refills for three months to PMUY customers under Pradhan Mantri Garib Kalyan Yojana (PMGKY).
- Despite the lockdown, the Company delivered about 25 lakh cylinders to the doorsteps of its customers every day, with its bottling plants and the field force toiling together as a team.
- Due to the fall in domestic demand for petroleum products, the Company undertook exports on a continuous basis to maintain its refinery operations.
- While some crude oil cargoes meant for the refineries were either deferred or rescheduled, some were diverted to fill the country's strategic petroleum reserves to benefit from prevailing low prices.
- Additional storage was created in locations wherever possible by re-commissioning tanks on a war-footing.
- Medical insurance cover for COVID-19 was provided to about 3,23,000 frontline personnel, including retail outlet customer attendants, LPG delivery boys, POL tank-truck crew, DGR guards on pipeline patrol duty, operators and crew of the Mobile Manufacturing Unit (MMU) of the Explosives group, etc.
- In order to extend a helping hand to the families of contract workers and the workforce of business partners who are exposed to the risk of contracting COVID-19, the Company has announced ex-gratia assistance of ₹ 5 lakh to the family of any such worker who expires due to COVID-19.
- Comprehensive advisories on safe practices to avoid virus transmission, covering various aspects like social distancing, work-from-home, meetings over digital platforms, telemedicine, etc., were prepared and shared with all locations for strict implementation.
- A standard operating procedure was developed wherein locations are required to ensure wearing of masks and availability of hand-sanitisers at key touch-points. The Company took up in-house production of hand-sanitisers wherever possible and provided the same to the district administration and law enforcement personnel.
- Security controls were put in place in line with the new work-from-home norms to counter cyber-attacks.
- The Company contributed ₹ 225 crore to PM CARES fund for COVID-19 relief. In addition, all the employees of the Company contributed two days' salary amounting to ₹ 24 crore to the fund.

PERFORMANCE REVIEW

FINANCIAL

Particulars	2019-20		2018-19	
	US$ Million	₹ in Crore	US$ Million	₹ in Crore
Revenue from Operations (Inclusive of Excise Duty & Sale of Services)	79,976	5,66,950	86,686	6,05,932
EBITDA (Profit Before Exceptional Items, Finance Cost, Tax, Depreciation & Amortisation)	3,154	22,356	5,286	36,952
Finance Cost	843	5,979	616	4,311
Depreciation	1,237	8,766	1,075	7,514
Profit Before Tax & Exceptional Items	1,074	7,611	3,595	25,127
Exceptional Items	(1,595)	(11,305)	-	-
Profit Before Tax	(521)	(3,694)	3,595	25,127
Tax Provision	(706)	(5,007)	1,178	8,233
Profit After Tax	185	1,313	2,417	16,894
Balance Brought Forward from Last Year	-	-	-	-
Less: Appropriations				
Interim Dividend paid	550	3902	1,112	7,775
Final Dividend paid	130	918	271	1,896
Dividend Distribution Tax	139	986	284	1,985
Insurance Reserve (Net)	3	20	3	18
Bond Redemption Reserve	-	-	90	631
CSR Reserve (Net)	-	-	-	-
General Reserve	(637)	(4,513)	657	4,589
Balance Carried to Next Year	-	-	-	-

SHARE VALUE

Particulars	2019-20		2018-19	
	US$	₹	US$	₹
Cash Earnings Per Share	0.15	10.98	0.37	25.85
Earnings Per Share	0.02	1.43	0.26	17.89
Book Value Per Share	1.35	102.13	1.71	118.35

Note: Exchange Rate used :-
For 2019-20: Average Rate 1 US$ = ₹ 70.89 and Closing Rate 1 US$ = ₹ 75.67 as on March 31, 2020
For 2018-19: Average Rate 1 US$ = ₹ 69.90 and Closing Rate 1 US$ = ₹ 69.16 as on March 31, 2019

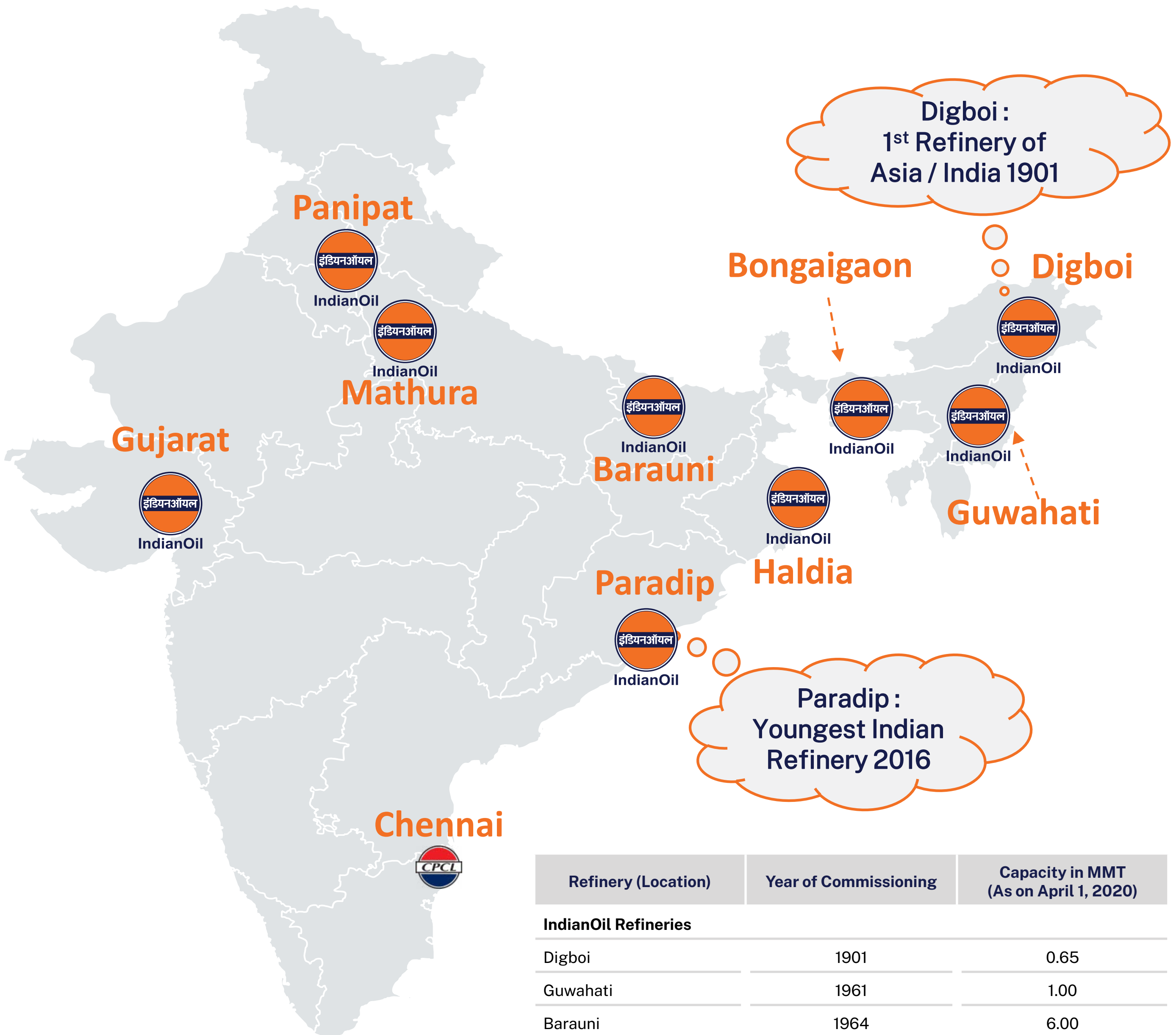
PHYSICAL

Million Metric Tonnes

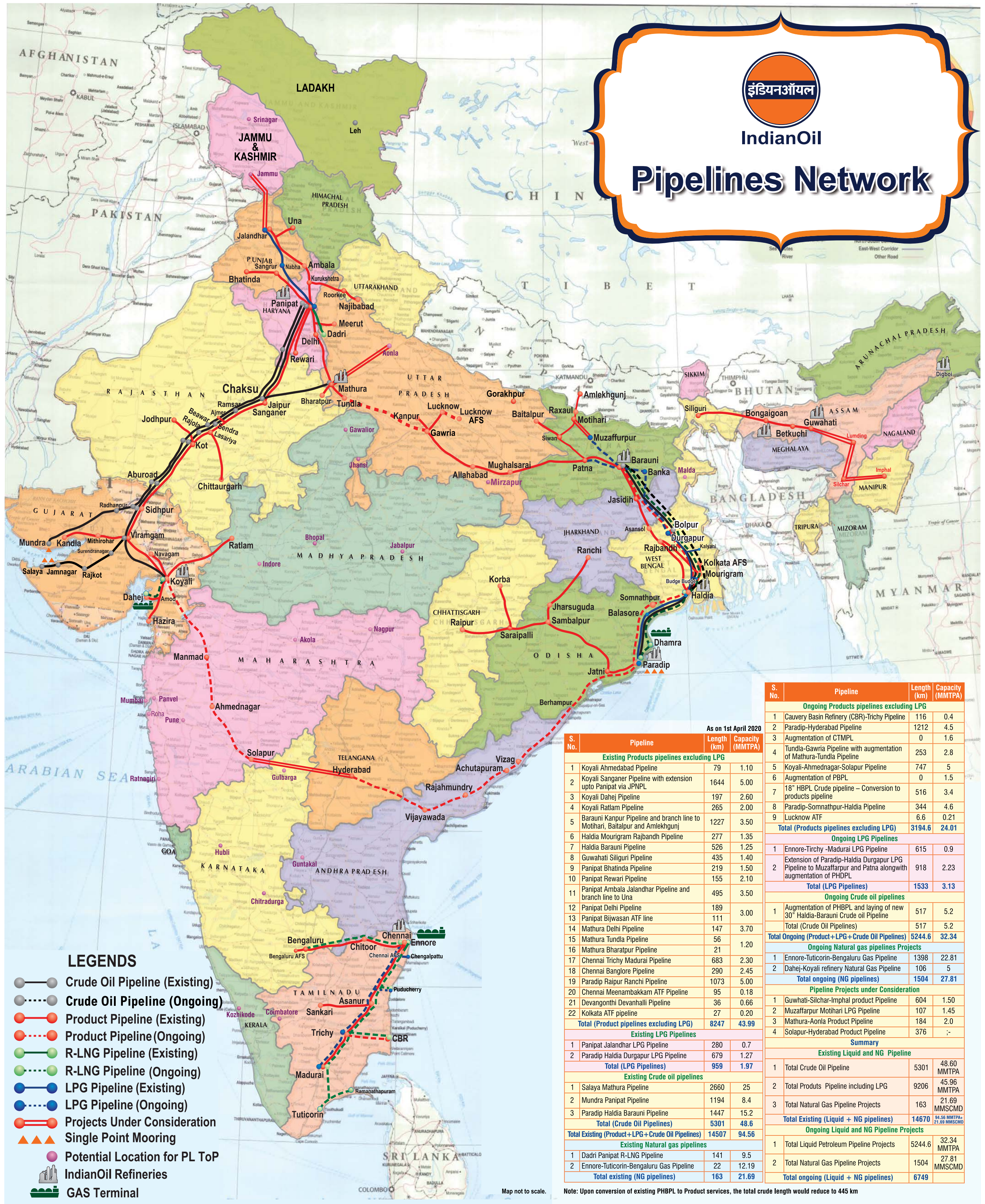
Particulars	2019-20	2018-19
Refineries Throughput	69.42	71.82
Pipelines Throughput	85.35	88.53
Product Sales (inclusive of Gas, Petrochemicals & Exports)	89.70	89.89

The details of macro-economic, geo-political, financial, industry-specific information affecting the Company's business and the markets in which it operates are provided in the Management Discussion & Analysis section, which forms part of the Annual Report.

INDIANOIL GROUP REFINERIES



Refinery (Location)	Year of Commissioning	Capacity in MMT (As on April 1, 2020)
IndianOil Refineries		
Digboi	1901	0.65
Guwahati	1961	1.00
Barauni	1964	6.00
Gujarat	1965	13.70
Haldia	1975	8.00
Bongaigaon	1979	2.35
Mathura	1982	8.00
Panipat	1998	15.00
Paradip	2016	15.00
CPCL (Subsidiary) Refinery		
Manali, Chennai	1966	10.50
Total		80.20



ISSUE OF SECURITIES / CHANGES IN SHARE CAPITAL

There was no change in the share capital of the Company as well as issuance of shares during the year. However, during the year, the Company issued Unsecured, Rated, Listed, Taxable, Redeemable, Non-Convertible Debentures (NCDs) aggregating ₹ 7,995 crore on private placement basis. The funds raised through issuance of NCDs have been utilised for funding the capital expenditure, including recoupment of expenditure already incurred.

DISINVESTMENT BY THE PRESIDENT OF INDIA (PROMOTER)

The promoter of the Company, i.e., the President of India, was holding 491,21,49,459 equity shares, constituting 52.18% of the total equity share capital, as on April 1, 2019. As part of the Government's disinvestment programme, the President, acting through the MoP&NG, disinvested 6,40,16,281 shares during July 2019 in favour of CPSE ETF (an exchange traded fund comprising 11 stocks managed by Reliance Nippon Life Asset Management Company). Thereby, the holding of the President of India got reduced to 484,81,33,178 equity shares, constituting 51.50% of the paid-up equity share capital of the Company.

DIVIDEND

The Company paid an interim dividend of ₹ 4.25 per share during 2019-20. This is the 53rd consecutive year for which the Company has paid dividend. So far, the Company has paid a cumulative dividend of ₹ 63,920 crore. The Board of the Company has formulated a Dividend Distribution Policy and the dividends declared / recommended during the year are in accordance with the said policy. The policy is annexed to the Directors' Report at Annexure-I and is also hosted on the website of the Company, i.e., www.iocl.com

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, ₹ 1,82,067 crore was paid to the exchequer as against ₹ 1,93,422 crore paid in the previous year. An amount of ₹ 96,104 crore was paid to the Central Exchequer and ₹ 85,963 crore to the States Exchequer as against ₹ 1,01,395 crore and ₹ 92,027 crore paid in the previous year respectively.

CONSOLIDATED FINANCIAL STATEMENTS

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 as follows:

Particulars	2019-20		2018-19	
	US$ Million	₹ in Crore	US$ Million	₹ in Crore
Revenue from Operations (Inclusive of Excise Duty & Sale of Services)	81,336	5,76,589	88,305	6,17,251
Profit Before Tax	(1,012)	(7,177)	3,709	25,927
Profit After Tax	(265)	(1,876)	2,471	17,274
Less: Share of Minority	(139)	(983)	(15)	(103)
Profit for the Group	(126)	(893)	2,486	17,377

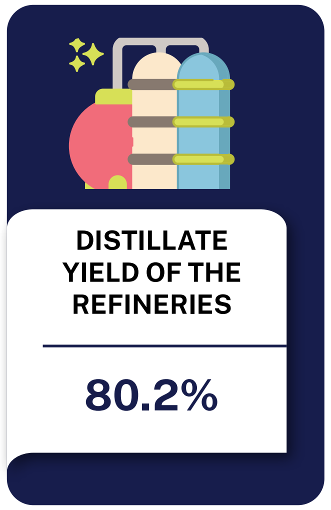
Note: Exchange Rate used:-
For 2019-20: Average Rate 1 US$ = ₹ 70.89
For 2018-19: Average Rate 1 US$ = ₹ 69.90

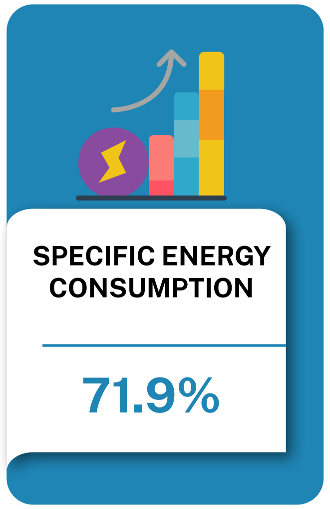
OPERATIONAL PERFORMANCE

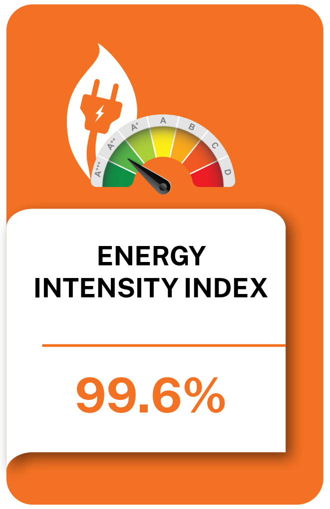
Refineries

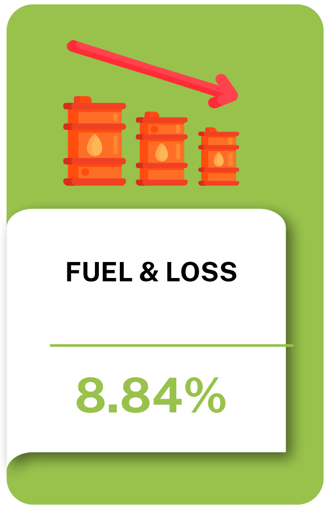
The year 2019-20 was the year in which all the refineries of the Company achieved BS-VI fuels (MS & HSD) upgradation. During the year, the nine refineries of the Company achieved a throughput of 69.42 MMT equivalent to 100.32% of installed capacity.

The performance on parameters like capacity utilisation, distillate yield and energy performance was slightly lower as compared to the previous year due to shutdown of refineries for implementation of BS-VI projects.

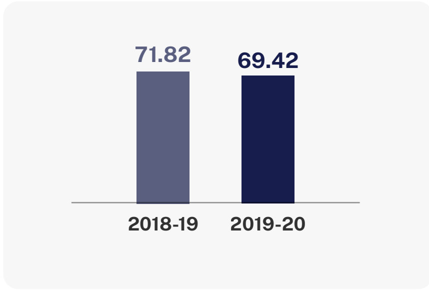




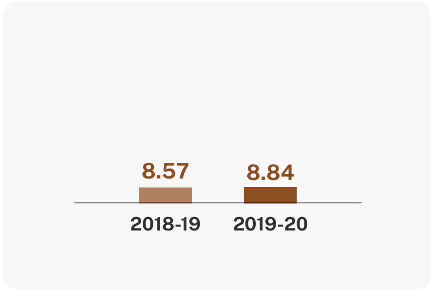




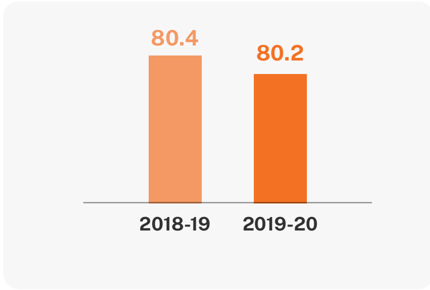
CRUDE THROUGHPUT (MMT)



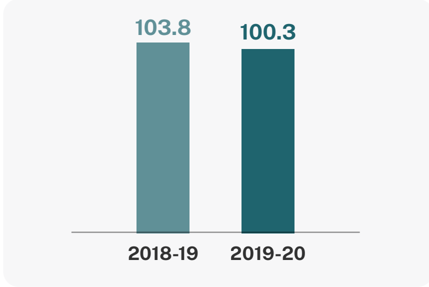
FUEL & LOSS (%)



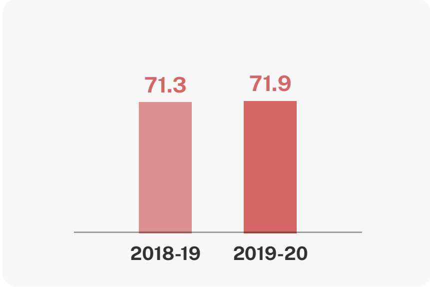
DISTILLATE YIELD (%)



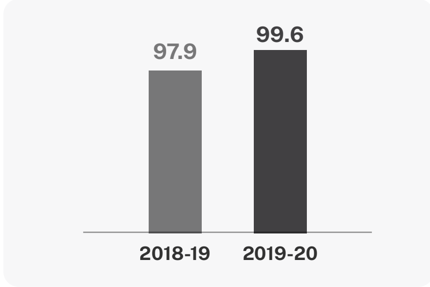
CAPACITY UTILIZATION (%)



SPECIFIC ENERGY CONSUMPTION (%)



ENERGY INTENSITY INDEX (%)



During the year, Digboi Refinery was the first refinery to produce & supply BS-VI compliant fuels in August 2019 using indigenously developed R&D Catalyst. Mathura Refinery upgraded to the BS-VI club in January 2020 along with Panipat, Gujarat, Haldia and Bongaigaon Refineries in February 2020. This was followed by the other remaining refineries going BS-VI, producing the upgraded fuel which was made available through the Company's retail outlets across the country w.e.f. March 16, 2020, ahead of April 1, 2020, the deadline stipulated by the Government of India.

During the year, six new crude oil grades were included in the crude oil basket of the Company, taking their number to 186, to improve flexibility in refinery operations / crude purchases.

Delivering greatest value across its spectrum of customers has been the motto of IndianOil. The Company was the first in the country to supply bunker fuel with new specifications mandated by the International Maritime Organisation from its Gujarat Refinery in September 2019, followed by Haldia Refinery in November 2019. The other major achievements include production of BS-VI compliant winter-grade High Speed Diesel (HSD) from Panipat Refinery in November 2019, capable of withstanding extremely low temperatures in winter of -33°C in the Himalayan region and supply of NATO-grade HFHSD (High Flash HSD) for the Indian Navy from Paradip & Haldia refineries.

IndianOil holds around 32% of India's national refining capacity.

To support the national commitment of achieving climate change goals and a 10% reduction in the oil import bill by the year 2022, the Company has joined hands with Oil and Natural Gas Corporation Limited (ONGC) and Oil India Ltd. (OIL) for carbon capture, utilisation & storage projects. MoUs were signed with ONGC and OIL during the year which entails capturing carbon dioxide from refinery stacks at Gujarat & Digboi and supplying it to the depleting oil fields of these companies for enhanced oil recovery (EOR). For carrying out the feasibility study, an aid of USD 1 million has been sanctioned by USTDA.

With long term energy demands in horizon, Barauni Refinery will also witness expansion from current installed capacity of 6 MMTPA to 9 MMTPA at an estimated project cost of ₹ 14,000 crore, as a part of the company's capacity augmentation plans.

With the ethos of Make in India in perspective and to address the ever-increasing demand of butyl acrylate, a largely imported petrochemical in India, the Company is also putting in place an Acrylics / Oxo-Alcohol Project at Dumad, Gujarat at an estimated cost of ₹ 4500 crore. The key end user applications of Butyl Acrylate being adhesives, paints & coatings, textile chemicals, synthetic tanning agent/leather chemicals.

Pipelines

The robust logistics network of the Company is strengthened by its formidable network of pipelines transporting crude oil to its refineries and finished products to high-consumption centres across the length and breadth of the country. The extensive network was further expanded by 438 km during the year to span more than 14,670 km, with a combined throughput capacity of 94.56 million tonnes per annum for crude oil / product and

21.69 MMSCMD (million metric standard cubic metres per day) for gas pipelines.

The Product pipelines recorded the highest ever throughput of 37.92 MMT as against 37.20 MMT achieved during the previous year, registering a growth of 1.9%. The gas pipelines also achieved the highest ever throughput of 2,400 MMSCM during the year, as against a throughput of 1834 MMSCM in 2018-19.

The Company commissioned the Motihari - Amlekhganj products pipeline, the first transnational pipeline of the country, in July, 2019, eight months ahead of the schedule. The pipeline has enabled supply of petroleum products to Nepal in a safe and cost-efficient manner.

For the first time in India, the first batch of 10% ethanol - blended petrol was pumped through the Mathura - Tundla pipeline in April, 2019. Subsequently, the same was carried out in the Mathura - Delhi pipeline in October, 2019 and in Mathura - Bharatpur pipeline in February, 2020.

Director Pipelines, IndianOil, Mr. Akshay Kumar Singh addressing IOCians on the best industry practices across the globe for enhanced performance and productivity.

Marketing

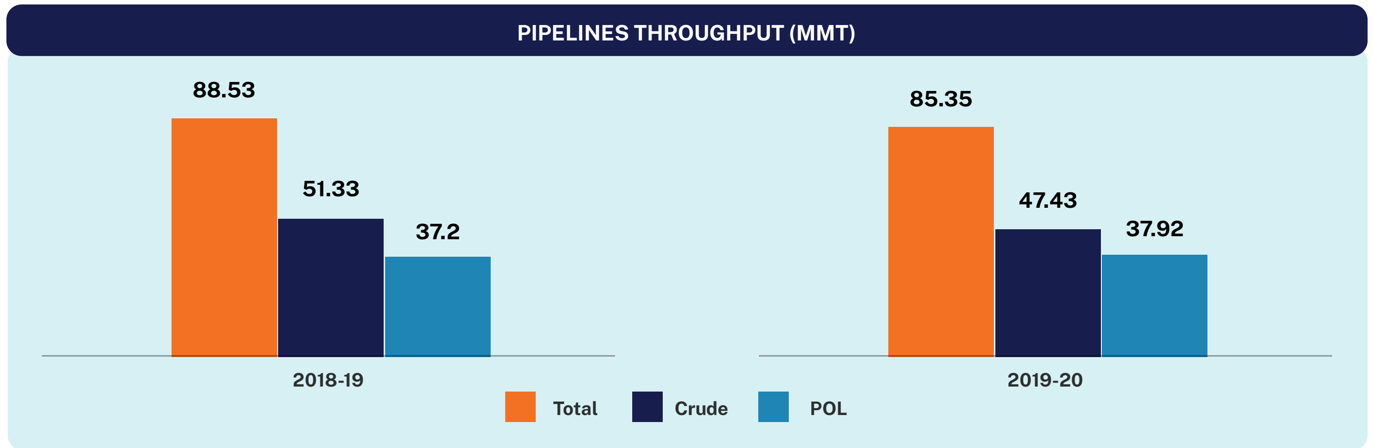
The Company has the largest share towards meeting the domestic petroleum product demand of India that leverages its behemoth customer base catered to by its ever expanding touchpoints. The Company achieved domestic sales of 78.54 MMT of petroleum products during the year, with footfall of 2 crore per day at retail outlets and delivery of 25 lacs LPG cylinders per day, as against 79.45 MMT in the previous year, registering a drop of 1.1% mainly due to the countrywide lockdown in March 2020 leading to a significant drop in overall sales.

The Company continued to meet the fuel requirements of the defence services and the railways during the year. In order to ensure uninterrupted availability of petroleum products in Leh & Ladakh during the winter season, when the region gets cut-off from the rest of the country, the Company successfully completed the Advance Winter Stocking exercise well before the closure of roads.

During the year, the country's first Compressed Bio-Gas dispensing station was commissioned by the Company in Pune, followed by another station in Kolhapur. As a part of the Company's plan to foray into alternative energy segment, 54 battery charging / swapping stations were also set up in partnership with various companies.

To cater to the rising fuel demand, the Company commissioned new state-of-the-art automated bulk storage terminals at Una (Himachal Pradesh) and Doimukh (Arunachal Pradesh) during the year. In addition, new LPG bottling plants were commissioned at Bhatinda (Punjab), Banka (Bihar) and Tirunelveli (Tamil Nadu) to improve turnaround of LPG cylinders.

During the year, the Company released more than 75 lakh LPG connections, of which 41 lakh connections were released under Pradhan Mantri Ujjwala Yojana (PMUY) to women from poor households. The target of releasing 8 crore LPG connections on industry basis under PMUY was achieved in September 2019, seven months ahead of the targeted timeline. Out of the 8 crore PMUY connections, the Company has released 3.75 crore connections.

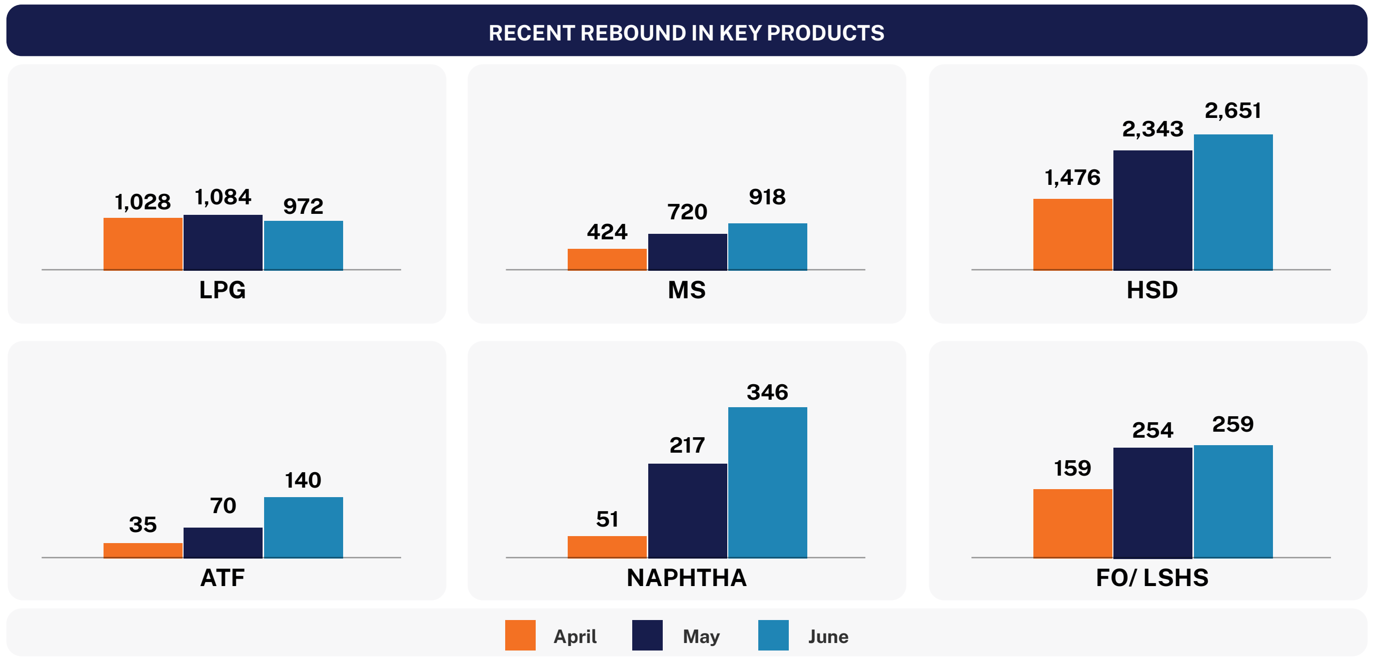


PIPELINE THROUGHPUT 85.35 MMT

CRUDE PIPELINES THROUGHPUT 47.43 MMT

HIGHEST PRODUCT PIPELINES THROUGHPUT 37.92 MMT

HIGHEST GAS PIPELINES THROUGHPUT 2400 MMSCM



EVER EXPANDING CUSTOMER REACH

TOTAL RETAIL OUTLETS
29,085

COMMISSIONED RETAIL OUTLETS
including 664 Kisan Seva Kendras in rural areas
1,400

NEW CNG STATIONS COMMISSIONED
at existing retail outlets
273

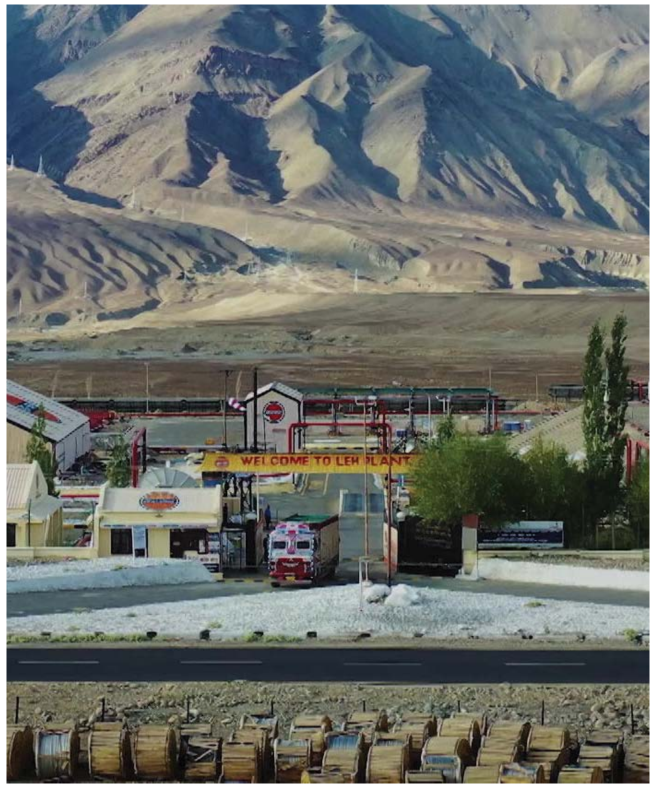
The Company also commissioned 524 new LPG distributorships, taking their total number to 12,450. The Company achieved the highest ever annual sale of 12.33 MMT of LPG during the year.

SERVO, the lubricant brand of the Company, continued to be the market leader in finished lubricants segment with sale of 407 Thousand Metric Tonnes (TMT) during the year. 110 SERVO grade approvals were obtained from Original Equipment Manufacturers (OEMs) like Tata Motors, Mahindra & Mahindra, KIA Motors, Nissan, Honda, etc., during the year. With the appointment of lubricant distributors in four new countries, i.e., Myanmar, Indonesia, Qatar and Vietnam, SERVO exports increased by 12.7% during the year.

The Aviation Service of the Company continued to maintain its leadership position with a market share of 63.8% during the year. With the commissioning of four new Aviation Fuel Stations (AFS), the Company is now providing aircraft refuelling services at 119 airports in the country. The Company continued to be the reliable fuel supplier of Indian Air Force during the relief operations carried out during natural calamities.

The Cryogenics group of the company sold 33,000 units of cryo-cans and cryo-vessels during 2019-20, as against the previous year's sale of 29,555 units, registering a growth of 13%. During the year, the Cryogenics group also fabricated 16 aviation refuellers.

Through its network of over 50,000 customer touch-points, IndianOil serves every nook and corner of the nation.



IndianOil accounts for nearly half of India's petroleum products market share with sales of 78.54 MMT in the year 2019-20.

Research & Development

The R&D Centre of the Company, a pan industry recognized institution of innovation and technology development, consolidated its strengths and explored new avenues of collaboration with several reputed institutions to pursue research in diverse areas during the year. Cutting-edge solutions from the R&D Centre continued to flow into core areas like lubricants, catalysts, fuels & additives, petrochemicals & polymers, alternative energy, etc.

The first ever overseas agreement to licence the flagship INDMAX technology of the R&D Centre was concluded during the year with the licencing partner – Lummus Technology Inc. of USA – signing the agreement with Serbia's Naftna Industrija Srbije (NIS). INDMAX technology will be used in the FCC modernisation project of NIS's refinery at Pancevo for enhanced production of valuable olefins and high-octane naphtha. This will open up new vistas for this indigenously developed technology to expand its footprints.

AmyleMax®, an in-house octane-boosting technology, was successfully validated at the Company's Gujarat Refinery. The entire process scheme & design, cost estimation, catalyst supply, preparation of BDEP and implementation at site were carried out in-house from concept to commercialisation in a record time of 11 months. This technology was adjudged as the best refinery process innovation by the Ministry of Petroleum and Natural Gas, Govt. of India.

A Hydrogen-CNG (H-CNG) demonstration plant of 4 tonnes/day capacity based on R&D patented compact reforming technology has been set up at Rajghat bus depot in New Delhi. On-road trials of H-CNG fuel in 50 identified city CNG buses is to commence soon.

Adding another feather in the cap in serving the defence forces of the country, IndianOil launched the NATO (North Atlantic Treaty Organisation) grade High Flash High Speed Diesel (HFHSD) for Indian Naval Ships during FY 2019-20.

During the year, 133 lubricant formulations were developed, of which 112 were commercialised. 66 approvals were also received from Original Equipment Manufacturers (OEMs) during the year.

The R&D Centre filed for 128 patents (37 Indian and 91 overseas) and was granted 123 patents during the year, taking the tally of active patents to 929.

IndianOil's R&D Centre is first to achieve the milestone of 1000 patents filed among Indian Oil & Gas companies.

PROJECTS

The Company has been consistently investing in infrastructure development projects to make petroleum products available to the customers at the least cost. The projects are financed through an optimum mix of internal accruals and borrowings from domestic as well as international markets as and when required. During the year, the Company spent over ₹29,000 crore on capital projects.

A view of IndianOil's Panipat Naphtha Cracker.

COMPLETED PROJECTS - ADDITIONS TOWARDS THE NEW AGE REFINING

- BS-VI fuel quality upgradation projects at refineries
- Distillate yield improvement at Haldia Refinery
- INDMAX unit at Bongaigaon Refinery
- Polypropylene unit at Paradip Refinery

ONGOING PROJECTS (COSTING MORE THAN ₹ 1,000 CRORE EACH)

CORE PROJECTS

REFINERIES

- Barauni Refinery Expansion from 6 to 9 MMTPA
- Ethylene Glycol project at Paradip Refinery
- Oxo - Alcohol project at Dumad, Gujarat
- Fuel quality upgradation project at Paradip and Barauni Refineries
- Naphtha Cracker expansion and Mono Ethylene Glycol & Butadiene extraction unit revamp at Panipat Refinery
- Revamp of PX - PTA unit at Panipat
- Second Catalytic Dewaxing Unit at Haldia

PIPELINES

- Haldia - Barauni crude oil pipeline and conversion of existing Haldia - Barauni crude oil pipeline to product and gas pipelines
- Paradip - Hyderabad products pipeline
- Augmentation of Paradip - Haldia - Durgapur LPG pipeline and its extension up to Patna and Muzaffarpur
- Koyali - Ahmednagar - Solapur products pipeline | Paradip - Somnathpur - Haldia products pipeline
- Laying of Kandla - Gorakhpur LPG pipeline (the longest LPG pipeline in the world) through a joint venture company.

R&D

Second R&D Campus at Faridabad

DIVERSIFICATION

Setting up of Fertiliser plants at Barauni, Gorakhpur and Sindri through a joint venture company

FORAY IN GAS

- Laying of North-east Gas Grid connecting all State capitals in the north-east with the National Gas Grid through a Joint Venture Company.
- Ennore-Thiruvallur-Bengaluru - Puducherry - Nagapattinam - Madurai - Tuticorin gas pipeline

BUSINESS DEVELOPMENT

The Company has nurtured many new ideas and added new business lines over the years to complement its core business of refining and marketing of petroleum products. Considering the wide-ranging changes that impact the energy sector, constant efforts are on for diversification of business as well as upstream and downstream integration. The Company has made considerable progress in Petrochemicals, Natural Gas sourcing and marketing, Exploration & Production, Alternative Energy and Overseas Business, which are becoming key sources of innovation, strength and sustained growth.

Petrochemicals

The Company's offerings in petrochemical segment include Polymers, Linear Alkyl Benzene, Purified Terephthalic Acid, Glycols and Butadiene. The PROPEL brand of the Company is now a leading brand in the Indian petrochemicals market. During the year 2019-20, petrochemicals sales, including exports, was 2.29 MMT as against 2.64 MMT in the previous year. The fall in sales as compared to last year was due to planned turnarounds and unplanned outage of a few units. In addition, towards the end of the year, COVID-19 crisis also weighed in on the demand.

The Product Application Development Centre (PADC) at Panipat continues to be a major driver of competitive advantage for the Company's petrochemicals business. A new PADC has been made operational at Paradip for carrying out quality assurance testing of grades manufactured at Paradip as well as to extend technical support to downstream customers. During the year, the Company received approvals from 15 major Indian and international original equipment manufacturers for its various polymer grades.

A major milestone was the commissioning of the 700-KTA Polypropylene (PP) plant at Paradip in July 2019. Seven grades were introduced from this plant, which soon became well established in the market.

Natural Gas

The Re-gasified Liquefied Natural Gas (RLNG) is also gaining momentum as an important energy delivery pathway of the company. During the year, the Company's natural gas sales (including internal consumption) grew by 19% to touch 5.42 MMT as against 4.56 MMT in 2018-19. This includes 0.45 MMT from the Ennore LNG import terminal commissioned in March 2019. The Company now has a customer base of over 60 R-LNG customers besides supplies to its own refineries at Mathura, Panipat and Koyali. A major scale-up was witnessed in sales through the Company's 'LNG at the Doorstep' segment, which achieved a level of 8.73 TMT, with a rise of 132% over the previous year.

IndianOil executed a tripartite Letter of Co-operation with two US Companies, ExxonMobil and Chart Energy Inc., for delivering LNG in ISO containers to Indian cities that are not connected to pipeline networks

The Company has in the recent years been making significant headway in the City Gas Distribution (CGD) business and now has a standalone presence in 17 Geographical Areas (GAs). In addition, the Company has 23 GAs in its fold through two joint venture companies, namely Green Gas Ltd. (with GAIL India Ltd.) & IndianOil Adani Gas Pvt. Ltd. (with Adani Gas Ltd.).

The Company is making major investments in building the natural gas infrastructure in the country and is in the process of developing three cross-country gas pipelines i.e. Mehsana - Bhatinda, Bhatinda - Jammu - Srinagar & Mallavaram – Bhopal – Bhilwara - Vijaipur pipelines, through two joint ventures, viz., GSPL India Gasnet Ltd. & GSPL India Transco Ltd., wherein Gujarat State Petronet Ltd., Bharat Petroleum Corp. Ltd., and Hindustan Petroleum Corp. Ltd. are its partners.

The Company is also implementing a 1,656 km natural gas pipeline grid in the northeast through Indradhanush Gas Grid Ltd., a JVC with ONGC Ltd., Oil India Ltd., GAIL (India) Ltd. and Numaligarh Refinery Ltd. The Cabinet Committee on Economic Affairs has in January 2020, approved viability gap funding of 60% of the estimated cost of ₹ 9,265 crore for this project.

LNG imports by the Company rose by 22% during the year with direct import of 32 LNG cargoes, which included 27 spot cargoes, 2 cargoes from Cameron Project, USA, and 3 from Ras Laffan LNG Co., Qatar, against long-term contracts.

IndianOil's Product Application and Development Centre (PADC) at Paradip, Odisha would support the development of polymer industry in India.

Exploration & Production (E&P)

The Company continued its endeavour in E&P activities through participating interests (PI), joint ventures and wholly-owned subsidiaries. Its upstream portfolio consists of 12 domestic and 12 overseas assets, which are in various stages – exploration, development and production. The major developments in the E&P business segment were approval of Declaration of Commerciality for the gas discovery in Gujarat - Kutch Offshore by the Director General of Hydrocarbons in August 2019, grant of Petroleum Mining License by the Govt. of Assam in Umatara Cluster (Assam), where the Company is the Lead Operator with 90% PI, commencement of Gas Sales from Coal-Bed Methane Block in Jharkhand, and award of three domestic exploration assets under the Open Acreage Licencing Policy (OALP) Round - I and Round - II.

Alternative Energy

A hallmark of it's clean energy agenda, the Company exhibits an installed capacity of 226 MW of renewable energy, including 168 MW wind-power capacity and 58 MW solar energy capacity as on March 31, 2020, with addition of 10 MW solar photo-voltaic capacity during the year. These projects generated 393 million units of power (equivalent to about 5% of the Company's electricity consumption) during 2019-20, resulting in emission mitigation of 322 thousand metric tonnes of carbon-dioxide equivalent.

The Company took a significant step in promoting use of bio-fuels in the country during the year with the commencement of sale of Compressed Bio-Gas (CBG) under the Sustainable Alternative Towards Affordable Transportation (SATAT) scheme of the Government of India. CBG is being sold through one retail outlet each in Pune and Kolhapur in Maharashtra from September 2019, under the brand name IndiGreen. The Company has also issued Letters of Intent (LOIs) to entrepreneurs for setting up 295 CBG plants across the country for production of 0.6 MMTPA of CBG under the SATAT scheme.

The Company is putting up a second - generation Ethanol plant at Panipat to produce 100 kl per day of Bio-Ethanol with paddy straw as feedstock. In addition, a Bio-fuels Complex is being developed at Gorakhpur comprising a CBG plant that will process 200 tonnes per day of feedstock. The Company is also working on converting used cooking oil (UCO) to bio-diesel, against which LOIs have been issued to interested entrepreneurs for setting up seven plants with an annual cumulative capacity of 12.16 crore litres of bio-diesel from UCO.

Union Minister for Petroleum & Natural Gas and Skill Development & Entrepreneurship, Shri Dharmendra Pradhan handing over the SATAT-100th Letter of Intent (LOI) to the Compressed Bio-Gas (CBG) Entrepreneur (producer)

In the field of electric mobility, the Company has signed MoUs with potential partners for setting up charging and battery swapping stations. As on March 31, 2020, 54 battery charging / swapping stations have been installed at its various retail outlets. The Company has also taken a minority stake in Phinergy Ltd. of Israel with the intention of setting up Aluminium - Air battery manufacturing facility in India for electric vehicles and stationary applications, through the joint venture route.

Sustainable Development

Sustainable development is one of the thrust areas of the Company to address the issue of climate change and to do business in an environmentally benign way. As part of this, the Company has been pursuing energy conservation, energy efficiency, renewable energy & carbon sequestration; water management through reducing consumption, recycling & rain-water harvesting; and waste management through reducing, reusing & recycling initiatives.

The Company is replacing all conventional lighting with LED lights across its installations, and during the year around 1.5 lakh LED lights were installed with a cumulative replacement count of more than 6 lakh LED lights. Waste paper recycling is a major initiative of the Company and during the year, 203 tonnes of waste paper was recycled through designated recyclers. Across the Company, 683 rain-water harvesting systems have been installed, which together harvested 3.75 billion litres of water in 2019-20. Besides, 1.96 lakh saplings were planted at various

Ongoing Drilling Operations in Dirok Gas Field, Assam locations across the country.

The Mathura and Gujarat refineries of the Company have committed to use treated municipal sewage water for refinery operations. With this initiative, the sewage water, which is being discharged in the river, will be used for industrial purposes, thus eliminating the use of fresh water.

The Company's performance on various sustainability parameters is reported in the Annual Sustainability Report, which is being published regularly since 2005-06.

Overseas Business

The Company has been constantly exploring opportunities in Oil, Gas and Petrochemicals sectors overseas with focus on countries in the SAARC, ASEAN, Middle East, Central Asia and Africa regions. A Representative Office was opened in Kathmandu, Nepal, in August 2019 with the intention of providing improved service and enhanced presence in the downstream hydrocarbon sector in that country. MoUs were also signed during the year with counter-parties in Myanmar, Thailand and Ghana for exploring business opportunities in the areas of refining, retail, lubes and LPG, among others.

A major initiative in leveraging the synergies with the hydrocarbon sectors of neighbouring countries was the commencement of import of bulk LPG by road from Bangladesh to the LPG bottling plant in Bishalgarh (Tripura). Transporting LPG by road from Bangladesh to North-east India ensures easier logistics by way of a shorter route.

An agreement was signed by the Company's wholly-owned subsidiary (WOS), IOC Middle East FZE, Dubai, UAE, with Qatrat Naft LLC, a WOS of Al-Jeri Transportation Co., Saudi Arabia, for the formation of a joint venture company to develop and operate a retail network in Saudi Arabia.

Explosives

The Explosives group manufactured and sold 205 TMT of explosives during the year, recording a growth of 12% over the previous year's volume of 183 TMT.

INTERNATIONAL TRADE

In order to meet the crude oil requirement of its refineries, the Company imported 59.75 MMT of crude oil during the year, as against 61.69 MMT in the previous year. The selection of crude oil is done from a diversified mix of supply sources. The import of petroleum products during the year was 8.57 MMT as against 7.00 MMT in the previous year. The Company has made alternative arrangements for sourcing of crude oil, including term contracts for US-origin crudes, to maintain uninterrupted operations at its refineries and to overcome the crude oil supply concerns due to disruptions in crude oil - producing countries. The Company entered into a term contract with Rosneft Oil Company, Russia, for import of Urals crude oil during the period February - December 2020.

INFORMATION SYSTEMS & OPTIMISATION

During the year, the first leg of service management of customer-facing ePIC portal was launched. All service requests and grievance resolution activities across various lines of business were brought on to the platform, resulting in significant improvement in single-day resolution of service requests. The Secondary Dealer Management System / Customer Relationship Management initiative has now been rolled out to 10,800+ LPG Distributors with new channels of refill bookings through WhatsApp and PayTM, digital payment channels i.e. credit / debit cards, wallets, quick-pay links and redemption of XtraRewards loyalty programme with PayTM mobile app.

The Company is the first corporate in India to integrate its SAP ERP system with TReDS, an e-discounting platform to support MSMEs. Other significant implementations include Traders and Scheduling Workbench (TSW) for end-to-end visibility of gas supply chain, interface with online portal GeM, Reverse Auction module in GePNIC and Enterprise Content Management System for business workflow automation.

In continuation of the Company's commitment towards security of customer data in electronic format, a comprehensive Data Privacy Policy was released. A premier cyber-security agency of GoI, C-DAC, was engaged to assess and help strengthen the security posture of the Company.

During the year, an integrated logistics SAND model combining primary (refineries to terminals / depots) & secondary (terminals / depots to retail outlets) logistics was developed and implemented for leveraging different logistics capabilities to arrive at optimum distribution from refineries to retail outlets. In addition, a Parallel Solve Automation programme was developed and implemented, which enables evaluation of around 2,000 crude oil cases in 3-4 hours against the earlier cycle of 30-36 hours. Pipeline scheduling software implementation was commenced in September 2019 and completed for one crude oil pipeline and four product pipelines, and is being rolled out at all the remaining pipelines shortly.

HEALTH, SAFETY & ENVIRONMENT (HSE)

The Company is committed to conducting its business with a strong environment conscience, ensuring sustainable development, safe work-places and enrichment of the quality of life of its employees, customers and the community. All refineries of the Company are certified to ISO:14064 standards for sustainable development as well as for the Occupational Health & Safety Management System (OHSMS / OHSAS-18001), besides having fully equipped occupational health centres.

A majority of the pipeline installations and some of the marketing installations of the Company are also ISO-14001 certified. Compliance with safety systems & procedures and environmental laws is monitored at the unit, division and corporate levels.

The HSE activities of the Company are reviewed periodically during Board meetings. During the year, safety audits were carried out at various offices and locations, and various training programmes were conducted on safety-related topics covering the entire spectrum of activities of the Company. The HSE group also conducts road safety campaigns, which also includes free eye check-up of truck drivers and distribution of free spectacles and eye surgeries, wherever required.

HUMAN RESOURCES

The Company has a strong and dedicated workforce of 32,998, consisting of 17,977 executives and 15,021 non-executives as on March 31, 2020, including 2,871 women employees comprising 8.70% of the total workforce. During the year, the Company recruited 898 executives (including 7 under sports category) adding agility to the team behind the Company's all-round growth. In order 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 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 level 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 at Annexure - II to the Report.

The provisions of 4% reservation for Persons with Disabilities in line with guidelines / instructions issued by the Government of India are implemented by the Company. Necessary concessions / relaxations in accordance with the rules in this regard are extended to physically challenged persons in recruitment. The number of employees with disabilities as on March 31, 2020 was 706, constituting 2.14% of the total employee strength.

The Company continued to maintain cordial industrial relations during the year. 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 the collectives, establishing a harmonious relationship for industrial peace, thereby leading to higher productivity.

The inherent belief of the Company is that holistic and meaningful employee engagement and their right development will catalyse the emergence of the highest potential of employees. With focus on aligning various HR initiatives with Strategic Corporate Vision, many new initiatives were taken during the year, aimed at both employee engagement and making our people 'future ready'. The Company endeavours to build happy teams of internal customers across the organisation based on empathy and emotional ownership and is continuously calibrating its HR strategy on the cornerstones of its core corporate values of Care, Innovation, Passion and Trust.

The Company launched a Technical Competency Framework (TCF) during the year. The TCF lays the foundation of a technology-aided e-learning platform Swadhyaya, launched on IndianOil Day i.e. September 1, 2019, which has spurred a learning revolution in the organisation. The entire content has been developed by in-house subject matter experts. More than 600 modules covering about 70 functions were made available on the platform and more content is being added on continuous basis. In all, the employees have completed over 6 Lakh modules.

Hindi Implementation

The Company is committed to implementation of Hindi in day-to-day functioning at its various offices / locations / units. The provisions of Official Language Act, 1963 and Rules notified thereunder are complied with. Communications received in Hindi and 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.

RIGHT TO INFORMATION ACT

An elaborate mechanism has been set up throughout the Company to deal with matters relating to The Right to Information Act 2005. As required under the RTI Act, detailed information is hosted and regularly updated on the official website of the Company, i.e., www.iocl.com which inter-alia includes details of CPIOs / APIOs, third-party audited reports on mandatory disclosures, etc.

The Company has aligned with the online RTI portal launched by DoPT, Govt. of India, and all the applications / appeals received through the portal are disposed off through the portal only. The Quarterly Reports / Annual Reports are submitted, within the prescribed timeline, on the website of Central Information Commission, i.e., www.cic.gov.in

A total of 6,614 requests and 757 first appeals were received during the year and were disposed off within the prescribed timelines. In addition, 88 second appeals were filed before the Central Information Commission, New Delhi, and all were disposed off 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 and every Unit / Region / Head Office level, headed by senior-level women employee to deal with sexual harassment complaints, if any.

Five complaints of sexual harassment were pending as on April 1, 2019. During the year 2019-20, six complaints were received and five complaints were disposed of. As on March 31, 2020, six complaints were pending.

Regular workshops are being organised, especially for women employees, with the objective to bring awareness about their rights and facilities at workplace and emphasizing the provisions of the Act. During the year, 45 workshops / awareness programmes were conducted. Gender sensitisation programmes, sensitising the male employees, are also being conducted regularly.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has been actively engaged in various CSR activities over the years, encompassing the entire gamut of social welfare / upliftment activities across the nation. The Company lays significant emphasis on development of communities around which it operates and has identified thrust areas under CSR, which inter-alia include healthcare and sanitation, education and employment-enhancing vocational skills, empowerment of women and socially / economically backward groups, etc. During the year, the Company spent the entire budget of ₹ 543.38 crore on various CSR activities. A report on the Company's CSR activities as per the provisions of the Companies Act alongwith CSR highlights for the year is annexed at Annexure - III 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 at the website of the Company on the link https://iocl.com/aboutus/loc_S&CSR_policy.pdf

VIGILANCE

The objective of the vigilance function is to ensure maintenance of the highest level of integrity throughout the Company. The Vigilance department not only acts as a link between the organisation and Chief Vigilance Commissioner but also advises the organisation in all matters pertaining to Vigilance. 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, 81 vigilance awareness programmes were conducted, which were attended by about 2,500 employees.

Disciplinary action under applicable Conduct, Discipline and Appeal Rules, 1980 and Certified Standing Orders are taken by the Company for irregularities / lapses. During the year, 53 disciplinary matters related to vigilance cases were disposed off and 21 such cases were pending at the end of year. The aforesaid cases pertain to irregularities such as indiscipline, dishonesty, negligence in performance of duty or neglect of work, etc. The Company continuously and regularly endeavours to ensure fair and transparent transactions through technology interventions and system / process review in consultation with Central Vigilance Commission and internal vigilance set-up.

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 are outstanding as on March 31, 2020 except the old cases amounting to ₹ 55,000/-, which remain unpaid due to unsettled legal / court cases.

CORPORATE GOVERNANCE

The Corporate Governance Report 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.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

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

Established in the year 1986, IndianOil Assam Oil School of Nursing offers 3 year Diploma in General Nursing and Midwifery.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report covering initiatives taken with environmental, social and governance perspective has been prepared in accordance with the directives of SEBI and forms a part of the Annual Report.

AUDIT COMMITTEE

The Audit Committee of the Company comprises three members, all of whom are Independent Directors. The recommendations made by the Audit Committee during the year were accepted by the Board. The other details of the Audit Committee, like its composition, terms of reference, meetings held, etc., are provided in the Corporate Governance Report.

The details of other Board Committees, their composition, meetings etc., are 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 has been circulated to all concerned and has also been hosted on the Company's website. The Directors and Senior Management Personnel have affirmed compliance with the code of conduct for the financial year 2019-20.

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.

Director Finance IndianOil, Mr. Sandeep Kumar Gupta addressing the participants of Audit & Assurance conclave held at Kolkata.

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 that oversees risk management activities. A report is, thereafter, put up to the Audit Committee and the Board.

INTERNAL FINANCIAL CONTROLS

The Company has 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 a Chief General Manager, who directly 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. During the year, Internal Financial Control (IFC) processes were reviewed and majorly revamped where Risk Control Matrix (RCM) for all the major areas are reviewed with respect to changes due to business process enhancement, regulatory developments, centralisations, etc.

REMUNERATION TO THE AUDITORS

The Office of the Comptroller & Auditor General of India had appointed the Statutory Auditors for the financial year 2019-20. The Auditors' remuneration for the year was fixed at ₹ 200 lakh 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 by them to the Company during 2019-20 was ₹ 427 lakh.

COST AUDIT REPORT

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 the year 2019-20. A remuneration of ₹ 20.20 lakh and applicable taxes was fixed by the Board for payment to the cost auditors for the year 2019-20, which was ratified by the shareholders in the last AGM. The cost audit for the year 2018-19 was carried out for various units of the Company and the cost audit report was filed by the Central Cost Auditor with the Central Government in the prescribed form within the stipulated time period. The cost audit report for 2019-20 would also be filed within the stipulated time.

SECRETARIAL AUDIT

The Secretarial Audit Report for the year 2019-20 confirms that the Company has complied with the applicable provisions of the corporate laws, guidelines, rules, etc., which are within the purview of the Company. The report, duly certified by the Secretarial Auditor, M/s. Ragini Chokshi & Co., Practising Company Secretaries, is attached at Annexure-IV to this report.

The Secretarial Auditor has made an observation that the Company did not comply with the requirements with regard to appointment of Woman Independent Director on its Board for the period April 1, 2019 to November 5, 2019 as well as did not have the requisite number of Independent Directors on its Board for the period April 1, 2019 to November 5, 2019 & December 2, 2019 to March 31, 2020. In this regard, it is 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 Woman Director) vests with the Government of India as per the Government guidelines.

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 & natural gas, API line pipes and certain proprietary items) during 2019-20 was as under:

Parameters	Targets	Actual
Total Procurement from MSEs (General, Reserved SC/ST & Women)	25%	27.51%
Procurement from Reserved SC/ST MSEs	4% (Sub-target out of 25%)	0.47%
Procurement from Women-owned MSEs	3% (Sub-target out of 25%)	0.03%

The deficit of 3.53% and 2.97% 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 taken to identify the entrepreneurs for procurement of goods and services from MSEs owned by SC / ST enterprises by way of conducting vendor development programmes.

SUBSIDIARIES, JOINT VENTURES & ASSOCIATES

During the year, a new Joint Venture Company, viz., IHB Private Limited, between the Company, Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited was incorporated in July, 2019 for the purpose of laying, building, operating or expanding an LPG pipeline from Kandla (Gujarat) to Gorakhpur (UP). The equity holding of the Company in the JV is 50% while the remaining 50% is held by other partners equally.

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 provided as an annexure to the Consolidated Financial Statement. The financial statements of the subsidiaries have also been hosted on the website of the Company, i.e., www.iocl.com under 'Financial Performance' section.

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

RELATED PARTY TRANSACTIONS (RPTS)

In line with the provisions of the Companies Act, 2013 & SEBI guidelines, a policy on material RPTs has been framed, which can be accessed on the link https://www.iocl.com/InvestorCenter/Policy_on_related_party_transactions.pdf The Company has undertaken transactions with related parties during the year in the ordinary course of business. In line with the RPT Policy, approval of the Audit Committee & Board, as the case may be, was obtained for such RPTs. As per the threshold mentioned in the policy, there was no material RPT during the year. The disclosures related to RPTs in accordance with applicable accounting standards are provided at Note-37 of the Standalone Financial Statement.

The details of contracts or arrangements with related parties referred to under Section 188 (1) of the Companies Act, 2013 in the prescribed Form AOC-2 are attached at Annexure-V of the report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The Company recognises energy conservation as one of the most important parameter amongst various operating parameters and accords high importance to the same at all its refineries and operating units. The performance of units is monitored on a continuous basis and efforts are made for continuous improvement by incorporating the latest technologies and global best practices. As a result of various energy conservation measures undertaken during the year, the energy performance parameter (indexed to the complexity of operations) in terms of MBN* of the refineries was 71.9, as against 71.3 in the previous year. Under pipeline operations, various initiatives were taken during 2019-20, which resulted in improvement of Specific Energy Consumption of Pipelines by 4.10%.

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 at Annexure-VI to the report.

*MBN–(MBTU/BBL/NRGF) is calculated as Thousand British Thermal Units per Barrel per Energy Factor.

PARTICULARS OF EMPLOYEES

The provisions of Section 197 of the Companies Act, 2013 and rules notified thereunder, regarding particulars of employees drawing remuneration in excess of limits specified are exempt for Government companies.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

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

Appointments

1. Shri Rajendra Arlekar was appointed as Independent Director w.e.f. July 24, 2019
2. Shri Sandeep Kumar Gupta was appointed as Director (Finance) w.e.f. August 3, 2019.
3. Shri S.M. Vaidya was appointed as Director (Refineries) w.e.f. October 14, 2019 and was subsequently designated as Chairman w.e.f. July 1, 2020.
4. Ms. Lata Usendi was appointed as Independent Director w.e.f. November 6, 2019
5. Dr. Navneet Mohan Kothari was appointed as Government Nominee Director w.e.f. March 25, 2020.

Cessations

6. Shri B.V. Ramagopal ceased to be Director (Refineries) w.e.f. August 1, 2019 consequent upon his superannuation.
7. Shri Ashutosh Jindal, Government Nominee Director, ceased to be Director w.e.f. November 4, 2019.
8. Shri Parindu Bhagat ceased to be Independent Director w.e.f. December 2, 2019 consequent upon completion of his term.
9. Shri Ashish Chatterjee, Government Nominee Director, was appointed on December 12, 2019 and ceased to be Director w.e.f. March 25, 2020.
10. Shri Sanjiv Singh ceased to be the Chairman w.e.f. July 1, 2020 consequent upon his superannuation.

Shri G.K. Satish, Director (P&BD) and Shri Gurmeet Singh, Director (Marketing), are liable to retire by rotation and being eligible are proposed to be re-appointed at the forthcoming Annual General Meeting.

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 has received the Certificate of Independence from all the Independent Directors confirming that they meet the criteria prescribed for Independent Directors under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR)). The Independent Directors have also confirmed that they have registered with the Database maintained by the Institute of Corporate Affairs under the Ministry of Corporate Affairs.

The Company being a Government Company, the power to appoint Directors (including Independent Directors) vests with the Govt. 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. As regards the proficiency is concerned, some of the Independent Directors have already cleared the online proficiency self-assessment test as prescribed by the Institute of Corporate Affairs while the other Independent Directors are in the process of completing the test.

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.

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The provisions of Section 134(3)(e) of the Companies Act, 2013 regarding the policy on Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided in Sec 178(3) are exempted for Government Companies.

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 the plant operations recommenced. The NGT, while considering the report of the Joint Committee formed by it earlier, has directed on July 24, 2020, that an additional compensation of ₹ 25 crore be deposited with CPCB within one month and various initiatives as suggested by the Joint Committee be expedited within next 6 months. Further hearing as well as the final order in the matter is awaited.

VIGIL MECHANISM / WHISTLE-BLOWER POLICY

The Company has framed a whistle-blower policy wherein the 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 the link https://www.iocl.com/InvestorCenter/Whistle_Blower_policy.pdf

DETAILS OF LOANS / INVESTMENTS / GUARANTEES

The Company has provided loans / guarantees to its subsidiaries, joint ventures & 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, 2020 are given in the Standalone Financial Statement under Notes 4, 5, 36 and 42.

EXTRACT OF ANNUAL RETURN

As required under the provisions of the Companies Act, 2013, the extract of Annual Return for the financial year ended March 31, 2020 in the prescribed form MGT-9 has been prepared and hosted on the website of the Company www.iocl.com.

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 pandemic COVID-19 and the consequent lockdown in the country since end of March 2020 had impacted the operations as well as sales of the Company. However, the relaxations in the lockdown conditions had resulted in gradual improvement in sales of petroleum products as well as operations, which is expected to improve further during the financial year 2020-21.

DIRECTORS' RESPONSIBILITY STATEMENT

a. Pursuant to the requirement under clause (c) of sub-section (3) of Sec.134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

b. in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

c. 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;

d. 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;

e. the Directors had prepared the annual accounts on a going concern basis; and

f. 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.

g. 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 dedicated and sincere efforts of the employees of the IndianOil family, the contract labour, channel partners for their untiring efforts to maintain the supplies of petroleum products during the lockdown caused by Covid-19 pandemic, as well as for the performance achieved during the year 2019-20. 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 valuable guidance and support 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 S/Shri Sanjiv Singh, B. V. Ramagopal, Ashutosh Jindal, Parindu Bhagat and Ashish Chatterjee during their tenure on the Board of the Company.

For and on behalf of the Board

Sd/-
(S. M. Vaidya)
Chairman
DIN: 06995642

Place : New Delhi
Date : August 21, 2020

A scenic view of Gujarat Refinery Ecological Park

AWARDS & ACCOLADES

IndianOil has once again been voted as a 'Great Place to Work' for the year 2019. Ranked 29th on the list featuring the country's business, academia and government organisations, the citation of The Great Place to Work Institute praises IndianOil "for inspiring trust among your people, for instilling pride in them, for creating a workplace environment that promotes camaraderie, and for many other reasons that make your organisation one of India's best companies to work for."

IndianOil has been ranked as the third strongest Indian brand in the latest annual report of UK-based Brand Finance. Basis its performance on multiple parameters such as marketing investment, stakeholder equity and business performance, the Company has been assigned a Brand Strength Index (BSI) score of 84.6 out of 100, making it the strongest oil & gas brand in the country. Brand IndianOil registered a huge improvement this year as compared to a BSI score of 77.2 out of 100 in last year's survey.

IndianOil bagged the prestigious 'Vigilance Excellence Award' of the Central Vigilance Commission for its outstanding vigilance awareness initiatives during 2019. Hon'ble President of India, Shri Ram Nath Kovind, presented the awards during the Vigilance Awareness Week observed in October 2019.

IndianOil was conferred Sustainability 4.0 Award-2019 jointly by Frost & Sullivan and TERI in June 2019 in recognition of its comprehensive sustainability initiatives as a 'Leader in the Mega Large Business Process Sector.'

IndianOil was felicitated with the Super Buyer Award-2019 in December 2019 for excellence in procurement through the Government e-Market Place (GeM) by Mr. Piyush Goyal, Union Minister of Railways and Commerce & Industry, and Mr. Som Prakash, Minister of State for Commerce & Industry.

IndianOil was adjudged first amongst PSUs in the 3rd Innovative Practices Awards-2019 for Sustainable Development Goals (SDGs) by the United Nations Global Compact Network-India at a felicitation ceremony held at Mumbai in May 2019. IndianOil was among the top 11 companies shortlisted for presenting the success stories of their respective projects at UNESCO, New Delhi.

IndianOil won recognition as the Best PSU/Corporate for promotion of sports at the annual Sportstar Aces Awards-2019. Mr. Ranjan Kumar Mohapatra, Director (Human Resources), received the award on behalf of the Company at a glittering ceremony held at Mumbai in January 2020.

IndianOil bagged the award for the best company in the Oil (Refining & Marketing) category at Dun & Bradstreet's Annual Corporate Awards-2019 event held at Mumbai in June 2019. Mr. Gurmeet Singh, Director (Marketing), received the award on behalf of the Company. Instituted in 2006, the awards commemorate outstanding performers among Indian corporates, recognising their role as 'Champions of Change' in the transformation of the country.

IndianOil bagged the AIMA Managing India Award-2019 for Outstanding PSU of the Year. While the award was presented by Mr. Pranab Mukherjee, former President of India, in April 2019, the jury acknowledged 'IndianOil's contribution in empowering the citizens of the country not only through its products but also through various other initiatives beyond business – in health, education, environment, skill development, etc.'

IndianOil's Corporate Social Responsibility (CSR) efforts received national recognition from the Government of India with the Ministry of Corporate Affairs felicitating select corporates for outstanding CSR initiatives for the very first time. At a glittering event held at New Delhi in October 2019, IndianOil was conferred the National CSR Award under Women & Child Development category for its Assam Oil School of Nursing programme at Digboi. Smt. Nirmala Sitharaman, Hon'ble Union Minister for Finance and Corporate Affairs presented the award.

IndianOil bagged the Federation of Indian Petroleum Industry's (FIPI) 'Sustainably Growing Corporate of the Year' award for excellence in sustainability performance and benefits extended to society and the environment, at a glittering awards ceremony held at New Delhi in December 2019. IndianOil's Mathura Refinery also received the FIPI award for the Best Refinery in the Medium Category (+9 MMTPA).

IndianOil has been bestowed with several awards and recognitions in HR during 2019-20. Some of the major ones are:

- Global HR Excellence Award-2019 at the World HRD Congress, Mumbai
- ISTD National Training Award for Innovative Training Practices
- FIPI HR Management Company of the Year Award
- BML Munjal Award for Business Excellence through Learning & Development.
- Global HR Skill Development Award by the Energy & Environment Foundation

IndianOil was bestowed with the 'Company of the Year' award in petrochemicals category by FICCI (Federation of Indian Chambers of Commerce and Industry) in November 2019.

IndianOil bagged the Swachhta Pakhwada Awards-2019, an MoP&NG initiative to honour companies that have done exemplary work during the Swachhta Pakhwada fortnight (July 1-15, 2019). IndianOil's Panipat Refinery bagged the 2nd Best Swachh Refinery Award and IndianOil itself bagged the 3rd prize among undertakings which undertook the best initiatives during the fortnight.

IndianOil was felicitated with Best Practices in CSR Award-2020 among PSUs at the 6th International Conference on CSR organised by the Institute of Public Enterprises, Hyderabad, in January 2020. The two award-winning CSR projects were: Project Bandicoot, a robotic scavenging machine, and use of water-saving technology for paddy crop, both implemented in Tamil Nadu.

IndianOil's AmyleMax technology has won recognition as the Best Indigenously Developed Technology at the Refineries & Petrochemicals Technology Meet-2020 hosted by the Centre for High Technology in April 2019.

IndianOil and its lubricant brand SERVO have been conferred the Reader's Digest Trusted Brands (2019) recognition for another successive year in June '19. IndianOil was chosen as a trusted brand in 'Automobiles – Petrol Stations' category while SERVO earned the recognition in 'Automobiles – Lubricants' category.

IndianOil was felicitated as the Best Performer in Maharatna category for promotion of SC/ST entrepreneurs during 2019 by the Ministry of Micro, Small and Medium Enterprises, Govt. of India.

IndianOil bagged the Express Supply Chain & Logistics Award for the "Most Humanitarian Supply Chain in POL Sector" in recognition of its efforts in maintaining rescue supplies during Cyclone Fani on the east coast, floods in Kerala, and the rescue supplies provided to Indonesia in the aftermath of the Tsunami through the NDRF (National Disaster Response Force).

IndianOil was conferred the "Supply Chain and Logistics Excellence Award" (SCALE Award) by CII (Confederation of Indian Industries) for the best supply chain management in the petroleum sector.

IATA (International Air Transport Association) honoured IndianOil with Award of Recognition at the Aviation Fuel Forum held in New Orleans, USA, in December 2019; Mr. Gurmeet Singh, Director (Marketing), received the award on behalf of the Company.

Best Swachh Iconic Place (SIP) Award 2019: SIP is a unique initiative of the Government of India, under which over 30 places of religious, tourist and archaeological importance are being developed with support from various public/private companies as CSR partners. Based on the Swachhta activities undertaken, Mata Vaishno Devi temple located in J&K has been adjudged as the best SIP, where IndianOil is executing various eco-friendly initiatives like distribution of jute bags, installation of plastic reverse vending machines, water ATMs, underground dust-bins, LED street lights, etc.

IndianOil was recognised as one of the top 10 digitally empowered PSUs of the country at the 17th Infotech Forum organised by Var India, India's frontline IT magazine, in June '19. IndianOil is the first and largest PSU in the country to migrate to the SAP HANA technology in just seven months.

IOCian and India opener Rohit Sharma was adjudged the best sportsman of the Year (cricket) at the annual Sportstar Aces Awards-2019 given away at Mumbai in January 2020. Padma Bhushan and Dronacharya awardee Pullela Gopichand of IndianOil was honoured as Coach of the Year.

Several IndianOil locations, including Bongaigaon and Guwahati refineries, Paradip Terminal, Panipat Marketing Complex, LPG bottling plant at Madurai, and Rajkot depot bagged the National Safety Awards presented by Mr. Santosh Gangwar, Hon'ble Minister of State for Labour & Employment (Independent Charge), at New Delhi, in September 2019.

ANNEXURE-I
DIVIDEND DISTRIBUTION POLICY

PREAMBLE

The shares of Indian Oil Corporation Limited (the "Company") are listed on National Stock Exchange of India Limited, Mumbai and BSE Limited, Mumbai. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its website.

The Board of Directors of the Company ("the Board") has approved the Dividend Distribution Policy of the Company ("the policy").

OBJECTIVE

The Company strives for maximisation of shareholders' value and believes that this can be attained by driving growth. The policy endeavours to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient profits are retained for growth of the Company and other needs. The objective of the policy is to lay down a consistent approach to dividend declaration.

PARAMETERS FOR DIVIDEND DISTRIBUTION

1. The Company has only one class of shares i.e., Equity shares and, hence, the parameters disclosed hereunder apply to the same.
2. The Board while considering payment of dividend for a financial year may, inter-alia, consider the following factors:
   - Profit for the financial year as well as general reserves of the Company;
   - Projections of future profits and cash flows;
   - Borrowing levels and the capacity to borrow;
   - Present and future Capital expenditure plans of the Company including organic/inorganic growth avenues;
   - Applicable taxes including tax on dividend;
   - Compliance with the provisions of the Companies Act or any other statutory guidelines including guidelines issued by Govt. of India;
   - Past dividend trend for the Company and the industry;
   - State of economy and capital markets;
   - Any other factor as may be deemed fit by the Board;
3. The profits for a year may be adjusted at the discretion of the Board, for the purpose, to exclude exceptional or one-off items or non-cash items resulting from change in law, accounting policies, accounting standards or otherwise;
4. The Company would endeavour to pay minimum annual dividend of 30% of Profit After Tax (PAT) or 5% of net worth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions;
5. In case the Company declares a lower or no dividend for a particular year due to inadequacy or absence of profits/reserves or otherwise, the reasons and justification thereof shall be disclosed to the shareholders through Annual Report of the Company;
6. The Company is committed to continuous growth and has plans requiring significant capital outlay. The retained earnings, after distribution of dividend, shall primarily be utilized towards this purpose;
7. Dividend shall be recommended by the Board for approval of shareholders of the Company for payment. However, the Board may also consider payment of interim dividend as and when it feels appropriate.

GENERAL

In the event of the policy being inconsistent with any new regulatory provision, such regulatory provision shall prevail upon the corresponding provision of this policy and the policy shall be construed to be amended accordingly from the effective date of such provision.

The Company reserves its right to alter, modify, add, delete or amend any or all of the provisions of the policy as it may deem fit or in accordance with the guidelines as may be issued by SEBI, Government of India or any other regulatory authority. The change in the policy shall, however, be disclosed along with the justification thereof on the Company's website and in the ensuing Annual Report in accordance with the extant regulatory provisions.

ANNEXURE-II
SC / ST / OBC REPORT - I

Annual Statement showing the representation of SC's, ST's and OBC's as on January 1, 2020 and number of appointments made during the preceding calendar year

Name of the Public Enterprises: Indian Oil Corporation Limited

	Representation of SC's / ST's / OBC's (As on January 1, 2020)				Number of appointments made during the calendar year 2019									
					By Direct Recruitment				By Promotion			By Deputation / Absorption		
Groups	Total No. of Employees	SC's	ST's	OBC's	Total	SC's	ST's	OBC's	Total	SC's	ST's	Total	SC's	ST's
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Executives														
A	18123	3018	1358	4089	961	143	69	252	3435	593	246	-	-	-
Non-executives														
B	5454	916	559	496	-	-	-	-	428	87	41	-	-	-
C	9302	1725	716	2549	618	110	57	251	1014	222	59	-	-	-
D (Excluding Sweeper)	422	73	24	126	55	3	5	10	-	-	-	-	-	-
D (Sweeper)	1	1	-	-	-	-	-	-	-	-	-	-	-	-
Total (Executives plus Non-executives)	**33302**	**5733**	**2657**	**7260**	**1634**	**256**	**131**	**513**	**4877**	**902**	**346**	**-**	**-**	**-**

SC / ST / OBC REPORT - II

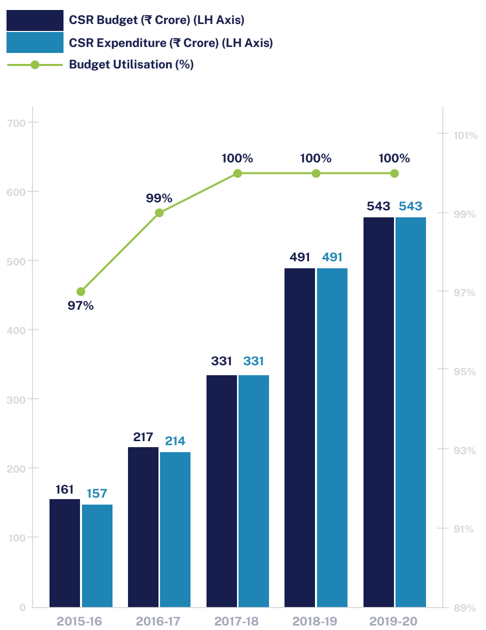
Annual Statement showing the representation of SC's, ST's and OBC's in various Group A services as on January 1, 2020 and number of appointments made in the service in various grades in the preceding calendar year

	Representation of SC's / ST's / OBC's (As on January 1, 2020)				Number of appointments made during the calendar year 2019									
					By Direct Recruitment				By Promotion			By Deputation / Absorption		
Pay Scale (in ₹)	Total No. of Employees	SC's	ST's	OBC's	Total	SC's	ST's	OBC's	Total	SC's	ST's	Total	SC's	ST's
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
40000 - 140000	-	-	-	-	64	13	2	20	-	-	-	-	-	-
50000 -160000	155	30	5	47	636	89	45	158	2	1	-	-	-	-
60000 - 180000	5559	879	438	1680	261	41	22	74	142	30	11	-	-	-
70000 - 200000	3476	527	233	986	No recruitment is made in this Group.				1184	184	76	-	-	-
80000 - 220000	3404	620	257	707	No recruitment is made in this Group.				776	148	56	-	-	-
90000 - 240000	1839	311	162	331	No recruitment is made in this Group.				486	93	44	-	-	-
100000 - 260000	1435	295	117	235	No recruitment is made in this Group.				299	49	21	-	-	-
120000 - 280000	1242	244	112	87	No recruitment is made in this Group.				262	57	29	-	-	-
120000 - 280000	682	86	30	13	No recruitment is made in this Group.				168	23	8	-	-	-
120000 - 280000	252	20	4	3	No recruitment is made in this Group.				80	5	1	-	-	-
150000 - 300000	79	6	-	-	No recruitment is made in this Group.				36	3	-	-	-	-
Grand Total	**18123**	**3018**	**1358**	**4089**	**961**	**143**	**69**	**252**	**3435**	**593**	**246**	**-**	**-**	**-**

ANNEXURE-III
ANNUAL REPORT: INDIANOIL CSR 2019-20

IndianOil achieved 100% Corporate Social Responsibility (CSR) budget utilization for the third year in a row exemplifying its CSR commitment legacy, which started long before the CSR legislation under Companies Act 2013, came into effect from April 2014. The entire CSR budget allocation of ₹543.38 crore for the year 2019-20 was utilized. IndianOil's Corporate Social Responsibility (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 projects of IndianOil are undertaken mostly for improving the quality of life of various communities residing near its establishments, which normally include underprivileged section of the society, viz., schedule caste, schedule tribe, other backward caste, physically handicapped, etc. IndianOil undertakes CSR activities all across the country including aspirational/ backward districts and naxal affected areas.

In compliance to Department of Public Enterprises (DPE) guidelines issued from time to time for CSR Expenditure by Central Public Sector Enterprises (CPSE), IndianOil spent ₹455.22 crore (which is 84% of total CSR expenditure for the year) on thematic areas i.e. School Education, Healthcare and Nutrition in FY 2019-20; and IndianOil, which has been allocated 18 Aspirational Districts out of total 112 by DPE, spent ₹28.53 crore in 37 Aspirational Districts in 2019-20.



KEY CSR INITIATIVES DURING 2019-20

IndianOil's contribution to COVID-19 relief

IndianOil left no stone unturned in helping the country combat COVID-19 pandemic, by ensuring supply of essential petroleum products & services during the nationwide lockdown apart from providing essential medical facilities & equipment and distribution of relief materials to the underprivileged people, who were worst hit by the crisis all across the nation. Under IndianOil Karmayogi Swasthya Bima Yojana, IndianOil provided Health Insurance coverage (for 1 year) to about 3,23,000 personnel, who had been working round the clock in maintaining essential services at various customer touch points viz., Retail Outlets, LPG Distributors, various other service providers, etc., during the lockdown. Moreover, masks, sanitizers, food packets, gloves, PPEs among other items that include ventilators, ICU cots, soap/liquid hand wash, mosquito nets, gum boots, IR temperature guns, testing kits and related consumables, etc., were provided/ distributed by IndianOil units across the country. Food and clothing were also distributed to stranded labourers, daily wage-workers, and homeless families.

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

IndianOil and Institute of Chemical Technology, Mumbai set up a new campus at Bhubaneswar (on March 18, 2018), where IIT Kharagpur & ICT Mumbai conduct Joint Research and Teaching. ICTM-IOC is offering first-of-its-kind academic programmes viz., 5-year integrated M. Tech. (with 6 trimesters of Industry Internship to promote entrepreneurship and start-ups) and 2-year Executive M. Tech. for industrial personnel, and Ph.D courses. 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 and become a world-class Centre of Excellence in Chemical Engineering & Technology. Students are selected based on their JEE Mains Score. The first academic session started in 2018 with the enrolment of 60 students in 5-year integrated M. Tech. Programme. During 2019-20, 122 students have been undergoing 5-year integrated M. Tech. Programme; 12 industrial personnel have enrolled into 2-year Executive M. Tech. course and 19 students have been pursuing their Ph.D. at the Institute.

Skill Development Institute, Bhubaneswar, Odisha

Skill Development Institute, Bhubaneswar (SDI-B) was set up to provide opportunities for skilling to the unemployed and underprivileged youth of Odisha and provide skilled manpower to the industry. SDI-B provides trainings to the students with adequate skills to pursue career as Industrial Electricians, Welders, Computer Data Application (only for girls), Fitter Fabrication, Instrumentation Technicians, Pipe Fitters (City gas Distribution), Solar PV Installation and LPG Mechanic. About 240 students per batch are being skilled in 8 trade courses, which are of 3 -6 months duration each. During 2019-20, 780 youth were skilled and certified. Since inception, 1590 underprivileged youth have been skilled and certified. The permanent campus of SDI-B set up at Taraboi, Jatni, Odisha will become a mega-world-class model skill academy with technical support from National Skill Development Corporation (NSDC). Various Centres of Excellence (CoE) are also established in collaboration with internationally reputed institutions/ industry partners viz., Schneider Electric, Cisco, Intel, Siemens, Kemppi, etc., for job-related relevant skill training courses having high potential for employment/placement. Once fully functional, about 3,000 to 4,000 youth will be trained every year in 16 regular trades pertaining to hydrocarbon sector and local industries.

Skill Development Institute, Bhubaneswar

IndianOil Vidushi

Under "IndianOil Vidushi" CSR programme, specialized coaching and mentoring is provided to under-privileged girls after class XII to succeed in JEE Mains, JEE Advanced & other Central and State Engineering College Entrance Examinations at 4 residential centres (Noida, Bhubaneswar, Patna and Jaipur). Maximum 30 girls are selected for each centre through written test and personal interview on merit–cum-means basis. The entire cost for specialized coaching, study material, boarding, food & other consumables, blanket, hygiene kit, dress set, health insurance etc., is borne by IndianOil. Out of the 56 girls trained at 2 centres (Noida & Bhubaneswar) in the year 2018-19, 46 cleared JEE Mains 2019 [9 students joined IITs, 23 joined NITs & balance 14 joined other Engg. colleges]. IndianOil Vidushi has been expanded to 2 more cities i.e. Patna and Jaipur. 113 girls have enrolled at the four Vidushi centres for the year 2019-20. Scholarship is also provided to the students after getting admission into IITs/NITs/Govt Engg. Colleges for their graduation in Engg. for 4 years [₹5,000 per month for IITs/NITs; ₹4,000 per month for other Govt Engg. Colleges].

IndianOil Vidushi, Noida Centre, Uttar Pradesh

IndianOil Aarogyam

In India, 75% of the healthcare infrastructure is concentrated in urban areas where only 27% of the Indian population is living. The remaining 73% of the country's population residing in rural areas is lacking proper primary healthcare facilities. To provide primary healthcare in rural areas, IndianOil Aarogyam, a flagship CSR scheme was launched in 2018-19, which has been operating since then. 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. In 2019-20, patient footfall in the said geographies was about 3,11,409, out of which 1,52,194 were females.

