Driving growth Energising lives

ABOUT THE REPORT

FROM THE CHAIRMAN'S DESK

ABOUT INDIANOIL

DESCRIPTION OF CAPITALS

BOARD OF DIRECTORS

DIRECTORS' REPORT

ANNEXURES TO DIRECTORS' REPORT

MANAGEMENT'S DISCUSSION & ANALYSIS

BUSINESS RESPONSIBILITY REPORT

REPORT ON CORPORATE GOVERNANCE

STANDALONE FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA

NOTICE

इंडियनऑयल

IndianOil

इंडियनऑयल

IndianOil

Indian Oil Corporation Limited

Regd. 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 communicate its social, economic and environment performance to its stakeholders.

In continuation of its efforts in promoting transparency and inclusivity, the Company is publishing its second Integrated Annual Report (IAR) for the year 2018-19. With adoption 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 our internal and external stakeholders about the Company's internal and external environment, opportunities, risks, material issues & mitigation plans, strategies and future roadmap to contribute towards 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 and Boundary

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

Reporting Period

For financial and statutory information disclosed, the reporting period is 1 April 2018 to 31 March 2019. To provide a holistic perspective to the stakeholders, this report has shown comparison of the last three to five years' trends for select items.

FROM THE CHAIRMAN'S DESK

Dear IndianOil Investors,

My heartiest greetings to you on my personal behalf and on behalf of IndianOilPeople.

It is my pleasant duty once again to present to you the Integrated Annual Report of your Company for the financial year 2018-19, focussing on the performance highlights of the year and the high-growth agenda lined up for the future.

You will notice that, like last year, this year too we have followed the Integrated Reporting format focussing on the Company's six key capitals -- Financial Capital, Manufactured Capital, Human Capital, Intellectual Capital, Social & Relationship Capital and Natural Capital.

Without an iota of doubt, IndianOil's strength as a successful enterprise stems from its rich human capital. With a proud legacy of fuelling the growth of all segments of the economy for the past six decades, the 33,000-strong team of IOCians is gearing to play a leadership role in these exciting times as a new India rises on the global arena. IndianOil People take pride in being future-ready by continuously upgrading their skills and capabilities.

Your Company has kept its promises to the nation since inception, working for self-sufficiency and security in energy and related areas. Surmounting many challenges, it achieved sustained growth in sync with the nation to become India's leading Maharatna PSU and one of the largest commercial undertakings.

As the fastest growing economy in the world, India requires access to abundant energy, delivered in new and affordable ways. IndianOil is fully geared for the challenge. Over 50,000 customer touch points of your Company spread across every nook and corner of the nation provide energy solutions to a billion-plus customers to keep India on the move. And we are further expanding our refining capacity, supply & distribution channels and marketing network in line with the growing domestic demand.

Today, as a low-carbon future beckons on the horizon, IndianOil is engaged in building a future full of clean and green energy. We are leading the industry in an unprecedented quantum leap from BS-IV fuels to a world-standard BS-VI compliant regime by April 2020. In line with global trends, we are investing in a big way in India's emerging natural gas economy with new products and offerings for diverse customer groups. We are deeply committed to the sustainability principle and are progressively integrating alternative energy and renewables in our operations as well as in our expanding bouquet of offerings.

Shri Sanjiv Singh

Global and Indian economic scenario

- Global economic growth slowed down to 3.6% in 2018, from 3.8% in 2017
- Growth in emerging economies also decelerated to 4.5% in 2018, from 4.8% in 2017
- Economic deceleration due to rising trade protectionism, US-China trade tensions, etc.
- Indian economy grew by 6.8% in 2018, fastest growing large economy
- Growth propelled by private spending, industry, manufacturing and capital formation
- Retail inflation (CPI) slowed down to 3.41%, lowest in last seven years

The fount of your Company's future-readiness is its world-class R&D Centre, which gives shape to products and technologies of the future. Its rich repository of intellectual capital has now crossed a major milestone of over a thousand patents.

INDUSTRY SCENARIO

The hydrocarbons sector has contributed enormously to global economic progress over the last century. Today, however, it is facing competition from new and emerging energy options and technologies. The 21st century is definitely going to witness economies based on clean fuels, and low-carbon options will get progressively entrenched in the energy mix, with policy backing. It is time for the oil & gas corporates to once again reinvent themselves and continue to play a lead role, especially in those parts of the world like India where primary energy consumption continues to register a dramatic rise.

The need of the hour is to integrate new technologies like digitalisation, Artificial Intelligence, Internet of Things, etc., in all segments of the industry, together with innovative process technologies, to provide efficient, clean and green energy solutions for all customer segments and businesses to ensure that nation's economic growth is not hampered in any way.

The domestic refining sector is attempting a very ambitious project of leap-frogging from BS-IV to BS-VI fuels regime. Indian refiners are on track to usher in the cleanest automotive fuels across the country from April 2020. In fact, IndianOil refineries have completed over 90% of the BS-VI projects and should be ready to supply the upgraded fuels well within the stipulated timeline. The success of this ambitious initiative will further enhance India's credentials as a world-class refining hub in Asia, with the fourth largest refining capacity (249.4 MMTPA) in the world.

The country has robust supply & distribution channels, a 30,000-km network of oil & gas pipelines, about 24,000 LPG distributors, and over 64,600 fuel stations, with another 55,000 in the offing.

Road to reform: India's fuels upgradation programme

- BS-IV fuels implementation across India: Completed by April 2017
- BS-VI fuels implementation in NCT: Completed by April 2018
- BS-VI implementation in NCR and Agra: Underway from April to Oct. 2019
- BS-VI fuels implementation across India: To be completed by April 2020
- Estimated investment of OMC refineries on BS-III to BS-VI conversion projects: Rs. 53,500 crore

Global oil & gas scenario

- Global primary energy consumption grew by 2.3% in 2018, as against 1.9% in 2017
- Oil demand grew by 1.2%, with natural gas as the fastest growing fuel, accounting for 44.5% of the increase in total energy demand
- Brent crude oil prices averaged $71.1 per barrel in 2018, registering a significant increase of $16.7 per barrel over 2017

Indian oil & gas scenario

- India's petroleum products consumption in 2018-19 was 211.6 MMT, with 2.7% growth over 2017-18
- Petrol consumption rose by 8.1%, diesel by 3%, and LPG by 6.8%
- India's refining capacity stood at 249.4 MMTPA at the end of 2018-19, second largest in Asia
- Crude oil imports rose by 2.8% to 226.6 MMT
- Indian crude oil basket averaged at $69.8/barrel in 2018-19, 23.8% higher than 2017-18 level

INDIANOIL: STRENGTHENING CORE BUSINESS

Your Company's performance in the financial year 2018-19 has been exceptional in terms of both operational and financial parameters. Besides posting all-time high records in the three major parameters – sales as well as refineries and pipelines throughputs – the Company crossed the Rs. 6 lakh crore milestone in turnover for the year, with handsome profits. With *numero uno* position in the downstream petroleum sector, the Company continued with its legacy of putting the nation first and providing viable fuel solutions to diverse customer groups, while at the same time strengthening its new verticals of E&P, Petrochemicals and Gas.

Marketing

Your Company, which caters to nearly half of India's petroleum consumption, registered its best ever sales volumes in 2018-19. In the backdrop of India's primary energy demand outpacing global demand, rising infrastructure projects and a surge in commercial vehicle sales led to record high diesel consumption in 2018-19. Matching this pace of growth, IndianOil maintained its place at the top and did well in institutional sales too, registering increase in market share in all products. Similarly, your Company's time-tested commitment and service to the defence forces and the security eco-system of the nation have won many accolades.

IndianOil: Fuelling a billion dreams

- IndianOil's turnover crossed Rs. 6 lakh crore milestone in 2018-19
- Sales, including exports, in 2018-19: 89.89 MMT
- Exports in 2018-19: 5.24 MMT
- Number of customer touch-points crossed the 50,000 mark
- Total No. of fuel stations automated: 27,700
- New heights in aviation fuelling, with 116 AFSs.

As the industry leader in retail sales, IndianOil completed automation of its countrywide fuel stations network during the year to enhance Q&Q (quality & quantity) assurance to its customers. The ambitious *Project Dhruva* initiative currently underway encompasses new technologies and services to achieve greater efficiency in operations and a superior buying experience for your Company's retail customers.

LPG for all: Clean fuel, better life

- Total LPG households in India: 26.5 crore
- *PaHaL* households receiving subsidy in their bank accounts: 24.5 crore
- PMUY target: Deposit-free LPG connections to 8 crore BPL households by 2020
- PMUY target achieved till now: 7.2 crore households
- LPG penetration achieved: Over 94%
- New Indane connections released in 2018-19: Over 2 crore, highest in a year
- IndianOil's LPG sales surpassed 1 million tonnes a month

Over the last five years, your Company has had the privilege of spearheading mega schemes like *PaHaL* LPG subsidy scheme, *#GiveItUp* campaign and *PMUY (Pradhan Mantri Ujjwala Yojana)* that have made clean energy accessible across socio-economic divides.

IndianOil has been extending the reach of its *Indane* Superbrand to more households every year. Leading the push for clean energy, the Company released the highest ever number of new LPG connections in a year in 2018-19.

SERVO, another IndianOil Superbrand, achieved top position in the retail lubes segment for the first time in recent years, besides registering impressive growth in overall finished lubes. Your Company's aviation fuelling business too gained higher altitude with addition of nine more Aviation Fuel Stations (AFS) during the year.

Your Company exported 5.24 million tonnes of products in 2018-19. Product exports to Nepal rose from 2.1 to 2.4 million tonnes and export of Indane Nanocut (additised LPG suited for high-temperature industrial applications) to Bangladesh commenced during the year. IndianOil opened a new representative office in Nepal in addition to existing offices in Myanmar and Bangladesh, and full-fledged subsidiaries operating in Sri Lanka, Mauritius, Singapore and UAE.

IndianOil released more than 2.1 crore new LPG connections during 2018-19, raising the Indane customer base to over 14.8 crore households.

Refineries

IndianOil refineries excelled in all major physical parameters and achieved a record combined crude oil throughput during 2018-19. The refineries also registered the best ever numbers in Specific Energy Consumption (MBN), Energy Intensity Index (EII) and Fuel & Loss.

A world-scale Polypropylene (PP) plant was commissioned at Paradip Refinery in Feb. 2019 to act as the mother unit in nurturing the downstream plastics processing industry in the region. Work has also commenced on a Monoethylene Glycol (MEG) plant at Paradip Refinery, which is envisaged as a key driver for the textiles industry in the region, especially for polyester fibre. Two other major projects in progress are: capacity expansion of IndianOil's Barauni Refinery and an ATF production unit using the in-house INDJet technology of IndianOil's R&D Centre.

The energy for India's rise

- Refineries throughput in 2018-19: 71.82 MMT
- Major projects commissioned during 2018-19:
  - » PP plant at Paradip Refinery: 680 KTA
- Major projects commenced during 2018-19:
  - » MEG plant at Paradip Refinery: 357 KTA
  - » Barauni Refinery expansion from 6 to 9 MMTPA
  - » ATF production unit using IndJet technology
- 4.6 MMT term contracts concluded for crudeoil from USA

For the first time, your Company concluded term contracts for sourcing crude oil from USA during the year, besides enhancing its capabilities to process crude oil grades from a wider and cheaper basket, with flexibility for sourcing additional volumes in term contracts to manage contingencies.

Pipelines

During 2018-19, IndianOil's crude oil & product pipelines clocked the highest ever combined throughput, setting a new record for the fifth consecutive year. The countrywide pipelines network provides immense competitive advantage to the Company in the new era of digitally-aided logistics.

Pipelines: Arteries for energy flow

- Pipelines throughput during 2018-19: 88.53 MMT
- Pipelines length commissioned in 2018-19: 950 km
- Major among them:
  - Paradip-Haldia-Durgapur LPG pipeline: 516 km
  - Jaipur-Panipat naphtha pipeline: 344 km
- Total length of pipelines network: 14,231 km
- Combined throughput capacity: 94.2 MMTPA for liquid pipelines and 21.69 MMSCMD for gas pipelines
- Major pipeline projects underway:
  - Kandla-Gorakhpur LPG pipeline: 2,757 km
  - Indradhanush gas grid in the northeast: 1,656 km

Work has commenced on two major pipeline projects with joint venture (JV) partners during the year 2018-19. The Kandla-Gorakhpur LPG Pipeline, on completion, will be the longest LPG pipeline in the world, and will directly feed 22 bottling plants en route. The project will be executed by a JV of IndianOil, BPCL and HPCL. IndianOil has also formed a JV, Indradhanush Gas Grid Ltd., with ONGC, OIL, GAIL and NRL to develop a gas pipelines grid connecting all the State capitals of the northeast.

Other than its City Gas Distribution (CGD) projects and those with JV partners, 17 pipeline projects of the Company with a combined capex of about Rs. 24,000 crore are in various stages of implementation. On their completion in the next three years, IndianOil's pipelines network will expand to about 21,500 km.

Research & Development

IndianOil's R&D Centre is shaping into a game-changer in the ensuing competitive scenario as your Company adds new technologies, products and services to its bouquet of offerings.

The year 2018-19 saw your Company further build upon the confidence reposed by its customers by developing and commercialising products and process technologies that cater to the changing industry needs.

Inventing the future with world-class R&D

- Over four decades of R&D expertise in lubricants formulation, refinery processes, pipeline transportation, catalysts & additives, alternative fuels, etc.
- Over 1,000 patents filed till date; 100 to 120 patents per annum in the last five years
- Over 100 new lubricant formulations developed in 2018-19, 87% commercialised
- State-of-the-art Product Applications Development Centre for polymers business
- Support to start-ups in energy and social innovation sectors

Adding to the Company's intellectual wealth, the R&D Centre crossed a stellar milestone of filing its 1,001st patent recently. IndianOil's IP (Intellectual Property) portfolio currently comprises 794 active patents, of which 542 patents were granted abroad and 252 in India. Your Company has a higher commercialisation rate for its patents than the global average. Several of the quality upgradation projects implemented at IndianOil refineries for production of BS-VI fuels are based

IndianOil refineries, working relentlessly to implement BS-VI upgradation projects to meet the April 2020 target for supply of BS-VI fuels across the country.

on deep desulphurisation, isomerisation and dimerisation technology patents developed in-house.

The R&D Centre also commissioned a 5 tonnes-per-day plant at Faridabad for converting organic waste to biogas with a methane content of over 80% based on a novel bio-methanation technology developed in-house. The Centre is also commercialising a 2G ethanol process, together with a novel enzyme, which reduces ethanol production costs by 30%.

Your Company incurred a capital expenditure of Rs. 28,200 crore in 2018-19; the capital outlay for the current fiscal is Rs.25,083 crore.

IndianOil's R&D Centre developed over 100 new lubricant formulations during the year and commercialised 87% of them.

BUILDING NEW BUSINESSES

Besides making significant investments in upstream assets and petrochemicals, which are making significant additions to the Company's business in terms of equity oil and profitability, IndianOil is integrating natural gas and renewables in its energy value chain in a big way to be ready for a low-carbon future.

Exploration & Production

With a balanced portfolio of producing, discovered and exploration assets, your Company achieved significant progress in terms of 2P reserves, production volumes, equity oil and revenues during the year 2018-19.

IndianOil currently has participating interest (PI) in 10 domestic and 12 overseas E&P assets spread across 10 countries. The year 2018-19 was marked by acquisition of PI in E&P assets in Oman, Abu Dhabi and Israel.

Heading upstream for energy security

- Balanced portfolio of E&P assets; 10 in India and 12 overseas
- Overseas assets spread across 10 countries: Canada, USA, Russia, Venezuela, Abu Dhabi, Oman, Libya, Nigeria, Gabon and Israel
- Strategic tie-ups with over 20 reputed national & international energy corporates
- Acquired participating interest in E&P assets in Oman, Abu Dhabi and Israel in 2018-19

Petrochemicals

IndianOil is fast evolving into a petrochemicals major and has registered a robust 11.4% growth in sales in 2018-19. Backed by world-scale plants and world-class technology, IndianOil's *PROPEL* brand petrochemicals cover over 80% of a broad spectrum applications in plastics and are exported to over 70 countries.

Your Company has invested heavily in this vertical over the last two decades, incurring a capex of over Rs. 25,000 crore in major petrochemical projects such as LAB plant at Gujarat, PX/PTA plant and Naphtha Cracker at Panipat, and PP plant at Paradip. Among the major ongoing projects are MEG plant at Paradip and capacity expansion of Naphtha Cracker at Panipat.

Propelling growth with petrochemicals

- Petrochemicals sales in 2018-19: 2.64 MMT
- Production capacity enhanced to 3.15 MMT
- Major ongoing projects:
  - MEG plant at Paradip
  - Expansion of Naphtha Cracker at Panipat
- New projects envisaged till 2023-24
  - Acrylic acid/Oxo-alcohol project at Gujarat
  - PX/PTA project at Paradip
  - Petcoke gassification in Paradip
  - Textiles project in Eastern India
  - PBR project at Panipat

IndianOil has firm plans to invest Rs. 26,000 crore on various ongoing and new petrochemical projects till 2023-24 to consolidate business. These projects include revamp/augmentation of existing capacities and new projects as well as equity investment in *Hindustan Urvarak & Rasayan Ltd.* (HURL).

The IndianOil Board has also accorded approval for a Plastics Park at Paradip through a JV with Industrial Development Corporation of Odisha. Similarly, Board approval has been obtained for land procurement and finalisation of a JV partner for a textiles project at Bhadrak in Odisha. Industrial Promotion & Investment Corporation of Odisha has allotted 60 acres of land for the textiles project.

Backed by world-scale plants and world-class technology, IndianOil's PROPEL covers over 80% of all conceivable applications in plastics, and is exported to over 70 countries.

Natural Gas

Natural gas is transforming into a major businessline for your Company, and the recent commissioning of the state-of-the-art LNG import terminal at Ennore has given it a big boost.

As the second largest player in this growing segment, IndianOil is building infrastructure and retail networks to reach out to all user segments: industry-transport-homes-commercial establishments.

Fuelling the future with natural gas

- Natural gas sales in 2018-19: 3.96 MMT
- Capacity of Ennore LNG terminal: 5 MMTPA
- Geographical Areas (GA) won by IndianOil on its own after 9th and 10th round of CGD bidding: 17
- GA won in partnership with JVs: 23
- Total tally of GAs with IndianOil: 40
- Investments in CGD over next 8 years, including equity contribution in JVs: Rs. 10,000 crore

With a portfolio of about 60 R-LNG customers, besides supplies to the Company's own refineries at Mathura, Panipat and Koyali, IndianOil registered a 2.6% growth in natural gas sales in 2018-19.

Besides being a JV partner in Indradhanush natural gas pipeline grid in the Northeast, your Company is investing in two more joint ventures that are laying three gas pipelines of a combined length of 3,760 km covering nine States.

Your Company is pursuing an ambitious agenda in city gas distribution (CGD) covering 40 Geographical Areas (GA) on its own as well as with reputed joint venture partners. IndianOil's investment on development of CGD networks in the next eight years is likely to be about Rs. 10,000 crore.

Alternative Energy

Your Company is fully aligned to the country's aspirations to transit to clean energy and has planned Rs. 25,000 crore investment in green energy projects. Besides a target to scale up its solar energy and wind-power portfolio to 260 MW by the year 2020, IndianOil has initiated diversification into alternative, renewable energy and bio-fuels – 2G & 3G ethanol, waste-to-energy and compressed bio-gas (CBG).

Your Company is spearheading the Government's innovative SATAT (Sustainable Alternative Towards Affordable Transportation) initiative launched in 2018 as a waste-to-wealth measure. With similar calorific value and other properties, CBG has the potential to replace CNG as an affordable fuel in automotive, industrial and commercial uses by conversion of biomass, or any kind of organic waste. In fact, the evolving CBG programme will go a long way in reducing India's dependence on crude oil imports.

Green energy for a green future

- Rs. 25,000 crore investment planned in alternative energy and sustainable development projects
- Solar energy and wind-power portfolio to be scaled up from 212 MW to 260 MW by the year 2020
- LOIs issued for 96 plants to supply 782 tonnes per day of CBG under SATAT initiative
- 5,000 more Company fuel stations converted to run on solar energy in 2018-19
- Cumulative installed capacity of Company's 14,000+ solar-operated fuel stations: 77 MW

Surging ahead, IndianOil plans to invest Rs. 25,000 crore in alternative energy and sustainable development projects.

FUTURE-READY CORPORATE

Your Company is implementing an ambitious Rs. 2 lakh crore investments plan in the next 5-7 years to evolve into a future-ready corporate that provides comprehensive energy solutions to diverse user groups in an exciting phase of energy transition and technology disruptions.

Besides focus on refinery expansions, new technologies for clean fuels & enhanced outputs, and refinery-petrochemicals integration, IndianOil is aggressively leveraging its R&D expertise to move into horizon technologies like 2G & 3G ethanol, bio-fuels, coal gasification, H-CNG, Hydrogen fuel cells, battery technologies, etc. These technologies, along with cleaner fuels and higher engine efficiencies, can offer sustainable solutions to today's energy challenges.

Keeping this in view, your Company is pursuing a number of new technologies and/or pilot studies in the areas of refinery processes, petrochemicals & polymers, alternative energy and bio-energy in collaboration with reputed partners in India and abroad.

Going closer to consumption centres and consumers in an economical and environment-friendly manner has been the philosophy behind IndianOil's pipeline network expansion. And, as the Company grows its LPG and LNG verticals rapidly, its gas pipelines network too is set for phenomenal growth.

Your Company aspires to be a major player in natural gas, with leadership in the R-LNG segment, and is taking steps to enhance its share in LNG sourcing, import terminals, cross-country pipelines, city gas distribution networks and bulk supplies by road-tankers.