MMU treating patients at Village Barpathar, District:Chirang, Assam

Aids & Assistive devices to Divyangjans

The number of people with disabilities in India rose by 22.40% to 26.80 million (2011 Census) out of which 20.30% of people have movement disabilities; 18.90% have hearing impairments; and 18.80% have visual impairments. IndianOil took massive initiative to support and empower Divyangjans across the country. The beneficiaries were selected, and their disabilities were assessed through assessment camps organized in association with Artificial Limbs Manufacturing Corporation (ALIMCO) and local administration, in the target villages. Accordingly, Aids & Assistive devices like tricycles, wheel chairs, crutches, walking sticks, Braille kits for visually impaired, hearing aids, artificial limbs, etc. were provided to select Divyangjans at the distribution camp. Trainings on the use of these assistive devices were also provided. During 2019-20, more than 13,000 Divyangjans across 21 states of India have been benefitted through this initiative. Cochlear implant surgery of 14 hearing impaired children from Delhi NCR region was also carried out successfully.

Handing over of aids & assistive devices to Divyangjans at Patiala, Punjab

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, to incentivize them to perform well. The scheme cover 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 ₹ 1000 per month for the entire duration of the regular course. During 2019-20, 1,256 students from 28 ITIs and Polytechnics were selected for providing scholarship under the scheme.

Students of Sibasagar Polytechnic, Assam

Assam Oil School of Nursing, Digboi, Assam

Assam Oil School of Nursing (AOSN) (Estd. 1986), offers 3-year Diploma in General Nursing and Midwifery (GNM) course to young girls with intake capacity of 30 students per year; and 4-year B.Sc. (Nursing) course with intake of 30 students per year (from 2014). During 2019-20, 60 girls enrolled and they had been provided training for GNM (30) & B.Sc. (Nursing) (30) courses. Since inception, 440 students have completed GNM course and 57 students have completed B.Sc. (Nursing) with 100% placement record. AOSN not only provides stable career and livelihood to young underprivileged girls but also bridges the gap of dearth of qualified nurses in the North East.

IndianOil's Assam Oil School of Nursing has trained around 440 students in General Nursing and Midwifery since inception

Human Milk Bank at Govt. Hospital, Dharmapuri, Tamil Nadu

In a unique CSR initiative, IndianOil provides Milk Bank to Govt. Hospital of Dharampuri District, Tamil Nadu. The Human Milk is collected from Donor Mothers and provided to the needy babies.

In India, 27 million babies are born annually, of which 3.50 million are pre-term and 7.50 million are of low birth weight. An estimated 47% babies born in India are small for gestational age. These babies are vulnerable in terms of survival and cognitive development and usually, they have feeding problems due to their medical conditions. When direct breastfeeding is not possible or breast milk from the same biological mother is inadequate, Donor Human Milk (DHM) can save babies from the adverse effects of formula milk. World Health Organization (WHO) also recommends DHM as the next best feeding option for babies undergoing treatment. Also, it is a boon for the babies, whose mother couldn't survive in the immediate postpartum period. The Human Milk Bank provided by IndianOil benefits 4,500 to 5,000 babies annually.

Human Milk Bank at Govt. Hospital, Dharmapuri, Tamil Nadu

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 and other areas in close proximity of the North East. Every year, about 1 lakh patients are treated at this hospital, including non-employee patients. This hospital registers about 4,000 patients for indoor admissions and conducts operative procedures on about 2,000 patients every year. Health camps of general and specialized nature are also organized regularly by the hospital to reach out to the poor villagers in the vicinity, who have otherwise, no access to medical consultations or treatment. During 2019-20, 7838 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 subsidized treatment to others. During 2019-20, 63,129 patients were treated at the Hospital, out of which operative procedures were conducted on 580 patients.

Swarna Jayanti Samudayik Hospital, Mathura, UP

Lungs of City by IndianOil

IndianOil initiated urban afforestation initiative, which is christened "Lungs of City by IndianOil". Due to rapid urbanization, there are very few areas left for developing green belt in urban areas. With its commitment towards preservation of ecological balance near its operating locations / installations in urban areas, IndianOil has adopted Miyawaki's method of urban afforestation for developing small forest in public areas/ parks at many cities. In this method, the growth of forest is 10 times faster and the resulting plantation is 30 times denser than usual. It involves close plantation of dozens of native species and becomes maintenance-free after the first two years. In addition to above, Water ATMs, toilets, benches, open gyms etc. facilities are also provided for visitors. IndianOil has created Lungs of City in 13 cities of India by planting more than 80,000 trees.

Lungs of Chennai:Miyawaki Forestation-Before and After

Dialysis machines for Livestock at Post Graduate Institute for Veterinary Education & Research (PGIVER), Jamdoli, Jaipur, Rajasthan

IndianOil provided two Dialysis machines to Post Graduate Institute for Veterinary Education & Research (PGIVER), Jamdoli, Jaipur. The project has helped to address the problem of renal failures/dysfunction in animals. IndianOil also provided required support to Govt. Veterinary Hospital in developing specialized & super specialized human resources in different areas of Veterinary & Animal Sciences and pursue livestock owners/farmer's need-based research, extension and development activities through CSR. During 2019-20, 2,000 farmers have benefitted from the facility installed for treatment of livestock suffering from renal disease.

IndianOil Sports Scholarship Scheme

Sports Scholars: Top to bottom & Left to right: Riddhi (Archery); Isha Singh (Shooting); Ranveer Duggal (Billiards and Snooker); Akshay (Boxing)

In line with the sports policy adopted in 1985, IndianOil has, over the years, recruited many promising sportspersons, who went on to reach their peak in their chosen disciplines, enhancing their performance at the National & International level & bringing laurels for the Company and the country.

IndianOil also introduced Sports Scholarship Scheme in the year 2006-07 for promising young sports persons representing States in team games and National ranking in others. This scheme started with 55 scholarships in 7 games/sports. At present, 250 scholarships in 20 games/sports (Olympic sports categories & other popular games viz. 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 the period of 3 years and cost of kit items is also paid by IndianOil. In addition, IndianOil also provides assistance towards travel, lodging etc. for scholars in individual games. During 2019-20, 177 sportspersons benefitted from the scheme and since inception, more than 1,000 sportspersons have benefitted from IndianOil scholarship scheme.

Electrical Tricycles for primary Household garbage collection, Chennai, Tamil Nadu

As an environment friendly initiative aligned with Swachh Bharat Abhiyaan, IndianOil provided 60 Electrical Tricycles to Greater Chennai Corporation for primary collection of garbage from the households with an objective to achieve efficient solid waste management in the Chennai city. The tricycle is powered by 1.5 KWh lithium ion battery, which can last upto 50 km per single charge. The e-tricycles come with a hybrid drive mode – both pedal assisted as well as motor driven. Further, all the e-tricycles are GPS enabled to monitor their movement. Electrical Tricycles are being used by Greater Chennai Corporation to collect waste from 6,000 Households on daily basis.

Electrical Tricycles at Chennai, Tamil Nadu

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

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

IndianOil's CSR is guided by its corporate vision of caring for environment and community. IndianOil believes that CSR is its continuing commitment to conduct business in an ethical and sustainable manner and 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 society at large.

IndianOil's Sustainability & Corporate Social Responsibility (S&CSR) vision is to operate its activities in providing energy solutions to its customers in a manner that is efficient, safe & ethical, which minimizes negative impact on the environment and enhances quality of life of the community, towards sustaining a holistic business.

The S&CSR policy of IndianOil is attached at Annexure-A. The policy is also hosted on the company's website (URL: https://iocl.com/AboutUs/IOC_S&CSR_Policy.pdf). An overview of the CSR initiatives, which were proposed to be undertaken during 2019-20, is provided at Annexure-B. The CSR initiatives undertaken during the financial year are hosted on the company's website.

2. The Composition of the CSR & Sustainable Development Committee as on March 31, 2020

1	Shri Rajendra Arlekar, Independent Director	Chairman
2	Director (Planning & Business Development)	Member
3	Director (Human Resources)	Member
4	Director (Marketing)	Member
5	Director (Finance)	Member

3. CSR Budget for 2019-20

As per the provisions of Section 135 of the Companies Act 2013, the CSR expenditure should be at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years, in pursuance of its CSR Policy.

The average net profit of IndianOil in the last 3 years was ₹27,168.78 crore.

Thus, the prescribed allocation for the year 2019-20, as per the provisions of the Companies Act 2013, was ₹543.38 crore. Considering that the entire CSR budget of the previous year was spent and no amount was carried forward to 2019-20, the total CSR budget for 2019-20 was ₹543.38 crore.

4. Details of CSR expenditure during FY 2019-20

a. Total amount spent during the financial year

The total amount spent on CSR initiatives during 2019-20 was ₹543.38 crore, which corresponds to 100% utilization of the CSR budget allocated for the year.

b. Amount unspent, if any

Nil

c. Manner in which the amount was spent during the financial year is provided in Annexure-C.

5. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

The Company spent ₹543.38 crore, which is two per cent of the average net profits of the last three financial years, as per the Companies Act 2013.

6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The Board of IndianOil has approved the S&CSR Policy and accordingly, the CSR activities have been undertaken in line with the Policy.

Sd/-	Sd/-
(Ranjan Kumar Mohapatra)	**(Rajendra Arlekar)**
Director (HR)	Chairman, CSR&SD Committee

Annexure A
INDIANOIL'S SUSTAINABILITY & CSR POLICY

IndianOil's Sustainability & CSR (S&CSR) vision is to operate its activities in providing energy solutions to its customers in a manner that is efficient, safe & ethical, which minimizes negative impact on environment and enhances quality of life of the community, towards sustaining a holistic business.

In line with the above vision, IndianOil's S&CSR mission is to:

- Meet stakeholders' aspirations for value creation and grow along with the society.
- Ensure a safe & healthy working environment.
- Incorporate environmental and social considerations in business decisions.
- Earn stakeholders' goodwill and build a reputation as a responsible corporate citizen.
- Conduct business with ethics and transparency and follow responsible business practices.

IndianOil shall pursue the following thrust areas under S&CSR:

- Efficiency in operations and processes.
- Safe and healthy environment in and around the workplaces.
- Basic livelihood needs & societal empowerment.
  - » Safe drinking water and protection of water resources.
  - » Healthcare and sanitation.
  - » Education and employment-enhancing vocational skills.
  - » Empowerment of women and socially/ economically backward groups, etc.
- Tourist friendly facilities at monuments of national importance.
- Environmentally sustainable practices within & beyond the organization's premises:
  - » Clean energy options.
  - » Rainwater harvesting (at co. owned premises, retail outlets).
  - » Limit emission of Greenhouse Gases.
  - » Reduce/reuse/recycle resources/waste & dispose waste streams in environmentally safe manner.
- Promotion of responsible business practices: Conduct business with transparency, integrity and accountability.

IndianOil's S&CSR Policy will be operative within the overall ambit of CSR Provisions of the Companies Act 2013 (including Schedule VII),Companies (CSR Policy) Rules 2014, DPE's guidelines on CSR & Sustainability and clarifications/amendments thereof from time to time.

IndianOil shall constitute a Sustainability & CSR Committee of the Board, consisting of at least three Directors, out of which at least one Director shall be an independent director.

IndianOil shall earmark 2% of average net profits earned during three immediately preceding financial years for 'CSR budget' of the year, which will be non-lapsable.

The surplus arising out of the projects/programs/initiatives, which are funded from the CSR budget, shall not form part of the business profit.

If IndianOil fails to spend the CSR budget of a year, the reasons for not spending the amount will be specified in the Directors' Report.

All S&CSR activities, which are funded from the CSR budget, shall exclude those undertaken in pursuance of normal course of business.

Activities funded from the CSR budget will have following 6 components:

a. Need Assessment,

b. Modalities of Execution,

c. Implementation Schedule,

d. Modalities of Utilization of Funds,

e. Monitoring/Reporting Mechanism, and

f. Impact assessment (for large projects).

S&CSR Policy and its contents shall be displayed at IndianOil's website, as per the format specified in the CSR Rules. The Directors' Report shall include an annual report on S&CSR activities.

Annexure B

OVERVIEW OF PROJECTS, WHICH WERE PROPOSED TO BE UNDERTAKEN IN 2019-20 (IN LINE WITH THE CSR POLICY)

Sl. No.	Major CSR Heads	Sector	Local/ Other	State	District	Monitoring Process: Monitoring Through	Budget (₹ crore)
	Annual CSR Allocation as per Companies Act 2013						543.38
	Brought forward from previous year						Nil
	CSR Budget for 2019-20						**543.38**
	Continuing Flagship/Special Projects						
1	MoP&NG LPG Scheme for BPL Families (IEC/PME Activities)	Environment Sust.	Local/ Other	All India	All India	LPG Group of Marketing Division	67.58
2	5kg Double Bottle Connection under PMUY	Environment Sust.	Local/ Other	All India	All India	LPG Group of Marketing Division	6.30
3	Swachh Iconic Place - I (Mata Vaishno Devi)	Sanitation/ drinking water	Local	J&K	Jammu	Unit-level Committee, Punjab State Office	3.80
4	Swachh Iconic Place - II (Gaya Teerth)	Sanitation/ drinking water	Local	Bihar	Gaya	Unit-level Committee, Bihar State Office	3.15
5	Swachh Iconic Place - III (Brahma Sarovar)	Sanitation/ drinking water	Local	Haryana	Kurukshetra	Unit-level Committee, Panipat Refinery	1.00
6	Skill Development Institute (SDI), Bhubaneswar: Capex	Skill Development	Local	Odisha	Khorda	Corporate Learning & Development (L&D) Group	49.91
7	SDIs by HPC, BPC, ONGC, OIL & GAIL: Opex	Skill Development	Local	5 States	5 Districts	Corporate L&D Group	3.25
8	Awareness on Petroleum Conservation (PCRA)	Education	Local/ Other	All India	All India	Lubes Group of Marketing Division	3.13
9	Waste-to-Fuel Project, Varanasi	Environment Sust.	Local	Uttar Pradesh	Vanarasi	Alternate Energy & Sustainable Development (AE&SD) Group	0.45
10	Compressed BioGas (CBG) project, Jaipur	Environment Sust.	Local	Rajasthan	Jaipur	AE&SD Group	31.78
11	Projects in Chitrakoot (UP), Khanwan (Bihar), Betul (MP), Hoshangabad (MP)	Environment Sust.	Other	3 States	4 Districts	AE&SD Group	4.43
12	10 Saraswati Shishu Vidya Mandir (SSVM) schools in Odisha	Education	Local/ Other	Odisha	8 Districts	Unit-level Committee, Odisha State Office	12.00
13	Community Centre at Deogarh, Odisha	Art & Culture	Other	Odisha	Deogarh	Regional-level Committee, South Eastern Region Pipelines	2.80
14	Auditorium at Bhadrakh Autonomous College, Bhadrak	Education	Other	Odisha	Bhadrak	Unit-level Committee, Odisha State Office	1.50
15	Toilets in Tripura	Sanitation	Local/ Other	Tripura	All District	Unit-level Committee, IOAOD State Office	4.50
16	Viveka Tirtha, New Town, Kolkata	Skill Development	Local	West Bengal	Kolkata	Unit-level Committee, West Bengal State Office	2.91
17	Van Dhan project, Rajnandgaon	Skill Development	Other	Chhattisgarh	Rajnandgaon	Unit-level Committee, Madhya Pradesh State Office	1.00
18	IndianOil Swachh Iconic Tourist Places	Sanitation	Local / Other	6 States	6 Districts	Divisional / State Office Level Committees	2.58
19	Skilling for the Blind: 200 beneficiaries	Skill Development	Local / Other	All India	All India	Corporate CSR Group	1.50
20	Restoration / renovation of damages to Shree Jagannath Temple (Puri) due to cyclone fani	Disaster Management	Local	Odisha	Puri	Unit-level Committee, Odisha State Office	5.00
21	IndianOil Acers: Sports Scholarships	Sports	Local / Other	All India	All India	Divisional-level Committee, Marketing HO	3.80
22	Higher Secondary School, Bongaigaon	Education	Local	Assam	Bongaigaon	Unit-level Committee, Bongaigaon Refinery	3.10
23	Kendriya Vidyalaya, Mathura	Education	Local	Uttar Pradesh	Mathura	Unit-level Committee, Mathura Refinery	3.50
24	Kendriya Vidyalaya, Barauni	Education	Local	Bihar	Begusarai	Unit-level Committee, Barauni Refinery	3.00
25	Kendriya Vidyalaya, Haldia	Education	Local	West Bengal	East Midnapore	Unit-level Committee, Haldia Refinery	3.00
26	Kendriya Vidyalaya, Guwahati	Education	Local	Assam	Kamrup Metro	Unit-level Committee, Guwahati Refinery	2.83
27	IndianOil Gyanodaya at 8 Refineries	Education	Local	6 States	8 Districts	Unit-level Committee, Refinery Division	1.50
28	IndianOil Vidushi, Noida	Education	Local	Uttar Pradesh	Gautam Buddh Nagar	Divisional-level Committee, Pipelines HO	1.20
29	IndianOil Vidushi, Bhubaneswar	Education	Local	Odisha	Khorda	Unit-level Committee, Odisha State Office	1.27
30	Assam Oil School of Nursing, Digboi	Skill Development	Local	Assam	Tinsukia	Unit-level Committee, AOD, Digboi	2.75
31	Skill Development Institute (SDI), Bhubaneswar: Opex	Skill Development	Local	Odisha	Khorda	Corporate L&D Group	1.50
32	AOD Hospital, Digboi	Healthcare	Local	Assam	Tinsukia	Unit-level Committee, AOD, Digboi	4.00
33	Swarna Jayanti Samudayik Hospital, Mathura	Healthcare	Local	Uttar Pradesh	Mathura	Unit-level Committee, Mathura Refinery	6.00
34	Sarve Santu Niaramaya, Digboi	Healthcare	Local	Assam	Tinsukia	Unit-level Committee, AOD, Digboi	0.10
35	IndianOil Chikitsa Seva Kendra, Kukurmari, Bongaigaon	Healthcare	Local	Assam	Bongaigaon	Unit-level Committee, Bongaigaon Refinery	0.08
36	Yoga Centre, New Delhi	Healthcare	Local	Delhi	South Delhi	Northern Region Office,Marketing Division	2.02
37	IndianOil Aarogyam at Paradip, Mathura & Bongaigaon	Healthcare	Local	3 States	3 Districts	Divisional / Unit Level Committee	3.60
38	Sushrut Hospital, Mumbai	Healthcare	Local	Maharashtra	Mumbai Suburban	CSR Group, Marketing Head Office	0.05
	New Projects near Units/ Installations						
	Refineries Division	All sectors	Local / Other	7 States	9 Districts	Divisional / Unit Level Committee	37.14
	Marketing Division	All sectors	Local / Other	All India	All India	Divisional / Unit Level Committee	51.42
	Pipelines Division	All sectors	Local / Other	All India	All India	Divisional / Unit Level Committee	23.50
	Research & Development Centre	All sectors	Local	Haryana	Faridabad	Divisional / Unit Level Committee	6.80
	Planning & Business Development Group	All sectors	Local / Other	All India	All India	Divisional / Unit Level Committee	77.00
	Corporate Office	All sectors	Local / Other	All India	All India	Corporate / Divisional / Unit Level Committee	69.79
	Admin. overheads [Training, Salary, Baseline study, etc]						25.88
	Grand Total CSR Budget for 2019-20						**543.38**

Annexure C
DETAILS OF AMOUNT SPENT IN 2019-20

Sl. No	CSR project or activity identified	Sector, in which the project is covered	Projects or programs: Local/ Other	Projects or programs: State / District	Amount outlay ₹ crore	Amount spent: Direct exp. ₹ crore	Amount spent: Overheads ₹ crore	Cum. Exp ₹ crore	Amount spent: Direct or through Implementing Agency (IA)
	Flagship Projects/Special Projects								
1	MoP&NG LPG Scheme for BPL Families (IEC/PME Activities)	Environment Sust.	Local/ Other	All India / All India	67.58	67.57	-	67.57	Direct
2	5kg Double Bottle Connection under PMUY	Environment Sust.	Local/ Other	All India/ All India	6.30	6.30	-	6.30	Direct
3	Swachh Iconic Place-I (Mata Vaishno Devi)	Sanitation/ Drinking water	Local	J&K/ Jammu	3.80	4.66	-	4.66	IA
4	Swachh Iconic Place-II (Gaya Teerth)	Sanitation/ Drinking water	Local	Bihar/ Gaya	3.15	1.19	-	1.19	IA
5	Swachh Iconic Place-III (Brahma Sarovar)	Sanitation/ Drinking water	Local	Haryana / Kurukshetra	1.00	0.02	-	0.02	IA
6	Skill Development Institute (SDI), Bhubaneswar: Capex	Skill Development	Local	Odisha / Khorda	49.91	149.09	-	149.09	IA
7	SDIs by HPC, BPC, ONGC, OIL & GAIL: Opex	Skill Development	Local	5 States / 5 Districts	3.25	3.25	-	3.25	IA
8	Institute of Chemical Technology, Mumbai-IOC, Bhubaneswar Campus	Education	Local	Odisha / Bhubaneswar	0.00	6.76	-	6.76	IA
9	Awareness on Petroleum Conservation (PCRA)	Education	Local/ Other	All India / All India	3.13	3.63	-	3.63	Direct
10	Waste-to-Fuel Project, Varanasi	Environment Sust.	Local	Uttar Pradesh / Vanarasi	0.45	0.34	-	0.34	Direct
11	Compressed BioGas (CBG) project, Jaipur	Environment Sust.	Local	Rajasthan / Jaipur	31.78	0.37	-	0.37	Direct
12	Projects in Chitrakoot (UP), Khanwan (Bihar), Betul (MP), Hoshangabad (MP)	Environment Sust.	Other	3 States / 4 Districts	4.43	0.79	-	0.79	Direct
13	10 SSVM schools in Odisha	Education	Local/ Other	Odisha/ 8 Districts	12.00	22.13	-	22.13	Direct
14	Community Centre at Deogarh	Art & Culture	Other	Odisha / Deogarh	2.80	2.59	-	2.59	Direct
15	Auditorium at Bhadrakh Autonomous College, Bhadrak	Education	Other	Odisha / Bhadrak	1.50	0.00	-	0.00	-
16	Toilets in Tripura	Sanitation	Local/ Other	Tripura / All Districts	4.50	0.00	-	0.00	-
17	Viveka Tirtha, New Town, Kolkata	Skill Development	Local	West Bengal / Kolkata	2.91	5.34	-	5.34	IA
18	Van Dhan project, Rajnandgaon	Skill Development	Other	Chhattisgarh / Rajnandgaon	1.00	0.00	-	0.00	-
19	IndianOil Swachh Iconic Tourist Places	Sanitation	Local/ Other	6 States / 6 Districts	2.58	1.88	-	1.88	Direct
20	Skilling for the Blind: 200 beneficiaries	Skill Development	Local/ Other	All India / All India	1.50	0.00	-	0.00	-
21	Restoration/renovation of damages to Shree Jagannath Temple (Puri) due to cyclone fani	Disaster Management	Local	Odisha / Puri	5.00	5.00	-	5.00	IA
22	Contribution to J&K Panchayat welfare fund	Healthcare/ Education	Local/ Other	J&K / All Districts	0.00	2.00	-	2.00	IA
23	Contribution to Shri Kedarnath Utthan Charitable Trust	Healthcare/ Environment Sust.	Other	Uttarakhand / Rudraprayag	0.00	17.35	-	17.35	IA
24	IndianOil Karmayogi Swasthya Bima Yojana: Health Insurance for COVID-19	Healthcare	Local	All India/ All India	0.00	13.48	-	13.48	Direct
25	IndianOil Acers: Sports Scholarships	Sports	Local/ Other	All India/ All India	3.80	4.75	-	4.75	Direct
26	Higher Sec. School, Bongaigaon	Education	Local	Assam / Bongaigaon	3.10	3.66	-	3.66	Direct
27	Kendriya Vidyalaya, Mathura	Education	Local	Uttar Pradesh / Mathura	3.50	4.33	-	4.33	Direct
28	Kendriya Vidyalaya, Barauni	Education	Local	Bihar / Begusarai	3.00	3.22	-	3.22	Direct
29	Kendriya Vidyalaya, Haldia	Education	Local	West Bengal / East Midnapore	3.00	2.69	-	2.69	Direct
30	Kendriya Vidyalaya, Guwahati	Education	Local	Assam / Kamrup Metro	2.83	2.83	-	2.83	Direct
31	IndianOil Gyanodaya at 8 Refineries	Education	Local	6 States / 8 Districts	1.50	1.68	-	1.68	Direct
32	IndianOil Vidushi, Noida	Education	Local	Uttar Pradesh / Gautam Buddh Nagar	1.20	0.34	-	0.34	IA
33	IndianOil Vidushi, Bhubaneswar	Education	Local	Odisha / Khorda	1.27	0.92	-	0.92	IA
34	IndianOil Vidushi, Patna	Education	Local	Bihar / Patna	0.00	0.72	-	0.72	IA
35	IndianOil Vidushi, Jaipur	Education	Local	Rajasthan / Jaipur	0.00	0.41	-	0.41	IA
36	Assam Oil School of Nursing, Digboi	Skill Development	Local	Assam / Tinsukia	2.75	3.46	-	3.46	Direct
37	Skill Development Institute (SDI), Bhubaneswar: Opex	Skill Development	Local	Odisha / Khorda	1.50	1.50	-	1.50	IA
38	AOD Hospital, Digboi	Healthcare	Local	Assam / Tinsukia	4.00	5.17	-	5.17	Direct
39	Swarna Jayanti Samudayik Hosp, Mathura	Healthcare	Local	Uttar Pradesh / Mathura	6.00	6.96	-	6.96	IA
40	Sarve Santu Niaramaya, Digboi	Healthcare	Local	Assam / Tinsukia	0.10	0.10	-	0.10	Direct
41	IndianOil Chikitsa Seva Kendra, Kukurmari, Bongaigaon	Healthcare	Local	Assam / Bongaigaon	0.08	0.12	-	0.12	Direct
42	Yoga Centre, New Delhi	Healthcare	Local	Delhi / South Delhi	2.02	1.99	-	1.99	IA
43	IndianOil Aarogyam atParadip, Mathura & Bongaigaon	Healthcare	Local	3 States / 3 Districts	3.60	3.90	-	3.90	IA

Sl. No	CSR project or activity identified	Sector, in which the project is covered	Projects or programs		Amount outlay	Amount spent		Cum. Exp	Amount spent: Direct or through Implementing Agency (IA)
			Local/ Other	State / District	₹ crore	Direct exp. ₹ crore	Overheads ₹ crore	₹ crore	
44	Sushrut Hospital, Mumbai	Healthcare	Local	Maharashtra / Mumbai Suburban	0.05	0.00	-	0.00	-
	New projects near establishments across India*								
1	Refineries Division	All sectors	Local/ Other	7 States / 9 Districts	37.14	49.32	-	49.32	Direct / IA
2	Marketing Division	All sectors	Local/ Other	All India / All India	51.42	68.23	-	68.23	Direct / IA
3	Pipelines Division	All sectors	Local/ Other	All India / All India	23.50	31.99	-	31.99	Direct / IA
4	Research & Development Centre	All sectors	Local	Haryana / Faridabad	6.80	5.26	-	5.26	Direct / IA
5	Planning & Business Development Group	All sectors	Local/ Other	All India / All India	77.00	0.38	-	0.38	Direct / IA
6	Corporate Office	All sectors	Local/ Other	All India / All India	69.79	0.82	-	0.82	Direct / IA
	Admin. overheads [Training, Salary, Baseline study, etc]				25.88		24.86	24.86	
	Total				**543.38**	**518.51**	**24.86**	**543.38**	

* New projects of various Divisions include activities like development of skill development centres, construction of school buildings, provision of furniture, computers, books, etc. to schools, installation of hand pumps / bore wells, construction of elevated water tanks, provision of water tap connection, water purifiers/ water coolers to schools/ community centres, organizing health camps for immunization, HIV/AIDS awareness, pulse polio, eye care, blood donation, etc., provision of ambulances, medical equipments, etc. to hospitals/health centres, organizing sports meets, livelihood projects, etc.

ANNEXURE-IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020)

[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]

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 March 31, 2020. 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 & returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering **April 1, 2019 to March 31, 2020** 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 **April 1, 2019 to March 31, 2020** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Byelaws 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; (No such event during Audit Period)

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;

i. The Oil Industry (Development) Act, 1974.

We have also examined compliance with 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:

- During the financial year 2019-2020, the Company could not comply with the requirement of having at least one-Woman Independent Director for the period April 1, 2019 to November 5, 2019. On November 6, 2019, the Company has appointed a Woman Independent Director on the Board of the Company.
- During the financial year 2019-2020, the Company could not comply with the requirement of having at least half of the Board of Directors as Independent Directors for the period April 1, 2019 to November 5, 2019 and December 2, 2019 to March 31, 2020.

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 compliance with the provision of the Act. However, the Company has not been able to appoint requisite number of Independent Directors and Woman Director as required under the provisions of Section 149 of the Act 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 2019-20, the Company has issued Unsecured, Rated, Listed, Taxable, Redeemable and Non-Convertible Debentures aggregating to ₹7,995 crore on Private Placement basis. The funds raised through issuance of NCDs have been utilized for funding its capital expenditure including recoupment of expenditure already incurred.

For Ragini Chokshi & Co.
(Company Secretaries)

Sd/-
Ragini Chokshi
(Partner)
C. P. No. 1436
FCS No. 2390
UDIN: F002390B000332313

Place: **Mumbai**
Date: **June 10, 2020**

ANNEXURE-V

FORM NO. AOC-2

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

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

   NIL

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

   NIL

For and on behalf of the Board

Sd/-
(S. M. Vaidya)
Chairman
DIN: 06995642

Place: **New Delhi**
Date: **August 21, 2020**

ANNEXURE-VI

REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AS PER THE PROVISIONS OF THE COMPANIES ACT 2013 AND RULES NOTIFIED THEREUNDER

(A) Conservation of Energy

a. Steps taken or impact on Conservation of Energy:

During 2019-20, 43 Energy Conservation Schemes including the schemes identified in-house, through Petroleum Conservation Research Association and those identified by Engineers India Limited were implemented across the refineries, which resulted in energy savings of 71422 SRFT / year, equivalent to a monetary savings of ₹161.80 crore per annum. Out of the total saving, ₹67.13 crore was achieved during 2019-20 and the balance will be achieved during 2020-21. Through implementation of these Energy Conservation schemes, reduction in approximately 0.231 MMT equivalent CO_2 emission per year has been achieved. The details of some of the major ENCON schemes implemented during the year are as under:

Sl. No	Energy Saving Schemes	Estimated Cost (₹ Lakhs)	Estimated Fuel Savings (Standard Refinery Fuel Equivalent) MT/Year
1	Reduction in steam consumption by installation of Plate Type Heat Exchanger in Amine Regeneration Unit (ARU) and Sour Water Stripping Unit (SWS) at Barauni Refinery	135.00	1600
2	Improvement in heat recovery by replacement of Cold-Water Pre-Heater (CWPH) modules in HRSG-3 (GT-3) at Gujarat Refinery	110.00	1500
3	Improvement in furnace efficiency by replacement of Burner blocks in FPU-1 furnace at Gujarat Refinery	170.00	1000
4	Generation of HP steam in place of LP steam by replacement of Heat Exchanger (super-heater) at SRU-3 at Gujarat Refinery	202.00	2177
5	Excess air optimization of the Heater 11-F-01 by replacement of O2 Analyzer /burners' fine tuning / replacement of burner components at Haldia Refinery	15.00	1480
6	Installation of steam generator in DHDS stripper bottom stream at Mathura Refinery	40.00	1920
7	Reduction in duty in DHDS heater by feed preheat improvement up to 67°C using product rundown stream at Mathura Refinery	36.00	2200
8	Installation of MLP steam generator at MCB circuit of FCCU at Mathura Refinery	188.00	2800
9	Improvement in NSU-1 feed preheat by utilizing hot HGO rundown stream in AVU-1 at Panipat Refinery	5.00	2070
10	Reduction in furnace duty through replacement of existing high temperature Co-Mo catalyst to Low Temperature Co-Mo catalyst in TGTU at Panipat Refinery	100.00	1500
11	Energy saving by improving the heat rate of GT-5 at CPP of PNC (Operational improvement)	0.00	1902
12	Routing of AVU off gas to WGC of INDMAX Unit for recovery of LPG and thus reduction in flaring at Paradip Refinery	336.00	18999

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

Guwahati Refinery:

- Installation of Divided Wall Column (DWC) by Combining Naphtha Splitters for increase in thermal efficiency.
- Thermal efficiency improvement of DCU heater by augmentation of APH based on gas firing.

Barauni Refinery:

- Replacement of existing cooling towers with new fanless cooling tower technology for energy savings.
- Replacement of Naphtha feed in Hydrogen Generation Unit-I and II with Natural Gas.
- Provision for hot feeding to DHDT unit from upstream units.

Gujarat Refinery:

- Application of Electrical Tracing in Offsite Piping and Tank Farm in-place of existing Steam Tracing.
- Low End Heat Recovery from Exhaust Gas of GT-HRSGs.
- Thermal Efficiency Improvement of the HCU heaters (06-FF-03/04) by stack temperature optimization through augmentation of APH.

Haldia Refinery:

- Improvement in heater efficiency through excess air optimization by replacement of existing O_2 analyzers to TDLS type analyzers.
- Facility for hot feed to KHDS unit at 70°C directly from Battery Limit and increasing the pre-heat by 15°C, thus reducing the furnace duty.
- Reduction in heater duty by Crude Preheat temperature improvement by Pinch Analysis and modifications in Preheat train in CDU–II.
- Thermal efficiency improvement of the fired heaters by designing / modifying APH system and / or converting from dual firing to 100% RLNG firing.
- Replacement of Naphtha feed in Hydrogen Generation Unit-I and II with Natural Gas.

Mathura Refinery:

- Application of Electrical tracing in offsite piping and tank farm in place of existing steam tracing.
- Reduction in refinery steam load by replacement of existing turbine driven WGC to motor driven WGC at FCCU.
- DHDS feed preheating up to 97°C by product rundown, thus reducing the furnace duty.

Digboi Refinery:

- Optimization of Motive Steam in the Vacuum column Overhead Ejector System in VDU by replacing existing Ejectors with new Ejectors.
- Crude Preheat Temperature Improvement by Pinch Analysis and Modification in Preheat Train in AVU.
- 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:

- Optimization of Motive Steam in the Vacuum Column Overhead ejector System of AVU-I and AVU-II.
- Low end heat recovery from exhaust gas of GT-HRSGs.
- Thermal efficiency improvement of AVU-II heater by partial switchover from FO to NG/FG in AVU-II.
- Improved HRSG efficiency by reducing stack temp by 10°C for four HRSG (except HRSG#1) by makeup water cooler installation.

Bongaigaon Refinery:

- Reduction in reboiler duty by increasing inlet temperature of Rich amine feed to Amine regeneration unit at ARU and sour water inlet temperature at SWSU.
- Preheat improvement by heat recovery from reactor effluent at DHDT unit.
- Thermal efficiency improvement of CDU-II heater by replacement of APH based on pre-dominant gas firing and replacement of critical damper.

Paradip Refinery:

- Installation of 1 MW Solar Power in the refinery complex.
- H_2 recovery from sweet off gas of DHDT & VGO HDT through CCR PSA.

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

- The renewable energy portfolio of the Company includes grid connected power and off-grid solar power. The Company is installing fluorescent tube lights & incandescent lamps with LED lighting; for which procurement has been initiated at various refineries. About ₹3.30 lakhs LEDs have already been installed (including around ₹0.50 lakhs in 2019-20) as an ENCON initiative.
- The Company has 19.58 MWp of solar panels across various refineries (including installation of solar panels of 6.89 MWp in 2019-20), installations and office building with a total annual generation capacity of 30.01 million units.
- Further, installation of 5.65 MWp solar PV including 3.03 MWp at Paradip Refinery, 1.50 MWp at Guwahati Refinery, 0.64 MWp at Mathura Refinery, 0.10 MWp at Barauni Refinery and 0.38 MWp at Bongaigaon Refinery is under progress.

(B) Efforts made towards technology absorption, adaptation and innovation

As a part of continuous efforts 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 under:

a. Indigenous Technology:

i) indeDiesel® (Diesel Hydrotreatment) Technology

First indeDiesel® technology has been developed for BS-VI quality diesel production by R&D Centre of IndianOil along with 'Engineers India Limited' as Co-Licensor. Using the technology, 4 projects have been successfully implemented at Bongaigaon, and Gujarat refineries and 2 more are under implementation at Haldia and Barauni refineries.

ii) indeHex® (Hexane Hydrogenation) Technology

R&D Centre of IndianOil and EIL have developed/ commercialized 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 of IndianOil and EIL, for production of low sulfur gasoline component meeting BS-IV/BS-VI sulphur specification. INDAdeptG unit with a capacity of 35 kTA has been 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 of IndianOil and EIL for production of ultra lowsulfur 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 of IndianOil and EIL for ATF production by selective removal of mercpantansulfur. 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 of IndianOil and EIL, for treating Naphtha range hydrocarbon streams to achieve product stream containing ultra-low sulphur (≤ 0.50 ppmw). A 235 kTA grass-root unit is under implementation at Bongaigaon Refinery.

vii) **indSelectG Technology**

indSelectG is in-house developed selective hydrotreating based technology for cracked gasoline desulfurization with minimum octane loss. An 80 kTA grass-root unit is under implementation at Guwahati Refinery.

viii) **INDMAX Technology**

INDMAX technology developed in-house by R&D Centre of IndianOil for converting heavy distillate and residue into LPG/light distillate products, has been implemented successfully at Guwahati Refinery, Paradip Refinery and another unit is under implementation at Bongaigaon Refinery.

ix) **Octamax Technology**

Octamax technology, developed by R&D Centre of IndianOil, has been successfully implemented at Mathura Refinery for production of High-octane Gasoline blending stream from refinery LPG streams.

x) **AmyleMax Technology**

AmyleMax technology, developed by R&D Centre of IndianOil, for improvement of octane number of light cracked naphtha through increase in oxygenates, has been successfully demonstrated at Gujarat Refinery in 2019.

xi) **Hexane Hydrogenation Technology**

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

b. Imported Technology:

i) **Alkylation Technology**

For production of MS, Alkylation technology from M/s Exxon Mobil, USA has been implemented at Paradip Refinery and is under consideration for expansion project at Panipat 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, Iso-dewaxing technology from M/s MOBIL, USA has been implemented at Haldia Refinery.

vii) **Catalytic Reforming Technology**

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

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 ABB Lummus, 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 and Panipat refineries with technology from M/s IFP (now Axens), France and at Gujarat and Haldia refineries with technology from M/s UOP, USA to meet the Diesel quality requirement w.r.t Sulphur. Technology from M/s HaldorTopsoe, 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 and Digboi refineries with the technology from M/s UOP, USA and under implementation at Panipat and Gujarat Refineries. Technology from M/s Axens, France is implemented at Mathura, Panipat and Gujarat refineries. Technology from M/s Shell Global Solutions, Netherlands is implemented at Paradip Refinery and has been considered in P-25 expansion project at Panipat Refinery.

xii) **Divided Wall Column (DWC) 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 ABB Lummus (Now M/s McDermott), USA has been implemented for revamp of FCCU at Mathura Refinery.

xiv) **Hydrocracker Technology**

Full Conversion Hydrocracking 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.

xv) **Hydro-finishing Technology for treatment of Paraffin**

Wax / Microcrystalline Wax Process technology from M/s. IFP (now 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. HaldorTopsoe, 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 KTI, the Netherlands has been implemented for Hydrogen generation at Guwahati, Digboi, Mathura and Haldia Refineries. Hydrogen generation technology from M/s Technip Benelux B.V, 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 IFP (now Axens), France. KHDS is also being implemented at Panipat Refinery as a part of BS-VI project. (No KHDS is considered in BS-VI).

xix) **LPG Treatment Technology**

Coker LPG Merox Treatment technology from M/s USA has been implemented at Panipat Refinery and at Haldia Refinery under DYIP project. FCC LPG Treatment technology from M/s Mericam, 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 under expansion project at Barauni Refinery.

xx) **MS quality Upgradation Technology**

For MS quality upgradation, 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 desulphurization technology (Prime-G) from M/s Axens, France has been implemented at Haldia, Mathura, Panipat and Barauni Refineries and is under implementation at Bongaigaon Refinery.

Isomerisation technology of M/s UOP, USA is under implementation under expansion project at Barauni 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 & 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 Polypropylene. 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 Novolen (McDermott) is under implementation under expansion project at Barauni Refinery.

xxiii) **Naphtha Treatment Technology**

FCC Naphtha Treatment Technology from M/s Mericam, USA for removal of Mercaptans and H_2S is implemented at Paradip Refinery. Technology for Naphtha Hydrotreating & Fractionating from M/s UOP, USA is implemented at Paradip Refinery & is under implementation under expansion project at Barauni Refinery.

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) is under implementation under expansion project at Barauni Refinery.

xxv) **Propylene Recovery Technology**

For recovery of Propylene from LPG, propylene recovery from M/s Basell, Italy has been implemented at Paradip Refinery.Propylene recovery from M/s Toyo is under implementation under expansion project at Barauni Refinery.

xxvi) **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.

xxvii) **Resid Fluidized Catalytic Cracking Technology**

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

xxviii) **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.

xxix) **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.

xxx) **Sulphur Pelletization Technology**

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

xxxi) **Sulphur Recovery Technologies for reduction of SO2 emissions**

Refineries at Gujarat, Haldia, Mathura and Barauni are provided with Sulphur Recovery Technology from M/s. Stork Comprimo (now Jacob), 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, KTI, Spain has been implemented at Haldia Refinery under Once through Hydrocracker Project. Technology from M/s Jacobs, Netherlands has been implemented under additional Sulphur Recovery Unit at Mathura Refinery. Technology from M/s Lurgi, Germany is under implementation under DYIP project at Haldia Refinery. Technology from M/s Prosernat, France is under implementation at Panipat Refinery.

Sulphur Recovery Technology from M/s Kinetic Technology is under implementation under expansion project at Barauni Refinery. Sulfuric Acid plant with technology from M/s HaldorTopsoe is under implementation at Haldia Refinery under BS-VI project.

xxxii) **Technology for Linear Alkyl Benzene (LAB)**

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

xxxiii) **Technology for Para-Xylene**

For production of Para-Xylene at Panipat, technologies from M/s UOP, USA have been implemented. Technology from M/s UOP, USA has been considered at Paradip Refinery.

xxxiv) **Technology for Purified Terephthalic Acid (PTA)**

For production of PTA at Panipat Refinery, technology from M/s Dupont (now Invista), USA has been implemented. Technology from BP Amoco has been considered at Paradip Refinery.

xxxv) **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.

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 environmentally 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 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 Prosernat,France
- Technology for Hydrogen Generation from M/s Technip France
- Technology for High Ron Gasoline stream, Axens France

The year of import: 2017-18/2018-19

Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning by July 2020.

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 is in implementation stage - Expected commissioning of HGU, DHDT by September 2020 and FCC GDS by October 2020.

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 been fully absorbed: The project is in implementation stage - Expected commissioning of Sulphuric Acid Plant by June 2021.

iv) **BS-VI Projects at Bongaigaon Refinery**

The details of technology imported:

- Technology for production of sulphur from M/s Prosernat, France

The year of import: 2017-18

Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning of SRU Plant by October 2020.

v) **Mathura Refinery Expansion Residue Upgradation 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 Prosernat, 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, U.K.

The year of import: 2018-19

Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning of HGU plant by August 2021.

vii) **Off-gas to Ethanol at Panipat Refinery from PSA Off gas of HGU**

The details of technology imported:

- 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 January 2021

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 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 May 2021

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 October 2021

xi) **Gujarat Refinery Expansion Project**

The details of technology imported:

- Technology for LPG Treatment Unit from M/s UOP, USA.
- Technology for production of Reformate & Isomerate from M/s UOP, USA.
- Technology for Poly-Propylene production from

- M/s Lummus Novolen, Germany.
- Technology for desulphurisation of FCC Gasoline from M/s Axens, France

The year of import: 2018-19

Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning by 2024-25.

i) **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 production of Sulphuric Acid Regeneration Unit from M/s MECS

The year of import: 2018-19

Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning by May 2023.

ii) **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 October 2022.

iii) **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 November 2022.

iv) **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 Devy, 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.

(B) Foreign Exchange Earning and Outgo

The total Foreign Exchange earned and outgo during the year is as under:

- Foreign Exchange earned : ₹18,591.33 crore
- Foreign Exchange outgo : ₹2,67,121.92 crore

(C) The areas in which R&D activities were carried out during the year are as under:

- Development & demonstration of Refinery process technologies
- Licensing & commercialization of R&D developed technologies
- Modeling and simulation – Refinery Processes
- Technical Services to Refineries, Petrochemicals and Pipelines Division
- Lubricant, Greases and Specialties - Fuel Efficient Products
- Metal Working Tribology and Boundary Lubrication
- Fuel additives development and commercialization
- Fuel Quality and Emission related Studies
- Development of Carbon Dioxide to Valuable Products
- Carbon Capture & utilization
- Alternative fuels - HCNG, 2nd & 3rd Generation biofuels
- 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 optimization for refinery processes
- Catalysts development for refining and petrochemical processes
- Bituminous products - PMB & CRMB+
- Corrosion, Remaining life assessment and Material failure Analysis
- Biotechnology interventions for refinery ETP
- **Expenditure on R&D**

(a)	Capital	₹161.04 crore
(b)	Recurring	₹267.00 crore
	Total	**₹428.04 crore**

IndianOil's Paradip Refinery with a complexity factor of 10.7 based on Nelson Index is the country's most modern refinery till date

MANAGEMENT'S DISCUSSION & ANALYSIS

BUSINESS ENVIRONMENT & OUTLOOK

Economy

The year 2019 saw the global economy as well as the Indian economy slip into lower growth. Global economic growth dropped to 2.9% in 2019 from 3.6% in 2018. As trade tensions eased towards the end of 2019, there was expectation of a fragile recovery in 2020. However, the emergence of COVID-19 pandemic in the first quarter of 2020 resulted in unprecedented lockdowns across the world, adversely affecting the global economic growth. The IMF, in its baseline scenario, expects the global economy to contract by 4.9% in 2020. It had last contracted by 0.1% at the depths of the worldwide financial crisis in 2009.

For India, the GDP growth plummeted to 4.2% in 2019-20, from 6.1% in 2018-19. The growth in the first three quarters of 2019-20 was slower on account of a slowdown in manufacturing and investment, along with the NBFC crisis weighing in on financing conditions. It was adversely affected by the COVID-19 crisis in the last quarter, with the country entering into a nationwide lockdown. Due to the extended lockdown till May, economic activity came to a halt in the initial months of the current fiscal and started catching up again with the lifting of the lockdown in phases thereafter. However, it will take time to overcome the massive and unprecedented hit from COVID-19.

INDUSTRY STRUCTURE & DEVELOPMENTS

Global Energy Scenario

The growth of global primary energy consumption slowed to 1.3% in 2019, less than half that of 2018 (2.8%). Renewables contributed 41% of the increase in energy demand, the largest among energy sources, followed by natural gas. Apart from nuclear energy, all fuels grew at a slower rate in 2019 than their 10-year average.

The growth in primary energy demand was driven by China, which accounted for more than three-quarters of net global growth, while India and Indonesia were the other two largest contributors. US and Germany posted the largest declines in energy terms.

Carbon emissions from energy use grew by 0.5%, which is less than half of the 10-year average growth of 1.1% per year.

Oil

Global macroeconomic growth was impacted during the year by trade tensions and other geopolitical issues, leading to a slower growth rate in oil consumption. Global oil consumption in 2019 increased by 0.8 million barrels per day (mb/d) to 99.8 mb/d for the year, growing at 0.7% compared to 1.0% in the previous year.

In the first quarter of 2020, the negative impact of COVID-19 further brought down global oil demand to 93.3 mb/d, a decline of 5.6 mb/d compared to the same quarter in 2019.

Global oil production remained flat at 100.5 mb/d, but exceeded demand with rising oil production from non-OPEC countries, especially US, offsetting the loss of oil supplies from Iran. Crude oil prices averaged at $64 per barrel (Dated Brent) in 2019, a 9% decrease from those of 2018.

Natural Gas

The growth of natural gas consumption too slowed down in 2019, with an increase of 78 billion cubic metres (bcm), or 2.0%, compared to a higher growth of 5.3% in 2018. The increase in gas demand was driven by the US (27 bcm) and China (24 bcm).

Gas production grew by 132 bcm in 2019, or 3.4% year-on-year, with the US accounting for most of the increase (85 bcm). US natural gas production grew by 10% from the 2018 level.

Global LNG supply grew at a record of 12.7% year-on-year in 2019 (+54 bcm) driven by record increases from the US (19 bcm) and Russia (14 bcm) as well as continued growth from Australia (13 bcm), plunging the market into over-supply. In 2019, due to a combination of factors, including lower gas demand in Asia, a recovery in Japan's nuclear power production, larger global supplies of LNG, mild global temperatures and increased US production, gas prices in the global markets fell by a far bigger amount than crude oil prices. Henry Hub prices decreased by almost 20% to $2.53/mmbtu in 2019 from $3.13/mmbtu in 2018. Asian spot prices too declined to $5.49/mmbtu in 2019 from $9.76/mmbtu in 2018 on the back of global LNG over-supply, declining demand in Japan and Korea, and a slowdown in Chinese imports.

DEVELOPMENTS IN THE INDIAN ENERGY SECTOR

With the Indian economy growing at a steady pace over the years, the energy demand too had been growing steadily. In fact, it was way ahead of the global average. In the longer term, India is expected to emerge as a bright spot for global energy demand growth.

The oil & gas sector is among the eight core industries in India and plays an important role in influencing decision-making for all the other important sectors of the economy.

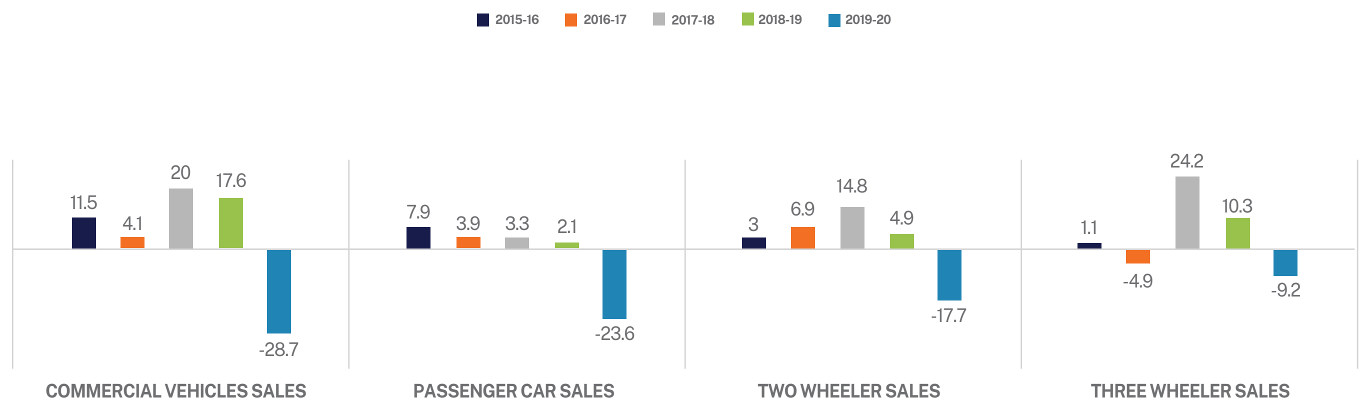
Oil

India's petroleum products consumption had been growing at a healthy CAGR of 5.2% in the last five years (2014-15 to 2019-20). In 2019-20, consumption growth slowed down to 0.2% from 3.4% in 2018-19. Consumption in 2019-20 was 213.69 MMT as compared to consumption of 213.22 MMT in 2018-19.

During the period April 2019-February 2020, petroleum products consumption grew at a modest 2.0% year-on-year. But the demand slowed down significantly in the latter half of March 2020, with the implementation of a nationwide lockdown in the face of the COVID-19 pandemic, leading to a steep decline of 17.8% during the month. Restrictions on movement of people and goods, as well as slowdown in industrial activity affected the demand of petroleum products in all sectors, including manufacturing, aviation, transport, tourism, hospitality, e-commerce and real estate. This sudden sharp reduction in demand affected the overall growth of POL consumption for the year 2019-20.

Motor Spirit (MS or petrol) consumption grew by 6% in 2019-20 as compared to 8.1% in the previous year. High Speed Diesel (HSD) consumption declined by 1.1% in 2019-20 compared to a 3.0% growth in the previous year. In fact, HSD registered negative growth in 2019-20 after five years of positive growth. Apart from lower sales in March 2020, persistent slowdown in the automotive industry, with falling sales and piling inventory, contributed to the overall decline in MS and HSD sales. Slowdown in the economy, problems in financing vehicle after the NBFC crisis, increase in insurance cost, and anticipation of BS-VI transition from April 2020 were among the factors that led to the poor performance of the automobile industry.

DOMESTIC SALES GROWTH RATE (% Y-O-Y)



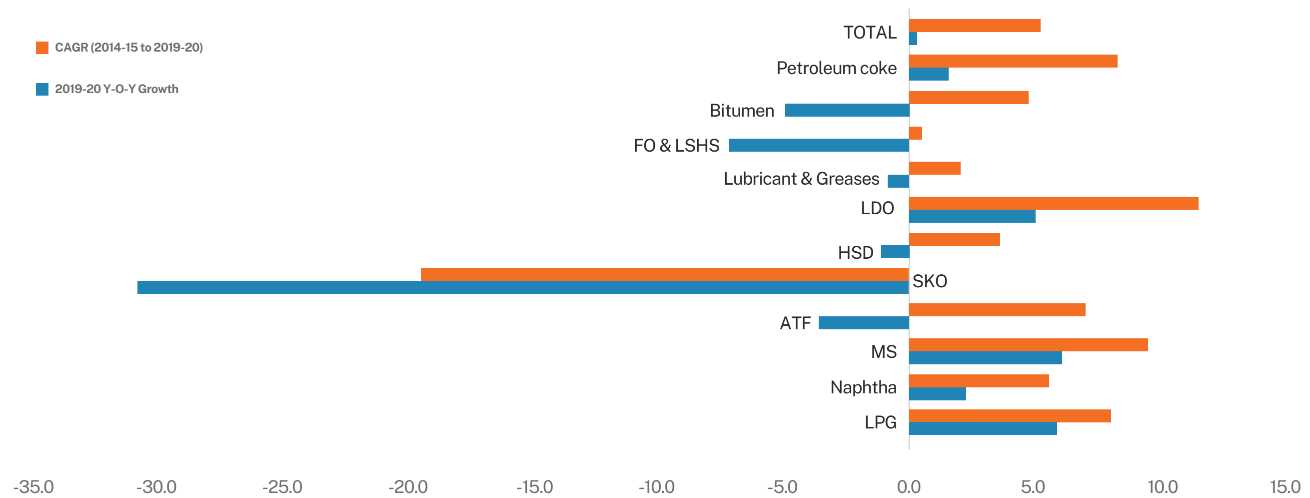
Source: CMIE

In July/August 2018, the Government had increased the axle load limit for all trucks. This move helped increase the freight capacity of the entire population of trucks in India by 20-25%, equivalent to three years of incremental freight demand, thus negatively impacting HSD demand.

The civil aviation sector was the worst hit due to the pandemic, resulting in fall in ATF demand by 32.4% in March 2020. ATF sales had also endured the effect of grounding of Boeing 737 Max and closure of Jet Airways earlier during the year 2019-20. The overall ATF demand fell by 3.6% during the year.

While LPG consumption continued to grow, it was lower at 5.9% in 2019-20 as compared to 6.7% in the previous year. Other products that contributed to the overall POL growth during the year were naphtha (2.2%), light diesel oil (5.0%) and petcoke (1.5%), whereas sales contracted for bitumen (-4.9%), furnace oil & low-sulphur heavy stock (-7.2%), lubes & greases (-0.8%) compared to the previous year.

GROWTH IN DEMAND OF POL PRODUCTS (Percentage)



Source: PPAC, Mo P & NG

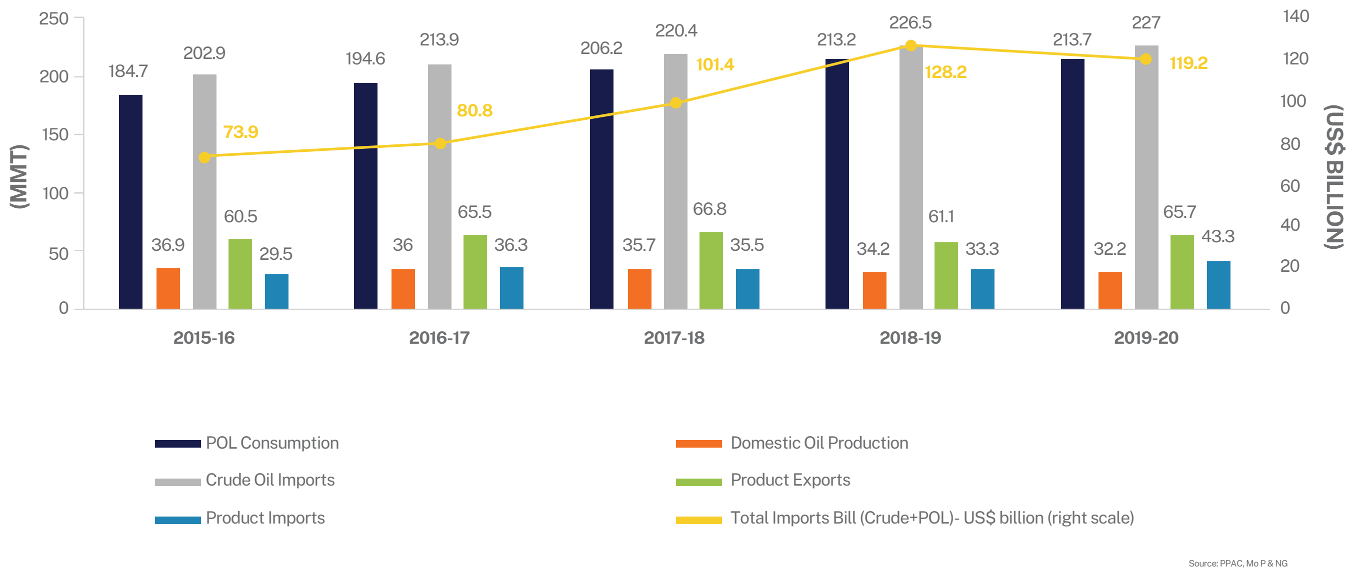
Domestic crude oil production during 2019-20 was lower by 5.9% at 32.2 MMT, as the diminishing phase of many fields continued. Crude oil and condensate production by public sector entities decreased by 2.5% while production by private sector entities decreased by 14.5% in 2019-20 as compared to the previous year. However, improvement in production levels is expected in the near future with the Government's thrust on ramping up domestic production through investment-friendly policies.

Indian refiners processed 254.4 MMT of crude oil in 2019-20 as compared to 257.2 MMT in 2018-19, a decline of 1.1%. Cheaper, high-sulphur crudes to the extent of 75.5% were processed during the year.

Crude oil imports registered 0.2% growth over the previous year in quantity terms, rising to 227 MMT. In value terms, the crude oil import bill was US$ 101.4 billion during the year compared to US$ 111.9 billion in 2018-19. POL products imports increased by 29.9% during 2019-20 to 43.3 MMT as compared to 33.3 MMT in the previous year, while their import bill rose from US$ 16.3 billion in 2018-19 to US$ 17.9 billion in 2019-20. The rise was due to increase in imports of all products except naphtha and aviation turbine fuel (ATF). The total import bill of crude oil and products for the year 2019-20 was US$ 119.2 billion, down from US$ 128.2 billion in the previous year.

Exports of POL products increased by 7.5% to 65.7 MMT in 2019-20 from 61.1 MMT in 2018-19 primarily due to increase in exports of naphtha and HSD. However, in value terms, products exports decreased to US$ 35.8 billion in 2019-20 as compared to US$ 38.2 billion in 2018-19.

OIL SUPPLY-DEMAND TREND IN INDIA



Natural Gas

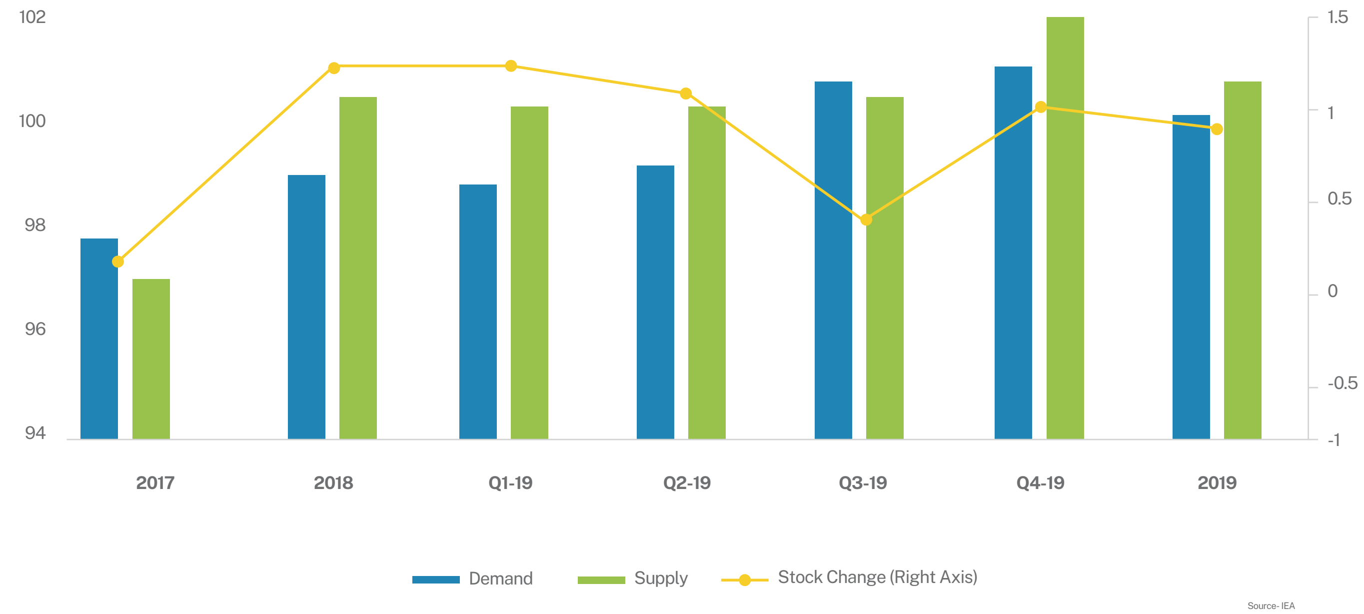
India's natural gas consumption during the year increased to 63.9 billion cubic metres (bcm), registering a growth of 5.2% as against a growth of 2.8% in the previous year. On the supply side, gross natural gas production during the year was 31.2 bcm, 5.14% lower than that of the previous year. LNG imports rose by 17.2% to 33.7 bcm during the year, from 28.7 bcm in 2018-19. LNG demand saw a surge due to fall in spot prices, leading to increased buying.

Despite the near-term challenges due to the pandemic, gas volumes are expected to rebound owing to the large-scale rollout of city gas distribution (CGD) networks, setting up of fertilizer plants, expansion of pan-India trunk pipelines network, the proposed launch of a gas trading hub, and the Government's thrust on a gas-based economy.

OUTLOOK: A CHALLENGING TIME AHEAD

The COVID-19 pandemic that started unfolding in December 2019 began impacting demand since the beginning of the year and has caused prices to fall significantly. Consequently, the market remained over-supplied since February 2020. By the end of March 2020, the global road transport activity was almost 50% below the 2019 average and aviation business was below 60%. In April 2020, fuel demand is estimated to have plummeted by a record 21.8 mb/d year-on-year. As per IEA projections, oil demand in 2020 is expected to fall by 7.9 mb/d, the largest in history, before recovering by 5.3 mb/d in 2021.

ANNUAL : GLOBAL OIL SUPPLY & DEMAND (in mbpd)



In the backdrop of over-supply, OPEC nations and Russia failed to reach an agreement on production cuts in early March, thereby causing crude oil prices to fall sharply by about 30%. On 11th April, OPEC, Russia and other oil-producing nations finalized an unprecedented production cut of 9.7 mb/d effective from May 2020.

However, even the announcement of a deep cut in production by OPEC+ could not comfort the market over concerns of economic slowdown, increasing travel restrictions, lockdowns to contain the spread of COVID-19, oversupply and lack of storage capacity, which led to the crash of oil prices in April 2020. U.S. crude oil futures turned negative on April 20, 2020 for the first time in history, as traders sold heavily because of rapidly filling storage space at the key Cushing, delivery point in Oklahoma.

Brent prices averaged at $23.3/bbl in April 2020, falling by almost 30% from the March average of $33/bbl and by almost 64% from the yearly average of $64/bbl in 2019. However, the price recovered in May and continued in the range of over $30/bbl.

Global gas prices too fell to a record low as there was no end in sight to the supply glut. Henry Hub natural gas price for the month of April 2020 was down to $1.74/mmbtu from a yearly average of $2.57/mmbtu in 2019. Ample LNG supply, coupled with demand destruction, is expected to keep prices at record lows in the year 2020.

Refineries too felt the pinch as product demand dried up, and capacity utilization was down to about 50% globally.

The COVID-19 crisis is posing many challenges with significant impact on economic activity, corporate profitability, investments and capex plans during 2020 across sectors, which will lead to tepid domestic POL demand in the immediate and short-term. However, in the long run, India is likely to return to its growth trajectory and provide many opportunities as a global manufacturing hub. Besides, given the low level of per capita energy use in the country, raising the energy access bar will require increase in energy demand. However, the need for cleaner and greener energy solutions has never been so relevant; so, India in the long run will require more energy but less carbon.

Despite the uncertainty related to COVID-19, IndianOil's fundamentals remain strong and the Company is expected to follow a robust growth trajectory in the future.

INDIANOIL - LEVERAGING ITS STRENGTHS

IndianOil is one of India's most trusted national brands with a strong pan-India presence as an energy supplier. This hard-earned brand equity is a manifestation of the trust and patronage of millions of its customers. During the COVID-19 crisis, the Company once again demonstrated its deep commitment to its customers and the robustness of its supply chain infrastructure.

The Company has a stronghold over the petroleum downstream sector in India, being a market leader in oil refining, pipelines and marketing space. As a testimony to the robustness of its supply chain, the Company went ahead with its countrywide implementation of BS-VI fuels ahead of the impending national lockdown and completed it a fortnight ahead of schedule, on March 16, 2020.

During the lockdown months, the Company enhanced LPG supplies through a combination of enhanced imports and ramping up of secondary units to maximize LPG yield to meet consumer demand even as its own refineries were running at much lower rates due to lower overall demand.

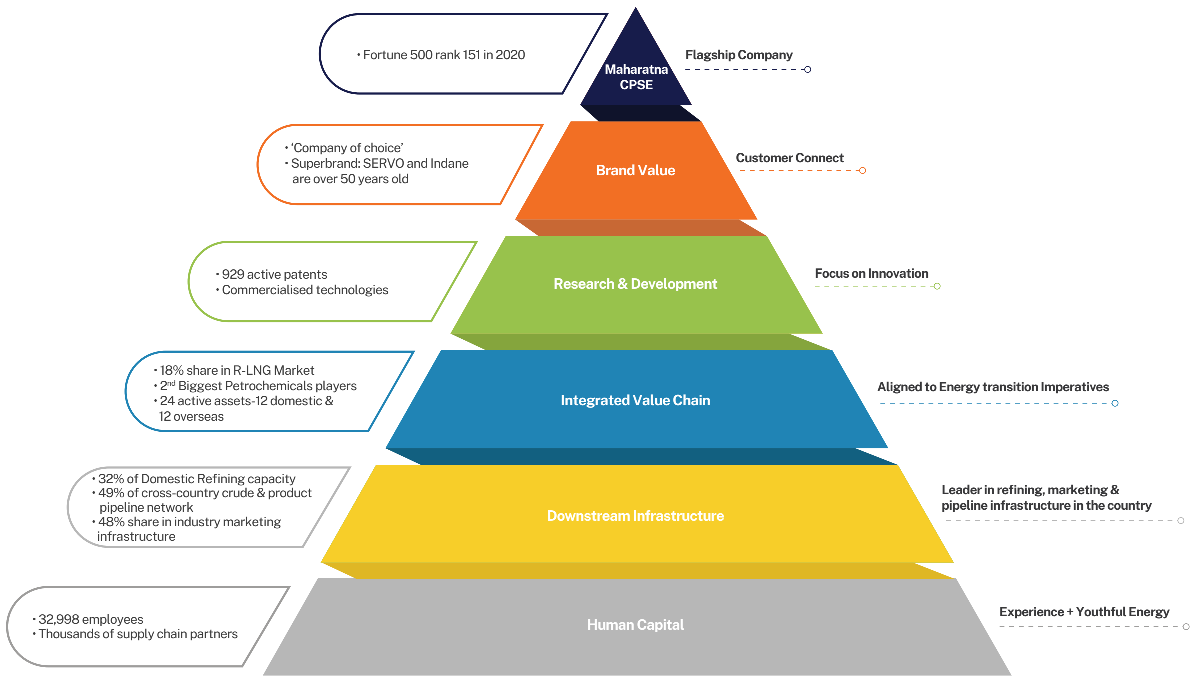
While oil refining and marketing continue to be its core businesses, the Company has taken major initiatives to achieve vertical integration and diversification for value addition. With upstream integration ratio of over 5.0% currently, production from the Company's oil & gas assets is on the rise. The Company is now a major player in the downstream petrochemicals business, which is a major value-driver. It also has growing presence in the natural gas value chain in India. Diversification into areas such as fertilizers is also reshaping the Company's business profile. The Company has also been an early investor in the renewable energy space, with a growing portfolio.

The Company has a renowned Research & Development set-up, which works hand-in- hand with its business verticals for creating research-backed products and technologies, besides being a key strength as the Company charts its path in new energy domains.

The Company has about 33,000 employees who run its countrywide and overseas operations. With over 8,000 of them under the age of 30 years, the Company's manpower has strengths of both experience and youthful energy.

While the Company's core business of refining and marketing of petroleum products is inherently a low-margin business, which again is subject to extreme vagaries of the international oil market, its focus on operational efficiency, cost optimization, integration and diversification have been pivotal in ensuring its growth and competitiveness. Moreover, the Company is today laying immense focus on digitalization as a driver of efficiency and growth.

IndianOil: The Energy of India



OPPORTUNITIES, CHALLENGES & THREATS

Short-term Perspective

The COVID-19 pandemic has come as an unprecedented shock, with fast-moving changes to which the Company has been adapting. The hit to products demand owing to the nationwide lockdowns in March, April and May 2020 was unprecedented, and accordingly the Company scaled down its operations temporarily. LPG was the only product that registered substantial growth during the period, and this challenge was met through scaled-up operations of secondary refining units and additional imports.

The Company, with its robust infrastructure and a motivated force including its employees and channel partners, maintained the supply lines without any disruption, ensuring timely, safe and hygienic fuel deliveries. During these testing times, the Company saw its digitalization efforts paying off as a significant proportion of its employees seamlessly moved to 'work from home' mode virtually overnight. It also provided its customers with cashless and contactless means of payment and encouraged digital transactions.

The heightened volatility in crude oil prices in the recent times has also come as a major challenge for the Company. Oil price volatility, exchange rate fluctuation alongwith lower demand, made cash management challenging, affected the working capital cycles, and led to short-term debt build-up.

In normal times, operational excellence, cost optimization, diversified crude sourcing, use of cheaper heavy crude grades, energy efficiency, etc., have been pivotal to margin protection, but the current upheaval was clearly unprecedented. However, the Company is confident of holding to its capital expenditure commitments and has no plans of cutting down its budgets.

In the natural gas business, demand likewise took a hit due to the lockdown. R-LNG offtake by gas customers and the Company's own refineries fell due to lower runs owing to lowering of demand. The Company took the route of deferment or force majeure to reduce its offtake from LNG suppliers as per the contractual obligation to safeguard itself, and may use these measures in the future depending on the economic recovery trajectory.

In the petrochemicals business too, the lockdown affected demand adversely. Since the segment is highly correlated with economic activity, it is expected to see a downswing in the short-term. However, some products such as LAB, PET films & PET bottles, and certain grades of polymers have seen a healthy demand due to their applications in safety equipment, health & sanitation or in packaging of essential commodities. The Company produces non-woven grade polymers specifically used in the manufacture of masks, personal protective equipment and hygiene products. In addition, the Company has already manufactured the specific grade used in syringe barrel application.

Moreover, the Company's polymer production facilities have the flexibility to modify the quantity of each grade produced depending on the requirement. The Company's strategy of local positioning of products along with using a mix of contract and spot sales has helped in securing markets and margins along with lower logistics costs.

With subsequent relaxations in lockdown conditions, ensuring the safety of employees, contract workers and channel partners along the supply chain is a priority for the Company. Setting up new best practices of working together, yet being physically distanced in the workplace, keeping productivity levels high while complying with this new way of life, at least in the short-term, will be a continuing challenge. But, the Company is confident that its robust systems with increased digitalization and a fully motivated work force will deliver yet again in the time of national requirements.

Medium-term Perspective

In 2019-20, domestic petroleum demand took a hit and grew at a modest rate of 0.2%. The ongoing economic slowdown, coupled with auto sector slowdown, were the key factors for the slump in demand. The COVID-19 crisis has hit the demand further, but recovery from the same is expected with relaxations in lockdown and resumption of economic activity. However, growth in product demand could be affected over the medium-term depending on the impact of the current crisis and future waves of the virus on economic activity. Sectors such as aviation, hospitality, and tourism are the most hit sectors due to the pandemic and recovery will depend on how quickly the spread of the virus is contained.

On the petrochemicals front, demand from the personal hygiene sector is expected to go up in the post-Covid period, and the Company will align its production and investments to capture this growing segment. However, depending on the recovery path the Indian and global economies take, the overall demand for petrochemicals business is also expected to follow the same trajectory. Nevertheless, given the long-term growth potential of petrochemicals business - over the medium term, the Company aims to increase its petrochemical capacity, expand customer base within and outside the country and enhance contribution of petrochemicals business to the Company's bottom - line.

International crude oil prices are likely to remain at low levels in the current and next year on account of weak global demand and this is expected to help limit the cost pressures for the Company. However, extreme volatility in crude oil and product prices (as well as fluctuations in the dollar rate) with narrow or negative margins, as witnessed in recent times, could come in the way of financial stability.

Considering that oil prices are likely to remain low for a longer duration, the Company is proactively evaluating prospective upstream assets across the globe that have lower break-even cost of production, substantial reserves/resource base and are techno-commercially viable. Over the medium term, the Company plans to keep scaling up its production from its E&P assets, while building in-house technical expertise.

Recent policy changes in the retail space along with growing competition in the domestic fuels market present a continuing challenge for the Company. Deregulation of the markets has been given a further impetus with the earlier norm of granting authorization for marketing transportation fuels with a minimum prior investment of ₹ 2000 crore in the domestic oil & gas sector now revised to granting entities with net worth of ₹ 250 crore (with some additional criteria) the permission for setting up of new retail outlets. This is expected to increase competition in the market. The Company aims to protect its market share in the domestic market by further integration of retail digitalization initiative, focus on customer value proposition, differentiated value added products, along with focus on operational optimization and agile engineering and project management.

Along with this, in view of changing policy and demand imperatives in light of issues such as air pollution, energy security and sustainable development, the Company plans to strengthen its efforts in the areas of bio-energy and electric mobility in India, over the medium term.

Amendments in the Motor Spirit & High Speed Diesel (Regulation of Supply, Distribution & Prevention of Malpractices) Order, 2005 for door delivery of HSD and entry of private players & new start-ups in this area present a new way of business and has special relevance in the context of a Post COVID-19 world. The Company has been a pioneer in this space, which presents a new business opportunity. Nevertheless, the advantage of this low investment model would make the competition fierce in this segment.

IndianOil has been on a digitalization journey and the COVID-19 crisis has given further impetus to technology applications in monitoring and controlling critical business functions such as those in the refineries, supply & distribution and retailing. In the medium term, the Company's digitalization initiatives are expected to create a firm ground for the future way of working. Reskilling and upskilling the workforce for this new paradigm will be a priority for the Company in the short to medium-term.

Long-term Perspective - Strategic Intent

The COVID-19 crisis has come as a grey rhino event. Given its far-reaching ramifications, it is expected to have an impact on the long-term as well.

COVID-19 could lead to a new world order, shift in global trade & supply chain patterns, global power balance. Some of this could be in favour of India in terms of contributing to its growth opportunities.

There could also be long-term behavioral shifts if the crisis lingers and these could have a bearing on energy demand growth and energy mix of the future. While the nuances of such changes are hard to predict at this juncture, some fundamentals will stay unchanged.

First of all, India's economy will expand and grow over the long-term, while there may be some pain in the interim period, and this expansion forms the fundamental basis of energy demand growth. Besides, given the low level of energy use per capita in the country, raising the energy access bar will require increase in energy demand. Secondly, the need to address climate change and air pollution continues to be highly relevant and will need to be addressed over the long-term.

As regards, oil demand, with GDP growth in the country road freight movement will continue to grow and drive diesel demand. Passenger movement demand is also set to increase in tandem with economic growth and urbanization and thereby drive petrol demand in the country over the long-term. Development of airports, thrust on manufacturing in the country, tourism, air ambulance and pilgrimage sector, coupled with government liberalizations, connectivity schemes like UDAN Regional Connectivity Scheme, will support the growth of the aviation market in India in the long run.

Petrochemicals will continue to be a key demand driver over the long-term propelled by economic growth and low per capita petrochemicals consumption rates in the country.

The Company, therefore, believes that despite the expected pain in the medium-term, India's energy demand is set to grow over the long-term, driven by the demands of economic growth and the need to fulfil sustainable development goals.

The Company's long-term strategic intent would, therefore, be to continue to leverage on the oil demand growth in the country as its flagship supplier. At the same time, energy transition is a reality and a much needed change in the way the global energy systems function. Technology, policy and businesses are shaping the energy transition towards a clean and green energy future, the need for which has become even more imperative, given the learnings of how a physical event like this pandemic crippled the world with its might. The Company's long-term strategy, therefore, aims to align its businesses and investments to these forces of the energy transition. The key tenets of the long-term strategic intent of the Company are:

Fortifying refining & marketing business

A key component of the Company's long-term growth strategy involves augmenting infrastructure and capital investments in line with the growing demand. Capacity augmentation and thrust on enhanced value addition especially through integration with petrochemicals, CO_2 capture, among others are key focus areas for the Company's refineries. Embarking on capacity expansion of the Company's refineries such as Barauni Refinery expansion from 6 to 9 MMTPA is one such step in this direction. Along with this, there will be continued thrust on best-in-class services to its customers through automation, digital interventions, technological support and new business models. In this regard, focus on non-fuel revenue generation from the retail outlets is seen as a promising area along with retailing of greener energy forms, in view of challenges posed by relaxation of entry pre-conditions in the fuel retailing segment and changing consumer behavior. Rural markets will continue to be a major focus area for the Company for transportation and cooking fuel sales. As rural incomes and prosperity rise over the long-term, the quality of life improvements and growth in vehicle ownership will propel rural transportation and cooking fuel demand.

Integration of Value Chains

The integration of business has been a strategy of the Company for more than 20 years, which has paid off in terms of value creation and providing stability from turbulences in the international oil market. At the same time the Company strengthened its upstream presence by building a judicious E&P portfolio. On the other hand, it went ahead with downstream integration into petrochemicals in a big way. The Company will further be setting up an integrated paraxylene (PX) and purified terephthalic acid (PTA) complex plant in Paradip at an estimated investment of ₹ 13,805 crore to facilitate textile sector. The long-term growth prospects of Petrochemicals in India as well as globally continue to be bright and this sector is set to be a key driver of oil demand; hence, this business segment will be a focus area for the Company's long-term investments. Over the long-term, focus will be on capacity augmentation, overseas expansion and getting into the areas of niche petrochemicals and further forward integration into textiles. In the E&P segment, the Company plans to significantly scale up its production from its E&P assets, with inorganic growth both within and outside the country over the long-term.

Total Fuel Solutions

The Company's vision is to straddle the entire energy value chain and not to be restricted to the petroleum sector. It views retail outlets of the future to be 'energy pumps,' where customers have an assortment of fuel options on offer. The energy transition has thrown open a multitude of opportunities across the entire energy spectrum with focus on cleaner, greener and more efficient forms and uses.

Natural gas has an important role in the energy transition owing to its low carbon intensity and its role in grid integration of variable renewable energy. Due to its inherent advantages and backed by a major policy thrust by the Government towards a gas- based economy, the Company has been investing in and building its natural gas portfolio in a big way. The Company is today the second biggest player in the R-LNG market in the country. Over the long-term, the Company's steady investments in cross-country pipelines, R-LNG Terminal and CGD will further enhance its presence in this sector while contributing to building of the nation's gas infrastructure. The Company's aggressive investments in the recent CGD bidding rounds, will establish it as a big player in the growing CGD market in the country. Its scaled-up presence in the R-LNG sector, through capacity booking in upcoming terminals are envisioned to enlarge its role in the R-LNG market significantly over the long-term. The Company is also eyeing opportunities in the futuristic areas of small-scale LNG dispensing model (LNG@Doorstep) and mobile CNG dispensers for promotion of gas as a greener transportation fuel.

Bio-fuels is another space the Company is gearing up with great zest, emboldened by the renewed policy thrust on modern bio-energy. The Company has been raising the percentage of ethanol-blending in petrol over the years. Besides investing in areas of Compressed Bio-gas (CBG), 2-G ethanol, waste to fuel, bio-diesel from used cooking oil, it is also integrating refinery processes with bio-fuel production along with cutting-edge R&D in the area of bio-energy. The CBG initiative under the umbrella of Government of India's SATAT (Sustainable Alternatives towards Affordable Transportation) aims at streamlining the value-chain where the producers supply cascades of CBG filled cylinders to the fuel station networks of the Company for marketing as a green transport fuel. The Company envisions itself as a major driver of bio-energy in the country over the long-term.

The Company has been an early investor in wind-power and solar energy farms among Indian downstream companies. Further investments, coupled with continued R&D in Hydrogen, fuel cells, waste-to-energy and bio-fuels, are integral to its downstream vision. Besides, the growth potential and global momentum for electric battery technologies has made it a compelling choice for many oil majors and for the Company too. The Company is focusing on collaborating in Battery Manufacturing and Battery Swapping and Charging Stations as a part of its Total Fuel Solutions strategy and has started offering electric vehicle charging as well as battery swapping facilities at select Retail Outlets with immense potential for scaleup. The Company envisages taking a big share in the high potential market over the long term.

Responsible Business

No business can be isolated; they have to operate not only in an economic backdrop, but also in a social and environmental backdrop. There are a plethora of externalities and inter-connected relationships that weigh in on the success of the business. The current crisis has made businesses clearly understand the role of these backdrops and relationships as well as the importance of the wellbeing of their people for their sustained success. The Company has stood by its social and environmental responsibility, right from the beginning and has been constantly working to create value for its stakeholders and society at large, besides focusing on environmental sustainability. Globally, climate change and air pollution are to a large extent, the fallouts of the fossil fuel business and the Company is committed to address these issues. The Company is offering superior fuels (BS-VI) through continuous upgradation, promoting cleaner and greener fuels, implementing energy efficiency & energy conservation measures, renewable energy generation, waste & waste water management, R&D in carbon capture utilization & sequestration, and bio-energy, among others. The recent tri-partite MoU agreement with NTPC and South Delhi Municipal Corporation for a waste to fuel plant, with an intent of pan India expansion, is a small example of a replicable responsible business model. Pollution from plastics is emerging as a burgeoning problem and the Company has taken up this critical issue. Over the long-term the Company aims to build plastics neutrality model towards fulfilling Extended Producer Responsibility requirements of IndianOil and Plastics users. Such initiatives will continue to be integral to the Company's long-term growth strategy.

Digitalization

The digital revolution offers a new vista of efficiency and performance enhancement in the energy sector. The Company's downstream oil business is affected by a number of exogenous uncontrollable factors. These can be fluctuations in crude oil and product prices, supply risks, geo-political uncertainties, and an array of product market variables such as seasonality of demand, pricing & taxation, among others. In such a dynamic business scenario, systemic efficiencies are key to financial resilience. The Company's quest for efficient operations - led by identified frontier technologies like big data, analytics, artificial intelligence, AR/VR, cloud computing, block chain, Internet of Things, including setting up of a Centre of Excellence will further strengthen the ongoing digital revolution, etc. The COVID-19 crisis has proved that digital working and virtual meetings can be very effective and possible at a much greater scale and ease. The Company has been on its digitalization journey for a while now, but the current crisis is set to give further impetus to technology applications in monitoring and controlling critical business functions in the Company's refineries, supply & distribution and retailing.

Research & Technology

While technology is defining the path forward for the energy sector, thrust on research is equally imperative. The Company already has an extensive and renowned research set-up in place. While lubricants formulation and refining technologies have been the focus areas for a long time, the Company has expanded its R&D investments into bio-energy, alternative energy , nano-technology, petrochemicals, etc., in line with its strategy of integrated value chains, diversified businesses and also for deriving competitive advantage in the context of the ongoing energy transition. In the coming years the thrust areas for the Company's R&D will be fuel-efficient lubricants, greases and speciality products; refinery processes like FCC, hydro-processing, delayed coking; development of catalysts and additives: nano-technology interventions; alternative energy forms such as gasification, Hydrogen, fuel cells and solar energy; energy storage devices; development of second and third-generation bio-fuels, including bio-ethanol and bio-diesel; petrochemical catalysts; carbon capture, utilization & storage. Hydrogen is seen as the ultimate solution building a sustainable and secure energy future and is presently gathering a lot of momentum globally. The Company's R&D has been working in this area and targets making significant in-roads in building and developing Hydrogen Economy infrastructure in the country. Over the long term, the Company targets development of fuel cells for green mobility solutions and indigenous hydrogen storage solutions.

Collaborations & Partnerships

In today's environment of fast moving technological changes, partnerships between government, private sector and public sector enterprises, start-ups and technology companies have become imperative across businesses. The COVID-19 pandemic has once again highlighted the role of global cooperation. As the market-place demands entry into new arenas and uncharted territories, it is best to work in partnerships and leverage the synergies between the partners. Accordingly, the Company has forged many mutually beneficial alliances and is constantly on the look-out for more such synergistic value creation. These partnerships are strengthening the Company's endeavours in areas such as oil exploration & production, advanced bio-fuels, compressed bio-gas, petrochemicals, gas infrastructure, electric mobility and many others. The collaborations range from big global players like ExxonMobil and ADNOC on the one hand, niche players like with Lanzatech-USA; Phinergy-Israel; etc., and closer home CBG venture with a host of small entrepreneurs. Start-ups have emerged as the driving force of innovation in recent times. Compared to large companies, the niche focus, small and open set-up of start-ups make them highly amenable to innovation. The Company views investment in start-ups as an emerging force that can drive innovation and competitive advantage. In line with this, the Company has set up a start-up fund. In addition to this, the Company has been partnering with other CPSEs for investing in upstream oil & gas assets in India and abroad, in cross-country gas pipelines, CGD networks and fertiliser units, among others. The Company has partnered with Start-ups, which are being mentored and funded by it for innovation in areas of oil and gas, sustainability, socially innovative products. So far, around 10 Intellectual Property Rights (IPRs) have been generated. The Company aims at several strategic investments with startups to encourage 'Make in India'.

Global Outreach

The Company has investments in several overseas E&P assets, has downstream subsidiaries in Sri Lanka, UAE & Mauritius, and now representative offices in Nepal, Bangladesh, Myanmar, Singapore to explore business opportunities. The Company's SERVO brand of lubricants has been growing robustly in the international market. During the year, SERVO exports grew by 12.7% and the Company appointed lubricant distributors in four new countries, i.e., Myanmar, Indonesia, Qatar and Vietnam. The Company envisages a bigger role in this arena as it works towards its vision of being 'A Globally Admired Company.' Besides evaluating E&P opportunities in geopolitically stable countries worldwide, the Company is looking for opportunities in downstream business space in non-OECD economies, which will be leading centers for oil demand growth as incomes and prosperity rise. The Company is increasingly looking at markets in SAARC, ASIAN, Middle-East, Central Asia and Africa regions to scale up its overseas footprint and make inroads into global markets to realize its vision.

Risks & concerns

The risk governance structure at IndianOil is aligned to leading practices and regulatory guidelines. In its endeavor to attain sustainable growth, the Company constantly scans its external and internal business environment. The Company recognizes that risk is integral to business and is committed to managing it in a proactive and effective manner. The enterprise risk management framework at IndianOil is spearheaded by a Risk Management Committee (RMC) of the Board that ensures that the risk management activities are undertaken as per policy. Risk Owners of all divisions/departments identify and assess the risks in their respective areas/units and report it to Risk Management Compliance Board (RMCB), which comprises senior executives across divisions. The RMCB evaluates the risks reported and provides enterprise-wide view of the risks to RMC. The dynamic risk landscape presents a unique challenge to the Company, which it is committed to managing it strategically.

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 from new businesses such as alternative energy sources;
- Operational Risks such as 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; and
- Compliance Risks such as tax disputes and litigation,
- Change in Government policies, etc., impacting profitability and ability to do business.

In addition to these, COVID-19 has shown businesses across the globe that the pandemic risk, which was considered as highly unlikely, can be a reality and can have a far-reaching impact on the organization's risk spectrum. The oil industry in general and IndianOil in particular came under the twin assault of drop in prices of crude oil as well as products' demand destruction. The pandemic risk can and has not only triggered and amplified the already recognized risks such as economic risk, financial risk, security risk, but also created new risks such as stressed supply chains, high percentage of workforce exposed to risk of falling sick, among others. The situation has been closely monitored by the top management of the Company for business continuity in an optimized manner, keeping the market well-supplied as well as to ensure the safety of employees and frontline personnel engaged in production/delivery of petroleum products.

FINANCIAL REVIEW

The outbreak of COVID-19 resulted in reduction in demand and triggered volatility in international crude prices, petroleum product prices and foreign exchange rate. The reduction in benchmark prices resulted into significant write down of inventories in the downstream business of the Company as on March 31, 2020 and the same was valued at net realizable value. The lower benchmark prices also resulted in write down in carrying value of Investment in upstream assets.

The Standalone financial performance of the Company along with Segment wise information is summarized below:

(₹ in Crore)

Particulars	2019-20	2018-19	Variation
Revenue from Operations	566,950	605,932	(38,982)
EBITDA	22,356	36,952	(14,596)
Profit before Exceptional Items & tax	7,611	25,127	(17,516)
PBT	(3,694)	25,127	(28,821)
Net Profit	1313	16,894	(15,581)
Cash Profit	10,079	24,408	(14,329)
Borrowings	1,16,545	86,359	30,186
Revenue from Operations (Segment Wise)			
Petroleum	538,039	573,888	(35,849)
Petrochemicals	15,703	21,147	(5,444)
Other Businesses*	13,208	10,897	2,311
EBIT (Segment Wise)			
Petroleum	10,466	22,073	(11,607)
Petrochemicals	2,009	4,198	(2,189)
Other Businesses*	891	462	429
Other un-allocable (expenditure)/income-net	224	2,705	(2,481)

*Other Business comprises Sale of Gas, Explosives & Cryogenics, Wind Power & Solar Power Generation and Oil & Gas Exploration Activities.

Standalone Financial Performance

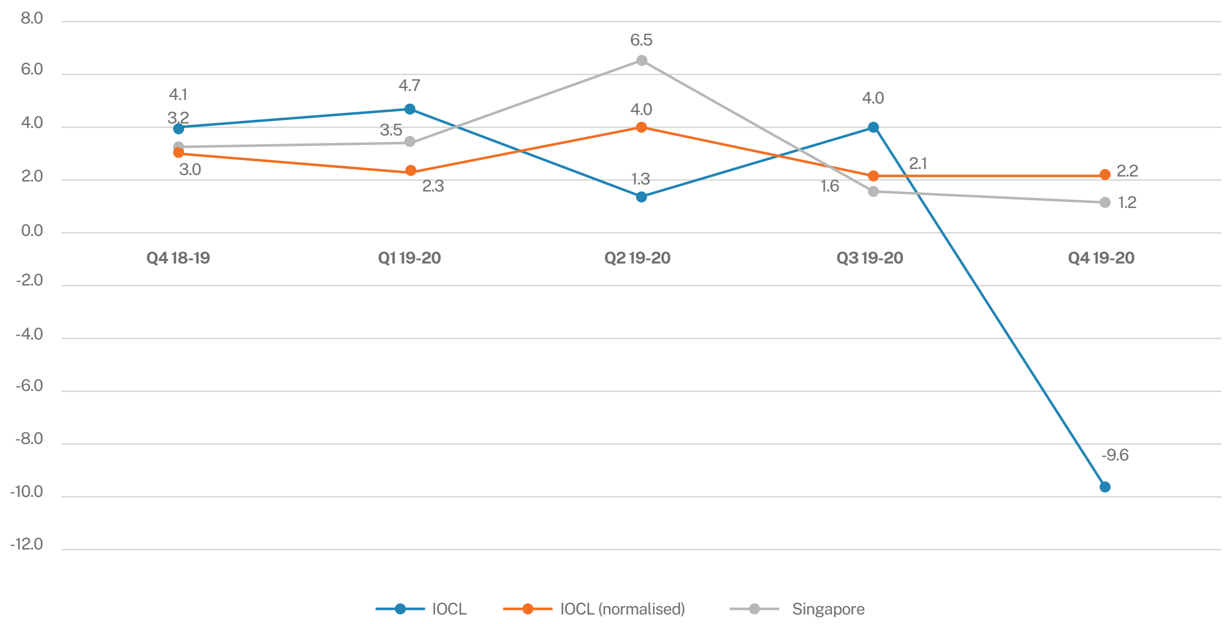
The Revenue from Operations has fallen by about 6% during the year. This is mainly on account of decrease in international product prices whereas quantity of sales volume was almost constant like last year. Average crude prices of Indian Basket registered a decline of 13% from $69.88/bbl in previous year to $60.47/bbl in current year. The revenue in petroleum segment declined by 6% mainly due to lower product prices and the decline in petrochemical segment by 26% partly because of lower prices and partly due to plant availability.

The Company's EBITDA, Operating Profit and Net Profit margin for the current year are 4.56%, 2.05% and 0.27% as compared to 6.99%, 4.97% and 3.19% in the corresponding previous year respectively. The decline in EBITDA and operating profit is mainly on account of lower refining margins and high inventory losses. The decline in net profit is additionally impacted by impairment losses provided during the year. Pursuant to the introduction of Section 115BAA of the Income Tax Act, 1961, the Company opted for lower income tax rate of 22% plus applicable surcharge and cess during the year. One-time net impact of the same on PAT after considering charge for carry forward impact of MAT is ₹2481.85 crore. Reduced margins, inventory losses and impairment provisions during the year also impacted the Company's return on average Capital Employed and return on Net Worth which declined from 18.10% (2018-19) to 7.72% (2019-20) and from 18.35% (2018-19) to 1.46% (2019-20) respectively.

The EBITDA margin for petroleum segment is about 4% and petrochemical segment is 19% during financial year 2019-20 as compared to 5% and 25% respectively in previous year. The petrochemical segment margins are lower due to fall in international spreads and also impacted due to non-operation of PX-PTA plant during part of the year. The margin in petroleum segment is affected by lower spread between international prices of petroleum products and crude oil, which also remained volatile during the year 2019-20.

At the beginning of the year, crude prices were about $68/bbl which went up to $74/bbl around April 2019 and touched a low of $22/bbl in March 2020 and closed at same level. The average HSD cracks decreased from about $13-14/bbl in previous year to $11/bbl during the current year with high volatility and even touched a low of $5/bbl during February 2020. Similarly, MS cracks which were about $9-10/bbl in the previous year decreased to $6/bbl during the current year and were even negative during the last week of March. The quarter-wise movement in refining margins are explained as below:

GROSS REFINERY MARGIN ($/bbl)



As can be seen Singapore benchmark for refining margin fell significantly during the year on account of lower spread between international prices of petroleum products and crude. IndianOil current price refining margin (i.e. normalised) during the year has moved in tandem with international margins. The inventory holding by IndianOil is high on account of inland refineries, due to which, inventory gain/losses becomes significant during fluctuating price scenario and greater volatility is seen in reported margins. Singapore benchmark GRM got reduced from $4.88/bbl in previous year to $3.21/bbl in current year. As against this, the normalized GRMs of IndianOil reduced from $4.81/bbl in 2018-19 to $2.64/bbl in 2019-20.

The ratio of Current Assets to Current Liabilities continues to be above 1 and the Debt Equity ratio is at 1.24 in current year as against 0.79 in previous year. This is mainly on account of lower profits and higher capex met through borrowings. The interest coverage ratio and debt coverage ratio of the Company was about 2 times. The Inventory holding period of the Company is about 44 days and Company's average debt collection period is 9 days. Detailed financial indicators and ratios for the last five years are provided in a separate section 'Performance at a Glance' in the Annual Report.

Group Financial Performance

The Groups Revenue from Operations is at ₹5,76,589 crore during the year 2019-20 as compared to ₹6,17,251 crore in the previous year. The Net loss reported for the year

2019-20 is ₹893 crores as compared to profit of ₹17,377 crores in the previous year. The Company registered a loss on consolidated basis mainly due to lower refining margin and inventory losses at CPCL and provision for impairment of upstream assets at IndOil Global BV (Subsidiary of IOC). The detailed profit walkthrough from standalone to group is provided in Note 46 to Consolidated Financial Statements.

INTERNAL CONTROL SYSTEMS

Internal Control Systems is a set of rules, policies and procedures that an organization implements not only to provide direction and increase efficiency but also to strengthen adherence to policies. The Company has well-established internal control systems to ensure smooth and efficient conduct of its business. The Company has laid down various policies as well as detailed manuals, which cover almost all the aspects of the business. The internal processes and policies are reviewed from time to time so as to align them with the changing business needs. Organization-level controls have been established to ensure that management directives pertaining to the entire entity are carried out in an effective manner. Operational-level controls, anti-fraud controls and IT general controls have also been put in place to ensure that business operations are carried out efficiently and effectively and chances of errors/frauds are minimized. The Company has put in place adequate internal controls that are commensurate with its operations.

The Company has an independent Internal Audit Department, which is headed by a Chief General Manager, who reports to the Chairman. The Internal Audit Department has officers from Finance as well as technical functions. The audit assignments are carried out as per the Annual Audit Programme approved by the Chairman and the Audit Committee. Internal Audit carries out extensive audits throughout the year covering each and every aspect of the business. 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 has been attached along with the Standalone and Consolidated Financial Statements respectively. The Audit Committee reviews the internal control systems with the Internal Auditors and Statutory Auditors before the Financial Statements are placed before it for recommending to the Board for approval.

HUMAN RESOURCES

IndianOil assigns very high importance to the development of its Human Resources with focus on its core values of Care, Innovation, Passion and Trust. The HR systems and practices of the Company focus on diversity and inclusion in all initiatives to build 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.

Learning forms an integral part of the growth and enrichment of the workforce. With focus on aligning the various HR initiatives with the strategic Corporate Vision, many new initiatives were undertaken aimed at making the employees 'future-ready'. An enabling environment was created for the employees to enhance their domain knowledge as well as to enable them to work from home due to the countrywide lockdown imposed to avoid the risk of COVID-19. 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 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 public and private sectors. The engagement and motivation of the employees is always benchmarked with the national and international standards.

IR CLIMATE

The industrial relations climate in the Company has traditionally been harmonious. A collaborative and seamless IR climate has been maintained in the Company so that IndianOilPeople are ready for the challenges faced by the Company due to the changing business environment. This has been made possible by sharing the changes in the business environment, the consequent changes required in strategy and business models of the Company, the resultant impact on current business and people, along with future plans with the collectives and inviting views and suggestions from them through periodic structured communication meetings. The management and the collectives have mutual respect for each other's perspectives and regular structured meetings are held 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. The employee strength of the Company as on March 31, 2020 was 33,498, which comprised 17,704 executives and 15,794 non-executives.

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 annexure thereto.

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.

IndianOil working relentlessly to fulfill the energy requirements of the nation

BUSINESS RESPONSIBILITY REPORT

SECTION-A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN):** L23201MH1959GOI011388
2. **Name of the Company:** Indian Oil Corporation Limited
3. **Registered Address:** Indian Oil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai-400051
4. **Website:** www.iocl.com
5. **Email Id:** investors@indianoil.in
6. **Financial Year Reported:** 2019-20
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** The Company is engaged in the business of refining and marketing of petroleum products. It is also engaged in the business of Exploration & Production, Petrochemicals, Natural Gas and Alternative Energy. The Industrial Group as assigned by National Industrial Classification 2008, Ministry of Statistics and Programme Implementation are as under:

Industrial Group	Description
061	Extraction of crude petroleum
062	Extraction of natural gas
192	Manufacture of refined petroleum products
201	Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastic and synthetic rubber in primary forms
473	Retail sale of automotive fuel in specialised stores
493	Transport via pipelines

8. **List three key products / services that the Company manufactures / provides (as in balance sheet):**

   Petroleum products (petrol, diesel, kerosene, LPG, lubricants etc.), Petrochemicals & Natural Gas

9. **Total number of locations where business activity is undertaken by the Company:**

i. **Number of international locations (as on March 31, 2020)**:

   The Company undertakes overseas business activities through its subsidiaries in Mauritius, Sri Lanka, UAE, Sweden, USA, the Netherlands and Singapore. The Company has also opened branch offices in Myanmar, Bangladesh & Nepal.

   In addition, the Company is engaged in exploration & production (E&P) of crude oil and natural gas at 12 locations spread across ten countries, viz. USA, Venezuela, Canada, Russia, UAE, Oman, Libya, Gabon, Nigeria and Israel.

ii. **Number of national locations (as on March 31, 2020):**

Locations	Numbers
Operating Refineries	9
Oil Depots & Terminals	118
Aviation Fuelling Stations	119
LPG Bottling Plants	94
Lube Blending Plants	10
R&D Centre	1
Pipeline Terminals	94
Retail Outlets (including Kisan Seva Kendra ROs)	29,085
Kisan Seva Kendra (rural petrol / diesel outlets)	8,515
CNG Stations	755
Auto LPG Dispensing Stations	353
LPG Distributors (including distributorships under Rajiv Gandhi Gramin LPG Vitarak Yojana)	12,450
SKO/LDO Dealers	3,882
Consumer Pumps	6,955
Explosives Plant	11
Cryogenics Plant	1
Petrochemical Plants	5
Wind Power Plants	6
Solar Power Plants: On-grid	5
E&P location	1
LNG Terminal	1

10. **Markets served by the Company – Local / State / National / International:** Local, State, National and International

SECTION-B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up capital (INR):** ₹9,414.16 crore
2. **Total turnover (INR):** ₹5,66,949.64 crore
3. **Total profit after taxes (INR):** ₹1,313.23 crore
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:** ₹543.38 crore during 2019-20 (41.38% of PAT of 2019-20).

   The CSR budget for 2019-20 was estimated by taking 2% of average net profit of the three immediately preceding years i.e. 2016-17, 2017-18 & 2018-19 (as per section 198 of Companies Act, 2013)

5. **List of activities in which expenditure in 4 above has been incurred:** As per the Board approved Sustainability & CSR Policy, CSR projects are undertaken in various thrust areas, viz. drinking water, healthcare, sanitation, education, environment protection, empowerment of women and other marginalised groups, etc.

   The details of activities are provided in **Annexure-III** to the Directors' Report.

SECTION-C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company / Companies:**

   The Company has one Indian operating subsidiary and seven overseas subsidiaries. The details of the subsidiary companies are given in table below:

Name of Subsidiary	Indian / Overseas	Business
Chennai Petroleum Corporation Limited (CPCL)	Indian Subsidiary	Refining of crude oil and manufacture of petroleum & petrochemical products
IndianOil (Mauritius) Limited, Mauritius	Overseas Subsidiary	Terminalling & retailing of petroleum products, Aviation refuelling and Bunkering
Lanka IOC PLC, Colombo, Sri Lanka	Overseas Subsidiary	Retailing, terminalling & bunkering of petroleum products
IOC Middle East FZE Dubai, UAE	Overseas Subsidiary	Lube blending and marketing of lubricants & base oil
IOC Sweden AB, Sweden	Overseas Subsidiary	Investment company for E&P project in Venezuela & Battery Technology Company in Israel
IOCL (USA) Inc., USA	Overseas Subsidiary	Participation in shale gas asset project
IndOil Global B.V., Netherlands	Overseas Subsidiary	Investment company for integrated LNG project in Canada & UAE
IOCL Singapore Pte. Ltd., Singapore	Overseas Subsidiary	Trading operation for procurement of Crude Oil, Import / Export of petroleum products and Investment Company for E&P Assets and Alternative Energy Technology Company

2. **Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

   The Company's operating Indian subsidiary, CPCL is a listed Mini-Ratna Company, which undertakes its own Business Responsibility (BR) initiatives and adheres to the guidelines as issued by the statutory authorities / Government from time to time.

   The overseas subsidiary companies undertake various community engagement / development activities, provide better products, have transparent governance structures etc, independently as per the applicable laws of the local / native country.

3. **Do any other entity / entities (e.g. suppliers, distributors etc.), that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]:**

   The Company's suppliers, distributors etc., are guided by the country's labour, environment, safety, governance and other laws for conducting their business responsibly. IndianOil ensures that these entities comply with the national laws and guidelines. Further, the Company also encourages suppliers, distributors etc to undertake various BR initiatives pertaining to social / employee / labour welfare and environment conservation.

   IndianOil has promoted the use of off-grid / localised solar energy to replace conventional power sources, at its retail network sites. Till March 31, 2020, 16,678 retail outlets (petrol pumps) have been solarised, which is approximately 57% of the total retail outlet network.

SECTION-D: BR INFORMATION

1. **Details of Director responsible for BR:**

   a. **Details of the Director responsible for implementation of the BR policy / policies:**

   Director Name: Mr. G. K. Satish

   DIN: 06932170

   Designation: Director (Planning & Business Development)

   b. **Details of the BR Head :**

   DIN Number (if applicable): NA

   Name: Mr. Shantanu Gupta

   Designation: Chief General Manager I/C (Alternate Energy & Sustainable Development)

   Telephone number: 011-71726277

   e-mail id: shantanug@indianoil.in

2. **Principle-wise (as per NVGs) BR Policy / policies (Reply in Y/N):**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have policy / policies for Principle #	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has the policy been formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Does the policy conform to any national / international standards? If yes, specify? (50 words)	IndianOil has framed various policies that conform to different applicable statutes / guidelines / rules / policies etc. issued by the Government of India from time to time. Industry practices, national / international standards are kept in view while formulating the policies.								
Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	The policies are approved by the Board / Competent Authorities as per the approved Delegation of Authority.								
Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Yes. The details are provided under the respective principles.								

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Indicate the link for the policy to be viewed online?	The details of the links are given below#.								
Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Does the company have in-house structure to implement the policy / policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The policies are not audited / evaluated by external agencies. However, the policies are formulated within the ambit of various statutory guidelines and business requirements, which are amended from time to time.								

Policies / rules of the Company along w th their web links are given below:

Policy / Rule	Link for accessing the Policy
Code of Conduct for Directors and Senior Management Personnel	https://iocl.com/download/Code_of_Conduct_for_Board_Members_&_SMP.pdf
Code of Practices and Procedure for Fair Disclosure under IndianOil's Insider Trading Code	https://iocl.com/download/Code_of_Practices_and_Procedure_for_Fair_Disclosure.pdf
Whistle Blower Policy	https://iocl.com/InvestorCenter/Whistle_Blower_policy.pdf
Sustainability & Corporate Social Responsibility Policy	https://www.iocl.com/AboutUs/IOC_S&CSR_Policy_07_2015.pdf
Policy on Related Party Transactions	https://www.iocl.com/InvestorCenter/Policy_on_Related_Party_Transactions.pdf
Policy for determining Material Subsidiaries	https://www.iocl.com/InvestorCenter/Policy_on_Material_Subsidiary.pdf
Policy for determination of material / price sensitive information and disclosure obligations	https://iocl.com/download/Policy_on_Materiality_of_events_or_information_rev.pdf
Dividend Distribution Policy	https://iocl.com/download/Dividend-Distribution-Policy-1-12-16.pdf
Policy for Preservation of Documents	https://iocl.com/download/Policy_on_preservation_of_documents.pdf
Citizens' Charter	https://www.iocl.com/Talktous/CitizensCharter.aspx

2a. If answer to S. No. 2 against any principle, is 'No', please explain why: (Tick upto 2 options)

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The company has not understood the Principles	Not Applicable								
The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
The company does not have financial or manpower resources available for the task									
It is planned to be done within next 6 months									
It is planned to be done within the next 1 year									
Any other reason (please specify)									

3. **Governance related to BR**

   a. **Indicate the frequency with which the Board of Directors, Committee of the Board or the CEO assess the BR performance of the Company: Within 3 months, 3-6 months, Annually, More than 1 year.**

   The principles of BR are integral to the day-to-day operations of the Company and the Company's BR performance is reviewed by the Board / Committees of the Board as and when required.

   b. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?**

   The Company publishes Corporate Sustainability Report as well as Business Responsibility Report annually. The Sustainability Report for the year 2019-20 can be accessed at the following link: https://www.iocl.com/sustainability/home.aspx. The BRR forms part of the Integrated Annual Report.

SECTION-E: PRINCIPLE WISE REPLY

PRINCIPLE-1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY.

IndianOil adheres to good governance practices, across its business activities. The Company believes in promoting transparency, integrity and accountability, which not only improve work efficiency, but also create a work environment based on trust and helps in maximising value for all stakeholders.

A well-defined policy framework with strong structural set-up is the key to effective implementation of Corporate Governance initiatives. IndianOil's policies have been formulated after detailed deliberations with the stakeholders concerned. The policies are reviewed from time to time so that they remain relevant and cater to the new and emerging business paradigms.

IndianOil constantly promotes ethical behaviour at all levels in the organisation to make it an essential part of the work culture. "Care, Innovation, Passion and Trust" are the Company's "Core Values", which are the guiding philosophies for all its transactions and activities.

Employee empowerment and Delegation of Authority (DoA) provide a structured platform to implement and improve governance practices. IndianOil has a well-structured and evolved system of "Delegation of Authority" and "Financial Concurrence", which are the hallmarks of a "mature and responsible" organisation.

In an effort to enhance transparency, fairness and competitiveness at all working levels, IndianOil has adopted and implemented several measures like the Integrity Pact (IP) Programme, Right to Information (RTI), e-tendering for procurement of goods & services, publicly available Citizens' Charter and also provided an option for online application to the Company's Vigilance Department (https://iocl.com/VigilanceInquiry.aspx). Independent bodies like Central Vigilance Commission and Independent External Monitors are empowered to scrutinize the Company's tenders and project related complaints. The Company is also bound by various state, national and international laws that regulate its policies and deliverance of duties.

IndianOil has a structured grievance redressal mechanism in place to address all stakeholders' grievances. For employees, the Company has the Conduct, Discipline and Appeal (CDA) Rules for officers / Standing Order for Workmen and a Whistle Blower Policy in place, to guide employee conduct and ensure transparency and accountability within the organisation.

Principle-1: Questions

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/ Others.**

   Yes, the policy related to ethics, bribery and corruption covers only the Company. IndianOil's Group Companies / Joint Ventures are separate legal entities having their own policies and procedures.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

Stakeholder	No of complaints received	No of complaints resolved	% Resolved	Remarks
Related to services, tenders	140	128	91.43%	Complaints received directly as well as through Public Grievance Portal, Government of India. (excl. marketing related complaints, which are included in customer / consumer complaints)
Shareholder's Complaints	3,199	3,199	100%	These are investor complaints forwarded by MCA / SEBI / Stock Exchanges as well as those directly raised with the Company.

Stakeholder	No of complaints received	No of complaints resolved	% Resolved	Remarks
Related to consumers / customers	12,37,512	12,29,798	99.38%	Summary of Customer / Consumer complaints received and resolved during 2019-20 (see below)
Related to Integrity Pact (IP)	19	19	100%	All complaints received under IP were tabled before the panel of IEMs for joint deliberation and recommendation. Compliance to IEM recommendations were carried out by the Functional Groups / Departments concerned and apprised to IEMs subsequently.

Summary of Customer / Consumer complaints received and resolved during 2019-20

Dept.	Complaints received	Complaints resolved
Retail Sales	18,236	18,071
LPG	12,18,759	12,11,267
Lubes	191	181
Institutional Business	85	43
Petrochemicals	118	113
Cryogenics	123	123
Explosives	NIL	NIL

PRINCIPLE-2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

IndianOil has grown from being an oil major to an integrated oil & gas company to now an energy major in India. Oil & gas shall remain the fuels of choice in the foreseeable future, while renewables will grow in relevance owing to the impending climate change and global warming concerns. Hence, while IndianOil pursues business diversification into natural gas and renewable energy, the Company is actively committed to providing greener and cleaner petroleum products, across geographies.

Some of the major contributions made towards product improvements during 2019-20 include offering cleaner vehicular fuels as per BS-VI standards, improvements in ethanol / bio-diesel blending in automotive fuels, offering environment friendly value added products like specialised lubricants, XtraPremium petrol etc.; supplying LPG to rural and remote areas; undertaking various renewable energy projects; and promoting Natural Gas as an automotive, industrial & cooking fuel in the country.

The Company is also investing significantly in facilities upgradation, automation and streamlining of supply chain to deliver products efficiently and with least environment impact. The Company has been increasing fuel transportation through its ever-expanding pipelines network, which is considered the most environment friendly mode of transport.

To optimise fuel transport, ensure utmost safety and reduce losses, the Company adopts timely maintenance, engages with nearby communities and has adopted various new-age security measures. Health camps and safety drills are organised for employees, contractors, tank truck drivers and nearby communities to ensure safe and efficient operations. Product information, its use and safety related data is provided to customers.

IndianOil is also making significant strides in creating an ecosystem to derive wealth from waste. The Company is in the process of setting up a plant to produce ethanol from agri-waste, while retailing of Compressed Bio-gas from organic waste has already begun. Similar efforts are being envisaged for producing bio-diesel from used cooking oil, and to recycle used plastic. These interventions have the power to reduce the burgeoning issue of wastes, while deriving value from these.

The Company's R&D Centre has made pioneering forays into new energy domains like 2G/3G bio-fuels, energy storage devices, Hydrogen energy, scalable carbon capture and utilisation technologies, besides emerging as a world-class technology provider for cutting edge refinery processes, lubricants and catalysts.

Principle-2: Questions

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and or opportunities.**

   As an integrated energy major and a leading national oil company, IndianOil has the responsibility of providing fuels and products that address the social and environmental concerns of the country. IndianOil balances its product portfolio to match the customers' requirements for quality, efficiency and lower environmental impact while maintaining their wide-scale availability and affordability. Some of the products or services designed keeping the social / environmental concerns in view are listed below:

   i. Greener Products (BS-VI fuels, blended fuels, natural gas)

   ii. Alternate / Renewable energy

   iii. LPG for BPL Families

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)**

   - **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**
   - **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   i. Greener Products (BS-VI Fuels, blended fuels and natural gas)

   IndianOil has commenced pan-India supply of BS-VI grade automotive fuels. These superior quality fuels offer 80% reduction in tailpipe SOx emissions as compared to previously available BS-IV standard fuels. Further, nitrogen oxide emissions from BS-VI compliant diesel and petrol engines would be lower by 70% and 25% respectively.

   IndianOil has been promoting biofuel blending in petroleum fuels, producing specialty oils & lubricants that enhance engine life and reduce fuel consumption besides moving into low carbon energy space including natural gas, renewable energy etc.

   With respect to ethanol and bio-diesel blending, IndianOil achieved a blending percentage of 4.44% and 0.097% respectively during 2019-20. Efforts are on to achieve 10% blending in each of the states in the country by procuring sufficient quantities of ethanol, thereby reducing auto emissions further.

   For promoting natural gas use, IndianOil has commissioned a 5 MMTPA Liquefied Natural Gas (LNG) import terminal at Ennore near Chennai, through a JV Company. This would make cleaner Natural Gas available to customers in Southern India. IndianOil is also developing / operating City Gas Distribution networks in 40 Geographical Areas across India on standalone basis as well as through JVCs.

   ii. Alternate / Renewable Energy

   - **Solar / Wind Energy**

     IndianOil has installed solar and wind power plants across India with a cumulative capacity of 226 MW, which generated 393 GWh of energy during 2019-20. This is estimated to reduce Greenhouse Gas (GHG) emissions by 0.32 million metric tonnes of carbon dioxide equivalent (MMTCO$_2$e).

   - **Compressed Biogas (CBG)**

     In a significant breakthrough in clean energy initiatives, IndianOil has commenced dispensing automotive-grade Compressed Biogas (CBG), as an alternate to Compressed Natural Gas (CNG). During the year, two retail outlets located in Pune & Kolhapur cities of Maharashtra started dispensing CBG under the Company's bio-energy brand IndiGreen. Further, several more retail outlets across the country are being lined up for dispensing CBG. CBG is produced from agricultural / sewage / organic waste generated in the country and is a cleaner alternative to fossil fuels

   iii. LPG for BPL Families

   As part of its continued efforts to provide cleaner fuels, IndianOil released, more than 75 lakh new domestic LPG connections during 2019-20. Of these, 41 lakh connections were issued to below poverty line (BPL) households under Pradhan Mantri Ujjwala Yojana (PMUY). This would help in arresting deforestation and eliminating indoor pollution from use of firewood, cow-dung, etc. as cooking fuel, whose smoke impacts the health of women and children.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

   - **If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof in about 50 words or so.**

   Crude oil is the single major input for the Company. Nearly 85% of IndianOil's crude oil requirement is imported, mostly from the Middle-East region. To de-risk crude availability, IndianOil has well diversified basket of 186 crude oil grades from across the globe. IndianOil has also improved its indigenous crude oil sourcing to more than 15%

during the year. 97% of the imported crude oil is transported using Very Large Crude Carriers (VLCCs) / Suez Max vessels, which are the most efficient modes of ocean transportation. For inland transport of crude oil and finished products, the Company's cross-country pipelines network is being expanded on continuous basis in preference to road and rail transport. Transport of crude oil and finished products through pipelines has contributed towards emission reduction of about 1.45 (MMTCO$_2$e), as compared to rail transport.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   IndianOil has taken steps for implementation of the Public Procurement Policy of the Government of India for procurement from Micro & Small Enterprises (MSE) and procurement of many items through the Government e-Marketing (GeM) portal. Against a target of 25%, the Company procured 27.51% of materials and services through MSE vendors in 2019-20 (excluding procurement of crude oil, petroleum products and natural gas).

   Besides this, the Company has been undertaking various interventions to encourage small vendors and enhance local procurement. Some of the major interventions are as under:

   - During 2019-20, 73 Vendor Development Programmes were conducted, of which 18 were conducted exclusively for SC-ST entrepreneurs. A few of these programmes were conducted in association with MSME Development Institutes & District Industrial Centres to reach out to local suppliers.
   - Two numbers of National Vendor Development Programmes cum Industrial Exhibition were organised to enhance participation of MSEs in tenders floated by the Company.
   - Individual request letters were sent to SC/ST vendors to participate in IndianOil tenders.
   - Presentations made by IndianOil include showcasing of products that can be supplied by MSEs.
   - 15% relaxation in financial and technical criteria is being provided to MSEs participating in the tenders for non-critical items.

5. **Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   IndianOil makes continuous efforts to reuse/recycle the waste generated, across its operations, wherever possible. The waste that is not recycled in operations is disposed of as per the Central / State Pollution Control Board (CPCB / SPCB) norms. The waste management strategy adopted for various streams is given below:

S. No.	Waste Stream	Type of Waste	Recycling Category	Waste Management Strategy
1	Oil sludge / slop	Hazardous	>10%	Oil sludge from tank bottoms and Effluent Treatment Plant (ETP) basins are processed in sludge processing unit for oil recovery. The oil thus recovered is routed to slop oil which is further processed to produce products like GasOil. The residual sludge, which is generated from the process, is further bio-remediated with the help of 'Oilivorous-S' technology developed by IndianOil's R&D centre. 100% of slop oil is recycled.
2.	Wastewater	Hazardous	>10%	Wastewater generated from refineries is treated in ETPs. The treated water is reused as make-up water in cooling towers, in fire-water headers, for horticulture etc. During 2019-20, approximately 87% of the operational wastewater was recycled in refineries & petrochemical units.
3.	Spent Catalyst	Hazardous	>10%	Spent catalyst bearing recoverable metals is sold to authorised recyclers for recovery. Spent catalyst from Fluidized Catalytic Cracking Unit (FCCU) bearing Alumina and other catalysts is sent for co-processing to State Pollution Control Board (SPCB) authorized cement plants and to manufacturers of refractories, ceramics etc. Non-recycled spent catalysts are given to authorised Treatment, Storage and Disposal Facilities (TSDF), or stored in authorised common hazardous waste disposal sites maintained by the Company / authorised secured landfill sites as per prevalent norms.
4.	E-Waste	Hazardous	>10%	E-waste is sold to authorised recyclers or taken back by equipment suppliers under buyback arrangements.

S. No.	Waste Stream	Type of waste	Recycling category	Waste Management Strategy
5.	Recyclables (Metal, Plastic, Rubber, Paper)	Non-Hazardous	>10%	Recycled through authorised agencies
6.	Kitchen / Organic Waste	Non-Hazardous	>10%	IndianOil has installed 122 organic waste converters / composters / biogas plants across its locations, to process kitchen / horticultural waste.

PRINCIPLE-3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

With focus on aligning its HR initiatives with strategic Corporate Vision, the Company undertakes many employee-centric initiatives, aimed at both employee engagement and making the Company's human resources 'future ready'.

With focus on hiring the best talent, the Company's approach to workforce is based on the fundamentals of fostering diversity by offering equal opportunity to all employees without any discrimination. IndianOil does not engage in or support direct or indirect discrimination in recruitment, promotion, salary benefits, training and post-retirement benefits based on caste, religion, disability, gender, age, race, colour, marital status, etc.

All statutory provisions and policy guidelines are followed strictly, without any discrimination, while providing welfare facilities for employees' health, efficiency, financial wellbeing, employment, social status, growth, remuneration, satisfaction etc.

IndianOil also values everyone's opinion and encourages learning from each other regardless of background and believes in bringing those diversities into the workplace to broaden experiences and knowledge.

The Company endeavours to provide a workplace that is free from discrimination and harassment, inculcate fair practices and behaviour in the workplace, equal access to benefits and conditions, equitable distribution of workloads, and structured processes to deal with work-related complaints and grievances.

Some of the specific initiatives undertaken by the Company are: (i) Benchmarking and improving the Company's HR processes in areas like Staffing, Work Environment, Performance Management, Training & Development, Competency Analysis & Development, Workforce Planning, Participatory Culture, Mentoring, etc.; (ii) Structured technology-aided e-learning platform catering to the functional learning & development needs of employees; (iii) Women Leadership Development Programme; (iv) employee health; among others.

IndianOil offers good exposure to latest technologies and training facilities to its employees, professional as well as personal security in terms of a secure job, defined career progression, good benefit policies, etc.

Principle-3: Questions

1. **Please indicate the total number of employees:**

   The total number of employees of the Company as on March 31, 2020 was 32,998

2. **Please indicate the total number of employees hired on temporary / contractual / casual basis.**

   - As on March 31, 2020, 172 persons were engaged as consultants / liaison officers / doctors on contract, etc.
   - 10 persons were working as casual labourers / temporary workers.
   - In IndianOil, contract workers are engaged by the contractors under the provisions of Contract Labour (Regulation & Abolition) Act, 1970. The number of contract labour working in different locations / units of IndianOil under various contractors as on March 31, 2020 was 73,070. As the principle employer, IndianOil ensures that all statutory requirements are duly complied with.

3. **Please indicate the number of permanent women employees.**

   2,871 permanent women employees serve the Company.

4. **Please indicate the number of permanent employees with disabilities.**

   The Company has 706 total permanent employees with disabilities on its rolls.

5. **Do you have an employee association that is recognized by management?**

   Yes. IndianOil has 25 recognised Unions representing non-executive employees of the organisation and one Officers' Association for executives.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   About 95% of the employees (non-executives and executives) are members of the recognised Unions and officers' association.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No of complaints filed during 2019-20	No. of complaints pending as at end of the Financial year
1	Child labour / forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	06	06
3	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Sr. No.	Category	% of employees given safety & skill up-gradation training during 2019-20
1	Permanent Male Employees	70.76%
2	Permanent Women Employees	74.40%
3	Permanent Employees with Disability	63.90%
4	Casual / Temporary / Contractual Employees / Contract Labour	84.90%

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

IndianOil values its stakeholders and continuously engages with them through various fora throughout the year. These fora are aimed at understanding stakeholders' opinions and to build trust and long-term relationships by way of structured collaborations and communications across earmarked channels.

IndianOil has many channels to communicate with various sections of stakeholders. These channels help in gaining deeper insights into the expectations of the stakeholders. For the benefit of the disadvantaged, vulnerable and marginalised external stakeholders, IndianOil undertakes various CSR initiatives across India, which include projects under thrust areas viz. 'safe drinking water and protection of water resources', 'healthcare and sanitation', 'education and employment-enhancing vocational skills', 'empowerment of women and socially/economically backward groups', etc. IndianOil also undertakes various CSR projects in identified backward districts of the country. The key aim is to improve the quality of life of the communities, which invariably include marginalised or under privileged sections of the society viz. SCs, STs, PHs, OBCs, etc. For engagement with disadvantaged, vulnerable and marginalised external business stakeholders, various initiatives such as allotment of dealerships / distributorships, petty contracts, etc. are undertaken.

A committee has been formed at the Board-level to assess and monitor stakeholder concerns and the Company's responsiveness to grievances.

Principle-4: Questions

1. **Has the company mapped its internal and external stakeholders? Yes/No.**

   Yes, the Company has mapped its internal and external stakeholders

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   Promoting employees / partners belonging to disadvantaged, vulnerable and marginalized sections of the society

   - IndianOil complies with the Presidential directives and guidelines issued by Government of India regarding reservation in services for SC/ ST/ OBC/ PwBD (Persons with Benchmark Disabilities)/ Ex-servicemen/ Economically Weaker Section (EWS) to promote inclusive growth.
   - The guidelines for selection of dealers for retail outlets provide 22.5% reservation for SC/ST candidates and 27% reservation for OBC candidates. For individual applicants, the spouse of the applicant is made a partner with 50% share, unless the spouse is already gainfully employed and / or does not wish to be made a partner. Thus, in awarding retail outlet dealerships, participation of weaker sections of the society and women rights are given due importance.

- Similar reservations are also provided to vulnerable and marginalised stakeholders in selection of LPG distributorships. The reservation for persons belonging to SC/ST category is 22.5% and for OBC category is 27%. Within all categories a reservation of 33% is available for women candidates. This has helped encourage women entrepreneurs to become IndianOil's business partners, making them independent and enabling them to contribute positively to the society.

Promoting development of disadvantaged, vulnerable and marginalized sections through community interventions

Some of the major community projects undertaken in this regard are as under:

- Assam Oil School of Nursing (AOSN):

  AOSN, established in 1986, offers a 3-year Diploma in General Nursing & Midwifery and a B.Sc. (Nursing) course (since 2014) to underprivileged young girls from the state of Assam. The present intake capacity is 30 students per year for each course. Admission of young under-privileged girls paves the way for a stable career and livelihood for these girls.

- IndianOil Vidushi:

  To help under-privileged girls to gain admission in prestigious engineering institutes like IITs, NITs, CETs, IIITs, etc., IndianOil started the unique programme "IndianOil Vidushi" in July 2018. The initiative is operated from 4 residential centres in Bhubaneswar, Noida, Patna & Jaipur. A maximum of 30 girls are selected for each centre. The complete cost for specialised coaching, study material, boarding, food & other consumables, blanket, hygiene kit, dress set, health insurance etc. is borne by the Company. Scholarship is also provided to support the students financially to complete their graduation (i.e. for a period of 4 years) after they get admission into IITs / NITs / Govt. Engineering Colleges.

- Assistance to Divyangjans:

  Aid and assistive devices have been provided to more than 13,000 Divyangjans across 21 States of India, in association with the Artificial Limbs Manufacturing Corporation (ALIMCO).

  Further details on these initiatives and other CSR initiatives of the Company, are annexed to the Directors' Report.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

The Company is a fair employer and believes in diversity and inclusiveness that respects and promotes human rights, the commitment of which has been laid out in its "Equal Opportunity Policy". This policy aims at elucidating the Company's commitment towards providing equal employment opportunities without any discrimination on the grounds of disability, gender, caste, religion, race, state, background, colour etc. and maintaining a work environment that is free from harassment based on the above considerations. Further, the Company does not discriminate in extending various welfare facilities.

All the vendors and suppliers are also required to submit a written declaration stating that no party has engaged child labour at his/her facilities and any industry deploying child labour is discouraged from doing so. No forms of forced or compulsory labour are supported by IndianOil. The Company's installations are monitored and reviewed periodically to ensure human rights compliance and a robust redressal mechanism, accessible to all employees, has been structured to ensure grievance handling. Abiding by the provisions of the Minimum Wages Act 1971, the minimum wages paid to the employees and contractors are revised periodically. The salary paid to employees of all categories fulfils all norms of the Act as prescribed by the Government of India.

The Company has a zero-tolerance policy towards sexual harassment at the workplace, which has been implemented across all locations and installations. All reported cases of sexual harassment are inquired into by an Internal Committee. If proved, disciplinary action is taken in accordance with the Conduct, Discipline and Appeal Rules (CDA Rules) against the delinquent employee.

During the year 2019-20, no incident of human rights violations was reported. No incident involving rights of indigenous people and discriminated practices or significant disputes involving local communities and indigenous people was reported during the year 2019-20. No instances of forced, compulsory or bonded labour were reported during the year. No violation of Child Labour (Prohibition and Regulation) Amendment Act, 2016 has been reported and the minimum age limit of 18 years of permanent and contract labour was maintained.

The Company also upholds collective bargaining, an important pillar of its Industrial Relations philosophy. Collective bargaining allows the management and the unions to sit across and arrive at solutions that are win-win for both employees and the organisation. Open and transparent communication and participative management approach has ensured peaceful Industrial Relations in the Company for several years. This allows the workforce to perform in a stress-free environment wherein business is conducted with due respect to employees.

Principle-5: Questions

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   IndianOil's Group Companies / Joint Venture Companies are separate legal entities having their own policies and procedures. However, the Company has 'Equal Opportunity Policy' in place and its employees posted in Group/Joint Ventures etc. are also covered under the policy.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   Please refer to the response to Question No.-2 under Principle-1.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

IndianOil is committed to conducting its business responsibly and makes continuous efforts to mitigate the environmental impact of its operations. There are three major areas relating to environment sustainability, in which IndianOil operates, namely carbon footprint reduction, water management / footprint reduction and waste management / footprint reduction.

For undertaking initiatives to protect and restore the environment, the Company is guided by its Sustainability & CSR Policy as well as Health, Safety & Environment Policy. These initiatives commence with monitoring and assessment of the Company's carbon / water / waste footprint, other harmful emissions and effluent profile. Specific external audits are conducted to arrive at measures to reduce energy consumption, water consumption and waste generation.

To minimise the impact of the Company's operations and product offerings on the environment, various initiatives pertaining to energy efficiency, renewable energy, improved product efficiency, tree plantation, green buildings, water conservation, supply chain efficiency etc., are undertaken. Further details on the Company's initiatives and their benefits can be obtained from the annual Sustainability Report (accessible at: *http://www.iocl.com/Aboutus/sustainability.aspx*).

While a Board-level Committee guides and monitors the initiatives related to Sustainability & CSR, the Alternate Energy & Sustainable Development Group at the Corporate level implements action plans to address the environmental issues viz. climate change, global warming, etc.

Principle-6: Questions

1. **Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

   The policy on Health, Safety & Environment covers the Company only.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes, IndianOil undertakes various initiatives to measure / mitigate its impact on climate change. Further details on these initiatives can be accessed at http://www.iocl.com/Aboutus/sustainability.aspx.

3. **Does the company identify and assess potential environmental risks? Y/N.**

   Yes, the Company identifies and assesses potential environmental risks.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   IndianOil had 6 registered CDM projects. However, due to low CER prices, the registration of all 6 CDM projects with United Nations Framework Convention on Climate Change (UNFCCC) has been temporarily discontinued.

5. **Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**

   Yes. Details of the Company's clean technology and sustainability initiatives can be accessed at http://www.iocl.com/Aboutus/sustainability.aspx.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes. The emissions / waste generated by the Company are within the permissible limits given by CPCB/SPCB for the Financial Year 2019-20.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year?**

   As on March 31, 2020, IndianOil had 13 unresolved environment related grievances. Out of these, necessary response has been provided against five show cause notices issued to IndianOil and the remaining grievance notices are in different stages of resolution.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

IndianOil understands its responsibility to function within the democratic set up and the constitutional framework. It recognises that businesses operate within the specified legislative and policy frameworks prescribed by the Government, which guide their growth and provide for certain desirable restrictions and boundaries. The Company actively interacts with various committees of the Govt. of India and other organisations for advancement and improvement of public good. IndianOil also supports United Nations' Global Compact (UNGC) for implementing the guiding principles in the United Nations' agenda on human rights, labour standards, environment, anti-corruption etc. The Company believes that policy advocacy must preserve and expand public good and thus shall never advocate any policy change to benefit itself alone but always for the benefit of society at large.

Principle-7: Questions

1. **Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**

Association	National / International
Advertising Standards Council of India	National
All India Industrial Gas Manufacturers Association	National
All India Management Association	National
Associated Chambers of Commerce and Industry of India	National
Association of Business Communicators of India	National
Chemicals and Petrochemicals Manufacturers' Association	National
Confederation of Indian Industry	National
Council of Indian Employers	National
Federation of Indian Chambers of Commerce and Industry	National
Federation of Indian Petroleum Industry	National
Indian Auto LPG Coalition	National
Indian Dairy Association	National
Indian Institution of Industrial Engineering	National
Indian LP Gas Industry Association	National
Indian Society of Advertisers	National
Institution of Engineers	National
International Advertising Association	National
International Geosynthetics Society	International
National Association of Corrosion Engineers	National
National HRD Network	National
Organisation of Plastic Processors of India	National
Pipeline Operators Forum	International
Plexconcil	National
International Gas Union	International
Standing Conference of Public Enterprises	National
Biodiesel Association of India	National
India International collaborations (U21 Global Universitas, Singapore, IFP France, etc.)	International
International Air Transport Association	International
Transparency International India	International
United Nations Global Compact	International
World LP Gas Association, Paris	International
World Economic Forum	International

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   IndianOil works with professional bodies, both national and international, and participates in various policy formulation and other industry-related issues. Being a public sector enterprise, run under the aegis of the Government of India, all the meetings of related ministries are attended to and an in-depth analysis is carried out to decide the course of action accordingly. IndianOil is also a member of different committees of the Government of India and contributes to the advancement and improvement of public good by actively participating in discussions related to energy security, sustainable business principles, economic reforms, etc.

PRINCIPLE-8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Right from its inception, IndianOil has been conscious of its responsibility and commitment towards economic, social and sustainability of environmental ecosystem apart from its business activities. As a socially responsible corporate entity, IndianOil aligns its Corporate Social Responsibility (CSR) activities and engages with all stakeholders towards this end thereby driving inclusive and equitable growth and development.

Enshrined in IndianOil's vision is the commitment towards society "... to help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience...". The Company's Sustainability & CSR Vision is to provide energy solutions to its customers in a manner that is efficient, safe and ethical, that minimises negative impact on the environment and enhances the quality of life of the community towards sustaining a holistic business.

The CSR projects of IndianOil are mostly undertaken for improving the quality of life of communities, which invariably include marginalised or under privileged sections of the society viz. SCs, STs, PHs, OBCs, etc. With its pan-India presence, IndianOil is able to undertake CSR activities in all parts of the country. As per the Board approved Sustainability & CSR Policy, the projects are undertaken in various thrust areas, viz. drinking water, healthcare, sanitation, education, environment protection, empowerment of women and other marginalised groups etc., with focus on the welfare of the economically and socially deprived sections of the society. IndianOil strives to involve all relevant stakeholders throughout the life-cycle of the project for equitable and sustainable outcome.

The details of the CSR initiatives taken up by IndianOil have been incorporated as a separate section forming a part of the Annual Report. Details can also be accessed at https://iocl.com/AboutUs/corporatesocialresponsibility.aspx.

Principle-8: Questions

1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Yes, the Company has specified programmes in pursuit of its Sustainability & CSR Policy. The details of key CSR initiatives undertaken are provided in the CSR Report annexed to the Directors' Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   The CSR activities are mostly implemented either through IndianOil's in-house resources or through Government agencies.

3. **Have you done any impact assessment of your initiative?**

   Yes. Impact Assessment is carried out for all new projects costing more than ₹50 lakh at a single location. As per the Sustainability & CSR Policy, the assessment is carried out after completion of at least one year from the date of commissioning of the activity or stabilisation of the activity, whichever is later. For prolonged activities with investment of more than ₹50 lakh/year at a single location, Impact Assessment is carried out once in every 3 years.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

   The total expenditure towards CSR initiatives of the Company for the year 2019-20 was ₹543.38 crore, which corresponds to 100% utilisation of the allocated budget. The details of key CSR initiatives undertaken are provided in the CSR Report annexed to the Directors' Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes. For successful adoption of the Company's CSR projects by the community, the projects are designed and taken up only after consultation with the local/relevant stakeholders and on the basis of need assessment. In order to ensure project ownership and sustainability, sometimes, beneficiaries also contribute part of the cost of the project. Also, during and after implementation, consultations are held with the stakeholders for understanding their aspirations and concerns. Involvement of local communities throughout the project cycle ensures ownership and successful O&M of the facilities / infrastructure provided under CSR, after handing over by the Company.

PRINCIPLE-9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

IndianOil has a comprehensive system in place to engage with its customers and ensure necessary product improvements.

- Information on the Company's product and service offerings is provided on the Company's website.
- Grievance redressal related information is provided as part of the Citizens Charter (https://www.iocl.com/Talktous/CitizensCharter.aspx).
- Customer feedback is taken through dedicated surveys (refer to Principle-9: Question no. 4 below), feedback / complaint registers maintained at the Company's retail touch points, dedicated customer portals such as ePIC (e-Platform for IndianOil customers) (https://cx.indianoil.in/webcenter/portal/Customer), Twitter handle / Facebook page of the Ministry and the Company, along with various engagement mechanisms for the Company's bulk consumers.
- It is also ensured that the complaints get resolved within the given timelines and necessary communication is provided back to the customers through a transparent mechanism.
- Various awareness exercises / training programmes are undertaken for customers / bulk product consumers on safety and efficient use of the Company's products.
- Some specific interventions undertaken by IndianOil to tailor-make its product / service offerings to customer requirement are given as under:
  * IndianOil introduced mobile dispensers for fuelling stationery equipment at approved customer premises, thereby providing doorstep delivery of the product (diesel) to such customers.
  * The Company is implementing a Retail Transformation Project "Dhruva" to provide standardised facilities and services to its customers. This is done through professional training, streamlined guidelines, and reward and recognition mechanism.
  * LPG customers have been provided with options to book LPG refill online and make payment through various modes like e-wallet, online etc.
  * Offer of value-added technical services such as Total Lubrication Management (TLM) to large institutional clients
  * Institutional Business Portal for bulk customers
  * IndianOil Aviation service works closely with various Government agencies, defence forces and airlines to support relief and rescue operations in times of natural calamities.

Principle-9: Questions

1. **What percentage of customer complaints/ consumer cases is pending as on the end of financial year?**

   Refer to details given under Principle-1: Question No. 2 for details on customer complaints. 7,714 complaints were pending (0.62%) as on March 31, 2020 from among the 12,37,512 customer complaints received during the year 2019-20.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).**

   IndianOil always endeavours to supply high quality products to its customers which not only meet the required statutory specifications but also enhance the customer satisfaction. All the commercial products of IndianOil follow Bureau of Indian Standards (BIS) guidelines for product information and labelling etc. as required.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

   As on March 31, 2020, 3 cases were pending before the Hon'ble Courts. Brief of the cases is as under:

   i. North-East Dealers Association had filed a complaint before the Competition Commission of India (CCI) alleging that Public Sector Oil Marketing Companies (OMCs) are using unfair terms and conditions in the Dealership Agreement and misusing their dominant position. CCI vide order dated February 11, 2014 dismissed the said application for want of merit and substance. Against the said Order, the North-East Dealers Association filed an appeal before Competition Appellate Tribunal (COMPAT). COMPAT vide Order dated November 26, 2015, set aside the order of CCI against which CCI has filed SLP before the Hon'ble Supreme Court. The Hon'ble Supreme Court admitted the appeal on April 13, 2016 and stayed the operation of the Order passed by COMPAT on November 26, 2015. The case is pending for the final hearing.

   ii. OMCs received notices dated April 22, 2013 from the Director General of CCI seeking information on the various modalities of MS pricing as CCI had suo-moto started investigation into the price of MS and asked why OMCs increased and decreased prices simultaneously and by similar amounts. OMCs challenged the action of CCI submitting that PNGRB had jurisdiction and not CCI. CCI rejected the contention of OMCs vide Order dated October 23, 2013. IndianOil has filed a writ petition before the Hon'ble High Court of Delhi against CCI's Order dated October 23, 2013. The matter is pending in the Delhi High Court as the court has stayed the order of CCI till further orders. The next date of hearing is not fixed in the matter.

   iii. Reliance Industries Ltd. filed a complaint against 3 OMCs and National Aviation Company India Ltd. (NACIL) before the CCI wherein allegations were made about cartelisation etc. of tender floated by NACIL for supply of ATF for 2010-11. OMCs raised preliminary objections relating to the jurisdiction of CCI. By Order dated September 30, 2010, CCI held that the preliminary objection was legally not tenable and was accordingly dismissed. Against this Order, an appeal was filed in the Hon'ble High Court of Delhi. On the last date of hearing, i.e., May 02, 2018, the Hon'ble Court directed that the matter be listed along with WP 7303 of 2013. The matter was last listed on April 25, 2019 but was not taken up due to paucity of time. The next date of hearing is yet to be fixed.

4. **Did your company carry out any consumer survey/consumer satisfaction trends?**

   Yes, the Company carries out various customer satisfaction surveys at regular intervals.

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From the Chairman's Desk
About IndianOil
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Board of Directors, etc.
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IndianOil operates and manages one of the world's largest network of crude and product pipelines

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

IndianOil believes that good Corporate Governance practices not only ensure ethical and efficient conduct of the affairs of the Company in transparent manner but also help in maximizing value for all its stakeholders like shareholders, customers, employees, contractors, vendors and 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 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 Directors and Senior Management Personnel and their obligations
- Code for Prevention of Insider Trading in the Securities of IndianOil
- 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 of Executive (Whole-Time) Directors, Non-Executive (Part-Time) Government Nominee Directors and Non-Executive (Part-Time) Independent Directors. The Independent Directors are eminent persons 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 5 years or their date of superannuation, whichever is earlier;
- Government Nominee Directors are appointed on ex-officio basis during their tenure in Ministry of Petroleum & Natural Gas (MoP&NG).
- Independent Directors are appointed for a period of 3 years;

As on March 31, 2020, the Board of the Company comprised of 18 Directors which included 8 Executive Directors (Whole-Time Directors including Chairman), 2 Government Nominee Directors and 8 Independent Directors. The composition of the Board as on March 31, 2020 is given below:

Sl. No.	Name	Category	Designation	Date of appointment	Tenure (in years) as on March 31, 2020
1.	Shri Sanjiv Singh	Whole-time Director	Chairman	July 01, 2014 (Note 1)	5.75
2.	Shri G. K. Satish	Whole-time Director	Director (P&BD)	September 01, 2016	3.58
3.	Dr. S. S. V. Ramakumar	Whole-time Director	Director (R&D)	February 01, 2017	3.16
4.	Shri Ranjan Kumar Mohapatra	Whole-time Director	Director (HR)	February 19, 2018	2.11
5.	Shri Gurmeet Singh	Whole-time Director	Director (Marketing)	July 26, 2018	1.68
6.	Shri Akshay Kumar Singh	Whole-time Director	Director (Pipelines)	August 14, 2018	1.63
7.	Shri Sandeep Kumar Gupta	Whole-time Director	Director (Finance)	August 03, 2019	0.66
8.	Shri Shrikant Madhav Vaidya	Whole-time Director	Director (Refineries)	October 14, 2019	0.46

Sl. No.	Name	Category	Designation	Date of appointment	Tenure (in years) as on March 31, 2020
9.	Dr. Navneet Mohan Kothari	Non-Executive Director	Govt. Nominee Director	March 25, 2020	0.02
10.	Smt. Indrani Kaushal	Non-Executive Director	Govt. Nominee Director	May 28, 2019	0.84
11.	Shri Vinoo Mathur	Non-Executive Director	Independent Director	September 22, 2017	2.52
12.	Shri Samirendra Chatterjee	Non-Executive Director	Independent Director	September 22, 2017	2.52
13.	Shri C. R. Biswal	Non-Executive Director	Independent Director	September 22, 2017	2.52
14.	Dr. Jagdish Kishwan	Non-Executive Director	Independent Director	September 22, 2017	2.52
15.	Shri Sankar Chakraborti	Non-Executive Director	Independent Director	September 22, 2017	2.52
16.	Shri D. S. Shekhawat	Non-Executive Director	Independent Director	September 22, 2017	2.52
17.	Shri Rajendra Arlekar	Non-Executive Director	Independent Director	July 24, 2019	0.69
18.	Ms. Lata Usendi	Non-Executive Director	Independent Director	November 06, 2019	0.40

Note 1: Shri Sanjiv Singh was appointed as Director (Refineries) on July 01, 2014 and became Chairman w.e.f. June 01, 2017

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfil the criteria of independence as specified in the Companies Act, 2013, the rules notified thereunder as well as SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (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.

The Company being a Government Company, all the Directors on its 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 list of core skills, expertise and competence required for the Board to function effectively, in 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).

b. Board Meetings

The Board of Directors oversees the overall functioning of the Company and has set strategic objectives in order to achieve its Vision. The Board lays down the Company's policy and oversees its implementation in attaining its objectives. The Board has constituted various committees to facilitate the smooth and efficient flow of decision -making process.

During the financial year 2019-20, 11 Board Meetings were held. The dates of the Board Meetings are fixed well in advance and intimated to the Board members so as 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 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 on major projects, financial highlights etc. The agenda placed before the Board inter-alia includes the following:

- Annual operating plans and Capital and Revenue budgets.
- Quarterly and Annual Financial results of the Company.
- Dividend declaration.
- Constitution of Board Committees with terms of reference.
- Minutes of meetings of Audit Committee and other Committees of the Board, as also resolutions passed by circulation.
- Investment in any joint venture / subsidiary and review of their performance.
- New projects and expansion plans.
- Risk management and minimization process.
- HR related issues.
- Safety / Security related matters
- General notices / matters of interest of Directors.
- Periodic reports to the Board on:
  - Treasury Operations
  - Status of various projects
  - Capital expenditure status
  - Risk Management
  - Secretarial Reports
  - Compliance of laws
  - Disciplinary cases
  - Action Taken Report (ATR) on decisions of the Board
  - Significant developments in between two Board Meetings.
  - Monthly Report on share transfer
  - Quarterly Compliance Report on Corporate Governance
  - Quarterly Report on Share Capital Audit
  - Quarterly Report on status of Investor Grievance
  - Progress Report of E&P projects
  - Import of Crude Oil
  - Corporate Guarantees issued
  - Minutes of Board Meeting of unlisted subsidiaries

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. 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 2019-20 are as under:

Sl. No.	Date	Board Strength	No. of Directors Present
1.	April 04, 2019	17	15
2.	April 24, 2019	17	16
3.	May 17, 2019	17	17
4.	June 27, 2019	16	15
5.	July 31, 2019	17	17
6.	August 27, 2019	17	16
7.	September 30, 2019	17	17
8.	October 31, 2019	18	17
9.	November 27, 2019	18	18
10.	January 30, 2020	18	17
11.	March 13, 2020	18	17

c. Attendance of each Director at Board Meetings held during 2019-20, 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 on August 28, 2019 (Yes / No / NA)	No. of Directorship in other Companies as on March 31, 2020	Directorship in other listed entities as on March 31, 2020 & category of Directorship	Membership of Committees in other companies as on March 31, 2020	Chairmanship of Committees in other Companies as on March 31, 2020
Whole-time Directors						
Shri Sanjiv Singh Chairman (DIN - 05280701)	11(11)	Yes	5	1. Chennai Petroleum Corporation Ltd. - Non-Executive Chairman 2. Petronet LNG Ltd. - Non - Executive Director	-	-
Shri G. K. Satish Director (P&BD) (DIN - 06932170)	11(11)	Yes	3	-	-	-
Dr. S. S. V. Ramakumar Director (R&D) (DIN - 07626484)	11(11)	Yes	1	-	-	-

Name of the Director	No. of Board Meetings attended out of meetings held during the tenure of Director	Attendance at the AGM on August 28, 2019 (Yes / No / NA)	No. of Directorship in other Companies as on March 31, 2020	Directorship in other listed entities as on March 31, 2020 & category of Directorship	Membership of Committees in other companies as on March 31, 2020	Chairmanship of Committees in other Companies as on March 31, 2020
Shri Ranjan Kumar Mohapatra Director (HR) (DIN – 08006199)	10(11)	Yes	1	-	-	-
Shri Gurmeet Singh Director (Marketing) (DIN-08093170)	11(11)	Yes	2	-	-	-
Shri Akshay Kumar Singh Director (Pipelines) (DIN-03579974)	11(11)	Yes	1	-	-	-
Shri Sandeep Kumar Gupta[1] Director (Finance) (DIN-07570165)	6(6)	Yes	4	-	-	-
Shri Shrikant Madhav Vaidya[2] Director (Refineries) (DIN-06995642)	4(4)	NA	2	Chennai Petroleum Corporation Ltd.- Non-Executive Director	-	-
Shri A. K. Sharma[3] Director (Finance) (DIN-06665266)	3(3)	NA	2	-	-	-
Shri B. V. Rama Gopal[4] Director (Refineries) (DIN – 07551777)	5(5)	NA	2	Chennai Petroleum Corporation Ltd.- Non-Executive Director	-	-
Non-Executive Directors (Govt. nominees)						
Dr. Navneet Mohan Kothari[5] (DIN – 02651712)	NA	NA	-	-	-	-
Smt. Indrani Kaushal[6] (DIN-02091078)	5(8)	No	1	-	-	-
Smt. Sushmita Dasgupta[7] (DIN-08395557)	3(3)	NA	-	-	-	-
Shri Ashutosh Jindal[8] (DIN-05286122)	7(8)	No	-	-	-	-
Shri Ashish Chatterjee[9] (DIN-07688473)	1(2)	NA	1	-	-	-
Non-Executive Directors (Independent Directors)						
Shri Vinoo Mathur (DIN-01508809)	10(11)	Yes	-	-	-	-
Shri Samirendra Chatterjee (DIN-06567818)	11(11)	Yes	-	-	-	-
Shri C. R. Biswal (DIN-02172414)	11(11)	Yes	1	-	1	-
Dr. Jagdish Kishwan (DIN-07941042)	11(11)	Yes	-	-	-	-
Shri Sankar Chakraborti (DIN-06905980)	11(11)	Yes	2	-	-	-
Shri D. S. Shekhawat (DIN-07404367)	11 (11)	Yes	-	-	-	-
Shri Rajendra Arlekar[10] (DIN – 08518169)	7(7)	Yes	-	-	-	-
Ms. Lata Usendi[11] (DIN-07384547)	3(3)	NA	-	-	-	-
Shri Parindu K. Bhagat[12] (DIN-01934627)	8(9)	Yes	-	-	-	-

Remarks:

1. Shri Sandeep Kumar Gupta was inducted on the Board w.e.f August 03, 2019.
2. Shri Shrikant Madhav Vaidya was inducted on the Board w.e.f. October 14, 2019.
3. Shri A. K. Sharma ceased to be Director w.e.f. May 18, 2019.
4. Shri B. V. Ramagopal ceased to be Director w.e.f. August 01, 2019.
5. Dr. Navneet Mohan Kothari was inducted on the Board w.e.f. March 25, 2020.
6. Smt. Indrani Kaushal was inducted on the Board w.e.f. May 28, 2019.
7. Smt. Sushmita Dasgupta ceased to be a Director w.e.f. May 28, 2019.
8. Shri Ashutosh Jindal ceased to be Director w.e.f. November 4, 2019.
9. Shri Ashish Chatterjee was inducted on the Board w.e.f. December 12, 2019 and ceased to be Director w.e.f. March 25, 2020.
10. Shri Rajendra Arlekar was inducted on the Board w.e.f. July 24, 2019.
11. Ms. Lata Usendi was inducted on the Board w.e.f. November 06, 2019.
12. Shri Parindu K. Bhagat ceased to be Director w.e.f. December 02, 2019.

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.

Note 2: The Membership / Chairmanship of Committee is considered only for Audit Committee and Stakeholders' Relationship Committee

Note 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.

None of the Directors on the Board is a member of more than 10 Committees or Chairperson of more than 5 Committees across all the listed companies in which they are a Director. All the Directors have made requisite disclosures regarding Directorship / Committee position occupied by them in other companies.

A brief resume of the Directors, who are being re-appointed at the forthcoming Annual General Meeting, is given in the notice of the AGM.

d. Code of Conduct

The Code of Conduct for the Directors and Senior Management Personnel of the Company has been laid down by the Board, which is circulated to all concerned and the same is also hosted on the website of the Company "www.iocl.com". The Directors and Senior Management Personnel of the Company have affirmed compliance with the provisions of the Code of Conduct for the financial year ended March 31, 2020 and no material financial or commercial transactions which may have potential conflict with the interest of the Company were reported by them.

e. Succession Planning

The Company has put in place a structured succession planning framework to ensure systematic development plan to fill key positions, other than the Board of Directors, in line with the vision and business strategy of the Company. 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

I. 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 and management expertise.

The Audit Committee comprised of the following members as on March 31, 2020:

1. Shri D. S. Shekhawat, Independent Director - Chairman
2. Shri Samirendra Chatterjee, Independent Director - Member
3. Shri Sankar Chakraborti, Independent Director - Member

The Terms of Reference of Audit Committee covers all 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.

» Approval or any subsequent modification of transactions of the Company with related parties.

» Review of 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.

» Discussion with internal auditors on Annual Internal Audit Program, Significant Audit Findings and follow up on such issues.

» Discussion 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.

» Reviewing the Company's financial and risk management policies.

» Evaluation of 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.

- Review 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.
- To examine, decide and deal with all issues relating to Ethics in the Company.
- Review of functioning of Whistle Blower Policy.

The attendance at the 9 meetings of the Audit Committee held during the year 2019-20 is given below:

Name	Meeting held on								
	April 24, 2019	May 16, 2019	June 26, 2019	July 30, 2019	August 27, 2019	September 30,2019	October 31, 2019	January 29, 2020	March 12, 2020
Shri D. S. Shekhawat	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Parindu K. Bhagat (upto December 01, 2019)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA
Shri Samirendra Chatterjee	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Sankar Chakraborti (w.e.f. December 04, 2019)	NA	NA	NA	NA	NA	NA	NA	Yes	Yes

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 and attended the Audit Committee meetings while considering the quarterly / annual financial statements and discussion on nature and scope of Annual Audit. The Cost Auditors are also invited when the Cost Audit Reports are 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.

II. 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 of the following members as on March 31, 2020:

1. Dr. Jagdish Kishwan, Independent Director - Chairman
2. Shri C. R. Biswal, Independent Director - Member
3. Smt. Indrani Kaushal, Govt. Nominee Director - Member
4. Shri Sanjiv Singh, Chairman of the Company - Member

The attendance at one meeting of Nomination & Remuneration Committee held during 2019-20 is given below:

Name	Meeting held on January 06, 2020
Dr. Jagdish Kishwan	Yes
Shri C. R. Biswal	Yes
Smt. Indrani Kaushal (w.e.f November 27, 2019)	Yes
Shri Sanjiv Singh	Yes

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 Independent Directors vests with the Govt. of India. Such evaluation is exempted for Govt. 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 financial year 2019-20 is as under:

(in ₹)

Name of the Director	Designation	Salaries & Allowances	Performance Linked Incentive	Other Benefits & Perquisites	Total Remuneration
Shri Sanjiv Singh	Chairman	39,89,914	18,40,939	9,16,322	67,47,175
Shri G. K. Satish	Director (P&BD)	41,60,821	15,22,801	9,29,828	66,13,450
Dr. S. S. V. Ramakumar	Director (R&D)	57,12,136	15,47,547	1,99,733	74,59,417
Shri Ranjan Kumar Mohapatra	Director (HR)	41,90,231	14,58,038	10,07,144	66,55,413
Shri Gurmeet Singh	Director (Marketing)	46,31,985	12,88,030	8,97,908	68,17,924
Shri Akshay Kumar Singh	Director (Pipelines)	47,28,092	9,91,989	7,76,159	64,96,240
Shri Sandeep Kumar Gupta	Director (Finance) (w.e.f. August 03, 2019)	31,85,223	9,65,278	1,30,573	42,81,073
Shri Shrikant Madhav Vaidya	Director (Refineries) (w.e.f. October 14, 2019)	19,82,049	-	3,89,766	23,71,815
Shri A. K. Sharma	Director (Finance) (upto May 17, 2019)	8,11,821	30,74,304	-	38,86,125
Shri B. V. Rama Gopal	Director (Refineries) (upto July 31, 2019)	73,25,988	-	9,25,565	82,51,553
	TOTAL	**4,53,74,494**	**1,34,92,601**	**64,10,496**	**6,52,77,592**

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 3 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 financial year 2019-20 is as under:

Name of the Director	Sitting Fees (₹)
Shri Vinoo Mathur	8,80,000
Shri Samirendra Chatterjee	9,20,000
Shri C. R. Biswal	5,20,000
Dr. Jagdish Kishwan	9,60,000
Shri Sankar Chakraborti	9,20,000
Shri D. S. Shekhawat	8,80,000
Shri Rajendra Arlekar (w.e.f. July 24, 2019)	3,60,000
Ms. Lata Usendi (w.e.f. November 06, 2019)	1,60,000
Shri Parindu K. Bhagat (upto December 01, 2019)	7,60,000
TOTAL	**63,60,000**

Note: There were no other materially significant pecuniary relationships or transactions of the Independent Directors vis-à-vis the Company.

Shareholding of Directors as on March 31, 2020

The details of shares of the Company held by the Directors as on March 31, 2020 are given below:

Sl. No.	Name	Designation	No. of shares
1.	Shri Sanjiv Singh	Chairman	18972
2.	Shri G. K. Satish	Director (P&BD)	2172
3.	Dr. S. S. V. Ramakumar	Director (R&D)	9300
4.	Shri Ranjan Kumar Mohapatra	Director (HR)	9600
5.	Shri Gurmeet Singh	Director (Marketing)	2172
6.	Shri Akshay Kumar Singh	Director (Pipelines)	-
7.	Shri S. K. Gupta	Director (Finance)	10872
8.	Shri S. M. Vaidya	Director (Refineries)	16572
9.	Dr. Navneet Mohan Kothari	Government Nominee Director	-
10.	Smt. Inrdani Kaushal	Government Nominee Director	-
11.	Shri Vinoo Mathur	Independent Director	-
12.	Shri Samirendra Chatterjee	Independent Director	-
13.	Shri C. R. Biswal	Independent Director	-
14.	Dr. Jagdish Kishwan	Independent Director	-
15.	Shri Sankar Chakraborti	Independent Director	-
16.	Shri D. S. Shekhawat	Independent Director	-
17.	Shri Rajendra Arlekar	Independent Director	-
18.	Ms. Lata Usendi	Independent Director	-

III. 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 of the following members as on March 31, 2020:

1. Shri Sankar Chakraborti, Independent Director - Chairman
2. Shri D. S. Shekhawat, Independent Director - Member
3. Shri Ranjan Kumar Mohapatra, Director (HR) - Member
4. Shri S. K. Gupta, Director (Finance) - Member

The attendance at the meeting of the Stakeholders' Relationship Committee held during 2019-20 is given below:

Name of the Director	Meeting held on March 13, 2020
Shri Sankar Chakraborti	Yes
Shri D. S. Shekhawat	Yes
Shri Ranjan Kumar Mohapatra	Yes
Shri S. K. Gupta	Yes

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 financial year 2019-20:

During the year, 3199 complaints were received and all have been resolved. This includes 3173 complaints for non-receipt of dividends. As on March 31, 2020, no complaints were pending. Further, during the year, 1951 requests for change of address, recording of nomination, issue of duplicate share certificates / dividend warrant, etc. were received, out of which 8 requests were pending as on March 31, 2020 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.

IV. Corporate Social Responsibility & Sustainable Development Committee

The Company's Corporate Social Responsibility (CSR) is guided by its corporate vision of caring for environment and 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 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 of the following members as on March 31, 2020:

1. Shri Rajendra Arlekar, Independent Director - Chairman
2. Shri G. K. Satish, Director (P&BD) - Member
3. Shri Ranjan Kumar Mohapatra, Director (HR) - Member
4. Shri Gurmeet Singh, Director (Marketing) - Member
5. Shri S. K. Gupta, Director (Finance) - Member

The attendance at the 7 meetings of the CSR & SD Committee held during the year 2019-20 is given below:

Name	Meeting held on						
	June 21, 2019	July 31, 2019	September 30, 2019	October 30, 2019	December 20, 2019	January 24, 2020	March 13, 2020
Shri Parindu K. Bhagat (upto December 01, 2019)	Yes	Yes	Yes	Yes	NA	NA	NA
Shri Sankar Chakraborti (upto January 29, 2020)	Yes	Yes	Yes	Yes	Yes	Yes	NA
Shri G. K. Satish	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Ranjan Kumar Mohapatra	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Gurmeet Singh	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri S. K. Gupta	NA	NA	Yes	Yes	Yes	Yes	Yes
Shri Rajendra Arlekar (w.e.f. January 30, 2020)	NA	NA	NA	NA	NA	NA	Yes

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/aboutus/loc_S&CSR_policy.pdf. The CSR Report, as required under the Companies Act, 2013 for the year ended March 31, 2020 is annexed to the Director's Report.

V. Risk Management Committee

The Company has formed a Risk Management Committee to review risk management process involving risk assessment and minimisation procedure as well as to approve the derivative transactions above USD 100 million on 'mark to market' basis.

The Committee comprised of the following members as on March 31, 2020:

1. Shri Sanjiv Singh, Chairman - Chairman of the Committee
2. Shri G. K. Satish, Director (P&BD) - Member
3. Shri Gurmeet Singh, Director (Marketing) - Member
4. Shri S. K. Gupta, Director (Finance) - Member
5. Shri S. M. Vaidya, Director (Refineries) - Member

The attendance at the meeting of the Risk Management Committee held during 2019-20 is given below:

Name of the Director	Meeting held on January 03, 2020
Shri Sanjiv Singh	Yes
Shri G. K. Satish	Yes
Shri Gurmeet Singh	Yes
Shri S. K. Gupta	Yes
Shri S. M. Vaidya	Yes

VI. 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, 2020 is as under:

Sl. No.	Name of Committee	Role and Responsibilities	Members
1.	**Project Evaluation Committee**	To appraise projects costing ₹250 crore and above before the projects are submitted to the Board for approval.	– 2 Independent Directors – Director (Finance) The Committee is headed by an Independent Director.
2.	**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 revival of dealerships / distributorships and to oversee the implementation of IT Strategies of the Company.	– 2 Independent Directors – Director (Refineries) – Director (P&BD) – Director (Finance) – Director (Marketing) The Committee is headed by an Independent Director.
3.	**Deleasing of Immoveable Properties Committee**	To consider Deleasing of Company leased flats / accommodation / immoveable properties.	– Chairman – Director (Finance) – Director (HR) – Director (Marketing) – 1 Government Nominee Director The Committee is headed by the Chairman of the Company.
4.	**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.
5.	**Planning & Projects Committee**	To consider and approve all project proposals above ₹100 crore and upto ₹250 crore.	All Whole-time Directors. The Committee is headed by the Chairman of the Company.
6.	**LNG Sourcing Committee**	To review the terms and condition of LNG sales and Purchase Agreement and recommend the same to Board for approval for purchase of LNG on long term basis.	– Chairman – Director (Finance) – Director (P&BD) – Director (Refineries) The Committee is headed by the Chairman of the Company.
7.	**Dispute Settlement Committee**	To examine and give recommendation on the settlement proposals having financial implication of more than ₹ 25 crore for approval of the Board as per Conciliation Policy of the Company.	– 2 Independent Directors – Director (Finance) – Concerned Functional Director – Co-opt 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 www.iocl.com.

There have been no instances where any recommendation made by any Board Committee has not been accepted by the Board of the Company during the year 2019-20.

4. GENERAL MEETINGS

The Annual General Meeting (AGM) of the Company is held at Mumbai where the Registered Office is situated. The details of the AGM held for the past three years are as under:

	2016-17	2017-18	2018-19
Date & Time	August 29, 2017 10:30 AM	August 29, 2018 10:30 AM	August 28, 2019 10:00 AM
Venue	Hotel Rang Sharda, KC Marg, Bandra Reclamation, Bandra West, Mumbai – 400050	Nehru Centre Auditorium, Discovery of India Building, Worli, Mumbai – 400 018	Nehru Centre Auditorium, Discovery of India Building, Worli, Mumbai – 400 018
No. of Special Resolutions Passed	1	1	1

No Extraordinary General Meeting of the shareholders was held during the year 2019-20.

5. POSTAL BALLOT

No approval of shareholders was sought by means of postal ballot during the year 2019-20.

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing the resolution through Postal Ballot.

6. DISCLOSURES

a. Separate Meeting of Independent Directors

A separate meeting of Independent Directors was held on January 30, 2020 as per provisions of the Companies Act, 2013 and SEBI (LODR).

b. Materially significant related party transactions

The Company has a policy on "Materiality of Related Party Transactions and dealing with Related Party Transactions" (policy on RPT) wherein the threshold limits for related party transactions are also provided. The same has been hosted on the website of the Company and can be accessed at the following link:

https://iocl.com/InvestorCenter/Policy_on_Related_Party_Transactions.pdf

As per the policy on RPT, all related party transactions are approved by the Audit Committee. The Audit Committee had granted omnibus approval for RPT's during 2019-20 in line with the provisions of the Companies Act, 2013, SEBI (LODR) and the policy on RPT. A report on such transactions was submitted to the Audit Committee on 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 www.iocl.com.

c. Material Subsidiaries

The Company has a "Policy for Determining Material Subsidiaries". The same has been hosted on the website of the Company and can be accessed at the following link:

https://iocl.com/InvestorCenter/Policy_on_Material_Subsidiary.pdf

There were no material unlisted subsidiaries during the year 2019-20. The minutes of the Board Meetings of unlisted subsidiaries are submitted to the Board of the Company on periodic basis.

d. Details of non-compliance during the last three years

There were no cases of non-compliance by the Company on any matter related to capital markets during the last three years and no penalties / strictures were enforced on the Company by Stock Exchanges / SEBI or any other statutory authority on any matter related to capital market.

However, during the year, the Company received notices from NSE as well as BSE regarding non-compliance with the provision of Reg. 17(1) of the SEBI (LODR) for the quarter ended June 2019, September 2019, December 2019 & March 2020 and imposition of monetary fine for not having requisite number of Independent Directors (including Woman Independent Director) 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.

e. 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 www.iocl.com.

f. CEO / CFO Certification

The Chairman and Director (Finance) of the Company have given the "CEO / CFO Certification" to the Board.

g. Integrity Pact

The Company has signed a Memorandum of Understanding (MoU) with Transparency International India (TII) in 2008 for implementing Integrity Pact (IP) Program focused on enhancing transparency, probity, equity and competitiveness in its procurement process.

Presently, 3 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 11 meetings of IEM's were held. Based on the above threshold value, 365 tenders came under the purview of IP during the year 2019-20 against which 19 complaints were received which were referred to the IEMs and deliberated.

h. Relationship between Directors

None of the Directors is inter-se related to other Directors of the Company.

i. Details of familiarisation programmes imparted to 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

j. Outstanding GDRs / ADRs / Warrants or any Convertible instruments:

During the year, the Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

k. Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

A detailed disclosure regarding compliance with Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 along with status of complaints received and disposed off during the year is provided in the Directors Report.

l. Fees paid to Statutory Auditors:

An amount of ₹4.27 crore is payable to the Statutory Auditors of the Company for the year 2019-20 towards various services rendered by them to the Company.

m. Quarterly Compliance Report on Corporate Governance

The Company has submitted the quarterly 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 www.iocl.com.

n. Compliance with the mandatory requirements of SEBI (LODR)

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 at least 50% Independent Directors during the period April 01, 2019 to November 05, 2019 and December 02, 2019 to March 31, 2020;
- » composition of the Board of Directors w.r.t. woman independent director for the period April 01, 2019 to November 05, 2019;
- » 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 regular basis to appoint requisite number of Directors to ensure compliance with SEBI (LODR).

o. Adoption of the non-mandatory requirements of SEBI (LODR)

The Statutory Auditors have expressed an un-modified opinion on the Financial Statements for the year 2019-20. The Company has not adopted the other discretionary requirements provided under Schedule II Part E of SEBI (LODR).

p. 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 (n) above.

The details of compliance with the Presidential Directives have been provided in the Directors' Report.

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 top management.

The regular administrative and office expense were 1.98% of total expense during 2019-20 as against 1.53% during the previous year.

q. 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 assess these risks and based on potential of these risks being realized, 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 faced throughout the year:

a. Total estimated exposure of the listed entity to commodities in INR:

The value of total inventory held by the company for Raw Material, Stock in Process, Finished Goods and Stock in Trade as on March 31, 2020 is ₹59,487.37 crores.

b. Exposure of the listed entity 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				
			Domestic Market		International market		Total
	₹ in Crore	In MMT	OTC	Exchange	OTC	Exchange	
Refinery Margin	400	64.369	NIL	NIL	0.40%	NIL	0.40%
Inventory as on March 31, 2020							
– Crude Oil	1,900	9.622	NIL	NIL	NIL	NIL	NIL
– Finished Goods (including Stock in Trade)	3,500	7.488	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 entity 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 favorable 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.