Your Company is targeting its own equity oil & gas of 7 MMTPA from its upstream portfolio by the year 2023-24 from 4.39 MMTPA currently, and is continuously on the lookout for acquisition of stakes both in E&P companies as well as individual assets.

You may be aware that your Company had incorporated *Hindustan Urvarak & Rasayan Ltd.* (HURL) in June 2016 as a joint venture with Coal India Ltd. and NTPC for revival of three fertiliser plants at an estimate cost of Rs. 21,000 crore. Work is progressing at a fast pace on the three plants located at Gorakhpur (Uttar Pradesh), Sindri (Jharkhand) & Barauni (Bihar) and commercial production of neem-coated urea from all the three plants is likely to commence in the first half of the year 2021.

In step with the times

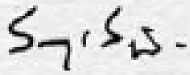
Your Company has a remarkable legacy of growing in step with the times. A certified *Great Pace to Work*, IndianOil is continuously improving its human eco-system to achieve cross-divisional synergy and a solutions-oriented approach. The human resource capital is being leveraged in a big way to make your Company a truly learning organisation with access to both natural and formal developmental opportunities for all. E-learning is being mainstreamed across the organisation and IOCians across functions are being actively encouraged to acquire new knowledge and skills to be active partners of a 21st century organisation focussed on growth opportunities of the future. With the enterprise getting increasingly younger, new and innovative learning models are being deployed to enable IOCians to continuously improve products and processes.

Your Company's business strategy has always been in tune with technology and innovations. We have installed the best of automation processes and the latest safety systems at our installations. Optimised operations and logistics, smart terminals, automated fuel supply points and a dedicated field force are helping us lead the competition. We have now embarked on digital transformation of the organisation to serve and sustain the trust of our billion-plus customers across 50,000+ customer touch-points.

Your Company's 33,000-strong team represents a formidable array of talent and skills, technical and managerial expertise, demographic diversity and a 'can do' attitude infused with the core values of *Care, Innovation, Passion* and *Trust*. This signifies a very bright future for IndianOil. The idea is to create an eco-system of growth for all-round excellence in our pursuit to create happy customers through high-quality products and services, delivered efficiently.

Generations of IOCians have had one thing in common – a steadfast commitment to the idea of India, and IndianOil as '*The Energy of India*.' As we complete 60 years of our operations, I can confidently say that the best of IndianOil has just begun.

I look forward to your support and encouragement for the journey ahead.



(Sanjiv Singh)
Chairman

About the Report
From the Chairman's Desk
About IndianOil
Description of Capitals
Board of Directors and others
Directors' Report
Management's Discussion & Analysis
Business Responsibility Report
Report on Corporate Governance
Financial Statements

HIGHLIGHTS OF FY 2018-19

Financial Capital

Revenue
₹ 6,05,924 crore

EBITDA
₹ 36,952 crore

Profit After Tax
₹ 16,894 crore

Manufactured Capital

Product Sales (including exports)
89.89
Million Metric Tonnes (MMT)

CAPEX
Over ₹ 28,100 crore

Fuel Stations
648
Commissioned during 2018-19

Total Numbers
27,702

Refineries Throughput
71.82 MMT

Pipelines Throughput
88.53 MMT

Petroleum Product Sales
79.96 MMT

Petrochemicals Sales (including exports)
2.64 MMT

Gas Sales
3.96 MMT

E&P Output
4.39 MMT

Human Capital

33,498
Dedicated Workforce

2,167
Executives Recruited

Over 3,000
Training Programmes

8,474
Employee Safety Training Mandays (Employees + Contract Workers)

1,23,754
Employee Training Mandays

8.56%
Women in Workforce

Intellectual Capital

107 Patents earned

Robust patent filing enabled reach the milestone of **1000** patents in April 2019

Total active patents: **790**

13

New Start-up projects being funded to enable technology and business process re-engineering, besides **11** ongoing projects

₹ 498 crore

Estimated notional savings through R&D initiatives

₹ 1,576 crore/year

Refinery Margin improvement from indigenously developed technologies

441

Trained personnel on recent technological advancements

₹ 437.34 crore

R&D expenditure

Social and Relationship Capital

₹ 490.60 crore

CSR spend

₹ 1,93,422 crore

Contribution to exchequer in the form of taxes and duties

Vidushi

56 under-privileged girls enrolled for free coaching after XII

46 cleared IIT JEE Mains (out of whom, 17 cleared JEE Advanced & will get an opportunity to join IITs; balance 29 likely to join NITs/IIITs)

Gyanodaya Scheme

Scholarship for **1,138** under-privileged students from 30 ITIs/Polytechnics

Benefitted more than **7.75** lakh students through various educational projects

Kaushal Vikas

Skill Development Institute, Bhubaneswar, a premier skilling centre of India

Benefitted more than**15,000** unemployed youth

Jal Jeevan

Drinking water facilities provided to over **10** lakh beneficiaries

Divyangjan

Provided assistive devices to more than **20,000** *divyangjan* (specially abled persons) across 21 States

Natural Capital

12.87%

Specific water footprint reduction at refineries against 2012-13 levels

12.43%

Specific carbon footprint reduction at refineries against 2012-13 levels

216 MW

(167.6 MW Wind, 48.6 MW Solar)

Total installed capacity of renewable energy projects as on 31 March 2019

388 GWh

Renewable energy generated (Solar and Wind) during 2018-19

13,29,000 tCO_2

Mitigation of greenhouse gas emissions through increasing pipeline transport of crude oil and finished products over transport by rail

71.3 MBN

Best ever specific energy consumption

2,10,000

Saplings planted to enhance green cover

ABOUT INDIANOIL

Overview of the Company

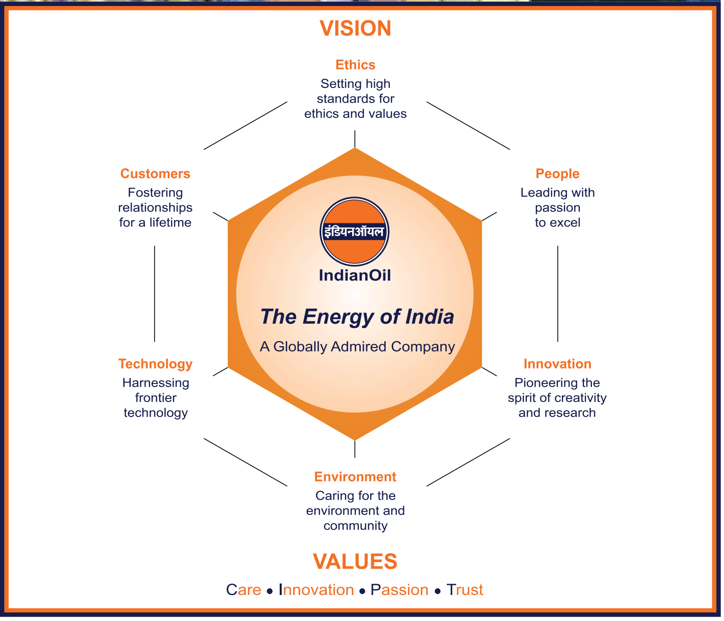
IndianOil is India's largest refiner with a Group refining capacity of 80.7 MMTPA

IndianOil is India's flagship integrated energy major fuelling all sectors of the economy and all sections of society, with a wide range of products and services closest to the end-users through its countrywide network of customer touch-points.

IndianOil's business interests straddle the entire hydrocarbon value chain- from exploration and production of crude oil and gas to refining, pipeline transportation and marketing of petroleum products, natural gas and petrochemicals, besides foraying into alternative energy and globalisation of its downstream operations.

The Company has maintained its leadership position in the country by constantly enhancing its technological capabilities. It has a diversified, strong and dedicated workforce of 33,498 employees across all its operations.

IndianOil distinguishes itself with its operational excellence across functions; owns state-of-the-art technologies and cutting-edge R&D; implemented global best practices; ensured that energy is tapped in the most responsible manner and continues to meet the country's energy demand most affordably.



IndianOil jumped 31 positions to rank 137 in *Fortune*'s 'Global 500 listing' of the world's largest firms for the year 2018

IndianOil's Operational Performance (FY 2018-19)

₹ 6,05,924 crore Revenue	**₹ 16,894 crore** Profit After Tax	**₹ 1,93,422 crore** Contribution to Exchequer
71.82 MMT Refineries Throughput	**88.53 MMT** Pipelines Throughput	**89.89 MMT** Product Sales (inclusive of Petrochemicals, Gas & Exports)

IndianOil's Operational Performance (FY 2018-19)

Largest Refiner in India

- Highest ever crude oil throughput of 71.82 MMT
- Capacity utilisation of 103.8%
- Lowest ever Specific Energy Consumption of 71.3 MBN
- Nine new crude oil grades processed

Unparallelled Network of Cross-country Pipelines

- As on 31 March 2019, total length of pipelines was 14,231 km with capacity of 94.16 MT of crude/product pipelines and 21.69 MMSCMD of gas pipelines
- Crude oil pipelines: Throughput of 51.33 MMT
- Petroleum product pipelines: Throughput of 37.20 MMT
- Gas pipelines: Throughput of 1,834 MMSCM

Marketing: Reaching Every Nook & Corner of the Country

- Domestic sales of 79.96 MMT of petroleum products
- Commissioned 648 fuel stations
- Solarised 5,033 fuel stations
- New domestic LPG connections to >2 crore customers
- Aviation Service maintained market share of 60%
- Commissioned nine new Aviation Fuel Stations

R&D: Supporting Business Interests

- Filed 160 patents; earned 107 patents (30 Indian and 77 overseas)
- Embarked upon wide-scale field validation of patented H-CNG Technology
- Set up pilot plant to convert greenhouse gas (CO_2) to bio-fuel and high-value food supplement material (Omega-3 fatty acids) in collaboration with LanzaTech, USA
- Developed 103 lubricant formulations; commercialised 87% of them; received 110 approvals from OEM

Petrochemicals: Expanding Beyond Core Business

- More than 100% capacity utilisation
- Petrochemicals sales of 2.64 MMT (domestic and exports)
- Received approvals for various polymer grades from 20 major Indian and international OEMs
- Rolled out three new polymer grades and undertook 50 developmental projects with customers and OEMs for developing import substitution grades

Natural Gas: For a Clean & Green Tomorrow

- Recorded sale of 1.86 MMT R-LNG and internal consumption of 2.10 MMT of R-LNG
- Implementing City Gas Distribution (CGD) networks in 11 Geographical Areas (GAs) through two Joint Venture Companies
- 'LNG at Doorstep' - sold 36.12 TMT of LNG
- 60 customers using R-LNG
- After 10th Round of CGD bidding-presence in 40 GAs

Exploration & Production: Heading Upstream for Energy Security

- Overseas E&P portfolio spread over 10 countries, viz., Canada, Gabon, Israel, Libya, Nigeria, Oman, Russia, UAE, USA & Venezuela
- 65% increase in share of production from upstream assets against 2017-18, registering an increase in volume from 2.66 MMTPA to 4.39 MMTPA
- Jointly awarded "Onshore 1" Block in U.A.E with Bharat Petro Resources Ltd.
- Acquired 17% Participating Interest in Mukhaizna Oil Field, Oman
- Upstream Integration Ratio of 5.5%

Alternative Energy and Sustainable Development: Transiting to Clean Energy

- Added 14.2 MW of renewable energy capacity
- Spearheading SATAT initiative to retail compressed biogas (CBG)
- Cumulatively replaced 4.5 lakh conventional light fittings with LED lights
- Planted 2.1 lakh saplings during the year
- Recycled 137 tonnes of waste paper in exchange for new/ recycled paper
- Cumulative 608 rainwater harvesting systems installed with a potential to harvest 3 bn litres of rainwater

Geographical Presence

As India's leading corporate and a dominant player across a diverse portfolio of energy offerings, IndianOil has established its presence in diverse markets across the globe.

Besides well-established overseas subsidiaries in Sri Lanka, Mauritius, UAE, Sweden, USA, The Netherlands and Singapore, IndianOil is pursuing diverse business interests with its 20 joint ventures with reputed business partners from both India and overseas. The Company's leading *SERVO* brand lubricants are exported to over 25 countries while its *PROPEL* brand petrochemicals are exported to over 70 countries. The Company has also opened new overseas offices in Yangon, Myanmar and Dhaka, Bangladesh for exploring opportunities in marketing of finished petroleum products, petrochemicals, lubricants, etc. in the neighbouring countries, besides development of downstream infrastructure.

IndianOil is evaluating multiple business opportunities in Bangladesh, Myanmar, Nepal, Saudi Arabia, Azerbaijan and Africa. During the year 2018-19, Memoranda of Understanding (MoUs) have been signed with partners in Bangladesh and Myanmar for cooperation in upstream and downstream hydrocarbons sector.

IndianOil's overseas E&P portfolio is spread over 10 countries, viz., Canada, Gabon, Israel, Libya, Nigeria, Oman, Russia, UAE, USA & Venezuela. During the year 2018-19, IndianOil along with consortium partners expanded its E&P portfolio to include Israel and Oman.

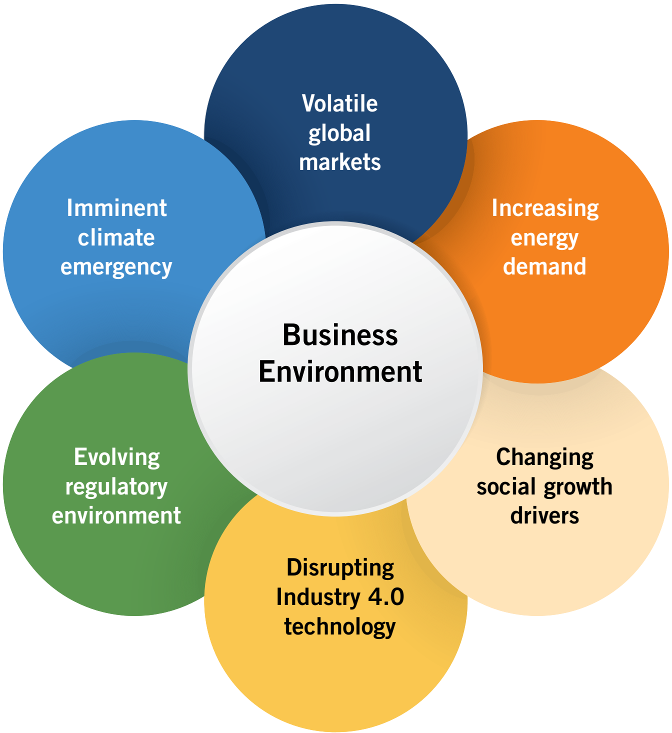
External Forces

As the leading energy sector player, IndianOil has a crucial role to play in the fast-changing industry landscape. The business environment is influenced by a multitude of factors ranging from political, economic, social, technological, legal to environmental. In a politically volatile global market impacted by multiple factors such as US-China trade war, the imposition of sanctions on Iran by the US, the socio-political crisis in Venezuela, the oil & gas business is bound to face risks both in the short and medium-terms. On the economic front, there has been a considerable increase in the global energy demand, coupled with an increase in the production and consumption of oil in specific. Increasing imports of crude oil, along with rising international prices, has led to higher import bills for the Oil Marketing Companies (OMCs). There is a significant shift in the pattern of energy consumption towards cleaner sources such as natural gas and renewables. LPG consumption has seen accelerated growth, owing to the Government's push towards clean cooking fuel for all households. In the social environment, 'access to affordable energy' has been the major driver for players in the energy sector.

Electric and shared mobility is a fast-rising consumer preference, which has the potential to disrupt the transportation industry and might pose a challenge to oil companies. Digital revolution is ruling the roost through big data analytics, artificial intelligence, block-chain, cloud computing, Internet of Things, in the technologically enabled environment. Adoption of Industry 4.0 by leaders in the sector has proven to be beneficial in boosting margins. The Government, through continuous updates of regulations, has created an environment encouraging companies on aspects of improving energy efficiency, reducing emissions, and bettering process excellence. The policy thrust on bridging the energy divide through free LPG connections - *Pradhan Mantri Ujjwala Yojana*, and rural electrification scheme - *Saubhagya* is bringing in a paradigm shift. Further, as rural incomes and prosperity rise, vehicle ownership is set to drive fuel demand. Increasing rural incomes are driving ownership of consumer appliances, which in turn are set to push up petrochemicals demand in the country.

The Government's target to achieve a renewable energy portfolio of 175 GW for India by the year 2022 has resulted in large scale diversification of companies into the renewable energy business. The environmental impact of operations is now the highest priority among all companies across sectors. Major issues such as poor air quality and increasing temperature are making it increasingly relevant to comply with the Nationally Determined Contributions (NDCs). The international agencies are closely monitoring the progress on NDCs, making it no longer possible for companies to do business without ensuring sustainable business practices.

In line with the NDCs, IndianOil has also undertaken various initiatives such as installation of 216 MW of renewable energy projects, planting of 2,10,000 saplings, implementation of 67 energy conservation/efficiency projects resulting in a saving of ₹ 135.3 crore during the year 2018-19.



GOVERNANCE

IndianOil's commitment to upholding the highest principles of business integrity, transparency and accountability defines it as a Company and distinguishes it from many of its competitors. IndianOil has nurtured a culture of high integrity where every employee is held accountable and responsible for upholding ethical values and for conducting business with unwavering standards of integrity, embracing both values and rules.

IndianOil believes that a framework based on these core principles not only maximises shareholder values, but also fosters trust in the Company among the diverse stakeholders.

IndianOil's corporate governance framework and philosophy stems from its responsibility towards stakeholders and the need to conduct business in an ethical, transparent and fair manner.

Components of Policy Framework

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

Board of Directors

An active and well-versed Board goes a long way in promoting stakeholders' interest and simultaneously upholding corporate values. The Board sets strategic goals and seeks accountability for their fulfilment. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations.

The Board of Directors of IndianOil is duly constituted with proper balance of Executive (Whole-Time) Directors, Non-Executive (Part-Time) Government Nominee Directors and Non-Executive (Part-Time) Independent Directors. The Board has a balance of skills, experience and diversity of perspectives appropriate to the Company. Their experience ranges from core oil & gas, research, business, law, finance, economics and accounts to administration.

The changes in the composition of the Board of Directors that took place during the year 2018-19 were carried out in compliance with the provisions of the Companies Act.

Adequate notice is being given to all Directors in scheduling the Board Meetings, the agenda items and detailed notes on the agenda items are being sent at least seven days in advance, and a well-defined process has been established for seeking and obtaining further information and clarifications, if any, on the agenda items before the meeting and for meaningful participation at the meeting.

During the financial year 2018-19, 12 Board Meetings were held. Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent well in advance for meetings other than those held at shorter notice. IndianOil has adopted paperless board meetings and agenda items are uploaded on a digital platform (Board Portal), which are accessed by the Directors electronically on their electronic devices in a secured manner.

The current composition of the Board is given below:

Overview of the Board

Whole-time Executive Directors

Shri Sanjiv Singh 59 years
Chairman
Graduate in Chemical Engineering

Shri G K Satish 58 years
Director (Planning & Business Development)
Graduate in Mechanical Engineering & Post-Graduate in Management

Dr. S. S. V. Ramakumar 56 years
Director (Research & Development)
Doctorate in Chemistry

Shri B. V. Rama Gopal 60 years
Director (Refineries)
Graduate in Chemical Engineering

Shri Ranjan Kumar Mohapatra 55 years
Director (Human Resources)
Graduate in Mechanical Engineering and Post-Graduate in Management

Shri Gurmeet Singh 58 years
Director (Marketing)
Graduate in Mechanical Engineering

Shri Akshay Kumar Singh 58 years
Director (Pipelines)
Graduate in Mechanical Engineering

Non-Executive Government Nominee Directors

Shri Ashutosh Jindal 47 years
Govt. Nominee Director
IAS Officer (1995), Electronics & Communications Engineer and Post-Graduate in Economics

Smt. Indrani Kaushal 47 years
Govt. Nominee Director
IES Officer (1995) and Post-Graduate in Economics

Non-Executive Independent Directors

Shri Parindu K. Bhagat 66 years
Independent Director
Graduate in Chemical Engineering & Law

Shri Vinoo Mathur 70 years
Independent Director
Graduate in Science and Post-Graduate in Transport & Development

Shri Samirendra Chatterjee 66 years
Independent Director
IAS Officer (1976) and Post-Graduate in Physics

Shri C. R. Biswal 66 years
Independent Director
IAS Officer (1981) and Post-Graduate in Physics

Dr. Jagdish Kishwan 66 years
Independent Director
Indian Forest Service Officer (1975) and Post-Graduate in Mathematics

Shri Sankar Chakraborti 48 years
Independent Director
Graduate in Physics and MBA

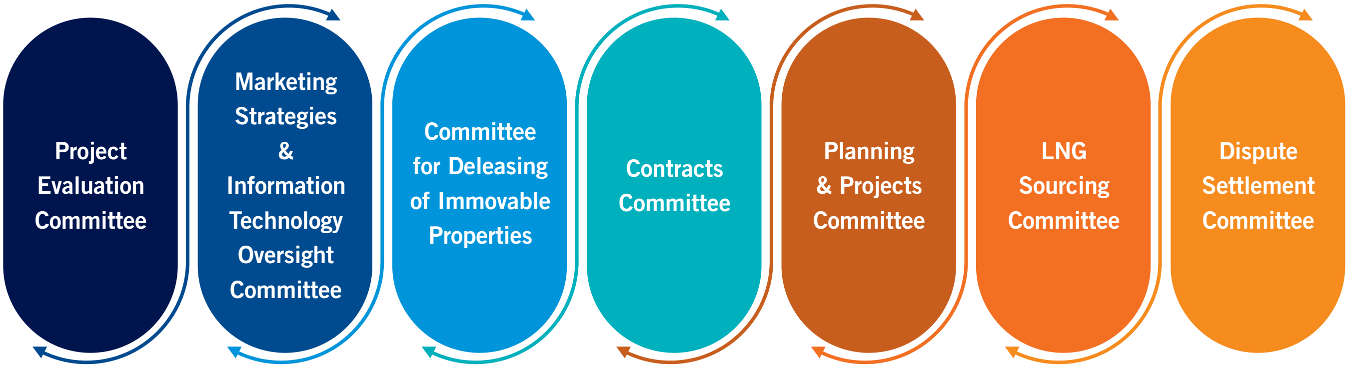
Shri D. S. Shekhawat 47 years
Independent Director
Chartered Accountant

Committees of the Board

IndianOil is committed to following the best practices of corporate governance and the Board is responsible for ensuring the same. The Committees of the Board play a significant role in the governance structure of the Company. They have been constituted under the formal approval of the Board to carry out clearly defined roles.