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 Company's website www.iocl.com. 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. News Releases

Official press releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website www.iocl.com.

c. Website

The Company's website www.iocl.com provides a separate section for investors where relevant shareholders information is available. The Annual Report of the Company is also hosted on the Company's website www.iocl.com.

d. Annual Report

Annual Report is circulated to shareholders and others entitled thereto. The Management Discussion and Analysis (MDA) Report and Corporate Governance Report form part of the Annual Report.

e. Chairman's Speech at AGM

The Chairman's speech was distributed to the shareholders at the AGM held on August 28, 2019. The same was also placed on the website of the Company for information of the shareholders residing in various parts of the country.

f. Webcast of AGM proceedings

The Company provided live webcast of the proceedings of the AGM held on August 28, 2019.

g. Investor Service Cell

Investor Service Cell exists at the Registered Office at Mumbai and the Corporate Office at New Delhi to address the grievances / queries of shareholders / debenture holders. To facilitate the investors to raise queries / grievances through electronic mode, the Company has created a separate e-mail ID "investors@indianoil.in". KFin Technologies Pvt. Ltd., Registrar & Transfer Agent (RTA), have offices across the country, wherefrom the queries / grievances of the investors are also addressed.

h. Green initiative – reaching important communication to shareholders through email

The provisions of the Companies Act, 2013 and rules made there under permit paperless communication by allowing service of all documents in electronic mode. Further, the MCA as well as the SEBI in view of the nationwide lockdown has permitted that all communication to shareholders may be served electronically. Accordingly, the Company would send the copy of the Annual Report for the year 2019-20 along with the notice convening the AGM 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 Venue of the Annual General Meeting	Monday September 21, 2020 at 2:30 pm through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020

b. Financial Year:

The Financial Year of the Company was from April 01, 2019 to March 31, 2020. The financial calendar to approve quarterly / annual financial results for the year 2020-21 is given below:

Quarter ending June 30, 2020	On or before August 14, 2020
Quarter ending September 30, 2020	On or before November 14, 2020
Quarter ending December 31, 2020	On or before February 14, 2021
Quarter & year ending March 31, 2021	On or before May 30, 2021

In addition to any other time period notified by the Company Secretary, the Trading Window for dealing in securities of the Company shall remain 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.

c. Dividend:

During the year the Company paid Interim Dividend of ₹4.25 per share in the month of March 2020. No final dividend has been recommended by the Board.

d. Listing of securities on Stock Exchanges:

- The Equity Shares issued by the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (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 BSE and NSE. The Company has appointed SBICAP Trustee Company Limited as 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 financial year 2019-20.

In addition, the Commercial Papers issued by the Company are also listed on the BSE & 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 Ministry of Corporate Affairs (MCA) is **L23201MH1959GOI011388.**

f. Stock Code at BSE : 530965

g. Stock Code at NSE : IOC

h. Demat ISIN Number of Equity Shares at NSDL / CDSL : INE 242A01010

i. 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 financial year 2019-20 are given below:

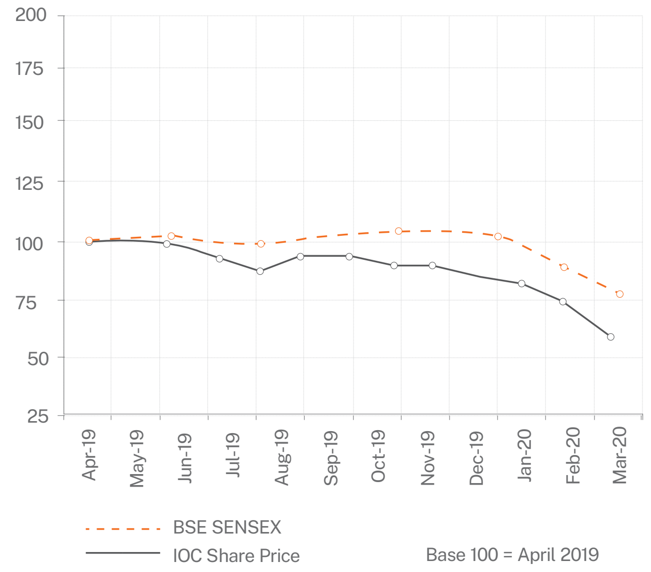
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2019	163.70	147.10	1,12,30,927	163.80	146.85	24,44,73,529
May, 2019	169.00	141.50	1,67,09,212	168.80	141.50	25,99,79,121
June, 2019	170.40	150.95	79,30,941	170.75	150.80	14,77,23,755
July, 2019	157.35	132.00	1,22,93,383	157.50	132.00	44,32,11,809
August, 2019	142.00	116.10	1,50,30,337	141.90	116.25	24,43,00,933
September, 2019	149.40	116.70	1,74,89,912	149.45	116.25	31,57,07,868
October, 2019	156.00	140.05	1,40,30,482	156.00	140.05	25,92,35,735
November, 2019	144.00	128.35	1,10,75,273	144.00	128.35	19,10,08,441
December, 2019	131.75	121.80	64,93,468	131.60	121.85	12,68,78,325
January, 2020	128.25	112.30	1,55,90,152	128.20	111.95	61,14,23,883
February, 2020	118.30	101.00	88,82,334	118.35	100.90	27,75,88,483
March, 2020	112.00	74.55	2,87,23,941	112.90	74.45	42,11,10,489

j. Stock Price Performance in comparison to broad-based indices:

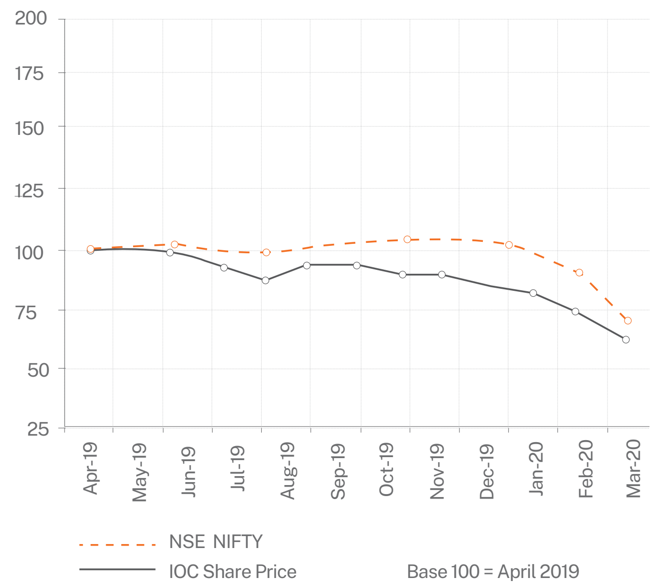
During 2019-20, the share price of the Company opened at ₹163.70 on April 01, 2019 and closed at ₹81.65 on March 31, 2020 on the BSE thereby decreasing by 50.12%. During the same period, the BSE SENSEX opened at 38859 and closed at 29468 thereby decreasing by 24.17%. The NSE NIFTY opened at 11665 and closed at 8598 thereby decreasing by 26.30%.

The relative comparison (on base of 100) of the monthly closing price of the Company's share vis-a-vis BSE SENSEX and NSE NIFTY during 2019-20 are given below:

Relative Movement of IndianOil share closing price vis-a-vis BSE Sensex during 2019-20



Relative Movement of IndianOil share closing price vis-a-vis NSE Nifty during 2019-20



k. Registrar & Transfer Agents (RTA) :

Karvy Fintech Pvt. Ltd. (KFPL) was the Registrar & Transfer Agents (RTA) of the Company. In December, 2019 KFPL informed that the name of the company has been changed to KFin Technologies Pvt. Ltd. (KTPL) with effect from December 05, 2019 to disassociate its name from the Karvy brand. The change in name of the RTA has been intimated to the Stock Exchanges and also updated on the website of the Company. The address for correspondence with the RTA is as given below:

KFin Technologies Private Limited
Selenium Tower B, Plot 31-32,
Gachibowli Financial District, Nanakramguda,
Hyderabad – 500 032

Tel. No.	: (040) 67162222
Toll Free No.	: 1800 3454 001
Fax No.	: (040) 23001153
E-mail Address	: einward.ris@kfintech.com
Website	: www.kfintech.com

l. Share Transfer System:

The shares of the Company are traded in dematerialised form. In compliance with SEBI guidelines, no physical transfer of shares is allowed. In order 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 Pvt. Ltd.

m. Distribution of shareholding as on March 31, 2020:

Sl. No.	Nominal Value of Equity Shares (₹)	No. of Shareholders (Folios)	% of Shareholders	Amount (₹)	% of Amount
1.	1 - 5000	4,97,662	82.29	60,57,12,680	0.64
2.	5001 - 10000	43,784	7.24	33,82,55,500	0.36
3.	10001 - 20000	24,811	4.10	37,08,92,780	0.39
4.	20001 - 30000	11,634	1.92	28,63,53,810	0.30
5.	30001 - 40000	5,489	0.91	19,70,98,790	0.21
6.	40001 - 50000	3,663	0.61	16,96,84,230	0.18
7.	50001 - 100000	7,886	1.30	57,65,86,840	0.61
8.	100001 & above	9,824	1.63	9159,70,04,590	97.31
	Total	**604,753**	**100.00**	**9414,15,89,220**	**100.00**

n. Shareholding Pattern as on March 31, 2020:

Sl. No.	Category	Shareholders (Folios)		Shares	
		No.	%	No.	%
1.	President of India	1	0.00	484,81,33,178	51.50
2.	Governor of Gujarat	1	0.00	1,08,00,000	0.11
3.	Government Company (Oil & Natural Gas Corporation Limited)	1	0.00	133,72,15,256	14.20
4.	Government Company (Oil India Limited)	1	0.00	48,55,90,496	5.16
5.	Corporate Bodies	2175	0.36	3,84,48,174	0.49
6.	FIIs / NRIs / FPIs	8471	1.40	68,74,27,704	7.30
7.	Banks / Indian Financial Institutions	42	0.01	1,99,62,875	0.21
8.	Mutual Funds	140	0.02	57,07,87,741	6.06
9.	Insurance Companies	8	0.00	67,08,15,185	7.13
10.	Public	593247	98.10	41,15,46,884	4.37
11.	Trusts	99	0.02	26,13,34,336	2.78
12.	Investor Education & Protection Fund	1	0.00	32,55,935	0.03
13	Others	566	0.09	6,88,41,158	0.66
	Total	**6,04,753**	**100.00**	**941,41,58,922**	**100.00**

Note:

Till July 20, 2019 President of India (PoI) was holding 491,21,49,459 Equity Shares constituting 52.18% of the total Equity Share Capital. Thereafter on July 21, 2019, the PoI disinvested 6,40,16,281 Equity Shares in favour of CPSE ETF (an exchange traded fund comprising of 11 stocks managed by Reliance Nippon Life Asset Management Company) whereby the PoI holding reduced to 484,81,33,178 Equity Shares constituting 51.50% of the paid up Equity Share Capital.

o. Top 10 shareholders as on March 31, 2020:

Sl. No.	Name	No. of Shares	% To Equity
1.	President of India	484,81,33,178	51.50
2.	Oil & Natural Gas Corporation Limited	133,72,15,256	14.20
3.	Life Insurance Corporation of India	61,04,67,282	6.48
4.	Oil India Limited	48,55,90,496	5.16
5.	IOC Shares Trust	23,31,18,456	2.48
6.	The Prudential Assurance Company Limited	5,06,73,006	0.54
7.	SBI Equity Hybrid Fund	5,00,00,000	0.53
8.	Franklin India Focused Equity Fund	4,74,94,502	0.50
9.	ICICI Prudential Equity & Debt Fund	4,65,35,968	0.49
10.	ICICI Prudential Value Discovery Fund	4,39,76,572	0.47

p. Dematerialisation of Shares and Liquidity:

The shares of the Company are traded in dematerialised form. In order to facilitate the shareholders to dematerialise the 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, 2020 is as under:

Type of Shareholding	Shareholders (Folios)		Shareholding	
	No.	%	No.	%
Physical	3,940	0.65	1,52,09,727	0.16
Demat	6,00,813	99.35	939,89,49,195	99.84
TOTAL	**6,04,753**	**100.00**	**941,41,58,922**	**100.00**

q. Corporate Action:

i. Dividend History :

The Company has been consistently declaring dividends. The dividend paid during the last 10 financial years is given below:

Financial Year	Rate	Remarks
2009-10	130 %	-
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%

ii. Bonus issue since listing of the shares:

Financial Year	Ratio
1999-00	1:1
2003-04	1:2
2009-10	1:1
2016-17	1:1
2017-18	1:1

r. Unclaimed Dividend and shares transferred to 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 unpaid dividend account shall be transferred to the Investor Education and Protection Fund (IEPF) established by Central Government.

The Company annually sends reminder letter 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 ₹97,88,230 /- for the Financial Year 2011-12 was transferred to the IEPF authority on October 23, 2019.

The details of dividend which remains unpaid / unclaimed as on March 31, 2020 are given below:

Year	Amount (₹)
2012-13 (Final)	1,28,40,969.00
2013-14 (Final)	1,43,80,378.00
2014-15 (Final)	1,48,60,447.80
2015-16 (Interim)	1,43,02,497.00
2015-16 (Final)	2,23,81,784.00
2016-17 (1st Interim)	6,14,29,455.00
2016-17 (2nd Interim)	2,21,80,383.50
2016-17 (Final)	57,38,699.00
2017-18 (Interim)	76,583,281.00
2017-18 (Final)	20,051,048.00
2018-19 (1st Interim)	52,619,098.50
2018-19 (2nd Interim)	1,32,65,816.00
2018-19 (Final)	87,32,556.00
2019-20 (Interim)	10,66,33,881.75
Total	**44,60,00,294.25**

The IEPF rules notified by the Ministry of Corporate Affairs further provides that details of all unclaimed / unpaid dividend as on the AGM date shall be filed with the MCA and also hosted on the website of the Company within 90 days from the date of the AGM. Accordingly, the Company has filed the information as on the last AGM date i.e. August 28, 2019 in the prescribed form with the IEPF and also hosted it on Company's website www.iocl.com.

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 Investor Education and Protection Fund. Section 125 further provides that a shareholder whose dividend amount / shares have been transferred to the IEPF shall be entitled to claim refund therefrom.

In line with the IEPF Rules, the Company sends reminder letter to all such shareholders, whose dividend has remained unpaid / unclaimed for a consecutive period of 7 years with a request to claim the dividends, failing which the shares would be transferred to the IEPF Authority on the due date.

Accordingly, all such shares in respect of which dividend had remained unpaid / unclaimed for a consecutive period of 7 years i.e. from 2011-12 to 2018-19, were transferred to the demat account of the IEPF authority on November 12, 2019. The details of such shares are hosted on the website of the Company www.iocl.com.

The summary of shares lying in the demat account of IEPF authority is given below:

Particulars	No. of Shares
Shares in the demat account of IEPF Authority as on April 01, 2019	26,04,902
Add: Shares transferred to demat account of IEPF authority on November 12, 2019	6,74,741
Less: Shares claimed by investors from IEPF authority	23,708
Shares in the demat account of IEPF Authority as on March 31, 2020	32,55,935

The procedure for claiming the unpaid dividend amount and shares transferred to the IEPF Authority is provided on the link: http://www.iepf.gov.in/IEPF/refund.html

s. 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	Baa2*	Negative
Senior unsecured Debt - Foreign Currency	Fitch	BBB-	Stable#
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.

t. Utilisation of funds raised through issue of Non-convertible Debentures

During the year, the Company had issued Unsecured, Rated, Listed, Taxable, Redeemable, Non-Convertible Debentures of ₹10,00,000/-each (NCDs) amounting to ₹7,995 crore on private placement basis. The funds raised through issuance of NCDs have been utilised for funding the capital expenditure including recoupment of expenditure already incurred.

u. Plant locations:

The addresses of the plant locations are given 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
E-mail ID : investors@indianoil.in

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, 2020, 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, 2020 as well as guidelines issued by the DPE except for the following:

a. Regulation 17(1)(a) of the SEBI LODR with regard to appointment of Independent woman director for the period April 01, 2019 to November 05, 2019.

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 period April 01, 2019 to November 05, 2019 and December 02, 2019 to March 31, 2020.

c. In view of exemption provided to Government Companies, vide notification dated June 05, 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:20091007AAAABJ4033** **New Delhi**	**Sd/-** **(Vishal P. Doshi)** Partner **M. No. 101533** **UDIN: 20101533AAAACN1843** **Vadodara**	**Sd/-** **(Shrenik Mehta)** Partner **M. No. 063769** **UDIN: 20063769AAAABA2932** **Kolkata**	**Sd/-** **(Aniruddha Sengupta)** Partner **M. No. 051371** **UDIN: 20051371AAAABG4289** **Kolkata**

Date: July 24, 2020

Work ongoing on one of the longest product pipeline in India, Paradip Hyderabad Pipeline.

STANDALONE FINANCIAL STATEMENTS 2019-20

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' 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, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the 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, 2020, and profit, total 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 SAs 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 there under, 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.

Emphasis of Matter

We invite attention to Note No. 48 (12) of the standalone financial statements which describes the impact of COVID-19- a global pandemic on the operations and financial matters of the Company.

Our opinion is not modified in respect of this matter.

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 realizable value of the assets retired from active use; the appropriateness of assets 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 outcomes 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 where 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

Key Audit Matter:

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.

Auditors' response:

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 capitalization 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.

Receivables from Airlines Customers

Key Audit Matter:

The Company has trade receivables from certain airlines. The increasing challenges over the economy and operating environment in the airline industry during the year have increased the risks of default on receivables from the Company's airline customers if they fail to meet their contractual obligations in accordance with the contracts.

The management has determined and assessed that these amounts are good of recovery considering the dues receivable from a government airline company and financial bank guarantees received from private airlines covering the amount due.

Considering the materiality of the amount involved, we considered this as a key audit matter for our audit.

Auditors' response:

Our audit procedures included:

- Testing the management's judgment with respect to recoverability of the dues from airline companies;
- Perusing the confirmations from/reconciliations with the airline customers indicating that there are no material discrepancies or disputes;
- Perusing the financial bank guarantees received from private airlines covering the amount due from them.

Key Audit Matters

Auditors' response to Key Audit Matters

Adoption of Ind AS 116 "Leases"

Key Audit Matter:

The Company has adopted Ind AS 116 "Leases" in the current year. The application and transition to this Ind AS is complex and was an area of focus in our audit since the Company has a large number of leases with different contractual terms.

Adoption of this standard involves judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures.

Considering the materiality and significance of this item in overall context of the standalone financial statements, this has been considered as a key audit matter.

Auditors' response:

Our audit procedures in response to this key audit matter included among others:

- Assessed and tested new processes and controls in respect of the adoption of Ind AS 116;
- Assessed company's evaluation on the identification of leases based on the contractual terms and nature of leases by testing a sample of contracts;
- Evaluated the method of transition and related adjustments;
- Tested completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities;
- Evaluated the reasonableness of the discount rates applied in determining the lease liabilities;
- Verified correctness of the recognition and measurement of Right of Use Assets and lease liabilities;
- Evaluated the appropriateness of permitted practical expedients applied and exemptions availed;

  Evaluated the reasonableness and completeness of presentation and disclosures relating to Ind AS 116.

Exceptional Item –write down of inventories to Net Realisable Value

Key Audit Matter:

The Company is consistently valuing its inventories at Cost or Net Realizable Value (NRV) whichever is lower. On account of unprecedented situation of lockdown from March 25, 2020 precipitated by the outbreak of COVID-19 pandemic, and consequent significant decline in demand for petroleum products, the company has, as a onetime measure, considered a longer time period Net realizable value ("NRV") than its usual regular practice in respect thereof for better estimation of NRV considering the most reliable evidence available in line with the provisions of Ind AS 2 "Inventories". As a result, the write down in inventories' value amounting to ₹11,304.64 crore has been recognised as exceptional item in the Statement of Profit and Loss.

Considering the materiality and significance of this item in overall context of the standalone financial statements, this has been considered as a key audit matter.

Auditors' response:

Our audit procedures in response to this key audit matter included among others:

- Considered the impact COVID-19 that weighed on inventory valuation;
- Assessed the Company's determination of Net Realizable Value (NRV) as per Ind AS 2 " Inventories";
- Compared the net realisable value (NRV) with cost of inventories appearing as on March 31, 2020;
- Determined the correctness of the computation of amount written down from the value of inventories;
- Tested the appropriateness of management's assertion to treat Inventories' write down to Net Realizable Value (NRV), as an exceptional item and evaluated the reasonableness and completeness of presentation and disclosures.

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 Indian Accounting Standards specified under section 133 of the Act and the other accounting principles generally accepted in India. 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 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 Company has adequate internal financial controls with reference to Financial Statement 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

a) We did not audit the standalone financial statements of one Branch included in the standalone financial statements of the Company whose financial statements reflect total assets of **₹959.72 crore** as at March 31, 2020 and total revenues of **₹29.50 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 **₹652.92 crore** and liabilities **₹149.30 crore** as at March 31, 2020 and total revenue of **₹154.87 crore** and total net profit before tax of **₹86.68 crore** for the year ended on that date and elements making 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 25 joint operations (out of which 10 block 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 categorization 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.

b) The standalone financial statements of the Company for the year ended March 31, 2019 were audited by joint auditors of the Company three of whom were the predecessor audit firms, and they have expressed an unmodified opinion vide their report dated May 17, 2019 on such standalone financial statements.

   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 1" 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 2" 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 3".

h) 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 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.	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)**	**(Shrenik Mehta)**	**(Aniruddha Sengupta)**
Partner	Partner	Partner	Partner
M. No. 091007	**M. No. 101533**	**M. No. 063769**	**M. No. 051371**
UDIN:	**UDIN:**	**UDIN:**	**UDIN:**
20091007AAAABF8966	**20101533AAAABU3517**	**20063769AAAAAO3933**	**20051371AAAABA7360**
New Delhi	**Vadodara**	**Kolkata**	**Kolkata**

Date: June 24, 2020

ANNEXURE 1 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, 2020

(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	18	407.52	407.52
Freehold Building	7	5.58	4.81
ROU assets			
Leasehold Land	109	586.91	499.42
Leasehold Building	1	20.42	19.73

(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 has complied with the provisions of Section 185 and Section 186 of the Act, with respect to the loans, investments, guarantees and securities.

(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 and no deposits are outstanding at the yearend 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) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, value added tax, service tax, duty of custom, duty of excise, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on March 31, 2020 for a period of more than six months from the date they became 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 him.

(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.	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)**	**(Shrenik Mehta)**	**(Aniruddha Sengupta)**
Partner	Partner	Partner	Partner
M. No. 091007	**M. No. 101533**	**M. No. 063769**	**M. No. 051371**
UDIN:	**UDIN:**	**UDIN:**	**UDIN:**
20091007AAAABF8966	**20101533AAAABU3517**	**20063769AAAAAO3933**	**20051371AAAABA7360**
New Delhi	**Vadodara**	**Kolkata**	**Kolkata**

Date: June 24, 2020

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 (Flinancial Years)
1	CENTRAL EXCISE ACT, 1944	CENTRAL EXCISE	Supreme Court	49.12	10.00	39.12	1989 to 2007
			High Court	263.95	0.38	263.57	1996 to 2016
			Tribunal	1,914.87	22.38	1,892.49	1980 to 2017
			Revisionary Authority	14.50	0.05	14.45	2006 to 2017
			Appellate Authority (Below Tribunal)	1,617.60	4.68	1,612.92	1992 to 2018
			Total	**3,860.04**	**37.49**	**3,822.55**	
2	CUSTOMS ACT, 1962	CUSTOMS DUTY	Supreme Court	15.71	2.00	13.71	1998 to 2001
			High Court	3.94	2.05	1.89	1997 to 2002
			Tribunal	55.79	0.02	55.77	1991 to 2006
			Revisionary Authority	0.13	0.01	0.12	2010-11
			Appellate Authority (Below Tribunal)	19.81	0.14	19.67	1998 to 2015
			Total	**95.38**	**4.22**	**91.16**	
3	SALES TAX/ VAT LEGISLATIONS	SALES TAX/ VAT/ TURNOVER TAX	Supreme Court	62.43	18.57	43.86	1986 to 2019
			High Court	620.16	16.09	604.07	1978 to 2017
			Tribunal	3,101.54	931.47	2,170.07	1984 to 2020
			Revisionary Authority	425.82	94.19	331.63	1979 to 2011
			Appellate Authority (Below Tribunal)	1,440.15	163.40	1,276.75	1989 to 2019
			Total	**5,650.10**	**1,223.72**	**4,426.38**	
4	INCOME TAX ACT, 1961	INCOME TAX	High Court	427.57	426.44	1.13	1986 to 2012
			Tribunal	1,712.27	1,381.88	330.39	2003 to 2014
			Appellate Authority (Below Tribunal)	5,328.48	817.51	4,510.97	2004 to 2020
			Total	**7,468.32**	**2,625.83**	**4,842.49**	
5	FINANCE ACT, 1994	SERVICE TAX	Tribunal	295.26	0.36	294.90	2006 to 2016
			Appellate Authority (Below Tribunal)	205.75	0.20	205.55	2006 to 2017
			Total	**501.01**	**0.56**	**500.45**	

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 (Flinancial Years)
6	STATE LEGISLATIONS	ENTRY TAX	Supreme Court	3.08	-	3.08	1991 to 2002
			High Court	5,650.63	99.26	5,551.37	1999 to 2017
			Tribunal	40.18	28.27	11.91	1999 to 2015
			Revisionary Authority	6.13	4.92	1.21	2012 to 2015
			Appellate Authority (Below Tribunal)	17.85	4.83	13.02	1998 to 2015
			Total	**5,717.87**	**137.28**	**5,580.59**	
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	12.29	-	12.29	1998 to 2019
			High Court	46.25	-	46.25	2001 to 2002
			Appellate Authority (Below Tribunal)	39.78	-	39.78	2009 to 2017
			Total	**98.32**	-	**98.32**	
			GRAND TOTAL	**23,391.13**	**4,029.19**	**19,361.94**	

Note: Dues include penalty and interest, wherever applicable.

ANNEXURE 2 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	The Company has been regular in discharging its principal and interest obligations on various loans during 2019-20. 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 for specific schemes from central/state agencies were properly accounted for /utilized as per its term and conditions? List the cases of deviation.	The Company has properly accounted for/utilized funds received/receivable for specific schemes from central/state agencies 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)**	**(Shrenik Mehta)**	**(Aniruddha Sengupta)**
Partner	Partner	Partner	Partner
M. No. 091007	**M. No. 101533**	**M. No. 063769**	**M. No. 051371**
UDIN: 20091007AAAABF8966	**UDIN: 20101533AAAABU3517**	**UDIN: 20063769AAAAAO3933**	**UDIN: 20051371AAAABA7360**
New Delhi	**Vadodara**	**Kolkata**	**Kolkata**

Date: June 24, 2020

ANNEXURE 3 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, 2020

Report on the Internal Financial Controls 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 financial statements of Indian Oil Corporation Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to 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 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 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 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 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 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 financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to 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 control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020 based on the internal financial control with reference to 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 Matters

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 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:** **20091007AAAABF8966** **New Delhi**	Sd/- **(Vishal P. Doshi)** Partner **M. No. 101533** **UDIN:** **20101533AAAABU3517** **Vadodara**	Sd/- **(Shrenik Mehta)** Partner **M. No. 063769** **UDIN:** **20063769AAAAAO3933** **Kolkata**	Sd/- **(Aniruddha Sengupta)** Partner **M. No. 051371** **UDIN:** **20051371AAAABA7360** **Kolkata**

Date: June 24, 2020

STANDALONE FINANCIAL STATEMENTS

BALANCE SHEET AS AT MARCH 31, 2020

(₹ in Crore)

Particulars	Note No.	March 31, 2020	March 31, 2019
ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	2	**1,31,752.76**	1,17,331.22
b) Capital Work-in-Progress	2.1	**28,134.10**	22,160.52
c) Intangible Assets	3	**1,929.04**	1,376.61
d) Intangible Assets Under Development	3.1	**1,603.65**	1,438.44
e) Financial Assets			
i) Investments	4		
Equity investment in Subsidiaries, Joint Ventures and Associates		**17,578.24**	17,956.51
Other Investments		**13,473.93**	23,465.37
ii) Loans	5	**3,241.87**	2,292.17
iii) Other Financial Assets	6	**285.12**	205.66
f) Income Tax Assets (Net)	7	**4,186.76**	1,347.85
g) Other Non-Current Assets	8	**2,863.07**	3,903.38
		2,05,048.54	**1,91,477.73**
Current Assets			
a) Inventories	9	**63,677.62**	71,470.38
b) Financial Assets			
i) Investments	4	**8,086.39**	8,518.09
ii) Trade Receivables	10	**12,844.09**	15,457.83
iii) Cash and Cash Equivalents	11	**535.56**	38.31
iv) Bank Balances other than above	12	**53.58**	49.34
v) Loans	5	**1,069.67**	1,364.74
vi) Other Financial Assets	6	**15,629.76**	21,337.08
c) Current Tax Assets (Net)	7	**66.28**	486.60
d) Other Current Assets	8	**3,841.46**	3,985.52
		1,05,804.41	**1,22,707.89**
Assets Held for Sale	13	**237.61**	227.40
		1,06,042.02	**1,22,935.29**
TOTAL ASSETS		**3,11,090.56**	**3,14,413.02**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	14	**9,181.04**	9,181.04
b) Other Equity	15	**84,587.83**	99,476.47
		93,768.87	**1,08,657.51**

STANDALONE FINANCIAL STATEMENTS

BALANCE SHEET AS AT MARCH 31, 2020

(₹ in Crore)

Particulars	Note No.	March 31, 2020	March 31, 2019
LIABILITIES			
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	16	**49,250.64**	34,666.36
ii) Other Financial Liabilities	17	**789.58**	616.03
b) Provisions	18	**919.05**	883.66
c) Deferred Tax Liabilities (Net)	19	**11,413.14**	15,823.07
d) Other Non-Current Liabilities	20	**2,042.48**	1,598.09
		64,414.89	**53,587.21**
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	21	**63,486.08**	48,593.55
ii) Trade Payables	22		
A. Total outstanding dues of Micro and Small Enterprises		**232.47**	235.24
B. Total outstanding dues of creditors other than Micro and Small Enterprises		**25,019.11**	37,147.35
iii) Other Financial Liabilities	17	**42,550.71**	43,973.77
b) Other Current Liabilities	20	**12,050.96**	12,080.50
c) Provisions	18	**9,567.47**	10,137.89
		1,52,906.80	**1,52,168.30**
TOTAL EQUITY AND LIABILITIES		**3,11,090.56**	**3,14,413.02**
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/-
(Sanjiv Singh)	**(S.K. Gupta)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN-05280701	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)**	**(Shrenik Mehta)**	**(Aniruddha Sengupta)**
Partner	Partner	Partner	Partner
M. No. 091007	**M. No. 101533**	**M. No. 063769**	**M. No. 051371**

Place: New Delhi
Dated: 24 June 2020

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crore)

Particulars	Note No.	2019-2020	2018-2019
I. Revenue From Operations	23	5,66,949.64	6,05,932.34
II. Other Income	24	3,571.39	3,128.51
III. Total Income (I+II)		5,70,521.03	6,09,060.85
IV. Expenses:			
Cost of Material Consumed	25	2,47,077.03	2,69,679.61
Excise Duty [Includes ₹ **77048.34 crore** (2019: ₹ 76950.54 crore) included in Revenue from Operations]		80,693.19	78,231.08
Purchases of Stock-in-Trade		1,78,535.49	1,79,055.50
Changes in Inventories of Finished Goods, Stock-in-trade and Stock-In Process	26	(6,410.43)	(3,011.13)
Employee Benefits Expense	27	8,792.65	11,102.17
Finance Costs	28	5,979.45	4,311.03
Depreciation and Amortization on :			
a) Tangible Assets		8,631.73	7,410.58
b) Intangible Assets		134.37	103.71
		8,766.10	7,514.29
Net Loss on de-recognition of financial assets at amortised cost		5.73	3.29
Other Expenses	29	39,471.29	37,048.09
Total Expenses (IV)		5,62,910.50	5,83,933.93
V. Profit / (Loss) before Exceptional Items and Tax (III-IV)		7,610.53	25,126.92
VI. Exceptional Items (Refer Point No. 9 of Note - 48)		(11,304.64)	-
VII. Profit / (Loss) before Tax (V+VI)		(3,694.11)	25,126.92
VIII. Tax Expense (Refer Point No. 10 of Note - 48) :			
Current Tax		(165.89)	5,100.94
[includes (₹ 262.89) crore (2019: ₹ 25.06 crore) relating to prior years]			
Deferred Tax		(4,841.45)	3,131.83
[includes (₹ 770.05) crore {2019: (₹ 544.62) crore} relating to prior years]			
IX. Profit / (Loss) For The Year (VII-VIII)		1,313.23	16,894.15
X. Other Comprehensive Income:	30		
A (i) Items that will not be reclassified to profit or loss		(11,056.28)	(1,982.05)
A (ii) Income Tax relating to items that will not be reclassified to profit or loss		165.33	(463.51)
B (i) Items that will be reclassified to profit or loss		647.98	155.25
B (ii) Income Tax relating to items that will be reclassified to profit or loss		(166.35)	(34.11)
XI. Total Comprehensive Income for the Year (IX+X) (Comprising Profit/ (Loss) and Other Comprehensive Income for the Year)		(9,096.09)	14,569.73

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crore)

Particulars	Note No.	2019-2020	2018-2019
XII. Earnings per Equity Share (₹):	32		
(1) Basic		1.43	17.89
(2) Diluted		1.43	17.89
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/-
(Sanjiv Singh)	**(S.K. Gupta)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN - 05280701	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)**	**(Shrenik Mehta)**	**(Aniruddha Sengupta)**
Partner	Partner	Partner	Partner
M. No. 091007	**M. No. 101533**	**M. No. 063769**	**M. No. 051371**

Place: New Delhi
Dated: 24 June 2020

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crore)

	Particulars	2019-2020		2018-2019	
A	Cash Flow from Operating Activities				
1	Profit / (Loss) before Tax		(3,694.11)		25,126.92
2	Adjustments for :				
	Depreciation and Amortisation	8,766.10		7,514.29	
	Loss/(Profit) on sale of Assets (net)	93.94		152.87	
	Loss/(Profit) on sale of Investments (net)	-		1.60	
	Amortisation of Capital Grants	(134.30)		(99.99)	
	Provision for Probable Contingencies (net)	(1,353.49)		(1,492.97)	
	MTM Loss/(gain) arising on financial assets/liabilities as at fair value through profit and loss	59.11		2.77	
	Unclaimed / Unspent liabilities written back	(155.27)		(312.03)	
	Fair value Gain on Investment/ Provision on investment (net)	1,114.99		(1.60)	
	Bad Debts, Advances & Claims written off	11.98		9.07	
	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores (net)	(599.54)		1,025.82	
	MTM Loss/(Gain) on Derivatives	170.58		66.82	
	Foreign Currency Monetary Item Translation	28.92		148.39	
	Difference Account				
	Remeasurement of Defined Benefit Plans thru OCI	(154.40)		(64.40)	
	Interest Income	(1,917.23)		(1,696.41)	
	Dividend Income	(1,592.02)		(1,348.63)	
	Finance costs	5,979.45		4,311.03	
	Amortisation of Fair Value difference in Financial Instruments	291.07		55.72	
			10,609.89		8,272.35
3	Operating Profit before Working Capital Changes (1+2)		6,915.78		33,399.27
4	Change in Working Capital (excluding Cash & Cash Equivalents):				
	Trade Receivables & Other Assets	8,945.28		(12,478.68)	
	Inventories	7,777.39		(6,176.09)	
	Trade Payables & Other Liabilities	(13,192.37)		3,136.83	
	Change in Working Capital		3,530.30		(15,517.94)
5	Cash Generated From Operations (3+4)		10,446.08		17,881.33
6	Less : Taxes paid		1,806.72		5,459.53
7	**Net Cash Flow from Operating Activities (5-6)**		**8,639.36**		**12,421.80**
B	Cash Flow from Investing Activities:				
	Proceeds from sale of Property, plant and equipment / Transfer of Assets	697.39		1,068.32	
	Purchase of Property, Plant and Equipment	(11,678.00)		(6,985.67)	
	Expenditure on Construction Work in Progress	(18,716.35)		(15,370.74)	
	Proceeds from sale of financial instruments (other than working capital)	-		500.00	
	Investment in subsidiaries	(89.95)		(2,516.47)	
	Purchase of Other Investments	(735.67)		(513.43)	
	Receipt of government grants (Capital Grant)	22.34		10.20	
	Interest Income received on Investments	2,030.79		1,687.70	
	Dividend Income on Investments	1,592.02		1,348.63	
	Net Cash Generated/(Used) in Investing Activities:		**(26,877.43)**		**(20,771.46)**

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crore)

	Particulars	2019-2020		2018-2019	
C	Net Cash Flow From Financing Activities:				
	Proceeds from Long-Term Borrowings (Including Lease Obligations)	18,352.92		18,758.99	
	Repayments of Long-Term Borrowings (Including Lease Obligations)	(3,406.11)		(2,356.61)	
	Proceeds from/(Repayments of) Short-Term Borrowings	14,892.53		11,785.52	
	Interest paid	(5,301.72)		(3,775.27)	
	Dividend/Dividend Tax paid	(5,802.30)		(11,635.34)	
	Utilised for Issue of Bonus Shares/ Buy Back (including expenses)	-		(4,442.80)	
	Net Cash Generated/(Used) from Financing Activities:		18,735.32		8,334.49
D	Net Change in Cash & Cash Equivalents (A+B+C)		497.25		(15.17)
E1	Cash & Cash Equivalents as at end of the year		535.56		38.31
	Less:				
E2	Cash & Cash Equivalents as at the beginning of year		38.31		53.48
	NET CHANGE IN CASH & CASH EQUIVALENTS (E1 - E2)		**497.25**		**(15.17)**

Notes:

1. Net Cash Flow From Financing Activities includes following non-cash changes:

Particulars	2019-2020	2018-2019
(Gain)/ Loss due to changes in exchange rate	953.87	(391.32)
Increase in Lease liabilities due to new leases	4,927.41	55.11
Total	5,881.28	(336.21)

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/-
(Sanjiv Singh)	**(S.K. Gupta)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN - 05280701	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)**	**(Shrenik Mehta)**	**(Aniruddha Sengupta)**
Partner	Partner	Partner	Partner
M. No. 091007	**M. No. 101533**	**M. No. 063769**	**M. No. 051371**

Place: New Delhi
Dated: 24 June 2020

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2020

A Equity Share Capital

(₹ in Crore)

	March 31, 2020	March 31, 2019
Balance at the beginning of the year	9,181.04	9,478.69
Changes in during the year		
Shares bought back	-	(297.65)
Balance at the end of the year	**9,181.04**	**9,181.04**

B Other Equity

(₹ in Crore)

	Reserves and Surplus								Items of Other Comprehensive Income			
	Retained Earnings	Bond Redemption Reserve	Capital Redemption Reserve	Capital Reserve	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
Opening Balance as at April 01, 2018	**78,998.89**	**2,952.48**	-	**183.08**	**223.48**	**53.72**	-	**(45.77)**	**18,475.86**	**(149.41)**	-	**1,00,692.33**
Profit / (Loss) for the Year	16,894.15	-	-	-	-	-	-	-	-	-	-	16,894.15
Other Comprehensive Income	(41.90)*	-	-	-	-	-	-	-	(2,403.66)	105.46	15.68	(2,324.42)
Total Comprehensive Income	**16,852.25**	-	-	-	-	-	-	-	**(2,403.66)**	**105.46**	**15.68**	**14,569.73**
Transfer from Bond Redemption Reserve	430.46	(430.46)	-	-	-	-	-	-	-	-	-	-
Utilized for Issue of Bonus Shares/ Buy Back including expenses (net of tax)	(4,442.80)	-	297.65	-	-	-	-	-	-	-	-	(4,145.15)
Appropriation towards Interim Dividend	(7,775.62)	-	-	-	-	-	-	-	-	-	-	(7,775.62)
Appropriation towards Final Dividend	(1,895.88)	-	-	-	-	-	-	-	-	-	-	(1,895.88)
Appropriation towards Dividend Distribution Tax	(1,985.29)	-	-	-	-	-	-	-	-	-	-	(1,985.29)
Appropriation towards Insurance Reserve (Net)	(17.61)	-	-	-	17.61	-	-	-	-	-	-	-
Appropriation towards Bond Redemption Reserve	(630.62)	630.62	-	-	-	-	-	-	-	-	-	-
Appropriation towards Corporate Social Responsibility Reserve (net)	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	-	-	-	-	-	-	-	(138.40)	-	-	-	(138.40)
FCMITDA amortised during the year	-	-	-	-	-	-	-	148.39	-	-	-	148.39
Transferred to Statement of Profit and Loss (recycling)	-	-	-	-	-	-	-	-	-	-	6.36	6.36
Closing Balance as at March 31, 2019	**79,533.78**	**3,152.64**	**297.65**	**183.08**	**241.09**	**53.72**	-	**(35.78)**	**16,072.20**	**(43.95)**	**22.04**	**99,476.47**

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2020

(₹ in Crore)

	Reserves and Surplus				Reserves and Surplus				Items of Other Comprehensive Income			
	Retained Earnings	Bond Redemption Reserve	Capital Redemption Reserve	Capital Reserve	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
Profit / (Loss) for the Year	1,313.23	-	-	-	-	-	-	-	-	-	-	1,313.23
Other Comprehensive Income	(115.54)*	-	-	-	-	-	-	-	(10,775.41)	435.62	46.01	(10,409.32)
Total Comprehensive Income	**1,197.69**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(10,775.41)**	**435.62**	**46.01**	**(9,096.09)**
Transfer from Bond Redemption Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Utilized for Issue of Bonus Shares/ Buy Back including expenses (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation towards Interim Dividend	(3,902.09)	-	-	-	-	-	-	-	-	-	-	(3,902.09)
Appropriation towards Final Dividend	(918.25)	-	-	-	-	-	-	-	-	-	-	(918.25)
Appropriation towards Dividend Distribution Tax	(985.94)	-	-	-	-	-	-	-	-	-	-	(985.94)
Appropriation towards Insurance Reserve (Net)	(20.00)	-	-	-	20.00	-	-	-	-	-	-	-
Appropriation towards Corporate Social Responsibility Reserve (net)	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	-	-	-	-	-	-	-	6.86	-	-	-	6.86
FCMITDA amortised during the year	-	-	-	-	-	-	-	28.92	-	-	-	28.92
Transferred to Statement of Profit and Loss (recycling)	-	-	-	-	-	-	-	-	-	-	(22.05)	(22.05)
Closing Balance as at March 31, 2020	**74,905.19**	**3,152.64**	**297.65**	**183.08**	**261.09**	**53.72**	**-**	**-**	**5,296.79**	**391.67**	**46.00**	**84,587.83**

* Remeasurement of Defined Benefit Plans

For and on Behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(Sanjiv Singh)	**(S.K. Gupta)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN - 05280701	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)**	**(Shrenik Mehta)**	**(Aniruddha Sengupta)**
Partner	Partner	Partner	Partner
M. No. 091007	**M. No. 101533**	**M. No. 063769**	**M. No. 051371**

Place: New Delhi
Dated: 24 June 2020

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, 2020.

The Company is a public limited company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchange and National Stock Exchangein India. The registered office of the Company is located at IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai.

IOCL is India's Maharatna national oil company with business interests straddling the entire hydrocarbon value chain – from Refining, Pipeline Transportation and Marketing of Petroleum Products to Research & Development, Exploration & Production, Marketing of Natural Gas and Petrochemicals.

Information on other related party relationships of the Company is provided in Note-37.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors passed in its meeting held on June 24, 2020.

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 Crores (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 capitalized until the asset is ready for use and includes borrowing cost capitalized in accordance with the Company's accounting policy.

2.1.2 The cost of an item of PPE is recognized 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 recognized 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 capitalized when they meet the definition of PPE, i.e., when the Company intends to use these during more than a period of 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 recognized as assets.

2.1.6 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 capitalized. 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 Financing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized on quarterly basis up to the date of capitalization.

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

2.2.3 Financing cost, if any, incurred on General Borrowings used for projects is capitalized 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

2.3.1 Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets and amortized on a straight line basis over the life of the underlying plant/ facility.

2.3.2 Expenditure incurred on Research & Development, other than on capital account, is 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 their 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 recognized as an asset when all the recognition criteria are met. However, all other internally generated intangibles including research cost are not capitalized and the related expenditure is recognized 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 recognized as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

2.4 Depreciation/Amortization

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 equipments), 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 earlier,

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 earlier and

f) In other cases Spare Parts etc. useful life (2-30 years) is considered based on the technical assessment

Depreciation/ Amortization is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalization/ 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 based on the class of assets except

a) In case of LPG cylinder and pressure regulator, residual value is considered maximum at 15%

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.

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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 capitalization. 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 derecognized 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 recognized 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 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 recognized 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

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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. 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 are 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 Ind AS 115 Revenue 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 recognized 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 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 costs that are attributable to the acquisition or construction of the qualifying asset are capitalized 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.

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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 (a) 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, as the case may be, except those relating to long-term foreign currency loans as mentioned in Para (b) (i) below.

(b) (i) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016:

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 . In other cases, exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long-term foreign currency loan by recognising as gain or loss in the Statement of Profit and Loss.

(ii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1,2016:

The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 are recognized in the Statement of Profit and Loss as exchange fluctuations or as finance costs to the extent regarded as an adjustment to borrowing costs.

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 realizable value, whichever is lower.

7.1.2 Stock in Process is valued at raw materials cost plus conversion cost as applicable or net realizable value, whichever is lower.

7.1.3 Crude oil in Transit is valued at cost or net realizable 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 realizable 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 realizable 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 recognized 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 are reviewed annually and adjusted as appropriate. Changes in the estimated future cost or in the discount rate applied are added to or deducted from 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 recognized 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 on capital account 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.

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 recognizes 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 commodity 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

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Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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 recognizes 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 recognize the revenue on net basis

9.2 Other claims are recognized 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.

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, 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 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 occur. 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 are 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

Net interest is calculated by applying the discountrate 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 recognized 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 reckoned 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.

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.

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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 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 recognized 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

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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 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 amortized.

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 recognized 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. 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

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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 recognized in the Other Comprehensive Income (OCI). However, the Company recognizes 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**

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 recognized 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 categorization as at amortized 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 recognized 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 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

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) recognized during the period is recognized 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 amortized 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 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

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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 recognized less cumulative income recognized 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 designates certain foreign exchange forward contracts for hedging foreign currency risk of recognized foreign currency loans and liabilities. The Company also undertakes commodity forwards as hedge instruments for commodity price risks (margin) for highly probable forecast sale transactions. 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 recognized 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 recognized 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 recognized 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 recognized 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

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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 **Derivate 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

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.

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

III. New Standards/ amendments and other changes effective April 1,2019

Ind AS 116, Leases

The Company has adopted this Ind AS w.e.f April 1, 2019. The effect of this standard along with relevant disclosures are provided in Note-36.

Amendments to Ind AS 12, Income taxes Appendix C - Uncertainty over Income Tax Treatment

The Company has adopted the amendments w.e.f April 1, 2019. The impact of this amendment is not material.

Amendment to Ind AS 19 –Employee Benefits relating to Plan amendment, curtailment or settlement

The Company has adopted the amendments w.e.f April 1, 2019. As there is no major change in employee benefit plans , the effect of this amendment is not material.

Amendment to Ind AS 23, Borrowing Costs

The Company has adopted the amendments w.e.f April 1, 2019. The effect of this amendment 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, 2020 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 recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

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 capitalized 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.

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 securtities 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 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 39 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

NOTES TO FINANCIAL STATEMENTS

Note – 1B : SIGNIFICANT ACCOUNTING ESTIMATES & JUDGEMENTS

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	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	Total
		(Refer A&F)	(Refer A&F)	(Refer B&F)								(Refer J)	
GROSS BLOCK	**Gross Block as at April 1, 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 1, 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**

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	Total
GROSS BLOCK	**Gross Block as at April 1, 2018**	**2,846.26**	**287.34**	**11,553.44**	**1,12,687.61**	**1,063.08**	**57.00**	**529.87**	**142.36**	**1,118.95**	**178.23**	**-**	**1,30,464.14**
	Additions during the year	162.36	111.35	274.56	5,626.22	382.42	9.29	47.33	0.74	27.11	-	-	6,641.38
	Transfers from construction work-in-progress	-	20.81	1,631.16	4,553.59	119.03	0.45	50.47	21.04	86.49	17.68	-	6,500.72
	Disposals/ Deductions / Transfers / Reclassifications	(46.29)	(8.93)	(104.04)	(1,079.80)	(129.82)	(3.53)	(10.68)	0.03	(0.53)	-	-	(1,383.59)
	Gross Block as at March 31, 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**
DEPRECIATION & AMORTISATION	**Depreciation & Amortisation as at April 1, 2018**	**-**	**17.69**	**1,703.20**	**14,988.59**	**526.91**	**20.12**	**179.94**	**27.43**	**110.33**	**2.28**	**-**	**17,576.49**
	Depreciation & Amortisation during the year (Refer D)	-	4.87	636.36	6,398.00	234.20	7.05	68.18	10.15	46.69	13.30	-	7,418.80
	Disposals/ Deductions / Transfers / Reclassifications	-	(8.67)	(21.54)	(34.55)	(35.96)	(2.26)	1.27	(2.15)	-	-	-	(103.86)
	Depreciation & Amortisation as at March 31, 2019	**-**	**13.89**	**2,318.02**	**21,352.04**	**725.15**	**24.91**	**249.39**	**35.43**	**157.02**	**15.58**	**-**	**24,891.43**
	Net Block as at March 31, 2019	**2,962.33**	**396.68**	**11,037.10**	**1,00,435.58**	**709.56**	**38.30**	**367.60**	**128.74**	**1,075.00**	**180.33**	**-**	**1,17,331.22**

Note - 2 : "PROPERTY, PLANT AND EQUIPMENT" (Contd...)

A. i) Freehold Land includes **₹ 22.38 crore** (2019: ₹ 22.13 crore) lying vacant due to title disputes/ litigation.

ii) Out of the Freehold land measuring 1,364.01 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 latter quashed by subsequent High Court order dated December 18, 2019. The process of recovery of amount as per subsequent High Court order is initiated and shall be adjusted with land cost on actual recovery if any.

B. i) Buildings include **₹ 0.01 crore** (2019: ₹ 0.01 crore) towards value of **1605** (2019: 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 **₹ 3,547.27 crore** (2019: ₹ 2,945.52 crore) and net block amounting to **₹ 2,072.21 crore** (2019: ₹ 1,809.30 crore).

C. During the year **₹ 1,296.54 crore** (2019: ₹ 1,758.66 crore) has been availed as GST ITC out of capital expenditure on CWIP/ assets. The cost of assets are net of GST ITC, wherever applicable.

D. Depreciation and amortisation for the year includes **₹ 37.64 crore** (2019: ₹ 8.22 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 **₹ 51.14 crores** (2019: ₹ 70.10 crores). This includes WDV of assets worth **₹ 7.82 crore** (2019: ₹ 7.09 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 **₹ 1,020.43 crore** (2019: ₹ 199.83 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. Hitherto, the estimated residual value of LPG cylinders and Regulators was considered as 5% of original cost. Based on historical realised scrap value, prices of steel has revised the estimated residual life of those assets from 5% to maximum 15% of original cost effective from April 01, 2019. The impact on account of above change is reduction in depreciation by **₹ 207.37 crore**.

J. i) Includes Finance Lease as on transition date i.e. April 1, 2019 reclassified as ROU Assets in line with provisions of Ind AS 116. For detailed disclosure on ROU Assets please refer Note-36.

ii) Leasehold Land (included in ROU Assets) includes an amount of **₹ 716.41 crore** (2019: ₹ 36.20 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, 2020	W.D.V. as at March 31, 2019
Land - Freehold	6.10	-	-	6.10	-
ROU Asset (Land - Leasehold)	13.09	0.73	-	12.36	-
Buildings	33.64	2.75	-	30.89	0.89
Plant and Equipment	63.55	4.13	-	59.42	2.06
Office Equipment	2.16	0.36	-	1.80	-
Furniture	0.48	0.05	-	0.43	-

Details of Company's share of Jointly Owned Assets included in the above:

(₹ in Crore)

Assets Particulars	Name of Joint Owner*	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at March 31, 2020	W.D.V. as at March 31, 2019
Land - Freehold	HPCL, BPCL	1.49	-	-	1.49	3.27
ROU Asset (Land - Leasehold)	BPCL	0.07	-	-	0.07	0.05
Buildings	HPCL, BPCL, OTHERS	48.16	10.25	-	37.91	33.54
Plant and Equipment	HPCL, BPCL, GSFC, IPCL, Others	60.95	15.07	-	45.88	50.49
Office Equipments	HPCL, BPCL	0.51	0.06	-	0.45	-
Railway Sidings	HPCL, BPCL	14.96	5.13	-	9.83	8.78
Drainage,Sewage & Water Supply	HPCL, BPCL, GSFC	2.11	0.42	-	1.69	0.40
Total		128.25	30.93	-	97.32	96.53

* **HPCL:** Hindustan Petroleum Corporation Ltd., **BPCL:** Bharat Petroleum Corporation Ltd., **GSFC:** Gujarat State Fertilizers & Chemicals Ltd., **IPCL:** Indian Petrochemicals Corporation Ltd.

Additions to Gross Block Includes:

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Buildings	17.65	11.18	0.79	-
Plant and Equipment	832.09	534.62	15.20	17.30
Office Equipments	-	0.07	0.06	-
Drainage, Sewage & Water Supply	42.17	24.90	0.01	-
Total	891.91	570.77	16.06	17.30

NOTES TO FINANCIAL STATEMENTS

Note - 2.1 : CAPITAL WORK IN PROGRESS

(₹ in Crore)

Particulars		March 31, 2020	March 31, 2019
Construction Work in Progress - Tangible Assets			
(Including unallocated capital expenditure, materials at site)			
Balance as at beginning of the year		**15,527.53**	9,732.86
Add: Additions during the year		**17,386.24**	11,952.09
Less: Transfer to Property, Plant and Equipment (Note 2)		**12,565.17**	6,500.72
Less: Transfer to Statement of Profit and Loss		**10.60**	1.11
Less: Other Allocation/ Adjustment during the year		**(278.59)**	(344.41)
		20,616.59	**15,527.53**
Less: Provision for Capital Losses		**23.90**	30.89
		20,592.69	**15,496.64**
Capital Stores	A		
Balance as at beginning of the year		**4,713.35**	2,681.67
Add: Additions during the year		**5,455.56**	4,708.43
Less: Transfer to Statement of Profit and Loss		**0.02**	0.03
Less: Other Allocation/ Adjustment during the year		**4,551.53**	2,676.72
		5,617.36	**4,713.35**
Less: Provision for Capital Losses		**12.74**	7.60
		5,604.62	**4,705.75**
Capital Goods in Transit			
Balance as at beginning of the year		**1,049.95**	1,037.14
Add: Additions during the year		**584.61**	93.97
Less: Transfer to Property, Plant and Equipment as Additions (Note 2)		**14.45**	32.08
Less: Other Allocation/ Adjustment during the year		**1,008.16**	49.08
		611.95	**1,049.95**
Construction Period Expenses pending allocation:			
Balance as at beginning of the year		**908.18**	675.88
Add: Net expenditure during the year (Note - 2.2)		**985.74**	499.62
		1,893.92	**1,175.50**
Less: Transfer to Statement of Profit and Loss		**4.04**	10.75
Less: Other Allocation/ Adjustment during the year		**565.04**	256.57
		1,324.84	**908.18**
TOTAL		**28,134.10**	**22,160.52**
A. Includes Stock lying with Contractors		**466.13**	191.06
B. Includes Capital Expenditure relating to ongoing Oil & Gas Exploration & Production activities.		**226.28**	122.28
C. Specific borrowing eligible for capitalisation (Rate)		**5.66% to 8.12%**	5.75% to 8.12%

NOTES TO FINANCIAL STATEMENTS

Note - 2.2 : CONSTRUCTION PERIOD EXPENSES(NET) DURING THE YEAR

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Employee Benefit Expenses	**372.08**	342.62
Repairs and Maintenance	**4.12**	5.28
Power & Fuel	**161.70**	33.09
Rent	**8.36**	6.80
Insurance	**10.14**	7.44
Rates and Taxes	**3.19**	3.86
Travelling Expenses	**55.06**	39.31
Communication Expenses	**1.63**	1.22
Printing and Stationery	**0.69**	0.65
Electricity and Water Charges	**25.94**	8.53
Bank Charges	**0.09**	0.01
Technical Assistance Fees	**0.62**	2.31
Exchange Fluctuation	**67.67**	0.18
Finance Costs	**204.76**	3.16
Depreciation and Amortization on:		
Tangible Assets	**37.64**	8.22
Intangible Assets	**0.03**	0.01
Start Up/ Trial Run Expenses (net of revenue)	**(10.15)**	-
Others	**66.16**	47.87
Total Expenses	**1,009.73**	**510.56**
Less : Recoveries	**23.99**	10.94
Net Expenditure during the year	**985.74**	**499.62**

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 1, 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
	Disposals/ 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 1, 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

Previous Year

(₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
GROSS BLOCK	Gross Block as at April 1, 2018	319.55	783.30	119.48	1,222.33
	Additions during the year	293.36	27.46	23.47	344.29
	Transfers from Intangible Assets under Development	-	36.00	67.55	103.55
	Disposals/ Deductions / Transfers / Reclassifications	-	0.83	(14.81)	(13.98)
	Gross Block as at March 31, 2019	612.91	847.59	195.69	1,656.19
AMORTISATION	Amortisation as at April 1, 2018	2.99	106.54	73.13	182.66
	Amortisation during the year	6.37	53.95	43.40	103.72
	Disposals/ Deductions / Transfers / Reclassifications	-	(0.01)	(6.79)	(6.80)
	Amortisation as at March 31, 2019	9.36	160.48	109.74	279.58
	Net Block as at March 31, 2019	603.55	687.11	85.95	1,376.61

A. Amortisation for the year includes **₹ 0.03 crore** (2019: ₹ 0.01 crore) relating to construction period expenses shown in Note 2.2

B. Net Block of Intangible Assets with indefinite useful life

	March 31, 2020	March 31, 2019
Right of Way	893.04	586.65

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:

Assets Particulars	Name of Joint Owner*	Gross Block	Accumulated Depreciation & Amortisation	W.D.V. as at March 31, 2020	W.D.V. as at March 31, 2019
Computer Software	HPCL, BPCL	0.89	0.74	0.15	0.47
Total		**0.89**	**0.74**	**0.15**	**0.47**

* **HPCL:** Hindustan Petroleum Corporation Ltd., **BPCL:** Bharat Petroleum Corporation Ltd.

NOTES TO FINANCIAL STATEMENTS

Note - 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Work in Progress - Intangible Assets (Including Unallocated Capital Expenditure)		
Balance as at beginning of the year	1,678.25	928.01
Add: Net expenditure during the year	286.40	853.87
	1,964.65	1,781.88
Less: Transfer to Intangible Assets (Note 3)	336.11	103.55
Less: Transfer to Statement of Profit and Loss	0.01	0.08
Less: Other Allocation/ Adjustment during the year	(215.95)	-
	1,844.48	1,678.25
Less: Provision for Loss	240.83	239.81
TOTAL	1,603.65	1,438.44
A. Includes Capital Expenditure (Net) relating to ongoing Oil & Gas Exploration & Production activities.	247.31	239.27
B. Intangible assets under development are mainly in the nature of Exploration & Production Blocks and Licences & Computer Softwares.		

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

	Particulars	Investment Currency	Face Value/ Paid up Value	March 31,2020 Number	Paid Up Value	Investment Value	Impairment Loss/ Fair Value Adjustment	Carrying Value	March 31,2019 Number	Paid Up Value	Investment Value	Impairment Loss/Fair Value Adjustment	Carrying Value
					₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)		₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
						(1)	(2)	(1+2)			(1)	(2)	(1+2)
	NON-CURRENT INVESTMENTS :												
I	In Equity Shares												
A	In Subsidiaries (At Cost):												
	QUOTED:												
	Chennai Petroleum Corporation Limited	Indian Rupees	10	77265200	10	509.33	-	509.33	77265200	10	509.33	-	509.33
	Lanka IOC PLC (Quoted in Colombo Stock Exchange, Sri Lanka)	Sri Lankan Rupees	10	400000005	10	194.13	-	194.13	400000005	10	194.13	-	194.13
	UNQUOTED:												
	Indian Oil Mauritius Limited	Mauritian Rupees	100	4882043	100	75.67	-	75.67	4882043	100	75.67	-	75.67
	IOC Middle East FZE	Arab Emirates Dirham	1000000	2	1000000	2.30	-	2.30	2	1000000	2.30	-	2.30
	IOC Sweden AB	Swedish Krona	100	4241558	100	297.23	-	297.23	4204835	100	296.18	-	296.18
	IOCL (USA) Inc.	USD	0.01	5763538921	0.01	336.32	(86.41)	249.91	5763538921	0.01	336.32	-	336.32
	Indian Catalyst Private Limited (in process of closure) (formely known as Indo Cat Private Limited)	Indian Rupees	10	15932700	10	11.18	(4.72)	6.46	15932700	10	11.18	(4.72)	6.46
	IndOil Global B.V.	Canadian Dollars	1	1131302435	1	7,840.35	(1,909.51)	5,930.84	1131302435	1	7,840.35	(564.27)	7,276.08
	IOCL Singapore PTE Ltd	USD	1	1079991988	1	7,128.82	-	7,128.82	1079991988	1	7,128.82	-	7,128.82
	Sub-total: (I)(A)					16,395.33	(2,000.64)	14,394.69			16,394.28	(568.99)	15,825.29
B	In Associates (At Cost):												
	QUOTED:												
	Petronet LNG Limited	Indian Rupees	10	187500000	10	98.75	-	98.75	187500000	10	98.75	-	98.75
	UNQUOTED:												
	Avi-Oil India Private Limited	Indian Rupees	10	4500000	10	4.50	-	4.50	4500000	10	4.50	-	4.50
	Petronet India Limited (under liquidation)	Indian Rupees	0.10	18000000	0.10	0.18	-	0.18	18000000	0.10	0.18	-	0.18
	Petronet VK Limited	Indian Rupees	10	50000000	10	26.02	(26.00)	0.02	50000000	10	26.02	(26.00)	0.02
	Sub-total: (I)(B)					129.45	(26.00)	103.45			129.45	(26.00)	103.45

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

	Particulars	Investment Currency	Face Value/ Paid up Value	March 31,2020 Number	March 31,2020 Paid Up Value	March 31,2020 Investment Value	March 31,2020 Impairment Loss/ Fair Value Adjustment	March 31,2020 Carrying Value	March 31,2019 Number	March 31,2019 Paid Up Value	March 31,2019 Investment Value	March 31,2019 Impairment Loss/Fair Value Adjustment	March 31,2019 Carrying Value
					₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)		₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
						(1)	(2)	(1+2)			(1)	(2)	(1+2)
C	**In Joint Ventures (At Cost):**												
	UNQUOTED:												
	Indian Oiltanking Limited	Indian Rupees	10	**494828289**	**10**	**723.98**	**-**	**723.98**	494828289	10	723.98	(316.66)	407.32
	Indian Oil Panipat Power Consortium Limited	Indian Rupees	10	**840000**	**10**	**1.99**	**(1.99)**	**-**	840000	10	1.99	(1.99)	-
	Lubrizol India Private Limited	Indian Rupees	100	**499200**	**100**	**61.71**	**-**	**61.71**	499200	100	61.71	-	61.71
	Indian Oil Petronas Private Limited	Indian Rupees	10	**134000000**	**10**	**134.00**	**-**	**134.00**	134000000	10	134.00	-	134.00
	Petronet CI Limited (under liquidation)	Indian Rupees	10	**3744000**	**10**	**3.83**	**(3.83)**	**-**	3744000	10	3.83	(3.83)	-
	Green Gas Limited	Indian Rupees	10	**23042250**	**10**	**23.04**	**-**	**23.04**	23042250	10	23.04	-	23.04
	IndianOil SkyTanking Private Limited	Indian Rupees	10	**25950000**	**10**	**73.28**	**-**	**73.28**	25950000	10	73.28	-	73.28
	Suntera Nigeria 205 Limited	Naira rupees	1	**2500000**	**1**	**0.05**	**-**	**0.05**	2500000	1	0.05	-	0.05
	Delhi Aviation Fuel Facility Private Limited	Indian Rupees	10	**60680000**	**10**	**60.68**	**-**	**60.68**	60680000	10	60.68	-	60.68
	Indian Synthetic Rubbers Private Limited	Indian Rupees	10	**222861375**	**10**	**222.86**	**-**	**222.86**	222861375	10	222.86	-	222.86
	NPCIL-IndianOil Nuclear Energy Corporation Limited	Indian Rupees	10	**260000**	**10**	**0.26**	**-**	**0.26**	260000	10	0.26	-	0.26
	GSPL India Gasnet Limited	Indian Rupees	10	**244925030**	**10**	**244.93**	**-**	**244.93**	120125030	10	120.13	-	120.13
	GSPL India Transco Limited	Indian Rupees	10	**127920000**	**10**	**127.92**	**-**	**127.92**	99060000	10	99.06	-	99.06
	Indian Oil Adani Gas Private Limited	Indian Rupees	10	**291000000**	**10**	**291.00**	**-**	**291.00**	185500000	10	185.50	-	185.50
	Mumbai Aviation Fuel Farm Facility Private Limited	Indian Rupees	10	**48288750**	**10**	**48.29**	**-**	**48.29**	48288750	10	48.29	-	48.29
	Kochi Salem Pipeline Private Limited	Indian Rupees	10	**152500000**	**10**	**152.50**	**-**	**152.50**	96250000	10	96.25	-	96.25
	IndianOil LNG Private Limited (Also refer point no. C.2 of Note 36)	Indian Rupees	10	**5000**	**10**	**0.01**	**-**	**0.01**	5000	10	0.01	-	0.01
	Hindustan Urvarak and Rasayan Limited	Indian Rupees	10	**751085000**	**10**	**751.09**	**-**	**751.09**	440325000	10	440.33	-	440.33
	Ratnagiri Refineries & Petrochemicals Limited	Indian Rupees	10	**100000000**	**10**	**100.00**	**-**	**100.00**	50000000	10	50.00	-	50.00
	Indradhanush Gas Grid Limited	Indian Rupees	10	**12000000**	**10**	**12.00**	**-**	**12.00**	5000000	10	5.00	-	5.00
	IHB Private Limited	Indian Rupees	10	**52500000**	**10**	**52.50**	**-**	**52.50**	-	-	-	-	-
	Sub-total: (I)(C)					**3,085.92**	**(5.82)**	**3,080.10**			2,350.25	(322.48)	2,027.77
	Total Investments in Subsidiaries, Associates & JVs [(I)(A)+(I)(B)+(I)(C)]					**19,610.70**	**(2,032.46)**	**17,578.24**			18,873.98	(917.47)	17,956.51

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

	Particulars	Investment Currency	Face Value/ Paid up Value	March 31,2020					March 31,2019				
				Number	Paid Up Value	Investment Value	Impairment Loss/ Fair Value Adjustment	Carrying Value	Number	Paid Up Value	Investment Value	Impairment Loss/Fair Value Adjustment	Carrying Value
					₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)		₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
						(1)	(2)	(1+2)			(1)	(2)	(1+2)
D	In Others												
	Investments designated at fair value through OCI:												
	QUOTED:												
	Oil and Natural Gas Corporation Limited	Indian Rupees	5	986885142	5	1,780.12	4,960.31	6,740.43	986885142	5	1,780.12	13,985.37	15,765.49
	GAIL (India) Limited	Indian Rupees	10	108905460	10	122.52	711.15	833.67	54452730	10	122.52	1,770.53	1,893.05
	Oil India Limited	Indian Rupees	10	53501100	10	1,123.52	(681.34)	442.18	53501100	10	1,123.52	(131.35)	992.17
	UNQUOTED:												
	International Cooperative Petroleum Association, New York	USD	100	350	100	0.02	-	0.02	350	100	0.02	-	0.02
	Haldia Petrochemical Limited	Indian Rupees	10	150000000	10	150.00	234.30	384.30	150000000	10	150.00	501.75	651.75
	Vadodara Enviro Channel Limited [a] (Formerly Effluent Channel Projects Limited)	Indian Rupees	10	7151	10	-	-	-	7151	10	-	-	-
	Woodlands Multispeciality Hospital Limited	Indian Rupees	10	101095	10	0.10	-	0.10	101095	10	0.10	-	0.10
	Shama Forge Co. Limited [b] (under liquidation)	Indian Rupees	10	100000	10	-	-	-	100000	10	-	-	-
	In Consumer Cooperative Societies:												
	Barauni [c]	Indian Rupees	10	250	10	-	-	-	250	10	-	-	-
	Guwahati [d]	Indian Rupees	10	750	10	-	-	-	750	10	-	-	-
	Mathura [e]	Indian Rupees	10	200	10	-	-	-	200	10	-	-	-
	Haldia [f]	Indian Rupees	10	2190	10	-	-	-	1663	10	-	-	-
	In Indian Oil Cooperative Consumer Stores Limited, Delhi [g]	Indian Rupees	10	375	10	-	-	-	375	10	-	-	-
	Sub-total: (I)(D)					3,176.28	5,224.42	8,400.70			3,176.28	16,126.30	19,302.58
	Sub-total: (I) = [(I)(A)+(I)(B)+(I)(C)+(I)(D)]					22,786.98	3,191.96	25,978.94			22,050.26	15,208.83	37,259.09
II	In Preference Shares												
	Investments at fair value through profit and loss												
A	In Subsidiary Companies:												
	UNQUOTED:												
	Chennai Petroleum Corporation Limited (6.65% Cum. Redeemable Non Convertible Preference Shares)	Indian Rupees	10	500000000	10	500.00	55.63	555.63	500000000	10	500.00	58.38	558.38
	Sub-total: (II)(A)					500.00	55.63	555.63			500.00	58.38	558.38

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

	Particulars	Investment Currency	Face Value/ Paid up Value	March 31,2020 Number	Paid Up Value	Investment Value	Impairment Loss/ Fair Value Adjustment	Carrying Value	March 31,2019 Number	Paid Up Value	Investment Value	Impairment Loss/Fair Value Adjustment	Carrying Value
					₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)		₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
						(1)	(2)	(1+2)			(1)	(2)	(1+2)
B	In Others												
	UNQUOTED:												
	Sharma Forge Co. Limited (under liquidation)[h] (9.5% Cumulative Redeemable Preference Shares)	Indian Rupees	100	5000	100	-	-	-	5000	100	-	-	-
	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	10000	3000000	10000	3,000.00	87.07	3,087.07	-	-	-	-	-
	9.15% Govt Stock 2024	Indian Rupees	10000	6000	10000	6.84	0.13	6.97	1960000	10000	2,242.91	(33.36)	2,209.55
	7.35% Govt.Stock 2024	Indian Rupees	10000	695000	10000	704.04	47.34	751.38	695000	10000	704.04	16.15	720.19
	Sub-total: (III)					3,710.88	134.54	3,845.42			2,946.95	(17.21)	2,929.74
IV	In Debentures or Bonds												
	Investments at fair value through profit and loss												
	UNQUOTED:												
	IndianOil LNG Pvt Limited (Fully and Compulsorily Convertible Debentures) (Also refer point no. C.2 of Note 36)	Indian Rupees	1000000	6530	1000000	653.00	19.18	672.18	6530	1000000	653.00	21.67	674.67
	Sub-total: (IV)					653.00	19.18	672.18			653.00	21.67	674.67
	Total Other Investments [(I)(D)+(II)+(III)+(IV)]					8,040.16	5,433.77	13,473.93			7,276.23	16,189.14	23,465.37
	Total Non Current Investments (I+II+III+IV)					27,650.86	3,401.31	31,052.17			26,150.21	15,271.67	41,421.88
	CURRENT INVESTMENTS:												
	In Government Securities (at fair value through OCI)												
	QUOTED:												
	Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	5366020	10000	5,366.02	452.97	5,818.99	8366020	10000	8,366.02	152.07	8,518.09
	9.15% Govt Stock 2024	Indian Rupees	10000	1954000	10000	2,236.07	31.33	2,267.40	-	-	-	-	-
	TOTAL					7,602.09	484.30	8,086.39			8,366.02	152.07	8,518.09

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

(₹ in Crore)

Particulars	March 31,2020	March 31,2019
Aggregate carrying value of quoted investments	20,750.30	30,900.75
Aggregate market value of quoted investments	24,413.32	37,223.92
Aggregate carrying value of unquoted investments	18,388.26	19,039.22
Aggregate amount of impairment in value of investments	2,032.46	917.47

Followings are not reflected above due to rounding off:-

(Amount in ₹)

	Particulars	March 31,2020	March 31,2019
a	Investment Amount	10	10
b	Investment Amount	100	100
c	Investment Amount	2,500	2,500
d	Investment Amount	2,500	2,500
e	Investment Amount	2,000	2,000
f	Investment Amount	16,630	16,630
g	Investment Amount	3,750	3,750
h	Investment Amount	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
Investment in Equity Shares:		
IOC Sweden AB	36723	1.05
GSPL India Gasnet Ltd.	124800000	124.80
GSPL India Transco Ltd.	28860000	28.86
IndianOil Adani Gas Pvt. Ltd.	105500000	105.50
Kochi Salem Pipelines Private Limited	56250000	56.25
Hindustan Urvarak and Rasayan Limited	310760000	310.76
Ratnagiri Refinery & Petrochemicals Ltd.	50000000	50.00
Indradhanush Gas Grid Limited	7000000	7.00
IHB Private Limited	52500000	52.50

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

Note: B

Investment in Oil Marketing Companies GOI Special Bonds consists of:

Nature of Bond	No. of Bonds	Face Value ₹ in Crore	Fair value ₹ in Crore
1. Current investment:			
8.13% GOI SPECIAL BONDS 2021	78000	78.00	84.26
7.95% GOI SPECIAL BONDS 2025	457250	457.25	494.92
8.20% GOI SPECIAL BONDS 2023	1453510	1,453.51	1,601.58
6.90% GOI SPECIAL BONDS 2026	82930	82.93	85.34
8.00% GOI SPECIAL BONDS 2026	189270	189.27	203.31
8.20% GOI SPECIAL BONDS 2024	3105060	3,105.06	3,349.58
Total Current Investments	5366020	5,366.02	5,818.99
2. Non Current investment:			
6.90% GOI SPECIAL BONDS 2026	3000000	3,000.00	3,087.07
Total Non Current Investments	3000000	3,000.00	3,087.07

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 current investments to non current investment and 9.15% Govt Stock 2024 of investment value of **₹ 2,236.07 Crores** is reclassified from non current investment to 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 Bond	March 31,2020		March 31,2019	
	Face Value	Carrying Value	Face Value	Carrying Value
9.15% GOVT.STOCK 2024	6.00	6.97	1,960.00	2,209.55
7.35% GOVT.STOCK 2024	695.00	751.38	695.00	720.19
Oil Marketing Companies GOI Special Bonds	3,000.00	3,087.07	-	-

3. During the year, GAIL (India) Limited has issued 54452730 number of equity shares as bonus shares.

NOTES TO FINANCIAL STATEMENTS

Note - 5 : LOANS (Unsecured, Considered Good at amortised cost unless otherwise stated)

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Security Deposits					
To Others					
Secured, Considered Good		0.08	0.06	-	-
Unsecured, Considered Good		137.09	147.90	313.78	157.42
Credit Impaired		0.10	0.20	1.40	1.36
		137.27	148.16	315.18	158.78
Less : Allowance for Doubtful Deposits		0.10	0.20	1.40	1.36
		137.17	147.96	313.78	157.42
Loans	A				
To Related Parties					
Secured, Considered Good		96.10	0.13	0.02	0.04
Unsecured, Considered Good		144.63	236.35	0.16	2.91
Credit Impaired		-	-	2.25	2.25
		240.73	236.48	2.43	5.20
Less : Allowance for Doubtful Loans		-	-	2.25	2.25
		240.73	236.48	0.18	2.95
To Others					
Secured, Considered Good		814.92	734.10	106.32	113.65
Unsecured, Considered Good		1,954.37	1,173.63	613.58	1,090.72
Which have significant increase in Credit Risk		422.58	502.21	134.71	639.50
Credit Impaired		74.86	-	52.75	1.38
		3,266.73	2,409.94	907.36	1,845.25
Less : Allowance for Doubtful Loans		402.76	502.21	151.65	640.88
		2,863.97	1,907.73	755.71	1,204.37
		3,104.70	2,144.21	755.89	1,207.32
TOTAL		3,241.87	2,292.17	1,069.67	1,364.74
A. Includes:					
1. Loans valued at Fair Value through Profit or Loss (FVTPL)		129.63	147.29	-	-
2. Due from Directors		0.11	0.14	0.04	0.08
3. Due from Other Officers		3.84	3.70	1.90	2.05

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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advances for Investments	A				
Subsidiary Companies		88.90	-		
		88.90	-		
Amount Recoverable from Central/State Government		-	-	13,268.91	19,120.96
Finance Lease Receivables		32.45	41.47	33.32	18.50
Interest Accrued on Investments/ Bank Deposits/ Loans		-	-	0.71	11.76
Derivative Instruments at Fair Value		-	-	131.11	35.56
Advance to Employee Benefits Trusts/Funds		131.11	141.06	10.08	63.56
Bank Deposits (with more than 12 months maturity)		1.75	3.41	1.48	0.30
Receivables on Agency Sales		-	-	1,075.52	1,215.18
Claims Recoverable:					
From Others					
Unsecured, Considered Good		-	-	5.41	-
Others	B	30.91	19.72	1,109.49	877.47
Less: Allowance for Doubtful Asset		-	-	6.27	6.21
		30.91	19.72	1,103.22	871.26
TOTAL		285.12	205.66	15,629.76	21,337.08
A. Advances for equity pending allotment.					
B. Includes Interest receivables from Air India Limited				253.56	544.03

Note - 7 : INCOME TAX/CURRENT TAX ASSET/ (LIABILITY) - NET

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Income Tax/Current Tax Asset/ (Liability) - Net				
Advance payments for Current Tax	23,159.97	21,121.87	66.28	486.60
Less : Provisions	18,973.21	19,774.02	-	-
	4,186.76	1,347.85	66.28	486.60
TOTAL	4,186.76	1,347.85	66.28	486.60
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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advances for Capital Expenditure					
To Others					
Secured, Considered Good		**10.42**	3.20	**-**	-
Unsecured, Considered Good		**1,275.81**	1,463.73	**-**	-
Unsecured, Considered Doubtful		**-**	0.09	**-**	-
		1,286.23	**1,467.02**	**-**	-
		1,286.23	**1,467.02**	**-**	-
Less: Provision for Doubtful Advances		**-**	0.09	**-**	-
		1,286.23	**1,466.93**	**-**	-
Advances Recoverable					
From Related Parties					
Unsecured, Considered Good		**488.45**	264.05	**22.64**	22.48
From Others					
Secured, Considered Good		**-**	-	**0.01**	-
Unsecured, Considered Good		**0.28**	-	**2,463.39**	2,539.51
Unsecured, Considered Doubtful		**-**	-	**6.76**	4.96
		0.28	-	**2,470.16**	**2,544.47**
Less : Provision for Doubtful Advances		**-**	-	**6.76**	4.96
		0.28	-	**2,463.40**	**2,539.51**
		488.73	**264.05**	**2,486.04**	**2,561.99**
Claims Recoverable:	A				
From Related Parties					
Unsecured, Considered Good		**-**	-	**8.22**	1.99
Unsecured, Considered Doubtful		**-**	-	**2.61**	2.61
		-	-	**10.83**	**4.60**
From Others					
Unsecured, Considered Good		**-**	-	**544.38**	668.24
Unsecured, Considered Doubtful		**-**	-	**149.89**	170.06
		-	-	**694.27**	**838.30**
Less : Provision for Doubtful Claims		**-**	-	**152.50**	172.67
		-	-	**552.60**	**670.23**
Balance/ Deposits with Government Authorities					
Unsecured, Considered Good		**-**	-	**452.88**	475.08
Gold/ Other Precious Metals		**-**	-	**58.39**	58.94
Less : Provision for Diminution in value		**-**	-	**10.72**	11.44
		-	-	**47.67**	**47.50**
Deferred Expenses		**1,030.09**	718.64	**296.35**	177.77

NOTES TO FINANCIAL STATEMENTS

Note - 8 : OTHER ASSETS (NON FINANCIAL)(Unsecured, Considered Good unless otherwise stated) (Contd...)

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Prepaid Rentals		**58.02**	1,453.76	**5.92**	52.95
TOTAL		**2,863.07**	**3,903.38**	**3,841.46**	**3,985.52**
A. Includes:					
1. Customs/ Excise Duty/DEPB/Duty Drawback Claims which are in the process of being claimed with the Department.		**-**	-	**6.11**	6.75
2. Claims recoverable from Customs Authorities pending for final assessment / settlement.		**-**	-	**35.71**	59.70

Note - 9 : INVENTORIES

(₹ in Crore)

Particulars		March 31, 2020	March 31, 2019
In Hand :			
Raw Materials	A	**14,578.83**	18,278.37
Stock in Process		**5,432.60**	5,739.85
Finished Products	B	**26,475.37**	23,322.17
Stock in Trade	C	**5,884.91**	7,519.96
Stores, Spares etc.	D	**4,100.53**	3,658.76
Less : Provision for Losses		**185.59**	170.22
		3,914.94	**3,488.54**
Barrels and Tins	E	**63.18**	74.84
		56,349.83	**58,423.73**
In Transit :			
Raw Materials		**4,771.37**	10,081.13
Finished Products		**599.11**	938.27
Stock in Trade		**1,745.18**	1,793.99
Stores, Spares etc.		**212.13**	233.26
		7,327.79	**13,046.65**
TOTAL		**63,677.62**	**71,470.38**
Includes-			
A. Stock lying with others		**4.07**	160.56
B. Stock lying with others		**1,726.61**	1,402.94
C. Stock lying with others		**888.50**	619.01
D. Stock lying with contractors		**13.54**	6.85
E. Stock lying with others		**5.48**	0.45
Amount of write down of inventories carried at NRV and recognised as Expense.			427.56
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)

Particulars		March 31, 2020	March 31, 2019
From Related Parties			
Unsecured, Considered Good		215.43	658.60
		215.43	658.60
From Others			
Secured Considered Good		12.21	50.00
Unsecured, Considered Good		12,629.32	14,764.69
Credit Impaired		114.98	118.61
		12,756.51	14,933.30
TOTAL		12,971.94	15,591.90
Less : Allowance for Doubtful Debts	A	127.85	134.07
TOTAL		12,844.09	15,457.83
A. Includes provision as per Expected Credit Loss method in line with accounting policy		12.87	15.46

Note - 11 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Bank Balances with Scheduled Banks :		
In Current Account	531.96	20.53
In Fixed Deposit - Maturity within 3 months	0.01	0.02
	531.97	20.55
Bank Balances with Non-Scheduled Banks	1.40	0.32
Cheques, Drafts in hand	1.75	15.16
Cash in Hand, Including Imprest	0.44	2.28
TOTAL	535.56	38.31

Note - 12 : BANK BALANCES OTHER THAN ABOVE

(₹ in Crore)

Particulars		March 31, 2020	March 31, 2019
Fixed Deposits	A	8.20	8.00
Earmarked Balances	B	44.63	40.65
Blocked Account	C	0.74	0.68
Other Bank Balances	D	0.01	0.01
TOTAL		53.58	49.34
A. Earmarked in favour of Statutory Authorities.			
B. Pertains to			
- Unpaid Dividend		44.60	40.62
- Fractional Share Warrants		0.03	0.03
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)

Particulars	Note	March 31, 2020	March 31, 2019
Freehold land	A	1.56	1.65
Building		0.30	0.32
Plant and Equipment		235.11	224.81
Office Equipment	B	0.59	0.52
Transport Equipment		0.02	0.08
Furniture and Fixtures		0.03	0.02
Total		237.61	227.40

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 recognized impairment loss of **₹ 42.32 crore** (2019: ₹ 150.36 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, 2020	March 31, 2019
Authorized:		
15000000000 Equity Shares of ₹ 10 each	**15,000.00**	**15,000.00**
Issued Subscribed and Paid Up:		
9414158922 (2019: 9414158922)	**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
233118456 (2019: 233118456)		
Equity Shares of ₹ 10 each fully paid up		
TOTAL	**9,181.04**	**9,181.04**
A. Reconciliation of No. of Equity Shares		
Opening Balance	**9414158922**	9711809928
Shares bought back	**-**	297651006
Closing Balance	**9414158922**	9414158922

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 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. March 2, 2020.

C. Details of shareholders holdings more than 5% shares

Name of Shareholder	March 31, 2020		March 31, 2019	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
THE PRESIDENT OF INDIA	**4848133178**	**51.50**	4912149459	52.18
OIL AND NATURAL GAS CORPORATION LIMITED	**1337215256**	**14.20**	1337215256	14.20
LIFE INSURANCE CORPORATION OF INDIA	**610467282**	**6.48**	612921292	6.51
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, 2020	March 31, 2019
Retained Earnings		
General Reserve:		
Opening Balance	**79,533.78**	78,998.89
Add: Remeasurement of Defined Benefit Plans	**(115.54)**	(41.90)
Add: Transfer from Bond Redemption Reserve	**-**	430.46
Less: Utilized for Buy Back of shares [including expenses (net of tax)]	**-**	4,442.80
Add: Appropriation from Surplus	**(4,513.05)**	4,589.13
	74,905.19	**79,533.78**
Surplus (Balance in Statement of Profit and Loss)		
Profit for the Year	**1,313.23**	16,894.15
Less: Appropriations		
Interim Dividend	**3,902.09**	7,775.62
Final Dividend	**918.25**	1,895.88
Dividend Distribution Tax on:		
Interim Dividend	**799.27**	1,589.11
Final Dividend	**186.67**	396.18
Insurance Reserve (Net)	**20.00**	17.61
Bond Redemption Reserve	**-**	630.62
Corporate Social Responsibility Reserve (Net)	**-**	-
General Reserve	**(4,513.05)**	4,589.13
Balance carried forward to next year	**-**	-
	74,905.19	**79,533.78**
Other Reserves		
Bond Redemption Reserve		
Opening Balance	**3,152.64**	2,952.48
Add: Appropriation from Surplus	**-**	630.62
Less: Transfer to General Reserve	**-**	430.46
	3,152.64	**3,152.64**
Capital Redemption Reserve Account :		
Opening Balance	**297.65**	-
Add: Transfer from General Reserve during the year	**-**	297.65
	297.65	**297.65**
Capital Reserve	**183.08**	183.08
Insurance Reserve :		
Opening Balance	**241.09**	223.48
Less : Recoupment of uninsured fire loss	**-**	2.39
Add: Appropriation from Surplus	**20.00**	20.00
	261.09	**241.09**
Export Profit Reserve	**53.72**	**53.72**

NOTES TO FINANCIAL STATEMENTS

Note - 15 : OTHER EQUITY (Contd...)