Statutory Board Committees

Other Board Committees



The Committees meet at regular intervals and take necessary steps to perform duties as entrusted by the Board. There is a seamless flow of information as the Committees report their recommendations and opinions to the Board, which in turn supervises the execution of the respective responsibilities by each Committee.

Please refer to the Corporate Governance Report of this Annual Report for details of the Company's philosophy on Corporate Governance and Compliance therewith.

STRATEGY, RISK & OPPORTUNITIES

Strategy

IndianOil has developed its long-term strategic approach with the overarching objective of optimising synergistic value creation for all its stakeholders and mitigating all future risks. The Company's strategy lays emphasis on keeping pace with the dynamic business scenario, being agile and responsive in adapting to global and domestic market trends and maintaining its leadership position in the market.

The Company's strategic intent is to be a future-ready organisation to be able to exploit emerging opportunities and mitigate future risks. To accomplish this objective, IndianOil nurtures a culture of innovation and technological advancement and at the same time leverages its core competence, infrastructure and reach to stay competitive in the market. The Company also fosters a conducive environment for Research & Development and innovation to enhance efficiency, reliability, productivity and safety in its business operations. The Company is committed to providing energy access to the rural population through enhancing its geographical reach. IndianOil has developed a roadmap and action plan to usher in clean and green energy alternatives to mitigate the risks of global warming.

The holistic approach and intent of the Company is to be 'The Energy of India' and support the nation by fulfilling its current and future needs for energy in its various forms.

Fortifying Refining & Marketing Business

- Securing India's future energy needs through greenfield and brownfield expansion of refining capacity
- Reaching every nook and corner of the country through expansion of marketing and distribution network
- Improving customer service with value-added products and services

Alignment With Transition: Offering Total Fuel Solutions

- Establishing strong presence across the natural gas value chain
- Investing to improve fuel quality to meet future regulatory norms
- Achieving a greener product portfolio by investing in alternative, renewable fuels

Continued Thrust on Research and Technology

- Commercialisation of process technologies and novel products developed inhouse
- Investing in research in areas of bio-energy, alternative energy, nano-technology and petrochemicals to derive competitive advantage

Enhancing Value Proposition through Integrated Value Chain

- Integrating upstream assets into the value chain for equity oil & gas
- Developing integrated petrochemical complexes
- Developing gas infrastructure and marketing network

Expanding Global Outreach

- Scouting for new opportunities for global partnerships in upstream and downstream business
- Strategic partnerships with leading International Oil Companies and/or National Oil Companies for enhanced synergy

Operational Excellence With a Digital Future

- Making operations resource-and energy-efficient, enhancing customer experience through digitalisation
- Reducing costs and enhancing safety and reliability of operations for enhanced productivity
- Enhancing customer experience through digitalisation

Delivering Business Responsibility/Responsible Business

- Making operations greener and reducing energy intensity of the Company
- Adopting long-term action plan for reducing specific carbon and water footprints
- Focussing on recycling to become plastic-neutral organisation

Building Strong Collaborations and Partnerships

- Building strategic alliances in India and abroad to create synergistic values
- Nurturing start-ups environment to foster innovation and achieve competitive advantage
- Partnering with other CPSEs for securing upstream oil & gas assets

TARGETS AND IMPLEMENTATION PLAN

Refining

Targets
- Maintain leadership in refining capacity (150 MMTPA)
- Optimise internal energy consumption

Implementation Plan
- Greenfield and brownfield capacity expansions
- Sustained energy efficiency/conservation measures

R&D

Targets
- World-class technology provider

Implementation Plan
- Increased investments in R&D
- Setup Technology Implementation Cell with engineering design & troubleshooting capability
- Second campus focussing on alternative energy
- Collaborative R&D

Natural Gas

Targets
- Triple current market share in gas business
- Leadership in R-LNG segment
- 60 CGDs

Implementation Plan
- Sourcing of equity gas
- Judicious mix of long term and spot procurement
- Domestic and transnational pipelines
- Develop import terminals/infrastructure

Overseas Business

Targets
- Increase overseas footprint to 8% of turnover

Implementation Plan
- Additional regional hubs in South Africa and Nigeria
- Agents/distributors in 20 countries to scout for new business
- Distribution infrastructure in overseas markets

Marketing

Targets
- Sustained market leadership in all business segments
- Optimised distribution network
- Marketing of alternative energy options

Implementation Plan
- Expand fuels and LPG retailing in rural markets
- Automation and modernisation of fuel stations
- Enhance customer services through digital transformation
- Bio-CNG and EV-charging options

TARGETS 2030

Leadership in business verticals

Best Employer in India

Among the top 100 in *Fortune*'s 'Global 500'

ROCE of 20%

Alternate Energy & Sustainable Development

Targets
- Increase share of renewables in Company's energy basket
- Reduction in carbon and water footprints
- Develop alternative fuels business

Implementation Plan
- Scale up solar and wind-energy projects
- Adopt energy efficiency, energy & water conservation measures
- Develop compressed bio-gas (CBG) business
- Set up 2G ethanol plants

Pipelines

Targets
- Enhance pipeline evacuation from 57% currently to 82%
- Expand natural gas pipelines grid
- Crude oil supplier to inland refineries

Implementation Plan
- Building pipelines for product positioning at demand centres
- Capacity additions in crude oil handling infrastructure

Petrochemicals

Targets
- Production capacity of 13 MMTPA
- Polymer market leadership

Implementation Plan
- Realignment of marketing activities
- Consolidation through capacity expansion
- Entry into niche grades segment
- New complex as part of mega refinery project on West Coast

Exploration & Production

Targets
- Equity Investment for 7MMTPA of oil & gas by 2023-24
- Expansion to 11 MMTPA

Implementation Plan
- Strategic tie-ups with national and international partners
- Investments in countries of CIS, MENA, GCC regions
- Acquisition of producing assets
- Participation in domestic and overseas licencing rounds

Risk Management

IndianOil operates in a highly dynamic business environment dependent on various internal and external drivers, which broadly encompasses geo-political environment, changing laws and regulations, technological advancements, disruptive innovations and growing stakeholders' concerns. To deal with this ever-changing and aggressive business paradigm, IndianOil has a comprehensive, robust and all-inclusive risk management framework that empowers the Company to deal with any potential risk and aids in becoming a future-ready organisation.

The Company has constituted Risk Management and Compliance Board (RMCB) which regularly scans the internal and external environment and consults with Risk Champions of various divisions/departments to keep a 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 measuring and monitoring system robust and dynamic, each risk is assigned with KPIs, which is continuously reviewed by RMCB. In compliance with SEBI's listing regulations, RMCB periodically submits risk review reports to the Risk Management Committee of the Board. Activities and processes pertaining to risk management along with status are also reviewed by the Audit Committee and the Board.

Major Risks*

Threat to market share

KPIs of the Risks

- Product-wise growth in market share vis-à-vis industry
- Number of new fuel stations commissioned
- Repeat sales to customers through loyalty programmes

Mitigation Plan

- Enhancing reach in rural markets
- Driving customer trust through loyalty programmes
- Differentiated product grades/services
- Thrust on non-fuel revenue

Erosion in refining margins

KPIs of the Risks

- Impact on margins due to variation in demand
- Impact on margins due to crack variation
- Crude/product mix variation
- Variation in Specific Energy Consumption (MBN)/throughput

Mitigation Plan

- Optimising crude oil mix
- Exploring new grades of crude oil
- Reducing fuel loss while improving distillate yield
- Hedging of crack margins

Cost and time overruns in projects

KPIs of the Risks

- Time and cost overruns
- % milestone achievement
- Loss of market opportunities/margin

Mitigation Plan

- Extensive monitoring of critical activities
- Enhancing control over project activities
- Improvement in vendor selection process/criteria

Lack of adequate infrastructure

KPIs of the Risks

- Additional capacity augmented
- Unmet demand
- Incremental operational cost

Mitigation Plan

- Investment in new infrastructure
- Expansion of existing capacities

Return on producing E&P assets

KPIs of the Risks

- Return on Investment
- Production volume

Mitigation Plan

- Comprehensive due diligence
- Close monitoring and control
- Periodic review and assessment

*Non-exhaustive list

Risks on radar
- Electric mobility
- Tax disputes and litigation
- Environmental risks
- Cyber-security risks
- Safety risks

Opportunity

Despite global economic slowdown, Indian economy witnessed a remarkable growth and continued to be the fastest growing large economy. This growth was attributed to private spending, industry, manufacturing and capital formation. Indian economy is expected to grow in the years to come also, which is a positive sign for the Company.

The Indian energy sector has taken a leap forward due to sustained economic growth coupled with rising energy demand. Policy reforms in Indian energy sector have created an atmosphere of exciting opportunities for the Company. Major policy decisions during the year were shaped by environmental concerns, focus on renewables and alternatives, importance of natural gas in the energy mix, and the need for international cooperation and foreign investment.

Though it is evident that India's energy demand will grow in future, there are critical challenges that the country might face in meeting its growing energy needs such as bridging the energy divide, providing energy justice through electricity and clean cooking fuel access to marginalised groups in the population. In its pursuit to be 'The Energy of India,' the Company is geared to leverage its capabilities, experience and innovation to achieve its long-term goals and drive sustained growth.

1 Refining & Marketing

Opportunity

Long-term growth in oil demand

Action Plan

- Augmenting refinery capacity
- Upgradation of product quality
- Further strengthening of distribution and marketing infrastructure

2 Petrochemicals

Opportunity

High-growth potential for petrochemicals

Action Plan

- Expansion, collaborations and acquisitions
- Value addition to existing products
- Development of integrated petrochemical complexes

3 Natural Gas

Opportunity

Policy thrust on gas and LNG boom

Action Plan

- Scaling up and investing in natural gas value chain, LNG import terminals, City Gas Distribution (CGD) segment and enhancing pipeline infrastructure
- Exploring new avenues - LNG bunkering, overseas business, LNG by road

4 Renewable Energy

Opportunity

Expanded role of renewables in India's energy mix

Action Plan

- Investment in wind and solar energy generation
- Investment in R&D to boost technological advancement and innovation in renewable energy segment

5 Modern Bio-energy

Opportunity

Policy focus on modern bio-energy

Action Plan

- Raising the percentage of ethanol blending in petrol
- Investing in setting up of 2-G ethanol plants and a pilot facility for 3-G ethanol
- Integration of refinery processes with biofuel production
- Investing in Compressed Bio-Gas, waste-to-fuel technologies

6 Electric Mobility

Opportunity

Policy thrust on electric mobility

Action Plan

- Exploring opportunities for manufacturing and retailing of batteries
- Setting up of fast charging EV stations

7 Industry 4.0

Opportunity

Mega changes in oil & gas industry

Action Plan

- Deploying digital technology in the domain of predictive maintenance, real-time integrated data, drones for surveillance, which can reduce costs, enhance efficiency and increase reliability and safety of operations.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

Stakeholder Engagement

IndianOil nurtures a business environment with an underlying belief that every stakeholder of the Company is a trusted business partner and a crucial element in the value chain of the Company. The Company believes that effective stakeholder engagement is vital for the sustained growth of business and is the foundation of good corporate governance. To keep the Company abreast of the dynamic expectations of the stakeholders, to garner their feedback and to understand and address their specific concerns, it is essential to institute a transparent, robust and efficient stakeholder engagement process.

IndianOil engages with a diverse range of internal and external stakeholders, spread across geographies, in a periodic and structured manner, using various modes of engagement. The Company maintains a symbiotic and synergistic relationship with its stakeholders by embracing a people-centric approach which helps in identifying the unique and distinctive priorities of the stakeholders. It also enables the Company to develop a business strategy that optimises value creation for each stakeholder.

Stakeholder Engagement Process

Financial Institutions	Investors' Meet, Annual General Meeting, Road Shows, Corporate Website, Conference Calls
Shareholders	Annual General Meeting, Corporate Website, Sustainability Reports, Grievance Redressal Mechanism, Annual Report, Social Media
Employees	Events, Seminars, Periodicals, Workshops/Training Programmes, Employee-centric Applications, Surveys, Employee Portal
Customers	Customer Care Programmes, Grievance Redressal Forums, Helpline Numbers, Public Hearing, Corporate Website
Regulatory bodies	Meetings, Industry Forums, Regular Updates
Industry / Trade Associations	Meetings, Seminars, Workshops
Business Partners/ Contractors	Dealer/Distributor Conventions, Transporter Meets, Meetings with Contractors/Vendors, Seminars/Workshops, etc.
Community	Awareness Programmes, Meetings, Public Hearings, CSR Projects, Sponsorships

Through effective stakeholder engagement and collaboration, IndianOil aims at the following:

Objectives of Stakeholder Engagement

- Effective monitoring of stakeholder issues
- Evaluating stakeholder concerns and developing action plan
- Reviewing action taken for redressal of issues
- Ensuring inclusion of stakeholders in triple bottom line growth
- Enhancing transparency and accountability

Materiality

As part of its long-term strategy, IndianOil conducted a materiality assessment exercise 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 identified 26 material issues under four broad categories, viz, Economic, Environmental, Social and Corporate Governance & Compliance. These material issues are prioritised (High, Medium and Low) based on their potential impact on business and importance to the stakeholders. The Company has developed an action plan and has taken initiatives to address these material issues on priority. The material issues with the highest priority along with actions taken by the Company are enlisted in the report.

Material Issues of IndianOil

Priority	Material Issues				
High	Customer Satisfaction	Supply Chain Management	Energy Efficiency		
	Brand Value	Occupational Health & Safety	Managing Environmental Impact		
	Spills	Product and Operational Efficiency			
Medium	Security Practices	Water Management	Emission Mitigation	Competition	Cyber Security
	Economic Performance	Compliance	Waste Management	Energy Transition	Regulatory & Legal Challenges
	Employment Practices	Human Rights	Labour Management		
Low	Indirect Economic Impact	Sustainable Procurement	Corporate Social Responsibility		
	Workforce Diversity	Geo-political Risk			

Economic | Environmental | Social | Corporate Governance and Compliance

Key material issues and initiatives

Material Issues	Key Initiatives taken by IndianOil
Customer Satisfaction	▸ Increasing customer focus and enhancing customer experience with IndianOil ▸ Ensuring timely supplies through different interventions ▸ Capturing customer feedback and redressing customer grievances in a timely manner ▸ Motivating staff at fuel stations to provide better customer support and service
Supply Chain Management	▸ Reducing lead time of delivery through intermediate storage of products ▸ Optimisation of dispatch quality & quantity through centralised automation ▸ Supporting vendors to become more efficient and minimise ecological footprint through fuel stations automation & solarisation and installation of GPS in tank-trucks
Energy Efficiency	▸ Implementing LED initiative (replacement of 4.5 lakh conventional luminaries with LED) ▸ Carrying out energy audits across locations and identifying areas to improve energy efficiency ▸ Implementing ENCON measures across locations to enhance energy efficiency
Brand Value	▸ Standardisation of brands and publication of Brand Book ▸ Branding and promotional initiatives ▸ Tracking of customer sentiments on social media ▸ Focus on customers through loyalty programmes
Occupational Health & Safety	▸ Undertaking external safety audits ▸ Undertaking safety training and awareness programmes ▸ Undertaking Quantitative Risk Analysis (QRA) ▸ Conducting Hazard and Operability (HAZOP) Studies
Managing Environmental Impacts	▸ Adhering to air, water, green-belt and other environment-related compliances ▸ Reducing emissions from product/service offerings ▸ Foraying into production and marketing of clean energy sources
Spills/Leaks	▸ Provision for process safety to prevent spills/leaks of hazardous substances ▸ Control spills at sea during transportation/loading/unloading of petroleum products ▸ Safety training to retail/bulk customers on safe usage of petroleum products ▸ In-house research & development on spill remediation
Product & Operational Efficiency	▸ Upgrading refineries for supply of BS-VI compliant fuel ▸ Continuously developing in-house technologies to improve quality of products and efficiency of operations ▸ Developing environment-friendly bio-remediation technologies

VALUE CREATION MODEL

INPUTS

Financial Capital

Total Equity:
₹ 1,08,658 crore

Total Expenses:
₹ 4,98,180 crore

Total Borrowings:
₹ 86,359 crore

Manufactured Capital

9 refineries, 69.20 MMTPA of refining capacity

14,231 km of cross-country pipelines

3 petrochemical complexes

Upstream portfolio of IndianOil consists of 10 domestic and 12 overseas assets

Intellectual Capital

R&D expenditure of ₹ 437.34 crore

Funding of ₹ 20 crore approved in 13 start-ups in second round of Start-up Fund Programme

Developed patented IndeDiesel® technology

Demonstration of patented technology for producing H-CNG from CNG

Set up the world's first CO_2-to-lipids pilot project

Human Capital

Workforce of 33,498 people

More than 3,000 training programmes

1,23,754 employee training mandays

Conceptualised and introduced 'one-of-its-kind' Women Leadership Programme

Main campus of Skill Development Institute (SDI), Bhubaneswar, managed by IndianOil inaugurated on 24th February 2019

Social & Relationship Capital

₹ 490.60 crore spent on CSR

Free coaching to 56 under-privileged girls for Engg. entrance exams

Skilling programmes across India, including Skill Development Institute, Bhubaneshwar, the premier skilling centre

Extended primary, secondary & tertiary healthcare services

Assistive devices to *divyangjan* (specially abled people)

Natural Capital

Capital expenditure of ₹ 136 crore in alternative energy

22,59,61,690 MMBTU of energy consumed

608 rainwater harvesting units installed on a cumulative basis

BUSINESS PROCESSES

VALUES

- Care
- Innovation
- Passion
- Trust

VISION ELEMENTS

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

Our Values drive our Vision, our Vision fuels our Business Process

OUTPUTS

Financial Capital

Generated revenue of ₹ 6,05,924 crore from operations

Profit for the Year ₹ 16,894 crore

EBITDA: ₹ 36,952 crore

Manufactured Capital

71.82 MMT of crude oil throughput

Pipeline network achieved 88.53 MMT throughput and 1834 MMSCM of gas throughput

Production volume from E&P assets rose from 2.66 MMT to 4.39 MMT

Intellectual Capital

160 patents filed and 107 earned (2018-19); Total active patents = 790

H-CNG ensures fuel economy benefits and reduces CO and HC emissions

Reduced emissions and production of high-value products like DHA Omega-3 along with bio-diesel

Human Capital

Attrition rate: less than 1%

20 enthusiastic and proud IOCians (women leaders) received their certificates from Chairman during the 'Graduation Ceremony'

Social & Relationship Capital

More than 1.15 crore beneficiaries

Out of 56 girls, 46 cleared JEE Main (out of whom, 17 cleared JEE Advanced, balance 29 likely to join NITs/IIITs)

Through skill development, more than 15,000 unemployed youth got benefited

Healthcare services extended to more than 14 lakh beneficiaries

Assistive devices provided to more than 20,000 *divyangjan* across 21 States

Natural Capital

Potential created for harvesting about 3 billion litres of rainwater per year

Renewable energy generation of 388 GWh

Energy conservation (ENCON) projects implemented in 2018-19 estimated to have saved 82,078 MT Standard Refinery Fuel per annum, equivalent to ₹ 135.3 crore/year

OUTCOMES / BENEFITS

Financial Capital

₹ 1,93,422 crore paid to the exchequer in the form of duties and taxes

Debt Equity ratio improved from 1.3 to 0.79 over the years

Manufactured Capital

Ensuring energy security to the nation

An efficient and convenient mode of transporting crude / finished products as compared to road / rail transport resulted in savings of 13,29,271.83 tCO_2e of emissions

Upstream integration and reduced import dependence

Intellectual Capital

IndeDiesel® technology earned Petrotech-2019 Special Technical Award for "Greening of the Oil and Gas Business and Sustainability"

Innovative technologies such as 'CO_2-to-lipids plant' and 'H-CNG technology' offer a significant opportunity to reduce greenhouse gas emissions

Established innovative technology and business process re-engineering ideas through start-ups

Human Capital

Making people 'Future-Ready' through focussed developmental initiatives

Promoting women leaders through Women Leadership Development Programme

Ensuring internet-based learning system for employees

Social & Relationship Capital

More girls in Engineering colleges

Skilled manpower made available for the industries

Made available free/affordable healthcare

Improved living standards/ livelihood of *divyangjan*

Natural Capital

Harvested rainwater equivalent to 3% of IndianOil's freshwater consumption

Renewable energy generation is equivalent to 5% ofIndianOil's electricity consumption

Estimated reduction of 2,55,000 tCO_2e of emission through ENCON projects

DESCRIPTION OF CAPITALS

FINANCIAL CAPITAL

Endeavouring to transform business paradigm

With focussed approach to 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, with its comfortably placed leverage profile, 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. In its endeavour to remain at the forefront of implementation of financial technologies, the Company has executed its first Block Chain Transaction and become the first corporate to integrate the TReDS platform with its ERP platform. The Company has also become the first PSU in the oil sector to have successfully migrated to SAP Suite on HANA (SOH). LSC (Local Short Credit) process has also been automated for the first time in India by any bank for a Company.

IndianOil is continuously delivering growth in challenging financial market conditions, fluctuating commodity prices, exchange rates and petroleum product prices while maintaining a healthy bottom line with the highest ever revenue by a company in India. The Company continues to remain among the world's largest corporates in the prestigious *Fortune* 'Global 500' listing.

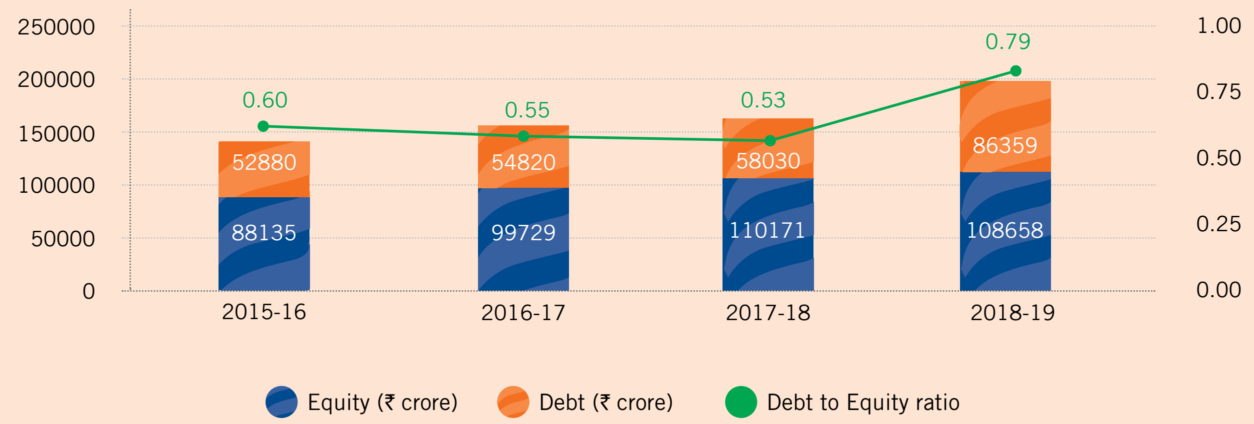
To propel future growth, the Company has expended over ₹ 24,500 crore on capital projects on standalone basis. In addition, about ₹ 3,600 crore was spent on capital expenses through Special Purpose Vehicle (SPV)/Investment in Group companies. IndianOil plans to invest around ₹ 2 lakh crore in the next 5-7 years to evolve into a future-ready company that provides comprehensive energy solutions to diverse user groups.

IndianOil has a dedicated, well defined and robust policy framework for financial governance, details of which are available in the "Corporate Governance" Section of this Report.

The details of various performance indicators under financial capital for the period 2015-16 to 2018-19 are as under:

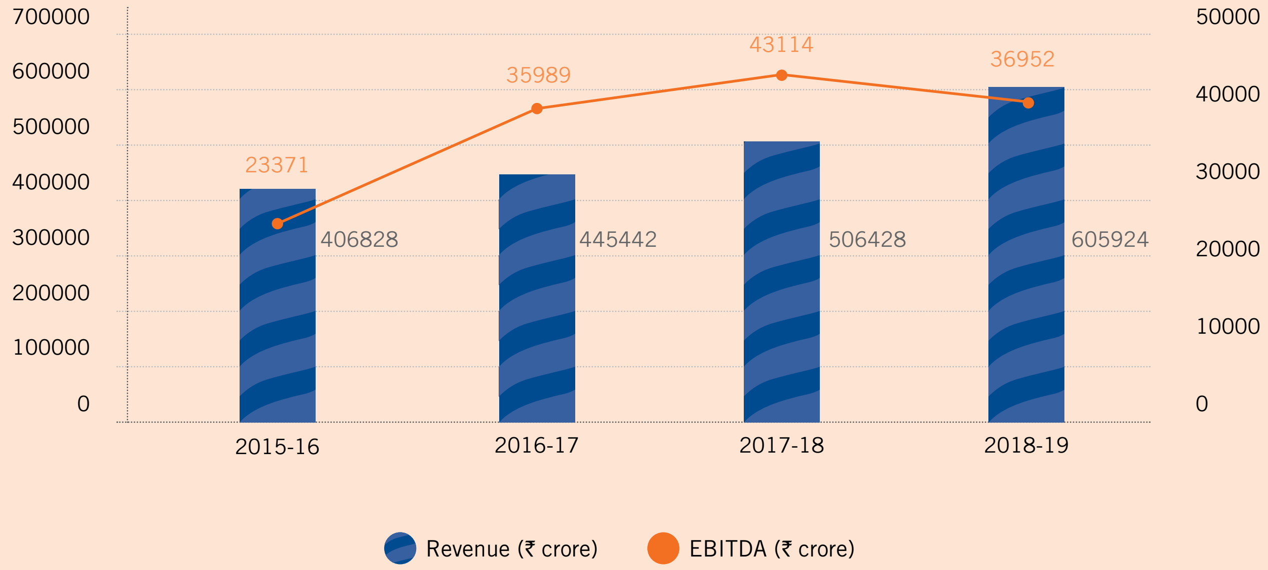
Continues to maintain debt-to-equity (D/E) ratio < 1

Mantaining Capital Structure



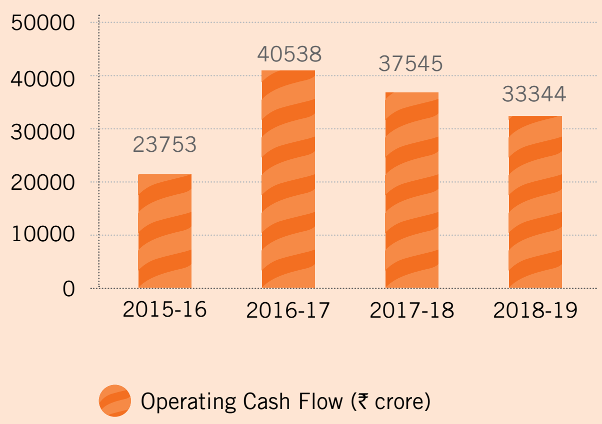
Consistent growth in top line

Revenue and Profitability (₹ crore)

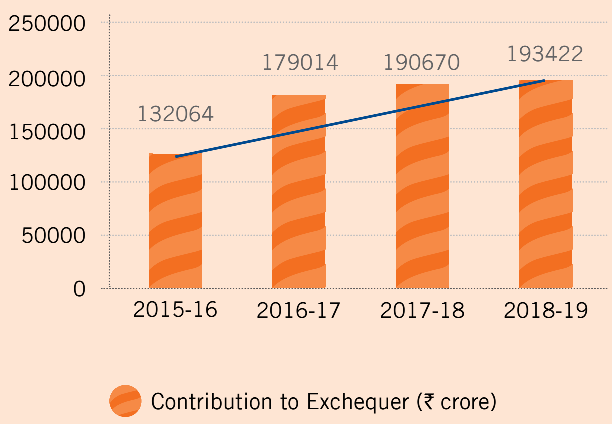


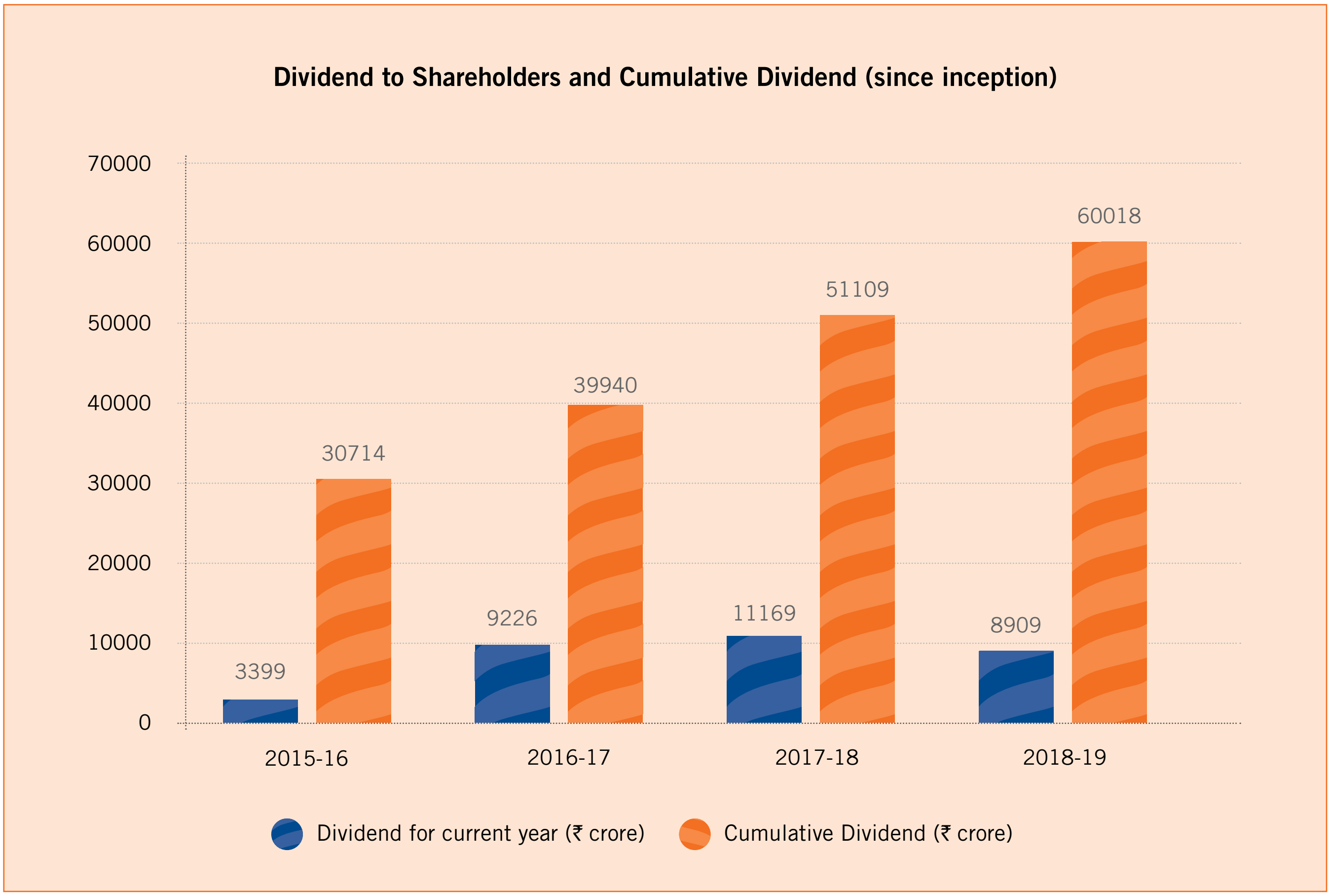
Consistent increase in contribution to Government

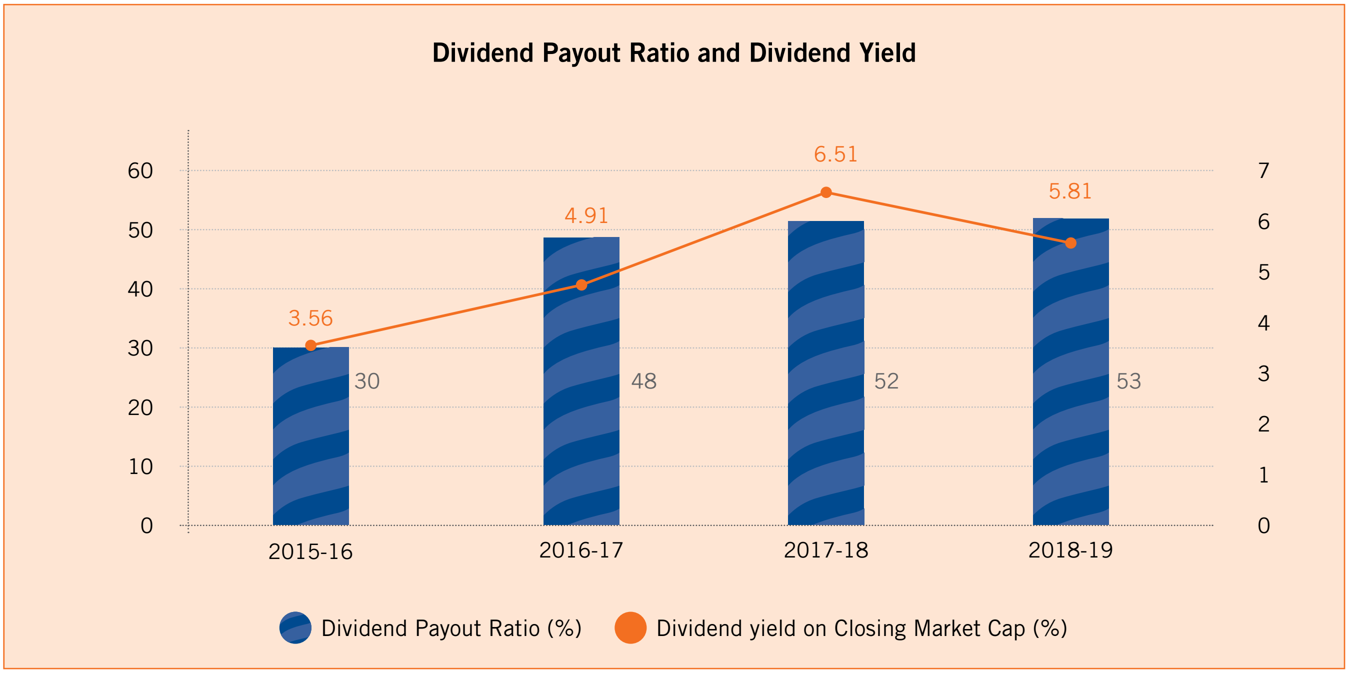
Operating Cash Flow before Working Capital Changes (₹ crore)



Contribution to Exchequer (₹ crore)




Dividend to Shareholders and Cumulative Dividend (since inception)
70000
60000
50000
40000
30000
20000
10000
0
3399
30714
9226
39940
11169
51109
8909
60018
2015-16
2016-17
2017-18
2018-19
Dividend for current year (₹ crore)
Cumulative Dividend (₹ crore)


Dividend Payout Ratio and Dividend Yield
60
50
40
30
20
10
0
7
6
5
4
3
2
1
0
3.56
30
4.91
48
6.51
52
5.81
53
2015-16
2016-17
2017-18
2018-19
Dividend Payout Ratio (%)
Dividend yield on Closing Market Cap (%)

Input-Output-Outcome

Inputs

Equity:
₹ 1,08,658 crore

Debt: ₹ 86,359 crore

Expenses:
₹ 4,98,180 crore

Investment in other group entities:
₹ 18,874 crore

Outputs

Revenue:
₹ 6,05,924 crore

EBITDA:
₹ 36,952 crore

Profit:
₹ 16,894 crore

Cash EPS:
₹ 25.85

Dividend Pay-out Ratio: 53%

Outcomes

IndianOil has been consistently the largest contributor to the national and state exchequers in the form of duties and taxes. During 2018-19, ₹ 1,93,422 crore was paid to the exchequers in the form of duties and taxes, ₹ 2,752 crore more than previous year.

IndianOil has made the following contribution to stakeholders:

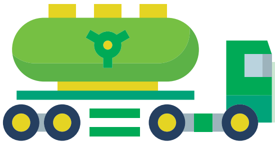
- Employees: ₹ 11,102 crore
- Community (CSR): ₹ 491 crore
- Providers of Capital:
  - » Interest to lenders: ₹ 4,311 crore
  - » Dividend to shareholders: ₹ 8,909 crore
  - » Return of Capital thru Buyback: ₹ 4,435 crore

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

IndianOil has maintained its Debt Equity ratio below 1 over the last 5 years.

During the year, the Company has raised long-term ECB loans of USD 2.6 billion through syndicated bank loans and bonds from the international market wherein USD 1400 million were raised through a single syndication, surpassing the previous best of USD 500 million. The foreign currency bond issuance of USD 900 million was also the highest ever amount mobilised by any Indian PSU under Reg S format in a single tranche.

Moody's has affirmed IndianOil rating as "Baa2" (Stable) while Fitch has reaffirmed the rating of "BBB-", which signifies the Company's strong operational and strategic linkages in line with Fitch's Parent-Subsidiary linkage criterion. Rating provided is same as India's Sovereign rating.



MANUFACTURED CAPITAL

Fortifying infrastructure to rewrite success story

In the oil & gas sector, manufactured capital is a vital element for driving and sustaining growth and delivering better customer experience. During the year, IndianOil has achieved landmark milestones in developing infrastructure, which in turn has accelerated the Company's growth trajectory. This infrastructure growth is also enabling the Company in meeting the future energy needs of the nation.

IndianOil leverages its extensive infrastructure to hold a competitive market position in the oil & gas industry. To sustain its market leadership, the Company is consistently investing in several major and minor projects. The Company, including its JVs and subsidiaries, has invested over ₹28,100 crore during the year to add to its infrastructure facilities.

The Company achieved the highest ever crude oil throughput of 71.82 million metric tonnes with a capacity utilisation of 103.8%. Distillate yield of the refineries was 80.4%. The refineries are well poised to roll out BS-VI fuels w.e.f. 01.04.2020 in the entire country as well as to meet the IMO (International Maritime Organisation) 2020 guidelines to reduce the sulphur content in bunker fuel.

The Company has an extensive network of pipelines across the length and breadth of the country with a total length of 14,231 km, 94.16 million tonnes of crude/product pipeline throughput capacity and 21.69 MMSCMD of gas pipeline capacity. IndianOil has also registered the highest sales of 79.96 million metric tonnes of petroleum product sales this year. The petrochemical's sales increased by 11.4% to 2.64 MMT while the sale of cryocans and cryovessels increased to 29,555 units from 28,872 units.

The Company manufactured and sold 1,83,194 metric tonnes of explosives during the year, recording a growth of 3.6% over the previous year's volume of 1,76,757 metric tonnes. To expand its reach in rural parts of India, the Company opened 335 '*Kisan Seva Kendra*' outlets in rural areas.

In its quest to be 'The Energy of India,' IndianOil is preparing itself, through augmenting infrastructure and building capacity, to meet the changing energy needs of the consumers in an environmentally and socially sustainable manner.