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Corporate Social Responsibility Reserve (refer Note - 45)		
Opening Balance	-	-
Add: Appropriation from Surplus	543.38	490.60
Less: Utilized during the year	543.38	490.60
	-	-
Foreign Currency Monetary Item Translation Difference Account		
Opening Balance	(35.78)	(45.77)
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	6.86	(138.40)
Less: Amortized during the year	(28.92)	(148.39)
	-	(35.78)
Fair Value Through Other Comprehensive Income :		
Fair value of Equity Instruments		
Opening Balance	16,072.20	18,475.86
Add: Fair value during the year	(10,775.41)	(2,403.66)
	5,296.79	16,072.20
Fair value of Debt Instruments		
Opening Balance	(43.95)	(149.41)
Add: Fair value during the year	435.62	105.46
	391.67	(43.95)
Cash Flow Hedge Reserve		
Opening Balance	22.04	-
Add: Gain/(Loss) during the year	46.01	15.68
Less: Transferred during the year	22.05	(6.36)
	46.00	22.04
TOTAL	84,587.83	99,476.47

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 BOD. 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 is 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. Utilization 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. 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.

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. This amount shall be transferred to general reserve on completion of assessment/ disposal of case.

G. Corporate Social Responsibility Reserve

Corporate Social Responsibility (CSR) Reserve is created for meeting expenses relating to CSR activities in line with CSR policy of the Company. During the year, an amount of **₹ 543.38 crore** (2019: ₹ 490.60 crore) has been appropriated as per provisions of the Companies Act 2013. Out of total available fund for CSR (including unspent amount carried forward from previous year, if any), an amount of **₹ 543.38 crore** (2019: ₹ 490.60 crore) has been spent during the year.

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 March 31, 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)

Particulars		Non Current		Current Maturities*	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
SECURED LOANS					
Term Loans:					
Oil Industry Development Board (OIDB)	A	144.47	176.84	177.81	282.81
Total Secured Loans		**144.47**	**176.84**	**177.81**	**282.81**
UNSECURED LOANS					
Bonds/ Debentures:					
Foreign Currency Bonds	B	16,478.13	15,159.33	209.27	188.96
Rupee Bonds/ Debentures	C	7,994.02	-	135.14	-
		24,472.15	15,159.33	344.41	188.96
Term Loans:					
From Banks/ Financial Institutions					
In Foreign Currency Loans	D	17,144.21	15,313.12	1,888.39	2,425.98
From Government					
In Rupees	E	962.66	707.33	-	-
		18,106.87	16,020.45	1,888.39	2,425.98
Lease Obligations	F	6,527.15	3,309.74	1,397.65	201.06
Total Unsecured Loans		**49,106.17**	**34,489.52**	**3,630.45**	**2,816.00**
TOTAL LONG-TERM BORROWINGS		**49,250.64**	**34,666.36**	**3,808.26**	**3,098.81**

* 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 Paradip Refinery, Orissa.
b) First charge on the facilities at FCC Unit at Mathura Refinery, Uttar Pradesh.
c) First charge on the facilities at Paradip-Raipur-Ranchi Pipeline
d) First charge on the facilities at SMPL System
e) First charge on the facilities at Paradip-Haldia-Durgapur LPG Pipeline
f) 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	2020-21	177.81	8.12%-8.27%
2	2021-22	37.50	6.51%
3	2022-23	37.50	6.51%
4	2023-24	37.50	6.51%
5	2024-25	37.50	6.51%
	Total	327.81	

NOTES TO FINANCIAL STATEMENTS

Note - 16 : LONG TERM BORROWINGS (At Amortised Cost) (Contd...)

Unsecured Loans:

B. Repayment Schedule of Foreign Currency Bonds

S.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 1, 2013	Payable after 10 years from the date of issue
3	USD 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 2, 2011	Payable after 10 years from the date of issue

C. Repayment Schedule of Rupee Bonds/ Debentures

S.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 6, 2020	6.39% p.a.payable annually on 6 March.	5 years from the deemed date of allotment i.e. March 6, 2025.

D. Repayment Schedule of loans from Banks and Financial Institutions

S.No.	Particulars of Loans	Date of Drawal	Date of Repayment
1	USD 50 Million Syndication Loan	March 7, 2019	Payable after 5 years from the date of drawal
2	USD 200 Million Syndication Loan	March 5, 2019	
3	USD 150 Million Syndication Loan	February 28, 2019	
4	USD 100 Million Syndication Loan	December 31, 2018	
5	USD 100 Million Syndication Loan	December 28, 2018	
6	USD 200 Million Syndication Loan	December 24, 2018	
7	USD 100 Million Syndication Loan	December 20, 2018	
8	USD 250 Million Syndication Loan	December 18, 2018	
9	USD 100 Million Syndication Loan	December 12, 2018	
10	USD 450 Million Syndication Loan	December 11, 2018	
11	USD 300 Million syndication loan	September 29, 2017	
12	USD 300 Million Term loan	June 19, 2019	Payable after 3 years from the date of drawal
13	USD 250 Million syndication loan	January 29, 2016	Payable after 5 years from the date of drawal

E. 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 started from April 01, 2016 repayable after 15 years. The first instalment of loan for the period April to December 2017 of ₹ 1225 crore has been received on January 15, 2018 and thereafter ₹ 175 crore will be received every quarter. Total loan disbursed till now is ₹ 2800 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.

F. Lease Obligations

The Lease Obligations are against Assets aquired on lease. The carrying value of the same is **₹ 7,659.84 crores** (2019: ₹ 3,387.63 crore).

NOTES TO FINANCIAL STATEMENTS

Note - 17 : OTHER FINANCIAL LIABILITIES (At Amortised Cost unless otherwise stated)

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Current Maturities of Long-term Debt (refer Note-16)		-	-	**3,808.26**	3,098.81
Liability for Capital Expenditure		-	-	**4,728.60**	4,828.93
Liability to Trusts and Other Funds		-	-	**353.36**	240.64
Employee Liabilities		-	-	**977.21**	3,367.72
Liability for Purchases on Agency Basis		-	-	**1,460.23**	2,504.22
Investor Education & Protection Fund to be credited on the due dates:					
-Unpaid Dividend		-	-	**44.60**	40.62
-Unpaid Matured Deposits		-	-	**0.01**	0.01
		-	-	**44.61**	**40.63**
Derivative Instruments at Fair Value		-	-	**467.38**	258.40
Security Deposits	A	**789.58**	615.20	**28,953.94**	27,161.39
Others	B	-	0.83	**1,757.12**	2,473.03
TOTAL		**789.58**	**616.03**	**42,550.71**	**43,973.77**
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		-	-	**6,261.72**	5,675.42
2. Deposit free LPG connections funded by Chennai Petroleum Corporation Limited.		-	-	**0.52**	0.52
B. Includes liability towards Renewable Purchase Obligation (RPO) after considering credits from renewable sources and offset for Renewable Energy Certificates (RECs) generated. The Liability has been restated as on March 31, 2020 based on legal opinion obtained during the current year resulting into reduction by ₹ 264.94 crore.				**40.17**	323.54

NOTES TO FINANCIAL STATEMENTS

Note - 18 : PROVISIONS

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Provision for Employee Benefits		**913.65**	879.04	**484.95**	122.09
Decommissioning Liability	A	**5.40**	4.62	**2.31**	-
Contingencies for probable obligations	B	-	-	**10,503.79**	11,452.36
Less: Deposits		-	-	**1,423.58**	1,436.56
		-	-	**9,080.21**	**10,015.80**
TOTAL		**919.05**	**883.66**	**9,567.47**	**10,137.89**

A. In compliance of Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", the required information are as under :

(₹ in Crore)

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Unwinding of discount and changes in the discount rate	Closing Balance
Decommissioning Liability - E&P Blocks	4.62	2.74	-	-	0.35	7.71
Previous Year Total	**3.66**	**0.98**	-	**0.06**	**0.04**	**4.62**

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	Utilization during the year	Reversals during the year	Closing Balance*
Excise	33.39	-	-	17.94	15.45
Sales Tax/ GST	2,925.56	184.66	447.80	860.15	1,802.27
Entry Tax	5,734.65	0.19	104.32	15.86	5,614.66
Others	2,758.76	819.75	34.14	472.96	3,071.41
TOTAL	**11,452.36**	**1,004.60**	**586.26**	**1,366.91**	**10,503.79**
Previous Year Total	**32,320.69**	**1,479.02**	**20,838.18**	**1,509.17**	**11,452.36**

	Addition includes	Reversal includes
-capitalized	53.51	-
-included in Raw Material	47.90	0.18
-included in Finance Cost	528.71	6.67
-included in Employee Benefit Expenses	130.24	-
-included in Other Expenses	239.79	6.57
-Amount transferred from Liabilities to Provisions	1.09	-
-Adjusted against Deposits/ Paid	3.36	-

* Expected timing of outflow is not ascertainable at this stage, the matters being under dispute/ contingent.

NOTES TO FINANCIAL STATEMENTS

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)

Particulars	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 Fixed Assets	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 crores** due to alignment of tax provisions with ITR for earlier years and **₹1921.13 crores** 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 :

	2019-20 (%)	2018-19 (%)
Applicable tax rate	25.168	34.944
Tax effect of income that are not taxable in determining taxable profit	8.37	(2.38)
Tax effect of expenses that are not deductible in determining taxable profit	(4.66)	0.84
Tax effect on recognition of previously unrecognised allowance/disallowances	1.88	1.25
Tax effect of expenses on share buy back through Equity	-	0.02
Tax expenses/income related to prior years	(17.03)	(1.90)
Difference in tax due to income chargeable to tax at special rates	2.63	(0.01)
Difference due to change in Rate of Tax	119.19	-
Average Effective Tax Rate	135.55	32.76

NOTES TO FINANCIAL STATEMENTS

Note - 20 : OTHER LIABILITIES (NON FINANCIAL)

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Deferred Income		4.41	5.57	1.20	1.81
Government Grants (refer Note - 46)		1,925.98	1,568.91	170.70	120.57
Statutory Liabilities		-	-	6,051.01	7,319.11
Advances from Customers		111.49	23.61	4,895.07	3,766.82
Others	A	0.60	-	932.98	872.19
TOTAL		2,042.48	1,598.09	12,050.96	12,080.50
A. Includes liability towards Fleet Customers				793.24	797.01

Note - 21 : BORROWINGS - CURRENT

(₹ in Crore)

Particulars		March 31, 2020	March 31, 2019
SECURED LOANS			
Loans Repayable on Demand			
From Banks:	A		
Working Capital Demand Loan		7,186.93	3,880.87
Cash Credit		641.44	3,392.64
		7,828.37	7,273.51
From Others:			
Loans through Tri-Party Repo Segment (TREPS) of Clearing Corporation of India Ltd. (CCIL)	B	2,629.95	2,587.53
Total Secured Loans		10,458.32	9,861.04
UNSECURED LOANS			
Loans Repayable on Demand			
From Banks/ Financial Institutions			
In Foreign Currency		29,488.48	14,138.83
In Rupee		5,800.00	1,176.17
		35,288.48	15,315.00
From Others			
Commercial Papers		17,739.28	23,417.51
Total Unsecured Loans		53,027.76	38,732.51
TOTAL SHORT-TERM BORROWINGS		63,486.08	48,593.55

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)		3,701.00	2,655.00
Bank Guarantees		1,650.00	1,650.00

NOTES TO FINANCIAL STATEMENTS

Note - 22 : TRADE PAYABLES

(₹ in Crore)

Particulars		March 31, 2020	March 31, 2019
Dues to Micro and Small Enterprises		232.47	235.24
Dues to Related Parties		852.02	1,313.50
Dues to Others	A	24,167.09	35,833.85
TOTAL		25,251.58	37,382.59
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		2.51	1.21

Note - 23 : REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	2019-2020	2018-2019
Sale of Products and Crude	5,73,843.13	6,08,378.66
Less: Discounts	13,466.07	12,158.7
Sales (Net of Discounts)	5,60,377.06	5,96,219.96
Sale of Services	152.55	131.39
Other Operating Revenues (Note "23.1")	4,861.98	5,010.15
	5,65,391.59	6,01,361.50
Net Claim/(Surrender) of SSC	100.20	310.66
Subsidy From Central/State Governments	161.68	150.00
Grant from Government of India	1,296.17	4,110.18
TOTAL	5,66,949.64	6,05,932.34

Particulars relating to Revenue Grants are given in Note - 46.

Note - 23.1 : OTHER OPERATING REVENUES

(₹ in Crore)

Particulars	2019-2020	2018-2019
Sale of Power and Water	337.19	429.56
Revenue from Construction Contracts	8.11	6.50
Unclaimed / Unspent liabilities written back	155.27	312.03
Provision for Doubtful Debts, Advances, Claims, and Stores written back	628.10	58.93
Provision for Contingencies written back	1,353.49	1,492.97
Recoveries from Employees	15.46	11.98
Retail Outlet License Fees	1,117.06	1,187.82
Income from Non Fuel Business	170.47	244.67
Commission and Discount Received	3.75	5.45
Sale of Scrap	213.62	235.06
Income from Finance Leases	5.03	2.48
Amortization of Capital Grants	134.30	99.99
Revenue Grants	43.66	219.35
Commodity Hedging Gain (Net)	-	27.58
Terminalling Charges	56.85	83.13
Other Miscellaneous Income	619.62	592.65
TOTAL	4,861.98	5,010.15

NOTES TO FINANCIAL STATEMENTS

Note - 24 : OTHER INCOME

(₹ in Crore)

Particulars		2019-2020	2018-2019
Interest on:	A		
Financial items:			
Deposits with Banks		6.16	19.52
Customers Outstandings		342.10	423.83
Oil Companies GOI SPL Bonds/ Other Investments		825.50	914.04
Other Financial Items		623.61	239.68
Total interest on Financial items		1,797.37	1,597.07
Non-Financial items		119.86	99.34
		1,917.23	1,696.41
Dividend:	B		
From Related Parties		882.06	488.45
From Other Companies		709.96	860.18
		1,592.02	1,348.63
Fair value Gain on Investments/ Provision Written Back (Net)		-	1.60
Gain on Derivatives		-	0.32
Other Non Operating Income		62.14	81.55
TOTAL		3,571.39	3,128.51
A 1. Includes Tax Deducted at Source		8.43	24.62
A 2. Includes interest received under section 244A of the Income Tax Act.		45.75	90.14
A 3. Include interest on:			
Current Investments		516.93	644.36
Non-Current Investments		308.57	269.68
A 4. Total interest income (calculated using the effective interest method) for financial assets:			
In relation to Financial Assets classified at amortised cost		971.87	683.03
In relation to Financial Assets classified at FVOCI		772.28	874.79
In relation to Financial Assets classified at FVTPL		53.22	39.25
B.1 Dividend Income consists of Dividend on:			
Current Investments		5.65	17.44
Non-Current Investments		1,586.37	1,331.19
B.2 Dividend on Non Current Investments Includes Dividend from Subsidiaries		556.54	230.64

Note - 25 : COST OF MATERIAL CONSUMED

(₹ in Crore)

Particulars	2019-2020	2018-2019
Opening Stock	28,359.50	25,743.40
Add: Purchases	2,43,784.87	2,72,295.71
	2,72,144.37	2,98,039.11
Less: Closing Stock	19,350.20	28,359.50
Less: Transfer to Exceptional Items	5,717.14	-
TOTAL	2,47,077.03	2,69,679.61

NOTES TO FINANCIAL STATEMENTS

Note - 26 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND STOCK IN PROCESS

(₹ in Crore)

Particulars	2019-2020	2018-2019
Closing 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
Less:		
Opening Stock		
Finished Products	24,260.44	22,947.90
Stock in Process	5,739.85	4,960.90
Stock-in-Trade	9,313.95	8,394.31
	39,314.24	36,303.11
Add: Transfer to Exceptional Items	5,587.50	-
NET INCREASE / (DECREASE)	6,410.43	3,011.13

Note - 27 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars	2019-2020	2018-2019
Salaries, Wages, Bonus etc	6,504.09	7,053.80
Contribution to Provident & Other Funds	1,207.10	2,365.02
Voluntary Retirement Compensation	1.75	1.49
Staff Welfare Expenses	1,079.71	1,681.86
TOTAL	8,792.65	11,102.17

A. Excludes **₹ 405.12 crore** (2019: ₹ 372.88 crore) included in capital work in progress (construction period expenses -Note-2.2) / intangible assets under development (Note-3.1) and **₹ 24.63 crore** (2019: ₹ 21.92 crore) included in CSR expenses (Note-29.1).

B. Includes expenditure on account of Staff and Establishment amounting to **₹ 24.82 crore** (2019: ₹ 21.13 crore) engaged in Public Relations and Publicity (Refer Note 29.1)

C. Includes **₹ 130.24 crore** (2019: NIL) 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.

NOTES TO FINANCIAL STATEMENTS

Note - 28 : FINANCE COSTS

(₹ in Crore)

Particulars		2019-2020	2018-2019
Interest Payments on Financial items:			
Working Capital Loans:			
Bank Borrowings		842.92	1,026.57
Bonds/Debentures		325.13	65.77
Others		1,379.05	472.98
		2,547.10	1,565.32
Other Loans:			
Bank Borrowings		242.54	381.36
Bonds/Debentures		533.18	579.87
Lease Obligations		756.53	462.72
		1,532.25	1,423.95
Unwinding of Discount		65.74	44.85
Others		5.59	17.43
		4,150.68	3,051.55
Interest Payments on Non Financial items:			
Unwinding of Discount		0.14	0.04
Others	A	343.30	446.93
		343.44	446.97
		4,494.12	3,498.52
Other Borrowing Cost	B	31.33	16.95
Applicable Net (Gain) / Loss on Foreign Currency Transactions and Translation		1,454.00	795.56
TOTAL		5,979.45	4,311.03
A. Mainly includes:			
Interest on Entry Tax Liability		-	56.53
Interest expenses u/s 234 B and 234C		-	35.53
Interest on Kandla Port Trust Rental Liability		326.54	28.66
B. Mainly pertains to franking charges, service charges & other indirect expenses on borrowings.			
Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss		4,150.68	3,051.55

NOTES TO FINANCIAL STATEMENTS

Note - 29 : OTHER EXPENSES

(₹ in Crore)

Particulars	2019-2020	2018-2019
Consumption:		
a) Stores, Spares and Consumables	1,875.26	1,664.24
b) Packages & Drum Sheets	438.79	512.62
	2,314.05	2,176.86
Power & Fuel	21,823.59	26,100.56
Less : Fuel from own production	16,637.78	19,827.83
	5,185.81	6,272.73
Throughput, Processing & Blending Fees, Royalty and Other Charges	1,444.38	1,587.71
Octroi, Other Levies and Irrecoverable taxes	1,665.52	1,659.75
Repairs and Maintenance		
i) Plant & Equipment	3,564.85	3,065.58
ii) Buildings	365.71	356.42
iii) Others	518.36	503.71
	4,448.92	3,925.71
Freight, Transportation Charges and Demurrage	14,097.80	13,310.01
Office Administration, Selling and Other Expenses (Note "29.1")	11,151.20	8,918.07
TOTAL	40,307.68	37,850.84
Less: Company's use of own Products and Crude	836.39	802.75
TOTAL (Net)	39,471.29	37,048.09

Note - 29.1 : OFFICE, ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in Crore)

Particulars		2019-2020	2018-2019
Rent	A	477.30	1,115.35
Insurance		151.35	151.85
Rates & Taxes		148.29	189.54
Donation		0.01	5.71
Payment to Auditors			
As Auditors		2.17	2.06
For Taxation Matters		0.42	0.45
Other Services(for issuing other certificates etc.)		1.33	1.51
For reimbursement of expenses		0.35	0.32
		4.27	4.34
Travelling & Conveyance		714.97	716.98
Communication Expenses		54.46	57.18
Printing & Stationery		41.24	41.32
Electricity & Water		389.80	386.34
Bank Charges		48.44	33.07
Advances & Claims written off		6.25	5.78
Provision/ Loss on Assets sold or written off (Net)		93.94	152.87
Technical Assistance Fees		48.94	34.39
Exchange Fluctuation (net)		3,944.60	1,503.15
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.		28.56	1,084.75

NOTES TO FINANCIAL STATEMENTS

Note - 29.1 : OFFICE, ADMINISTRATION, SELLING AND OTHER EXPENSES (Contd...)

(₹ in Crore)

Particulars		2019-2020	2018-2019
Provision for Diminution/Loss on Revaluation in Investments (net)		1,114.99	-
Security Force Expenses		825.48	768.75
Sales Promotion Expenses (Including Commission)		443.39	469.49
Handling Expenses		595.65	541.31
Exploration & Production Cost		57.24	98.15
Loss on Derivatives		170.58	-
Fair value Loss on Financial instruments classified as FVTPL		59.11	2.77
Amortisation of FC Monetary Item Translation		28.92	148.39
Loss on Sale of Investments (Net)		-	1.60
Expenses on Construction Contracts		7.08	6.37
Expenses on CSR Activities		543.38	490.60
Training Expenses		97.06	99.27
Legal Expenses / Payment To Consultants		170.34	175.72
Notices and Announcement		18.87	37.51
Advertisement and Publicity		62.31	79.70
Pollution Control Expenses		96.94	81.82
Amortisation of Fair Value difference in Financial Instruments		291.07	55.72
Miscellaneous Expenses		416.37	378.28
TOTAL		11,151.20	8,918.07

A. Rent Expenses has reduced in current year due to change in Accounting as per Ind AS 116. Kindly refer Note-36 for detailed disclosure on leases.

B. Expenses Includes expenditure on Public Relations and Publicity amounting to **₹ 101.32 crore** (2019: ₹ 119.04 crore) which is inclusive of **₹ 24.82 crore** (2019: ₹ 21.13 crore) on account of Staff and Establishment and **₹ 76.50 crore** (2019: ₹ 97.91 crore) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is **0.00018:1** (2019: 0.0002:1)

NOTES TO FINANCIAL STATEMENTS

Note - 30 : OTHER COMPREHENSIVE INCOME

(₹ in Crore)

Particulars	2019-2020	2018-2019
Items that will not be reclassified to profit or loss:		
Remeasurement of Defined Benefit Plans	**(154.40)**	(64.40)
Fair value of Equity Instruments	**(10,901.88)**	(1,917.65)
	(11,056.28)	**(1,982.05)**
Income Tax relating to items that will not be reclassified to profit or loss:		
Remeasurement of Defined Benefit Plans	**38.86**	22.50
Fair value of Equity Instruments	**126.47**	(486.01)
	165.33	**(463.51)**
Items that will be reclassified to profit or loss:		
Fair value of Debt Instruments	**586.49**	131.13
Gain/(Loss) on Hedging Instruments	**61.49**	24.12
	647.98	**155.25**
Income Tax relating to items that will be reclassified to profit or loss:		
Fair value of Debt Instruments	**(150.87)**	(25.67)
Gain/(Loss) on Hedging Instruments	**(15.48)**	(8.44)
	(166.35)	**(34.11)**
TOTAL	**(10,409.32)**	**(2,324.42)**

NOTES TO FINANCIAL STATEMENTS

Note - 31 : DISTRIBUTIONS MADE AND PROPOSED

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Cash Dividends on Equity Shares declared:		
Final Dividend		
Total Final dividend during the current year for March 31, 2019: **₹ 1.00 per share** (March 31, 2018: ₹ 2.00 per share)	**941.42**	1,942.36
Less: Final Dividend pertaining to IOC Share trust (Refer Note-1)	**23.31**	46.62
Final Dividend net of IOC share trust	**918.11**	**1,895.74**
Dividend Distribution Tax on final Dividend	**186.67**	396.18
Interim Dividend		
Total Interim Dividend for March 31, 2020: **₹4.25 per share** (March 31, 2019: ₹ 8.25 per share). (Refer Note-3)	**3,901.94**	7,967.60
Less: Interim Dividend pertaining to IOC Share trust (Refer Note-1)	**-**	192.32
Interim Dividend net of IOC share trust	**3,901.94**	**7,775.28**
Dividend Distribution Tax on interim Dividend	**799.27**	1,589.11
TOTAL	**5,805.99**	**11,656.31**
Proposed Dividend on Equity Shares		
Final proposed Dividend for March 31, 2020: **₹ NIL per share** (March 31, 2019: ₹ 1.00 per share)	**-**	941.42
Less: Proposed Dividend pertaining to IOC Share trust (Refer Note-1)	**-**	23.31
Final proposed Dividend net of IOC share trust	**-**	**918.11**
Dividend Distribution Tax on proposed Dividend	**-**	193.51
	-	**1,111.62**

Notes:

1. 233118456 shares held under IOC Share Trust (Shareholder) of face value **₹ 233.12 crore** (2019: ₹ 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 2, 2020 and therefore no inetrim Dividend on shares held by IOC Share Trust have been proposed.

2. The Company have also incurred expenses on distribution of final dividend amounting to **₹ 0.14 crore** (2019: ₹ 0.14 crore) and on distribution of interim Dividend amounting to **₹ 0.15 crore** (2019: ₹ 0.34 crore) which have been debited to equity.

3. The Board of Directors of the Company, at its meeting held on December 13, 2018 had approved a proposal to buyback upto 297651006 (Twenty Nine Crores Seventy Six Lakhs Fifty One Thousand and Six) Equity Shares of the Company. The Company bought back 297651006 (Twenty Nine Crores Seventy Six Lakh Fifty One Thousand and Six) Equity Shares out of the shares that were tendered by eligible shareholders and the shares bought back were cancelled and extinguished on February 14, 2019.

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 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	2019-2020	2018-2019
Profit/ (Loss) attributable to Equity holders (₹ in Crore)	**1,313.23**	16,894.15
Weighted Average number of Equity Shares used for computing Earning Per Share (Basic) (Refer note-1 and 2)	**9181040466**	9441179290
Weighted Average number of Equity Shares used for computing Earning Per Share (Diluted) (Refer note-1 and 2)	**9181040466**	9441179290
Earnings Per Share (Basic) (₹)	**1.43**	17.89
Earnings Per Share (Diluted) (₹)	**1.43**	17.89
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 netted off from weighted average number of Equity Shares and EPS is worked out accordingly.

2. The Board of Directors of the Company, at its meeting held on December 13, 2018 had approved a proposal to buyback upto 297651006 (Twenty Nine Crores Seventy Six Lakhs Fifty One Thousand and Six) Equity Shares of the Company. The Company bought back 297651006 (Twenty Nine Crores Seventy Six Lakh Fifty One Thousand and Six) Equity Shares out of the shares that were tendered by eligible shareholders and the shares bought back were cancelled and extinguished on February 14, 2019. Accordingly, earnings per share (EPS) (basic and diluted) for FY 2018-19 have been adjusted on account of buy back.

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, 2020	March 31, 2019
Subsidiaries			
Chennai Petroleum Corporation Limited	India	**51.89%**	51.89%
Indian Catalyst Private Limited #	India	**100.00%**	100.00%
IndianOil (Mauritius) Ltd.	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 Ltd	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 (Under Liquidation)	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 Ltd.@	India	**50.00%**	50.00%
Petronet CI LTD (Under Liquidation)	India	**26.00%**	26.00%
IndianOil Ruchi Bio Fuels LLP ##	India	**50.00%**	50.00%
Hindustan Urvarak and Rasayan Ltd.	India	**29.67%**	29.67%
Ratnagiri Refinery & Petrochemicals Limited	India	**50.00%**	50.00%

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, 2020	March 31, 2019
Indradhanush Gas Grid Limited	India	20.00%	20.00%
Ujjawala Plus Foundation	India	50.00%	50.00%
IHB Pvt Ltd (Incorporated on July 9, 2019)	India	50.00%	-

The Company is under process of closure

@ The JVC has not been closed / wound up as yet, however the Company is not carrying out any operations.

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 is not proposing induction of new partner in this LLP, accordingly they have decided to file a petition for winding-up of the said LLP before the NCLT. M/s Ruchi would be undertaking necessary action in this respect.

Note - 33B : INTEREST IN JOINT OPERATIONS

Name		Principle place of Business	Proportion of Ownership Interest	
			March 31, 2020	March 31, 2019
E&P BLOCKS				
1) MN-OSN-2000/2	A	India	-	20.00%
2) AA-ONN-2001/2	B	India	20.00%	20.00%
3) GK-OSN-2009/1		India	25.00%	25.00%
4) GK-OSN-2009/2	C	India	30.00%	30.00%
5) CB-ONN-2010/6	C	India	20.00%	20.00%
6) AAP-ON-94/1		India	29.03%	29.03%
7) AA/ONDSF/UMATARA/2018		India	90.00%	90.00%
8) BK-CBM-2001/1		India	20.00%	20.00%
9) NK-CBM-2001/1		India	20.00%	20.00%
10) FARSI BLOCK IRAN	D	Iran	40.00%	40.00%
11) LIBYA BLOCK 86	C	Libya	50.00%	50.00%
12) LIBYA BLOCK 102/4	C	Libya	50.00%	50.00%
13) SHAKTHI GABON		Gabon	50.00%	50.00%
14) AREA 95-96	E	Libya	25.00%	25.00%
15) RJ-ONHP-2017/8	F	India	30.00%	-
16) AA-ONHP-2017/12	F	India	20.00%	-
17) Block-32	G	Israel	25.00%	-
OTHERS				
18) Petroleum India International	H	India	27.27%	27.27%

NOTES TO FINANCIAL STATEMENTS

Note - 33B : INTEREST IN JOINT OPERATIONS (Contd...)

A. Block relinquishment during the year 2019-20 vide Board Approval dated July 31, 2019

B. 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.

C. Blocks are under relinquishment.

D. The project 's exploration period ended on June 24, 2009. The contractual arrangement with respect to development of the block could not be finalized so far with Iranian Authorities.

E. Under Force Majeure since May 20, 2014.

F. Open Acreage Licensing policy(OALP), Bid Round-I, blocks were acquired through farmed-in during the year 2019-20.

G. Awarded through Israel Licensing round and presently under relinquishment.

H. Members in Petroleum India International (AOP) are HPCL, BPCL, EIL, IOCL, CPCL, ONGC, OIL and Reliance Industries Ltd. The total capital of AOP is ₹ 0.55 crore of which every member holds ₹ 0.05 crores share capital each, except IOCL which holds ₹ 0.15 Crore and BPCL ₹ 0.10 Crore. During the current financial year, members have executed a termination agreement dated March 18, 2020 bringing an end to the MOU (entered on March 1, 1986), to be effective, upon fulfilling residual obligations including filing of Return of Income under The Income Tax Act, 1961, to be filed in next financial year 2020-21.

IOCL share of Financial position of Joint Operations are as under:

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Assets	**653.02**	**547.31**
PPE (including Producing Properties)	173.30	180.33
Capital Work in Progress	225.60	121.60
Intangible Asset under Development (Net of Provisions)	247.30	238.68
Other Assets (Net of Provisions)	6.82	6.70
Liabilities & Provisions	**149.30**	**140.37**
Liabilities	141.59	135.75
Provisions	7.71	4.62
Income	**157.90**	**152.65**
Sale of Products (Net of Own Consumption)	144.49	152.44
Other Income	13.41	0.21
Expenditure	**57.16**	**85.06**
Expenditure written off (incl exploration related)	0.01	0.09
Other Costs (incl exploration related)	57.15	84.97
Net Results	**100.74**	**67.59**
Commitments	**837.16**	**797.28**
Contingent Liabilities	-	-

Notes:

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, 2020	March 31, 2019
(i) Assets	252.14	242.73
-Intangible Assets under Development	247.31	239.27
-Capital Work in Progress	0.79	0.79
-Other Assets	4.04	2.67
(ii) Liabilities	98.00	115.70
-Provisions	2.31	2.31
-Other Liabilities	95.69	113.39
(iii) Income	10.33	-
-Other Income	10.33	-
(iv) Expenses	28.98	71.56
-Exploration expenditure written off	0.01	0.09
-Other exploration costs	28.97	71.47
(v) Cash Flow		
-Net Cash from/(used) in operating activities	(37.71)	(49.51)
-Net Cash from/(used) in investing activities	(8.82)	(42.73)

NOTES TO FINANCIAL STATEMENTS

Note - 34B : IN COMPLIANCE OF REVSIED 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. Indian Oil 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, 2020		March 31, 2019	
		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	Begining	69.46	1621.05	47.42	1715.26
	Addition	-	-	32.04	-
	Deduction	24.91	396.25	-	-
	Production	8.74	87.59	10.00	94.21
	Balance	35.81	1137.21	69.46	1621.05
Total Proved Reserves		35.81	1137.21	69.46	1621.05
B) Proved developed Reserves					
Assam AAP-ON-94/1	Begining	69.46	1621.05	47.42	1369.16
	Addition	-	-	32.04	346.10
	Deduction	24.91	396.25	-	-
	Production	8.74	87.59	10.00	94.21
	Balance	35.81	1137.21	69.46	1621.05
Total Proved developed Reserves		35.81	1137.21	69.46	1621.05

Net Proved Reserves & Proved developed Reserves of Crude Oil, Condensate, Natural Gas Liquids and Gas on geographical Basis:

Details	March 31, 2020		March 31, 2019	
	Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
	TMT	Million Cubic Meter	TMT	Million Cubic Meter
A) Proved Reserves				
India	35.81	1137.21	69.46	1621.05
Total Proved Reserves	35.81	1137.21	69.46	1621.05
B) Proved developed Reserves				
India	35.81	1137.21	69.46	1621.05
Total Proved developed Reserves	35.81	1137.21	69.46	1621.05

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.

NOTES TO FINANCIAL STATEMENTS

Note - 35 : 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 company has recognised **₹ 34.89 crore** (2019 : ₹ 37.32 crore) as contribution to EPS-95 in the Statment 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 **₹ 312.3 crore** (2019 : ₹ 474.2 crore) towards Defined Contributory Employees Pension Scheme (including contribution in corporate National Pension Scheme) in the Statment 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 **₹ 130.24 crore** (2019 : Nil) has been provided by the company 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 equal to 15/26 of the eiligible salary for every completed year 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%.

Post Retirement Medical Scheme (PRMS):

PRMS provides medical benefit to retired employees and eligible dependant family members.

Resettlement Allowance:

Resettlement allowance is paid to employees to permanently settle down at a place other than the location of last posting at the time of retirement.

Ex gratia:

Ex-gratia is payable to those employees who have retired before November 1, 1987 and not covered under the pension scheme. Further, for employees who have retired on or after November 1, 1987 and their entitlement under the pension scheme is less than applicable amount under Ex- Gratia Scheme, such employees are also eligible to the extent of shortfall or difference under Ex-gratia scheme. The scheme of ex-gratia has been restricted to cover only those eligible employees who have retired upto December 31, 2006, and not thereafter.

Staff Pension fund at AOD:

The Fund is maintained for disbursement of pension to Officers who have joined erstwhile Assam Oil Company before October 14, 1981 and opted to continue the benefit of pension as existing prior to takeover. The company is managing the fund after takeover of the erstwhile Assam Oil Company in the name of IOCL(AOD) Staff Pension Fund.

Workmen Compensation:

The Company pays an equivalent amount of 100 months' salary to the family member of the employee if employee dies while he is on duty. This scheme is not funded by the company. The liability originates out of the Workmen Compensation Act and Factory Act.

Felicitation of Retired Employees:

The Company has a scheme to pay specified amount as felicitation award to retired employees on achieving specific age milestones at every 5 year interval starting from 70 years to 100 years. The amount provided during the year on this account is ₹ (24.53) Crore and the payments made to retired employees during the year is ₹ 6.70 Crore.

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

NOTES TO FINANCIAL STATEMENTS

Note - 35 : EMPLOYEE BENEFITS (Contd...)

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 DPE Guidelines and, keeping in view operational complications and service agreements the company had requested concerned authorities to reconsider the matter. Subsequently, the matter has been dealt in 3rd PRC recommendations, which is effective January 1, 2017 and CPSEs have been allowed 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 duration of service completed. MOP&NG vide its letter dated December 12, 2018 has intimated that the scheme is not forming part of DPE guidelines as of now and thus is irregular and has advised to make recovery of payments made. IOCL has clarified its position to MOP&NG vide its letter dated March 27, 2019 and April 25, 2019 stating that award based on length of meritorious and faithful service of employees (Long Service Award) was specifically allowed by DPE (formerly BPE) thru its letter dated February 14, 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 **₹ 28.40 crores** (2019: ₹ 21.08 crore) and the payments made to employees during the year is **₹ 26.28 crores** (2019: ₹ 30.66 crores). The actuarial liability of **₹ 189.20 crores** in this respect as on March 31, 2020 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	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Defined Obligation at the beginning	**14,325.99**	**2,662.76**	**4,908.94**	**-**	**120.83**	**208.92**
	12,846.57	*2,657.59*	*4,561.94*	*1.23*	*122.34*	*190.55*
Current Service Cost	**511.07**	**48.74**	**215.58**	**-**	**19.24**	**-**
	418.12	*39.11*	*208.16*	-	*19.71*	-
Past Service Cost	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	-
Interest Cost	**1,234.30**	**207.43**	**381.92**	**-**	**9.41**	**15.75**
	1,119.63	*206.76*	*354.01*	*0.01*	*9.52*	*14.90*
Contribution by employees	**1,364.74**	**-**	**-**	**-**	**-**	**-**
	1,154.88	-	-	-	-	-
Net Liability transferred In / (Out)	**25.81**	**-**	**-**	**-**	**-**	**-**
	83.62	-	-	-	-	-
Benefits paid	**(1,463.83)**	**(398.02)**	**(208.91)**	**-**	**(7.85)**	**(30.11)**
	(1,296.83)	*(369.78)*	*(203.04)*	*(1.24)*	*(8.18)*	*(27.60)*
Future Interest Shortfall	**130.24**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	-
Actuarial (gain)/ loss on obligations	**-**	**256.33**	**599.51**	**-**	**(8.00)**	**52.16**
	-	*129.08*	*(12.13)*	-	*(22.56)*	*31.07*
Defined Benefit Obligation at the end of the year	**16,128.32**	**2,777.24**	**5,897.04**	**-**	**133.63**	**246.72**
	14,325.99	*2,662.76*	*4,908.94*	-	*120.83*	*208.92*

NOTES TO FINANCIAL STATEMENTS

Note - 35 : EMPLOYEE BENEFITS (Contd...)

(ii) Reconciliation of balance of Fair Value of Plan Assets

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the beginning of the year	**14,635.72**	**2,549.13**	**4,993.59**	**-**	**-**	**-**
	13,102.84	*1,837.53*	*4,642.23*	*1.24*	*-*	*-*
Interest Income	**1,234.30**	**198.58**	**388.50**	**-**	**-**	**-**
	1,119.63	*142.96*	*360.24*	*-*	*-*	*-*
Contribution by employer	**511.07**	**-**	**163.54**	**-**	**-**	**-**
	418.12	*909.31*	*160.94*	*-*	*-*	*-*
Contribution by employees	**1,364.74**	**-**	**1.19**	**-**	**-**	**-**
	1,154.88	*-*	*1.27*	*-*	*-*	*-*
Net Liability transferred In / (Out)	**25.81**	**-**	**-**	**-**	**-**	**-**
	83.62	*-*	*-*	*-*	*-*	*-*
Benefit paid	**(1,463.83)**	**(398.02)**	**(208.91)**	**-**	**-**	**-**
	(1,296.83)	*(369.78)*	*(203.04)*	*(1.24)*		*-*
Provision for Stressed Assets	**(83.23)**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*
Re-measurement (Return on plan assets excluding Interest Income)	**(176.44)**	**(4.83)**	**14.50**	**-**		
	53.46	*29.11*	*31.95*			
Fair value of plan assets at the end of the year	**16,048.14**	**2,344.86**	**5,352.41**	**-**	**-**	**-**
	14,635.72	*2,549.13*	*4,993.59*	*-*	*-*	*-*

(iii) Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the end of the year	**16,048.14**	**2,344.86**	**5,352.41**	**-**	**-**	**-**
	14,635.72	*2,549.13*	*4,993.59*	*-*	*-*	*-*
Defined Benefit Obligation at the end of the year	**16,128.32**	**2,777.24**	**5,897.04**	**-**	**133.63**	**246.72**
	14,325.99	*2,662.76*	*4,908.94*	*-*	*120.83*	*208.92*
Amount not recognised in the Balance Sheet (as per para 64 of Ind-AS 19)	**(50.06)**	**-**	**-**	**-**	**-**	**-**
	(309.73)	*-*	*-*	*-*	*-*	*-*
Amount recognised in the Balance Sheet	**130.24**	**432.38**	**544.63**	**-**	**133.63**	**246.72**
	-	*113.63*	*(84.65)*	*-*	*120.83*	*208.92*

NOTES TO FINANCIAL STATEMENTS

Note - 35 : EMPLOYEE BENEFITS (Contd...)

(iv) Amount recognised in Statement of Profit and Loss / Construction Period Expenses

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Current Service Cost	**511.07**	**48.74**	**215.58**	**-**	**19.24**	**-**
	418.12	*39.11*	*208.16*	*-*	*19.71*	*-*
Past Service Cost	**-**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*
Net Interest Cost	**-**	**8.85**	**(6.58)**	**-**	**9.41**	**15.75**
	-	*63.80*	*(6.23)*	*0.01*	*9.52*	*14.90*
Contribution by employees	**-**	**-**	**(1.19)**	**-**	**-**	**-**
	-	*-*	*(1.27)*	*-*	*-*	*-*
Future Interest Shortfall	**130.24**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*
Expenses for the year	**641.31**	**57.59**	**207.81**	**-**	**28.65**	**15.75**
	418.12	*102.91*	*200.66*	*0.01*	*29.23*	*14.90*

(v) Amount recognised in Other Comprehensive Income (OCI)

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Actuarial (gain)/ loss on Obligations -Due to change in assumptions	**-**	**163.43**	**847.67**	**-**	**15.81**	**14.55**
	-	*(1.61)*	*(14.86)*	*-*	*(0.15)*	*2.30*
Actuarial (gain)/ loss on Obligations -Due to Experience	**-**	**92.90**	**(248.16)**	**-**	**(23.81)**	**37.61**
	-	*130.69*	*2.73*	*-*	*(22.41)*	*28.77*
Re-measurement (Return on plan assets excluding Interest Income)	**-**	**(4.83)**	**14.50**	**-**	**-**	**-**
	-	*29.11*	*31.95*	*-*	*-*	*-*
Amount recoverable from employee adjusted in OCI	**-**	**214.24**	**521.69**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*
Net Loss / (Gain) recognized in OCI	**-**	**46.92**	**63.32**	**-**	**(8.00)**	**52.16**
	-	*99.97*	*(44.08)*	*-*	*(22.56)*	*31.07*

NOTES TO FINANCIAL STATEMENTS

Note - 35 : EMPLOYEE BENEFITS (Contd...)

(vi) Major Actuarial Assumptions

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Discount rate	**6.86%**	**6.86%**	**6.81%**	-	**6.86%**	**6.04%**
	7.78%	*7.79%*	*7.78%*	-	*7.79%*	*7.54%*
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**
	-	*16*	*30*	-	*16*	*11*
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.

(vii) Sensitivity on Actuarial Assumptions

(₹ in Crore)

Loss / (Gain) for:	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Change in Discounting Rate						
Increase by 1%	-	**(175.62)**	**(870.46)**	-	**(16.87)**	**(9.92)**
	-	*(150.14)*	(652.78)	-	(13.68)	(7.96)
Decrease by 1%	-	**204.92**	**1,163.05**	-	**21.40**	**10.88**
	-	174.01	*851.89*	-	*17.14*	8.71
Change in Salary Escalation						
Increase by 1%	-	**40.51**	-	-	-	-
	-	*36.29*	-	-	-	-
Decrease by 1%	-	**(47.11)**		-	-	-
	-	*(39.79)*		-	-	-
Change in Inflation Rate						
Increase by 1%	-	-	**677.59**		-	-
	-	-	*505.49*		-	-
Decrease by 1%	-	-	**(550.78)**		-	-
	-	-	*(414.91)*		-	-

NOTES TO FINANCIAL STATEMENTS

Note - 35 : EMPLOYEE BENEFITS (Contd...)

(viii) Investment details

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Investment with Insurer	-	**99.50%**	**91.16%**	-
	-	*99.65%*	*94.29%*	-
Self managed investments	**100.00%**	**0.50%**	**8.84%**	-
	100.00%	*0.35%*	*5.71%*	-

Details of the investment pattern for the above mentioned funded obligations are as under:

	Provident Fund	Gratuity*	PRMS*	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Government Securities (Central & State)	**55.00%**	**26.84%**	**8.58%**	-
	49.99%	*69.21%*	*69.68%*	-
Investment in Equity / Mutual Funds	**4.26%**	**2.08%**	-	-
	6.83%	*5.06%*	*5.20%*	-
Investment in Debentures / Securities	**40.25%**	**0.05%**	**91.36%**	-
	39.07%	*16.03%*	*22.67%*	-
Other approved investments (incl. Cash)	**0.49%**	**71.03%**	**0.06%**	-
	4.11%	*9.70%*	*2.45%*	-

* 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)

Cash Flow Projection from the Fund/Employer	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
Within next 12 Months	**531.83**	**223.62**	-	**9.01**	**41.63**
	415.59	*209.61*	-	*8.78*	*36.67*
Between 1 to 5 Years	**1,058.87**	**958.66**	-	**30.80**	**131.35**
	1,076.26	*904.46*	-	*32.33*	*117.07*
Between 6 to 10 Years	**1,029.87**	*1,315.78*	-	**37.18**	**97.12**
	1,067.11	*1,245.33*	-	*40.38*	*88.61*

NOTES TO FINANCIAL STATEMENTS

Note - 36 : COMMITMENTS AND CONTINGENCIES

A. Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 introduces a single,on-balance sheet lease accounting model for lessees.

Effective April 1, 2019, the Company has adopted Ind AS 116 to its leases using modified retrospective transition method. Accordingly, the comparative information for periods relating to earlier years is not restated. The lease liability is measured at the present value of remaining lease payments discounted using incremental borrowing rate at the date of initial application and right of use asset has been recognized at an amount equal to the lease liability plus prepaid rentals recognised in the Balance Sheet before the date of initial application, if any. Further, the Company has exercised the following practical expedient;

i) The Company has not reassessed whether a contract is, or contains, a lease at the date of initial application i.e. the contracts classified as leases as on March 31, 2019 as per Ind-AS 17 is treated as leases under Ind-AS 116 and not applying this standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

ii) Leases for which the lease term ends within 12 months of the date of initial application have been accounted as short term leases.

Further, refer Note 1A: Significant Accounting Policies for detailed measurement and recognition principles on 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 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 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. Arrangements for using hookup facilities for supply of gas to its city gas station in Rewa District with Reliance Gas Pipeline Limited for a period of 15 Years.
10. 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
11. CFA handling arrangement with CFAs for providing dedicated storage facility for handling lubes
12. Arrangements with Tank truck operators for providing dedicated tank trucks for transportation of company's petroleum products
13. Arrangements for dedicated time charter vessels for coastal transportation of company's petroleum products
14. 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 Recognized in the Statement of Profit and Loss or Carrying Amount of Another Asset

(₹ in Crore)

Particulars		2019-20
Depreciation recognized		921.42
Interest on lease liabilities		776.46
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)		1,047.16
Expenses relating to leases of low-value assets, excluding short-term leases of Low-value assets		4.69
Variable lease payments not included in the measurement of lease liabilities		8,879.31
Income from sub-leasing right-of-use assets		
-As Rental income from Operating Lease	24.16	
-As Finance income from Finance Lease of RoU Asset	4.99	29.15
Total cash outflow for leases		1,370.19
Additions to ROU during the year		1,489.22
Gain or losses arising from sale and leaseback transactions		-
Net Carrying Amount of ROU at the end the year		9,110.42
Others including Disputed, Leave & License, Reversal of excess liability of previous year, exchange fluctuation on lease liability etc...		159.47

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 :-

(₹ in Crore)

Asset Class	Items Added to RoU Asset as on April 1, 2019*	Additions to RoU Asset during the Year**	Depreciation Recognized 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**

* Items added to RoU Asset as at April 1, 2019 includes both Finance and Operating leases for lease agreements entered before April 1, 2019 on net carrying value. Out of which, net carrying value of **₹ 3,750.30 crore** has been reclassified from different asset classes to RoU Asset as at April 1, 2019.

** 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.

The weighted average incremental borrowing rate in the range of 8.06%-8.87% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application.

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 recognized 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;

NOTES TO FINANCIAL STATEMENTS

Note - 36 : COMMITMENTS AND CONTINGENCIES (Contd...)

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. 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 paid advance of ₹ 215.90 Crore for acquisition of leasehold buildings for which offer of possession is issued by the contractor during financial year 2018-19. Company has not taken the physical possession of property as stay is imposed by the Hon'ble Delhi High Court for handing over of the office premises. Pending taking over of possession, amount paid to contractor is continued as capital advance under Note 8. The said property shall form part of Right to Use Assets upon physical possession of property and depreciated accordingly.
2. The Company has paid advance of ₹ 21.10 Crore for acquisition of leasehold buildings for which offer of possession is not yet issued by the contractor. Pending hand over of offer of possession, amount paid to contractor is continued as capital advance under Note 8. The said property shall form part of Right to Use Assets upon physical possession of property and depreciated accordingly.
3. The Company has entered into 5 Nos. lease arrangements with GAIL India Limited for a period of 10 years for using of Hookup facility for supply of gas at Bokaro, Aurangabad, Guna, Hazaribag, Ramgarh, Kaimur, Rohtas, Lakhisari, Munger, Bhagalpu, Sheikhpura, Jamui and Deoghar Districts for which lease agreements have been entered but not yet commenced.The expected future cash outflow from these agreements will be ₹2.10 crore.
4. The Company has entered into lease agreement with VSAT providers (Highes,Nelco and Airtel) for 22255 no's of VSAT equipment at ₹ 1,175.04 month for a non cancellable period of 3 years for subleasing to Retail outlet to ensure seamless connectivity of automated and online data from them. Out of total contract of 22255 no's, 2622 no's are pending as at March 31, 2020. Accordingly, the effect of lease and sub lease will be given for the balance.
5. Advance upfront premium is paid to New Raipur Development Authority for leasing of land for 7 no's of new Retail Outlet of ₹ 8.63 crore and annual rental @ 2% of upfront premium at Raipur. 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.
6. Advance upfront premium is paid to Commissioner Municipal Corporation, Bhopal for leasing of land for 1 no's of new Retail Outlet of ₹ 3.71 crore at Bhopal. 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.
7. The Company has entered into lease agreement with various lessors for 5 no's of Retail outlet at Kutch for a period of 20 years at an annual rental of **₹ 13,55,688.00** with an increment of 10% in every 5 years. Leases for all such cases will commence once RO is commissioned.
8. The Company has entered into lease agreement for providing e-locks from various vendors for a non cancellable period of 3 years at rate ranging from **₹ 1,200.00 - 1,300.00 per month.** As at March 31, 2020, 16752 no's are yet to be supplied. However, the same are low value items.
9. The Company has entered into lease agreement with Andhra Pradesh State Civil Supplies for 1 no of Retail outlet at Vizag for a period of 20 years at monthly rental of **₹ 20,000.00** with an increment of 10% in every 3 years. The possession of land is not given and the matter is pending in the the court.

(v) The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

(vi) Application of this standard has resulted a net decrease in Profit before Tax for the period April - March 2020 by **₹ 288.73 crore** (increase in Depreciation & Amortization expenses and Finance Cost by **₹ 742.62 crore** and **₹ 295.23 crore** respectively and decrease in Office, Administration, Selling and Other Expenses by **₹ 749.12 crore**). Further there is a net increase in Property, Plant and Equipment by **₹ 5,521.35 crore** and lease obligations by **₹ 4,482.31 crore** respectively as at March 31, 2020.

(b) As Lessor

(i) Operating Lease

The lease rentals recognized as income in these statements as per the rentals stated in the respective agreements:

(₹ in Crore)

Particulars	2019-20
Lease rentals recognized as income during the year	45.42
-Variable Lease	5.94
-Others	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, 2020
Less than one year	18.88
One to two years	15.24
Two to three year	12.65
Three to four years	10.30
Four to five years	8.01
More than five years	4.67
TOTAL	69.75

(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 certain Equipments to Retail outlets. 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 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 crores.

Lease income from lease contracts in which the Company acts as a lessor is as below:

(₹ in Crore)

Particulars	2019-20
Selling Profit & Loss	3.07
Finance income on the net investment in the lease	5.03

NOTES TO FINANCIAL STATEMENTS

Note - 36 : COMMITMENTS AND CONTINGENCIES (Contd...)

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Gross Investments in Finance Lease	224.94	510.17
Less: Unearned Finance Income	5.20	7.72
Less: Finance Income Received	47.59	173.48
Less: Minimum Lease payment received	106.38	269.00
Net Investment in Finance Lease as on Date	65.77	59.97
Opening Net Investment in Finance Lease	59.97	
Add: New Leases added during the year	33.10	
Less: PV of Minimum Lease payment received during the year	27.30	
Closing Net Investment in Finance Lease	65.77	

Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date

(₹ in Crore)

Particulars	March 31, 2020
Less than one year	37.04
One to two years	29.40
Two to three year	4.53
Three to four years	-
Four to five years	-
More than five years	-
Total Undiscounted Lease Payment	70.97
Less: Unearned finance Income	5.20
Net Investment in Finance Lease as on date	65.77

B. Contingent Liabilities

B.1 Claims against the Company not acknowledged as debt

Claims against the Company not acknowledged as debt amounting to **₹ 8,862.31 crore** (2019: ₹10,095.39 crore) are as under:

B.1.1 **₹48.02 crore** (2019: ₹568.18 crore) being the demands raised by the Central Excise /Customs/ Service Tax Authorities including interest of **₹21.31 crore** (2019: ₹171.74 crore.)

B.1.2 **₹52.39 crore** (2019: ₹52.39 crore) in respect of demands for Entry Tax from State Governments including interest of **₹11.69 crore** (2019: ₹11.69 crore).

B.1.3 **₹2,027.91 crore** (2019: ₹2,623.21 crore) being the demands raised by the VAT/ Sales Tax Authorities including interest of **₹841.17 crore** (2019: ₹1,195.85 crore).

B.1.4 **₹2,589.45 crore** (2019: ₹3,263.12 crore;) in respect of Income Tax demands including interest of **₹0.00** crore (2019: ₹419.74 crore).

B.1.5 **₹2,980.96 crore** (2019: ₹2,437.48 crore) including **₹2,404.28 crore** (2019: ₹1,864.40 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of **₹210.53 crore** (2019: ₹187.48 crore).

B.1.6 **₹1,163.58 crore** (2019: ₹1,151.01 crore) in respect of other claims including interest of **₹545.86 crore** (2019: ₹513.66 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 33 B.

B.2 Guarantees excluding Financial Guarantees

B.2.1 The Company has issued Corporate Guarantee in favor 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

NOTES TO FINANCIAL STATEMENTS

Note - 36 : COMMITMENTS AND CONTINGENCIES (Contd...)

signature bonus / equity contribution / loan to the beneficiaries. The total amount sanctioned by the Board of Directors is **USD 424.00 million.** The estimated amount of such obligation (net of amount paid) is **₹2,772.13 crore - USD 366.37 million** (2019: ₹2,533.81 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 3,924.76 million.** The estimated amount of such obligation (net of amount paid) is **₹ 4,317.78 Crore – CAD 813.51 million** (2019: ₹ 4,558.93 Crore - CAD 884.39 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, Syndicate Bank, Canara Bank, Bank of Baroda, Allahabad 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** (2019: ₹ 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 **₹ 11.40 crore** (2019: ₹ 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 **₹ 565.22 crore - USD 74.70 million** (2019: ₹ 581.98 crore - USD 84.15 million).

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 **₹ 26,677.10 crore** (2019: ₹ 23,638.90 crore). 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 **₹ 583.56 crore** (2019: ₹ 785.17 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, has entered into Debenture Subscription Agreement with ICICI Bank (ICICI), in which, the Company (IOCL), as promoter of IOLPL, has provided put option under which ICICI has unconditional and irrevocable right to require the Company (IOCL) to purchase the Compulsory Convertible Debenture (CCD) on the put option exercise date i.e December 11, 2020. In addition to this, the Company, at the sole discretion, has right to acquire CCD from ICICI on or before the expiry date. The Company's (IOCL) share of such obligation is **₹ 808.44 Crore** (2019: ₹ 808.44 Crore).

D. Contingent assets

(₹ in Crore)

	Particulars	March 31, 2020	March 31, 2019
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.	3.73	3.61
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.	6.26	5.36
c)	In respect of Electricity Duty arrears claimed from Gujarat Electricity Board (GEB) for 10 stations w.e.f December 2004 based on similar case decided by Gujarat High Court in favour of IOCL.	-	31.02
	TOTAL	9.99	39.99

NOTES TO FINANCIAL STATEMENTS

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	7. IOCL (USA) INC.
2. IndianOil (Mauritius) Limited	8. IndOil Global B.V., Netherlands
3. Lanka IOC PLC	9. IOCL Singapore Pte. Limited
4. IOC Middle East FZE	10. IndOil Montney Limited
5. Indian Catalyst Private Limited#	11. IOC Cyprus Limited
6. IOC Sweden AB	12. IOCL Exploration and Production Oman Limited

B. The following transactions were carried out with Subsidiary Companies/Entities in the ordinary course of business:

(₹ in Crore)

		March 31, 2020	March 31, 2019
1	Sales of Products/ Services	1,196.61	1,595.10
	[Includes sales to Chennai Petroleum Corporation Limited ₹ **1,043.83 crore** (2019: ₹ 1,211.67 crore) and Lanka IOC PLC ₹ **133.47 crore** (2019: ₹ 366.84 crore)]		
2	Other Operating Revenue / Other Income	579.58	254.19
	[Includes Other Operating Revenue / Other Income from IOCL Singapore Pte. Limited ₹ **528.81 crore** (2019: ₹ 4.96 crore)]		
3	Purchase of Products	44,240.98	46,178.75
	[Includes Purchase of Products from Chennai Petroleum Corporation Limited ₹ **44,240.98 crore** (2019: ₹ 46,178.75 crore)]		
4	Purchase of Raw Materials/ Others	3,051.67	9,289.24
	[Includes Purchase of Raw Materials/Others from IndOil Global B.V., Netherlands ₹ **2,102.90 crore** (2019: ₹ 1,905.29 crore), Chennai Petroleum Corporation Limited ₹ 942.90 crore (2019: ₹ 769.17 crore) and IOCL Singapore Pte. Limited ₹ **(0.95) crore** (2019: ₹ 6,607.35 crore)]		
5	Expenses Paid/ (Recovered) (Net)	(11.09)	(15.84)
	[Includes Expenses Paid to/(Recovered) from Chennai Petroleum Corporation Limited ₹ **(11.77) crore** (2019: ₹ (20.46) crore)]		
6	Investments made/ (sold) during the year (Incl Advance for Investment)	89.95	2,016.47
	[Includes Investment made in IOC Sweden AB ₹ **89.95 crore** (2019: ₹ 0.60 crore), Preference Shares Redemeed-Chennai Petroleum Corporation Limited ₹ **0.00 crore** (2019: ₹ (500.00) crore) and IOCL Singapore Pte. Limited ₹ **0.00 crore** (2019: ₹ 2,273.11 crore)]		
7	Purchase/ (Sale)/ Acquisition of Fixed Assets (Incl. CWIP/ Leases)	252.81	1.03
	[Includes Purchase/ Sale/ Acquisition of Fixed Assets incl. CWIP from Chennai Petroleum Corporation Limited ₹ **252.81 crore** (2019: ₹ 1.03 crore)]		
8	Provisions made/ (write back) during the year	1,431.65	-
	[Includes Provision for Dimunition in value of Investment made/ (written back) in IndOil Global B.V., Netherlands ₹ **1,345.24 crore** (2019:Nil)]		
9	Outstanding Receivables/ Loans	1,702.62	1,723.93
	[Includes Outstanding Receivables from Chennai Petroleum Corporation Limited ₹ **1,082.96 crore** (2019: ₹ 1,678.43 crore) and IOCL Singapore Pte. Limited ₹ **546.29 crore** (2019: ₹ 23.01 crore)]		
10	Outstanding Payables (Incl Lease Obligation)	602.39	1,020.80
	[Includes Outstanding payable to Chennai Petroleum Corporation Limited ₹ **290.13 crore** (2019: ₹ 65.37 crore) and IndOil Global B.V., Netherlands ₹ **262.49 crore** (2019: ₹ 479.42 crore)]		

NOTES TO FINANCIAL STATEMENTS

Note - 37 : RELATED PARTY DISCLOSURES (Contd...)

		March 31, 2020	March 31, 2019
11	Investments in Subsidiaries as on date	14,950.32	16,383.67
12	Guarantees		
	Financial Guarantees	4,709.97	4,221.34
	[Includes Financial Guarantees given to IndOil Montney Limited ₹ **2,591.16 crore** (2019: ₹ 2,145.81 crore) and IOCL Singapore Pte. Limited ₹ **2,118.81 crore** (2019: ₹ 2,075.53 crore)]		
	Other than Financial Guarantees	4,317.78	4,558.93
	[Includes Parent Company Guarantees for other than debt obligation given to IndOil Montney Limited ₹ **4,317.78 crore** (2019: ₹ 4,558.93 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.

The Company is under process of closure

2. Relationship with Entities

A. Details of Joint Ventures (JV) / Associate Entities to IOCL & its subsidiaries:

1. Indian Oiltanking Limited	19. GSPL India Gasnet Limited
2. Lubrizol India Private Limited	20. IndianOil - Adani Gas Private Limited
3. Petronet VK Limited	21. Mumbai Aviation Fuel Farm Facility Private Limited
4. IndianOil Petronas Private Limited	22. Kochi Salem Pipeline Private Limited
5. Avi-Oil India Private Limited	23. Hindustan Urvarak & Rasayan Limited
6. Petronet India Limited *	24. Ratnagiri Refinery & Petrochemicals Limited
7. Petronet LNG Limited	25. Indradhanush Gas Grid Limited
8. Green Gas Limited	26. Indian Additives Limited
9. IndianOil Panipat Power Consortium Limited @@	27. National Aromatics & Petrochemicals Corporation Limited
10. Petronet CI Limited @	28. INDOIL Netherlands B.V.
11. IndianOil LNG Private Limited	29. Taas India PTE Limited
12. IndianOil SkyTanking Private Limited	30. Vankor India PTE Limited
13. Suntera Nigeria 205 Limited	31. Ceylon Petroleum Storage Terminals Limited
14. Delhi Aviation Fuel Facility Private Limited	32. Falcon Oil & Gas B.V.
15. Indian Synthetic Rubber Private Limited	33. Urja Bharat PTE Ltd
16. Indian Oil Ruchi Biofuels LLP #	34. IHB Pvt Ltd (Incorporated on July 9, 2019)
17. NPCIL - IndianOil Nuclear Energy Corporation Limited	35. Ujjwala Plus Foundation
18. GSPL India Transco Limited	

NOTES TO FINANCIAL STATEMENTS

Note - 37 : RELATED PARTY DISCLOSURES (Contd...)

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 Pvt. Limited
5. PT IOT EPC Indonesia	11. IOT Biogas Private Limited
6. IOT Engineering Projects Limited	12. Petronet LNG Foundation

C. The following transactions were carried out with the related parties in the ordinary course of business:

(₹ in Crore)

		March 31, 2020	March 31, 2019
1	Sales of Products / Services	1,592.78	1,108.21
	[Includes sales to IndianOil Petronas Private Limited ₹ **1,083.75 crore** (2019: ₹ 548.21 crore) and Indian Synthetic Rubber Private Limited ₹ **350.95 crore** (2019: ₹ 460.33 crore)]		
2	Interest received	66.98	52.19
	[Includes interest received from IndianOil LNG Private Limited ₹ **54.77 crore** (2019: ₹ 39.25 crore) and Petronet VK Limited ₹ **9.49 crore** (2019: ₹ 11.21 crore)]		
3	Other Operating Revenue/ Other Income	467.28	370.06
	[Includes Other Operating Revenue / Other Income from Petronet LNG Limited ₹ **192.60 crore** (2019: ₹ 192.40 crore), Indian Synthetic Rubber Private Limited ₹ **116.00 crore** (2019: ₹ 95.79 crore) and IndianOil Petronas Private Limited ₹ **107.22 crore** (2019: ₹ 26.80 crore)]		
4	Purchase of Products	6,177.51	5,960.46
	[Includes Purchase of Products from Petronet LNG Limited ₹ **5,686.10 crore** (2019: ₹ 5,768.06 crore)]		
5	Purchase of Raw Materials/ Others	5,402.30	5,527.95
	[Includes Purchase of Raw Materials/Others from Petronet LNG Limited ₹ **5,027.29 crore** (2019: ₹ 5,083.97 crore)]		
6	Interest paid	268.25	284.69
	[Includes Interest paid to IOT Utkal Energy Services Limited ₹ **268.25 crore** (2019: ₹ 284.69 crore)]		
7	Expenses Paid/ (Recovered) (Net)	875.65	959.30
	[Includes Expenses Paid to/ (Recovered) from IndianOil Sky Tanking Private Limited ₹ **346.19 crore** (2019: ₹ 432.75 crore), IndianOil Petronas Private Limited ₹ **316.90 crore** (2019: ₹ 298.90 crore) and Indian Oiltanking Ltd ₹ **105.51 crore** (2019: ₹ 95.94 crore)]		
8	Investments made/ (sold) during the year (Incl. Advance for Investment)	735.67	547.23
	[Includes Investment made in Hindustan Urvarak and Rasayan Limited ₹ **310.76 crore** (2019: ₹ 107.08 crore), GSPL India Gasnet Limited ₹ **124.80 crore** (2019: ₹ 19.50 crore) and IndianOil Adani Gas Private Limited ₹ **105.50 crore** (2019: ₹ 61.50 crore)]		
9	Purchase/(Sale)/Acquisition of Fixed Assets (Incl. CWIP/ Leases)	3.91	10.72
	[Includes Purchase/Acquisition of Fixed Assets incl. CWIP from Indian Oiltanking Ltd ₹ **3.50 crore** (2019: ₹ 10.72 crore) and IndianOil Adani Gas Private Limited ₹ **0.41 crore** (2019:Nil)]		
10	Provisions made/ (write back) during the year	(316.66)	0.03
	[Includes Provision for Dimunition in value of Investment made/ (written back) in Indian Oiltanking Ltd ₹ **(316.66) crore** (2019:Nil)]		

NOTES TO FINANCIAL STATEMENTS

Note - 37 : RELATED PARTY DISCLOSURES (Contd...)

		March 31, 2020	March 31, 2019
11	Outstanding Receivables/ Loans	963.03	718.87
	[Includes Outstanding Receivables/ Loans from Petronet LNG Limited ₹ **265.58 crore** (2019: ₹ 286.96 crore), IndianOil LNG Private Limited ₹ **251.32 crore** (2019: ₹ 60.27 crore), Suntera Nigeria 205 Limited ₹ **163.76 crore** (2019: ₹ 139.31 crore) and Petronet VK Limited ₹ **100.98 crore** (2019: ₹ 92.45 crore)]		
12	Outstanding Payables (Incl. Lease Obligation)	3,027.40	3,019.09
	[Includes Outstanding payable to IOT Utkal Energy Services Limited ₹ **2,497.78 crore** (2019: ₹ 2,665.02 crore) and Petronet LNG Limited ₹ **420.86 crore** (2019: ₹ 245.76 crore)]		
13	Investments in JV/ Associates as on date	3,855.73	2,805.89
14	Guarantees		
	Financial Guarantees	1,114.28	1,139.76
	[Includes Financial Guarantee given to IndianOil LNG Private Limited ₹ **808.40 crore** (2019: ₹ 808.44 crore) and Indian Synthetic Rubber Private Limited ₹ **305.88 crore** (2019: ₹ 331.32 crore)]		
	Other than Financial Guarantees	6,882.21	6,660.65
	[Includes Parent Company Guarantees for other than debt obligation given to IndianOil Adani Gas Private Limited ₹ **3,533.46 crore** (2019: ₹ 3,533.46 crore) and INDOIL Netherlands B.V. ₹ **2,772.13 crore** (2019: ₹ 2,533.81 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. Relatives of Key Managerial Personnel and nature of relation with whom transactions are undertaken during the year :

1) Shri B V Raghav Raju (Manager, Indian Oil Corporation Limited): Son of Key Managerial Personnel
2) Shri Siddharth Vaidya (Senior Production Engineer, Indian Oil Corporation Limited): Son of Key Managerial Personnel

Details relating to the parties referred to in Item No.3 above:

(₹ in Crore)

		March 31, 2020	March 31, 2019
1	Remuneration		
	Shri B V Raghav Raju ^	0.10	0.24
	Shri Siddharth Vaidya ^	0.08	-
2	Outstanding Receivables/ Loans		
	Shri B V Raghav Raju ^	0.40	0.40
	Shri Siddharth Vaidya ^	-	-

NOTES TO FINANCIAL STATEMENTS

Note - 37 : RELATED PARTY DISCLOSURES (Contd...)

4. 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

@@ The JVC has not been closed / wound up as yet, however the Company is not carrying out any operations.

@ 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 is not proposing induction of new partner in this LLP, accordingly they have decided to file a petition for winding-up of the said LLP before the NCLT. M/s Ruchi would be undertaking necessary action in this respect.

^ Remuneration and Loan balances for relative of KMP is reported for the period of tenure of KMP.

5. Key Managerial Personnel

A. Whole Time Directors/ Company Secretary	B. Independent Directors	C. Government Nominee Directors
1. Shri Sanjiv Singh	1. Shri Parindu K. Bhagat (Upto December 1, 2019)	1. Shri Ashutosh Jindal (Upto November 3, 2019)
2. Shri A.K.Sharma (Upto May 17, 2019)	2. Shri Vinoo Mathur	2. Smt Sushmita Dasgupta (Upto May 27, 2019)
3. Shri G. K. Satish	3. Shri Samirendra Chatterjee	3. Smt Indrani Kaushal (w.e.f May 28, 2019)
4. Dr S. S. V. Ramakumar	4. Shri Chitta Ranjan Biswal	4. Shri Ashish Chatterjee (Upto March 24, 2020)
5. Shri B V Rama Gopal (Upto July 31, 2019)	5. Dr. Jagdish Kishwan	5. Dr. Navneet Mohan Kothari (w.e.f March 25, 2020)
6. Shri Ranjan Kumar Mohapatra	6. Shri Sankar Chakraborti	
7. Shri Gurmeet Singh (w.e.f. July 26, 2018)	7. Shri Dharmendra Singh Shekhawat	
8. Shri Akshay Kumar Singh (w.e.f. August 14, 2018)	8. Shri Rajendra Arlekar (w.e.f July 24, 2019)	
9. Shri S. K. Gupta (w.e.f. August 3,2019)	9. Ms Lata Usendi (w.e.f November 6, 2019)	
10. Shri S. M. Vaidya (w.e.f. October 14, 2019)		
11. Shri Kamal Kumar Gwalani		

NOTES TO FINANCIAL STATEMENTS

Note - 37 : RELATED PARTY DISCLOSURES (Contd...)

D. Details relating to the personnel referred to in Item No. 5A & 5B above

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 Sanjiv Singh	0.60	0.07	-	0.67	-	-
2) Shri A.K.Sharma	0.38	0.01	-	0.39	-	-
3) Shri G. K. Satish	0.59	0.07	-	0.66	-	-
4) Dr S. S. V. Ramakumar	0.63	0.08	0.04	0.75	-	0.02
5) Shri B V Rama Gopal	0.22	0.22	0.39	0.83	-	-
6) Shri Ranjan Kumar Mohapatra	0.60	0.07	-	0.67	-	0.04
7) Shri Gurmeet Singh	0.61	0.07	-	0.68	-	-
8) Shri Akshay Kumar Singh	0.58	0.07	-	0.65	-	0.01
9) Shri S. K. Gupta	0.38	0.05	-	0.43	-	0.11
10) Shri S. M. Vaidya	0.21	0.03	-	0.24	-	0.01
11) Shri Kamal Kumar Gwalani	0.50	0.07	-	0.57	-	0.21
B. Independent Directors						
1) Shri Parindu K. Bhagat	-	-	-	-	0.08	-
2) Shri Vinoo Mathur	-	-	-	-	0.09	-
3) Shri Samirendra Chatterjee	-	-	-	-	0.09	-
4) Shri Chitta Ranjan Biswal	-	-	-	-	0.05	-
5) Dr. Jagdish Kishwan	-	-	-	-	0.10	-
6) Shri Sankar Chakraborti	-	-	-	-	0.09	-
7) Shri Dharmendra Singh Shekhawat	-	-	-	-	0.09	-
8) Shri Rajendra Arlekar	-	-	-	-	0.04	-
9) Ms Lata Usendi	-	-	-	-	0.02	-
TOTAL	**5.30**	**0.81**	**0.43**	**6.54**	**0.65**	**0.40**

March 31, 2019

(₹ 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 Sanjiv Singh	0.81	0.07	-	0.88	-	0.01
2) Shri A.K.Sharma	0.47	0.26	0.60	1.33	-	-
3) Shri G. K. Satish	0.80	0.07	0.01	0.88	-	-
4) Dr S. S. V. Ramakumar	0.81	0.07	0.08	0.96	-	0.03
5) Shri B V Rama Gopal	0.67	0.06	0.08	0.81	-	0.01

NOTES TO FINANCIAL STATEMENTS

Note - 37 : RELATED PARTY DISCLOSURES (Contd...)

March 31, 2019

(₹ 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
6) Shri Ranjan Kumar Mohapatra	0.68	0.06	0.07	0.81	-	0.16
7) Shri Gurmeet Singh	0.57	0.05	0.07	0.69	-	-
8) Shri Akshay Kumar Singh	0.31	0.04	-	0.35	-	0.01
9) Shri Kamal Kumar Gwalani	0.59	0.07	0.05	0.71	-	0.21
B. Independent Directors						
1) Shri Parindu K. Bhagat	-	-	-	-	0.11	-
2) Shri Vinoo Mathur	-	-	-	-	0.09	-
3) Shri Samirendra Chatterjee	-	-	-	-	0.06	-
4) Shri Chitta Ranjan Biswal	-	-	-	-	0.07	-
5) Dr. Jagdish Kishwan	-	-	-	-	0.10	-
6) Shri Sankar Chakraborti	-	-	-	-	0.08	-
7) Shri Dharmendra Singh Shekhawat	-	-	-	-	0.09	-
TOTAL	**5.71**	**0.75**	**0.96**	**7.42**	**0.60**	**0.43**

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. In addition, whole-time Directors are also allowed the use of Corporation's car for private purposes up to 12000 kms. per annum on a payment of ₹ 2,000/- per mensem.

6. Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

	Name of the Trust	Post Employment Benefit Plan	March 31, 2020		March 31, 2019	
			Contribution by employer	Outstanding Receivable/ (Payable)	Contribution by employer	Outstanding Receivable/ (Payable)
1	IOCL (Refinery Division) Employees Provident Fund	Provident Fund	**229.72**	**(7.40)**	190.95	(18.72)
2	Indian Oil Corporation Limited (Assam Oil Division) Employees Provident Fund	Provident Fund	**24.46**	**(7.52)**	19.17	(6.98)
3	Provident Fund for the Employees of Indian Oil Corporation Limited (Marketing Division)	Provident Fund	**256.89**	**(59.90)**	208.00	(52.98)
4	IOCL Employees Superannuation Benefit Fund	Pension Scheme	**294.21**	**135.97**	1,740.72	19.76
5	IOCL Employees Post Retirement Medical Benefit Fund	Post Retirement Medical Scheme	**163.54**	**(544.63)**	160.94	84.65
6	IOCL Employees Group Gratuity Trust	Gratuity	**-**	**(432.38)**	909.31	(113.63)

NOTES TO FINANCIAL STATEMENTS

Note - 38 : SEGMENT INFORMATION

Operating Segment Reporting as per Ind-AS 108 for the year ended March 31, 2020 is as under:

(₹ in Crore)

	2019-2020					2018-2019				
	Petroleum Products	Petro-Chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-Chemicals	Other Business	Eliminations	Total
Revenue										
External Revenue	**5,38,038.89**	**15,702.53**	**13,208.22**	**-**	**5,66,949.64**	5,73,887.75	21,146.91	10,897.68	-	6,05,932.34
Inter-segment Revenue	**10,054.57**	**24.28**	**80.21**	**(10,159.06)**	**-**	11,651.29	35.91	95.89	(11,783.09)	-
Total Revenue	**5,48,093.46**	**15,726.81**	**13,288.43**	**(10,159.06)**	**5,66,949.64**	**5,85,539.04**	**21,182.82**	**10,993.57**	**(11,783.09)**	**6,05,932.34**
Result										
Segment Results excluding Exchange Gain/(Loss)	**12,517.48**	**2,029.99**	**883.26**	**-**	**15,430.73**	23,413.19	4,246.56	458.47	-	28,118.22
Segmental Exchange Gain/ (Loss)	**(2,051.60)**	**(21.64)**	**8.08**	**-**	**(2,065.16)**	(1,339.77)	(48.86)	3.82	-	(1,384.81)
Segment Results (Before Exceptional Items)	**10,465.88**	**2,008.35**	**891.34**	**-**	**13,365.57**	**22,073.42**	**4,197.70**	**462.29**	**-**	**26,733.41**
Less: Unallocable Expenditure										
- Finance Cost					**5,979.45**					4,311.03
- Loss on Sale of Investments (Net)					**-**					1.60
- Provision for diminution in Investments (Net)					**1,114.99**					-
- Loss on sale and disposal of Assets					**93.94**					152.87
- Exchange Loss - (Net)					**1,879.44**					118.34
- Loss on Derivatives					**170.58**					-
- Fair value Loss on Financial instruments classified as FVTPL					**59.11**					2.77
- Amortisation of FC Monetary Item Translation					**28.92**					148.39
Add: Unallocable Income										
- Interest and Dividend Income					**3,509.25**					3,045.04
- Provision for diminution in Investments written back (Net)					**-**					1.60
- Gain on Derivatives					**-**					0.32
- Other non operating income					**62.14**					81.55
Profit before Exceptional items and Tax					**7,610.53**					**25,126.92**
Exceptional Items (Refer point no. 9 of Note-48)	**(10,946.98)**	**(293.73)**	**(63.93)**	**-**	**(11,304.64)**	-	-	-	-	-
Profit / (Loss) Before Tax					**(3,694.11)**					**25,126.92**
Less: Income Tax (including deferred tax) (Refer point no. 10 of Note-48)					**(5,007.34)**					8,232.77
Profit / (Loss) After Tax					**1,313.23**					**16,894.15**

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.

NOTES TO FINANCIAL STATEMENTS

Note - 38 : SEGMENT INFORMATION (Contd...)

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.**

Other Information

(₹ in Crore)

	March 31, 2020				March 31, 2019			
	Petroleum Products	Petro-Chemicals	Other Business	Total	Petroleum Products	Petro-Chemicals	Other Business	Total
Segment Assets	2,37,349.85	19,970.34	6,231.69	2,63,551.88	2,38,569.65	16,847.70	3,762.43	2,59,179.78
Corporate Assets								
Investments (Current and Non Current)				39,138.56				49,939.97
Advances For Investments				88.90				-
Advance Tax				4,253.04				1,834.45
Interest Accrued On Investments/ Bank Deposits				0.71				11.76
Loans				3,860.59				3,351.53
Derivative Asset				131.11				35.56
Finance Lease Receivables				65.77				59.97
Total Assets				3,11,090.56				3,14,413.02
Segment Liabilities	86,519.67	970.38	1,406.14	88,896.19	1,01,382.12	807.51	1,125.69	1,03,315.32
Corporate Liabilities								
Borrowings (Short Term and Long Term)				1,12,736.72				83,259.91
Current Maturities Of Long-Term Debt				3,808.26				3,098.81
Deferred Tax Liability				11,413.14				15,823.07
Derivative Liabiliies				467.38				258.40
Total Liabilities				2,17,321.69				2,05,755.51
Capital Employed								
Segment Wise	1,50,830.18	18,999.96	4,825.55	1,74,655.69	1,37,187.53	16,040.19	2,636.74	155,864.46
Corporate				(80,886.82)				(47,206.95)
Total Capital Employed				93,768.87				1,08,657.51
Capital Expenditure	25,267.37	3,259.98	2,190.72	30,718.07	20,030.47	2,111.97	698.03	22,840.47
Depreciation and Amortization	7,777.07	898.09	90.94	8,766.10	6,471.40	958.26	84.63	7,514.29

Geographical information

(₹ in Crore)

	Revenue from external customers		Non-current assets	
	2019-20	2018-19	March 31, 2020	March 31, 2019
India	5,45,095.24	5,81,701.28	1,66,043.09	1,46,028.36
Outside India	21,854.40	24,231.06	239.53	181.81
TOTAL	5,66,949.64	6,05,932.34	1,66,282.62	1,46,210.17

NOTES TO FINANCIAL STATEMENTS

Note - 38 : SEGMENT INFORMATION (Contd...)

Revenue from major products and services

(₹ in Crore)

	2019-20	2018-19
Motor Spirit (MS)	1,12,707.55	1,14,704.54
High Speed Diesel (HSD)	2,81,617.99	3,03,561.37
Superior Kerosene Oil (SKO)	9,346.74	13,264.74
Liquified Petroleum Gas (LPG)	64,963.59	65,240.79
Aviation Turbine Fuel (ATF)	27,190.13	30,748.72
Others	71,123.64	78,412.18
Total External Revenue	5,66,949.64	6,05,932.34

NOTES TO FINANCIAL STATEMENTS

Note - 39 : FAIR VALUES

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, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
	Financial Assets					
A.	**FVOCI financial instruments:**					
	Quoted Equity Shares	**8,016.28**	18,650.71	**8,016.28**	18,650.71	Level 1
	Unquoted Equity Instrument	**384.42**	651.87	**384.42**	651.87	Level 3
	Quoted Government Securities	**11,931.81**	11,447.83	**11,931.81**	11,447.83	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	**93.00**	35.56	**93.00**	35.56	Level 2
B.	**FVPL financial instruments:**					
	Non Convertible Redeemable Preference shares	**555.63**	558.38	**555.63**	558.38	Level 3
	Compulsorily Convertible Debentures	**672.18**	674.67	**672.18**	674.67	Level 3
	Loan to Related parties-Suntera	**129.63**	147.29	**129.63**	147.29	Level 3
	Derivative Instruments at fair value through profit or loss	**16.21**	-	**16.21**	-	Level 2
C.	**Amortised Cost:**					
	Loans to employees	**1,379.74**	1,275.08	**1,504.12**	1,277.31	Level 2
	PMUY Loan*	**2,098.54**	1,729.76	**2,132.88**	1,725.37	Level 3
	Financial Liabilities					
A.	**Borrowings:**					
	Amortised Cost:					
	Non-Convertible Redeemable Bonds	**8,129.16**	-	**8,134.87**	-	Level 2
	Term Loans from Oil Industry Development Board (OIDB)	**322.28**	459.65	**317.80**	462.28	Level 2
	Foreign Currency Bonds-US Dollars	**14,510.96**	13,256.62	**14,077.15**	14,015.75	Level 1
	Foreign Currency Bonds-Singapore Dollars	**2,176.44**	2,091.67	**2,065.38**	2,125.42	Level 2
	Loan from Odisha Government	**962.66**	707.33	**1,000.53**	637.29	Level 2
B.	**Other financial liabilities:**					
	Fair value through profit and loss (FVPL):					
	Derivative Instruments at fair value through profit or loss	**435.87**	249.07	**435.87**	249.07	Level 2
C.	**Other financial liabilities:**					
	Fair value through OCI (FVOCI):					
	Hedging Derivatives					
	Foreign exchange forward contracts-Loans	**-**	9.33	**-**	9.33	Level 2
	Commodity forward contracts-Margin Hedging	**31.51**	-	**31.51**	-	Level 2

* Considered under Level-2 during Previous year. Also refer Note-48 for more details on PMUY Loans.

NOTES TO FINANCIAL STATEMENTS

Note - 39 : FAIR VALUES (Contd...)

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. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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 fair value through profit or loss :** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.

(ii) **Hedging Derivatives at fair value through OCI :** 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 , Senior Notes (Bank of America) and Loan from Odisha Government :** 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 a DCF model. 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 VALUES (Contd...)

	Description	Valuation technique	Significant unobservable inputs	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 and EBITDA Multiple	Revenue Multiple	March 31, 2020: 0.49x - 0.53x (0.51x) March 31, 2019: 0.80x - 0.84x (0.82x)	0.01x increase/ (decrease) in Revenue Multiple would result in increase/ (decrease) in fair value by: March 31, 2020: ₹4.20 crore/ ₹(4.10) crore March 31, 2019: ₹4.50 crore/ ₹(4.40) crore
			EBITDA multiple	March 31, 2020: 5.6x - 6.0x (5.8x) March 31, 2019: 5.5x - 5.9x (5.7x)	0.1x increase/ (decrease) in EBITDA Multiple would result in increase/ (decrease) in fair value by: March 31, 2020: ₹4.30 crore/ ₹(4.20) crore March 31, 2019: ₹7.50 crore/ ₹(7.40) crore
II	Non Convertible Redeemable Preference Shares	DCF method	Discount Rate (Post tax)	March 31, 2020: 5.98% - 7.98% (6.98%) March 31, 2019: 4.85% - 6.85% (5.85%)	0.5% increase/ (decrease) in discount rate would result in (decrease)/ increase in fair value by: March 31, 2020: ₹(11.00) crore/ ₹11.50 crore March 31, 2019: ₹(14.00) crore/ ₹14.00 crore
III	Compulsorily Convertible Debentures	Present Value Analysis	Discount Rate	March 31, 2020: 5.5% - 7.5% (6.5%) March 31, 2019: 7.3% - 9.3% (8.3%)	0.5% increase/ (decrease) in Discount Rate would result in (decrease)/ increase in fair value by: March 31, 2020: ₹(2.44) crore/ ₹2.47 crore March 31, 2019: ₹(5.20) crore/ ₹5.30 crore
IV	Loan to Related party - Suntera	DCF method	Discount Rate	March 31, 2020: 15.50% - 19.50% (17.50%) March 31, 2019: 14.50% - 18.50% (16.50%)	1% increase/ (decrease) in Discount rate would result in (decrease)/ increase in fair value by: March 31, 2020: ₹(5.30) crore/ ₹6.80 crore March 31, 2019: ₹ (6.90) crore/ ₹7.60 crore

Unquoted Equity Instruments carried at FVOCI includes following investments for which sensitivity disclosure are not disclosed:	Carrying Value (₹ in Crore)	
	March 31, 2020	March 31, 2019
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		FVTPL Assets	
	Unquoted Equity Shares	Non Convertible Redeemable Preference shares	Compulsorily Convertible Debentures	Loan to Suntera
Balance as at March 31, 2019	**651.87**	**558.38**	**674.67**	**147.29**
Addition	-	-	-	10.49
Redemption/ Sales	-	-	-	-
Fair Value Changes	(267.45)	(2.75)	(2.49)	(42.85)
Exchange Difference	-	-	-	14.70
Balance as at March 31, 2020	**384.42**	**555.63**	**672.18**	**129.63**

NOTES TO FINANCIAL STATEMENTS

Note - 39 : FAIR VALUES (Contd...)