Case Studies

Highlights of Refinery Projects

Namami Gange Project

(Utilisation of sewage water in Refinery)

- Mathura refinery will be the first refinery to use effluent discharge and sewage water for 100% industrial use
- Refinery will use 20 MLD of treated water from the sewage treatment plant located at Yamuna river bank in Mathura
- Rehabilitation of STP and laying of the pipeline will be completed by October 2020. The plant will be commissioned by January 2021. The Company will procure the water at ₹8.70/m^3

iDrive

(A digitalisation initiative of Refinery)

- This project will leverage the latest IT tools to enhance the organisation's productivity and market share, which will result in potential value creation of USD 1-2 Bn
- Company has identified 80 initiatives across 10 themes to bridge the technology gap, including drone-based pipeline monitoring, virtual reality based e-learning, block chain inspired supply chain tool, etc.
- A Digital Centre of Excellence is being developed to enable technology transformation

Highlights of Pipeline Projects

World's Longest LPG Pipeline (being implemented through JV Company)

- The pipeline will extend from Kandla (Gujarat) to Gorakhpur (Uttar Pradesh) with pipeline length of 2,757 km
- With 8.25 MMTPA capacity, this pipeline will connect 4 ports, 2 refineries, 22 bottling plants directly across Gujarat, Madhya Pradesh and Uttar Pradesh
- Estimated cost of the project is ₹10,088 crore

India's First Trans-National Pipeline

- The pipeline will connect Motihari (Bihar) to Amlekhganj (Nepal), with 69 km length and 1.3 MMTPA capacity
- Once functional, it will transport MS, HSD, SKO & ATF to Nepal
- Estimated cost of the project is ₹324 crore

Highlights of Petrochemicals Projects

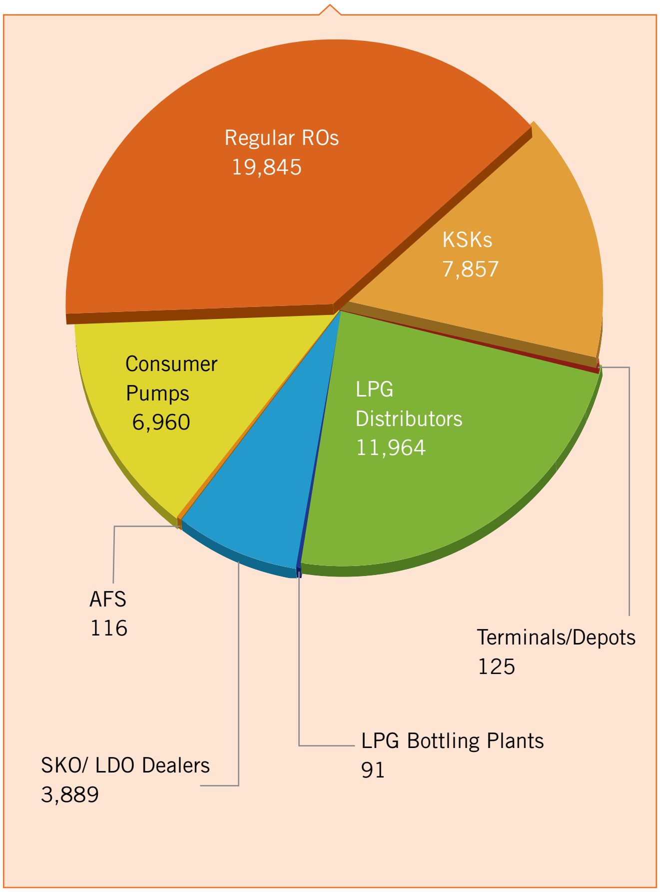
New Polymer Development

- During 2018-19, IndianOil developed three grades; 1350EG, 020M52 & 010L22S
- OEM approval rate during the year jumped to 155 from 135 in the previous financial year
- Major sectors covered under OEM approvals are FMCG, Appliance and Automotive

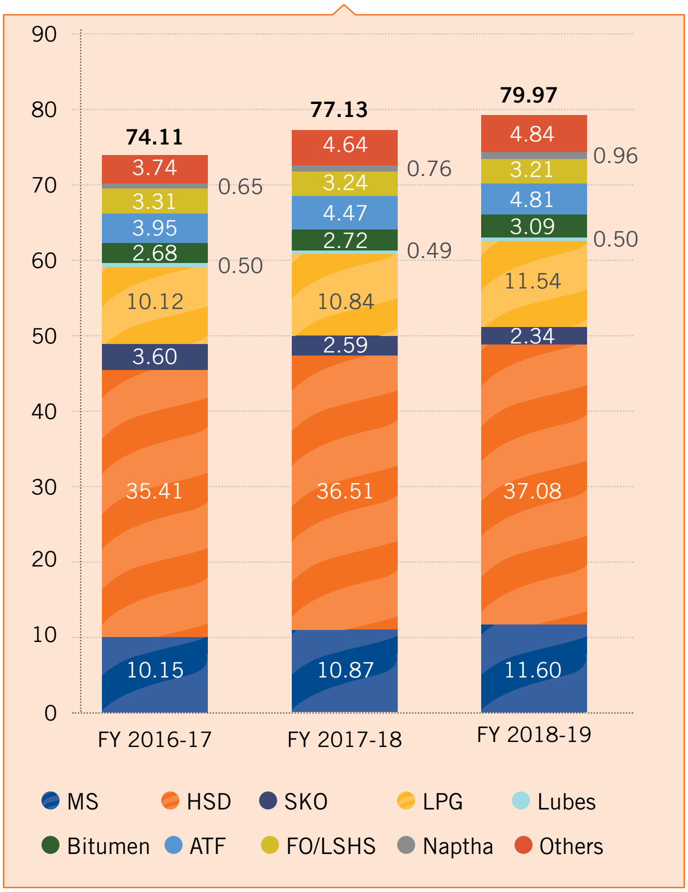
Related Sustainability Development Goals (SDGs)

Growth Highlights of Manufactured Capital

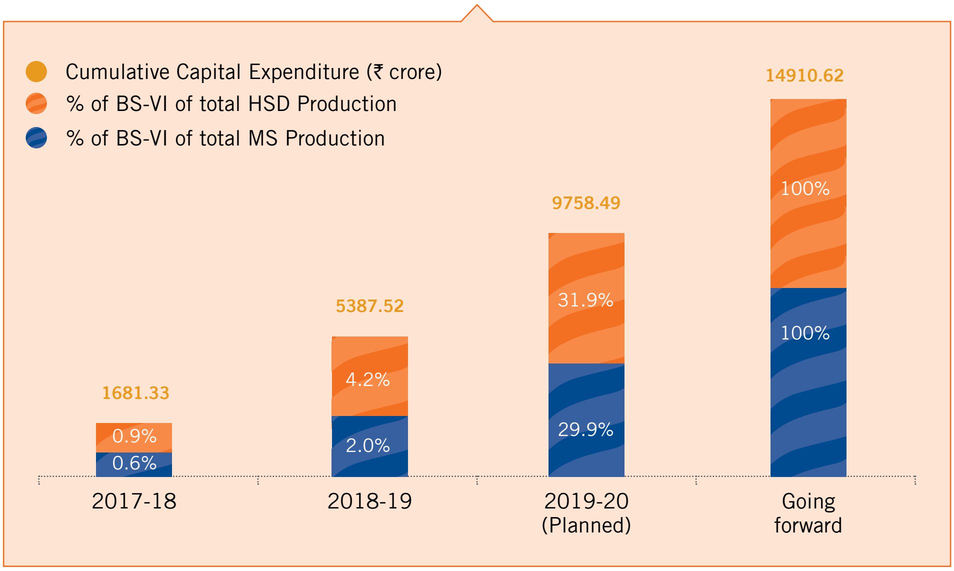
50,847 Touch-Points



Domestic POL Sales (MMT)



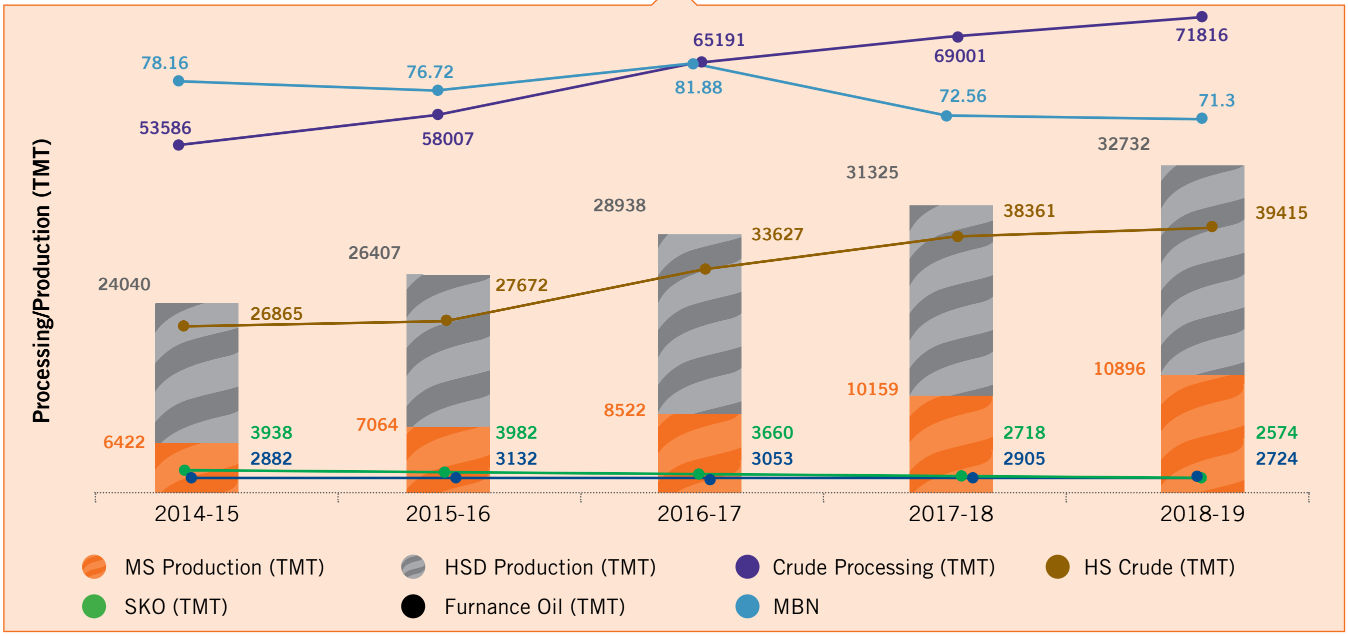
Share of BS-VI in Production Vs. Capital Expenditure



Over the period (2017-18 and going forward):

- Company is transitioning from BS-IV to BS-VI by investing in technology and infrastructure development
- Share of BS-VI in HSD production has risen to 4.2% and will be enhanced to 31.9% in the next financial year
- MS production has 2% share of BS-VI; plan has been laid down to enhance this share 29.9% by next financial year

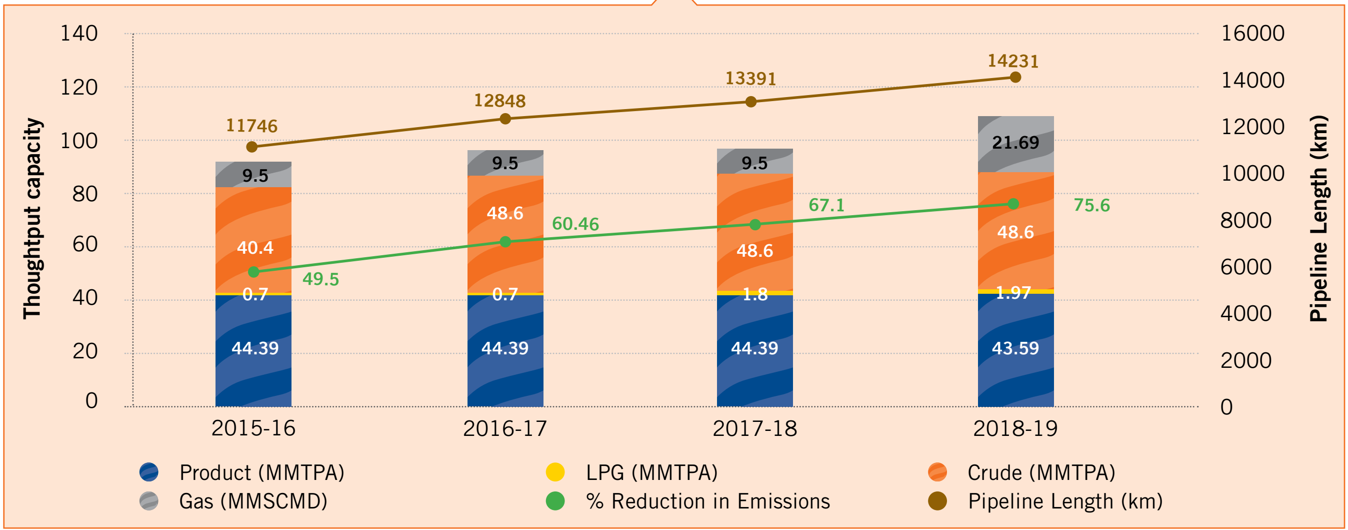
Snapshot of Refining Operations



Over the period (2014-15 to 2018-19):

- Crude oil processing has increased from 53,586 TMT to 71,816 TMT, whereas specific energy consumption has reduced from 78.16 to 71.3 MBN
- Processing of high-sulphur crude has increased from 26,865 TMT to 39,415 TMT, which resulted in decrease in overall cost
- Increase in production of high-value products (MS, HSD) accompanied by decrease in production of low-value and high carbon content products (Superior Kerosene Oil, Furnace Oil)

Snapshot of Pipeline Infrastructure



Over the time-period (2015-16 to 2018-19):

- Crude oil throughput capacity increased from 40.40 MMTPA in 2015-16 to 48.60 MMTPA in 2016-17
- Gas throughput capacity increased from 9.5 MMSCMD in 2015-16 to 21.69 MMSCMD in 2018-19
- LPG throughput capacity increased from 0.7 MMTPA in 2015-16 to 1.97 MMTPA in 2018-19

Input-Output-Outcome

Inputs	Outputs	Outcomes
• 9 refineries, 69.2 MMTPA of refining capacity	• 71.82 MMT of crude throughput with refinery capacity utilisation of 103.8% vis-à-vis 99.7% in FY 2017-18 • Undertaking wide-scale upgradation of refinery technology to deliver BS-VI compliant fuel	• Ensuring energy security to the nation » Accounts for over 40% market share in MS and HSD » Accounts for half of the market share for LPG cooking gas » Accounts for 60% market share in aviation fuel » Ensuring energy access across the length and breadth of the country • Ultra-clean BS-VI fuel with 80% reduction in SOx emission from 50 ppm to 10 ppm. The fuel also offers lower particulate and NOx emissions. • GRM 5.6 $/bbl; Nelson Complexity Index 8.8 • 1.6% increase in processing of cheaper, heavy and high-TAN grades over the previous year
• Over 50,000 customer touch-points	• 79.96 MMT of petroleum products sold in the domestic market • More than 2.1 crore new LPG connections were released during the year across India	• Access to cleaner sources of energy and reduction in indoor air pollution • Over 80% (1.68 crore) BPL families got Indane LPG connections under *Pradhan Mantri Ujjwala Yojana* (PMUY)
• 14,231 km pipelines network	• Network achieved 88.53 MMT throughput and 1834 MMSCM of gas throughput	• An efficient and convenient mode for transporting crude oil/ finished products as compared to road/rail transport, resulted in notional saving of 13,29,272 tCO_2e of emission reduction
• 3 petrochemical complexes	• 2.64 MMT of petrochemical products sold during 2018-19	• Second largest petrochemicals player in India • Products cover over 80% of all conceivable applications in plastics • Continuous expansion to new geographies while offering new and customised products
• 1 LNG import terminal (through a JV company	• 5 MMTPA LNG import terminal commissioned in March 2019	• Providing access to low carbon intensity fuel across India • Increasing the gas mix
• Operating / implementing City Gas Distribution (CGD) Networks in 11 Geographical Areas (GAs) through two JVs	• Development of robust gas infrastructure across densely populated urban / semi-urban areas	• Uninterrupted supply of piped natural gas (PNG) as cooking fuel to individual households • Substituting conventional fuels with less polluting natural gas for industrial customers and promoting CNG as autofuel
• Upstream portfolio of IndianOil consists of 10 Domestic Blocks and 12 overseas blocks	• Production volume from E&P assets rose from 2.66 MMT to 4.39 MMT	• Upstream integration • Reducing import dependence with equity oil

HUMAN CAPITAL

Driven with the zeal to be future-ready

Our people are our most valued asset. It is only with the determination and dedication of our people that we can serve our customers, generate long-term value for our shareholders and contribute to the broader public. At the crux of our efforts is holistic and meaningful employee engagement and their right development that can catalyse the emergence of the highest potential of IndianOil employees.

Our policies have been institutionalised aiming at both - employee engagement and making our people 'future-ready'. We constantly embed our values of *Care, Innovation, Passion* and *Trust* among our people and thus create an ambience of openness, enthusiasm and vibrancy within the organisation. Additionally, consistent empathy and emotional ownership help us achieve empowered and happy teams. This, combined with our well-entrenched people processes, ensures that we not only attract but also retain the best talent in the industry.

*IndianOil has been conferred the '**Human Resources Management – Company of the Year'** Award by the Federation of Indian Petroleum Industry (FIPI).*

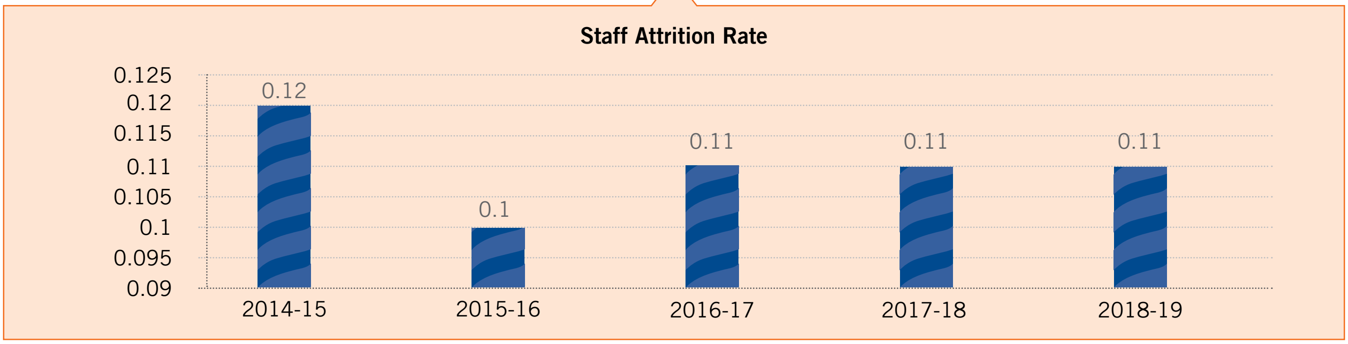
Partner Institutes

IIM Ahmedabad | IIMB | Indian Institute of Management Calcutta | XLRI Xavier School of Management | IIM Lucknow | IIM Shillong | IIM Indore | Indian Institute of Management Kozhikode | TISS

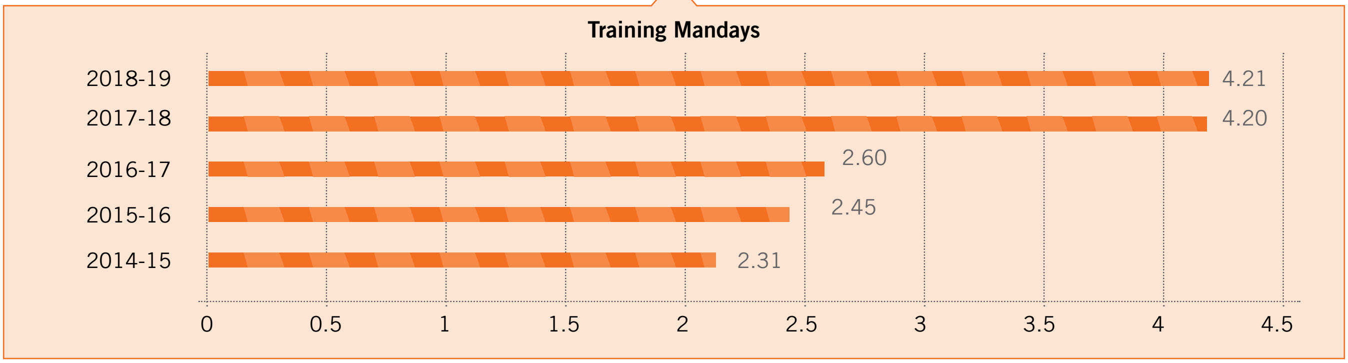
Great Place to work

IndianOil voted as one of the **Top 50 best companies** to work for in India

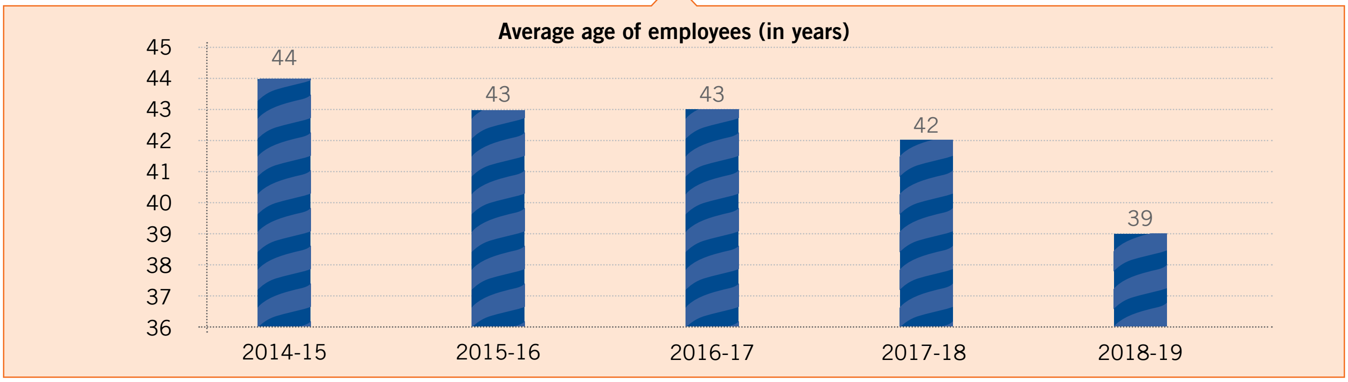
Staff attrition rate-less than 0.12%



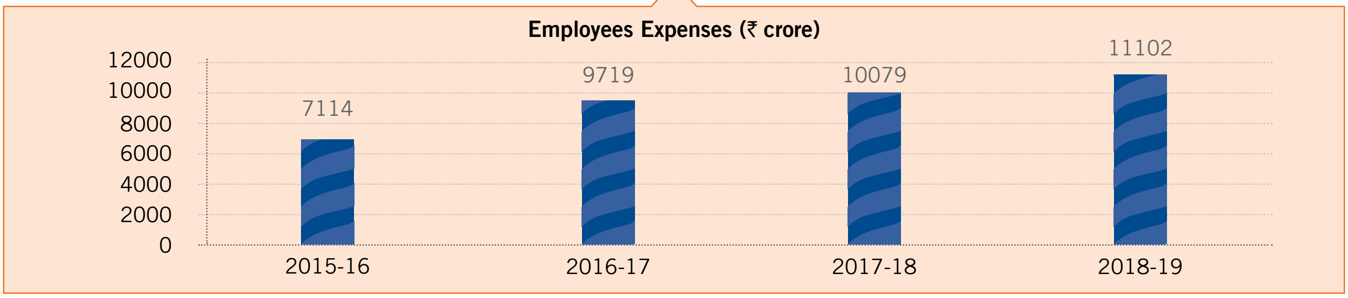
YoY increase in average training mandays



YoY reduction in average age of employees



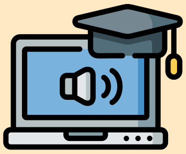
Consistent increase in focus on employees



E-learning

IndianOil has introduced a **structured technology-aided e-Learning platform** catering to the functional learning and development needs of employees. The objective of this initiative is to provide continuous functional inputs.

As on 31 March 2019, 79 customised e-modules on Refineries, Marketing, Pipelines, R&D, Business Development and Corporate functions have been uploaded. Eventually, the e-Learning Platform will be available on internet-based learning management system for ‘anytime’, ‘anywhere’, ‘any-device’ learning to employees.



Benchmarking of HR Practices

IndianOil conducted an in-depth assessment of its people policies and practices through an independent assessment carried out by a renowned international consultant, as per the People Capability Maturity Model (PCMM) on three interrelated components in HR-People, Process and Technology.

The study helped in identifying ‘strength areas’ and ‘action areas for improvement’ in various HR processes and accordingly developing an action plan for resolution.