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 recognized gains/losses in profit or loss on initial recognition of financial assets/ financial liability, instead, such gains/losses are deferred and recognized 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 recognized 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 amortized 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 amortized 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 amortized 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 recognized in the Statement of Profit and Loss are as under:

(₹ in Crore)

Particulars	Year	Deferred Expenses (Refer Note-8)			Deferred income (Refer Note-20)
		Loan to employees	PMUY Loan	Security Deposits	Security Deposits
Opening Balance	Current Year	**634.48**	**247.03**	**14.90**	**7.38**
	Previous Year	594.64	208.40	15.17	8.39
Addition During The Year	Current Year	**96.56**	**691.59**	**-**	**-**
	Previous Year	95.90	94.36	-	0.36
Amortized during the year	Current Year	**52.15**	**291.07**	**-**	**1.35**
	Previous Year	56.06	55.73	0.27	1.79
Adjusted during the year	Current Year	**-**	**-**	**14.90**	**0.42**
	Previous Year	-	-	-	(0.42)
Closing Balance	Current Year	**678.89**	**647.55**	**-**	**5.61**
	Previous Year	634.48	247.03	14.90	7.38

NOTES TO FINANCIAL STATEMENTS

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 integarted function handled through its international trade and optimization 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.

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, 2020 and March 31, 2019.

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. As at March 31, 2020, approximately 58% of the Company's borrowings are at a fixed rate of interest (March 31, 2019: 59%).

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, 2020		March 31, 2019	
INR	**+50**	**(3.32)**	+50	(18.09)
US Dollar	**+50**	**(242.61)**	+50	(159.39)
INR	**-50**	**3.32**	-50	18.09
US Dollar	**-50**	**242.61**	-50	159.39

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 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-detrmined 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 **₹3,296.52 crore** as at March 31, 2020 (March 31, 2019: ₹ 2,873.43 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 %	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)
	March 31, 2020		March 31, 2019	
Forward Contract - US Dollar	**+5%**	**164.83**	+5%	143.67
	-5%	**(164.83)**	-5%	(143.67)
Other Exposures - US Dollar	**+5%**	**(3,995.70)**	+5%	(3,516.15)
	-5%	**3,995.70**	-5%	3,516.15
Other Exposures - SGD	**+5%**	**(108.82)**	+5%	(104.58)
	-5%	**108.82**	-5%	104.58
Cross Currency - USD vs. SGD	**+5%**	**(123.18)**	+5%	(112.59)
	-5%	**123.18**	-5%	112.59

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 the financial year is provided below:

(In MMT)

Inventory	March 31, 2020	March 31, 2019
- Raw Materials	**9.735**	8.248
- Stock in Process	**1.856**	1.561
- Finished Products	**5.689**	4.682
- Stock in Trade	**1.799**	1.818

Due to variation in prices, the Company incurred total inventory gain/ (Loss) of **₹ (16,616.17) crores** during the current year (Previous Year: ₹ 4,172.26 crores). Out of the above, an amount of **₹ (11,304.64) Crore** (2019: NIL) is shown as exceptional item towards write down of inventories at net realizable value.

Category-wise quantitative data about commodity derivative transactions that are oustanding as at the end the financial year is given below:

Quantity (in lakh bbls)

Particulars	March 31, 2020	March 31, 2019
Margin Hedging Forward contracts	50.50	15.75

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, 2020:

Particulars	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)
	March 31, 2020		March 31, 2019	
Margin Hedging	+10%	(14.37)	+10%	(16.49)
Margin Hedging	-10%	14.37	-10%	16.49

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 **₹384.42 crore**. Sensitivity analysis of these investments have been provided in Note 39.

The exposure to listed equity securities valued at fair value was **₹8,016.28 crore**. An increase / decrease of 5% on the NSE market index could have an impact of approximately **₹400.81 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)

Other financial Assets / (Liabilities)	March 31, 2020	March 31, 2019
Derivatives not designated as hedging instruments		
Foreign exchange forward contracts-Loans	16.21	(13.05)
Foreign Exchange currency swap	(435.87)	(236.02)
Derivatives designated as hedging instruments		
Foreign exchange forward contracts-Loans	18.67	(9.33)
Foreign exchange forward contracts-Crude/ Product Liabilities	3.23	-
Commodity Forward Contracts-Margin Hedging-Other financial Assets	93.00	35.56
Commodity Forward Contracts-Margin Hedging-Other financial Liabilities	(31.51)	-

(ii) Hedging activities

The primary risks managed using derivative instruments are foreign currency risk and commodity price 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 realization 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.

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

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.

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 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.

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

Disclosures of effects of Cash Flow Hedge Accounting

Hedging instruments

The Company is holding the following foreign exchange and commodity forward contracts:

(₹ 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	-	-	-	-	-
Commodity forward contracts-Margin Hedging						
Nominal volume (Quantity in lakh 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...)

(₹ in Crore)

As at March 31,2019	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	-	-	713.35	-	-	713.35
Average forward rate	-	-	71.34	-	-	-
Foreign exchange forward contracts- Crude/ Product Liabilities						
Nominal amount	-	-	-	-	-	-
Average forward rate	-	-	-	-	-	-
Commodity forward contracts- Margin Hedging						
Nominal volume (Quantity in lakh bbls)	3.00	6.00	4.50	1.50	0.75	15.75
Nominal amount (₹ crore)	36.38	72.76	59.49	21.64	10.19	200.46
Average forward rate ($ /bbl)	17.54	17.54	19.12	20.86	19.65	-

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		Commodity forward contracts- Margin Hedging	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Nominal amount	**1,205.00**	713.35	**1,131.99**	-	**189.50**	200.46
Carrying amount	**18.67**	(9.33)	**3.23**	-	**61.49**	35.56
Line item in the Balance Sheet that's includes Hedging Instruments	**Other Current Financial Assets**	Other Current Financial Liabilities	**Other Current Financial Assets**	NA	**Other Current Financial Assets / Other Current Financial Liabilities ***	Other Current Financial Assets
Change in fair value used for measuring ineffectiveness for the period -Gain (Loss)	**18.67**	(39.94)	**(6.61)**	4.14	**124.70**	59.92

* 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		Commodity forward contracts- Margin Hedging	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax)	**-**	(1.08)	**-**	-	**46.00**	23.12
Change in value of the hedged items used for measuring ineffectiveness for the period	**(18.67)**	39.94	**6.61**	(4.14)	**(124.70)**	(59.92)

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		Commodity forward contracts- Margin Hedging of Highly probable forecast sales	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Cash flow Hedge Reserve at the beginning of the year	**(1.08)**	-	**-**	-	**23.12**	-
Total hedging gain/(loss) recognised in OCI	**20.33**	(39.94)	**(6.61)**	4.14	**89.14**	59.92
Income tax on above	**(5.12)**	13.96	**1.66**	(1.45)	**(22.43)**	(20.95)
Ineffectiveness recognised in profit or loss	**-**	-	**-**	-	**-**	-
Line item in the statement of profit or loss that includes the recognized ineffectiveness	**NA**	NA	**NA**	NA	**NA**	NA
Amount reclassified from OCI to profit or loss	**18.67**	(38.28)	**(6.61)**	4.14	**63.21**	24.36
Income tax on above	**(4.54)**	13.38	**1.66**	(1.45)	**(19.38)**	(8.51)
Cash flow Hedge Reserve at the end of the year	**-**	(1.08)	**-**	-	**46.00**	23.12
Line item in the statement of profit or loss that includes the reclassification adjustments	**Other Expenses**	Other Expenses	**Other Expenses**	Other Expenses	**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.

(₹ 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, 2020						
Gross Carrying amount	**6,855.79**	**3,175.07**	**2,388.86**	**354.34**	**197.88**	**1,2971.94**
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**
Year ended March 31, 2019						
Gross Carrying amount	12,315.57	1,839.29	1,062.90	159.95	214.19	15,591.90
Expected loss rate	0.10%	0.10%	0.10%	0.10%	0.10%	
Expected credit losses	(12.31)	(1.83)	(1.06)	(0.17)	(0.09)	(15.46)
Specific Provision	-	-	-	-	(118.61)	(118.61)
Carrying amount	**12,303.26**	**1,837.46**	**1,061.84**	**159.78**	**95.49**	**15,457.83**

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

Other Financial instruments and cash deposits

The Company's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2020 and March 31, 2019 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 ceratin 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. During the year, company has changed the time gap of considering significant increase in credit risk to 12 months since last refill from 6 months considered during the previous year. During the year, the Company has further categorized the PMUY loans wherein credit risk has increased significantly under various categories considering the likelihood of default based on time gap since last refill. ECL is provided @50% in case of time gap since last refill is more than 12 months but not exceeding 18 months , @70% in case of time gap is more than 18 months but not exceeding 24 months, @90% in case of time gap is more than 24 months but not exceeding 30 months and @100% for those consumers who have not taken any refill more than 30 months. ECL is provided for the new loans generated during the current Financial year based on past experience.

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 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 for financial assets at amortised cost during the year was as follows:

(₹ in Crore)

2019-20	Opening Balance	ECL created during the year	ECL write Back	ECL written off	Transfer In	Transfer Out	Closing Balance
	A	B	C	D	E	F	(A+B-C-D+E-F)
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	-	-	0.16	356.82	-	**360.29**
TOTAL	**1,145.34**	**69.98**	**658.50**	**0.16**	**356.82**	**356.82**	**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	6.22	0.22	0.17	-	-	-	**6.27**
Total	**6.22**	**0.22**	**0.17**	-	-	-	**6.27**

* ECL on new loans generated during the year

(₹ in Crore)

2018-19	Opening Balance	ECL created during the year	ECL write Back	ECL written off	Transfer In	Transfer Out	Closing Balance
	A	B	C	D	E	F	(A+B-C-D+E-F)
Loans							
12 Months ECL	-	-	-	-	-	-	-
Life Time ECL-not credit impaired	162.16	979.55	-	-	-	-	**1,141.71**
Life Time ECL-credit impaired	3.11	0.61	0.03	0.06	-	-	**3.63**
TOTAL	**165.27**	**980.16**	**0.03**	**0.06**	-	-	**1,145.34**
Security Deposits							
12 Months ECL	-	-	-	-	-	-	-
Life Time ECL-not credit impaired	-	-	-	-	-	-	-
Life Time ECL-not credit impaired	1.58	-	-	0.02	-	-	**1.56**
TOTAL	**1.58**	-	-	**0.02**	-	-	**1.56**
Other Financial assets							
12 Months ECL	-	-	-	-	-	-	-
Life Time ECL-not credit impaired	-	-	-	-	-	-	-
Life Time ECL-credit impaired	6.22	0.23	0.23	-	-	-	**6.22**
TOTAL	**6.22**	**0.23**	**0.23**	-	-	-	**6.22**

C. Liquidity risk

The Company monitors its risk of a 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.

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

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, 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	21,630.32	1,264.03	-	-	**25,251.58**
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	**56,628.66**	**28,398.97**	**42,038.35**	**8,001.87**	**1,87,105.82**
Year ended March 31, 2019						
Borrowings excluding Lease Obligations	7,499.37	28,078.13	15,913.80	30,649.29	707.33	82,847.92
Lease Obligations	-	43.70	157.36	1,003.33	2,306.41	3,510.80
Trade payables	2,352.95	31,842.08	3,187.56	-	-	37,382.59
Other financial liabilities	22,149.51	8,916.34	9,518.03	431.49	184.54	41,199.91
Financial guarantee contracts*	5,361.10	-	-	-	-	5,361.10
Derivatives	-	258.40	-	-	-	258.40
	37,362.93	**69,138.65**	**28,776.75**	**32,084.11**	**3,198.28**	**1,70,560.72**

* 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 holders of the parent. 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, 2020	March 31, 2019
Borrowings	**1,16,544.98**	86,358.72
Equity Share Capital	**9,181.04**	9,181.04
Reserves and Surplus	**84,587.83**	99,476.47
Equity	**93,768.87**	1,08,657.51
Debt Equity Ratio	**1.24 : 1**	0.79 : 1

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
I.	**Loans and Advances in the nature of loans:**				
	A) To Subsidiary Companies	-	-	-	-
	B) To Associates /Joint Venture				
	(i) Petronet V. K. Ltd. (No repayment schedule available)	**98.37**	89.84	**98.37**	89.84
	(ii) Suntera Nigeria 205 Ltd. (For Exploration activities) (Refer Note-1)	**162.24**	137.92	**162.24**	139.16
	(iii) IndianOil LNG Private Limited (For LNG terminal construction)	-	-	**108.00**	-
	(iv) Indian Oiltanking Limited	**15.00**	1.50	**15.00**	1.50
	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 **₹ 129.63 crore** as at March 31, 2020 (2019: ₹ 147.29 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)

Particulars	March 31, 2020	March 31, 2019
Amount due and Payable at the year end		
-Principal *	**391.69**	286.91
-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 ₹ **159.22 crore** (2019: ₹ 51.67 crore) included in Note 17: Other Financial Liabilities.

Note - 44 : RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹ **161.04 crore** (2019: ₹ 137.15 crore) have been capitalized and ₹ **267.00 Crore** (2019 : ₹ 300.19 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, 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 (Capitalized)	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	12.69	4.20	**36.85**	13.01
3	Plant & Equipment	599.51	39.21	56.91	7.16	**688.47**	36.14	87.69	56.91	**66.92**	126.90
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**

NOTES TO FINANCIAL STATEMENTS

Note - 44 : RESEARCH AND DEVELOPMENT COSTS (Contd...)

(₹ in Crore)

S.No.	Asset Block	Gross Block as at April 1, 2018	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at March 31, 2019	Work-in-Progress as at April 1, 2018	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at March 31, 2019	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	393.14	-	-	15.88	**377.26**	-	-	-	-	-
2	Building, Roads etc	101.06	0.55	-	0.47	**101.14**	6.28	22.08	-	**28.36**	22.63
3	Plant & Equipment	530.75	60.16	12.97	4.37	**599.51**	20.46	28.65	12.97	**36.14**	88.81
4	Office Equipment	16.16	6.70	0.01	0.61	**22.26**	-	3.72	0.01	**3.71**	10.42
5	Transport Equipment	1.08	0.33	-	1.35	**0.06**	-	-	-	-	0.33
6	Furniture & Fixtures	11.41	1.68	0.87	0.39	**13.57**	0.81	0.51	0.87	**0.45**	2.19
7	Drainage & Sewage	1.42	-	-	-	**1.42**	-	-	-	-	-
	Sub Total	**1,055.02**	**69.42**	**13.85**	**23.07**	**1,115.22**	**27.55**	**54.96**	**13.85**	**68.66**	**124.38**
(b)	**Intangible Assets**										
1	Right of way	-	-	-	-	-	-	-	-	-	-
2	Licenses / Technical Know-how	0.11	-	-	-	**0.11**	-	-	-	-	-
3	Computer Software	1.83	10.09	-	-	**11.92**	-	2.68	-	**2.68**	12.77
	Sub Total	**1.94**	**10.09**	-	-	**12.03**	-	**2.68**	-	**2.68**	**12.77**
	Total	**1,056.96**	**79.51**	**13.85**	**23.07**	**1,127.25**	**27.55**	**57.64**	**13.85**	**71.34**	**137.15**

B. RECURRING EXPENSES

(₹ in Crore)

Particulars	2019-20	2018-19
1. Consumption of Stores, Spares & Consumables	**9.55**	13.17
2. Repairs & Maintenance		
(a) Plant & Machinery	**12.84**	14.11
(b) Building	**10.29**	9.00
(c) Others	**2.26**	2.34
3. Freight, Transportation Charges & demurrage	**0.20**	0.22
4. Payment to and Provisions for employees	**149.16**	184.25
5. Office Administration, Selling and Other Expenses	**82.68**	77.08
6. Interest	**0.02**	0.02
Total	**267.00**	**300.19**

C. TOTAL RESEARCH EXPENSES

(₹ in Crore)

Particulars	2019-20	2018-19
Capital Expenditure	**161.04**	137.15
Recurring Expenditure	**267.00**	300.19
Total	**428.04**	**437.34**

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, 2020	March 31, 2019
(a) Gross amount spent by the Company during the year		
Annual CSR Allocation	**543.38**	490.60
Carry forward from previous year	-	-
Gross amount required to be spent	**543.38**	**490.60**

(b) Amount spent during the year on:

(₹ in Crore)

Particulars	2019-20			2018-19		
	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	**83.19**	**3.71**	**86.90**	92.53	0.54	93.07
Contribution towards PMUY	**73.87**	-	**73.87**	85.92	-	85.92
Flagship Projects-CSR	**16.69**	**0.13**	**16.82**	13.10	1.52	14.62
Educational Scholarship	**1.69**	-	**1.69**	2.68	-	2.68
Swachh Bharat	**6.24**	**0.93**	**7.17**	7.53	0.73	8.26
Education/employment vocational skills	**251.21**	**3.36**	**254.57**	204.71	2.85	207.56
Administration Expenses, training etc.	**24.80**	**0.07**	**24.87**	22.45	-	22.45
Drinking Water	**9.50**	**1.63**	**11.13**	14.41	0.72	15.13
Promotion of National Heritage, Art and Culture	**5.90**	**0.14**	**6.04**	0.48	-	0.48
COVID 19	**0.42**	**0.05**	**0.47**	-	-	-
Other expenses	**58.20**	**1.65**	**59.85**	40.26	0.17	40.43
Total Expenses (ii)	**531.71**	**11.67**	**543.38**	**484.07**	**6.53**	**490.60**
Grand Total (i) and (ii)	**531.71**	**11.67**	**543.38**	**484.07**	**6.53**	**490.60**

**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 **₹ 148.29 crore** (2019: ₹ 128.21 crore) and subsidies on sales of SKO and LPG to customers in Bhutan amounting to **₹ 13.39 crore** (2019: ₹ 21.79 crore) have been reckoned as per the schemes notified by Governments.

2. **Compensation against under recoveries**

   The Company has accounted for Budgetary Support of **₹ 1,296.17 crore** (2019: ₹ 4,110.18 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 **₹ 1.41 crore** (2019: ₹ 6.32 crore) on export of notified goods under Merchandise Exports from India Scheme (MEIS) in the Statement of Profit and Loss as Revenue Grant.

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. The Company has recognised grant in respect of stipend paid to apprentices appointed under NATS amounting to **₹ 4.88 crore** (2019: ₹ 8.57 crore) as Revenue Grant.

5. **Grant in respect of revenue expenditure for research projects**

   During the year, the Company has received revenue grant of **₹ 1.93 crore** (2019: ₹ 0.95 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 **₹ 2.76 crore** during the current year (2019: ₹ 3.08 crore).

7. **EPCG Grant**

   Grant recognized 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 unamortized grant amount as at March 31, 2020 is **₹ 39.89 crore** (2019: ₹ 57.56 crore) . During the year, the Company has recognised **₹ 17.68 crore** (2019: ₹ 200.43 crore) in the Statement of Profit and Loss as amortisation of revenue grant. The Company 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 **₹ 2,627.98 crore** (2019: ₹ 2,831.40 crore).

9. **Grant in respect of Hydrogen blended Natural Gas project at Rajghat DTC**

   The Company has received grant to carry out its study & pilot project of hydrogen blended CNG (H-CNG) from Ministry of Transport Corporation (NCT-DELHI) as per the direction of Hon'ble Supreme Court. The Company has recognised **₹ 15.00 crore** (2019: ₹ 0.00 crore) in Statement of Profit & Loss for the year ended 2019-20.

NOTES TO FINANCIAL STATEMENTS

Note - 46 : DISCLOSURE ON GOVERNMENT GRANTS (Contd...)

B. Capital Grants

1. OIDB Government Grant for strengthening distribution of SKO (PDS)

The company has received government grant from OIDB (Oil Industry Directorate 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 unamortized capital grant amount as at March 31, 2020 is **₹ 1.01 crore** (2019: ₹ 1.28 crore). During the year, the Company has recognised **₹ 0.27 crore** (2019: ₹ 0.28 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 unamortized capital grant amount as at March 31, 2020 is **₹ 61.78 crore** (2019: ₹ 52.52 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 **₹ 8.50 crore** (2019: ₹ 7.41 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 unamortized capital grant amount as at March 31, 2020 is **₹ 12.24 crore** (2019: ₹ 13.61 crore). During the year, the Company has recognised **₹ 2.51 crore** (2019: ₹ 3.64 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 recognized as Capital Grant and grossed up with the concerned Assets.The unamortized capital grant amount as at March 31, 2020 is **₹ 111.02 crore** (2019: ₹ 116.31 crore). During the year, the Company has recognised **₹ 5.30 crore** (2019: ₹ 5.29 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 unamortized capital grant amount as at March 31, 2020 is **₹ 90.77 crore** (2019: ₹ 78.65 crore). During the year, the Company has recognised **₹ 4.38 crore** (2019: ₹ 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 unamortized capital grant amount as at March 31, 2020 is **₹ 11.56 crore** (2019: ₹ 6.21 crore). During the year, the company has recognised **₹ 0.34 crore** (2019: ₹ 0.27 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 unamortized capital grant amount as at March 31, 2020 is **₹ 1,750.64 crore** (2019: ₹ 1,352.98 crore). During the year, the Company has recognised **₹ 112.11 crore** (2019: ₹ 78.56 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 unamortized capital grant amount as at March 31, 2020 is **₹ 4.14 crore** (2019: ₹ 4.34 crore). During the year, the Company has recognised **₹ 0.19 crore** (2019: ₹ 0.16 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 **₹ 0.71 crore** (2019: ₹ 0.00 crore) in Statement of Profit & Loss. The unamortized balance is **₹ 13.63 crore** (2019: ₹ 0.00 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 recognized 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 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)

	2019-20	2018-19
Total Revenue (A+E)	**5,66,949.64**	**6,05,932.34**
Revenue from contract with customers (A)	**5,62,426.49**	5,98,429.57
Recognised from contract liability balance of previous year (B)	**3,224.38**	2,896.82
Recognised from performance obligation satisfied in previous years (C)	**1.51**	-
Recognised from contracts initiated in current year (D)	**5,59,200.60**	5,95,532.75
Revenue from other contracts/from others (E)	**4,523.15**	7,502.77

An amount of **₹ 1.74 crore** (2019: ₹58.67 crore) on account of impairment losses on receivables is recognised under Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc. (Refer Note 29.1)

The Company disclose information on reportable segment as per Ind AS 108 under Note 38 - Segmental Information. An amount of **₹ 69.19 crore** (2019: ₹108.82 crore) is recognised over time under Revenue from contract with customers.

(₹ in Crore)

	Receivables	Contract Asset	Contract Liability
Opening Balance	16,238.18	-	4,730.35
Closing Balance	13,187.33	-	5,948.98

The performance obligation is part of the contract and the original expected duration is one year or less in case of delivered sales, advance from customers. In case of contruction contracts/deposit works, 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 - 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 Govts has 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 ₹ 161.25 per cylinder as loan recovery.

   The amount of outstanding as at March 31, 2020 towards PMUY claim from Central Government is **₹ 468.54 Crore** (2019: ₹ 1,495.63 Crore) and loan from PMUY consumers is **₹ 3,185.64 Crore** (2019: ₹ 3,111.32 Crore) (net of recovery through subsidy). Against the above loan, a provision for doubtful amounting to **₹ 553.19 Crore** (2019: ₹ 1,141.71 Crore) has been created as at March 31, 2020 against the beneficiaries who have not taken any refill for more than 12 months based on expected credit loss model. Also refer Point No. B of Note 40 on Credit Risk on PMUY, for modalities followed for PMUY Provisioning.

2. During the year, Company has opted for settlement of old dispute cases of sales tax/ Value added tax etc in the State of Maharashtra under the Amnesty Scheme announced by the State. Accordingly, on this account, **₹ 654.00 Crore** being the provision no more required has been written back and included in Revenue from operations after full compliance of requirements including deposit of amnesty amount under the scheme. 42 Orders for settlement out of total 62 applications, corresponding to **₹ 89.31 Crore** has already been received in this respect.

   Net impact on profits is **₹ 586.51 Crore** after adjusting expense of **₹ 67.49 Crore** (i.e. **₹ 654.00 Crore-₹ 67.49 Crore**).

3. During the year, old dispute under the Andhra Pradesh Sales Tax Act pertaining to erstwhile state of Andhra Pradesh settled with Govt. of Telengana. Consequently, provisions of **₹ 196.95 Crore** has been written back and included in Revenue from operations.

4. During the year, the Company has opted for settlement of old disputes of central excise,service tax,etc under Sabka Vishwas (Legal Dispute Resolution) Scheme 2019 of Government of India. Accordingly, on this account **₹ 45.86 crore** is provided as additional expenses and **₹ 15.20 crore** is written back being provision no more required after full compliance of requirements of the scheme. Orders for settlement (discharge certificate) corresponding to **₹ 30.89 crore** have been received in this respect.

5. Hitherto, the estimated residual value of LPG cylinders and Regulators was considered as 5% of original cost. Based on historical realized scrap value, prices of steel etc., the Company has revised the estimated residual value of those assets from 5% to maximum 15% of original cost effective from April 01, 2019. The impact on account of above change is reduction in depreciation by **₹ 207.37 crore.**

6. 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 ₹ 62.43 Crore as at March 31, 2019), 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, 2020. The Net Asset WDV of the business as at March 31, 2020 is **₹ 82.69 Crore.**

7. In line with Ministry of Environment, Forest and Climate Change (MoEFCC) memorandum on Corporate Environment Responsibility (CER) and considering the conditions specified in Environment Clearance Certificate, the Company has accounted for the liability towards CER for projects on incurrence basis under CWIP/PPE and commitments relating to ongoing projects are being disclosed as part of Capital Commitment (Refer Note-36). Accordingly, the Company has disclosed an amount of **₹ 507.81 crore** as capital commitment on this and similar account.

8. The Company has treated the expenditure for removal of shoals from the upstream of Mahanadi Barrage and construction of Water Treatment plant in Cuttack, as enabling assets for supply of water to its Paradip Refinery since the same is necessary for the continuous operation of the Refinery. The construction of these assets is being done through government agencies, payment for which are released in advance and the same are adjusted based on utilization certificate. Accordingly, the Company has included **₹ 147.10 crore** under Capital Work in Progress (Note 2.1), **₹ 84.34 crore** as capital advances (Note 8) and disclosed **₹ 146.96 crore** under capital commitment (Note 36) pending completion of these projects.

Note - 48 : OTHER DISCLOSURES (Contd...)

9. The Company is consistently valuing its inventories at Cost or Net Realizable Value (NRV) whichever is lower. For this purpose, NRV is derived based on the actual realization in the specified subsequent period as per regular practice. Due to COVID-19 a global pandemic and changes in Oil market scenario there was a significant fall in oil prices which lead to write down in valuation of inventories below cost for the specified period of **₹ 6,855.35 crore**. However, on account of unprecedented situation of lockdown from March 25, 2020 in the country precipitated by the outbreak of COVID-19 pandemic and consequent significant decline in demand for petroleum products, as a one time measure, a longer time period is considered for better estimation of NRV considering the most reliable evidence available in line with the provisions of Ind AS 2 "Inventories". As a result of considering a longer time period, the write down in valuation of inventories increased to **₹ 11,304.64 crore**. Considering the nature and size, the total write-down in valuation of inventories of **₹ 11,304.64 crore** is treated as Exceptional Item in the Statement of Profit and Loss account in the current year.

10. Pursuant to the introduction of Section 115BAA of the Income Tax Act, 1961 vide Taxation Laws (Amendment) Ordinance, 2019 the company 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 Company has decided to avail the lower rate from FY 2019-20.

    Accordingly, the Company has recognized Provision for Income tax for the year ended 31st March, 2020 and re-measured it's net Deferred Tax Liabilities on the basis of the rate prescribed in the said section.

    The net impact on deferred tax due to this change is **₹ 4,461.78 Crores** of which **₹ 58.80 Crores** has been accounted in Other Comprehensive Income. The MAT balance as on April 1, 2019 amounting to **₹ 1,921.13 Crores** has not been carried forward as per provision of Section 115BAA of the Income Tax Act, 1961. However, the same would be available for utilization against any tax liabilities pertaining to past periods.

    During the financial year the Government of India has introduced Vivad se Vishwas scheme for settlement of Income Tax disputes vide The Direct Tax Vivad Se Vishwas Act, 2020, which is optional and can be availed upto December 31, 2020. The Company has referred certain issues/queries to CBDT for necessary clarifications, relating to claiming of benefit in subsequent years for disallowances of timing nature for which tax to be paid under the said scheme. The Company is awaiting for such clarifications and may take an appropriate decision of opting for the scheme in the Financial Year 2020-21.

11. The Company has assessed impact of impairment of its Equity Investment as at March 31, 2020 and has recognized **₹ 1,345.24 crore** and **₹ 86.41 crore** as impairment in the carrying value of IndOil Global BV and IOCL (USA) INC. respectively during the year. Further, an amount of **₹ 316.66 crore** recognized as impairment in earlier years in respect of its investment in Indian Oiltanking Ltd. has been reversed as the recoverable amount of the asset has increased significantly.

12. The outbreak of Coronavirus (COVID-19) globally and in India has impacted businesses and economic activities in general. The spread of COVID-19, along with nationwide lockdown starting from March 25, 2020, has caused serious threat to human lives and resulted in reduction in global demand and disruption in supply chain, which have forced the businesses to restrict or close the operations in short term.

    During the lockdown, petroleum business continued its operations under the "Essential Services". The company's supply chain of petroleum products acts as a backbone of the country, whose continued functioning is all the more critical during times of crisis.

    In response to the lockdowns, the company launched a massive program to ensure business continuity of its services which allows employees to work remotely from the safety of their homes, while continuing to provide uninterrupted support services to our customers. The Company has also taken all necessary steps to comply with internal controls during the period of lockdown.

    Petroleum products demand growth for the current year till February 2020 was moderate, however, the demand decline in March 2020, made the growth subdued. Further, the COVID-19 has triggered volatility in international crude, petroleum prices and exchange rate. Due to the reduction of benchmark prices, inventories were written down below cost and valued at net realizable value. The financial impact on inventories, investment etc. have been given separately.

    The Company has assessed internal and external information upto the date of approval of the financial statements while reviewing the recoverability of assets & financial resources, performance of contractual liability & obligations, ability to service the debt & liabilities. Based on such assessment, the Company expects to fully recover the carrying amounts of the assets and comfortably discharge its debts & obligations. Hence, the management does not envisage any material impact on its financial statements. The Company is positive on the long-term business outlook as well as its financial position. However, it will continue to closely monitor any material changes to future economic conditions as the COVID-19 situation continues to evolve in India and globally.

Note - 48 : OTHER DISCLOSURES (Contd...)

13. Purchase of crude oil from Oil India Limited and some other oilfields has been accounted for provisionally, pending finalization of agreements with respective parties. Adjustments, if any, will be made on finalization of agreements.
14. Transactions with other Oil Marketing Companies are jointly reconciled on an ongoing basis.
15. 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.
16. Previous year's comparative figures have been regrouped wherever necessary. Figures in brackets indicate deductions.

Sd/-	Sd/-	Sd/-
(Sanjiv Singh)	**(S.K. Gupta)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN - 05280701	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)**	**(Shrenik Mehta)**	**(Aniruddha Sengupta)**
Partner	Partner	Partner	Partner
M. No. 091007	M. No. 101533	M. No. 063769	M. No. 051371

Place: New Delhi
Dated: 24 June 2020

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020

ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES

(₹ in Crore)

		2019-20	2018-19
INCOME :			
1.	Recovery of House Rent	**15.04**	11.26
2.	Recovery of Utilities-Power and Water	**4.38**	4.63
3.	Recovery of Transport Charges	**0.06**	0.06
4.	Other Recoveries	**8.56**	10.03
5.	Excess of Expenditure over Income	**718.63**	658.95
TOTAL :		**746.66**	**684.93**
EXPENDITURE :			
1.	Employee Benefit Expenses	**163.44**	182.69
2.	Consumable Stores and Medicines	**78.07**	74.70
3.	Repairs and Maintenance	**169.15**	140.44
4.	Finance Cost	**29.54**	21.55
5.	Depreciation & Amortization	**46.97**	44.77
6.	Miscellaneous Expenses		
	- Taxes, License Fees, Insurance etc.	**69.58**	59.14
7.	Utilities-Power, Water and Gas	**127.78**	120.50
8.	Rent	**1.51**	0.28
9.	Subsidies for Social & Cultural Activities	**34.91**	30.94
10.	Others	**25.70**	9.92
TOTAL :		**746.66**	**684.93**

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT (TOWNSHIP) FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crore)

PARTICULARS	Gross Block April 01, 2019	Additions during the year	Transfers from Capital work-in-progress	Disposals/ Deductions/ Transfers/ Reclassifications	Gross Block March 31, 2020	Depreciation & Amortization During the Year	Deprereciation & Amortization As at March 31, 2020	NET DEPRECIATED BLOCK	
								March 31, 2020	March 31, 2019
LAND FREEHOLD	108.40	29.24	-	0.37	138.01	-	-	**138.01**	108.40
LAND-LEASEHOLD	11.96	-	-	-	11.96	0.15	0.76	**11.20**	11.34
BUILDINGS, ROADS etc.	959.77	1.22	51.15	(17.98)	994.16	38.10	177.89	**816.27**	820.18
PLANT AND EQUIPMENT	55.91	1.39	11.87	0.22	69.39	3.48	17.85	**51.54**	41.60
OFFICE EQUIPMENTS	19.69	3.10	0.99	(1.22)	22.56	3.48	12.16	**10.40**	10.84
FURNITURE & FIXTURES	15.26	0.73	0.46	0.17	16.62	1.35	6.58	**10.04**	10.06
DRAINAGE, SEWAGE & WATER SUPPLY SYSTEMS	1.43	-	-	(0.51)	0.92	-	0.09	**0.83**	1.34
TRANSPORT EQUIPMENT	0.22	1.15	-	(0.02)	1.35	0.41	0.52	**0.83**	0.10
GRAND TOTAL :	**1,172.64**	**36.83**	**64.47**	**(18.97)**	**1,254.97**	**46.97**	**215.85**	**1,039.12**	**1,003.86**
PREVIOUS YEAR :	**1,132.55**	**6.11**	**20.04**	**13.94**	**1,172.64**	**44.77**	**168.78**	**1,003.86**	

CONSOLIDATED FINANCIAL STATEMENTS 2019-20

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A-160, Ground Floor
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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' 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, 2020, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year 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 Matter" 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, 2020, of consolidated total comprehensive income (comprising of loss and other comprehensive loss), 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 there under, 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.

Emphasis of Matter

We invite attention to Note No. 48 (12) of the consolidated financial statements which describes the impact of COVID-19 a global pandemic on the operations and financial matters of the Company

Our opinion is not modified in respect of this matter.

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 year. 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 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 realizable value of the assets retired from active use; the appropriateness of asset lives applied in the calculation of depreciation; the useful lives of assets prescribed in Schedule II of 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 outcomes 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 where available. • Review of the adequacy of the disclosures in the notes to the consolidated financial statements.

Key Audit Matters

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 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.

Auditors' response to Key Audit Matters

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 capitalization 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.

Receivables from Airlines Customers

The Company has trade receivables from certain airlines. The increasing challenges over the economy and operating environment in the airline industry during the year have increased the risks of default on receivables from the Company's airline customers if they fail to meet their contractual obligations in accordance with the contracts.

The management has determined and assessed that these amounts are good of recovery considering the dues receivable from a government airline company and financial bank guarantees received from private airlines covering the amount due.

Considering the materiality of the amount involved, we considered this as a key audit matter for our audit.

Our audit procedures included:

- Testing the management's judgment with respect to recoverability of the dues from airline companies;
- Perusing the confirmations from/reconciliations with the airline customers indicating that there are no material discrepancies or disputes;
- Perusing the financial bank guarantees received from private airlines covering the amount due from them.

Key Audit Matters

Adoption of Ind AS 116 "Leases"

The Company has adopted Ind AS 116 "Leases" in the current year. The application and transition to this Ind AS is complex and was an area of focus in our audit since the Company has a large number of leases with different contractual terms.

Adoption of this standard involves judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures.

Considering the materiality and significance of this item in overall context of the standalone financial statements, this has been considered as a key audit matter.

Auditors' response to Key Audit Matters

Our audit procedures in response to this key audit matter included among others:

- Assessed and tested new processes and controls in respect of the adoption of Ind AS 116;
- Assessed company's evaluation on the identification of leases based on the contractual terms and nature of leases by testing a sample of contracts;
- Evaluated the method of transition and related adjustments;
- Tested completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities;
- Evaluated the reasonableness of the discount rates applied in determining the lease liabilities;
- Verified correctness of the recognition and measurement of Right of Use Assets and lease liabilities;
- Evaluated the appropriateness of permitted practical expedients applied and exemptions availed;

Evaluated the reasonableness and completeness of presentation and disclosures relating to Ind AS 116.

Exceptional Item –write down of inventories to Net Realisable Value

The Company is consistently valuing its inventories at Cost or Net Realizable Value (NRV) whichever is lower. On account of unprecedented situation of lockdown from March 25, 2020 precipitated by the outbreak of COVID-19 pandemic, and consequent significant decline in demand for petroleum products, the company has, as a onetime measure, considered a longer time period Net realizable value ("NRV") than its usual regular practice in respect thereof for better estimation of NRV considering the most reliable evidence available in line with the provisions of Ind AS 2 "Inventories". As a result, the write down in inventories' value amounting to ₹ 11,304.64 crore has been recognised as exceptional item in the Statement of Profit and Loss.

Considering the materiality and significance of this item in overall context of the standalone financial statements, this has been considered as a key audit matter.

Our audit procedures in response to this key audit matter included among others:

- Considered the impact COVID-19 that weighed on inventory valuation;
- Assessed the Company's determination of Net Realizable Value (NRV) as per Ind AS 2 " Inventories";
- Compared the net realizable value (NRV) with cost of inventories appearing as on March 31, 2020;
- Determined the correctness of the computation of amount written down from the value of inventories;
- Tested the appropriateness of management's assertion to treat Inventories' write down to Net Realizable Value (NRV), as an exceptional item and evaluated the reasonableness and completeness of presentation and disclosures.

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 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 matter 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 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. We did not audit the financial statements / financial information of 9 subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of **₹35,378.05 Crores** and net assets of **₹15,631.81 Crores** as at March 31, 2020, total revenues of **₹58,167.66 Crores** and net cash inflows amounting to **₹29.71 Crores** 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 **₹525.14 Crores** for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of 22 joint ventures and associates, whose financial statements / financial information have not been audited by us.

2. These financial statements except one associate , 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 of one associate as referred above are unaudited and have been furnished to us by the Holding Company's management duly certified.

3. Certain of these subsidiaries and joint ventures 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 ventures and associates 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 ventures and associates located outside India is based on the reports of other Chartered Accountants as mentioned above.

4. The consolidated financial statements of the Company for the year ended March 31, 2019 were audited by joint auditors of the Company, three of whom were predecessor audit firms, and they have expressed an unmodified opinion dated May 17, 2019 on such financial statements.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of 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, 2020 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 1".

   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, as noted in other matter paragraph:

      i. The consolidated financial statements disclosed 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, 2020.

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)**	**(Shrenik Mehta)**	**(Aniruddha Sengupta)**
Partner	Partner	Partner	Partner
M. No. 091007	**M. No. 101533**	**M. No. 063769**	**M. No. 051371**
UDIN: 20091007AAAABG4856	**UDIN: 20101533AAAABV6003**	**UDIN: 20063769AAAAAP3223**	**UDIN: 20051371AAAABB8282**
New Delhi	**Vadodara**	**Kolkata**	**Kolkata**

Date: June 24, 2020

ANNEXURE 1 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, 2020

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements')

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")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, 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 financial statements

A company's internal financial control with reference to 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 company's internal financial control with reference to financial statement 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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, an adequate internal financial controls with reference to financial statements reporting and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020,except in the case of two joint venture where the auditor has qualified his opinion on certain matters, which we are informed will not have material impact on the adequacy and operating effectiveness of internal financial control with reference to financial statements of the Group, 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 reports under section 143(3) of the Act on the adequacy and operating effectiveness of the internal financial control with reference to financial statements insofar as it relates to 2 subsidiaries, 21 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)**	**(Shrenik Mehta)**	**(Aniruddha Sengupta)**
Partner	Partner	Partner	Partner
M. No. 091007	**M. No. 101533**	**M. No. 063769**	**M. No. 051371**
UDIN:	**UDIN:**	**UDIN:**	**UDIN:**
20091007AAAABG4856	**20101533AAAABV6003**	**20063769AAAAAP3223**	**20051371AAAABB8282**
New Delhi	**Vadodara**	**Kolkata**	**Kolkata**

Date: June 24, 2020

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT MARCH 31, 2020

(₹ in Crore)

Particulars	Note No.	March 31, 2020	March 31, 2019
ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	2	**1,44,076.30**	1,29,647.12
b) Capital Work-in-Progress	2.1	**29,628.86**	23,401.01
c) Goodwill-On Consolidation		**1.04**	1.04
d) Intangible Assets	3	**2,944.79**	2,845.60
e) Intangible Assets Under Development	3.1	**3,215.98**	4,879.73
f) Equity Investment in Joint Ventures and Associates	4	**13,572.23**	11,893.40
g) Financial Assets			
i) Investments (Other than Investment in Joint Ventures and Associates)	4	**13,707.46**	23,699.66
ii) Loans	5	**3,279.78**	2,301.87
iii) Other Financial Assets	6	**1,561.93**	1,586.22
h) Income Tax Assets (Net)	7	**4,236.20**	1,393.33
i) Other Non-Current Assets	8	**2,887.82**	3,943.23
		2,19,112.39	**2,05,592.21**
Current Assets			
a) Inventories	9	**67,010.76**	77,126.48
b) Financial Assets			
i) Investments	4	**8,291.18**	8,519.19
ii) Trade Receivables	10	**13,259.48**	15,807.53
iii) Cash and Cash Equivalents	11	**1,434.61**	933.09
iv) Bank Balances other than above	12	**861.40**	127.88
v) Loans	5	**1,104.52**	1,578.59
vi) Other Financial Assets	6	**14,170.66**	20,382.64
c) Current Tax Assets (Net)	7	**55.62**	481.92
d) Other Current Assets	8	**4,198.60**	4,379.89
		1,10,386.83	**1,29,337.21**
Assets Held for Sale	13	**237.61**	227.40
		1,10,624.44	**1,29,564.61**
TOTAL ASSETS		**3,29,736.83**	**3,35,156.82**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	14	**9,181.04**	9,181.04
b) Other Equity	15	**86,216.87**	1,03,288.20
c) Non Controlling Interest		**876.27**	1,877.36
		96,274.18	**1,14,346.60**

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT MARCH 31, 2020

(₹ in Crore)

Particulars	Note No.	March 31, 2020	March 31, 2019
LIABILITIES			
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	16	**56,070.61**	39,152.45
ii) Other Financial Liabilities	17	**789.58**	616.03
b) Provisions	18	**1,597.23**	2,211.99
c) Deferred Tax Liabilities (Net)	19	**11,439.29**	16,509.71
d) Other Non-Current Liabilities	20	**2,048.10**	1,599.45
		71,944.81	**60,089.63**
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	21	**69,897.44**	53,559.29
ii) Trade Payables	22		
A. Total outstanding dues of Micro and Small Enterprises		**233.03**	236.82
B. Total outstanding dues of creditors other than Micro and Small Enterprises		**27,370.51**	40,957.30
iii) Other Financial Liabilities	17	**41,939.63**	43,317.75
b) Other Current Liabilities	20	**12,468.24**	12,475.38
c) Provisions	18	**9,608.99**	10,174.05
		1,61,517.84	**1,60,720.59**
TOTAL EQUITY AND LIABILITIES		**3,29,736.83**	**335,156.82**
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/-
(Sanjiv Singh)	**(S.K. Gupta)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN-05280701	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)**	**(Shrenik Mehta)**	**(Aniruddha Sengupta)**
Partner	Partner	Partner	Partner
M. No. 091007	M. No. 101533	M. No. 063769	M. No. 051371

Place: New Delhi
Dated: 24 June 2020

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crore)

Particulars	Note No.	2019-2020	2018-2019
I. Revenue From Operations	23	5,76,588.93	6,17,251.41
II. Other Income	24	2,790.29	2,714.28
III. Total Income (I+II)		5,79,379.22	6,19,965.69
IV. Expenses:			
Cost of Material Consumed	25	2,81,080.13	3,06,472.22
Excise Duty [Includes ₹ **88,428.89 crore** (2019: ₹ 87,847.52 crore) included in Revenue from Operations]		92,226.67	89,093.91
Purchases of Stock-in-Trade		1,39,463.72	1,39,170.13
Changes in Inventories of Finished Goods, Stock-in-trade and Stock-In Process	26	(5,414.35)	(3,545.59)
Employee Benefits Expense	27	9,336.93	11,596.28
Finance Costs	28	6,578.74	4,887.98
Depreciation and Amortization on :			
a) Tangible Assets		9,533.43	8,240.07
b) Intangible Assets		321.45	266.38
		9,854.88	8,506.45
Impairment Losses		419.66	0.93
Net Loss on de-recognition of financial assets at amortised cost		5.73	3.29
Other Expenses	29	43,065.57	39,237.57
Total Expenses (IV)		5,76,617.68	5,95,423.17
V. Profit / (Loss) before Share of profit/(loss) of an associate/ a joint venture and Exceptional Items (III-IV)		2,761.54	24,542.52
VI. Share of profit/(loss) of associates/ joint ventures		1,366.09	1,384.38
VII. Profit / (Loss) before Exceptional Items and Tax (V+VI)		4,127.63	25,926.90
VIII. Exceptional Items (Refer Point No. 9 of Note - 48)		(11,304.64)	-
IX. Profit / (Loss) before Tax (VII+VIII)		(7,177.01)	25,926.90
X. Tax Expense (Refer Point No. 10 of Note - 48):			
Current Tax		221.23	5,310.26
Deferred Tax		(5,521.92)	3,342.79
XI. Profit / (Loss) For The Year (IX-X)		(1,876.32)	17,273.85
Profit / (Loss) for the Year attributable to :			
Equityholders of the Parent		(893.14)	17,376.70
Non-Controlling Interest		(983.18)	(102.85)
XII. Other Comprehensive Income:	30		
A (i) Items that will not be reclassified to profit or loss		(11,140.06)	(2,044.11)
A (ii) Income Tax relating to items that will not be reclassified to profit or loss		186.88	(462.22)
B (i) Items that will be reclassified to profit or loss		736.14	(120.96)
B (ii) Income Tax relating to items that will be reclassified to profit or loss		(166.35)	(34.11)
XIII. Total Comprehensive Income for the Year (XI+XII) (Comprising Profit/ (Loss) and Other Comprehensive Income for the Year)		(12,259.71)	14,612.45

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crore)

Particulars	Note No.	2019-2020	2018-2019
Total Comprehensive Income for the Year (Comprising Profit/ (Loss) and Other Comprehensive Income for the Year) attributable to:			
Equityholders of the Parent		(11,263.10)	14,722.26
Non-Controlling Interest		(996.61)	(109.81)
XIV. Earnings per Equity Share (₹):	32		
(1) Basic		(0.97)	18.41
(2) Diluted		(0.97)	18.41
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/- **(Sanjiv Singh)** Chairman DIN - 05280701	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/- **(Shrenik Mehta)** Partner **M. No. 063769**	Sd/- **(Aniruddha Sengupta)** Partner **M. No. 051371**

Place: New Delhi
Dated: 24 June 2020

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crore)

	Particulars	2019-2020		2018-2019	
A	Cash Flow from Operating Activities				
1	Profit / (Loss) before Tax		(7,177.01)		25,926.90
2	Adjustments for :				
	Share of Profit of Joint Ventures and Associates	(1,366.09)		(1,384.38)	
	Depreciation and Amortisation (including Impairment)	10,274.54		8,507.38	
	Loss/(Profit) on sale of Assets (net)	106.25		169.40	
	Loss/(Profit) on sale of Investments (net)	-		1.60	
	Amortisation of Capital Grants	(134.77)		(99.99)	
	Provision for Probable Contingencies (net)	(1,353.49)		(1,492.97)	
	MTM Loss/(gain) arising on financial assets/liabilities as at fair value through profit and loss	26.18		(13.87)	
	Unclaimed / Unspent liabilities written back	(158.90)		(317.27)	
	Fair value Gain on Investment/ Provision on investment (net)	-		(1.60)	
	Bad Debts, Advances & Claims written off	15.14		9.63	
	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores (net)	1,505.29		1,031.45	
	MTM Loss/(Gain) on Derivatives	170.58		66.82	
	Foreign Currency Monetary Item Translation Difference Account	28.92		148.39	
	Remeasurement of Defined Benefit Plans thru OCI	(217.69)		(67.74)	
	Interest Income	(2,012.86)		(1,746.27)	
	Dividend Income	(709.96)		(863.30)	
	Finance costs	6,578.74		4,887.98	
	Amortisation of Fair Value difference in Financial Instruments	291.07		55.72	
			13,042.95		8,890.98
3	Operating Profit before Working Capital Changes (1+2)		5,865.94		34,817.88
4	Change in Working Capital (excluding Cash & Cash Equivalents):				
	Trade Receivables & Other Assets	8,880.04		(15,180.58)	
	Inventories	10,096.53		(6,580.01)	
	Trade Payables & Other Liabilities	(14,038.74)		5,260.22	
	Change in Working Capital		4,937.83		(16,500.37)
5	Cash Generated From Operations (3+4)		10,803.77		18,317.51
6	Less : Taxes paid		2,150.51		5,570.99
7	**Net Cash Flow from Operating Activities (5-6)**		**8,653.26**		**12,746.52**
B	Cash Flow from Investing Activities:				
	Proceeds from sale of Property, plant and equipment / Transfer of Assets	750.72		(3,463.84)	
	Purchase of Property, Plant and Equipment	(12,337.43)		(6,870.01)	
	Expenditure on Construction Work in Progress	(19,840.00)		(15,161.03)	
	Proceeds from sale of financial instruments (other than working capital)	-		500.00	
	Purchase of Other Investments	(535.08)		(182.14)	
	Receipt of government grants (Capital Grant)	28.83		7.74	
	Interest Income received on Investments	2,126.03		1,737.37	
	Dividend Income on Investments	709.96		863.30	
	Net Cash Generated/(Used) in Investing Activities:		**(29,096.97)**		**(22,568.61)**

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crore)

	Particulars	2019-2020		2018-2019	
C	Net Cash Flow From Financing Activities:				
	Proceeds from Long-Term Borrowings (Including finance lease)	20,071.51		20,299.19	
	Repayments of Long-Term Borrowings (Including finance lease)	(3,756.60)		(3,856.61)	
	Proceeds from/(Repayments of) Short-Term Borrowings	16,338.15		14,478.31	
	Interest paid	(5,904.89)		(4,362.61)	
	Dividend/Dividend Tax paid	(5,802.94)		(11,679.03)	
	Utilised for Issue of Bonus Shares/ Buy Back (including expenses)	-		(4,442.80)	
	Net Cash Generated/(Used) from Financing Activities:		**20,945.23**		**10,436.45**
D	Net Change in Cash & Cash Equivalents (A+B+C)		501.52		614.36
E1	Cash & Cash Equivalents as at end of the year		1,434.61		933.09
	Less:				
E2	Cash & Cash Equivalents as at the beginning of year		933.09		318.73
	NET CHANGE IN CASH & CASH EQUIVALENTS (E1 - E2)		**501.52**		**614.36**

Note:

1. Net Cash Flow From Financing Activities includes following non-cash changes:

Particulars	2019-2020	2018-2019
(Gain)/ Loss due to changes in exchange rate	1,004.24	(384.78)
Increase in Lease liabilities due to new leases	4,941.38	55.11
Total	5,945.62	(329.67)

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/-
(Sanjiv Singh)	**(S.K. Gupta)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN-05280701	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)**	**(Shrenik Mehta)**	**(Aniruddha Sengupta)**
Partner	Partner	Partner	Partner
M. No. 091007	**M. No. 101533**	**M. No. 063769**	**M. No. 051371**

Place: New Delhi
Dated: 24 June 2020

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A Equity Share Capital

(₹ in Crore)

	2019-20	2018-19
Balance at the beginning of the year	**9,181.04**	9,478.69
Changes in during the year		
Shares bought back	-	(297.65)
Balance at the end of the year	**9,181.04**	**9,181.04**

B Other Equity

(₹ in Crore)

	Reserves and Surplus							Reserves and Surplus		Items of Other Comprehensive Income					
	Retained Earnings	Bond Redemption Reserve	Capital Reserve/ Capital Redemption Reserve	Securities Premium	Insurance Reserve	Export Profit Reserve	Corporate Social Responsibility Reserve	Cash Flow Hedge Reserve	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Fair value of Equity Instruments	Fair Value of Debt Instruments	Translation Reserve on Consolidation	Attributable to Equityholders of the Parent	Non-Controlling Interest	TOTAL
Opening Balance as at April 01, 2018	**81,626.28**	**3,226.85**	**427.67**	**76.74**	**223.48**	**53.72**	**0.78**	**-**	**(45.77)**	**18,678.23**	**(149.41)**	**276.56**	**1,04,395.13**	**2,151.22**	**1,06,546.35**
Opening Balance Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the Year	17,376.70	-	-	-	-	-	-	-	-	-	-	-	17,376.70	(102.85)	17,273.85
Other Comprehensive Income	(43.10) *	-	6.75	-	-	-	-	15.68	-	(2,461.05)	105.46	(278.18)	(2,654.44)	(6.96)	(2,661.40)
Total Comprehensive Income	**17,333.60**	**-**	**6.75**	**-**	**-**	**-**	**-**	**15.68**	**-**	**(2,461.05)**	**105.46**	**(278.18)**	**14,722.26**	**(109.81)**	**14,612.45**
Transfer from Bond Redemption Reserve	680.46	(680.46)	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilized for Issue of Bonus Shares/ Buy Back including expenses (net of tax)	(4,442.80)	-	-	-	-	-	-	-	-	-	-	-	(4,442.80)	-	(4,442.80)
Appropriation towards Interim Dividend	(7,775.62)	-	-	-	-	-	-	-	-	-	-	-	(7,775.62)	-	(7,775.62)
Appropriation towards Final Dividend	(1,895.88)	-	-	-	-	-	-	-	-	-	-	-	(1,895.88)	(136.22)	(2,032.10)
Appropriation towards Dividend Distribution Tax	(2,028.98)	-	-	-	-	-	-	-	-	-	-	-	(2,028.98)	(27.83)	(2,056.81)
Appropriation towards Insurance reserve (Net)	(17.61)	-	-	-	17.61	-	-	-	-	-	-	-	-	-	-
Appropriation towards Bond redemption reserve	(625.00)	625.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation towards Corporate Social Responsibility Reserve (net)	(0.04)	-	-	-	-	-	0.04	-	-	-	-	-	-	-	-
Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	-	-	-	-	-	-	-	-	(138.40)	-	-	-	(138.40)	-	(138.40)
FCMITDA amortised during the year	-	-	-	-	-	-	-	-	148.39	-	-	-	148.39	-	148.39
Transfer from fair Value of Equity Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from fair Value of Debt Instruments (recycling)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition to Securities Premium During the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition to Capital Reserve During the year	-	-	297.74	-	-	-	-	-	-	-	-	-	297.74	-	297.74
Transferred to Statement of Profit and Loss (recycling)	-	-	-	-	-	-	-	6.36	-	-	-	-	6.36	-	6.36
Closing Balance as at March 31, 2019	**82,854.41**	**3,171.39**	**732.16**	**76.74**	**241.09**	**53.72**	**0.82**	**22.04**	**(35.78)**	**16,217.18**	**(43.95)**	**(1.62)**	**1,03,288.20**	**1,877.36**	**1,05,165.56**

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Crore)

	Reserves and Surplus						
	Retained Earnings	Bond redemption reserve	Capital Reserve/ Capital Redemption Reserve	Securities Premium	Insurance reserve	Export Profit reserve	Corporate Social Responsibility Reserve
Opening Balance as at April 01, 2019	**82,854.41**	**3,171.39**	**732.16**	**76.74**	**241.09**	**53.72**	**0.82**
Opening Balance Adjustment	(15.04)	-	-	-	-	-	-
Profit for the Year	(893.14)	-	-	-	-	-	-
Other Comprehensive Income	(138.17) *	-	-	-	-	-	-
Total Comprehensive Income	**(1,031.31)**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer from Bond Redemption Reserve	-	-	-	-	-	-	-
Utilized for Issue of Bonus Shares/ Buy Back including expenses (net of tax)	-	-	-	-	-	-	-
Share of JV Sold	-	-	-	-	-	-	-
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 Bond redemption reserve	-	-	-	-	-	-	-
Appropriation towards Corporate Social Responsibility Reserve (net)	(0.04)	-	-	-	-	-	0.04
Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	-	-	-	-	-	-	-
FCMITDA amortised during the year	-	-	-	-	-	-	-
Addition to Capital Reserve/ Capital Redeumption Reserve 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**	**0.86**

* Remesurement of Defined Benefit Plans

(₹ in Crore)

	Reserves and Surplus		Items of Other Comprehensive Income			Attributable to Equityholders of the Parent	Non-Controlling Interest	TOTAL
	Cash Flow Hedge Reserve	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Fair value of Equity Instruments	Fair value of Debt Instruments	Translation Reserve on Consolidation			
Opening Balance as at April 01, 2019	**22.04**	**(35.78)**	**16,217.18**	**(43.95)**	**(1.62)**	**1,03,288.20**	**1,877.36**	**1,05,165.56**
Opening Balance Adjustment	-	-	-	-	-	(15.04)	-	(15.04)
Profit for the Year	-	-	-	-	-	(893.14)	(983.18)	(1,876.32)
Other Comprehensive Income	46.01	-	(10,800.30)	435.62	86.88	(10,369.96)	(13.43)	(10,383.39)
Total Comprehensive Income	**46.01**	**-**	**(10,800.30**	**435.62**	**86.88**	**(11,263.10)**	**(996.61)**	**(12,259.71)**
Transfer from Bond Redemption Reserve	-	-	-	-	-	-	-	-
Utilized for Issue of Bonus Shares/ Buy Back including expenses (net of tax)	-	-	-	-	-	-	-	-
Share of JV Sold	-	-	-	-	-	-	-	-
Appropriation towards Interim Dividend	-	-	-	-	-	(3,902.09)	-	(3,902.09)
Appropriation towards Final Dividend	-	-	-	-	-	(918.25)	(3.89)	(922.14)
Appropriation towards Dividend Distribution Tax	-	-	-	-	-	(986.58)	(0.59)	(987.17)
Appropriation towards Insurance reserve (Net)	-	-	-	-	-	-	-	-
Appropriation towards Bond redemption reserve	-	-	-	-	-	-	-	-
Appropriation towards Corporate Social Responsibility Reserve (net)	-	-	-	-	-	-	-	-
Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	-	6.86	-	-	-	6.86	-	6.86
FCMITDA amortised during the year	-	28.92	-	-	-	28.92	-	28.92
Addition to Capital Reserve/ Capital Redeumption Reserve during the year	-	-	-	-	-	-	-	-
Transferred to Statement of Profit and Loss (recycling)	(22.05)	-	-	-	-	(22.05)	-	(22.05)
Closing Balance as at March 31, 2020	**46.00**	**-**	**5,416.88**	**391.67**	**85.26**	**86,216.87**	**876.27**	**87,093.14**

For and on Behalf of Board of Directors

Sd/- **(Sanjiv Singh)** Chairman DIN-05280701	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/- **(Shrenik Mehta)** Partner **M. No. 063769**	Sd/- **(Aniruddha Sengupta)** Partner **M. No. 051371**

Place: New Delhi
Dated: 24 June 2020

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

I. Corporate Information

The Financial Statements comprise Financial statements of "Indian Oil Corporation Limited" ("the Holding company" or "IOCL") and its subsidiaries (collectively, the Group) for the year ended March 31, 2020.

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 business interests straddling the entire hydrocarbon value chain – from Refining, Pipeline Transportation and Marketing of Petroleum Products to Research & Development, Exploration & Production, Marketing of Natural Gas and Petrochemicals.

Information on other related party relationships of the Group is provided in Note-38.

The Financial Statements have been approved for issue in accordance with a resolution of the Board of directors passed in its meeting held on June 24, 2020.

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 Crores (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, 2020. 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 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.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent'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 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:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises 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'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.

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.

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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

2.1 PROPERTY, PLANT AND EQUIPMENT (PPE) AND INTANGIBLE ASSETS

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 capitalized until the asset is ready for use and includes borrowing cost capitalized in accordance with the Group's accounting policy.

2.1.2 The cost of an item of PPE is recognized 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 recognized 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 capitalized when they meet the definition of PPE, i.e., when the Group intends to use these during more than a period of 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 recognized as assets.

2.1.6 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 capitalized. 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 Financing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized on quarterly basis up to the date of capitalization.

2.2.3 Financing cost, if any, incurred on General Borrowings used for projects is capitalized 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

2.3.1 Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets and amortized on a straight line basis over the life of the underlying plant/ facility.

2.3.2 Expenditure incurred on Research & Development, other than on capital account, is 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 their 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 recognized as an asset when all the recognition criteria are met. However, all other internally generated intangibles including research cost are not capitalized and the related expenditure is recognized 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 recognized as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

2.4 Depreciation/Amortization

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 equipments), 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 earlier

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 earlier and

f) In other cases Spare Parts etc. useful life (2-30 years) is considered based on the technical assessment

Depreciation/ Amortization is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalization/ 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 based on the class of assets except

a) In case of LPG cylinder and pressure regulator, residual value is considered maximum at 15%

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 capitalized 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 capitalization. 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 derecognized 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 recognized 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

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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 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.

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 recognized 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. 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 are 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 Ind AS 115 Revenue 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.

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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 costs 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 recognized 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 costs 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 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 costs that are attributable to the acquisition or construction of the qualifying asset are capitalized 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 recognized in the Statement of Profit and Loss in the period in which the same are incurred.

6. FOREIGN CURRENCY TRANSACTIONS/ TRANSALATION

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 (a) 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, as the case may be, except those relating to long-term foreign currency loans as mentioned in Para (b) (i) below.

(b) (i) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016:

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 . In other cases, exchange differences are accumulated

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long-term foreign currency loan by recognising as gain or loss in the Statement of Profit and Loss.

(ii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016:

The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 are accounted for in the Statement of Profit and Loss as exchange fluctuations or as finance costs to the extent regarded as an adjustment to borrowing costs.

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 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 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 realizable value, whichever is lower.

7.1.2 Stock in Process is valued at raw material cost plus conversion costs as applicable or net realizable value, whichever is lower.

7.1.3 Crude oil in Transit is valued at cost or net realizable 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 realizable 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 realizable 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 recognized 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.

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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 are reviewed annually and adjusted as appropriate. Changes in the estimated future cost or in the discount rate applied are added to or deducted from 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 obligation.

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 recognized 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 on capital account 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 recognizes 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 commodity 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

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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 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 recognizes 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 recognize the revenue on net basis.

9.2 Other claims are recognized 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 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 utilized.

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 asset 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 asset to be recovered.

NOTES TO FINANCIAL STATEMENTS
Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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 OCI in the period in which they occur. 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 are 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 costs

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 costs, past-service costs, 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 recognized 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 costs for which the grants are intended to compensate.

Subsidy and budgetary support towards under recoveries are reckoned 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.

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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 costs relating to Exploratory Wells are expensed in the year when determined to be dry.

If the project is proved to be viable, then all costs 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 costs 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 recognized 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 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 costs 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 amortized.

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 recognized 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

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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. 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 recognized in the Other Comprehensive Income (OCI). However, the Group recognizes 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 recognized 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 categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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 recognized 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 assets, but has transferred control of the assets.

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.

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Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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) recognized during the period is recognized 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 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 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 amortized 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,

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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 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 for hedging foreign currency risk of recognized foreign currency loans and liabilities. The Company also undertakes commodity forwards as hedge instruments for commodity price risks (margin) for highly probable forecast sale transactions. 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 recognized 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 recognized 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 recognized 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 recognized 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 Derivate 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 Equivalent 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.

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.

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Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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.
- 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.

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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 recognized 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 1,2019

Ind AS 116, Leases

The Group has adopted this Ind AS w.e.f April 1, 2019. The effect of this standard along with relevant disclosures are provided in Note-37.

Amendments to Ind AS 12, Income taxes Appendix C - Uncertainty over Income Tax Treatment

The Group has adopted the amendments w.e.f April 1, 2019. The impact of this amendment is not material.

Amendment to Ind AS 19 –Employee Benefits relating to Plan amendment, curtailment or settlement

The Group has adopted the amendments w.e.f April 1, 2019. As there is no major change in employee benefit plans , the effect of this amendment is not material.

Amendment to Ind AS 23, Borrowing Costs

The Group has adopted the amendments w.e.f April 1, 2019. The effect of this amendment 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, 2020 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 recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

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 capitalized 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.

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.

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

NOTES TO FINANCIAL STATEMENTS

Note – 1B : SIGNIFICANT ACCOUNTING ESTIMATES & JUDGEMENTS

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 (Refer A&F)	Land - Leasehold (Refer A&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 (Refer J)	Total
GROSS BLOCK	**Gross Block as at April 1, 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 (Refer C)	**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 1, 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 (Refer D)	-	-	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**
IMPAIRMENT	**Impairment Loss as at April 1, 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
	Impairment Loss 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**

Previous Year

(₹ in Crore)

		Land - Freehold (Refer A&F)	Land - Leasehold (Refer A&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 (Refer J)	Total
GROSS BLOCK	**Gross Block as at April 1, 2018**	**2,974.06**	**293.26**	**11,789.83**	**1,19,403.38**	**1,089.23**	**69.25**	**550.90**	**142.36**	**1,139.26**	**5,221.06**		**1,42,672.59**
	Additions during the year	163.00	111.35	274.57	7,145.89	389.68	12.08	48.65	0.74	27.11	1,208.89		9,381.96
	Transfers from construction work-in-progress	-	20.81	1,638.71	4,572.50	119.03	0.48	51.38	21.04	86.49	243.65		6,754.09
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	(51.01)	(8.93)	(107.57)	(1,090.56)	(125.15)	(3.90)	(18.82)	0.03	(0.54)	85.43		(1,321.02)
	Gross Block as at March 31, 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**
DEPRECIATION & AMORTISATION	**Depreciation & Amortisation as at April 1, 2018**	**-**	**17.90**	**1,738.88**	**15,866.48**	**539.71**	**22.67**	**187.63**	**27.43**	**113.57**	**881.83**		**19,396.10**
	Depreciation & Amortisation during the year	-	4.94	648.32	6,851.32	241.71	8.28	70.63	10.15	47.71	365.23		8,248.29
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	-	(8.67)	(22.75)	(37.36)	(35.13)	(2.58)	(2.25)	(2.15)	-	14.38		(96.51)
	Depreciation & Amortisation as at March 31, 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**
IMPAIRMENT	**Total Impairment as at April 1, 2018**	**-**	**-**	**14.76**	**50.88**	**-**	**-**	**-**	**-**	**0.19**	**223.24**		**289.07**
	Impairment Loss during the year	-	-	0.01	(0.26)	-	-	-	-	-	-		(0.25)
	Impairment Loss reversed during the year/ FCTR	-	-	-	-	-	-	-	-	-	3.80		3.80
	Total Impairment as at March 31, 2019	**-**	**-**	**14.77**	**50.62**	**-**	**-**	**-**	**-**	**0.19**	**227.04**		**292.62**
	Net Block as at March 31, 2019	**3,086.05**	**402.32**	**11,216.32**	**1,07,300.15**	**726.50**	**49.54**	**376.10**	**128.74**	**1,090.85**	**5,270.55**		**1,29,647.12**

NOTES TO FINANCIAL STATEMENTS

Note - 2 : "PROPERTY, PLANT AND EQUIPMENT"(Contd...)

A. i) Freehold land includes **₹ 22.38 crore** (2019: ₹ 22.13 crore) lying vacant due to title disputes/ litigation.

ii) Out of the Freehold land measuring 1,364.01 acres at Mathura and Agra regions forming part of Note No.2, 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 latter quashed by subsequent High Court order dated December 18, 2019. The process of recovery of amount as per subsequent High Court order is initiated and shall be adjusted with land cost on actual recovery if any.

B. i) Buildings include **₹ 0.01 crore** (2019: ₹ 0.01 crore) towards value of **1605** (2019: 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 **₹ 3,547.27 crore** (2019: ₹ 2,945.52 crore) and net block amounting to **₹ 2,072.21 crore** (2019: ₹ 1,809.30 crore).

C. The cost of assets are net of VAT CREDIT/CENVAT/ GST ITC, wherever applicable.

D. Depreciation and amortisation for the year includes **₹ 29.55 crore** (2019: ₹ 8.22 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 **₹ 51.14 crores** (2019: ₹ 70.10 crores). This includes WDV of assets worth **₹ 7.82 crore** (2019: ₹ 7.09 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 include **₹ 1,020.61 crore** (2019: ₹ 200.01 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. Hitherto, the estimated residual value of LPG cylinders and Regulators was considered as 5% of original cost. Based on historical realised scrap value, prices of steel has revised the estimated residual life of those assets from 5% to maximum 15% of original cost effective from April 01, 2019. The impact on account of above change is reduction in depreciation by **₹ 207.37 crore.**

J. i) Includes Finance Leases as on transition date i.e. April 01, 2019 reclassified as ROU Assets in line with provisions of Ind AS 116. For detailed disclosure on ROU Assets please refer Note-37.

ii) Leasehold Land (included in ROU Assets) includes an amount of **₹ 716.41 crore** (2019: ₹ 36.20 crore) for land Development Cost.

NOTES TO FINANCIAL STATEMENTS

Note - 2 : "PROPERTY, PLANT AND EQUIPMENT"(Contd...)

Details of Asset given on Operating Lease:

(₹ in Crore)

Asset Particulars	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at March 31, 2020	W.D.V. as at March 31, 2019
Land - Freehold	11.39	-	-	**11.39**	5.29
ROU Asset (Land - Leasehold)	13.09	0.73	-	**12.36**	-
Buildings	33.86	2.78	-	**31.08**	1.10
Plant and Equipment	74.56	5.90	-	**68.66**	11.51
Office Equipment	2.16	0.36	-	**1.80**	-
Furniture	0.48	0.05	-	**0.43**	-

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 March 31, 2020	W.D.V. as at March 31, 2019
Land - Freehold	HPCL, BPCL	1.49	-	-	**1.49**	3.27
ROU Asset (Land - Leasehold)	HPCL, BPCL, BALMER LAWRIE	0.07	-	-	**0.07**	0.05
Buildings	HPCL, BPCL, BALMER LAWRIE	48.16	10.25	-	**37.91**	33.54
Plant and Equipment	HPCL, BPCL, GSFC, IPCL, Others	60.95	15.07	-	**45.88**	50.49
Office Equipments	HPCL, BPCL	0.51	0.06	-	**0.45**	-
Railway Sidings	HPCL, BPCL	14.96	5.13	-	**9.83**	8.78
Drainage,Sewage & Water Supply	GSFC	2.11	0.42	-	**1.69**	0.40
Total		**128.25**	**30.93**	**-**	**97.32**	**96.53**

* **HPCL:** Hindustan Petroleum Corporation Ltd., **BPCL:** Bharat Petroleum Corporation Ltd., **GSFC:** Gujarat State Fertilizers & Chemicals Ltd., **IPCL:** Indian Petrochemicals Corporation Ltd.

Additions to Gross Block Includes:

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Buildings	**17.65**	11.18	**0.79**	-
Plant and Equipment	**832.09**	534.62	**26.12**	114.36
Office Equipments	**-**	0.07	**0.06**	-
Drainage, Sewage & Water Supply	**42.17**	24.90	**0.01**	-
Total	**891.91**	**570.77**	**26.98**	**114.36**

NOTES TO FINANCIAL STATEMENTS

Note - 2.1 : CAPITAL WORK IN PROGRESS

(₹ in Crore)

Particulars		March 31, 2020	March 31, 2019
Construction Work in Progress - Tangible Assets			
(Including unallocated capital expenditure, materials at site)			
Balance as at beginning of the year		**16,750.29**	11,158.82
Add: Additions during the year		**18,597.22**	13,287.76
Less: Transfer to Property, Plant and Equipment (Note 2)		**13,026.13**	6,500.72
Less: Transfer to Statement of Profit and Loss		**10.60**	1.11
Less: Other Allocation/ Adjustment during the year		**307.01**	1,194.46
		22,003.77	**16,750.29**
Less: Provision for Capital Losses		**27.74**	35.97
		21,976.03	**16,714.32**
Capital Stores	A		
Balance as at beginning of the year		**4,739.16**	2,696.72
Add: Additions during the year		**5,544.52**	4,816.04
Less: Transfer to Statement of Profit and Loss		**0.02**	0.03
Less: Other Allocation/ Adjustment during the year		**4,653.51**	2,773.57
		5,630.15	**4,739.16**
Less: Provision for Capital Losses		**15.75**	10.61
		5,614.40	**4,728.55**
Capital Goods in Transit			
Balance as at beginning of the year		**1,049.95**	1,037.14
Add: Additions during the year		**592.69**	93.97
Less: Transfer to Property, Plant and Equipment as Additions (Note 2)		**14.45**	32.08
Less: Other Allocation/ Adjustment during the year		**1,008.16**	49.08
		620.03	**1,049.95**
Construction Period Expenses pending allocation:			
Balance as at beginning of the year		**908.19**	675.89
Add: Opening Balance Adjustment		**60.34**	-
Add: Net expenditure during the year (Note - 2.2)		**1,037.99**	572.56
		2,006.52	**1,248.45**
Less: Transfer to Statement of Profit and Loss		**4.04**	10.75
Less: Other Allocation/ Adjustment during the year		**584.08**	329.51
		1,418.40	**908.19**
TOTAL		**29,628.86**	**23,401.01**
A. Includes Stock lying with Contractors		**466.13**	191.06
B. Includes Capital Expenditure relating to ongoing Oil & Gas Exploration & Production activities.		**345.97**	236.72
C. Specific borrowing eligible for capitalisation (Rate)		**3.15% to 8.40%**	4.47% to 9.65%

NOTES TO FINANCIAL STATEMENTS

Note - 2.2 : CONSTRUCTION PERIOD EXPENSES(NET) DURING THE YEAR

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Employee Benefit Expenses	399.41	370.46
Repairs and Maintenance	4.12	5.28
Power & Fuel	163.09	35.41
Rent	8.36	6.80
Insurance	10.14	7.44
Rates and Taxes	3.19	3.86
Travelling Expenses	57.49	40.54
Communication Expenses	1.63	1.22
Printing and Stationery	0.69	0.65
Electricity and Water Charges	25.94	8.53
Bank Charges	0.09	0.01
Technical Assistance Fees	0.62	2.31
Exchange Fluctuation	67.67	0.18
Finance Costs	233.95	44.71
Depreciation and Amortization on:		
Tangible Assets	29.55	8.22
Intangible Assets	0.03	0.01
Start Up/ Trial Run Expenses (net of revenue)	(10.15)	-
Others	66.16	47.87
Total Expenses	1,061.98	583.50
Less : Recoveries	23.99	10.94
Net Expenditure during the year	**1,037.99**	**572.56**

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 1, 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 (Refer C)	919.57	2,955.11	251.63	4,126.31
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**Total Amortisation as at April 1, 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
	Total Amortisation as at March 31, 2020	14.37	608.02	169.01	791.40
	Total Impairment as at April 1, 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
	Total Impairment 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

Previous Year

(₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
Gross Block	**Gross Block as at April 1, 2018**	319.82	810.16	120.54	1,250.52
	Additions during the year	293.36	1,632.54	23.47	1,949.37
	Transfers from Intangible Assets under Development	-	36.00	67.55	103.55
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	-	0.83	(14.81)	(13.98)
	Gross Block as at March 31, 2019	613.18	2,479.53	196.75	3,289.46
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**Amortisation as at April 1, 2018**	2.99	108.83	73.88	185.70
	Amortisation during the year	6.37	216.48	43.54	266.39
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	-	(1.73)	(6.78)	(8.51)
	Amortisation as at March 31, 2019	9.36	323.58	110.64	443.58
	Impairment Losss as at April 1, 2018	0.27	-	0.01	0.28
	Impairment Loss during the year	-	-	-	-
	Impairment Loss reversed during the year	-	-	-	-
	Impairment Loss as at March 31, 2019	0.27	-	0.01	0.28
	Net Block as at March 31, 2019	603.55	2,155.95	86.10	2,845.60

A. Amortisation for the year includes **₹ 0.03 crore** (2019: ₹ 0.01 crore) relating to construction period expenses taken to Note 2.2

B. Additions to Gross Block includes: Net Block of Intangible assets with indefinite useful lifeGiatiumquam cor aut fuga.

	March 31, 2020	March 31, 2019
Right of Way	893.04	586.65

Right of way for laying pipelines are acquired on a perpetual basis.

NOTES TO FINANCIAL STATEMENTS

Note - 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Work in Progress - Intangible Assets (Including Unallocated Capital Expenditure)		
Balance as at beginning of the year	5,119.54	4,284.87
Add: Net expenditure during the year	726.47	979.15
	5,846.01	5,264.02
Less: Transfer to Intangible Assets (Note 3)	336.11	103.55
Less: Transfer to Statement of Profit and Loss	0.01	0.08
Less: Other Allocation/ Adjustment during the year	(42.55)	40.85
	5,552.44	5,119.54
Less: Provision for Loss	2,336.46	239.81
TOTAL	3,215.98	4,879.73
A. Includes Capital Expenditure (Net) relating to ongoing Oil & Gas Exploration & Production activities.	1,637.35	3,602.57
B. Intangible assets under development are mainly in the nature of Exploration & Production Blocks and Licences & Computer Softwares.		

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS

	Particulars	Investment Currency	Face Value/ Paid up Value	March 31,2020 Number	March 31,2020 Carrying Value	March 31,2019 Number	March 31,2019 Carrying Value
			₹		(₹ in Crore)		(₹ in Crore)
	NON-CURRENT INVESTMENTS:						
A	In Associates (Equity Method*):						
	QUOTED:						
	Petronet LNG Limited	Indian Rupees	10	187500000	1,418.66	187500000	1,278.82
	UNQUOTED:						
	Avi-Oil India Private Limited	Indian Rupees	10	4500000	16.62	4500000	15.87
	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)				1,435.77		1,295.18
B	In Joint Ventures (Equity Method*):						
	UNQUOTED:						
	Indian Oiltanking Limited	Indian Rupees	10	494828289	628.37	494828289	561.41
	Indian Oil Panipat Power Consortium Limited	Indian Rupees	10	840000	-	840000	-
	Lubrizol India Private Limited	Indian Rupees	100	499200	175.35	499200	154.09
	Indian Oil Petronas Private Limited	Indian Rupees	10	134000000	650.64	134000000	605.74
	Petronet CI Limited (under liquidation)	Indian Rupees	10	3744000	-	3744000	-
	Green Gas Limited	Indian Rupees	10	23042250	141.37	23042250	104.69
	IndianOil SkyTanking Private Limited	Indian Rupees	10	25950000	79.75	25950000	87.01
	Suntera Nigeria 205 Limited	Naira rupees	1	2500000	-	2500000	-
	Delhi Aviation Fuel Facility Private Limited	Indian Rupees	10	60680000	100.52	60680000	91.04
	Indian Synthetic Rubbers Private Limited	Indian Rupees	10	222861375	81.21	222861375	105.21
	NPCIL-IndianOil Nuclear Energy Corporation Limited	Indian Rupees	10	260000	0.35	260000	0.33
	GSPL India Gasnet Limited	Indian Rupees	10	244925030	229.39	120125030	113.99
	GSPL India Transco Limited	Indian Rupees	10	127920000	118.19	99060000	100.65
	Indian Oil Adani Gas Private Limited	Indian Rupees	10	291000000	284.01	185500000	178.43
	Mumbai Aviation Fuel Farm Facility Private Limited	Indian Rupees	10	48288750	86.95	48288750	76.39
	Kochi Salem Pipeline Private Limited	Indian Rupees	10	152500000	144.94	96250000	90.47
	IndianOil LNG Private Limited	Indian Rupees	10	5000	-	5000	-
	Hindustan Urvarak and Rasayan Limited	Indian Rupees	10	751085000	753.83	440325000	443.22
	Ratnagiri Refineries & Petrochemicals Limited	Indian Rupees	10	100000000	72.55	50000000	32.54
	Indradhanush Gas Grid Limited	Indian Rupees	10	12000000	8.51	5000000	2.58

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

	Particulars	Investment Currency	Face Value/ Paid up Value	March 31,2020		March 31,2019	
				Number	Carrying Value	Number	Carrying Value
			₹		(₹ in Crore)		(₹ in Crore)
	IHB Private Limited	Indian Rupees	10	52500000	49.90	-	-
	Indian Additives Ltd.	Indian Rupees	100	1183401	178.92	1183401	158.98
	National Aromatics and Petrochemical Corporation Limited	Indian Rupees	10	25000	-	25000	-
	VANKOR India Pte Ltd	USD	1	568968589	4,885.13	568968589	4,700.36
	TAAS India Pte Ltd	USD	1	407941730	3,119.36	407941730	2,868.00
	Urja Bharat Pte. Ltd.[a]	USD	1	15000100	-	100	-
	Falcon Oil & Gas BV	USD	1	30	347.22	30	123.09
	Sub-total: (I)(B)				12136.46		10,598.22
	Total Investments in Associates & JVs [(I)(A)+(I)(B)]				13,572.23		11,893.40
C	In Others						
	Investments designated at fair value through OCI:						
	QUOTED:						
	Oil and Natural Gas Corporation Limited	Indian Rupees	5	986885142	6,740.43	986885142	15,765.49
	GAIL (India) Limited	Indian Rupees	10	108905460	833.67	54452730	1,893.05
	Oil India Limited	Indian Rupees	10	53501100	442.18	53501100	992.17
	UNQUOTED:						
	International Cooperative Petroleum Association, New York	USD	100	350	0.02	350	0.02
	Haldia Petrochemical Limited	Indian Rupees	10	150000000	384.30	150000000	651.75
	Vadodara Enviro Channel Limited[b]	Indian Rupees	10	7151	-	7151	-
	Woodlands Multispeciality Hospital Limited	Indian Rupees	10	101095	0.10	101095	0.10
	Shama Forge Co. Limited[c] (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	318.14	250000000	295.73
	Lanzatech New Zealand Limited	USD	19.9294	1204251	151.90	1204251	138.33
	Carabobo Ingenieria Y Construcciones S.A.	USD		12.1% of Capital Stock	6.61	12.1% of Capital Stock	6.10
	Petrocarabobo S.A.	USD		3.5% of Capital Stock	438.44	3.5% of Capital Stock	441.97
	Phinery Ltd	USD	148	82770	92.24	-	-
	Mer Rouge Oil Storage Terminal Co Ltd ("MOST")	Mauritian Rupees	1000	5000	6.07	5000	6.27

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

	Particulars	Investment Currency	Face Value/ Paid up Value	March 31,2020		March 31,2019	
				Number	Carrying Value	Number	Carrying Value
			₹		(₹ in Crore)		(₹ in Crore)
	In Consumer Cooperative Societies:						
	Barauni[d]	Indian Rupees	10	250	-	250	-
	Guwahati[e]	Indian Rupees	10	750	-	750	-
	Mathura[f]	Indian Rupees	10	200	-	200	-
	Haldia[g]	Indian Rupees	10	2190	-	1663	-
	In Indian Oil Cooperative Consumer Stores Limited, Delhi[h]	Indian Rupees	10	375	-	375	-
	MRL Industrial Cooperative Service Society Ltd	Indian Rupees	10	9000	0.01	9000	0.01
	Sub-total: (I)(D)				9,414.21		20,191.09
	Sub-total: (I)=[(I)(A)+(I)(B)+(I)(C)+(I)(D)]				22,986.44		32,084.49
II	In Preference Shares						
	Investments at fair value through profit or loss						
	UNQUOTED:						
	Shama Forge Co. Limited[i] (under liquidation) 9.5% Cumulative Redeemable Preference Shares	Indian Rupees	100	5000	-	5000	-
	Sub-total: (II)				0.00		0.00
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	6000	6.97	1960000	2,209.55
	7.35% Govt Stock 2024	Indian Rupees	10000	695000	751.38	695000	720.19
	Sub-total: (III)				3,845.42		2,929.74
IV	In Debentures or Bonds						
	(Investments in JV adjusted for equity method)						
	UNQUOTED:						
	IndianOil LNG Pvt Limited (Fully and Compulsorily Convertible Debentures)	Indian Rupees	1000000	6530	447.83	6,530	578.83
	Sub-total: (IV)				447.83		578.83

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

Particulars	Investment Currency	Face Value/ Paid up Value	March 31,2020 Number	March 31,2020 Carrying Value	March 31,2019 Number	March 31,2019 Carrying Value
		₹		(₹ in Crore)		(₹ in Crore)
Total Other Investments [(I)(D)+(II)+(III)+(IV)]				13,707.46		23,699.66
Total Non Current Investments (I+II+III+IV)				27,279.69		35,593.06
CURRENT INVESTMENTS :						
UNQUOTED: (at fair value through profit or loss)						
Unit Trust Investment (NAV)				173.93		1.10
Investment through portfolio management services				30.86		-
In Government Securities (at fair value through OCI)						
QUOTED:						
Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	5366020	5,818.99	8366020	8,518.09
9.15% Govt Stock 2024	Indian Rupees	10000	1954000	2,267.40	-	-
				8,291.18		8,519.19

*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.

(₹ in Crore)

Particulars	March 31,2020	March 31,2019
Aggregate carrying value of quoted investments	21,366.75	31,377.36
Aggregate market value of quoted investments	23,692.47	34,815.10
Aggregate carrying value of unquoted investments	14,204.12	12,734.89
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
1.	**Current investment:**			
	8.13% GOI SPECIAL BONDS 2021	78000	78.00	84.26
	7.95% GOI SPECIAL BONDS 2025	457250	457.25	494.92
	8.20% GOI SPECIAL BONDS 2023	1453510	1,453.51	1,601.58
	6.90% GOI SPECIAL BONDS 2026	82930	82.93	85.34
	8.00% GOI SPECIAL BONDS 2026	189270	189.27	203.31
	8.20% GOI SPECIAL BONDS 2024	3105060	3,105.06	3,349.58
	Total Current Investments	5366020	5,366.02	5,818.99
2.	**Non Current investment:**			
	6.90% GOI SPECIAL BONDS 2026	3000000	3,000.00	3,087.07
	Total Non Current Investments	3000000	3,000.00	3,087.07

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

Note: B - Other Disclosures

1. During the year, Oil Marketing Companies 6.90% special Bonds of investment value of ₹3000 crore is reclassified from current investments to non current investment and 9.15% Govt Stock 2024 of investment value of ₹2236.07 crore is reclassified from non current investments to 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 Bond	March 31,2020 Face Value	March 31,2020 Carrying Value	March 31,2019 Face Value	March 31,2019 Carrying Value
9.15% GOVT.STOCK 2024	6.00	6.97	1,960.00	2,209.55
7.35% GOVT.STOCK 2024	695.00	751.38	695.00	720.19
Oil Marketing Companies GOI Special Bonds	3,000.00	3,087.07	-	-

3. During the year, GAIL (India) Limited has issued 54452730 number of equity shares as bonus shares.

4. Following are not reflecting above due to rounding off:-

(Amount in ₹)

	Particulars	March 31,2020	March 31,2019
a	Investment Amount	6,916	6,916
b	Investment Amount	10	10
c	Investment Amount	100	100
d	Investment Amount	2,500	2,500
e	Investment Amount	2,500	2,500
f	Investment Amount	2,000	2,000
g	Investment Amount	16,630	16,630
h	Investment Amount	3,750	3,750
i	Investment Amount	100	100

NOTES TO FINANCIAL STATEMENTS

Note - 5 : LOANS (Unsecured, Considered Good at amortised cost unless otherwise stated)

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Security Deposits				
To Others				
Secured, Considered Good	**0.08**	0.06	**-**	-
Unsecured, Considered Good	**138.49**	149.02	**335.38**	169.04
Credit Impaired	**0.10**	0.20	**1.40**	1.36
	138.67	**149.28**	**336.78**	**170.40**
Less : Allowance for Doubtful Deposits	**0.10**	0.20	**1.40**	1.36
	138.57	**149.08**	**335.38**	**169.04**
Loans				
To Related Parties				
Secured, Considered Good	**96.12**	0.16	**0.03**	0.05
Unsecured, Considered Good	**125.24**	195.88	**0.19**	193.60
Credit Impaired	**-**	-	**2.25**	2.25
	221.36	**196.04**	**2.47**	**195.90**
Less : Allowance for Doubtful Loans	**-**	-	**2.25**	2.25
	221.36	**196.04**	**0.22**	**193.65**
To Others				
Secured, Considered Good	**853.10**	763.63	**112.25**	119.49
Unsecured, Considered Good	**1,972.07**	1,193.12	**620.86**	1,096.41
Which have significant increase in Credit Risk	**422.58**	502.21	**134.71**	639.50
Credit Impaired	**74.86**	-	**52.75**	1.38
	3,322.61	**2,458.96**	**920.57**	**1,856.78**
Less : Allowance for Doubtful Loans	**402.76**	502.21	**151.65**	640.88
	2,919.85	**1,956.75**	**768.92**	**1,215.90**
	3,141.21	**2,152.79**	**769.14**	**1,409.55**
TOTAL	**3,279.78**	**2,301.87**	**1,104.52**	**1,578.59**

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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advances for Investments	A	**1,314.94**	1,315.80		
Amount Recoverable from Central/State Governments		**-**	-	**13,271.93**	19,120.96
Finance Lease Receivables		**32.45**	41.47	**33.32**	18.50
Deposits for Leave Encashment Fund		**80.83**	76.63	**-**	-
Interest Accrued on Investments/ Bank Deposits/ Loans		**-**	-	**1.72**	12.38
Derivative Instruments at Fair Value		**-**	-	**131.11**	35.56
Advance to Employee Benefits Trusts/Funds		**131.11**	141.06	**10.08**	63.56
Bank Deposits (with more than 12 months maturity)		**1.75**	3.41	**1.48**	0.30
Claims Recoverable:					
From Related Parties					
Unsecured, Considered Good		**-**	-	**0.09**	-
Unsecured, Considered Doubtful		**-**	-	**22.66**	22.61
		-	**-**	**22.75**	**22.61**
From Others					
Unsecured, Considered Good		**-**	-	**61.46**	34.61
Unsecured, Considered Doubtful		**-**	-	**7.02**	7.03
		-	**-**	**68.48**	**41.64**
Less : Allowance for Doubtful Claims		**-**	-	**29.68**	29.64
		-	**-**	**38.80**	**12.00**
		-	**-**	**61.55**	**34.61**
Others	B	**0.85**	7.85	**665.74**	1,102.98
Less: Allowance for Doubtful Asset		**-**	-	**6.27**	6.21
		0.85	**7.85**	**659.47**	**1,096.77**
TOTAL		**1,561.93**	**1,586.22**	**14,170.66**	**20,382.64**
A. Advances for equity pending allotment.					
B. Includes Interest receivables from Air India Limited				**253.56**	544.03

Note - 7 : INCOME TAX/CURRENT TAX ASSET/ (LIABILITY) - NET

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Income/Current Tax Asset/ (Liability) - Net				
Advance payments for Current Tax	**23,864.04**	21,821.98	**66.28**	486.60
Less : Provisions	**19,627.84**	20,428.65	**10.66**	4.68
Income/Current Tax Asset/ (Liability) - Net	**4,236.20**	**1,393.33**	**55.62**	**481.92**
TOTAL	**4,236.20**	**1,393.33**	**55.62**	**481.92**

NOTES TO FINANCIAL STATEMENTS

Note - 8 : OTHER ASSETS (NON FINANCIAL) (Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advances for Capital Expenditure				
To Others				
Secured, Considered Good	10.42	3.20	-	-
Unsecured, Considered Good	1,280.98	1,484.48	-	-
Unsecured, Considered Doubtful	-	0.09	-	-
	1,291.40	1,487.77	-	-
Less: Provision for Doubtful Advances	-	0.09	-	-
	1,291.40	1,487.68	-	-
Advances Recoverable				
From Related Parties				
Unsecured, Considered Good	486.23	264.05	22.49	22.48
From Others				
Secured, Considered Good	-	-	0.01	-
Unsecured, Considered Good	0.28	-	2,576.57	2,668.30
Unsecured, Considered Doubtful	-	-	6.76	4.96
	0.28	-	2,583.34	2,673.26
Less : Provision for Doubtful Advances	-	-	6.76	4.96
	0.28	-	2,576.58	2,668.30
	486.51	264.05	2,599.07	2,690.78
Claims Recoverable:				
From Related Parties				
Unsecured, Considered Good	-	-	8.22	1.99
Unsecured, Considered Doubtful	-	-	2.61	2.61
	-	-	10.83	4.60
From Others				
Unsecured, Considered Good	-	-	759.86	916.75
Unsecured, Considered Doubtful	-	-	149.89	170.06
	-	-	909.75	1,086.81
Less : Provision for Doubtful Claims	-	-	152.50	172.67
	-	-	757.25	914.14
			768.08	918.74
Balance/ Deposits with Government Authorities				
Unsecured, Considered Good	-	-	453.25	478.32
Gold / Other Precious Metals	-	-	67.92	69.00
Less : Provision for Diminution in value	-	-	10.72	11.47
	-	-	57.20	57.53
Deferred Expenses	1,057.25	743.10	299.16	180.19
Prepaid Rentals	52.66	1,448.40	7.01	53.97
Others	-	-	14.83	0.36
TOTAL	2,887.82	3,943.23	4,198.60	4,379.89

NOTES TO FINANCIAL STATEMENTS

Note - 9 : INVENTORIES

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
In Hand :		
Raw Materials	15,185.55	19,638.15
Stock in Process	5,713.98	6,366.96
Finished Products	27,537.00	25,015.10
Stock in Trade	6,474.69	8,144.61
Stores, Spares etc.	4,752.28	4,219.20
Less : Provision for Losses	224.88	205.69
	4,527.40	4,013.51
Barrels and Tins	63.18	74.84
	59,501.80	63,253.17
In Transit :		
Raw Materials	4,913.47	10,889.93
Finished Products	599.11	938.27
Stock in Trade	1,775.24	1,808.23
Stores, Spares etc.	221.14	236.88
	7,508.96	13,873.31
TOTAL	67,010.76	77,126.48
Amount of write down of inventories carried at NRV and recognised as Expense.	1,455.71	460.99
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, 2019
From Related Parties		
Unsecured, Considered Good	167.23	181.82
	167.23	181.82
From Others		
Secured Considered Good	13.64	149.65
Unsecured, Considered Good	13,091.48	15,492.89
Credit Impaired	134.77	139.68
	13,239.89	15,782.22
TOTAL	13,407.12	15,964.04
Less : Allowance for Doubtful Debts	147.64	156.51
TOTAL	13,259.48	15,807.53

NOTES TO FINANCIAL STATEMENTS

Note - 11 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Bank Balances with Scheduled Banks :		
In Current Account	931.22	341.14
In Fixed Deposit - Maturity within 3 months	407.89	444.74
	1,339.11	785.88
Bank Balances with Non-Scheduled Banks	93.27	129.71
Cheques, Drafts in hand	1.75	15.16
Cash in Hand, Including Imprest	0.48	2.34
TOTAL	1434.61	933.09

Note - 12 : BANK BALANCES OTHER THAN ABOVE

(₹ in Crore)

Particulars		March 31, 2020	March 31, 2019
Fixed Deposits	A	812.34	82.61
Earmarked Balances	B	48.31	44.58
Blocked Account	C	0.74	0.68
Other Bank Balances	D	0.01	0.01
TOTAL		861.40	127.88
A. Earmarked in favour of Statutory Authorities.		8.20	8.00
B. Pertains to			
- Unpaid Dividend		48.29	44.56
- Fractional Share Warrants		0.02	0.02
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, 2020	March 31, 2019
Freehold land	A	1.56	1.65
Building		0.30	0.32
Plant and Equipment		235.11	224.81
Office Equipment	B	0.59	0.52
Transport Equipment		0.02	0.08
Furniture and Fixtures		0.03	0.02
Total		237.61	227.40

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 recognized impairment loss of **₹ 42.32 crore** (2019: ₹ 150.36 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, 2020	March 31, 2019
Authorized:		
15000000000 Equity Shares of ₹ 10 each	15,000.00	15,000.00
Issued Subscribed and Paid Up:		
9414158922 (2019: 9414158922)	9414.16	9,414.16
Equity Shares of ₹ 10 each fully paid up		
Less: Equity Shares held under IOC Shares Trust	233.12	233.12
233118456 (2019: 233118456)		
Equity Shares of ₹ 10 each fully paid up		
TOTAL	9,181.04	9,181.04
A. Reconciliation of No. of Equity Shares		
Opening Balance	9414158922	9711809928
Shares bought back	-	297651006
Closing Balance	9414158922	9414158922

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. March 2, 2020.

C. Details of shareholders holdings more than 5% shares

Name of Shareholder	March 31, 2020		March 31, 2019	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
THE PRESIDENT OF INDIA	4848133178	51.50	4912149459	52.18
OIL AND NATURAL GAS CORPORATION LIMITED	1337215256	14.20	1337215256	14.20
LIFE INSURANCE CORPORATION OF INDIA	610467282	6.48	612921292	6.51
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, 2020	March 31, 2019
Retained Earnings		
General Reserve:		
Opening Balance	**81,462.94**	80,126.93
Add: Remeasurement of Defined Benefit Plans	**(138.17)**	(43.10)
Add : Transfer from Bond Redemption Reserve	**-**	680.46
Less: Utilized for Buy Back of shares [including expenses (net of tax)]	**-**	4,442.80
Add: Adj in Opening Balance	**(0.16)**	-
Add: Appropriation from Surplus	**(6,943.44)**	5,141.45
	74,381.17	**81,462.94**
Surplus (Balance in Statement of Profit and Loss):		
Opening Balance	**1,391.47**	1,499.35
Profit for the Year	**(893.14)**	17,376.70
Add: Opening Balance Adjustment	**(14.88)**	-
Less: Appropriations		
Interim Dividend	**3,902.09**	7,775.62
Final Dividend	**918.25**	1,895.88
Dividend Distribution Tax on:		
Interim Dividend	**799.27**	1,589.11
Final Dividend	**187.31**	439.87
Insurance Reserve (Net)	**20.00**	17.61
Bond Redemption Reserve	**-**	625.00
Corporate Social Responsibility Reserve (Net)	**0.04**	0.04
General Reserve	**(6,943.44)**	5,141.45
Balance carried forward to next year	**1,599.93**	**1,391.47**
	75,981.10	**82,854.41**
Other Reserves		
Bond Redemption Reserve		
Opening Balance	**3171.39**	3,226.85
Add: Appropriation from Surplus	**-**	625.00
Less: Transfer to General Reserve	**-**	680.46
	3,171.39	**3,171.39**
Capital Redemption Reserve		
Opening Balance	**298.06**	0.41
Add: Provision during the year/ on consolidation	**-**	297.65
	298.06	**298.06**
Capital Reserve		
Opening Balance	**434.10**	427.26
Add: On Consolidation	**-**	6.84
	434.10	**434.10**
Securities Premium		
Opening Balance	**76.74**	76.74
Addition during the year	**-**	-
	76.74	**76.74**

NOTES TO FINANCIAL STATEMENTS

Note - 15 : OTHER EQUITY (Contd...)

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Insurance Reserve :		
Opening Balance	**241.09**	223.48
Add: Appropriation from Surplus	**20.00**	17.61
	261.09	**241.09**
Export Profit Reserve	**53.72**	**53.72**
Corporate Social Responsibility Reserve		
Opening Balance	**0.82**	0.78
Add: Appropriation from Surplus	**560.16**	509.55
Less: Utilized during the year	**560.12**	509.51
	0.86	**0.82**
Foreign Currency Monetary Item Translation Difference Account		
Opening Balance	**(35.78)**	(45.77)
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	**6.86**	(138.40)
Less: Amortized during the year	**(28.92)**	(148.39)
	-	**(35.78)**
Fair Value Through Other Comprehensive Income :		
Fair value of Equity Instruments		
Opening Balance	**16,217.18**	18,678.23
Add: Fair value during the year	**(10,800.30)**	(2,461.05)
	5,416.88	**16,217.18**
Fair value of Debt Instruments		
Opening Balance	**(43.95)**	(149.41)
Add: Fair value during the year	**435.62**	105.46
	391.67	**(43.95)**
Cash Flow Hedge Reserve		
Opening Balance	**22.04**	-
Add: Fair value during the year	**46.01**	15.68
Less: Transferred during the year	**22.05**	(6.36)
	46.00	**22.04**
Translation Reserve on Consolidation		
Opening Balance	**(1.62)**	276.56
Add : Translation difference	**86.88**	(278.18)
	85.26	**(1.62)**
TOTAL	**86,216.87**	**1,03,288.20**

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 BOD. 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.

NOTES TO FINANCIAL STATEMENTS

Note - 15 : OTHER EQUITY (Contd...)

B. Bond Redemption Reserve

As per the Companies Act 2013, a Bond Redemption Reserve is 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. Utilization 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. 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.

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. This amount shall be transferred to general reserve on completion of assessment/ disposal of case.

H. Corporate Social Responsibility Reserve

Corporate Social Responsibility (CSR) Reserve is created for meeting expenses relating to CSR activities in line with CSR policy.

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 March 31, 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Term Loans:					
From Banks	A	**500.00**	846.18	**3.34**	3.57
From Oil Industry Development Board (OIDB)	B	**489.52**	226.84	**177.81**	282.81
		989.52	**1,073.02**	**181.15**	**286.38**
Other Loans:					
From Banks					
In Foreign Currency Loans	C	**378.85**	-	**-**	-
Total Secured Loans		**1,368.37**	**1,073.02**	**181.15**	**286.38**
UNSECURED LOANS					
Bonds/ Debentures:					
Foreign Currency Bonds	D	**16,478.13**	15,159.33	**209.27**	188.96
Rupee Bonds/ Debentures	E	**7994.02**	-	**135.14**	-
		24,472.15	**15,159.33**	**344.41**	**188.96**
Debentures:					
Non-Convertible Debentures	F	**1,145.00**	-	**6.64**	-
		1,145.00	-	**6.64**	-
Term Loans:					
From Banks/ Financial Institutions					
In Foreign Currency Loans	G	**21,780.65**	18,903.03	**1,894.94**	3,376.90
From Government					
In Rupees	H	**962.66**	707.33	**-**	-
		22,743.31	**19,610.36**	**1,894.94**	**3,376.90**
Lease Obligations	I	**6,341.78**	3,309.74	**1,395.14**	201.06
Total Unsecured Loans		**54,702.24**	**38,079.43**	**3,641.13**	**3,766.92**
TOTAL LONG-TERM BORROWINGS		**56,070.61**	**39,152.45**	**3,822.28**	**4,053.30**

* Current maturities (including Finance Lease Obligations) are carried to Note - 17: Other Financial Liabilities.

Secured Loans:

A. Term Loan from Banks

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Term Loan from State Bank of India - Rs 500 Crore	07th January 2019	6 Months MCLR, reset at half yearly intervals	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.
2	Term Loan from Oil Industry Development Board - Rs 50 Crore	18th March 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

NOTES TO FINANCIAL STATEMENTS

Note - 16 : LONG TERM BORROWINGS (At Amortised Cost) (Contd...)

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
3	Term Loan from Oil Industry Development Board -Rs 50 Crore	17th May 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
4	Term Loan from Oil Industry Development Board -Rs 150 Crore	30th October 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
5	Term Loan from Oil Industry Development Board -Rs 100 Crore	31st March 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

B. Term Loan from OIDB

1. Security Details for OIDB Loans:

a) First Charge on the facilities at Paradip Refinery, Orissa.
b) First charge on the facilities at FCC Unit at Mathura Refinery, Uttar Pradesh.
c) First charge on the facilities at Paradip-Raipur-Ranchi Pipeline
d) First charge on the facilities at SMPL System
e) First charge on the facilities at Paradip-Haldia-Durgapur LPG Pipeline
f) 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	2020-21	177.81	8.12% - 8.27%
2	2021-22	37.50	6.51%
3	2022-23	37.50	6.51%
4	2023-24	37.50	6.51%
5	2024-25	37.50	6.51%
	Total	327.81	

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 intervels 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.

NOTES TO FINANCIAL STATEMENTS

Note - 16 : LONG TERM BORROWINGS (At Amortised Cost) (Contd...)

Unsecured Loans:

D. Repayment Schedule of Foreign Currency Bonds

S.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 1, 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 2, 2011	Payable after 10 years from the date of issue

E. Repayment Schedule of Rupee Bonds/ Debentures

S.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 6, 2020	6.39% p.a.payable annually on 6 March.	5 years from the deemed date of allotment i.e. March 6, 2025.

F. Repayment Schedule of Non-Convertible Debentures

S.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

G. Repayment Schedule of loans from Banks and Financial Institutions

S.No.	Particulars of Loans	Date of Drawal	Date of Repayment
1	USD 50 Million Syndication Loan	March 7, 2019	Payable after 5 years from the date of drawal
2	USD 200 Million Syndication Loan	March 5, 2019	
3	USD 150 Million Syndication Loan	February 28, 2019	
4	USD 100 Million Syndication Loan	December 31, 2018	
5	USD 100 Million Syndication Loan	December 28, 2018	
6	USD 200 Million Syndication Loan	December 24, 2018	
7	USD 100 Million Syndication Loan	December 20, 2018	
8	USD 250 Million Syndication Loan	December 18, 2018	
9	USD 100 Million Syndication Loan	December 12, 2018	
10	USD 450 Million Syndication Loan	December 11, 2018	
11	USD 300 Million syndication loan	September 29, 2017	
12	USD 300 Million Term loan	June 19, 2019	Payable after 3 years from the date of drawal
13	USD 250 Million syndication loan	January 29, 2016	Payable after 5 years from the date of drawal

S.No.	Particulars of Loans	Date of Repayment
1	US$ 300 million	5 years from the date of drawal (March 31, 2017) i.e. March 31, 2022
2	CAD 415.58 Million Loan from SBI	5 year from the date of drawal or March 31, 2021 which ever is earlier
3	USD 50 Million Term Loan	September 18, 2019

NOTES TO FINANCIAL STATEMENTS

Note - 16 : LONG TERM BORROWINGS (At Amortised Cost) (Contd...)

H. 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 started from April 01, 2016 repayble after 15 years. The first instalment of loan for the period April to December 2017 of ₹ 1225 crore has been received on January 15, 2018 and thereafter ₹ 175 crore will be received every quarter. Total loan disbursed till now is ₹ 2800 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 **₹ 7,672.80 crores** (2019: ₹ 3,387.63 crore).

Note - 17 : OTHER FINANCIAL LIABILITIES (At Amortised Cost unless otherwise stated)

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Current maturities of long-term debt (Refer Note - 16)	-	-	3,822.28	4,053.30
Liability for Capital Expenditure	-	-	5,172.79	5,452.79
Liability to Trusts and Other Funds	-	-	417.47	245.96
Employee Liabilities	-	-	1,118.45	3,465.10
Liability for Purchases on Agency Basis	-	-	-	-
Investor Education & Protection Fund to be credited on the due dates:				
- Unpaid Dividend	-	-	44.60	40.62
- Unpaid Matured Deposits	-	-	0.01	0.01
	-	-	44.61	40.63
Derivative Instruments at Fair Value	-	-	467.38	258.40
Security Deposits	789.58	615.20	29,001.52	27,208.05
Liability for Dividend	-	-	3.69	3.93
Others*	-	0.83	1,891.44	2,589.59
TOTAL	789.58	616.03	41,939.63	43,317.75

* Includes Liability towards Renewable Purchase Obligation (RPO) of the holding company after considering credits from renewable sources and offset for Renewable Energy Certificates (RECs) generated. The liability has been restated as on March 31, 2020 based on legal opinion obtained during the current year resulting into reduction by ₹ 264.94 Crore.

NOTES TO FINANCIAL STATEMENTS

Note - 18 : PROVISIONS

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Provision for Employee Benefits		1,014.86	1,134.11	502.08	147.20
Decommissioning Liability	A	582.37	1,077.88	2.31	-
Contingencies for probable obligations	B	-	-	10,528.18	11,538.50
Less: Deposits		-	-	1,423.58	1,511.65
		-	-	9,104.60	10,026.85
TOTAL		1,597.23	2,211.99	9,608.99	10,174.05

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	Utilization during the year	Reversals during the year **	Unwinding of discount and changes in the discount rate	Closing Balance
Decommissioning Liability - E&P Blocks	1,077.88	26.93	-	(46.38)	(566.51)	584.68
Previous Year Total	169.43	887.36	-	12.67	33.76	1,077.88

** Includes loss on account of transalation amounting to **₹ 54.91 crore** (2019: Gain of ₹6.99 crore)

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	Utilization during the year	Reversals during the year	Closing Balance*
Excise	33.39	-	-	17.94	15.45
Sales Tax / GST	2,936.61	184.66	447.80	860.15	1,813.32
Entry Tax	5,734.65	0.19	104.32	15.86	5,614.66
Others	2,833.85	833.09	34.14	548.05	3,084.75
TOTAL	11,538.50	1,017.94	586.26	1,442.00	10,528.18
Previous Year Total	32,406.83	1,479.02	20,838.18	1,509.17	11,538.50

	Addition includes	Reversal includes
- capitalized	53.51	-
- included in Raw Material	47.90	0.18
- included in Finance Cost	528.71	6.67
- included in Employee Benefit Expenses	130.24	
- included in Other Expenses	239.79	6.57
- Amount transferred from Liabilities to Provisions	1.09	
- shown as provison for tax	13.34	
- Adjusted against Deposits/Paid	3.36	75.09

* Expected timing of outflow is not ascertainable at this stage, the matters being under dispute/ contingent.

NOTES TO FINANCIAL STATEMENTS

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, 2019	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 crores** due to alignment of tax provisions with ITR and **₹1,921.13 crores** towards MAT credit written off upon movement to new regime by Holding Company.

* Includes translation reserve of **₹41.30 crores** due to translation of Opening Balance at Closing Exchange Rate

(ii) Reconciliation between the average effective tax rate and the applicable tax rate is as below :

	2019-20 (%)	2018-19 (%)
Applicable tax rate	**25.168**	34.944
Tax effect of income that are not taxable in determining taxable profit	**6.12**	(2.83)
Tax effect of expenses that are not deductible in determining taxable profit	**(4.11)**	1.08
Tax effect on recognition of previously unrecognised allowance/disallowances	**0.84**	1.57
Tax effect of expenses on share buy back through Equity	**-**	0.02
Tax expenses/income related to prior years	**(10.08)**	(1.84)
Difference in tax due to income chargeable to tax at special rates	**1.48**	(0.04)
Tax impact on share of profit of JVs/ Associates added net of tax in PBT of Group	**1.97**	(0.11)
Tax effect of different or nil tax rates of Group Companies	**(3.24)**	(0.90)
Effect of Taxes in foreign jurisdiction	**(5.65)**	1.55
Difference due to change in Rate of Tax	**61.35**	(0.04)
Others	**0.01**	(0.03)
Average Effective Tax Rate	**73.86**	**33.37**

NOTES TO FINANCIAL STATEMENTS

Note - 20 : OTHER LIABILITIES (NON FINANCIAL)

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Deferred Income	**4.41**	5.57	**1.20**	1.81
Government Grants (refer Note-43)	**1,931.60**	1,570.27	**171.80**	120.57
Statutory Liabilities	**-**	-	**6,448.70**	7,681.39
Advances from Customers	**111.49**	23.61	**4,913.32**	3,799.28
Others	**0.60**	-	**933.22**	872.33
TOTAL	**2,048.10**	**1,599.45**	**12,468.24**	**12,475.38**

Note - 21 : BORROWINGS - CURRENT

(₹ in Crore)

Particulars		March 31, 2020	March 31, 2019
SECURED LOANS			
Loans Repayable on Demand			
From Banks:	A		
Working Capital Demand Loan		**7,242.52**	3,920.05
Cash Credit		**641.88**	4,225.66
Foreign Currency Loans		**22.67**	-
		7,907.07	**8,145.71**
From Others:			
Loans through Tri-Party Repo Segment (TREPS) of Clearing Corporation of India Ltd. (CCIL)	B	**2,629.95**	2,587.53
Other Loans	A	**1,493.38**	1,783.98
Total Secured Loans		**12,030.40**	**12,517.22**
UNSECURED LOANS			
Loans Repayable on Demand			
From Banks/ Financial Institutions			
In Foreign Currency		**29,937.93**	14,157.68
In Rupee		**8,671.85**	3,466.88
		38,609.78	**17,624.56**
From Others			
Commercial Papers		**19,257.26**	23,417.51
Total Unsecured Loans		**57,867.04**	**41,042.07**
TOTAL SHORT-TERM BORROWINGS		**69,897.44**	**53,559.29**

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)		**3,701.00**	2,655.00
Bank Guarantees		**1,650.00**	1,650.00

NOTES TO FINANCIAL STATEMENTS

Note - 22 : TRADE PAYABLES

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Dues to Micro and Small Enterprises	233.03	236.82
Dues to Related Parties	777.62	1,276.93
Dues to Others	26,592.89	39,680.37
TOTAL	27,603.54	41,194.12

Note - 23 : REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	2019-2020	2018-2019
Sales (Net of Discounts)	5,70,001.67	6,07,524.57
Sale of Services	135.53	115.86
Other Operating Revenues (Note "23.1")	4,893.68	5,040.14
	5,75,030.88	6,12,680.57
Net Claim/(Surrender) of SSC	100.20	310.66
Subsidy From Central/State Governments	161.68	150.00
Grant from Government of India	1,296.17	4,110.18
TOTAL	5,76,588.93	6,17,251.41

Particulars relating to Revenue Grants are given in Note-43.

Note - 23.1 : OTHER OPERATING REVENUES

(₹ in Crore)

Particulars	2019-2020	2018-2019
Sale of Power and Water	338.15	430.66
Revenue from Construction Contracts	8.11	6.50
Unclaimed / Unspent liabilities written back	158.90	317.27
Provision for Doubtful Debts, Advances, Claims, and Stores written back	633.63	58.93
Provision for Contingencies written back	1,353.49	1,492.97
Recoveries from Employees	16.53	13.37
Retail Outlet License Fees	1,117.06	1,187.82
Income from Non Fuel Business	173.23	247.39
Commission and Discount Received	1.25	2.95
Sale of Scrap	225.27	246.16
Income from Finance Leases	5.03	2.48
Amortization of Capital Grants	134.77	99.99
Revenue Grants	46.76	224.31
Commodity Hedging Gain (Net)	-	27.58
Terminalling Charges	56.84	83.11
Other Miscellaneous Income	624.66	598.65
TOTAL	4,893.68	5,040.14

NOTES TO FINANCIAL STATEMENTS

Note - 24 : OTHER INCOME

(₹ in Crore)

Particulars		2019-2020	2018-2019
Interest on:	A		
Financial items:			
Deposits with Banks		75.83	44.47
Customers Outstandings		348.56	433.26
Oil Companies GOI SPL Bonds/ Other Investments		825.50	907.41
Other Financial Items		643.11	261.79
Total interest on Financial items		1,893.00	1,646.93
Non-Financial items		119.86	99.34
		2,012.86	1,746.27
Dividend	B	709.96	863.30
Fair value Gain on Investments/ Provision Written Back (Net)		-	1.60
Gain on Derivatives		-	0.32
Fair value Gain on Financial instruments classified as FVTPL		-	13.87
Other Non Operating Income		67.47	88.92
TOTAL		2,790.29	2,714.28
A 1. Includes Tax Deducted at Source		8.43	24.62
A 2. Includes interest received under section 244A of the Income Tax Act.		45.75	90.14
A 3. Include interest on:			
Current Investments		516.93	657.36
Non-Current Investments		308.57	250.05
A 4. Total interest income (calculated using the effective interest method) for financial assets:			
In relation to Financial assets classified at amortised cost		1,067.50	739.52
In relation to Financial assets classified at FVOCI		825.50	907.41
B Dividend Income consists of Dividend on:			
Current Investments		5.65	17.44
Non-Current Investments		704.31	845.86

Note - 25 : COST OF MATERIAL CONSUMED

(₹ in Crore)

Particulars	2019-2020	2018-2019
Opening Stock	30,528.08	28,342.80
Add: Purchases	2,76,368.21	3,08,657.50
	3,06,896.29	3,37,000.30
Less: Closing Stock	20,099.02	30,528.08
Less: Transfer to Exceptional Items	5,717.14	-
TOTAL	2,81,080.13	3,06,472.22

Particulars relating to Revenue Grants adjusted in purchases are given in Note-43.

NOTES TO FINANCIAL STATEMENTS

Note - 26 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND STOCK IN PROCESS

(₹ in Crore)

Particulars	2019-2020	2018-2019
Closing 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**
Less:		
Opening Stock		
Finished Products	**25,953.37**	24,390.14
Stock in Process	**6,366.96**	5,442.23
Stock-in-Trade	**9,952.84**	8,895.21
	42,273.17	**38,727.58**
Add: Transfer to Exceptional Items	**5,587.50**	-
NET INCREASE / (DECREASE)	**5,414.35**	**3,545.59**

Note - 27 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars	2019-2020	2018-2019
Salaries, Wages, Bonus etc	**6,936.84**	7,446.49
Contribution to Provident & Other Funds	**1,281.42**	2,425.70
Voluntary Retirement Compensation	**1.75**	1.49
Staff Welfare Expenses	**1,116.92**	1,722.60
TOTAL	**9,336.93**	**11,596.28**

A. Excludes **₹ 432.45 crore** (2019: ₹ 400.72 crore) included in capital work in progress (construction period expenses - Note-2.2) / intangible assets under development (Note - 3.1) and **₹ 24.63 crore** (2019: ₹ 21.92 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.

NOTES TO FINANCIAL STATEMENTS

Note - 28 : FINANCE COSTS

(₹ in Crore)

Particulars		2019-2020	2018-2019
Interest Payments on Financial items:			
Working Capital Loans:			
Bank Borrowings		**862.66**	1,035.21
Bonds/Debentures		**325.13**	65.77
Others		**1,379.05**	472.98
		2,566.84	**1,573.96**
Other Loans:			
Bank Borrowings		**689.18**	801.07
Bonds/Debentures		**568.34**	645.04
Lease Obligations		**756.53**	462.72
Others		**2.24**	-
		2,016.29	**1,908.83**
Unwinding of Discount		**73.79**	44.85
Others		**5.59**	17.43
		4,662.51	**3,545.07**
Interest Payments on Non Financial items:			
Unwinding of Discount		**16.98**	17.11
Others		**343.77**	449.79
		360.75	**466.90**
		5,023.26	4,011.97
Other Borrowing Cost	A	**44.44**	38.81
Applicable Net (Gain) / Loss on Foreign Currency Transactions and Translation		**1,511.04**	837.20
TOTAL		**6,578.74**	**4,887.98**
A. Mainly pertains to franking charges, service charges & other indirect expenses on borrowings.			
Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss		**4,662.51**	3,545.07

NOTES TO FINANCIAL STATEMENTS

Note - 29 : OTHER EXPENSES

(₹ in Crore)

Particulars	2019-2020	2018-2019
Consumption:		
a) Stores, Spares and Consumables	**1,952.43**	1,750.20
b) Packages & Drum Sheets	**439.94**	513.76
	2,392.37	**2,263.96**
Power & Fuel	**24,574.13**	30,042.33
Less : Fuel from own production	**19,318.55**	23,688.77
	5,255.58	**6,353.56**
Throughput, Processing & Blending Fees, Royalty and Other Charges	**1,467.90**	1,600.92
Octroi, Other Levies and Irrecoverable taxes	**1,864.98**	1,885.18
Repairs and Maintenance		
i) Plant & Equipment	**3,810.04**	3,295.78
ii) Buildings	**371.43**	362.26
iii) Others	**569.71**	546.99
	4,751.18	**4,205.03**
Freight, Transportation Charges and Demurrage	**14,172.77**	13,417.59
Office Administration, Selling and Other Expenses (Note "29.1")	**13,998.57**	10,316.40
TOTAL	**43,903.35**	**40,042.64**
Less: Company's use of own Products and Crude	**837.78**	805.07
TOTAL (Net)	**43,065.57**	**39,237.57**

NOTES TO FINANCIAL STATEMENTS

Note - 29.1 : OFFICE, ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in Crore)

Particulars	2019-2020	2018-2019
Rent	**488.90**	1,138.38
Insurance	**171.72**	169.17
Rates & Taxes	**151.12**	204.50
Donation	**0.01**	5.71
Payment to Auditors		
As Auditors	**4.67**	4.78
For Taxation Matters	**0.48**	0.51
Other Services(for issuing other certificates etc.)	**1.48**	1.65
For reimbursement of expenses	**0.35**	0.32
	6.98	**7.26**
Travelling & Conveyance	**741.36**	745.43
Communication Expenses	**57.41**	60.22
Printing & Stationery	**42.86**	43.01
Electricity & Water	**392.23**	388.65
Bank Charges	**51.00**	37.43
Advances & Claims written off	**9.41**	6.34
Provision/ Loss on Assets sold or written off (Net)	**106.25**	169.40
Technical Assistance Fees	**57.98**	42.29
Exchange Fluctuation (net)	**4,145.53**	1,740.94
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.	**2,138.92**	1,090.38
Security Force Expenses	**861.73**	802.83
Sales Promotion Expenses (Including Commission)	**448.50**	476.94
Handling Expenses	**632.91**	580.52
Terminalling Charges	**3.68**	11.66
Exploration & Production Cost	**1,515.40**	988.25
Loss on Derivatives	**170.58**	-
Fair value Loss on Financial instruments classified as FVTPL	**26.18**	-
Amortisation of FC Monetary Item Translation	**28.92**	148.39
Loss on Sale of Investments (Net)	**-**	1.60
Expenses on Construction Contracts	**7.08**	6.37
Expenses on CSR Activities	**560.12**	509.51
Training Expenses	**99.30**	104.10
Legal Expenses / Payment To Consultants	**181.34**	184.05
Notices and Announcement	**21.06**	39.77
Advertisement and Publicity	**63.09**	82.87
Pollution Control Expenses	**98.60**	82.90
Amortisation of Fair Value difference in Financial Instruments	**291.07**	55.72
Miscellaneous Expenses	**427.33**	391.81
TOTAL	**13,998.57**	**10,316.40**

NOTES TO FINANCIAL STATEMENTS

Note - 30 : OTHER COMPREHENSIVE INCOME

(₹ in Crore)

Particulars	2019-2020	2018-2019
Items that will not be reclassified to profit or loss:		
Remeasurement of Defined Benefit Plans	**(215.52)**	(66.65)
Fair value of Equity Instruments	**(10,922.37)**	(1,976.37)
Share of Joint Ventures and associates in Remeasurement of Defined Benefit Plans	**(2.17)**	(1.09)
	(11,140.06)	**(2,044.11)**
Income Tax relating to items that will not be reclassified to profit or loss:		
Remeasurement of Defined Benefit Plans	**60.19**	23.29
Fair value of Equity Instruments	**126.47**	(486.01)
Share of Joint Ventures and associates in Remeasurement of Defined Benefit Plans	**0.22**	0.50
	186.88	**(462.22)**
Items that will be reclassified to profit or loss:		
Fair value of Debt Instruments	**586.49**	131.13
Gain/(Loss) on Hedging Instruments	**61.49**	24.12
Translation Reserve on Consolidation	**100.81**	(276.52)
Share of Joint Ventures and associates in Translation Reserve on Consolidation	**(12.65)**	(6.44)
Share of Joint Ventures and associates in Gain on Business Combinations	**-**	6.75
	736.14	**(120.96)**
Income Tax relating to items that will be reclassified to profit or loss:		
Fair value of Debt Instruments	**(150.87)**	(25.67)
Gain/(Loss) on Hedging Instruments	**(15.48)**	(8.44)
	(166.35)	**(34.11)**
TOTAL	**(10,383.39)**	**(2,661.40)**

NOTES TO FINANCIAL STATEMENTS

Note - 31 : DISTRIBUTIONS MADE AND PROPOSED

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Cash Dividends on Equity Shares declared:		
Final Dividend		
Total Final dividend during the current year for March 31, 2019: **₹ 1.00 per share** (March 31, 2018: ₹ 2.00 per share)	**941.42**	1,942.36
Less: Final Dividend pertaining to IOC Share trust (Refer Note -1)	**23.31**	46.62
Final Dividend net of IOC share trust	**918.11**	**1,895.74**
Dividend Distribution Tax on final Dividend	**186.67**	396.18
Interim Dividend		
Total Interim Dividend for March 31, 2020: **₹4.25 per share** (March 31, 2019: ₹ 8.25 per share). (Refer Note -3)	**3,901.94**	7,967.60
Less: Interim Dividend pertaining to IOC Share trust (Refer Note -1)	**-**	192.32
Interim Dividend net of IOC share trust	**3,901.94**	**7,775.28**
Dividend Distribution Tax on interim Dividend	**799.27**	1,589.11
TOTAL	**5,805.99**	**11,656.31**
Proposed Dividend on Equity Shares		
Final proposed Dividend for March 31, 2020: **₹ NIL per share** (March 31, 2019: ₹ 1.00 per share)	**-**	941.42
Less: Proposed Dividend pertaining to IOC Share trust (Refer Note -1)	**-**	23.31
Final proposed Dividend net of IOC share trust	**-**	**918.11**
Dividend Distribution Tax on proposed Dividend	**-**	193.51
	-	**1,111.62**

Notes:

1. 233118456 Shares held under IOC Share Trust (Shareholder) of face value **₹ 233.12 crore** (2019: ₹ 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 2, 2020 and therefore no inetrim dividend on shares held by IOC Share Trust have been proposed.

2. The Company have also incurred expenses on distribution of final dividend amounting to **₹ 0.14 crore** (2019: ₹ 0.14 crore) and on distribution of interim dividend amounting to **₹ 0.15 crore** (2019: ₹ 0.34 crore) which have been debited to equity.

3. The Board of Directors of the Company, at its meeting held on December 13, 2018 had approved a proposal to buyback upto 297651006 (Twenty Nine Crores Seventy Six Lakhs Fifty One Thousand and Six) equity shares of the Company.The Company bought back 297651006 (Twenty Nine Crores Seventy Six Lakh Fifty One Thousand and Six) equity shares out of the shares that were tendered by eligible shareholders and the shares bought back were cancelled and extinguished on February 14, 2019.

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 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	March 31, 2020	March 31, 2019
Profit/ (loss) attributable to Equity holders (₹ in Crore)	**(893.14)**	17,376.70
Weighted Average number of Equity Shares used for computing Earning Per Share (Basic) (Refer note-1 and 2)	**9181040466**	9441179290
Weighted Average number of Equity Shares used for computing Earning Per Share (Diluted) (Refer note-1 and 2)	**9181040466**	9441179290
Earnings Per Share (Basic) (₹)	**(0.97)**	18.41
Earnings Per Share (Diluted) (₹)	**(0.97)**	18.41
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 netted off from weighted average number of Equity Shares and EPS is worked out accordingly.

2. The Board of Directors of the Group, at its meeting held on December 13, 2018 had approved a proposal to buyback upto 297651006 (Twenty Nine Crores Seventy Six Lakhs Fifty One Thousand and Six) Equity Shares of the Group.The Group bought back 297651006 (Twenty Nine Crores Seventy Six Lakh Fifty One Thousand and Six) Equity Shares out of the shares that were tendered by eligible shareholders and the shares bought back were cancelled and extinguished on February 14, 2019. Accordingly, earnings per share (EPS) (basic and diluted) for FY 2018-19 have been adjusted on account of buy back.

NOTES TO FINANCIAL STATEMENTS

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	
			March 31, 2020	March 31, 2019
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%**	100.00%
IndianOil (Mauritius) Ltd.	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%

The Holding Company

51.50% of total shares are held by President of India as at March 31, 2020 (March 31, 2019: 52.18%)

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	March 31, 2020	March 31, 2019
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)

Name	March 31, 2020	March 31, 2019
Accumulated balances of material non-controlling interest:		
Chennai Petroleum Corporation Limited	**653.92**	1,662.91
Lanka IOC PLC	**222.35**	214.45
Profit/(loss) allocated to material non-controlling interest:		
Chennai Petroleum Corporation Limited	**(989.33)**	(98.80)
Lanka IOC PLC	**6.15**	(4.05)

NOTES TO FINANCIAL STATEMENTS

Note - 33A : GROUP INFORMATION AND MATERIAL PARTLY-OWNED SUBSIDIARIES (Contd...)

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)

Particulars	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Current assets	**2,862.16**	6,849.52	**1,206.88**	731.44
Current liabilities	**8,402.77**	10,121.92	**810.17**	347.41
Non-current assets	**9,973.76**	8,549.21	**499.98**	478.15
Non-current liabilities	**3,073.88**	1,820.29	**2.97**	0.26
TOTAL	**1,359.27**	**3,456.52**	**893.72**	**861.92**
Accumulated Non-Controlling Interests	**653.92**	1,662.91	**222.35**	214.45

2. Summarised Statement of Profit and Loss:

(₹ in Crore)

Particulars	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	2019-2020	2018-2019	2019-2020	2018-2019
Revenue From Operations	**48,650.22**	52,201.22	**3,243.48**	3,592.21
Other Income	**60.82**	37.20	**37.23**	21.07
Cost of Material Consumed	**35,793.34**	38,468.11	-	-
Excise Duty	**11,533.48**	10,862.83	-	-
Purchases of Stock in trade	**896.49**	1,139.51	**3,050.61**	3,577.28
Changes in inventories of finished goods, stock-in-trade and work in progress	**990.39**	(409.89)	**19.67**	(128.88)
Employee Benefits Expense	**511.63**	460.52	**24.38**	24.38
Finance Costs	**413.25**	419.76	**50.46**	40.32
Depreciation and amortization expense	**468.18**	452.53	**17.06**	17.58
Impairment Losses	**54.42**	0.93	-	-
Other Expenses	**1,071.79**	1,148.09	**86.82**	101.48
Profit before exceptional items and tax	**(3,021.93)**	(303.97)	**31.71**	(18.88)
Share of Profit of Joint Ventures/Associates	**27.08**	13.96	-	-
Profit/(loss) before tax	**(2,994.85)**	(290.01)	**31.71**	(18.88)
Tax expense	**(938.45)**	(84.66)	**7.00**	(2.59)
Profit (Loss) for the period	**(2,056.40)**	(205.35)	**24.71**	(16.29)
Other Comprehensive Income	**(39.65)**	(1.78)	**22.68**	(24.53)
Total comprehensive income	**(2,096.05)**	(207.13)	**47.39**	(40.82)
Profit Attributable to Non-Controlling Interests	**(989.33)**	(98.80)	**6.15**	(4.05)
Dividends paid to Non-Controlling Interests	-	132.54	**3.89**	3.68

NOTES TO FINANCIAL STATEMENTS

Note - 33A : GROUP INFORMATION AND MATERIAL PARTLY-OWNED SUBSIDIARIES (Contd...)

3. Summarised Cash Flow Information:

(₹ in Crore)

Particulars	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	2019-2020	2018-2019	2019-2020	2018-2019
Operating Activities	**(620.20)**	(143.71)	**(107.26)**	(186.27)
Investing Activities	**(963.02)**	(1,273.27)	**(444.78)**	304.76
Financing Activities	**1,583.10**	1,417.11	**543.32**	(125.67)
Currency Translation Difference	-	-	**0.06**	(0.71)
Net increase/(decrease) in Cash and Cash Equivalents	**(0.12)**	0.13	**(8.66)**	(7.89)

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%**	628.37
Lubrizol India Private Limited	India	**26.00%**	175.35
Indian Oil Petronas Private Limited	India	**50.00%**	650.64
Green Gas Limited	India	**49.97%**	141.37
Indian Oil Skytanking Private Limited	India	**50.00%**	79.75
Suntera Nigeria 205 Ltd.	Nigeria	**25.00%**	-
Delhi Aviation Fuel Facility Private Limited	India	**37.00%**	100.52
Indian Synthetic Rubber Private Limited	India	**50.00%**	81.21
Indian Oil Ruchi Biofuels LLP	India	**50.00%**	-
NPCIL - IndianOil Nuclear Energy Corporation Limited	India	**26.00%**	0.35
GSPL India Transco Limited	India	**26.00%**	118.19
GSPL India Gasnet Limited	India	**26.00%**	229.39
IndianOil Adani Gas Private Limited	India	**50.00%**	284.01
Mumbai Aviation Fuel Farm Facility Private Limited	India	**25.00%**	86.95
Kochi Salem Pipelines Private Limited	India	**50.00%**	144.94
IndianOil LNG Private Limited	India	**50.00%**	447.83
IndianOil Panipat Power Consortium Limited	India	**50.00%**	-
Petronet CI Limited	India	**26.00%**	-
Hinduatan Urvarak and Rasayan Limited	India	**29.67%**	753.83
Ratnagiri Refinery & Petrochemicals Limited	India	**50.00%**	72.55
Indradhanush Gas Grid Limited	India	**20.00%**	8.51
IHB Private Limited	India	-	49.90
Associates			
Avi-Oil India Private Limited	India	**25.00%**	16.62
Petronet VK Limited	India	**50.00%**	0.02
Petronet LNG Limited	India	**12.50%**	1,418.66

NOTES TO FINANCIAL STATEMENTS

Note - 33 B : INTEREST IN JOINT VENTURE & ASSOCIATES (Contd...)

Name of entity	Place of Business	% of Ownership Interest	Carrying Amount (₹ in crore)
Petronet India Limited (under liquidation)	India	18.00%	0.47

Note - 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.

B. Summarised Financials of Material Joint Venture:

I.A. Summarised Balance Sheet of M/s Indian Oiltanking Limited:

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Current assets	987.53	998.88
Current liabilities	577.50	720.32
Non-current assets	3,052.28	3,196.78
Non-current liabilities	2,191.65	2,340.26
Net assets	1,270.66	1,135.08
Proportion of the Group's ownership	627.50	560.55
Carrying amount of the investment	628.37	561.41
The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	90.36	57.15
Current Financial Liabilities	465.99	563.57
Non-current financial liabilities	2,099.74	2,268.73

I.B. Summarised Statement of Profit and Loss of M/s Indian Oiltanking Limited:

(₹ in Crore)

Particulars	2019-2020	2018-2019
Revenue From Operations	531.31	598.62
Other Income	122.41	72.31
Revenue From Operations	653.72	670.93
Cost of Material/Service Consumed	11.53	29.45
Employee Benefits Expense	58.50	48.21
Finance Costs	220.55	235.54
Depreciation and amortization expense	29.75	29.73
Other Expenses	204.45	224.85
Profit/(loss) Before tax	128.94	103.15
Tax expense:		
Current Tax	11.47	2.24
Deferred Tax	(16.39)	(29.73)
Profit (Loss) for the year	133.86	130.66
Other Comprehensive Income	1.72	15.63
Total comprehensive income	135.58	146.29
Group's Share in above:		
Profit (Loss) for the period	66.11	64.53
Other Comprehensive Income	0.85	7.79
Total comprehensive income	66.96	72.32
Dividend received	-	9.90

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	March 31, 2020	March 31, 2019
Current assets	900.98	865.93
Current liabilities	113.81	156.56
Non-current assets	876.87	804.16
Non-current liabilities	217.89	157.57
Net assets	1,446.15	1,355.96
Proportion of the Group's ownership	723.08	677.99
Carrying amount of the investment	650.64	605.74
The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	153.54	15.99
Current Financial Liabilities	84.82	131.04
Non-current financial liabilities	137.69	50.08

II.B. Summarised Statement of Profit and Loss of M/s Indian Oil Petronas Private Limited:

(₹ in Crore)

Particulars	2019-2020	2018-2019
Revenue From Operations	2,114.41	1,884.28
Other Income	52.82	46.54
Revenue From Operations	2,167.23	1,930.82
Cost of Material/Service Consumed	1,476.13	1,301.77
Employee Benefits Expense	17.42	14.50
Finance Costs	18.27	11.73
Depreciation and amortization expense	48.73	40.58
Other Expenses	176.77	165.71
Profit/(loss) Before tax	429.91	396.53
Tax expense:		
Current Tax	108.68	135.02
Deferred Tax	(27.93)	4.89
Profit (Loss) for the year	349.16	256.62
Other Comprehensive Income	(0.52)	(0.02)
Total comprehensive income	348.64	256.60
Group's Share in above:		
Profit (Loss) for the period	174.58	128.31
Other Comprehensive Income	(0.26)	(0.01)
Total comprehensive income	174.32	128.30
Dividend received	107.20	26.80

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	March 31, 2020	March 31, 2019
Carrying Amount of Investments		
Joint Ventures	**2,774.65**	2,159.47
Associates	**1,435.77**	1,295.18
Aggregate amounts of the group's share of immaterial Joint Ventures:		
Share of Profits After Tax	**(83.02)**	111.26
Other comprehensive income	**(15.23)**	(7.46)
Total comprehensive income	**(98.25)**	103.80
Aggregate amounts of the group's share of immaterial Associates:		
Share of Profits After Tax	**367.47**	280.92
Other comprehensive income	**0.06**	(0.31)
Total comprehensive income	**367.53**	280.61

D. Group's share in Capital Commitments and Contingent Liabilities in respect of Joint Venture & Associates is as under:

(₹ in Crore)

	March 31, 2020	March 31, 2019
Capital Commitments	**4,343.12**	5,565.25
Contingent Liabilities	**428.49**	702.82

NOTES TO FINANCIAL STATEMENTS

Note - 34 : INTEREST IN JOINT OPERATIONS

Name		Principle place of business	Proportion of Ownership Interest	
			March 31, 2020	March 31, 2019
A. The Group's interest in Joint Operations are as under:				
E&P BLOCKS				
1) MN-OSN-2000/2	A	India	-	20.00%
2) AA-ONN-2001/2	B	India	**20.00%**	20.00%
3) GK-OSN-2009/1		India	**25.00%**	25.00%
4) GK-OSN-2009/2	C	India	**30.00%**	30.00%
5) CB-ONN-2010/6	C	India	**20.00%**	20.00%
6) AAP-ON-94/1		India	**29.03%**	29.03%
7) AA/ONDSF/UMATARA/2018		India	**90.00%**	90.00%
8) BK-CBM-2001/1		India	**20.00%**	20.00%
9) NK-CBM-2001/1		India	**20.00%**	20.00%
10) FARSI BLOCK IRAN	D	Iran	**40.00%**	40.00%
11) LIBYA BLOCK 86	C	Libya	**50.00%**	50.00%
12) LIBYA BLOCK 102/4	C	Libya	**50.00%**	50.00%
13) SHAKTHI GABON		Gabon	**50.00%**	50.00%
14) AREA 95-96	E	Libya	**25.00%**	25.00%
15) RJ-ONHP-2017/8	F	India	**30.00%**	-
16) AA-ONHP-2017/12	F	India	**20.00%**	-
17) Block-32	G	Israel	**25.00%**	-
18) North Montney Joint Venture		Canada	**10.00%**	10.00%
19) Niobrara Shale Project		USA	**10.00%**	10.00%
20) Mukhaizna Oil Field		Oman	**17.00%**	17.00%
OTHERS				
21) Petroleum India International	H	India	**36.36%**	36.36%
22) INDOIL Netherlands B.V.	I	Netherlands	**50.00%**	50.00%

A. Block relinquishment during the year 2019-20 vide Board Approval dated July 31, 2019

B. 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.

C. Blocks are under relinquishment.

D. The project 's exploration period ended on June 24, 2009. The contractual arrangement with respect to development of the block could not be finalized so far with Iranian Authorities.

E. Under Force Majeure since May 20, 2014

F. Open Acreage Licensing policy(OALP), Bid Round-I, blocks were acquired through farmed-in during the year 2019-20

G. Awarded through Israel Licensing round and presently under relinquishment.

H. Members in Petroleum India International (AOP) are HPCL, BPCL, EIL, IOCL, CPCL, ONGC, OIL and Reliance Industries Ltd. The total capital of AOP is ₹ 0.55 crore of which every member holds ₹ 0.05 crores share capital each, except IOCL which holds ₹ 0.15 Crore and BPCL ₹ 0.10 Crore. During the current financial year, members have executed a termination agreement dated March 18, 2020 bringing an end to the MOU (entered on March 1, 1986), to be effective, upon fulfilling residual obligations including filing of Return of Income under The Income Tax Act, 1961, to be filed in next financial year 2020-21.

I. 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.

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, 2020	March 31, 2019
Assets	**8,559.10**	**10,667.16**
PPE (including Producing Properties)	**5,548.18**	5,385.55
Capital Work in Progress	**225.60**	121.60
Intangible Asset under Development (Net of Provisions)	**1,637.33**	3,601.81
Other Assets (Net of Provisions)	**1,147.99**	1,558.20
Liabilities & Provisions	**4,108.20**	**3,864.54**
Liabilities	**3,523.51**	2,786.67
Provisions	**584.69**	1,077.87
Income	**2,596.53**	**2,356.72**
Sale of Products (Net of Own Consumption)	**2,568.73**	2,346.22
Other Income	**27.80**	10.50
Expenditure	**4,688.68**	**2,156.17**
Expenditure written off (incl exploration related)	**5.43**	0.53
Other Costs (incl exploration related)	**4,683.25**	2,155.64
Net Results	**(2,092.15)**	**200.55**
Commitments	**837.16**	**797.28**
Contingent Liabilities	**-**	**-**

Notes:

Including financial position of relinquished blocks.

NOTES TO FINANCIAL STATEMENTS

Note - 35A : 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, 2020	March 31, 2019
(i)	**Assets**	**252.14**	**242.73**
	-Intangible Assets under Development	**247.31**	239.27
	-Capital Work in Progress	**0.79**	0.79
	-Other Assets	**4.04**	2.67
(ii)	**Liabilities & Provisions**	**98.00**	**115.70**
	-Provisions	**2.31**	2.31
	-Other Liabilities	**95.69**	113.39
(iii)	**Income**	**10.33**	-
	-Other Income	**10.33**	-
(iv)	**Expenses**	**28.98**	**71.56**
	-Exploration expenditure written off	**0.01**	0.09
	-Other exploration costs	**28.97**	71.47
(v)	**Cash Flow**		
	-Net Cash from/(used) in operating activities	**(37.71)**	**(49.51)**
	-Net Cash from/(used) in investing activities	**(8.82)**	**(42.73)**

NOTES TO FINANCIAL STATEMENTS

Note - 35B : 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 of Crude Oil, Condensate, Natural Gas Liquids and Gas:

Assets		March 31, 2020		March 31, 2019	
		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	Begining	245.25	72.32	106.41	19.54
	Addition	29.88	13.24	156.29	62.54
	Deduction	-	-	-	-
	Production	10.65	8.06	17.45	9.76
	Balance	264.48	77.50	245.25	72.32
Pacific Northwest LNG, Canada	Begining	987.96	8300.64	682.95	8163.29
	Addition	273.70	1198.43	331.14	597.44
	Deduction	-	-	-	-
	Production	30.05	433.69	26.13	460.09
	Balance	1231.61	9065.38	987.96	8300.64
Oman	Begining	7978.65	-	-	-
	Addition	1370.41	-	9092.01	-
	Deduction	-	-	126.22	-
	Production	935.83	-	987.14	-
	Balance	8413.23	-	7978.65	-
Assam AAP-ON-94/1	Begining	69.46	1621.05	47.42	1715.26
	Addition	-	-	32.04	-
	Deduction	24.91	396.25	-	-
	Production	8.74	87.59	10.00	94.21
	Balance	35.81	1137.21	69.46	1621.05
Total Proved Reserves		9945.13	10280.09	9281.32	9994.01
B) Proved developed Reserves					
Niobrara Shale Project, USA	Begining	70.39	24.69	69.79	13.71
	Addition	6.28	6.38	18.05	20.74
	Deduction	-	-	-	-
	Production	10.65	8.05	17.45	9.76
	Balance	66.02	23.02	70.39	24.69
Pacific Northwest LNG, Canada	Begining	187.55	2815.26	232.79	3388.44
	Addition	60.54	153.22	(19.11)	(113.09)
	Deduction	-	-	-	-
	Production	30.05	433.69	26.13	460.09
	Balance	218.04	2534.79	187.55	2815.26

NOTES TO FINANCIAL STATEMENTS

Note - 35B : 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...)

Assets		March 31, 2020		March 31, 2019	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
		TMT	Million Cubic Meter	TMT	Million Cubic Meter
Oman	Begining	7348.41	-	-	-
	Addition	457.35	-	8335.55	-
	Deduction	-	-	-	-
	Production	935.83	-	987.14	-
	Balance	6869.93	-	7348.41	-
Assam AAP-ON-94/1	Begining	69.46	1621.05	47.42	1369.16
	Addition	-	-	32.04	346.10
	Deduction	24.91	396.25	-	-
	Production	8.74	87.59	10.00	94.21
	Balance	35.81	1137.21	69.46	1621.05
Total Proved developed Reserves		7189.80	3695.02	7675.81	4461.00

Net Proved Reserves & Proved developed Reserves of Crude Oil, Condensate, Natural Gas Liquids and Gas on Geographical Basis:

Details	March 31, 2020		March 31, 2019	
	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.	264.48	77.50	245.25	72.32
Canada	1231.61	9065.38	987.96	8300.64
Oman	8413.23	-	7978.65	-
India	35.81	1137.21	69.46	1621.05
Total Proved Reserves	9945.13	10280.09	9281.32	9994.01
B) Proved developed Reserves				
U.S.	66.02	23.02	70.39	24.69
Canada	218.04	2534.79	187.55	2815.26
Oman	6869.93	-	7348.41	-
India	35.81	1137.21	69.46	1621.05
Total Proved developed Reserves	7189.80	3695.02	7675.81	4461.00

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 **₹ 37.00 crore** (2019: ₹ 39.56 crore) as contribution to EPS-95 in the Statment 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 **₹ 335.25 crore** (2019: ₹ 496.73 crore) towards Defined Contributory Employees Pension Scheme in the Statment 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 **₹ 130.24 crore** (2019 : Nil) 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 equal to 15/26 of the eiligible salary for every completed year 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%.

Post Retirement Medical Scheme (PRMS):

PRMS provides medical benefit to retired employees and eligible dependant family members.

Resettlement Allowance:

Resettlement allowance is paid to employees to permanently settle down at a place other than the location of last posting at the time of retirement.

Ex gratia:

Ex-gratia is payable to those employees who have retired before November 1, 1987 and not covered under the pension scheme. Further, for employees who have retired on or after November 1, 1987 and their entitlement under the pension scheme is less than applicable amount under Ex- Gratia Scheme, such employees are also eligible to the extent of shortfall or difference under Ex-gratia scheme. The scheme of ex-gratia has been restricted to cover only those eligible employees who have retired upto December 31, 2006, and not thereafter.

Staff Pension fund at AOD:

The Fund is maintained for disbursement of pension to Officers who have joined erstwhile Assam Oil Company before October 14, 1981 and opted to continue the benefit of pension as existing prior to takeover. The Group is managing the fund after takeover of the erstwhile Assam Oil Group in the name of IOCL(AOD) Staff Pension Fund.

Workmen Compensation:

The Group pays an equivalent amount of 100 months' salary to the family member of the employee if employee dies while he is on duty. This scheme is not funded by the Group. The liability originates out of the Workmen Compensation Act and Factory Act.

Felicitation of Retired Employees:

The Parent company has a scheme to pay specified amount as felicitation award to retired employees on achieving specific age milestones at every 5 year interval starting from 70 years to 100 years. The amount provided during the year on this account is ₹ (24.53) Crore and the payments made to retired employees during the year is ₹ 6.70 Crore.

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

NOTES TO FINANCIAL STATEMENTS

Note - 36 : EMPLOYEE BENEFITS (Contd...)

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 DPE Guidelines and, keeping in view operational complications and service agreements the company had requested concerned authorities to reconsider the matter. Subsequently, the matter has been dealt in 3rd PRC recommendations, which is effective January 1, 2017 and CPSEs have been allowed 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 duration of service completed. MOP&NG vide its letter dated December 12, 2018 has intimated that the scheme is not forming part of DPE guidelines as of now and thus is irregular and has advised to make recovery of payments made. IOCL has clarified its position to MOP&NG vide its letter dated March 27, 2019 and April 25, 2019 stating that award based on length of meritorious and faithful service of employees (Long Service Award) was specifically allowed by DPE (formerly BPE) thru its letter dated February 14, 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 **₹ 29.12 crores** (2019: ₹ 22.92 Crore) and the payments made to employees during the year is **₹ 28.16 Crores** (2019: ₹ 32.36 Crores). The actuarial liability of **₹ 201.79 Crores** in this respect as on March 31, 2020 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	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Defined Obligation at the beginning	**14,870.94**	**2,810.87**	**5,084.48**	**-**	**120.83**	**208.92**
	13,317.81	*2,802.74*	*4,726.25*	*1.23*	*122.34*	*190.55*
Current Service Cost	**533.79**	**50.52**	**219.40**	**-**	**19.24**	**-**
	439.01	*40.78*	*211.74*	*-*	*19.71*	*-*
Past Service Cost	**-**	**1.15**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*
Interest Cost	**1,280.81**	**218.97**	**395.58**	**-**	**9.41**	**15.75**
	1,161.37	*218.33*	*366.76*	*0.01*	*9.52*	*14.90*
Contribution by employees	**1,404.67**	**-**	**-**	**-**	**-**	**-**
	1,204.47	*-*	*-*	*-*	*-*	*-*
Net Liability transferred In / (Out)	**25.42**	**-**	**-**	**-**	**-**	**-**
	84.11	*-*	*-*	*-*	*-*	*-*
Benefits paid	**(1,521.55)**	**(411.72)**	**(213.05)**	**-**	**(7.85)**	**(30.11)**
	(1,335.83)	*(383.20)*	*(207.02)*	*(1.24)*	*(8.18)*	*(27.60)*
Future Interest Shortfall	**130.24**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*
Actuarial (gain)/ loss on obligations	**-**	**266.13**	**647.31**	**-**	**(8.00)**	**52.16**
	-	*132.22*	*(13.25)*	*-*	*(22.56)*	*31.07*
Defined Benefit Obligation at the end of the year	**16,724.32**	**2,935.92**	**6,133.72**	**-**	**133.63**	**246.72**
	14,870.94	*2,810.87*	*5,084.48*	*-*	*120.83*	*208.92*

NOTES TO FINANCIAL STATEMENTS

Note - 36 : EMPLOYEE BENEFITS (Contd...)

(ii) Reconciliation of balance of Fair Value of Plan Assets

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the beginning of the year	**15,192.58**	**2,691.42**	**4,993.59**	**-**	**-**	**-**
	13,584.65	*1,922.23*	*4,642.23*	*1.24*	*-*	*-*
Interest Income	**1,280.81**	**209.66**	**388.50**	**-**	**-**	**-**
	1,161.37	*153.74*	*360.24*	*-*	*-*	*-*
Contribution by employer	**533.79**	**0.21**	**358.51**	**-**	**-**	**-**
	439.01	*969.69*	*160.94*	*-*	*-*	*-*
Contribution by employees	**1,404.67**	**-**	**1.23**	**-**	**-**	**-**
	1,204.47	*-*	*1.27*	*-*	*-*	*-*
Net Liability transferred In / (Out)	**25.42**	**-**	**-**	**-**	**-**	**-**
	84.11	*-*	*-*	*-*	*-*	*-*
Benefit paid	**(1,521.55)**	**(411.72)**	**(208.91)**	**-**	**-**	**-**
	(1,335.83)	*(383.16)*	*(203.04)*	*(1.24)*	*-*	*-*
Provision for Stressed Assets	**(83.23)**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*
Re-measurement (Return on plan assets excluding Interest Income)	**(185.24)**	**(8.36)**	**14.50**	**-**	**-**	**-**
	54.80	*28.92*	*31.95*	*-*	*-*	*-*
Fair value of plan assets at the end of the year	**16,647.25**	**2,481.21**	**5,547.42**	**-**	**-**	**-**
	15,192.58	*2,691.42*	*4,993.59*	*-*	*-*	*-*

(iii) Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the end of the year	**16,647.25**	**2,481.21**	**5,547.42**	**-**	**-**	**-**
	15,192.58	*2,691.42*	*4,993.59*	*-*	*-*	*-*
Defined Benefit Obligation at the end of the year	**16,724.32**	**2,935.92**	**6,133.72**	**-**	**133.63**	**246.72**
	14,870.94	*2,810.87*	*5,084.48*	*-*	*120.83*	*208.92*
Amount not recognised in the Balance Sheet (as per para 64 of Ind-AS 19)	**(53.17)**	**-**	**-**	**-**	**-**	**-**
	(321.64)	*-*	*-*	*-*	*-*	*-*
Amount recognised in the Balance Sheet	**130.24**	**454.71**	**586.30**	**-**	**133.63**	**246.72**
	-	*119.45*	*90.89*	*-*	*120.83*	*208.92*

NOTES TO FINANCIAL STATEMENTS

Note - 36 : EMPLOYEE BENEFITS (Contd...)

(iv) Amount recognised in Statement of Profit and Loss / Construction Period Expenses

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Current Service Cost	**533.79**	**50.52**	**219.40**	**-**	**19.24**	**-**
	439.01	*40.78*	*211.74*	*-*	*19.71*	*-*
Past Service Cost	**-**	**1.15**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*
Net Interest Cost	**-**	**9.31**	**7.08**	**-**	**9.41**	**15.75**
	-	*64.59*	*6.52*	*0.01*	*9.52*	*14.90*
Contribution by employees	**-**	**-**	**(1.23)**	**-**	**-**	**-**
	-	*-*	*(1.27)*	*-*	*-*	*-*
Future Interest Shortfall	**130.24**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*
Expenses for the year	**664.03**	**60.98**	**225.25**	**-**	**28.65**	**15.75**
	439.01	*105.37*	*216.99*	*0.01*	*29.23*	*14.90*

(v) Amount recognised in Other Comprehensive Income (OCI)

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Actuarial (gain)/ loss on Obligations -Due to change in assumptions	**-**	**173.30**	**895.47**	**-**	**15.81**	**14.55**
	-	*0.84*	*(15.98)*	*-*	*(0.15)*	*2.30*
Actuarial (gain)/ loss on Obligations -Due to Experience	**-**	**92.83**	**(248.16)**	**-**	**(23.81)**	**37.61**
	-	*131.38*	*2.73*	*-*	*(22.41)*	*28.77*
Re-measurement (Return on plan assets excluding Interest Income)	**(8.80)**	**(8.36)**	**14.50**	**-**	**-**	**-**
	1.34	*28.92*	*31.95*	*-*	*-*	*-*
Amount recoverable from employee adjusted in OCI	**-**	**214.24**	**521.69**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*
Net Loss / (Gain) recognized in OCI	**8.80**	**60.25**	**111.12**	**-**	**(8.00)**	**52.16**
	(1.34)	*103.30*	*(45.20)*	*-*	*(22.56)*	*31.07*

NOTES TO FINANCIAL STATEMENTS

Note - 36 : EMPLOYEE BENEFITS (Contd...)

(vi) Major Actuarial Assumptions*

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Discount rate	**6.86%**	**6.86%**	**6.81%**	**-**	**6.86%**	**6.04%**
	7.78%	*7.79%*	*7.78%*	*-*	*7.79%*	*7.54%*
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**
	-	*16*	*30*	*-*	*16*	*11*
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. 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.

(vii) Sensitivity on Actuarial Assumptions

(₹ in Crore)

Loss / (Gain) for:	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Change in Discounting Rate						
Increase by 1%	**-**	**(184.24)**	**(920.04)**	**-**	**(16.87)**	**(9.92)**
	-	*(157.86)*	(678.80)	*-*	(13.68)	(7.96)
Decrease by 1%	**-**	**214.12**	**1,193.89**	**-**	**21.40**	**10.88**
	-	182.19	*881.41*	*-*	*17.14*	8.71
Change in Salary Escalation						
Increase by 1%	**-**	**42.81**	**-**	**-**	**-**	**-**
	-	*38.39*	*-*	*-*	*-*	*-*
Decrease by 1%	**-**	**(49.44)**	**-**	**-**	**-**	**-**
	-	*(41.91)*	*-*	*-*	*-*	*-*
Change in Inflation Rate						
Increase by 1%	**-**	**-**	**708.39**	**-**	**-**	**-**
	-	*-*	*535.29*	*-*	*-*	*-*
Decrease by 1%	**-**	**-**	**(600.68)**	**-**	**-**	**-**
	-	*-*	*(441.39)*	*-*	*-*	*-*

NOTES TO FINANCIAL STATEMENTS

Note - 36 : EMPLOYEE BENEFITS (Contd...)

(viii) Investment details

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Investment with Insurer	**-**	**99.53%**	**91.47%**	**0.00%**
	-	*99.67%*	*94.29%*	*0.00%*
Self managed investments	**100.00%**	**0.47%**	**8.53%**	**0.00%**
	100.00%	*0.33%*	*5.71%*	*0.00%*

Details of the investment pattern for the above mentioned funded obligations are as under:

	Provident Fund	Gratuity*	PRMS*	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Government Securities (Central & State)	**54.53%**	**29.44%**	**11.26%**	**0.00%**
	49.72%	*69.07%*	*69.68%*	*0.00%*
Investment in Equity / Mutual Funds	**4.32%**	**2.30%**	**0.15%**	**0.00%**
	6.81%	*5.16%*	*5.20%*	*0.00%*
Investment in Debentures / Securities	**40.46%**	**1.02%**	**88.51%**	**0.00%**
	39.33%	*16.33%*	*22.67%*	*0.00%*
Other approved investments (incl. Cash)	**0.69%**	**67.25%**	**0.07%**	**0.00%**
	4.15%	*9.44%*	*2.45%*	*0.00%*

* 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)

Cash Flow Projection from the Fund/Employer	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Non-Funded	Non-Funded
Within next 12 Months	**555.54**	**229.66**	**-**	**9.01**	**41.63**
	433.97	*214.24*	*-*	*8.78*	*36.67*
Between 1 to 5 Years	**1,130.10**	**991.34**	**-**	**30.80**	**131.35**
	1,149.36	*930.74*	*-*	*32.33*	*117.07*
Between 6 to 10 Years	**1,097.50**	**1,376.46**	**-**	**37.18**	**97.12**
	1,135.50	*1,296.63*	*-*	*40.38*	*88.61*

Note: General Description of the defined beenfit plans applicable to the Holding Company.

NOTES TO FINANCIAL STATEMENTS

Note - 37 : COMMITMENTS AND CONTINGENCIES

A. Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 introduces a single,on-balance sheet lease accounting model for lessees.

Effective April 1, 2019, the Group has adopted Ind AS 116 to its leases using modified retrospective transition method. Accordingly, the comparative information for periods relating to earlier years is not restated. The lease liability is measured at the present value of remaining lease payments discounted using incremental borrowing rate at the date of initial application and right of use asset has been recognized at an amount equal to the lease liability plus prepaid rentals recognised in the Balance Sheet before the date of initial application, if any. Further, the Group has exercised the following practical expedient;

i) The Group has not reassessed whether a contract is, or contains, a lease at the date of initial application i.e. the contracts classified as leases as on March 31, 2019 as per Ind-AS 17 is treated as leases under Ind-AS 116 and not applying this standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

ii) Leases for which the lease term ends within 12 months of the date of initial application have been accounted as short term leases.

Further, refer Note 1A: Significant Accounting Policies for detailed measurement and recognition principles on Lease.

(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 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 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. Arrangements for using hookup facilities for supply of gas to its city gas station in Rewa District with Reliance Gas Pipeline Limited for a period of 15 Years.
10. 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.
11. CFA handling arrangement with CFAs for providing dedicated storage facility for handling lubes.
12. Arrangements with Tank truck operators for providing dedicated tank trucks for transportation of Group's petroleum products.
13. Arrangements for dedicated time charter vessels for coastal transportation of Group's petroleum products.
14. Arrangement for dedicated storage tanks for storing Group's petroleum products at various locations.

NOTES TO FINANCIAL STATEMENTS

Note - 37 : COMMITMENTS AND CONTINGENCIES (Contd...)

Amount Recognized in the Statement of Profit and Loss or Carrying Amount of Another Asset

(₹ in Crore)

Particulars		2019-20
Depreciation recognized		918.83
Interest on lease liabilities		760.88
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)		1,048.75
Expenses relating to leases of low-value assets, excluding short-term leases of Low-value assets		4.69
Variable lease payments not included in the measurement of lease liabilities		8,881.25
Income from sub-leasing right-of-use assets		
-As Rental income from Operating Lease	24.16	
-As Finance income from Finance Lease of RoU Asset	4.99	29.15
Total cash outflow for leases		1,354.02
Additions to ROU during the year		1,257.50
Gain or losses arising from sale and leaseback transactions		-
Net Carrying Amount of ROU at the end the year		8,927.41
Others including Disputed, Leave & License, Reversal of excess liability of previous year, exchange fluctuation on lease liability etc...		159.56

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 :-

(₹ in Crore)

Asset Class	Items Added to RoU Asset as on April 1, 2019*	Additions to RoU Asset during the Year**	Depreciation Recognized 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**
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**

* Items added to RoU Asset as on 01.04.2019 includes both Finance and Operating leases for lease agreements entered before April 1, 2019 on net carrying value. Out of which, net carrying value of **₹ 3750.30 crore** has been reclassified from different asset classes to RoU Asset as at April 1, 2019.

**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 **₹(0.13) crore on account of FCTR difference in Additions and **₹ 0.01 crore** under Depreciation.

The weighted average incremental borrowing rate in the range of 8.06%-8.87% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application.

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.**

NOTES TO FINANCIAL STATEMENTS

Note - 37 : COMMITMENTS AND CONTINGENCIES (Contd...)

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 recognized 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. 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 paid advance of ₹ 215.90 Crore for acquisition of leasehold buildings for which offer of possession is issued by the contractor during financial year 2018-19. Group has not taken the physical possession of property as stay is imposed by the Hon'ble Delhi High Court for handing over of the office premises. Pending taking over of possession, amount paid to contractor is continued as capital advance under Note 8. The said property shall form part of Right to Use Assets upon physical possession of property and depreciated accordingly.
2. Parent Company has paid advance of ₹ 21.1 0 Crore for acquisition of leasehold buildings for which offer of possession is not yet issued by the contractor. Pending hand over of offer of possession, amount paid to contractor is continued as capital advance under Note 8. The said property shall form part of Right to Use Assets upon physical possession of property and depreciated accordingly.
3. Parent Company has entered into 5 Nos. lease arrangements with GAIL India Limited for a period of 10 years for using of Hookup facility for supply of gas at Bokaro, Aurangabad, Guna, Hazaribag, Ramgarh, Kaimur, Rohtas, Lakhisari, Munger, Bhagalpu, Sheikhpura, Jamui and Deoghar Districts for which lease agreements have been entered but not yet commenced.The expected future cash outflow from these agreements will be ₹2.10 crore.
4. Parent Company has entered into lease agreement with VSAT providers (Highes,Nelco and Airtel) for 22255 no's of VSAT equipment at ₹ 1175.04 month for a non cancellable period of 3 years for subleasing to Retail outlet to ensure seamless connectivity of automated and online data from them. Out of total contract of 22255 no's, 2622 no's are pending as at March 31, 2020. Accordingly, the effect of lease and sub lease will be given for the balance.
5. Parent Company has paid advance for upfront premium to New Raipur Development Authority for leasing of land for 7 no's of new Retail Outlet of ₹ 8.63 crore and annual rental @ 2% of upfront premium at Raipur. 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.
6. Parent Company has paid advance for upfront premium to Commissioner Municipal Corporation, Bhopal for leasing of land for 1 no's of new Retail Outlet of ₹ 3.71 crore at Bhopal. 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.
7. Parent Company has entered into lease agreement with various lessors for 5 no's of Retail outlet at Kutch for a period of 20 years at an annual rental of **₹ 13,55,688.00** with an increment of 10% in every 5 years. Leases for all such cases will commence once RO is commissioned.

NOTES TO FINANCIAL STATEMENTS

Note - 37 : COMMITMENTS AND CONTINGENCIES (Contd...)

8. Parent Company has entered into lease agreement for providing e-locks from various vendors for a non cancellable period of 3 years at rate ranging from **₹ 1,200.00 - 1,300.00 per month**. As at March 31, 2020, 16752 no's are yet to be supplied. However, the same are low value items.
9. Parent Company has entered into lease agreement with Andhra Pradesh State Civil Supplies for 1 no of Retail outlet at Vizag for a period of 20 years at monthly rental of **₹ 20,000.00** with an increment of 10% in every 3 years. The possession of land is not given and the matter is pending in the the court.

(v) The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient as per the standard.

(vi) Application of this standard has resulted a net decrease in Profit before Tax for the period April - March 2020 by **₹ 291.14 crore** (increase in Depreciation & Amortization expenses and Finance Cost by **₹ 748.05 crore** and **₹ 298.74 crore** respectively and decrease in Office, Administration, Selling and Other Expenses by **₹ 755.65 crore**). Further there is a net increase in Property, Plant and Equipment by **₹ 5,338.34 crore** and lease obligations by **₹ 4,294.63 crore** respectively as at March 31, 2020.

(b) As Lessor

(i) Operating Lease

The lease rentals recognized as income in these statements as per the rentals stated in the respective agreements:

(₹ in Crore)

Particulars	2019-20
Lease rentals recognized as income during the year	44.76
-Variable Lease	4.20
-Others	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)

Particulars	March 31, 2020
Less than one year	19.76
One to two years	15.24
Two to three year	12.65
Three to four years	10.30
Four to five years	8.01
More than five years	4.67
TOTAL	70.63

(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 certain Equipments to Retail outlets. 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) 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 crores.

NOTES TO FINANCIAL STATEMENTS

Note - 37 : COMMITMENTS AND CONTINGENCIES (Contd...)

Lease income from lease contracts in which the Group acts as a lessor is as below:

(₹ in Crore)

Particulars	2019-20
Selling Profit & Loss	3.07
Finance income on the net investment in the lease	5.03

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Gross Investments in Finance Lease	224.94	510.17
Less: Unearned Finance Income	5.20	7.72
Less: Finance Income Received	47.59	173.48
Less: Minimum Lease payment received	106.38	269.00
Net Investment in Finance Lease as on Date	65.77	59.97
Opening Net Investment in Finance Lease	59.97	
Add: New Leases added during the year	33.10	
Less: PV of Minimum Lease payment received during the year	27.30	
Closing Net Investment in Finance Lease	65.77	

Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date

(₹ in Crore)

Particulars	March 31, 2020
Less than one year	37.04
One to two years	29.40
Two to three year	4.53
Three to four years	-
Four to five years	-
More than five years	-
Total Undiscounted Lease Payment	70.97
Less: Unearned finance Income	5.20
Net Investment in Finance Lease as on date	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 **₹ 9,523.46 crore** (2019: ₹10,830.43 crore) are as under:

B.1.1 **₹71.15 crore** (2019: ₹589.62 crore) being the demands raised by the Central Excise /Customs/ Service Tax Authorities including interest of **₹30.61 crore** (2019: ₹180.03 crore.)

B.1.2 **₹52.39 crore** (2019: ₹52.39 crore) in respect of demands for Entry Tax from State Governments including interest of **₹11.69 crore** (2019: ₹11.69 crore).

B.1.3 **₹2,555.62 crore** (2019: ₹3,150.92 crore) being the demands raised by the VAT/ Sales Tax Authorities including interest of **₹841.17 crore** (2019: ₹1,195.85 crore).

B.1.4 **₹2,669.04 crore** (2019: ₹3,418.73 crore) in respect of Income Tax demands including interest of **₹0.00 crore** (2019: ₹466.31 crore).

B.1.5 **₹3,004.52 crore** (2019: ₹2,467.76 crore) including **₹2,427.84 crore** (2019: ₹1,887.93 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of **₹218.13 crore** (2019: ₹196.30 crore).

B.1.6 **₹1,170.74 crore** (2019: ₹1,151.01 crore) in respect of other claims including interest of **₹547.05 crore** (2019: ₹513.66 crore).

NOTES TO FINANCIAL STATEMENTS

Note - 37 : COMMITMENTS AND CONTINGENCIES (Contd...)

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 **₹ 27,481.97 crore** (2019: ₹ 24,492.45 crore). Capital Commitments in respect of Joint Operations are disclosed in Note 33B.

C.2 Other Commitments

C.2.1 The Group has an export obligation to the extent of **₹ 616.86 crore** (2019: ₹ 816.91 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, has entered into Debenture Subscription Agreement with ICICI Bank (ICICI), in which, the Company (IOCL), as promoter of IOLPL, has provided put option under which ICICI has unconditional and irrevocable right to require the Company (IOCL) to purchase the Compulsory Convertible Debenture (CCD) on the put option exercise date i.e December 11, 2020. In addition to this, the Company, at the sole discretion, has right to acquire CCD from ICICI on or before the expiry date. The Company's (IOCL) share of such obligation is **₹ 808.44 Crore** (2019: ₹ 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, Syndicate Bank, Canara Bank, Bank of Baroda, Allahabad 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** (2019: ₹ 3,533.46 crore).

C.2.4 The Group has issued Parent Company Guarantee in favour of Abu Dhabi 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 **₹ 565.22 Crore- USD 74.70 Million** (2019: ₹ 581.98 Crore - USD 84.15 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 **₹ 11.40 crore** (2019: ₹ 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 **₹ 426.62 crore** (2019: ₹ 393.69 crore).