Sponsoring Officers for Higher Studies

The concept of democratisation of learning blended with promotion of meritocracy in the organisation has been expanded by introducing a policy to sponsor our talent to executive management programmes at select management schools, namely IIMs – Ahmedabad, Bangalore, Calcutta, Lucknow and MDI-Gurugram after they secure admission through the rigorous selection process of these institutes, which includes GMAT examination, GD and interview.

During FY 2018-19, 11 bright executives of the Company have secured admissions though the highly competitive process in various B-Schools.

Related Sustainability Development Goals (SDGs)

Women Leadership Development

IndianOil has conceptualised and introduced a 'one-of-its-kind' initiative aimed at long-term all-round development of a select group of women leaders at the middle management level, which includes an overseas learning module where the participants visited the Company's offices in Sri Lanka and Mauritius. The unique endeavour facilitated enhancement of leadership capabilities of the participating women officers by:

» enhancing their self-confidence

» directing their passion to grow and contribute to the organisation

» understanding how other women leaders (role models) across varied industries coped with their professional roles

» building a support/network group amongst women leaders

» becoming more effective at the workplace

» developing an action plan for performance excellence and goal achievement

Input-Output-Outcome

Inputs

- Total Workforce: 33,498 (17,704 Executives and 15,794 Non - executives)
- More than 3,000 training programmes
- 1,23,754 employee training mandays
- Introduced structured technology-aided e-Learning platform catering to the functional learning and development needs of employees
- Conducted a study 'Benchmarking of HR Practices'
- Focussed initiatives undertaken, including HR Facilitator initiative
- Conceptualised and introduced 'one-of-its-kind' Women Leadership Programme
- Main campus of Skill Development Institute (SDI), Bhubaneswar, managed by IndianOil inaugurated on 24 February 2019, imparts training in 6 trades, viz, Welder, Electrician, Computer Data Application for girls, Fitter Fabricator, Technician (Instrumentation) and Pipe Fitter – CGD
- ICT-IOC Bhubaneswar Campus commenced first academic session in the year 2018-19

Outputs

- Attrition rate: less than 1%
- Average age of executives reduced over last 5 years from 43 years to 39 years
- In-depth study helped in benchmarking IndianOil's HR processes in areas like Staffing, Work Environment, Performance Management, Training & Development, Competency Analysis & Development, Workforce Planning, Participatory Culture, Mentoring, etc
- 20 enthusiastic and proud IOCians (women leaders) received their certificates from Chairman during the 'Graduation Ceremony'
- Over 500 youths trained at SDI Bhubaneswar in 2018-19

Outcomes

- Through e-learning modules, provided internet-based learning management system for 'anytime', 'anywhere', 'any-device' learning to employee
- Benchmarking study provided a road map for implementing workforce practices that can enhance consistency & transparency and help create an enabling organisational culture
- Creating future leaders by sponsoring officers for higher studies
- Promoting women leaders through Women Leadership Development Programme
- Ensuring respect towards all employees by launch of "Equal Opportunity Policy"
- Making people 'future-ready' through focussed developmental initiatives
- Inculcating solutions-based approach among employees- by observing 2019 as the 'Year of Solutions'
- All the youths who completed training at SDI, Bhubaneswar, received job offers

INTELLECTUAL CAPITAL

Empowered by Innovation

IndianOil's thrust on innovation and research is of paramount importance in reinforcing the Company's operational efficiency and resource optimisation drive. The Company has been focussed on developing, demonstrating and deploying novel, innovative, environment-friendly, customer-centric products and process technologies for addressing energy-related issues of national importance with sustained emphasis on rendering technical support to its divisions to achieve business goals.

In accordance with its corporate vision of being 'The Energy of India', IndianOil is actively pursuing research in alternative energy and clean technologies in partnership with the Government, academia and private industry to be future-ready. To accomplish the above, IndianOil provides a dynamic and challenging environment to its employees by creating an atmosphere of optimism, team work, creativity and resourcefulness with an aim to create a Centre of Excellence in the country that is admired as a benchmark petroleum downstream R&D Centre.

To enable future research plans of the R&D centre, with best-in-class R&D facilities, a second R&D campus is being set up in Faridabad at an estimated cost of ₹ 2,200 crore.

₹ 437.34 crore
R&D Expenditure

107
Patents earned

₹ 498 crore
Notional earnings from R&D

₹ 1576 crore
Refinery Margin improvement from indigenously developed technologies

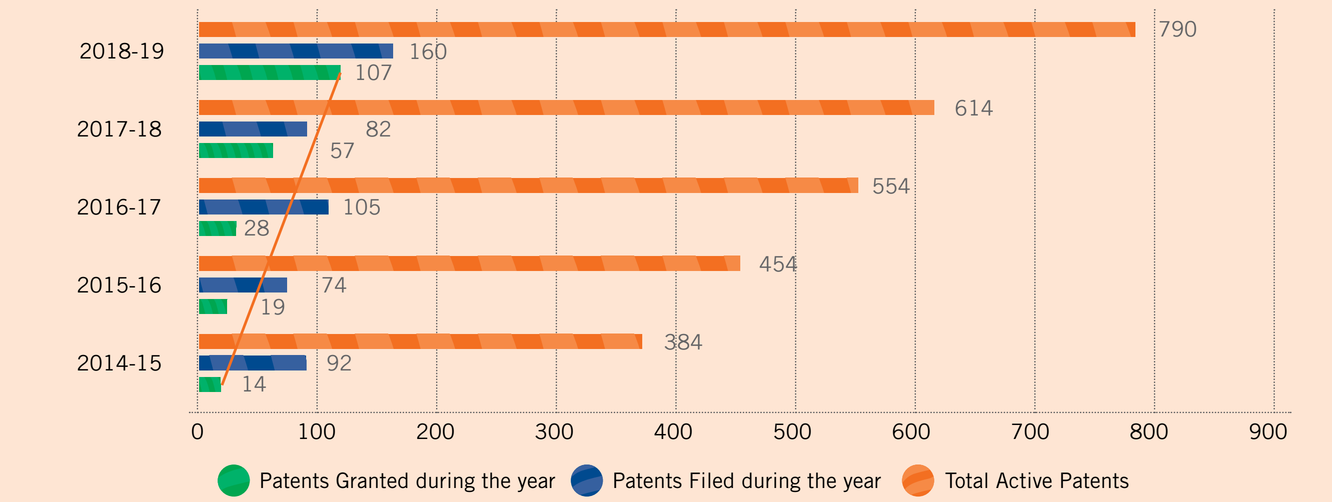
Industry-Academia Partnership

The R&D Centre has entered into agreements with IIT Delhi, Simon Fraser University, Canada, Deakin University, Australia for **collaborative research** wherein students can register at the respective universities and pursue research projects of mutual interest, leading to award of Ph.D. degree. Currently, **16 students** are pursuing research work under this programme.

IndianOil's Aonla Depot, Uttar Pradesh

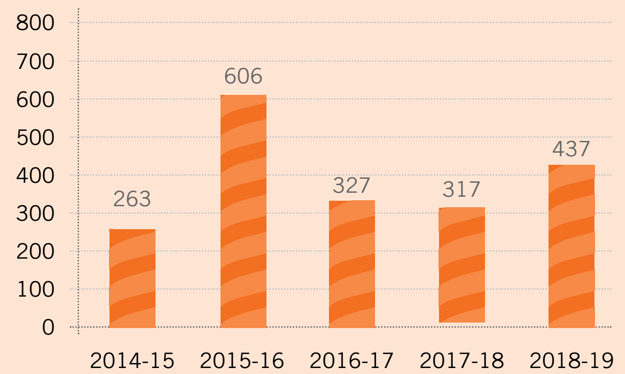
YoY increase in patents granted

Patents Filed, Granted and Active

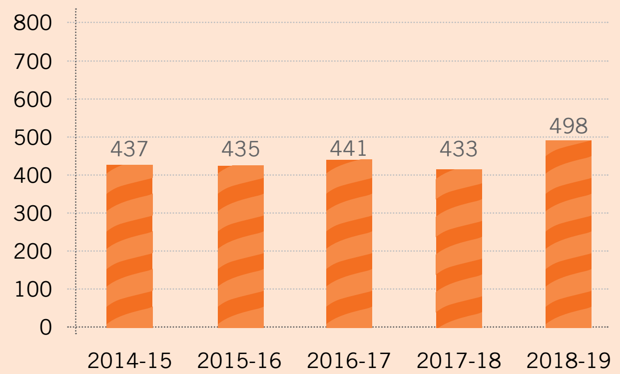


Increase in R&D expenses with a plan to come out with a state-of-the-art second R&D Campus at Faridabad

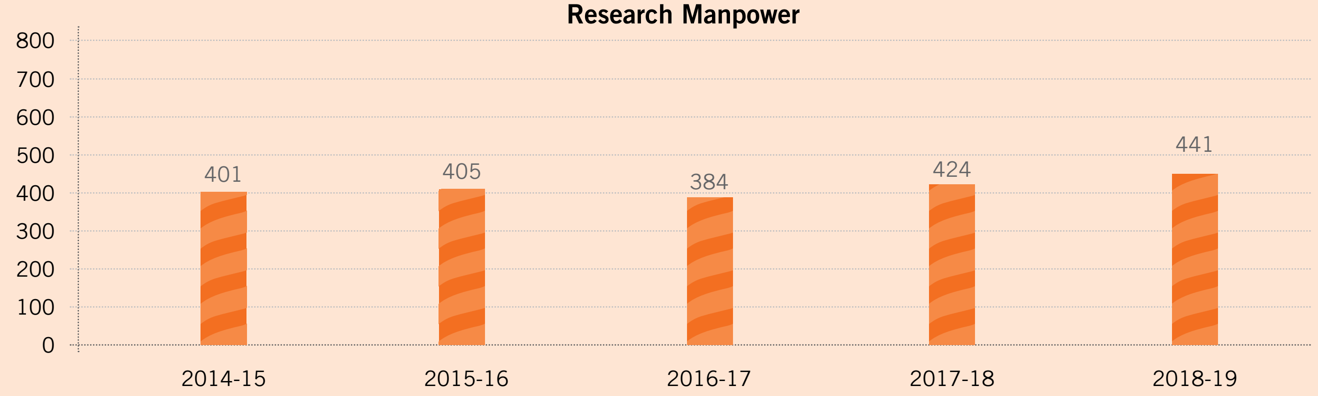
R&D Expenditure (₹ crore)



Estimated Savings from R&D Initiatives (₹ crore)



Research Manpower



Case Studies

Greenhouse gases to Bio-fuels

Description

The technology converts CO_2 to drop-in bio-fuels and high value food supplement material

Key Driving Factors

- A bio-technological intervention that works on capture and utilisation of CO_2, a major greenhouse gas
- A process that can convert CO_2 and produce sustainable fuels and high-value nutrients such as Omega 3 Fatty Acids

Benefits

This disruptive technology shall give IndianOil a distinct lead over other energy companies in not only reducing carbon emissions but also producing very high value products like DHA Omega-3 along with bio-diesel while reducing CO_2 emissions

IndeDiesel®-DIESEL Hydrotreating Technology

Description

IndeDiesel® technology has been developed for hydrotreating of diesel suitable for meeting BS-VI/Euro-VI specifications

Key Driving Factors

- The technology offers flexibility to upgrade middle range straight-run-distillates, coker gas oil streams and light cycle oil from catalytic cracking to low-sulphur, high-cetane diesel suitable for meeting ULSD (Ultra Low Sulphur Diesel) pool requirement

Benefits

- Cetane improvement by > 10 units
- Optimised feed preheat scheme offering cost-effective designs considering both capital and operating costs
- Efficient reactor internals
- High active catalyst system

Related Sustainability Development Goals (SDGs)

H-CNG Technology

Description

IndianOil R&D has patented a compact reformer technology wherein the H-CNG blends can be produced directly from CNG, bypassing energy intensive electrolysis process along with high-pressure blending cost. This technology is planned for demonstration in a public transport bus depot in Delhi.

Key Driving Factors

- Offers a significant opportunity to reduce greenhouse gas emissions and harmful exhaust emissions
- Existing IC engine technology can be adopted with minimal modifications

Benefits

- Fuel economy benefits compared to other options
- Reduction in CO and HC emissions as per lab tests
- Eliminates need for separate production of pure Hydrogen, its compression and storage
- Operates at mild operating conditions with simpler and less expensive metallurgy
- Designed for quick startup-suitable for retail filling stations
- Capable of producing H-CNG mixture of desired composition for direct dispensing

Trials underway by IndianOil R&D for operation of buses using HCNG as fuel

Biomethanation

Description

IndianOil R&D has developed an efficient two stage Biomethanation technology for converting organic waste to bio-gas having very high methane content.

Biomethanation is a process in which various organic wastes such as food waste, municipal solid waste and crop residue is converted into bio-gas in the presence of micro-organisms under anaerobic conditions. Its byproduct, organic manure, is used as soil conditioner.

Key Driving Factors

- Higher yield of gas and methane compared to other similar technologies
- Better crop residue and waste management

Benefits

- Higher methane content in bio-gas leads to better heating value and burning efficiency
- Better control on seasonal variations in gas generation rate
- Compact and cost-effective plant engineering and design

Refinery Off-gases to Ethanol

Description

World's first refinery off-gases to ethanol process using gas fermentation technology from Pressure Swing Adsorption (PSA) off-gases containing CO, H_2, CO_2 at Panipat Refinery

Key Driving Factors

- This technology produces ethanol as an alternative transport fuel supplement blend
- Ethanol, a clean fuel with low carbon emission will have a positive environmental impact

Benefits

- Sequestration potential of about 1 million tonnes of CO_2 per annum on implementation at all Indian refineries
- Ethanol will support the requirements for motor spirit blends set by the Government of India
- Reduction in greenhouse gas emissions

Input-Output-Outcome

Inputs

- R&D expenditure of ₹437.34 crore
- Highly talented and experienced in-house research manpower of 441 employees consisting of scientists (373) and support staff (68)
- R&D personnel trained on recent technological advancements
- 41 scientists attended various international training programmes, seminars and conferences
- Patented IndeDiesel® technology implemented at Gujarat Refinery for BS-VI DHDS project
- Incubated start-ups on innovative ideas in energy sector
- Commissioned two-stage Biomethanation technology for converting organic waste to bio-gas
- Setup the world's first CO_2-to-lipids pilot project
- Demonstration of patented technology for producing H-CNG from CNG
- During 2018-19, funding of ₹ 20 crore approved in 13 start-ups in second round of Start-up Fund programme

Outputs

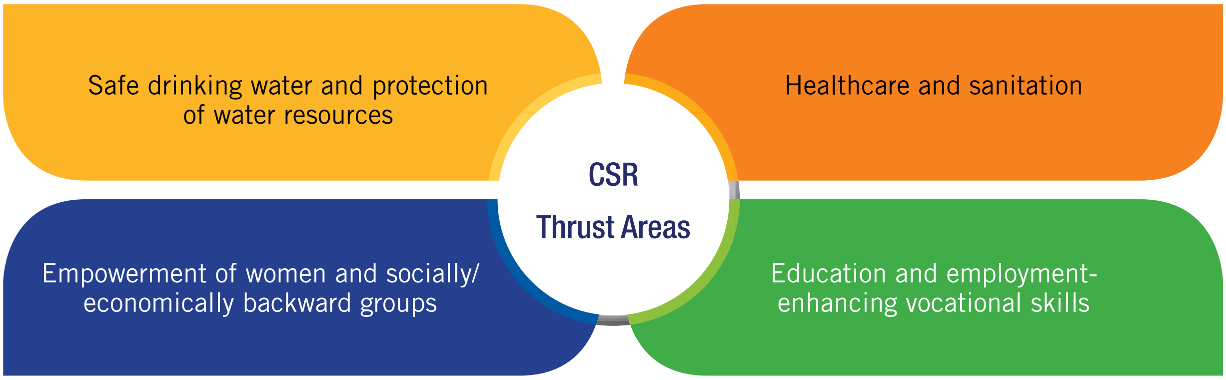
- During 2018-19, 160 patents were filed and 107 patents earned (29.95 % increase from 2017-18)
- Total active patents: 790
- Highest methane content in biomethanation gas (thus lesser purification cost), leading to better heating value and burning efficiency
- CO_2-to-lipids plant provides IndianOil a distinct lead over other energy companies by developing one of its kind technology to reduce carbon emissions and produce high-value products like DHA Omega-3 along with bio-diesel
- H-CNG ensures fuel economy benefits and reduces CO and HC emissions

Outcomes

- IndeDiesel® technology earned Petrotech-2019 Special Technical Award for "Greening of the Oil and Gas Business and Sustainability"
- Through start-up find programme, established innovative technology and business process re-engineering ideas with significant business potential, social relevance and focussed on environment-protection
- Biomethanation ensures better waste management, thereby protecting the health of the population
- Innovative technologies such as 'CO_2-to-lipids plant' and 'H-CNG technology' offer a significant opportunity to reduce greenhouse gases emissions.

SOCIAL AND RELATIONSHIP CAPITAL

IndianOil's commitment to be 'The Energy of India' is also reflected in its CSR policy, which is led by the philosophy of working closely with the communities residing in the vicinity of the Company's operations and beyond and enhance their quality of life. IndianOil has been actively engaged in a gamut of social welfare/upliftment activities across the nation, in addition to reaching essential fuels, viz, Kerosene, LPG, petrol, diesel, etc., to every nook and corner of the country. IndianOil's CSR projects are undertaken in line with Schedule-VII of the Companies Act and CSR Policy and Guidelines of IndianOil, which have been approved by the IndianOil Board.

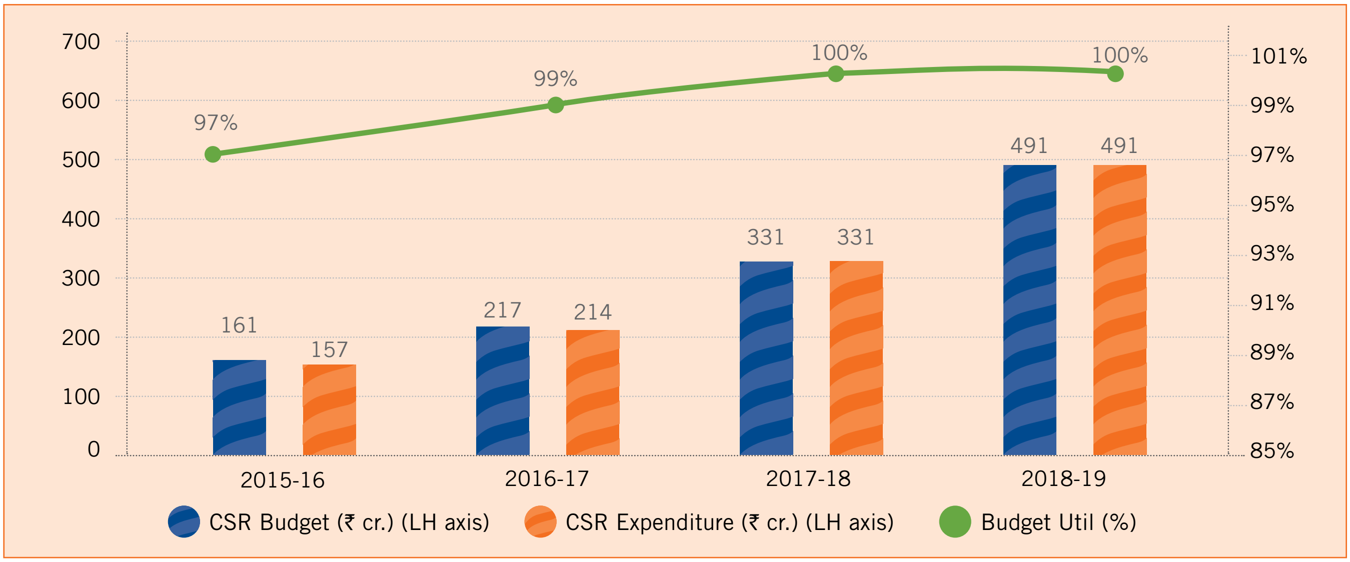


IndianOil strives to align its CSR initiatives with various schemes of the Govt. of India, viz, *Pradhan Mantri Ujjwala Yojana*, *Swachh* Iconic Place, Skill India, Clean Ganga Mission, *Swachh Bharat Abhiyan*, etc. IndianOil has been awarded for the innovative *swachhta* initiatives undertaken (runners-up) during the *Swachhta Pakhwada* competition held during 01 July-15 July 2019, jointly instituted by the Ministry of Petroleum and Natural Gas and Ministry of Drinking Water & Sanitation.

As per the CSR provisions of the Companies Act 2013, IndianOil implements CSR in 'project mode.' As per the CSR Policy/ Guidelines of IndianOil, 'need assessment' is the first step towards implementation of any CSR project, which is conducted through site visits and discussion/communication with various stakeholders. Post-implementation, 'Impact Assessment' is carried out either by IndianOil or by an external agency as per policy.

During 2018-19, more than **1.15 crore beneficiaries** were positively impacted through over **950 initiatives** undertaken by IndianOil in various geographies across India.