D. Contingent assets

(₹ in Crore)

	Particulars	March 31, 2020	March 31, 2019
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.	3.73	3.61
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.	6.26	5.36
c)	In respect of Electricity Duty arrears claimed from Gujarat Electricity Board (GEB) for 10 stations w.e.f December 2004 based on similar case decided by Gujarat High Court in favor of Parent Company.	-	31.02
	TOTAL	9.99	39.99

NOTES TO FINANCIAL STATEMENTS

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	19. GSPL India Gasnet Limited
2. Lubrizol India Private Limited	20. IndianOil - Adani Gas Private Limited
3. Petronet VK Limited	21. Mumbai Aviation Fuel Farm Facility Private Limited
4. IndianOil Petronas Private Limited	22. Kochi Salem Pipeline Private Limited
5. Avi-Oil India Private Limited	23. Hindustan Urvarak & Rasayan Limited
6. Petronet India Limited *	24. Ratnagiri Refinery & Petrochemicals Limited
7. Petronet LNG Limited	25. Indradhanush Gas Grid Limited
8. Green Gas Limited	26. Indian Additives Limited
9. IndianOil Panipat Power Consortium Limited @@	27. National Aromatics & Petrochemicals Corporation Limited
10. Petronet CI Limited @	28. INDOIL Netherlands B.V.
11. IndianOil LNG Private Limited	29. Taas India PTE Limited
12. IndianOil SkyTanking Private Limited	30. Vankor India PTE Limited
13. Suntera Nigeria 205 Limited	31. Ceylon Petroleum Storage Terminals Limited
14. Delhi Aviation Fuel Facility Private Limited	32. Falcon Oil & Gas B.V.
15. Indian Synthetic Rubber Private Limited	33. Urja Bharat PTE Ltd
16. Indian Oil Ruchi Biofuels LLP #	34. IHB Pvt Ltd (Incorporated on July 9, 2019)
17. NPCIL- IndianOil Nuclear Energy Corporation Limited	35. Ujjwala Plus Foundation
18. GSPL India Transco Limited	

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 Pvt. Limited
5. PT IOT EPC Indonesia	11. IOT Biogas Private Limited
6. IOT Engineering Projects Limited	12. Petronet LNG Foundation

NOTES TO FINANCIAL STATEMENTS

Note - 38 : 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, 2020	March 31, 2019
1	Sales of Products / Services	1,626.45	1,159.73
	[Includes sales to IndianOil Petronas Private Limited ₹ **1,083.75 crore** (2019: ₹ 548.21 crore) and Indian Synthetic Rubber Private Limited ₹ **350.95 crore** (2019: ₹ 460.33 crore)]		
2	Interest received	66.98	52.19
	[Includes interest received from IndianOil LNG Private Limited ₹ **54.77 crore** (2019: ₹ 39.25 crore) and Petronet VK Limited ₹ **9.49 crore** (2019: ₹ 11.21 crore)]		
3	Other Operating Revenue/ Other Income	207.66	185.91
	[Includes Other Operating Revenue / Other Income from Indian Synthetic Rubber Private Limited ₹ **116.00 crore** (2019: ₹ 95.79 crore) and Vankor India PTE Limited ₹ **59.37 crore** (2019: NIL)]		
4	Purchase of Products	8,306.65	7,870.11
	[Includes Purchase of Products from Petronet LNG Limited ₹ **5,686.10 crore** (2019: ₹ 5,768.06 crore) and Falcon Oil & Gas BV ₹ **2,129.14 crore** (2019: ₹ 1,909.65 crore)]		
5	Purchase of Raw Materials/ Others	5,402.30	5,527.95
	[Includes Purchase of Raw Materials/Others from Petronet LNG Limited ₹ **5,027.29 crore** (2019: ₹ 5,083.97 crore)]		
6	Interest paid	268.25	284.69
	[Includes Interest paid to IOT Utkal Energy Services Limited ₹ **268.25 crore** (2019: ₹ 284.69 crore)]		
7	Expenses Paid/ (Recovered) (Net)	906.72	997.30
	[Includes Expenses Paid to/ (Recovered) from IndianOil Sky Tanking Private Limited ₹ **346.19 crore** (2019: ₹ 432.75 crore), IndianOil Petronas Private Limited ₹ **316.90 crore** (2019: ₹ 298.90 crore) and Indian Oiltanking Ltd ₹ **105.51 crore** (2019: ₹ 95.94 crore)]		
8	Investments made/ (sold) during the year (Incl. Advance for Investment)	735.67	547.23
	[Includes Investment made in Hindustan Urvarak and Rasayan Limited ₹ **310.76 crore** (2019: ₹ 107.08 crore), GSPL India Gasnet Limited ₹ **124.80 crore** (2019: ₹ 19.50 crore) and IndianOil Adani Gas Private Limited ₹ **105.50 crore** (2019: ₹ 61.50 crore)]		
9	Purchase/(Sale)/Acquisition of Fixed Assets (Incl. CWIP/ Leases)	3.91	18.82
	[Includes Purchase/Acquisition of Fixed Assets incl. CWIP from Indian Oiltanking Ltd ₹ **3.50 crore** (2019: ₹ 10.72 crore) and IndianOil Adani Gas Private Limited ₹ **0.41 crore** (2019:Nil)]		
10	Provisions made/ (write back) during the year	(316.66)	0.03
	[Includes Provision for Dimunition in value of Investment made/ (written back) in Indian Oiltanking Ltd (₹ **316.66 crore)** (2019:Nil)]		
11	Outstanding Receivables/ Loans	966.51	917.02
	[Includes Outstanding Receivables/ Loans from Petronet LNG Limited ₹ **265.58 crore** (2019: ₹ 286.96 crore), IndianOil LNG Private Limited ₹ **251.32 crore** (2019: ₹ 60.27 crore), Suntera Nigeria 205 Limited ₹ **163.76 crore** (2019: ₹ 139.31 crore) and Petronet VK Limited ₹ **100.98 crore** (2019: ₹ 92.45 crore)]		
12	Outstanding Payables (Incl. Lease Obligation)	3,312.23	3,522.22
	[Includes Outstanding payable to IOT Utkal Energy Services Limited ₹ **2,497.78 crore** (2019: ₹ 2,665.02 crore) and Petronet LNG Limited ₹ **420.86 crore** (2019: ₹ 245.76 crore)]		
13	Investments in JV/ Associates as on date	11,592.78	9,775.09
14	Guarantees		
	Financial Guarantees	1,114.28	1,139.76
	[Includes Financial Guarantee given to IndianOil LNG Private Limited ₹ **808.40 crore** (2019: ₹ 808.44 crore) and Indian Synthetic Rubber Private Limited ₹ **305.88 crore** (2019: ₹ 331.32 crore)]		

NOTES TO FINANCIAL STATEMENTS

Note - 38 : RELATED PARTY DISCLOSURES (Contd...)

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. Relatives of Key Managerial Personnel and nature of relation with whom transactions are undertaken during the year:

1) Shri B V Raghav Raju (Manager, Indian Oil Corporation Limited): Son of Key Managerial Personnel

2) Shri Siddharth Vaidya (Senior Production Engineer, Indian Oil Corporation Limited): Son of Key Managerial Personnel

Details relating to the parties referred to in Item No.2 above:

(₹ in Crore)

		March 31, 2020	March 31, 2019
1	Remuneration		
	Shri B V Raghav Raju ^	0.10	0.24
	Shri Siddharth Vaidya ^	0.08	-
2	Outstanding Receivables/ Loans		
	Shri B V Raghav Raju ^	0.40	0.40
	Shri Siddharth Vaidya ^	-	-

3. 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

@@ The JVC has not been closed / wound up as yet, however the Company is not carrying out any operations.

@ 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 is not proposing induction of new partner in this LLP, accordingly they have decided to file a petition for winding-up of the said LLP before the NCLT. M/s Ruchi would be undertaking necessary action in this respect.

^ Remuneration and Loan balances for relative of KMP is reported for the period of tenure of KMP.

NOTES TO FINANCIAL STATEMENTS

Note - 38 : RELATED PARTY DISCLOSURES (Contd...)

4. Key Managerial Personnel

A. Whole Time Directors/ Company Secretary	B. Independent Directors	C. Government Nominee Directors
1. Shri Sanjiv Singh	1. Shri Parindu K. Bhagat (Upto December 1, 2019)	1. Shri Ashutosh Jindal (Upto November 3, 2019)
2. Shri A.K.Sharma (Upto May 17, 2019)	2. Shri Vinoo Mathur	2. Smt Sushmita Dasgupta (Upto May 27, 2019)
3. Shri G. K. Satish	3. Shri Samirendra Chatterjee	3. Smt Indrani Kaushal (w.e.f May 28, 2019)
4. Dr S. S. V. Ramakumar	4. Shri Chitta Ranjan Biswal	4. Shri Ashish Chatterjee (Upto March 24, 2020)
5. Shri B V Rama Gopal (Upto July 31, 2019)	5. Dr. Jagdish Kishwan	5. Dr. Navneet Mohan Kothari (w.e.f March 25, 2020)
6. Shri Ranjan Kumar Mohapatra	6. Shri Sankar Chakraborti	
7. Shri Gurmeet Singh (w.e.f. July 26, 2018)	7. Shri Dharmendra Singh Shekhawat	
8. Shri Akshay Kumar Singh (w.e.f. August 14, 2018)	8. Shri Rajendra Arlekar (w.e.f July 24, 2019)	
9. Shri S. K. Gupta (w.e.f. August 3,2019)	9. Ms Lata Usendi (w.e.f November 6, 2019)	
10. Shri S. M. Vaidya (w.e.f. October 14, 2019)		
11. Shri Kamal Kumar Gwalani		

NOTES TO FINANCIAL STATEMENTS

Note - 38 : RELATED PARTY DISCLOSURES (Contd...)

D. Details relating to the personnel referred to in Item No. 4A & 4B above:

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 Sanjiv Singh	0.60	0.07	-	0.67	-	-
2) Shri A.K.Sharma	0.38	0.01	-	0.39	-	-
3) Shri G. K. Satish	0.59	0.07	-	0.66	-	-
4) Dr S. S. V. Ramakumar	0.63	0.08	0.04	0.75	-	0.02
5) Shri B V Rama Gopal	0.22	0.22	0.39	0.83	-	-
6) Shri Ranjan Kumar Mohapatra	0.60	0.07	-	0.67	-	0.04
7) Shri Gurmeet Singh	0.61	0.07	-	0.68	-	-
8) Shri Akshay Kumar Singh	0.58	0.07	-	0.65	-	0.01
9) Shri S. K. Gupta	0.38	0.05	-	0.43	-	0.11
10) Shri S. M. Vaidya	0.21	0.03	-	0.24	-	0.01
11) Shri Kamal Kumar Gwalani	0.50	0.07	-	0.57	-	0.21
B. Independent Directors						
1) Shri Parindu K. Bhagat	-	-	-	-	0.08	-
2) Shri Vinoo Mathur	-	-	-	-	0.09	-
3) Shri Samirendra Chatterjee	-	-	-	-	0.09	-
4) Shri Chitta Ranjan Biswal	-	-	-	-	0.05	-
5) Dr. Jagdish Kishwan	-	-	-	-	0.10	-
6) Shri Sankar Chakraborti	-	-	-	-	0.09	-
7) Shri Dharmendra Singh Shekhawat	-	-	-	-	0.09	-
8) Shri Rajendra Arlekar	-	-	-	-	0.04	-
9) Ms Lata Usendi	-	-	-	-	0.02	-
TOTAL	**5.30**	**0.81**	**0.43**	**6.54**	**0.65**	**0.40**

NOTES TO FINANCIAL STATEMENTS

Note - 38 : RELATED PARTY DISCLOSURES (Contd...)

March 31, 2019

(₹ 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 Sanjiv Singh	0.81	0.07	-	0.88	-	0.01
2) Shri A.K.Sharma	0.47	0.26	0.60	1.33	-	-
3) Shri G. K. Satish	0.80	0.07	0.01	0.88	-	-
4) Dr S. S. V. Ramakumar	0.81	0.07	0.08	0.96	-	0.03
5) Shri B V Rama Gopal	0.67	0.06	0.08	0.81	-	0.01
6) Shri Ranjan Kumar Mohapatra	0.68	0.06	0.07	0.81	-	0.16
7) Shri Gurmeet Singh	0.57	0.05	0.07	0.69	-	-
8) Shri Akshay Kumar Singh	0.31	0.04	-	0.35	-	0.01
9) Shri Kamal Kumar Gwalani	0.59	0.07	0.05	0.71	-	0.21
B. Independent Directors						
1) Shri Parindu K. Bhagat	-	-	-	-	0.11	-
2) Shri Vinoo Mathur	-	-	-	-	0.09	-
3) Shri Samirendra Chatterjee	-	-	-	-	0.06	-
4) Shri Chitta Ranjan Biswal	-	-	-	-	0.07	-
5) Dr. Jagdish Kishwan	-	-	-	-	0.10	-
6) Shri Sankar Chakraborti	-	-	-	-	0.08	-
7) Shri Dharmendra Singh Shekhawat	-	-	-	-	0.09	-
TOTAL	**5.71**	**0.75**	**0.96**	**7.42**	**0.60**	**0.43**

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. In addition, whole-time Directors are also allowed the use of Corporation's car for private purposes up to 12000 kms. per annum on a payment of ₹ 2,000/-per mensem.

NOTES TO FINANCIAL STATEMENTS

Note - 38 : RELATED PARTY DISCLOSURES (Contd...)

5. Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

	Name of the Trust	Post Employment Benefit Plan	March 31, 2020		March 31, 2019	
			Contribution by employer	Outstanding Receivable/ (Payable)	Contribution by employer	Outstanding Receivable/ (Payable)
1	IOCL (Refinery Division) Employees Provident Fund	Provident Fund	229.72	(7.40)	190.95	(18.72)
2	Indian Oil Corporation Limited (Assam Oil Division) Employees Provident Fund	Provident Fund	24.46	(7.52)	19.17	(6.98)
3	Provident Fund for the Employees of Indian Oil Corporation Limited (Marketing Division)	Provident Fund	256.89	(59.90)	208.00	(52.98)
4	IOCL Employees Superannuation Benefit Fund	Pension Scheme	294.21	135.97	1,740.72	19.76
5	IOCL Employees Post Retirement Medical Benefit Fund	Post Retirement Medical Scheme	163.54	(544.63)	160.94	84.65
6	IOCL Employees Group Gratuity Trust	Gratuity	-	(432.38)	909.31	(113.63)
7	CPCL Employees Provident Fund	Provident Fund	22.74	0.55	20.97	5.00
8	CPCL Employees Superannuation Benefit Fund	Pension Scheme	22.71	-	22.53	-
9	CPCL Employees Group Gratuity Trust	Gratuity	0.30	21.90	59.59	5.57
10	CPCL Post Retirement Medical Benefit Trust	PRMB	195.00	41.67	-	-

Transactions with CPCL Educational Trust

(₹ in Crore)

	Type of Transactions	March 31, 2020	March 31, 2019
1	CSR Expenses	0.50	0.70
2	Misc Expenses	0.01	-

NOTES TO FINANCIAL STATEMENTS

Note - 39 : SEGMENT INFORMATION

Operating Segment Reporting as per Ind-AS 108 for the period ended March 31, 2020 is as under:

(₹ in Crore)

	2019-2020					2018-2019				
	Petroleum Products	Petro-Chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-Chemicals	Other Business	Eliminations	Total
Revenue										
External Revenue	5,45,209.06	15,702.53	15,677.34	-	5,76,588.93	5,82,933.97	21,146.91	13,170.53	-	6,17,251.41
Inter-segment Revenue	10,054.57	24.28	80.21	(10,159.06)	-	11,651.29	35.91	95.89	(11,783.09)	-
Total Revenue	5,55,263.63	15,726.81	15,757.55	(10,159.06)	5,76,588.93	5,94,585.26	21,182.82	13,266.42	(11,783.09)	6,17,251.41
Result										
Segment Results excluding Exchange Gain/(Loss)	10,209.84	2,029.99	(1,212.38)	-	11,027.45	23,673.03	4,246.56	856.96	-	28,776.55
Segmental Exchange Gain/(Loss)	(887.31)	(21.64)	8.08	-	(900.87)	(1,549.66)	(48.86)	3.82	-	(1,594.70)
Segment Results (Before Exceptional Items)	9,322.53	2,008.35	(1,204.30)	-	10,126.58	22,123.37	4,197.70	860.78	-	27,181.85
Less: Unallocable Expenditure										
- Finance Cost					6,578.74					4,887.98
- Loss on Sale of Investments (Net)					-					1.60
- Loss on sale and disposal of Assets					106.25					169.40
- Exchange Loss - (Net)					3,244.66					146.24
- Loss on Derivatives					170.58					-
- Fair value Loss on Financial instruments classified as FVTPL					26.18					-
- Amortisation of FC Monetary Item Translation					28.92					148.39
Add: Unallocable Income										
- Interest/Dividend Income					2,722.82					2,609.57
- Provision for diminution in Investments written back (Net)					-					1.60
- Gain on Derivatives					-					0.32
- Fair value gain on Financial instruments classified as FVTPL					-					13.87
- Other non operating income					67.47					88.92
- Share of Profit in Joint Venture and Associates					1,366.09					1,384.38
Profit before Exceptional items and Tax					4,127.63					25,926.90
Exceptional Items (Refer point no. 9 of Note-48)	(10,946.98)	(293.73)	(63.93)	-	(11,304.64)	-	-	-	-	-
Profit Before Tax					(7,177.01)					25,926.90
Less: Income Tax (including deferred tax) (Refer point no. 10 of Note-48)					(5,300.69)					8,653.05
Profit After Tax					(1,876.32)					17,273.85

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.

NOTES TO FINANCIAL STATEMENTS

Note - 39 : SEGMENT INFORMATION (Contd...)

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.

Other Information

(₹ in Crore)

	March 31, 2020				March 31, 2019			
	Petroleum Products	Petro-Chemicals	Other Business	Total	Petroleum Products	Petro-Chemicals	Other Business	Total
Segment Assets	2,47,086.86	19,970.34	17,392.01	2,84,449.21	2,49,710.50	16,847.70	17,624.03	2,84,182.23
Corporate Assets								
Investments (Current and Non Current)				35,570.87				44,112.25
Advances For Investments				1,314.94				1,315.80
Advance Tax				4,291.82				1,875.25
Interest Accrued On Investments/ Bank Deposits				1.72				12.38
Loans				3,910.35				3,562.34
Derivative Asset				131.11				35.56
Finance Lease Receivables				65.77				59.97
Total Assets				3,29,735.79				3,35,155.78
Segment Liabilities	87,597.76	970.38	3,193.82	91,761.96	1,02,986.14	807.51	3,479.49	1,07,273.14
Corporate Liabilities								
Liability for Dividend				3.69				3.93
Borrowings (Short Term and Long Term)				1,25,968.05				92,711.74
Current Maturities Of Long-Term Debt				3,822.28				4,053.30
Deferred Tax Liability				11,439.29				16,509.71
Derivative Liabiliies				467.38				258.40
Total Liabilities				2,33,462.65				2,20,810.22
Capital Employed								
Segment Wise	1,59,489.10	18,999.96	14,198.19	1,92,687.25	1,46,724.36	16,040.19	14,144.54	1,76,909.09
Corporate				(96,414.11)				(62,563.53)
Total Capital Employed				96,273.14				1,14,345.56
Capital Expenditure	25,280.18	3,259.98	(62.69)	28,477.47	30,202.44	2,111.97	802.55	33,116.96
Depreciation and Amortization	8,270.87	898.09	685.92	9,854.88	6,950.18	958.26	598.01	8,506.45

Geographical information

(₹ in Crore)

	Revenue from external customers		Non-current assets	
	2019-20	2018-19	March 31, 2020	March 31, 2019
India	5,45,217.09	5,76,828.43	1,79,656.20	1,58,440.25
Outside India	31,371.84	40,422.98	16,670.82	18,170.88
TOTAL	5,76,588.93	6,17,251.41	1,96,327.02	1,76,611.13

NOTES TO FINANCIAL STATEMENTS

Note - 39 : SEGMENT INFORMATION (Contd...)

Revenue from major products and services

(₹ in Crore)

	2019-20	2018-19
Motor Spirit (MS)	1,14,313.03	1,16,709.14
High Speed Diesel (HSD)	2,83,897.33	3,06,006.65
Superior Kerosene Oil (SKO)	9,539.55	13,311.40
Liquified Petroleum Gas (LPG)	65,866.07	66,097.60
Aviation Turbine Fuel (ATF)	28,213.95	32,666.09
Others	74,759.00	82,460.53
Total External Revenue	5,76,588.93	6,17,251.41

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FAIR VALUES

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, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
	Financial Assets					
A.	FVOCI financial instruments:					
	Quoted Equity Shares	**8,016.28**	18,650.71	**8,016.28**	18,650.71	Level 1
	Unquoted Equity Instrument in Lanzatech New Zealand Ltd.*	**151.90**	138.33	**151.90**	138.33	Level 3
	Other Unquoted Equity Instrument	**1,246.03**	1,402.05	**1,246.03**	1,402.05	Level 3
	Quoted Government Securities	**11,931.81**	11,447.83	**11,931.81**	11,447.83	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	**93.00**	35.56	**93.00**	35.56	Level 2
B.	FVPL financial instruments:					
	Derivative Instruments at fair value through profit or loss	**16.21**	-	**16.21**	-	Level 2
	Unit Trust Investments	**173.93**	1.10	**173.93**	1.10	Level 1
	Investment through PMS	**30.86**	-	**30.86**	-	Level 1
C.	Amortised Cost:					
	Loans to employees	**1,447.99**	1,335.01	**1,567.68**	1,331.75	Level 2
	PMUY Loan*	**2,098.54**	1,729.76	**2,132.88**	1,725.37	Level 3

* Considered under Level-2 during Previous year. Also refer Note-48 for more details on PMUY Loans.

	Financial Liabilities					
A.	Borrowings:					
	Amortised Cost:					
	Non-Convertible Redeemable Bonds/ Debentures	**9,280.80**	-	**9,289.68**	-	Level 2
	Term Loans from Oil Industry Development Board (OIDB)	**667.33**	509.65	**673.12**	512.31	Level 2
	Foreign Currency Bonds - US Dollars	**14,510.96**	13,256.62	**14,077.15**	14,015.75	Level 1
	Foreign Currency Bonds - Singapore Dollars	**2,176.44**	2,091.67	**2,065.38**	2,125.42	Level 2
	Loan from Odisha Government	**962.66**	707.33	**1,000.53**	637.29	Level 2
B.	Other financial liabilities:					
	Fair value through profit and loss (FVPL):					
	Derivative Instruments at fair value through profit or loss	**435.87**	249.07	**435.87**	249.07	Level 2
C.	Other financial liabilities:					
	Fair value through OCI (FVOCI):					
	Hedging Derivatives					
	Foreign exchange forward contracts-Loans	**-**	9.33	**-**	9.33	Level 2
	Commodity forward contracts-Margin Hedging	**31.51**	-	**31.51**	-	Level 2

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FAIR VALUES (Contd...)

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. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

(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 fair value through profit or loss:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.

(ii) **Hedging Derivatives at fair value through OCI :** 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/ Debentures, Foreign Currency Bonds - Singapore Dollars , Senior Notes (Bank of America) and Loan from Odisha Government:** 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 Instrument in Lanzatech New Zealand Ltd. :** The fair value of the non-listed equity investment in Lanzatech have been estimated using income approach of valuation based on Option pricing model (OPM). The valuation requires management to make certain assumptions about the date of liquidity 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 investment in Lanzatech. The fair value of this investment was categorised as Level 3 at 31 March 2020 (2019: level 2). This was because the lowest level input (volatility)that is significant to the fair value measurement is unobservable.

(ii) **Other Unquoted Equity Instruments :** Fair values of the unquoted equity shares have been estimated using a DCF model. 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.

(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 - 40 : FAIR VALUES (Contd...)

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2020 and 31 March 2019 are shown below:

	Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
I	Unquoted Equity Instrument in Lanzatech New Zealand Ltd.	Income approach of valuation based on Option pricing model (OPM)	Equity Volatility	March 31, 2020: 25.00% - 28.00% (26.40%)	1% increase would result in decrease in fair value by ₹ 0.94 Crore 1% decrease would result in increase in fair value by ₹ 0.96 Crore
			Expected time to liquidity event	March 31, 2020: 2 Years - 4 Years (3 Years)	Increase by 1 year decreases the fair value by ₹ 7.43 Crore and Decrease by 1 year increases the fair value by ₹ 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, 2020: 0.49x - 0.53x (0.51x) March 31, 2019: 0.80x - 0.84x (0.82x)	0.01x increase/ (decrease) in Revenue Multiple would result in increase/ (decrease) in fair value by: March 31, 2020: ₹4.20 crore/ ₹(4.10) crore March 31, 2019: ₹4.50 crore/ ₹(4.40) crore
			EBITDA multiple	March 31, 2020: 5.6x - 6.0x (5.8x) March 31, 2019: 5.5x - 5.9x (5.7x)	0.1x increase/ (decrease) in EBITDA Multiple would result in increase/ (decrease) in fair value by: March 31, 2020: ₹4.30 crore/ ₹(4.20) crore March 31, 2019: ₹7.50 crore/ ₹(7.40) crore
III	Ceylon Petroleum Storage Terminals Limited (included under FVTOCI assets in unquoted equity instruments)	Market Approach	Revenue Multiple	March 31, 2020: 1.2x - 1.6x (1.4x) March 31, 2019: 0.9x - 1.3x (1.1x)	0.1x increase (decrease) in Revenue Multiple would result in increase (decrease) in fair value by: March 31, 2020: ₹10.77 crore/ ₹(10.73) crore March 31, 2019: ₹11.10 crore/ ₹(11.00) crore
			EBITDA multiple	March 31, 2020: 4.3x - 6.3x (5.3x) March 31, 2019: 4.5x - 6.5x (5.5x)	0.5x increase (decrease) in EBITDA Multiple would result in increase (decrease) in fair value by: March 31, 2020: ₹13.37 crore/ ₹(13.33) crore March 31, 2019: ₹13.40 crore/ ₹(13.50) crore
IV	Petrocarabobo S.A. and Carabobo Ingenieria Y Construcciones S.A. (included under FVTOCI assets in unquoted equity instruments)	DCF method	Discount Rate	March 31, 2020: 28.0%.-32.0% (30.0%) March 31, 2019: 33.0% - 37.0% (35.0%)	1% increase /(decrease) in the Discount Rate would result in (decrease) /increase in fair value by: March 31, 2020: ₹(12.11) crore/ ₹14.38 crore March 31, 2019: ₹(8.70) crore/ ₹8.70 crore
V	Phinergy Ltd (included under FVTOCI assets in unquoted equity instruments)	DCF method	Discount Rate	March 31, 2020: 27.0%-31.0% (29.0%)	1% increase/ (decrease) in the Discount Rate would result in (decrease) increase in fair value by: March 31, 2020: ₹(7.48) crore/ ₹8.73 crore

Unquoted Equity Instruments carried at FVOCI includes following investments for which sensitivity disclosure are not disclosed:	Carrying Value (₹ in Crore)	
	March 31, 2020	March 31, 2019
Mer Rouge Oil Storage Terminal Company Limited	6.07	6.27
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

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FAIR VALUES (Contd...)

Reconciliation of fair value measurement of Assets and Liabilities under Level 3 hierarchy of Fair Value measurement:

(₹ in Crore)

Description	FVTOCI Assets
	Unquoted Equity Shares
Balance as at March 31, 2019	1,402.05
Addition	92.24
Redemption/ Sales	-
Fair Value Changes	(283.74)
Exchange Difference	35.48
Transfer in	151.90
Transfer out	-
Balance as at March 31, 2020	1,397.93

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 recognized gains/losses in profit or loss on initial recognition of financial assets/ financial liability, instead, such gains/losses are deferred and recognized 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 recognized 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 fair value. The difference between fair value and transaction price is accumulated in Deferred expenses and amortized 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 amortized 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 amortized over the tenure of security deposit on straight line basis to statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FAIR VALUES (Contd...)

Reconciliation of deferred gains/losses yet to be recognized in the Statement of Profit and Loss are as under:

(₹ in Crore)

Particulars	Year	Deferred Expenses (Refer Note-8)			Deferred income (Refer Note-20)
		Loan to employees	PMUY Loan	Security Deposits	Security Deposits
Opening Balance	Current Year	**659.88**	**247.03**	**16.38**	**7.38**
	Previous Year	614.30	208.40	16.78	8.39
Addition During The Year	Current Year	**102.49**	**691.59**	**-**	**-**
	Previous Year	102.38	94.36	-	0.36
Amortized during the year	Current Year	**54.85**	**291.07**	**0.14**	**1.35**
	Previous Year	56.80	55.73	0.40	1.79
Adjusted during the year	Current Year	**-**	**-**	**14.90**	**0.42**
	Previous Year	-	-	-	(0.42)
Closing Balance	Current Year	**707.52**	**647.55**	**1.34**	**5.61**
	Previous Year	659.88	247.03	16.38	7.38

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 Holding Company's 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 integarted function handled through its international trade and optimization 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, 2020 and March 31, 2019.

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. As at March 31, 2020, approximately 57% of the Group's borrowings are at a fixed rate of interest (March 31, 2019: 57%).

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, 2020		March 31, 2019	
INR	**+50**	**(6.87)**	+50	(24.78)
US Dollar	**+50**	**(257.39)**	+50	(173.14)
INR	**-50**	**6.87**	-50	24.78
US Dollar	**-50**	**257.39**	-50	173.14

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-detrmined triggers. The hedging is mostly undertaken through forward contracts.

NOTES TO FINANCIAL STATEMENTS

Note - 41 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

The Group has outstanding forward contract of **₹3,296.52 crore** as at March 31, 2020 (March 31, 2019: ₹ 2,873.43 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 of Borrowings	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)
	March 31, 2020		March 31, 2019	
Forward Contract - US Dollar	**+5%**	**164.83**	+5%	143.67
	-5%	**(164.83)**	-5%	(143.67)
Other Exposures - US Dollar	**+5%**	**(4,175.50)**	+5%	(3,745.04)
	-5%	**4,175.50**	-5%	3,745.04
Other Exposures - SGD	**+5%**	**(108.82)**	+5%	(104.58)
	-5%	**108.82**	-5%	104.58
Cross Currency - USD vs. SGD	**+5%**	**(123.18)**	+5%	(112.59)
	-5%	**123.18**	-5%	112.59

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.

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 the financial year is given below:

Quantity (in lakhs bbls)

Particulars	March 31, 2020	March 31, 2019
Margin Hedging Forward contracts	50.50	15.75

The sensitivity to a reasonably possible change in Crude benchmark price difference/ refinery margin on the outstanding commodity hedging position as on March 31, 2020:

Particulars	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)
	March 31, 2020		March 31, 2019	
Margin Hedging	**+10%**	**(14.37)**	+10%	(16.49)
Margin Hedging	**-10%**	**14.37**	-10%	16.49

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 **₹1,246.03 crore.** Sensitivity analysis of these investments have been provided in Note 40.

The exposure to listed equity securities valued at fair value was **₹8,016.28 crore.** An increase / decrease of 5% on the NSE market index could have an impact of approximately **₹400.81 crore** on the OCI and equity attributable to the Group. These changes would not have an effect on profit or loss.

NOTES TO FINANCIAL STATEMENTS

Note - 41 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

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)

Other financial Assets / (Liabilities)	March 31, 2020	March 31, 2019
Derivatives not designated as hedging instruments		
Foreign exchange forward contracts - Loans	**16.21**	(13.05)
Foreign Exchange currency swap	**(435.87)**	(236.02)
Derivatives designated as hedging instruments		
Foreign exchange forward contracts - Loans	**18.67**	(9.33)
Foreign exchange forward contracts - Crude/ Product Liabilities	**3.23**	-
Commodity Forward Contracts - Margin Hedging - Other financial Assets	**93.00**	35.56
Commodity Forward Contracts - Margin Hedging - Other financial Liabilities	**(31.51)**	-

(ii) Hedging activities

The primary risks managed using derivative instruments are foreign currency risk and commodity price risk.

Commodity Price Risk

Margin Hedging

The Group buys crude and sells petroleum products linked to international benchmark prices and these benchmark prices do not move in tandem. This exposes the Group 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 realization of margins and therefore to mitigate this risk, it 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 IOCL's Foreign Currency & Interest Rate Risk Management Policy , the it 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.

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 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.

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

NOTES TO FINANCIAL STATEMENTS

Note - 41 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

Disclosures of effects of Cash Flow Hedge Accounting

Hedging instruments

The Group is holding the following foreign exchange and commodity forward contracts:

(₹ 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**	**-**	**-**	**-**	**-**	
Commodity forward contracts- Margin Hedging						
Nominal volume (Quantity in lakh 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**	**-**	**-**

(₹ in Crore)

As at March 31,2019	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	-	-	713.35	-	-	713.35
Average forward rate	-	-	71.34	-	-	-
Foreign exchange forward contracts- Crude/ Product Liabilities						
Nominal amount	-	-	-	-	-	-
Average forward rate	-	-	-	-	-	-
Commodity forward contracts- Margin Hedging						
Nominal volume (Quantity in lakh bbls)	3.00	6.00	4.50	1.50	0.75	15.75
Nominal amount (₹ crore)	36.38	72.76	59.49	21.64	10.19	200.46
Average forward rate ($ /bbl)	17.54	17.54	19.12	20.86	19.65	-

NOTES TO FINANCIAL STATEMENTS

Note - 41 : 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 Liabilities		Commodity forward contracts- Margin Hedging	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Nominal amount	**1,205.00**	713.35	**1,131.99**	-	**189.50**	200.46
Carrying amount	**18.67**	(9.33)	**3.23**	-	**61.49**	35.56
Line item in the Balance Sheet that's includes Hedging Instruments	**Other Current Financial Assets**	Other Current Financial Liabilities	**Other Current Financial Assets**	NA	**Other Current Financial Assets /Other Current Financial Liabilities ***	Other Current Financial Assets
Change in fair value used for measuring ineffectiveness for the period -Gain (Loss)	**18.67**	(39.94)	**(6.61)**	4.14	**124.70**	59.92

* 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		Commodity forward contracts- Margin Hedging	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax)	**-**	(1.08)	**-**	-	**46.00**	23.12
Change in value of the hedged items used for measuring ineffectiveness for the period	**(18.67)**	39.94	**6.61**	(4.14)	**(124.70)**	(59.92)

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		Commodity forward contracts- Margin Hedging of Highly probable forecast sales	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Cash flow Hedge Reserve at the beginning of the year	**(1.08)**	-	**-**	-	**23.12**	-
Total hedging gain/(loss) recognised in OCI	**20.33**	(39.94)	**(6.61)**	4.14	**89.14**	59.92
Income tax on above	**(5.12)**	13.96	**1.66**	(1.45)	**(22.43)**	(20.95)
Ineffectiveness recognised in profit or loss	**-**	-	**-**	-	**-**	-
Line item in the statement of profit or loss that includes the recognized ineffectiveness	**NA**	NA	**NA**	NA	**NA**	NA
Amount reclassified from OCI to profit or loss	**18.67**	(38.28)	**(6.61)**	4.14	**63.21**	24.36
Income tax on above	**(4.54)**	13.38	**1.66**	(1.45)	**(19.38)**	(8.51)
Cash flow Hedge Reserve at the end of the year	**-**	(1.08)	**-**	-	**46.00**	23.12
Line item in the statement of profit or loss that includes the reclassification adjustments	**Other Expenses**	Other Expenses	**Other Expenses**	Other Expenses	**Revenue from Operations**	Revenue from Operations

NOTES TO FINANCIAL STATEMENTS

Note - 41 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

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.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, 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
Year ended March 31, 2019						
Gross Carrying amount	12,665.75	1,841.43	1,065.29	161.01	230.56	15,964.04
Expected credit losses	(13.68)	(1.83)	(1.06)	(0.16)	(0.10)	(16.83)
Specific Provision	(4.70)	-	-	(0.01)	(134.97)	(139.68)
Carrying amount	12,647.37	1,839.60	1,064.23	160.84	95.49	15,807.53

Other Financial instruments and cash deposits

The Group's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2020 and March 31, 2019 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 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 ceratin 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. During the year, the Group has changed the time gap of considering significant increase in credit risk to 12 months since last refill from 6 months considered during the previous year. During the year, the Group has further categorized the PMUY loans wherein credit risk has increased significantly under various categories considering the likelihood of default based on time gap since last refill. ECL is provided @50% in case of time gap since last refill is more than 12 months but not exceeding 18 months , @70% in case of time gap is more than 18 months but not exceeding 24 months, @90% in case of time gap is more than 24 months but not exceeding 30 months and @100% for those consumers who have not taken any refill more than 30 months. ECL is provided for the new loans generated during the current Financial year based on past experience.

NOTES TO FINANCIAL STATEMENTS

Note - 41 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

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 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 for financial assets at amortised cost during the year was as follows:

(₹ in Crore)

2019-20	Opening Balance	ECL created during the year	ECL write Back	ECL written off	Transfer In	Transfer Out	Closing Balance
	A	B	C	D	E	F	(A+B-C-D+E-F)
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	-	-	0.16	356.82	-	360.29
TOTAL	1,145.34	69.98	658.50	0.16	356.82	356.82	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	35.86	0.26	0.17	-	-	-	35.95
Total	35.86	0.26	0.17	-	-	-	35.95

* ECL on new loans generated during the year

(₹ in Crore)

2018-19	Opening Balance	ECL created during the year	ECL write Back	ECL written off	Transfer In	Transfer Out	Closing Balance
	A	B	C	D	E	F	(A+B-C-D+E-F)
Loans							
12 Months ECL	-	-	-	-	-	-	-
Life Time ECL-not credit impaired	162.16	979.55	-	-	-	-	1,141.71
Life Time ECL-credit impaired	3.11	0.61	0.03	0.06	-	-	3.63
TOTAL	165.27	980.16	0.03	0.06	-	-	1,145.34
Security Deposits							
12 Months ECL	-	-	-	-	-	-	-
Life Time ECL-not credit impaired	-	-	-	-	-	-	-
Life Time ECL-credit impaired	1.58	-	-	0.02	-	-	1.56
TOTAL	1.58	-	-	0.02	-	-	1.56
Other Financial assets							
12 Months ECL	-	-	-	-	-	-	-
Life Time ECL-not credit impaired	-	-	-	-	-	-	-
Life Time ECL-credit impaired	34.30	1.78	0.23	-	-	-	35.85
Total	34.30	1.78	0.23	-	-	-	35.85

NOTES TO FINANCIAL STATEMENTS

Note - 41 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

C. Liquidity risk

The Group monitors its risk of a 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, Company 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.

(₹ in Crore)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
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	23,403.39	1,264.03	-	-	27,603.54
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	60,633.77	28,410.01	49,077.68	7,782.51	1,96,295.67
Year ended March 31, 2019						
Borrowings excluding Lease Obligations	10,628.55	29,920.12	16,862.86	35,135.38	707.33	93,254.24
Lease Obligations	-	43.70	157.36	1,003.33	2,306.41	3,510.80
Trade payables	1,492.95	36,512.99	3,188.18	-	-	41,194.12
Other financial liabilities	23,031.26	6,425.98	9,538.36	431.49	184.54	39,611.63
Derivatives	-	258.40	-	-	-	258.40
	35,152.76	73,161.19	29,746.76	36,570.20	3,198.28	1,77,829.19

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.

NOTES TO FINANCIAL STATEMENTS

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 holders of the parent. 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)

Particulars	March 31, 2020	March 31, 2019
Borrowings	129,790.33	96,765.04
Equity Share Capital	9,181.04	9,181.04
Reserves and Surplus	86,216.87	103,288.20
Equity	95,397.91	112,469.24
Debt Equity Ratio	1.36 : 1	0.86 : 1

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

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 **₹ 148.29 crore** (2019: ₹ 128.21 crore) and subsidies on sales of SKO and LPG to customers in Bhutan amounting to **₹ 13.39 crore** (2019: ₹ 21.79 crore) have been reckoned as per the schemes notified by Governments.

2. **Compensation against under recoveries**

   The Group has accounted for Budgetary Support of **₹ 1,296.17 crore** (2019: ₹ 4,110.18 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 **₹ 1.41 crore** (2019: ₹ 6.32 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.The Group has recognised grant in respect of stipend paid to apprentices appointed under National Apprenticeship Training Scheme (NATS) amounting to **₹ 5.85 crore** (2019: ₹ 8.57 crore) as Revenue Grant.

5. **Grant in respect of revenue expenditure for research projects**

   During the year, the Group has received revenue grant of **₹ 2.4 crore** (2019: ₹ 0.95 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 **₹ 2.76 crore** during the current year (2019: ₹ 3.08 crore).

7. **EPCG Grant**

   Grant recognized 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 unamortized grant amount as at March 31, 2020 is **₹ 41.56 crore** (2019: ₹ 58.92 crore) . During the year, the Group has recognised **₹ 20.78 crore** (2019: ₹ 205.39 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 **₹ 2,627.98 crore** (2019: ₹ 2831.4 crore).

9. **Grant in respect of Hydrogen blended Natural Gas project at Rajghat DTC**

   The Group has received grant to carry out its study & pilot project of hydrogen blended CNG (H-CNG) from Ministry of Transport Corporation (NCT-DELHI) as per the direction of Hon'ble Supreme Court. The Group has recognised **₹ 15.00 crore** (2019: ₹ 0.00 crore) in Statement of Profit and Loss for the year ended 2019-20.

10. **Export of Notified Goods under Advance Authorisation Scheme**

    The Group has recognised **₹ 0.38 crore** (2019: ₹ 0.00 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 Directorate 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 unamortized capital grant amount as at March 31, 2020 is **₹ 1.01 crore** (2019: ₹ 1.28 crore). During the year, the Group has recognised **₹ 0.27 crore** (2019: ₹ 0.28 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 unamortized capital grant amount as at March 31, 2020 is **₹ 61.78 crore** (2019: ₹ 52.52 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 **₹ 8.5 crore** (2019: ₹ 7.41 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 unamortized capital grant amount as at March 31, 2020 is **₹ 12.24 crore** (2019: ₹ 13.61 crore). During the year, the Group has recognised **₹ 2.51 crore** (2019: ₹ 3.64 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 recognized as Capital Grant and grossed up with the concerned Assets.The unamortized capital grant amount as at March 31, 2020 is **₹ 111.02 crore** (2019: ₹ 116.31 crore). During the year, the Group has recognised **₹ 5.30 crore** (2019: ₹ 5.29 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. The unamortized capital grant amount as at March 31, 2020 is **₹ 90.77 crore** (2019: ₹ 78.65 crore). During the year, the Group has recognised **₹ 4.38 crore** (2019: ₹ 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 unamortized capital grant amount as at March 31, 2020 is **₹ 16.61 crore** (2019: ₹ 6.21 crore). During the year, the Group has recognised **₹ 0.81 crore** (2019: ₹ 0.27 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 unamortized capital grant amount as at March 31, 2020 is **₹ 1750.64 crore** (2019: ₹ 1352.98 crore). During the year, the Group has recognised **₹ 112.11 crore** (2019: ₹ 78.56 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 unamortized capital grant amount as at March 31, 2020 is **₹ 4.14 crore** (2019: ₹ 4.34 crore). During the year, the Group has recognised **₹ 0.19 crore** (2019: ₹ 0.16 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 **₹ 0.71 crore** (2019: ₹ 0.00 crore) in Statement of Profit & Loss. The unamortized balance is **₹ 13.63 crore** (2019: ₹ 0.00 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 recognized 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, 2020	March 31, 2019
Total Revenue (A+E)	**576,588.93**	**617,251.41**
Revenue from contract with customers (A)	**572,025.96**	609,708.88
Recognised from contract liability balance of previous year (B)	**3,224.38**	2,896.82
Recognised from performance obligation satisfied in previous years (C)	**1.51**	-
Recognised from contracts initiated in current year (D)	**568,800.07**	606,812.06
Revenue from other contracts/from others (E)	**4,562.97**	7,542.53

An amount of **₹ 2.14 crore** (2018: ₹58.67 crore) on account of impairment losses on receivables is recognised under Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc. (Refer Note 29.1)

The Group disclose information on reportable segment as per Ind AS 108 under Note 38-Segmental Information. An amount of **₹69.19 crore** (2019: ₹108.82 crore) is recognised over time under Revenue from contract with customers.

(₹ in Crore)

	Receivables	Contract Asset	Contract Liability
Opening Balance	**16,587.88**	**-**	**4,729.56**
Closing Balance	**13,602.72**	**-**	**5,948.98**

The performance obligation is part of the contract and the original expected duration is one year or less in case of delivered sales, advance from customers. In case of contruction contracts/deposit works, the Group 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	9
Name of the Subsidiary	**Chennai Petroleum Corporation Limited**	**Indian Catalyst Private 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	March 29, 2001	June 1, 2006	October 24, 2001	August 29,2002	April 19, 2006	February 26, 2010	October 1, 2012	February 25, 2014	May 13, 2016
Reporting Currency	INR	INR	MUR	SLR	AED	EURO	USD	CAD	USD
Exchange Rate (INR):									
Closing as on March 31, 2020	-	-	1.9272	0.4003	20.5950	82.5000	75.6650	53.0540	75.6650
Average Rate 2019-20	-	-	1.9611	0.3954	19.3085	78.8139	70.8910	53.3222	70.8910
Share Capital	148.91	15.93	75.67	250.54	2.30	297.23	336.32	6,185.26	7,128.82
Other Equity	1,210.36	(9.48)	255.60	643.14	42.41	240.38	(119.94)	(1,921.68)	850.04
Liabilities	11,476.65	-	229.58	813.14	21.04	12.74	6.30	3,011.97	4,174.79
Total Liabilities	12,835.92	6.45	560.85	1,706.82	65.75	550.35	222.68	7,275.55	12,153.65
Total Assets	12,835.92	6.45	560.85	1,706.82	65.75	550.35	222.68	7,275.55	12,153.65
Investments	179.03	-	6.07	522.93	-	537.29	-	347.22	8,156.39
Turnover	48,624.24	-	1,640.47	3,240.19	45.96	0.63	31.16	2,335.17	2,203.24
Profit Before Taxation	(2,994.85)	(0.01)	42.73	31.71	2.72	0.33	(17.82)	(2,314.14)	959.19
Provision for Taxation	(938.45)	-	3.77	7.00	-	-	-	1.34	563.27
Profit After Taxation	(2,056.40)	(0.01)	38.96	24.71	2.72	0.33	(17.82)	(2,315.48)	395.92
Proposed Dividend	-	-	18.82	-	1.44	-	-	-	-
Percentage of shareholding	51.89%	100.00%	100.00%	75.12%	100.00%	100.00%	100.00%	100.00%	100.00%

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 : STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, JV'S AND ASSOCIATES (FORM AOC - I) (Contd...)

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, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
3	Date of which Associate or Joint Venture was associated or acquired	August 28, 1996	April 1, 2000	December 3, 1998	October 7, 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	627.50	168.13	723.08	205.05	79.49
8	Profit / (Loss) for the year (After Tax)	133.86	156.82	349.16	73.44	43.64
	i. Considered in Consolidation	66.11	40.77	174.58	36.70	21.82
	ii. Not Considered in Consolidation	67.75	116.05	174.58	36.74	21.82

NOTES TO FINANCIAL STATEMENTS

Note - 45 : STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, JV'S AND ASSOCIATES (FORM AOC - I) (Contd...)

(₹ in Crore)

1	Name of the Associates / Joint Ventures	Suntera Nigeria 205 Ltd.	Delhi Aviation Fuel Facility Private Limited	Indian Synthetic Rubber Private Limited	Indian Oil Ruchi Biofuels LLP	NPCIL - IndianOil Nuclear Energy Corporation Limited	GSPL India Transco Limited	Indradhanush Gas Grid Limited
2	Latest Audited Balance Sheet Date	December 31, 2019	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
3	Date of which Associate or Joint Venture was associated or acquired	May 9, 2006	March 28, 2010	July 6, 2010	May 28, 2010	April 6, 2011	March 29, 2013	August 10, 2018
4	Shares of Associate / Joint Ventures held by the company on the year end							
	i. No.	2500000	60680000	222861375	Capital Fund	260000	127920000	12000000
	ii. Amount of Investment in Associates / Joint Venture	0.05	60.68	222.86	0.00	0.26	127.92	12.00
	iii. Extent of Holding %	25.00%	37.00%	50.00%	50.00%	26.00%	26.00%	20.00%
5	Description of how there is significant influence	Joint Control	Joint Control	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	Consolidated	Consolidated
7	Networth attributable to Shareholding as per latest audited Balance Sheet	(161.50)	100.52	79.83	-	0.35	118.69	8.51
8	Profit / (Loss) for the year (After Tax)	(53.59)	41.43	(49.02)	-	0.06	(43.22)	(5.31)
	i. Considered in Consolidation	(13.40)	15.33	(24.51)	-	0.02	(11.24)	(1.06)
	ii. Not Considered in Consolidation	(40.19)	26.10	(24.51)	-	0.04	(31.98)	(4.25)

NOTES TO FINANCIAL STATEMENTS

Note - 45 : STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, JV'S AND ASSOCIATES (FORM AOC - I) (Contd...)

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	GSPL India Gasnet Limited	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, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
3	Date of which Associate or Joint Venture was associated or acquired	March 29, 2013	October 4, 2013	October 9, 2014	January 22, 2015	May 29, 2015
4	Shares of Associate / Joint Ventures held by the company on the year end					
	i. No.	244925030	291000000	48288750	152500000	5000
	ii. Amount of Investment in Associates / Joint Venture	244.93	291.00	48.29	152.50	0.01
	iii. Extent of Holding %	26.00%	50.00%	25.00%	50.00%	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	229.99	281.55	86.84	144.94	(137.41)
8	Profit / (Loss) for the year (After Tax)	(36.02)	0.15	40.05	(3.56)	(267.63)
	i. Considered in Consolidation	(9.37)	0.08	10.01	(1.78)	(133.81)
	ii. Not Considered in Consolidation	(26.65)	0.07	30.04	(1.78)	(133.82)

Following associates or joint ventures are yet to commence operations:

i) Suntera Nigeria 205 Ltd.

ii) NPCIL - IndianOil Nuclear Energy Corporation Limited

iii) GSPL India Transco Limited

iv) Kochi Salem Pipelines Private Limited

v) Ratnagiri Refinery & Petrochemicals Limited

vi) Hindustan Urvarak and Rasayan Limited

vii) Indradhanush Gas Grid Limited

viii) IHB 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) IndianOil Panipat Power Consurtium Limited.

iii) Indian Oil Ruchi Biofuels LLP (M/s IORB)

NOTES TO FINANCIAL STATEMENTS

Note - 45 : STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, JV'S AND ASSOCIATES (FORM AOC - I) (Contd...)

(₹ in Crore)

1	Name of the Associates / Joint Ventures	Hinduatan 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
2	Latest Audited Balance Sheet Date	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
3	Date of which Associate or Joint Venture was associated or acquired	June 15, 2016	September 22, 2017	July 9, 2019	November 4, 1993	May 21, 1998	April 2, 1998	May 26, 1997
4	Shares of Associate / Joint Ventures held by the company on the year end							
	i. No.	751085000	100000000	52500000	4500000	50000000	187500000	18000000
	ii. Amount of Investment in Associates / Joint Venture	751.09	100.00	52.50	4.50	26.02	98.75	0.18
	iii. Extent of Holding %	29.67%	50.00%	50.00%	25.00%	50.00%	12.50%	18.00%
5	Description of how there is significant influence	Joint Control	Joint Control	Joint Control	Associate	Associate	Associate	Associate
6	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Networth attributable to Shareholding as per latest audited Balance Sheet	753.83	72.55	49.90	16.67	-	1,418.66	0.47
8	Profit / (Loss) for the year (After Tax)	0.05	(19.98)	(5.20)	5.44	(7.47)	2,928.92	-
	i. Considered in Consolidation	0.01	(9.99)	(2.60)	1.36	-	366.11	-
	ii. Not Considered in Consolidation	0.04	(9.99)	(2.60)	4.08	(7.47)	2,562.81	-

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	98.29%	93,768.87	(147.04%)	1,313.23	100.38%	(10,409.32)	80.76%	(9,096.09)
Subsidiaries								
Indian								
Chennai Petroleum Corporation Limited	1.42%	1,359.27	230.24%	(2,056.40)	0.38%	(39.65)	18.61%	(2,096.05)
Indian Catalyst Private Limited	0.01%	6.45	-	(0.01)	-		-	(0.01)
Foreign								
IndianOil (Mauritius) Limited	0.35%	331.27	(4.36%)	38.96	0.06%	(6.39)	(0.29%)	32.57
Lanka IOC PLC	0.94%	893.68	(2.77%)	24.71	(0.22%)	22.68	(0.42%)	47.39
IOC Middle East FZE	0.05%	44.71	(0.30%)	2.72	(0.04%)	3.81	(0.06%)	6.53
IOC Sweeden AB	0.56%	537.61	(0.04%)	0.33	-	(0.45)	-	(0.12)
IOCL (USA) Inc.	0.23%	216.38	2.00%	(17.82)	(0.18%)	19.04	(0.01%)	1.22
IndOil Global BV.	4.47%	4,263.58	259.25%	(2,315.48)	(2.93%)	303.48	17.86%	(2,012.00)
IOCL Singapore PTE Limited	8.36%	7,978.86	(44.33%)	395.92	2.86%	(296.68)	(0.88%)	99.24
Less: Minority Interests in all subsidiaries	0.92%	876.29	110.08%	(983.18)	0.13%	(13.43)	8.85%	(996.61)
Joint Venture								
Indian								
Indian Oiltanking Limited	0.66%	627.50	(7.40%)	66.11	(0.01%)	0.85	(0.59%)	66.96
Lubrizol India Private Limited	0.18%	168.13	(4.56%)	40.77	0.01%	(1.52)	(0.35%)	39.25
Indian Oil Petronas Private Limited	0.76%	723.08	(19.55%)	174.58	-	(0.26)	(1.55%)	174.32
Green Gas Limited	0.21%	205.05	(4.11%)	36.70	-	(0.01)	(0.33%)	36.69
Indian Oil Skytanking Private Limited	0.08%	79.49	(2.44%)	21.82	-	(0.13)	(0.19%)	21.69
Delhi Aviation Fuel Facility Private Limited	0.11%	100.52	(1.72%)	15.33	-	-	(0.14%)	15.33
Indian Synthetic Rubber Private Limited	0.08%	79.83	2.74%	(24.51)	-	0.10	0.22%	(24.41)
NPCIL - IndianOil Nuclear Energy Corporation Limited	-	0.35	-	0.02	-	-	-	0.02
GSPL India Transco Limited	0.12%	118.69	1.26%	(11.24)	-	(0.08)	0.10%	(11.32)
GSPL India Gasnet Limited	0.24%	229.99	1.05%	(9.37)	-	(0.03)	0.08%	(9.40)
IndianOil Adani Gas Private Limited	0.30%	281.55	(0.01%)	0.08	-	0.01	-	0.09
Mumbai Aviation Fuel Farm Facility Private Limited	0.09%	86.84	(1.12%)	10.01	-	-	(0.09%)	10.01
Kochi Salem Pipelines Private Limited	0.15%	144.94	0.20%	(1.78)	-	-	0.02%	(1.78)
IndianOil LNG Private Limited	(0.14%)	(137.41)	14.98%	(133.81)	-	(0.01)	1.19%	(133.82)
Hinduatan Urvarak and Rasayan Limited	0.79%	753.83	-	0.01	-	-	-	0.01

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)
Ratnagiri Refinery & Petrochemicals Limited	0.08%	72.55	1.12%	(9.99)	-	-	0.09%	(9.99)
Indradhanush Gas Grid Limited	0.01%	8.51	0.12%	(1.06)	-	-	0.01%	(1.06)
IHB Private Limited	0.05%	49.90	0.29%	(2.60)	-	-	0.02%	(2.60)
Foreign							-	-
Suntera Nigeria 205 Ltd.	(0.17%)	(161.50)	1.50%	(13.40)	0.13%	(13.56)	0.24%	(26.96)
Associates								
Indian								
Avi-Oil India Private Limited	0.02%	16.67	(0.15%)	1.36	-	0.07	(0.01%)	1.43
Petronet VK Limited	-	-	-	-	-	-	-	-
Petronet LNG Limited	1.49%	1,418.66	(40.99%)	366.11	-	(0.01)	(3.25%)	366.10
Petronet India Limited	-	0.47	-	-	-	-	-	-
Intra Group Eliminations	(18.87%)	(17,994.12)	(23.78%)	212.38	(0.31%)	34.67	(2.19%)	247.05
Total	**100.00%**	**95,397.91**	**100.00%**	**(893.14)**	**100.00%**	**(10,369.96)**	**100.00%**	**(11,263.10)**

*Since the amount of Profit/(Loss) after Tax, Other Comprehensive Income and Total Comprehensive Income at consolidated (group) level are negative, the respective percentages of contributions by individual companies (holding as well as group companies) in the above reconciliation should be read in the direction of their share in absolute amount.

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. (Joint Venture)
   b) IndianOil Panipat Power Consurtium Ltd. (Joint Venture)
   c) Indian Oil Ruchi Biofuels LLP (M/s IORB)
3. Group's share of loss in Petronet VK Limited amounting to **₹3.74 crore** (2019: loss of ₹5.12 crore) has not been recognised as the company has accumulated losses as on March 31, 2020. The Groups's share of unaccounted accumulated losses as on March 31, 2020 stands at **₹51.52 crore** (2019: ₹47.79 crore).

NOTES TO FINANCIAL STATEMENTS

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 **₹ 54.42** (2019: ₹ 0.93 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 recognized as at March 31, 2020 **(₹ 121.47 Crore)** (2019: ₹ 67.04 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 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 - 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 Govts has 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 **₹ 161.25** per cylinder as loan recovery.

   The amount of outstanding as at March 31, 2020 towards PMUY claim from Central Government is **₹468.54 Crore** (2019: ₹ 1,495.63 Crore) and loan from PMUY consumers is **₹3,185.64 Crore** (2019: ₹ 3,111.32 Crore) (net of recovery through subsidy). Against the above loan, a provision for doubtful amounting to **₹553.19 Crore** (2019: ₹ 1,141.71 Crore) has been created as at March 31, 2020 against the beneficiaries who have not taken any refill for more than 12 months based on expected credit loss model. Also refer Point No. B of Note 40 on Credit Risk on PMUY, for modalities followed for PMUY Provisioning.

2. During the year, Parent Company has opted for settlement of old dispute cases of sales tax/ Value added tax etc in the State of Maharashtra under the Amnesty Scheme announced by the State. Accordingly, on this account, **₹654.00 Crore** being the provision no more required has been written back and included in Revenue from operations after full compliance of requirements including deposit of amnesty amount under the scheme. 42 Orders for settlement out of total 62 applications, corresponding to **₹89.31 Crore** has already been received in this respect.

   Net impact on profits is **₹586.51 Crore** after adjusting expense of **₹67.49 Crore** (i.e. **₹654.00 Crore- ₹67.49 Crore**).

3. During the year, Parent Company has settled old dispute under the Andhra Pradesh Sales Tax Act pertaining to erstwhile state of Andhra Pradesh with Govt. of Telengana. Consequently, provisions of **₹196.95 Crores** has been written back and included in Revenue from operations.

4. During the year, the Parent Company has opted for settlement of old disputes of central excise,service tax,etc under Sabka Vishwas (Legal Dispute Resolution) Scheme 2019 of Government of India. Accordingly, on this account **₹45.86 crore** is provided as additional expenses and **₹15.2 crore** is written back being provision no more required after full compliance of requirements of the scheme. Orders for settlement (discharge certificate) corresponding to **₹30.89 crore** have been received in this respect.

5. Hitherto, the estimated residual value of LPG cylinders and Regulators was considered as 5% of original cost by the Parent Company. Based on historical realized scrap value, prices of steel etc., the Parent Company has revised the estimated residual value of those assets from 5% to maximum 15% of original cost effective from April 01, 2019. The impact on account of above change is reduction in depreciation by **₹207.37 crore.**

6. 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 **₹62.43 Crore** as at March 31, 2019), 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, 2020. The Net Asset WDV of the business as at March 31, 2020 is **₹82.69 Crore.**

7. In line with Ministry of Environment, Forest and Climate Change (MoEFCC) memorandum on Corporate Environment Responsibility (CER) and considering the conditions specified in Environment Clearance Certificate, the Parent Company has accounted for the liability towards CER for projects on incurrence basis under CWIP/PPE and commitments relating to ongoing projects are being disclosed as part of Capital Commitment (Refer Note-37). Accordingly, the Parent Company has disclosed an amount of **₹507.81 crore** as capital commitment on this and similar account.

8. The Parent Company has treated the expenditure for removal of shoals from the upstream of Mahanadi Barrage and construction of Water Treatment plant in Cuttack, as enabling assets for supply of water to its Paradip Refinery since the same is necessary for the continuous operation of the Refinery. The construction of these assets is being done through government agencies, payment for which are released in advance and the same are adjusted based on utilization certificate. Accordingly, the Parent Company has included **₹147.10 crore** under Capital Work in Progress (Note 2.1), **₹84.34 crore** as capital advances (Note 8) and disclosed **₹146.96 crore** under capital commitment (Note 37) pending completion of these projects.

NOTES TO FINANCIAL STATEMENTS

Note - 48 : OTHER DISCLOSURES (Contd...)

9. The Parent Company is consistently valuing its inventories at Cost or Net Realizable Value (NRV) whichever is lower. For this purpose, NRV is derived based on the actual realization in the specified subsequent period as per regular practice. Due to COVID-19 a global pandemic and changes in Oil market scenario there was a significant fall in oil prices which lead to write down in valuation of inventories below cost for the specified period of **₹6,855.35 crore**. However, on account of unprecedented situation of lockdown from March 25, 2020 in the country precipitated by the outbreak of COVID-19 pandemic and consequent significant decline in demand for petroleum products, as a one time measure, a longer time period is considered for better estimation of NRV considering the most reliable evidence available in line with the provisions of Ind AS 2 "Inventories". As a result of considering a longer time period, the write down in valuation of inventories increased to **₹11,304.64 crore.** Considering the nature and size, the total write-down in valuation of inventories of **₹11,304.64 crore** is treated as Exceptional Item in the Statement of Profit and Loss account in the current year.

   In addition, one of the subsidiaries (CPCL) have also done significant inventory write down of **₹1,455.71 crore.**

10. Pursuant to the introduction of Section 115BAA of the Income Tax Act, 1961 vide Taxation Laws (Amendment) Ordinance, 2019 the Parent Company 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 Parent Company has decided to avail the lower rate from FY 2019-20.

    Accordingly, the Parent Company has recognized Provision for Income tax for the year ended 31st March, 2020 and re-measured it's net Deferred Tax Liabilities on the basis of the rate prescribed in the said section.

    The net impact on deferred tax due to this change is **₹4,461.78 Crores** of which **₹58.80 Crores** has been accounted in Other Comprehensive Income. The MAT balance as on April 1, 2019 amounting to ₹1921.13 Crores has not been carried forward as per provision of Section 115BAA of the Income Tax Act, 1961. However the same would be available for utilization against any tax liabilities pertaining to past periods.

    During the financial year the Government of India has introduced Vivad se Vishwas scheme for settlement of Income Tax disputes vide The Direct Tax Vivad Se Vishwas Act, 2020, which is optional and can be availed upto December 31, 2020. The Parent Company has referred certain issues/queries to CBDT for necessary clarifications, relating to claiming of benefit in subsequent years for disallowances of timing nature for which tax to be paid under the said scheme. The Parent Company is awaiting for such clarifications and may take an appropriate decision of opting for the scheme in the Financial Year 2020-21.

11. The Group has assessed the impact of impairment on its Intangible assets, including under development, as at March 31, 2020 and has recognized **₹389.84 crore** and **₹2,095.63 crore**, including FCTR, as impairment in Intangible assets for Mukhaizna Oil field and in Intangible assets under development for North Montney Joint venture respectively during the year.

12. The outbreak of Coronavirus (COVID-19) globally and in India has impacted businesses and economic activities in general. The spread of COVID-19 has caused serious threat to human lives and resulted in reduction in global demand and disruption in supply chain, which have forced the businesses to restrict or close the operations in short term.

    During the lockdown, petroleum business continued its operations under the "Essential Services". The Group's supply chain of petroleum products acts as a backbone of the economy, whose continued functioning is all the more critical during times of crisis.

    In response to the lockdowns, the Group's launched a massive program to ensure business continuity of its services which allows employees to work remotely from the safety of their homes, while continuing to provide uninterrupted support services to our customers. The Group has also taken all necessary steps to comply with internal controls during the period of lockdown.

    Petroleum products demand growth for the current year till February 2020 was moderate, however, the demand decline in March 2020, made the growth subdued. Further, the COVID-19 has triggered volatility in international crude, petroleum prices and exchange rate. Due to the reduction of benchmark prices, inventories were written down below cost and valued at net realizable value. The financial impact on inventories, intagibles etc. have been given separately.

    The Group's has assessed internal and external information upto the date of approval of the financial statements while reviewing the recoverability of assets & financial resources, performance of contractual liability & obligations, ability to service the debt & liabilities. Based on such assessment, the Group expects to fully recover the carrying amounts of the assets and comfortably discharge its debts & obligations. Hence, the management does not envisage any material impact on its financial statements. The Parent Company is positive on the long-term business outlook as well as its financial position. However, it will continue to closely monitor any material changes to future economic conditions as the COVID-19 situation continues to evolve in India and globally.

NOTES TO FINANCIAL STATEMENTS

Note - 48 : OTHER DISCLOSURES (Contd...)

13. Purchase of crude oil from Oil India Limited and some other oilfields has been accounted for provisionally, pending finalization of agreements with respective parties. Adjustments, if any, will be made on finalization of agreements.
14. Transactions with other Oil Marketing Companies are jointly reconciled on an ongoing basis.
15. 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.
16. Previous year's comparative figures have been regrouped wherever necessary. Figures in brackets indicate deductions.

Sd/- **(Sanjiv Singh)** Chairman DIN - 05280701	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/- **(Shrenik Mehta)** Partner **M. No. 063769**	Sd/- **(Aniruddha Sengupta)** Partner **M. No. 051371**

Place: New Delhi
Dated: 24 June 2020

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 2020

The preparation of standalone financial statements of Indian Oil Corporation Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory 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 24 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the standalone financial statements of Indian Oil Corporation Limited for the year ended 31 March 2020 under section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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 auditor's 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
Date : August 19, 2020

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020

The preparation of consolidated financial statements of Indian Oil Corporation Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory 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 24 June 2020.

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 2020 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 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 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 auditor's 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
Date : August 20, 2020

ANNEXURE-A

Name of the company/subsidiary/JV/Associate companies of which supplementary audit conducted

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	Hindustan Urvarak and Rasayan Limited	Joint venture
8	Ratnagiri Refinery and Petrochemicals Limited	Joint venture

ANNEXURE-B

Name of the company/subsidiary/JV/associate companies of which supplementary audit not conducted

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	Green Gas Limited	Joint venture
4	Petronet VK Limited	Associate
5	NPCIL-Indian Oil Nuclear Energy Corporation Limited	Joint venture
6	Kochi Selam Pipelines Private Limited	Joint venture
7	Indradhanush Gas Grid Limited	Joint venture

ANNEXURE-C

(i) List of all subsidiaries/JV/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

*The Company has gone under voluntary liquidation and no appointment of statutory auditors has been made by the CAG of India.

(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

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 **61st Annual General Meeting (AGM)** of the members of **INDIAN OIL CORPORATION LIMITED** will be held on **Monday, September 21, 2020** at **02:30 p.m.** through Video Conference (VC) / Other Audio Visual Means (OAVM) to transact the following business. 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-400051 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 financial year ended March 31, 2020 together with Reports of the Directors and the Auditors thereon.
2. To confirm the Interim Dividend of ₹ 4.25 per equity share paid during the financial year 2019-20.
3. To appoint a Director in place of Shri G. K. Satish (DIN: 06932170), who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri Gurmeet Singh (DIN: 08093170), who retires by rotation and is eligible for reappointment.

SPECIAL BUSINESS

5. **To appoint Shri Shrikant Madhav Vaidya (DIN: 06995642) as Whole-time Director and to designate him as Chairman of the Company.**

   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 152 and 161(1) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company, Shri Shrikant Madhav Vaidya (DIN: 06995642), who was appointed as an Additional Director and designated as Director (Refineries) by the Board of Directors w.e.f. October 14, 2019 and subsequently re-designated as Chairman w.e.f. July 1, 2020 and who holds office upto the date of this AGM and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Whole-time Director and designated as Chairman of the Company, not liable to retire by rotation."

6. **To appoint Ms. Lata Usendi (DIN: 07384547) as Independent Director of the Company.**

   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 149, 150, 152 and 161(1) read with Schedule IV & other applicable provisions, if any, of the Companies Act, 2013 and the rules notified thereunder (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Ms. Lata Usendi (DIN: 07384547) who was appointed as an Additional Director and designated as Independent Director by the Board of Directors with effect from November 6, 2019 and who holds office upto the date of this AGM and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company for a period of 3 years from the date of appointment by the Board, not liable to retire by rotation."

7. **To increase the borrowing powers of the Company and for creation of charge on the properties of the Company in favour of the lenders.**

   To consider and if thought fit, to pass with or without modifications, the following resolutions as **Special Resolutions:**

   "RESOLVED THAT in supersession of the special resolutions passed by members through postal ballot on August 11, 2014 and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), the rules notified thereunder and the Articles of Association of the Company, approval of the members be and is hereby accorded to the Board of Directors to borrow money through loans, advances, credit etc. for both domestic and foreign currency borrowings upto ₹ 1,65,000 crore (including Public Deposits, Bonds / Debentures but excluding temporary loans obtained from the Company's bankers in the ordinary course of business) from banks, financial institutions and other sources from time to time for the purpose of financing the working capital requirements as also for acquisition of capital assets and/or for the purpose of any other requirements of the Company, both for capital and revenue in nature, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company, its free reserves and securities premium, that is to say, reserves not set apart for any specific purposes."

"RESOLVED THAT in supersession of the special resolutions passed by members through postal ballot on August 11, 2014 and pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), the rules notified thereunder and the Articles of Association of the Company and such other approvals as may be necessary, approval of the members be and is hereby accorded to the Board of Directors to mortgage and/or charge, in addition to the mortgages / charges created / to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable / immovable properties of the Company, both present and future and/or whole or any part of undertaking(s) of the Company in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings of the Company availed / to be availed by way of loan(s) in foreign currency and/or rupee currency and Securities (comprising fully / partly Convertible Debentures and/or Non-Convertible Debentures, on all or any of the above, with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes / bonds or other debt instruments) issued / to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013, together with interest at the respective agreed rates, additional interest, compound interest, in case of default accumulated interest, liquidated damages, commitment charges premia on prepayments, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s) / Heads of Agreement(s), Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s), in respect of the said loans / borrowings / debentures / bonds or other securities and containing such specific terms and conditions covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s) / Agent(s) / Trustee(s)."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board / Committee of the Board or officers authorized by them in this regard be and are hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise with regard to borrowings and creating mortgages / charges as aforesaid."

8. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2021.

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 lakh 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, 2021, be and is hereby ratified."

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

Date : August 21, 2020

By **Order of the Board of Directors**

Sd/-
(Kamal Kumar Gwalani)
Company Secretary

Notes

In view of COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 ("MCA Circulars") permitted the holding of AGM through VC / OAVM without the physical presence of the members at a common venue. As per "MCA Circulars" and SEBI Circular dated May 12, 2020 relaxing certain compliances with provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (SEBI (LODR)) the AGM of the Company is being held through VC / OAVM.

1. As per the provisions of the Companies Act (Act), 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 such proxy need not be a member of the Company. However, MCA along with 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 has 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.
2. In compliance with Regulation 44 of 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, the requirement of webcast under SEBI (LODR) has been complied with.
3. 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's resolution / authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution / authorization should be sent to the Scrutinizer by email from the registered email address of the member to info@dholakia-associates.com with a copy marked to evoting@nsdl.co.in.
4. A statement setting out the material facts pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the Meeting is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (LODR) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM are also annexed.
5. Participation of members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
6. 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 Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM i.e. September 21, 2020. Members desirous of inspecting such documents can send a request on the email id ioclagm@indianoil.in.
7. Reserve Bank of India has initiated NECS (National Electronic Clearing System) facility for credit of dividend directly to the bank account of the members. Hence, members are requested to register their Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR code & 11 digit IFSC code), in respect of shares held in dematerialized form with their respective Depository Participant i.e. the agency where the demat account has been opened and in respect of shares held in physical form with the Registrar & Transfer Agents (RTA) i.e. KFin Technologies Private Limited (KFin), Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032. Tel. Nos.: (040)67162222 ; Fax No.: (040)23001153 ; E-mail Address: einward.ris@kfintech.com;
8. As per Regulation 40 of SEBI (LODR), as amended, securities of listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019, except for request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to convert their holdings to dematerialized form. Members can contact the Company or Company's RTA for assistance in this regard.
9. Members may send their requests for change / updation of Address, Bank A/c details, ECS mandate, Email address, Nominations:
   i) **For shares held in dematerialised form -** to their respective Depository Participant.
   ii) **For shares held in physical form -** to the RTA at the address mentioned above or at the registered office of the Company.
10. Non-Resident Indian members are requested to inform the RTA at the address mentioned above 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.
11. The Securities and Exchange Board of India (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.

12. 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 2011-12 to IEPF on the respective dates. Further, Section 124(6) of the Act read with rules made thereunder provide that all shares in respect of which dividend has not been paid or claimed for 7 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. 2011-12 to 2018-19, 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 12, 2019. 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 2012-13 in October, 2020. Further, the shares in respect of which dividend has remained unpaid / unclaimed for a consecutive period of 7 years i.e. from 2012-13 to 2019-20, would also be transferred to the demat account of IEPF authority in the month of October, 2020. 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. The members are requested to write to the RTA at the address mentioned above or at the registered office of the Company for claiming the unpaid / unclaimed dividend.

    Section 125 of the Act provides that a member whose dividend amount / shares have been transferred to the IEPF shall be entitled to claim refund therefrom. The procedure for claiming the unpaid dividend amount and shares transferred to the IEPF Authority is provided on the link: www.iepf.gov.in/IEPF/refund.html.

13. 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 per the relaxations given vide "MCA Circulars" and "SEBI Circular", the Notice of the AGM along with the Integrated Annual Report 2019-20 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 for the year 2019-20 will also be available on the Company's website www.iocl.com, websites 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 NSDL at evoting.nsdl.com.

14. **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 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 Monday, September 14, 2020.

    iii. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. September 14, 2020.

    iv. The remote e-voting period would commence on **Thursday, September 17, 2020 at 09:30 a.m. (IST) and end on Sunday, September 20, 2020 at 05:00 p.m. (IST).** During this period, members 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 Scrutinizer and in his absence Shri B. V. Dholakia of Dholakia & Associates LLP to scrutinize the remote e-voting and e-voting process in a fair and transparent manner.

    vi. The members who have 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, who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

    viii. The details of the process and manner for remote e-voting are explained herein below:

    Step 1: Log-in to NSDL e-voting system at evoting.nsdl.com

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

Step 1: How to Log-in to NSDL e-voting website?

(1) Visit the e-voting website of NSDL by typing the following URL: evoting.nsdl.com either on a personal computer or on a mobile.

(2) Once the home page of e-voting system is launched, click on the icon "Login" which is available under "Shareholders / Members" section.

(3) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at eservices.nsdl.com with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to cast your vote electronically.

(4) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	User id
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 IN123456 and Client ID is 12345678 then your user ID is IN12345612345678
B) For members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 1234567812345678 then your user ID is 1234567812345678
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 IOC123456 then user ID is 123456IOC123456

(5) Your password details are given below:

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

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

   c) How to retrieve your 'initial password'?

      i) If your email ID is registered, your 'initial password' has been communicated on your email ID. Trace the email sent to you from NSDL in your mailbox from evoting@nsdl.co.in. Open the email and the attachment (pdf file). The password to open the pdf file is your 8-digit client ID for NSDL account or last 8 digits of client ID for CDSL account or folio number for shares held in physical form, as the case may be. The pdf file contains your 'User ID' and your 'initial password'.

      ii) In case you have not registered your email address with the Company / Depository, please follow instructions mentioned below in this notice.

(6) If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

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

   b) If you are holding shares in physical mode – click on "Physical User Reset Password?" option available on evoting.nsdl.com.

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

   d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.

(7) After entering your password, click on agree to "Terms and Conditions" by selecting on the check box.

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

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

Step 2: How to cast your vote electronically on NSDL e-voting system?

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

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

(3) Select "EVEN" of Indian Oil Corporation Limited.

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

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

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

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

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

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

(10) In case of any queries relating to e-voting you may refer to the FAQs for members and e-voting user manual for members available at the download section of evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

(11) In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: pallavid@nsdl.co.in, Tel: 022-24994545.

Process for registration of email address for obtaining Annual Report and user id / password for e-voting:

For the limited purpose of sending the Notice of the AGM and the Integrated Annual Report for the year 2019-20 through email to the members, whose email address is not registered / updated either with the Company's RTA or their Depository Participant, they may send a request at einward.ris@kfintech.com with the subject "Indian Oil Corporation Limited – AGM 2019-20" stating their folio / demat account no. and enclosing therewith a self-attested copy of PAN card.

For permanent registration / updation of the email address, members may send their request as given below:

(a) For shares held in physical form - to the RTA at the address mentioned above providing the Folio No., Name of member, scanned copy of a share certificate (front and back), PAN (self-attested scanned copy of PAN card), self-attested scanned copy of Address Proof.

(b) For shares held in dematerialized form - to the Depository Participant (DP) where the demat account is maintained as per the process advised by DP.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Members will be able to view and participate in the AGM through VC / OAVM by logging on to evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

   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 in the Notice. Further members can also use the OTP based login for logging into the e-voting system of NSDL.

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 contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager, NSDL at amitv@nsdl.co.in / 022-24994360 or Mr. Sagar Ghosalkar, Assistant Manager, NSDL at sagar.ghosalkar@nsdl.co.in / 022-24994553.

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 during Tuesday, September 15, 2020 to Friday, September 18, 2020. 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.**

Result of the voting:

1. **The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM and thereafter unblock and count the votes cast through remote e-voting and submit, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any other person authorized by the Chairman.**

2. **The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.iocl.com and on the website of NSDL evoting.nsdl.com immediately. The Company shall also simultaneously file the results with 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 Shri G. K. Satish (DIN: 06932170), who retires by rotation and is eligible for reappointment.

Shri G. K. Satish, Director (Planning & Business Development), aged 59 years, was inducted on the Board on September 1, 2016. He is a Mechanical Engineer from NIT, Surat and a Post Graduate in Management from Management Development Institute, Gurgaon.

As Director (Planning & Business Development), Shri Satish is in charge of IndianOil's Petrochemicals, Natural Gas, Exploration & Production, Alternate Energy & Sustainable Development, International Business and Explosives verticals, besides Corporate Planning. Shri Satish has over 3 decades of experience in IndianOil in the areas of Marketing, Operations, Logistics, International Trade, Natural Gas, Petrochemicals, Exploration & Production, Alternate Energy."

Number of Board Meetings attended during 2019-20	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	2172
Relationship between Directors inter-se	None

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 except Shri Satish.

Item No. 4 - To appoint a Director in place of Shri Gurmeet Singh (DIN: 08093170), who retires by rotation and is eligible for reappointment.

Shri Gurmeet Singh, Director (Marketing), aged 59 years was appointed on the Board on July 26, 2018. He is a Mechanical Engineer from Punjab University. Shri Singh has over 3 decades of wide and rich experience in petroleum business in various geographies including head of Rajasthan State Office. Prior to assuming charge as Director, he was the head of business vertical of LPG and Engineering & Projects. As Director (M), Shri Singh apart from spearheading many initiatives for marketing of POL products, has ensured implementation of the ambitious Pradhan Mantri Ujjwala Yojana (PMUY) scheme and launch of BS-VI fuel across India, before the stipulated timelines.

Number of Board Meetings attended during 2019-20	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	2172
Relationship between Directors inter-se	None

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 except Shri Gurmeet Singh.

STATEMENT SETTING OUT THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS IN PURSUANCE OF SECTION 102(1) OF THE ACT

Item No. 5 - To appoint Shri Shrikant Madhav Vaidya (DIN: 06995642) as Whole-time Director and to designate him as Chairman of the Company

Shri Shrikant Madhav Vaidya, aged 57 years was appointed as an Additional Director with effect from October 14, 2019 by the Board of Directors and designated as Director (Refineries), pursuant to Article 94(I) of the Articles of Association of the Company and Section 161(1) of the Act. Subsequently Shri Vaidya was re-designated as Chairman w.e.f. July 1, 2020. Shri Vaidya holds office up to the date of this AGM.

Shri S. M. Vaidya, a Chemical Engineer from the National Institute of Technology, Rourkela has over 3 decades of extensive experience in refining and petrochemicals operations. He had a decade-long association with India's largest cracker plant - the Panipat Naphtha Cracker Complex, a major driver of IndianOil's petrochemicals business – right from the drawing board stage. He is among the select technocrats in the Indian Oil & Gas industry who is proficient in all facets of refinery - petrochemicals integration, desirable for the sustainability of the Oil & Gas industry in the long-term. As Director (Refineries) he steered the timely rollout of BS-VI grade auto fuels across the country, commenced supply of IMO-compliant bunker fuel (0.5% Sulphur) and a special winter-grade diesel for the high-altitude regions of the Himalayas, and expanded the Company's green energy offerings with projects related to bio-fuels and 2G/3G ethanol-blended fuels at its refineries.

Number of Board Meetings attended during 2019-20	4
Details of Directorships in other listed companies	**2**
-Chennai Petroleum Corporation Limited	
-Petronet LNG Limited	
Membership / Chairmanship in the Committees of other companies	NIL
No. of Shares held in the Company as on date	16572
Relationship between Directors inter-se	None

In terms of Section 160 of the Act, the Company has received a notice in writing from a member signifying his intention to propose the name of Shri Shrikant Madhav Vaidya as a Director of the Company.

Shri Vaidya is not disqualified from being appointed as a Director in terms of Section 164 of the Act. 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 except Shri Vaidya.

The Board, therefore, recommends the Ordinary Resolution for approval by members.

Item No. 6 - To appoint Ms. Lata Usendi (DIN: 07384547) as Independent Director of the Company

Ms. Lata Usendi, aged 46 years was appointed as an Additional Director with effect from November 6, 2019 by the Board of Directors and designated as Independent Director, pursuant to Article 94(l) of the Articles of Association of the Company and Section 161(1) of the Act and holds office up to the date of this AGM.

Ms. Lata Usendi, is a Graduate in Humanities. She has over 2 decades experience in the field of agriculture and social work. She is actively involved in various community development initiatives in Chhattisgarh specially for the development and welfare of women and children like continuing education programme, organizing health camps, skill-development programmes, promoting use of renewable energy, development of rural industry etc. She played an active role in conversion of 125 villages in Baster district into fully sanitized villages.

Number of Board Meetings attended during 2019-20	**3**
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	NIL
Relationship between Directors inter-se	None

In terms of Section 160 of the Act, the Company has received a notice in writing from a member signifying his intention to propose the name of Ms. Lata Usendi as a candidate for the office of Director.

The Company has received a declaration from Ms. Lata Usendi that she meets the criteria of independence as prescribed under Section 149(6) of the Act and under SEBI (LODR). Ms. Usendi is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

In the opinion of the Board, Ms. Lata Usendi fulfils the criteria of independence as specified in the Act & SEBI (LODR) and is independent of the Management. None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, interested or concerned financially or otherwise in the resolution except Ms. Lata Usendi.

The Board, therefore, recommends the Ordinary Resolution for approval by members.

Item No. 7 - Increase in the borrowing powers of the Company and creation of charge on the properties of the Company in favour of the lenders

As per the provisions of Section 180(1)(c) of the Act & Articles of Association of the Company, approval of the members was obtained through postal ballot to borrow money up to ₹ 1,10,000 crore and for creation of charge / security on the moveable / immoveable properties of the Company for the borrowings by way of Special Resolutions on August 11, 2014.

The Company has been raising funds from both the domestic as well as international markets to meet its Capex as well as working capital requirements.

The Company has undertaken massive exercise of upgrading all Refineries to produce BS-VI compliant fuels during last 2 years. Further the Company is going through a phase of expansion and upgradation of its infrastructure facilities across business segments viz. Refining, Pipelines, Marketing, Petrochemicals and Natural Gas. Accordingly, the Company has spent over ₹ 29,000 crore during 2019-20 under the head capital expenditure. However, the internal accruals have remained muted during 2019-20 mainly on account of large inventory losses coupled with subdued margins in refining as well as in petrochemical segments. Further, the nationwide lock-down due to COVID-19 pandemic impacted the sales collections which nosedived during last week of March 2020. These factors contributed to an unexpected increase in borrowings during 2019-20. The borrowings stood at Rs 1,16,545 crore as on March 31, 2020, including the temporary loans obtained from the Company's bankers in the ordinary course of business and finance lease.

The prevalent global crisis due to the COVID-19 extended the countrywide lockdown during April and May 2020 and has adversely impacted the business of the Company. Drop in sales of petroleum products due to lockdown resulted in lower cash collections whereas payment for crude oil supplies were continued to be made as per the contractual terms. This led to elevated working capital requirement during the lockdown.

Considering all the factors mentioned above, it is proposed to increase the borrowing limits earlier approved by members to the level of ₹ 1,65,000 crore, from the current level of ₹ 1,10,000 crore to enable smooth operation of the Company.

Accordingly, as per the provisions of Section 180(1)(c) & 180 (1) (a) of the Act and the rules notified thereunder, approval of the members is sought for increase in the borrowing limit to ₹ 1,65,000 crore and to create charge on assets of the Company (if required).

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 except to the extent of their respective holding of equity shares in the Company.

The Board, therefore, recommends the Special Resolutions for approval by members.

Item No. 8 - To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2021.

The Board, on the recommendation of the Audit Committee, has approved the appointment of the following Cost Auditors at an aggregate remuneration of ₹ 20.20 lakh 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, 2021:

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. Pandurangam & Assoicates, 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, 2021, 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: August 21, 2020

By **Order of the Board of Directors**

Sd/-
(Kamal Kumar Gwalani)
Company Secretary

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इंडियनऑयल
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Indian Oil Corporation Limited
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Bandra (East), Mumbai - 400051