During the year 2018-19, the entire CSR budget allocation of **₹490.60 crore** was spent, thereby achieving **100% budget utilisation.**



Case Studies

Related Sustainability Development Goals (SDGs)

Vidushi- Free coaching for girls

Objective

To help girls from under-privileged sections of society to gain admission in prestigious engineering institutes, viz, IITs, NITs, CETs, IIITs, etc

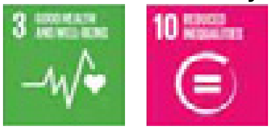
Activities

- Provided specialised coaching and mentoring after Class XII to succeed in JEE Mains, JEE Advanced & other Central and State Engineering Entrance Examinations
- Maximum strength of 30 girls for each centre; selection through written test and personal interview
- Complete cost for specialised coaching, study material, boarding, food & other consumables, blanket, hygiene kit, dress set, health insurance, etc., is borne by IndianOil

Beneficiaries

- 30 girl students enrolled for Bhubaneswar Centre and 26 girls for Noida Centre
- Out of total 56 girls, 46 cleared IIT JEE Mains (out of which, 17 cleared JEE Advanced & will get an opportunity to join IITs; balance 29 likely to join NITs/IIITs)

Related Sustainability Development Goals (SDGs)



Aids & assistive devices to *Divyangjan*

Objective

To provide assistive devices like tricycles, wheel chairs, crutches, walking sticks, Braille kits for visually impaired, hearing aids, artificial limbs, etc.

Activities

- Beneficiaries selected and their disabilities assessed through assessment camps (organised in the villages near the target locations).
- Training imparted to the beneficiaries at the distribution camps for effective usage of the assistive devices

Beneficiaries

- Assistive devices were provided to more than 20,000 *divyangjan* across 21 States of India

Related Sustainability Development Goals (SDGs)

Skill Development Institute, Bhubaneshwar, Odisha

Objective

To offer opportunities for skilling to the unemployed and under-privileged youth of Odisha and to provide skilled manpower to the industry

Activities

Skill Development Institute, Bhubaneshwar, started operation in two trades, viz., Industrial Electrician & Welder. However, with increasing demand of skilled manpower, 6 more courses were added: Computer Data Application (only for girls), Fitter Fabrication, Instrumentation Technician, Pipe Fitter (City Gas Distribution), Solar PV Installation and LPG Mechanic.

Beneficiaries

- About 240 students per batch are being skilled in 8 trade courses, which are of 3 to 6 months duration each
- Since inception, 810 under-privileged youth were skilled and certified, with over 85% job placements

Related Sustainability Development Goals (SDGs)

IndianOil *Gyanodaya* Scheme in Govt. ITIs & Polytechnics

Objective

To provide scholarships on merit-cum-means basis to students pursuing 2-year regular courses in Government ITIs and 3-year regular courses in Government Polytechnics; to incentivise them to perform well

Beneficiaries

- Covers 36 Government institutes (18 ITIs and 18 Polytechnics) near 9 IndianOil Refinery locations
- 50 students selected per batch from each institute every year
- Scholarship of ₹ 1000/- per month given to each student for the entire duration of the regular courses
- During 2018-19, 1,138 students from 30 ITIs and Polytechnics were selected for this scheme

Related Sustainability Development Goals (SDGs)

Assam Oil School of Nursing, Digboi, Assam

Objective

To provide stable careers and livelihood opportunities to young under-privileged girls

Activities

Offers 3-year Diploma Course in General Nursing and Midwifery to young girls with intake capacity of 30 students per year

4-year B.Sc. (Nursing) course started from the same campus in 2014 with intake of 30 students per year

Beneficiaries

- 410 students have successfully completed the diploma course till date with 100% job placement record

Related Sustainability Development Goals (SDGs)

Expanding horizons of Industry-Academia Partnership

With a focus on strengthening 'Industry-Academia' partnership and as a first in the industry, IndianOil collaborated with the Institute of Chemical Technology (ICT), Mumbai to set up ICT-IOC Campus at Bhubaneswar. Admission process for the 5-year integrated M. Tech Programme, through JEE-Main examinations has been completed for a batch size of 60 students, which saw an overwhelming response from students.

A unique one-of-its-kind Executive M. Tech. Programme for working professionals has been developed, jointly by ICT and IIT Kharagpur, wherein the industry members will sponsor their executives for upgrading their chemical engineering skills.

Input-Output-Outcome

Inputs	Outputs	Outcomes
IndianOil *Vidushi*: Provided free specialised coaching and mentoring to 56 under-privileged girls at two centres [Noida & Bhubaneswar]	Out of 56 girls, 17 have cleared JEE Advanced and will get an opportunity to join IITs; 29 girls are likely to join IIITs, etc.; balance 10 girls will join other Govt. Engineering colleges	• More number of girls in IITs/NITs/other Engineering colleges • Women empowerment • Spreading education at rural hinterlands
IndianOil *Gyanodaya*: Provided scholarships to students from 14 Govt. Polytechnics & 16 Govt. ITIs in the vicinity of 9 Refinery Units; supported students of 5 schools at Barauni, Bongaigaon, Guwahati, Haldia and Mathura; constructed toilets, class rooms, provided furniture/equipment [viz, tables, chairs, benches, fans, drinking water systems, water coolers, etc.] to various schools across India	More than 7.75 lakh students benefitted during 2018-19	• Better facilities in schools • Reduction in dropout of students
IndianOil *Kaushal Vikas*: Provided skill development training to unemployed/under-privileged youth at Skill Development Institute, Bhubaneswar and skilling centres/institutes across various geographies	More than 15,000 unemployed youth benefitted during 2018-19	• Skilled manpower made available for the industries • Provided employment opportunities to under-privileged youth
IndianOil *Acers*: Provided sports scholarships to promising young sportspersons representing their respective States in team games and National rank holders in others	More than 9,000 sportspersons benefitted during 2018-19	• Nurtured talent of budding sportspersons • Brought laurels to the Company and the country
IndianOil *Aarogyam*: Provided primary, secondary & tertiary healthcare services through continuing flagship healthcare projects [viz, 3 hospitals at Bongaigaon, Digboi and Mathura and 12 Mobile Medical Units plying in about 150 villages in the vicinity of 3 Refinery Units at Bongaigaon, Mathura and Paradip] and new healthcare initiatives [viz, organizing health/ eye check-up camps, provision of medical equipment to various hospitals, etc.]	More than 14 lakh beneficiaries during 2018-19	• Provided free/affordable & accessible healthcare • Early detection of diseases • Door-step preventive healthcare services, especially for the needy and the under-privileged people in far-flung rural areas
IndianOil *Jal Jeevan*: Provided drinking water facilities through installation of RO plants, hand pumps, submersible pumps, solar water pumps, overhead water tanks, laying of water pipeline networks, etc.	More than 10 lakh beneficiaries during 2018-19	Improvement in availability of drinking water across various geographies, especially in rural areas
IndianOil *Swachh Parivesh*: • Provided free LPG connections to BPL households under *Pradhan Mantri Ujjwala Yojana* • Installed waste-to-energy plants • Constructed public/household toilets • Provided dustbins • Installed solar lights • Undertaken a multitude of *Swachhta* related activities across various geographies	More than 58 lakh beneficiaries during 2018-19	• Access to cleaner fuel (LPG vs. biomass) for rural BPL families • Women's financial inclusion due to productive use of time and their overall empowerment • Reduction in household air pollution • Better quality of life of various stakeholders, especially in rural areas
IndianOil *Divyangjan*: Provided assistive devices [viz, motorised/non-motorised tricycles, smart cane & mobile devices for the visually impaired, digital hearing aids, multi-sensory integrated educational devices for the mentally retarded, auxilla crutches, etc.]	More than 20,000 *divyangjan* benefited during 2018-19	• Improved living standards, better livelihood opportunities leading to empowerment of *divyangjan*

NATURAL CAPITAL

Invigorating the ecosystem for future generations

'*Caring for the environment and society*' is one of the founding pillars of IndianOil's vision. The Company believes that sustainability of the business also depends on the sustainability of environment and society. In its efforts to minimise the negative externalities of its value chain, the Company is dedicatedly revamping and redesigning its operations, supply chain and products in order to drive its sustainability agenda.

The business strategy of the Company recognises sustainability as vital for generation, consumption and preservation of natural capital. In line with the strategic approach to become a future-ready organisation, the Company has identified material issues that have the potential to impact the natural capital. The Company has defined KPIs and mitigation plan to address these material issues. In order to deliver business responsibly, 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.

IndianOil recognises its responsibility to the people and environment. 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, besides reducing the negative impact on natural capital.

Case Studies

Sustainable Alternative Towards Affordable Transportation (SATAT)

'SATAT' scheme was launched by the Ministry of Petroleum & Natural Gas with the aim of producing Compressed Bio-Gas (CBG) from waste and biomass. The scheme envisages to target production of 15 MT of CBG by the year 2023, from 5000 plants. This initiative holds great promise for efficient management of municipal solid waste and in tackling polluted urban air due to farm stubble-burning and carbon emissions. Use of CBG will also help bring down dependency on crude oil imports and in realising the Prime Minister's vision of enhancing farmers' income, rural employment and entrepreneurship.

IndianOil has issued Letters of Intent to entrepreneurs to set up 75 CBG plants. The expected capacity of these plants is 792 tonnes per day. The Company shall also facilitate technology for setting up of CBG plants.

Sustainable Packaging of Lube Oils

In order to achieve product stewardship and reduce the negative environmental impact of its products, IndianOil has undertaken an initiative to procure additives in tank-trucks instead of steel barrels. This initiative has reduced the consumption of steel barrels equivalent to 850 tonnes of steel.

The Company has also reduced consumption of metal scrap by 900 tonnes annually by switching to 0.9 mm thickness barrels from 1 mm thickness barrels for packing lube oils.

Fuel Station Solarisation

IndianOil is committed to propagating its sustainability agenda across its supply chain. Solarisation of fuel stations is one of IndianOil's breakthrough initiatives in greening its supply chain.

So far 14,173 fuel stations, which is more than 50% of the retail network, have been converted to operate on solar energy with a cumulative installed capacity of 77 MW.

Related Sustainability Development Goals (SDGs)

Input-Output-Outcome

Inputs	Outputs	Outcomes
• 608 rainwater harvesting units installed on a cumulative basis	• Potential created for harvesting about 3 billion litres of rainwater per year	• Harvested rainwater is equivalent to 3% of IndianOil's freshwater consumption
• 71.82 MMT of crude oil processed at IndianOil refineries • Capital expenditure of ₹ 136 crore in alternative energy • Capacity of renewable energy projects increased to 216 MW • Pipeline network expanded to 14,231 km	• 16.45 $MMTCO_2e$ of GHG emissions due to crude oil processing from refineries • Renewable energy generation of 388 GWh in 2018-19 • Pipeline transport of crude oil/ petroleum products replaced less energy-efficient rail transport	• Reduction in refineries' specific GHG emissions by 12.43% till 2018-19 as against 2012-13 levels • Renewable energy generation is equivalent to 5% of IndianOil's electricity consumption • GHG emissions reduction of 3,18,000 tCO_2e in 2018-19 on account of renewable energy projects • 13,29,000 tCO_2e of emission avoided through environment-friendly pipeline transportation

• 22,59,61,690 MMBTU of energy consumed at refineries
• 67 energy conservation/efficiency projects implemented at refineries with an overall cost of ₹ 44.81 crore
	• Energy conservation (ENCON) projects implemented in 2018-19 estimated to have saved 82,078 MT Standard Refinery Fuel per annum, equivalent to ₹ 135.3 crore/year	• ENCON projects undertaken in 2018-19 have emission reduction potential of 2,55,000 tCO_2e per year
		• During the year, IndianOil achieved its best performance on the following parameters:
		  • Specific energy consumption (MBN) of refineries reduced to 71.3
		  • Energy Intensity Index (EII) rating brought down to 97.9
		  • Decline in fuel & loss to 8.57%

• Treated 45.17 million kl waste water • Responsible management of organic waste through installation of 50 bio-gas plants/organic waste composters	• 40.15 million kl of waste water recycled • More than 400 tonnes of organic waste processed during the year • 137 tonnes of waste paper recycled in 2018-19	• Reduction in freshwater intake by 28.7% by recycling the waste water generated in operating locations • Refineries reused 89% of waste-water generated • Avoided emission of 245 tCO_2e by treating waste in organic waste converter / biogas plant installed within premises, rather than sending the waste to landfill
• Development of greenbelt areas	• About 2,10,000 saplings were planted in 2018-19. Cumulatively more than 2 million saplings had been planted • 12 events made carbon neutral	• Emission sequestration and restoring habitat in operating locations • Estimated savings of 40,000 tCO_2e of emissions during 2018-19 through plantation/sequestration

BOARD OF DIRECTORS

1.	**Shri Sanjiv Singh**	Chairman	
2.	**Shri G. K. Satish**	Director (Planning & Business Development)	
3.	**Dr. S. S. V. Ramakumar**	Director (Research & Development)	
4.	**Shri B. V. Rama Gopal**	Director (Refineries)	
5.	**Shri Ranjan Kumar Mohapatra**	Director (Human Resources)	
6.	**Shri Gurmeet Singh**	Director (Marketing)	w.e.f. 26.07.2018
7.	**Shri Akshay Kumar Singh**	Director (Pipelines)	w.e.f. 14.08.2018
8.	**Shri Ashutosh Jindal**	Government Nominee Director	
9.	**Smt. Indrani Kaushal**	Government Nominee Director	w.e.f. 26.07.2018 up to 11.03.2019 re-appointed on 28.05.2019
10.	**Shri Parindu Bhagat**	Independent Director	
11.	**Shri Vinoo Mathur**	Independent Director	
12.	**Shri Samirendra Chatterjee**	Independent Director	
13.	**Shri Chitta Ranjan Biswal**	Independent Director	
14.	**Dr. Jagdish Kishwan**	Independent Director	
15.	**Shri Sankar Chakraborti**	Independent Director	
16.	**Shri D. S. Shekhawat**	Independent Director	
17.	**Shri A.K.Sharma**	Director (Finance)	up to 17.05.2019
18.	**Smt. Sushmita Dasgupta**	Government Nominee Director	w.e.f. 20.03.2019 up to 27.05.2019
19.	**Shri Sanjay Kapoor**	Independent Director	up to 01.12.2018

KEY MANAGERIAL PERSONNEL (KMP)

1.	**Shri Sandeep Kumar Gupta**	Chief Financial Officer	w.e.f. 18.05.2019
2.	**Shri Kamal Kumar Gwalani**	Company Secretary	

CORE TEAM

From Left to Right –
Dr. SSV Ramakumar, Director (Research & Development)
Mr. Ranjan Kumar Mohapatra, Director (Human Resources)
Mr. Gurmeet Singh, Director (Marketing)
Mr. Sanjiv Singh, Chairman
Mr. BV Rama Gopal, Director (Refineries)
Mr. Akshay Kumar Singh, Director (Pipelines)
Mr. G.K.Satish, Director (Planning & Business Development)

SENIOR MANAGEMENT TEAM

Vinod Kumar
Chief Vigilance Officer

BK Ravi
Advisor (Security)

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

Kaushik Bora
Executive Director (Health, Safety & Environment), Refineries

VK Shukla
Executive Director (Human Resources), Refineries

BS Giridhar
Executive Director (Health, Safety & Environment), Marketing

YK Gupta
Executive Director (Health, Safety & Environment), Corporate Office

DLN Sastri
Executive Director (International Trade), Corporate Office

Murali Srinivasan
Executive Director I/C (Maharashtra State Office)

SK Awasthi
Executive Director (OSD), Refineries

AK Tewari
Executive Director (Operations), Pipelines

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

LW Khongwir
Executive Director (Mathura Refinery)

PK Yadav
Executive Director (Gas), Corporate Office

Alok Khanna
Executive Director (Strategic Information Systems), Refineries

PC Choubey
Executive Director (South Eastern Region Pipelines)

VK Misra
Executive Director (Uttar Pradesh State Office-II)

SK Sharma
Executive Director (City Gas Distribution), Pipelines

SK Jain
Executive Director (Engineering & Projects), Marketing

Rahul Bhardwaj
Executive Director I/C (Telangana & Andhra Pradesh State Office)

Sunil Mathur
Executive Director (LPG), Marketing

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

SS Lamba
Executive Director (Gujarat State Office)

VC Sati
Executive Director (Northern Region Pipelines)

VK Raizada
Executive Director (Maintenance & Inspection), Refineries

Subimal Mondal
Executive Director (Lubes), Marketing

Debasish Roy
Executive Director (Finance), Refineries

UP Singh
Executive Director (Human Resources), Marketing

HK Sachdev
Executive Director (Regional Services – Northern Region)

Rakesh Sehgal
Executive Director (Supplies), Marketing

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

Gautam Ghosal
Executive Director (Human Resources), Pipelines

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

DL Pramodh
Executive Director (Karnataka State Office)

Sanjay Manchanda
Executive Director (Guwahati Refinery)

RS Dahiya
Executive Director (Quality Re-assurance Cell), Corporate Office

RD Kherdekar
Executive Director (Pricing), Marketing

Sudhir Kumar
Executive Director (Gujarat Refinery)

CK Tiwari
Executive Director (IndianOil Institute of Petroleum Management)

SM Vaidya
Executive Director (Operations), Refineries

HK Singh
Executive Director (Projects), Pipelines

Dr. SK Mazumdar
Executive Director (Quality Control), Marketing

AK Basu
Executive Director I/C (Regional Services – Eastern Region)

Srikrishna Chervu
Executive Director (Cryogenics)

M Kalikrishna
Executive Director (Corporate Communications), Corporate Office

SK Dam
Executive Director (Co-ordination, Planning & Law), Marketing

SK Bose
Executive Director (Human Resources), Corporate Office

SS John
Executive Director, AOD Refinery

Subodh Kumar
Executive Director (Petrochemicals, Alternate Energy & Sustainable Development), Corporate Office

Subrata Barma
Executive Director (The IndianOil Foundation), Corporate Office

AK Ganjoo
Executive Director (Uttar Pradesh State Office-I)

Debashis Roy
Executive Director I/C (Exploration & Production), Corporate Office

Aarup A Bhattacharjee
Executive Director (Regional Services - Western Region)

Ravindra Garg
Executive Director (Rajasthan State Office)

TDVS Gopalakrishna
Executive Director (Paradip Refinery)

Partha Ghosh
Executive Director (Optimisation), Corporate Office

Pramod Narang
Executive Director (Maintenance & Construction), Pipelines

DS Nanaware
Executive Director (Southern Region Pipelines)

OP Jain
Executive Director (BD-Finance), Corporate Office

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

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

DK Banerjee
Executive Director (Western Region Pipelines)

Manish Sinha
Executive Director (Explosives)

Rabindranath Ghosh
Executive Director (Regional Services – Eastern Region)

DV Ramana Rao
Executive Director (Retail Sales & Spl. Assgn.Amravati), Marketing

AK Nagpal
Executive Director (Internal Audit), Corporate Office

Sangeeta Munjal (Ms)
Executive Director (Co-ordination), Corporate Office

SK Dey
Executive Director (Automation), Marketing

AK Gupta
Executive Director (Projects), Refineries

Sukla Mistry (Ms)
Executive Director (Barauni Refinery)

Umesh Goel
Executive Director (Information Systems), Corporate Office

Manoj Bajaj
Executive Director (Process – Projects), Refineries

Sanjaya Bhatnagar
Executive Director (Panipat Refinery)

JP Sinha
Executive Director (Eastern Region Pipelines)

Archna Bhardwaj (Ms)
Executive Director (Maintenance & Construction), Refineries

Amitabh Akhauri
Executive Director (Maharashtra State Office)

Sanjay Sahay
Executive Director (Aviation), Marketing

Arup Sinha
Executive Director (Regional Services - Southern Region)

Hridesh Baindail
Executive Director (Exploration & Production), Corporate Office

Pritish Bharat
Executive Director (West Bengal State Office)

Najmi
Executive Director (Vigilance), Corporate Office

Abhijit Choudhury
Executive Director (Construction), Pipelines

Brij Behari
Executive Director (Haldia Refinery)

Vibhash Kumar
Executive Director (Bihar State Office)

P Jayadevan
Executive Director (Tamil Nadu State Office)

Shyam Bohra
Executive Director (Delhi State Office)

V Satish Kumar
Executive Director (Madhya Pradesh State Office)

Sanjeev Gupta
Executive Director (Corporate Strategy), Corporate Office

Vigyan Kumar
Executive Director (Retail Sales), Marketing

Sujoy Choudhury
Executive Director (Punjab State Office)

Kalyan Halder
Executive Director (Finance), Pipelines

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

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 para-military 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

Statutory Auditors
V. Sankar Aiyar & Co., Mumbai
S. K. Mehta & Co., New Delhi
C. K. Prusty & Associates, Bhubaneshwar
V. Singhi & Associates, Kolkata

Branch Auditor
Shiromany Tyagi & Co., New Delhi

Cost Auditors
Chandra Wadhwa & Co., New Delhi
Bandyopadhyaya Bhaumik & Co., Kolkata
Mani & Co., Kolkata
R. J. Goel & Co., New Delhi
ABK & Associates, Mumbai
Vivekanandan Unni & Associates, Chennai

Chandra Wadhwa & Co., New Delhi is the Central Cost Auditor

Secretarial Auditor
Ragini Chokshi & Co.
Company Secretaries, Mumbai

Registrar & Transfer Agent
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@karvy.com
Website : www.karvyfintech.com

Bankers
State Bank of India
HDFC Bank Ltd.

Debenture Trustee
SBICAP Trustee Company Ltd.
Apeejay House, 6th Floor,
3, Dinshaw Wachha Road,
Churchgate, Mumbai - 400020
Website: www.sbicaptrustee.com

Stock Exchanges

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

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

GROUP COMPANIES

Name	Business
Indian Subsidiaries	
Chennai Petroleum Corporation Ltd.	Refining of petroleum products
Overseas Subsidiaries	
IndianOil (Mauritius) Ltd., Mauritius	Terminalling, Retailing & Aviation Refueling
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 Projects in Venezuela and Israel
IOCL (USA) Inc., USA	Participation in Shale Gas Asset Projects
IndOil Global B.V., The Netherlands	Investment Company for E&P Assets in Canada and UAE
IOCL Singapore Pte Ltd.	Investment Company for E&P Assets, trading operation for procurement of crude oil and import / export of petroleum products

JOINT VENTURES

Name	Business	Partners
Avi-Oil India Pvt. Ltd.	Speciality lubricants	Neden BV, The 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 operation of fertiliser plants at Sindri, Gorakhpur and Barauni	Coal India Ltd. NTPC Ltd. Fertiliser Corporation of India Ltd. Hindustan Fertiliser Corporation Ltd.
Indian Oiltanking Ltd. (Formerly known as IOT Infrastructure & Energy Services Ltd.)	Terminalling services	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, Taiwan
Indradhanush Gas Grid Ltd.	Setting up of natural gas pipeline connecting Guwahati to major cities in the Northeast, like Itanagar, Numaligarh, Dimapur, Imphal, Aizawl, Agartala, Shillong, Silchar, Gangtok, etc.	Oil and Natural Gas Corporation Ltd. GAIL (India) Ltd. OIL India Ltd. Numaligarh Refinery Ltd.

Name	Business	Partners
Kochi Salem Pipelines Private Ltd.	Laying of pipeline for transport of LPG from Kochi to Salem	Bharat Petroleum Corporation Ltd.
Lubrizol India Pvt. Ltd.	Lube Additives	Lubrizol Corp., USA
Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	Setting up of common-user integrated aviation fuel infrastructure at Mumbai Airport	Bharat Petroleum Corporation Ltd. Hindustan Petroleum Corporation Ltd. Mumbai International Airport Ltd.
NPCIL - IndianOil Nuclear Energy Corporation Ltd.	Setting up of nuclear power plant	Nuclear Power Corporation of India Ltd.
Petronet LNG Ltd.	LNG imports/distribution	Bharat Petroleum Corporation Ltd. Oil and Natural Gas Corporation Ltd. GAIL (India) Ltd
Ratnagiri Refinery & Petrochemicals Ltd.	Refinery and petrochemicals 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

Financial

	AS PER IND-AS						AS PER OLD IGAAP	
	2018-19	2017-18	2018-19	2017-18	2016-17	2015-16	2015-16	2014-15
	(US $ Million)		(₹ in Crore)					
Revenue From Operations	86,684	78,565	605,924	506,428	445,442	406,828	407,296	467,932
Profit Before Exceptional Items, Finance Cost, Tax, Depreciation & Amortisation (EBITDA)	5,286	6,688	36,952	43,114	35,989	23,371	22,329	14,291
Profit Before Exceptional Items, Finance Cost & Tax (EBIT)	4,211	5,592	29,438	36,047	29,766	18,552	17,476	9,762
Profit Before Exceptional Items & Tax	3,595	5,052	25,127	32,564	26,321	15,462	14,476	6,327
Profit Before Tax	3,595	5,052	25,127	32,564	26,321	16,826	15,840	7,995
Profit After Tax	2,417	3,312	16,894	21,346	19,106	11,242	10,399	5,273
Other Comprehensive Income (net of tax)	(333)	62	(2,324)	397	4,868	(6,940)		
Total Comprehensive Income	2,084	3,373	14,570	21,743	23,974	4,302		
Contribution to Central & State Exchequer	27,671	29,580	193,422	190,670	179,014	132,064	132,064	98,326
Cumulative Dividend (on issued share capital)			60,018	51,109	39,940	30,714	30,714	27,315
Value Added	6,874	8,252	48,054	53,193	45,708	31,849	31,330	23,064
Distribution :								
To Employees	1,588	1,564	11,102	10,079	9,719	7,114	7,637	7,105
To Providers of Capital								
- Finance Cost	616	540	4,311	3,483	3,445	3,090	3,000	3,435
- Dividend	1,383	1,471	9,671	9,479	10,545	2,867	3,399	1,602

Financial

	AS PER IND-AS						AS PER OLD IGAAP	
	2018-19	2017-18	2018-19	2017-18	2016-17	2015-16	2015-16	2014-15
	(US $ Million)		(₹ in Crore)					
To Government-Income Tax & Dividend Tax	1,462	2,038	10,218	13,139	9,392	6,170	6,121	3,048
Retained in Business								
- Depreciation	1,075	1,096	7,514	7,067	6,223	4,819	4,853	4,529
- Retained Earnings	750	1,543	5,238	9,946	6,384	7,789	6,320	3,345
What Corporation Owns								
Net Fixed Assets	17,164	17,478	118,708	113,927	107,880	91,347	90,895	66,251
Capital Work In Progress (CWIP)	3,412	2,201	23,599	14,348	10,738	21,025	21,022	36,324
Investments	7,194	7,286	49,755	47,488	47,305	37,181	23,975	23,899
Other Non-Current Assets	907	1,385	6,270	9,029	7,987	6,900	8,375	7,835
Other Current Assets	16,707	14,523	115,541	94,657	85,299	63,595	82,340	85,540
Total	**45,384**	**42,873**	**313,873**	**279,449**	**259,209**	**220,048**	**226,607**	**219,849**
What Corporation Owes								
Equity								
- Share Capital	1,328	1,454	9,181	9,479	4,739	2,370	2,428	2,428
- Other Equity	14,384	15,448	99,477	100,692	94,990	85,765	71,521	65,542
Total	**15,712**	**16,902**	**108,658**	**110,171**	**99,729**	**88,135**	**73,949**	**67,970**
Borrowings	12,487	8,903	86,359	58,030	54,820	52,880	52,469	55,248
Tax Liability (Net)	2,023	1,646	13,989	10,726	6,811	6,403	9,468	6,720
Other Non-Current Liabilities	448	600	3,098	3,912	4,101	20,543	20,038	17,472
Other Current Liabilities	14,714	14,822	101,769	96,610	93,748	52,087	70,683	72,439
Total	**45,384**	**42,873**	**313,873**	**279,449**	**259,209**	**220,048**	**226,607**	**219,849**
Net Worth (as per Companies Act)	13,364	14,063	92,424	91,664	81,474	75,176	73,498	67,617
Market Capitalisation	22,167	26,313	153,310	171,511	187,948	95,564	95,564	89,506
Enterprise Value	34,649	35,208	239,630	229,487	242,715	148,182	147,771	144,653
Key Financial Indicators								
IOCL Reported GRM (in $/bbl)			5.41	8.49	7.77	5.06	5.06	0.27
IOCL Normalised GRM (in $/bbl)			4.81	7.37	4.99	7.50	7.50	6.73
Singapore GRM (in $/bbl)#			4.88	7.22	5.83	7.46	7.46	6.36
Earnings Per Share*	0.26	0.35	17.89	22.52	20.16	11.86	10.71	5.43
Cash Earnings Per Share*	0.37	0.47	25.85	29.98	26.72	16.94	15.70	10.09
Book Value Per Share*	1.71	1.78	118.35	116.23	105.21	92.98	76.14	69.99

Financial

	AS PER IND-AS						AS PER OLD IGAAP	
	2018-19	2017-18	2018-19	2017-18	2016-17	2015-16	2015-16	2014-15
	(US $ Million)		(₹ in Crore)					
Market Price Per Share (NSE)			162.85	176.60	193.53	98.40	98.40	92.16
Price Earning Ratio			9.10	7.84	9.60	8.30	9.19	16.97
Dividend Payout Ratio			53%	52%	48%	30%	33%	30%
Total Payout Ratio			63%	63%	58%	36%	39%	37%
Retention Ratio			37%	37%	42%	64%	61%	63%
Debt Equity Ratio								
- Total Debt To Equity			0.79:1	0.53:1	0.55:1	0.60:1	0.71:1	0.81:1
- Long-Term Debt To Equity			0.35:1	0.19:1	0.25:1	0.40:1	0.47:1	0.56:1
Current ratio			1.22:1	1.07:1	0.99:1	1.36:1	1.26:1	1.28:1
Return on Average Net Worth (%)			18.35	24.66	24.39	15.12	14.74	7.91
Return on Average Capital Employed (%)			18.10	24.22	22.57	16.36	18.37	9.62
Debtor Turnover Ratio (times)			46.64	53.43	54.66	55.79	54.05	50.70
Inventory Turnover Ratio (times)			8.52	7.47	8.37	10.20	9.40	8.43
Interest Service Coverage Ratio (times)			8.57	12.32	9.94	6.49	6.37	3.91
Debt Service Coverage Ratio (times)			4.30	3.31	2.03	1.76	1.68	1.46
EBITDA Margin (%)			6.99	10.22	9.96	6.67	6.37	3.27
Operating Profit Margin (%)			4.97	7.74	7.07	4.64	4.34	1.28
Net Profit Margin (%)			3.19	5.06	5.29	3.21	2.97	1.21

Source: Reuters

Note: Exchange rate used:-

For 2018-19 Average Rate 1 US $ = ₹69.90 and Closing Rate 1 US $ = ₹69.16 as on 31.03.2019

For 2017-18 Average Rate 1 US $ = ₹64.46 and Closing Rate 1 US $ = ₹65.18 as on 31.03.2018

* 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 + Current Tax Liability + Income Tax Liability - (Current Tax Asset + Income Tax Assets)
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 Borrowing + 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	(EBIT – 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)

Operations

	2018-19	2017-18	2016-17	2015-16	2014-15
Operating Performance					
Product Sales					
Domestic					
- Petroleum Products	79.964	77.133	74.110	72.603	68.467
- Gas	1.950	1.904	1.920	1.929	1.805
- Petrochemicals	2.553	2.275	2.453	2.413	2.390
- Explosives	0.183	0.177	0.158	0.144	0.100
Total Domestic	**84.650**	**81.489**	**78.641**	**77.089**	**72.762**
Exports	5.244	7.274	4.849	3.575	3.749
Total	**89.894**	**88.763**	**83.490**	**80.664**	**76.511**
Refineries Throughput	**71.816**	**69.001**	**65.191**	**56.694**	**53.586**
Pipelines Throughput	**88.527**	**85.675**	**82.490**	**79.824**	**75.684**

Manpower Numbers

	2018-19	2017-18	2016-17	2015-16	2014-15
	33,498	33,157	33,135	32,803	32,962

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

DIRECTORS' REPORT

Dear Members,

It gives me immense pleasure to present the 60th Annual Report and the second Integrated Annual Report of the Corporation for the financial year ended 31st March 2019, along with the Audited Standalone and Consolidated Financial Statements and Auditors' Report thereon on behalf of the Board. During the year, the Corporation continued to achieve excellent performance on all operational parameters in all business verticals, while meeting the energy needs and aspirations of the country.

PERFORMANCE REVIEW

FINANCIAL

Particulars	2018-19		2017-18	
	US$ Million	₹ in Crore	US$ Million	₹ in Crore
Revenue from Operations (Inclusive of Excise Duty & Sale of Services)	**86,684**	**6,05,924**	78,565	5,06,428
EBITDA (Profit Before Exceptional Items, Finance Cost, Tax, Depreciation & Amortisation)	**5,286**	**36,952**	6,688	43,114
Finance Cost	**616**	**4,311**	540	3,483
Depreciation	**1,075**	**7,514**	1,096	7,067
Profit Before Tax & Exceptional Items	**3,595**	**25,127**	5,052	32,564
Exceptional Items	**-**	**-**	-	-
Profit Before Tax	**3,595**	**25,127**	5,052	32,564
Tax Provision	**1,178**	**8,233**	1,740	11,218
Profit After Tax	**2,417**	**16,894**	3,312	21,346
Balance Brought Forward from Last Year				
Less: Appropriations				
Interim Dividend paid	**1,112**	**7,775**	1,397	9,005
Final Dividend paid	**271**	**1,896**	74	474
Dividend Distribution Tax	**284**	**1,985**	298	1,921
Insurance Reserve (Net)	**3**	**18**	3	20
Bond Redemption Reserve	**90**	**631**	78	503
CSR Reserve (Net)	**-**	**-**	-	(3)
General Reserve	**657**	**4,589**	1,462	9,426
Balance Carried to Next Year	**-**	**-**	-	-

SHARE VALUE

	2018-19		2017-18	
	US$	₹	US$	₹
Cash Earnings Per Share	**0.37**	**25.85**	0.47	29.98
Earnings Per Share	**0.26**	**17.89**	0.35	22.52
Book Value Per Share	**1.71**	**118.35**	1.78	116.23

Note: Exchange Rate used :-

For 2018-19: Average Rate 1 US$ = ₹69.90 and Closing Rate 1 US$ = ₹69.16 as on 31.03.2019

For 2017-18: Average Rate 1 US$ = ₹64.46 and Closing Rate 1 US$ = ₹65.18 as on 31.03.2018

PHYSICAL

Million Metric Tonnes

Particulars	2018-19	2017-18
Refineries Throughput	**71.82**	69.00
Pipelines Throughput	**88.53**	85.68
Product Sales (inclusive of Gas, Petrochemicals & Exports)	**89.89**	88.76

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

CHANGES IN SHARE CAPITAL / BUYBACK OF SHARES

The Board of your Corporation at its meeting held on 13th December, 2018, had approved a Buyback of not exceeding 29,76,51,006 fully paid-up Equity Shares of face value of ₹ 10 each ("Equity Shares") from all the existing shareholders / beneficial owners of equity shares as on the Record Date (25th December, 2018), on proportionate basis, through the "Tender Offer" process at a price of ₹ 149/- per equity share, payable in cash for an aggregate consideration not exceeding ₹ 4,435 crore. The offer size was 5% of the aggregate of the fully paid-up equity share capital and free reserves and 3.06% of the paid-up equity shares in the total paid-up share capital of the Corporation as per the audited financial statements for the financial year ended 31st March, 2018.

The Buyback Offer opened on 22nd January, 2019 and closed on 4th February, 2019. The settlement of Buyback amount was completed on 12th February, 2019 and 29,76,51,006 Equity Shares were bought back, which were cancelled and extinguished on 14th February, 2019, thereby resulting in reduction of paid-up share capital from ₹ 9,711.81 crore to ₹ 9,414.16 crore.

DISINVESTMENT BY THE PRESIDENT OF INDIA (PROMOTER)

The promoter of IndianOil, i.e., President of India (PoI), was holding 553,34,36,444 equity shares constituting 56.98% of the total equity share capital as on 1st April, 2018. As part of the Government's disinvestment programme, the PoI, acting through the MoP&NG, sold shares of the Corporation during the year, as per details given below:-

1) In June, 2018, the PoI disinvested 2,18,90,396 equity shares in favour of Bharat 22 ETF (an exchange-traded fund comprising - 22 stocks managed by ICICI Prudential Mutual Fund) whereby the PoI holding reduced to 551,15,46,048 equity shares constituting 56.75% of the paid-up equity share capital of IndianOil.

2) In December, 2018, the PoI further disinvested 26,13,74,221 equity shares in favour of CPSE ETF (an exchange-traded fund comprising - 11 stocks managed by Reliance Nippon Life Asset Management Company) whereby the PoI holding reduced to 525,01,71,827 equity shares constituting 54.06% of the paid-up equity share capital of IndianOil.

3) In February, 2019, the PoI sold 17,78,54,068 shares under IndianOil's Buyback of Shares, and consequently, the shareholding of PoI reduced to 5,07,23,17,759 equity shares constituting 53.88% of the reduced paid-up equity share capital of IndianOil .

4) In February, 2019, the PoI disinvested 3,72,03,876 equity shares in favour of Bharat 22 ETF whereby the PoI holding further reduced to 503,51,13,883 equity shares constituting 53.48% of the paid-up equity share capital of IndianOil.

5) In March, 2019, the PoI further disinvested 12,29,64,424 equity shares in favour of CPSE ETF, whereby the PoI holding reduced to 491,21,49,459 equity shares constituting 52.18% of the paid-up equity share capital of IndianOil.

DIVIDEND

The Board of Directors of your Corporation has recommended a final dividend of 10%, i.e., ₹ 1/- per equity share of ₹ 10/- each, on the paid-up share capital in addition to the interim dividends totalling to ₹ 8.25 per share paid during 2018-19. This is the 52nd consecutive year for which your Corporation has recommended payment of dividend. So far, your Corporation has paid a cumulative dividend of ₹ 59,077 crore, excluding the final dividend of ₹ 941.42 crore recommended for the current year, which is subject to approval by members at the forthcoming AGM on 28th August, 2019. The final dividend shall be paid to the members whose names appear in the Register of Members as well as the Beneficial Ownership Position provided by NSDL/CDSL as at the close of 22nd August 2019.

The Board of your Corporation 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

इंडियनऑयल
IndianOil

इंडियनऑयल

IndianOil Group Refineries and Pipelines Network

Refineries

Installed Capacities

IndianOil Refineries	
Paradip	15.00
Panipat	15.00
Koyali	13.70
Mathura	08.00
Haldia	07.50
Barauni	06.00
Bongaigaon	02.35
Guwahati	01.00
Digboi	00.65
Subsidiaries' Refineries	
CPCL, Chennai	10.50
CPCL, Narimanam	01.00
Group Total	**80.70**

(Figures in million metric tonnes per annum)

Pipelines

- Crude Oil Pipeline (Existing)
- Crude Oil Pipeline (Ongoing)
- Product Pipeline (Existing)
- Product Pipeline (Ongoing)
- LNG Pipeline (Existing)
- LNG Pipeline (Ongoing)
- LPG Pipeline (Existing)
- LPG Pipeline (Ongoing)
- Single Point Mooring
- Gas Terminal

Operating Pipelines

	Length (Km)	Capacity
Crude Oil Pipelines	5,301	48.60 MMTPA
Product Pipelines	8769	45.56 MMTPA
Gas Pipeline	161	21.69 MMSCMD
TOTAL	14231	

(Map not to scale)

As on 1st April 2019

CONTRIBUTION TO EXCHEQUER

Your Corporation has consistently been the largest contributor to the Government exchequer in the form of duties, taxes and dividend. During the year, ₹1,93,422 crore was paid to the exchequer as against ₹1,90,670 crore paid in the previous year. An amount of ₹1,01,395 crore was paid to the Central Exchequer and ₹92,027 crore to the State Exchequer as against ₹1,03,362 crore and ₹87,308 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, your Corporation has prepared the Consolidated Financial Statement for the group, including its subsidiaries, joint venture entities and associates. The highlights of the Consolidated Financial Results are as follows:

Particulars	2018-19		2017-18	
	US$ Million	₹ in Crore	US$ Million	₹ in Crore
Revenue from Operations (Inclusive of Excise Duty & Sale of Services)	88,304	6,17,243	79,979	5,15,542
Profit Before Tax	3,709	25,927	5,344	34,450
Profit After Tax	2,471	17,274	3,510	22,626
Less: Share of Minority	(15)	(103)	68	437
Profit for the Group	2,486	17,377	3,442	22,189

Note: Exchange Rate used:-
For 2018-19: Average Rate 1 US$ = ₹69.90
For 2017-18: Average Rate 1 US$ = ₹64.46

INTERNATIONAL TRADE

In order to meet the crude oil requirement of its refineries, your Corporation imported 61.69 million metric tonnes of crude oil during the year, as against 58.01 million metric tonnes 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 7.00 million metric tonnes as against 6.53 million metric tonnes in the previous year. The Corporation also exported petroleum and petrochemical products during the year. Your Corporation has made alternate 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 imposition of sanctions on trade with Iran.

OPERATIONAL PERFORMANCE

Refineries

During the year, the nine refineries of your Corporation performed exceedingly well in physical parameters to achieve the highest ever crude oil throughput of 71.82 million metric tonnes as against 69.00 million metric tonnes in 2017-18. A capacity utilisation of 103.8 per cent was achieved during the year as against 99.7 per cent during 2017-18. The distillate yield of the refineries was 80.4 per cent, same as that of last year. The refineries also achieved excellent energy parameters of Specific Energy Consumption, Energy Intensity Index and Fuel & Loss at 71.3, 97.9 and 8.57 per cent as against 72.6, 98.5 and 8.75 per cent respectively registered for 2017-18.

In order to achieve more flexibility in refining operations, nine new crude oil grades were included in IndianOil's crude oil basket, taking their number to 180. The refineries are well poised to implement projects to rollout BS-VI fuels w.e.f. 01.04.2020 in the entire country as well as to meet the IMO (International Maritime Organisation) 2020 guidelines to reduce the sulphur content in bunker fuel.

IndianOil aspires to double its refining capacity by the year 2030 in line with the robust growth in POL demand year-on-year.

Pipelines

Your Corporation has an extensive network of pipelines across the length and breadth of the country for supply of crude oil and products. As on 31.03.2019, the total length of the pipelines was 14,231 km with capacity of 94.16 million tonnes of crude / product pipelines and 21.69 MMSCMD of gas pipelines.

The pipelines of your Corporation achieved the highest ever throughput for the fifth consecutive year, registering a throughput of 88.53 million tonnes as against 85.68 million tonnes in the previous year, registering a growth of 3.3%. The crude oil pipelines achieved a throughput of 51.33 million metric tonnes as against 51.08 million metric tonnes during the previous year. The petroleum product pipelines recorded the highest ever throughput of 37.20 million metric tonnes as against 34.60 million metric tonnes achieved last year, registering a growth of 7.50 per cent. The gas pipelines also achieved the highest ever throughput of 1,834 MMSCM during the year, as against a throughput of 1,683 MMSCM in 2017-18.

Marketing

Your Corporation continued to match the pace of growth in the country and maintained the top place in terms of market share and achieved the highest sales of 79.96 million metric tonnes of petroleum products during the year, as against 77.13 million metric tonnes during the previous year.

During the year, the Corporation commissioned 648 retail outlets (fuel stations, including 335 *Kisan Seva Kendra* outlets in rural areas) taking their total number to 27,702. All the retails outlets of the Corporation have been automated as on 31st March, 2019. During the year, 5,033 retail outlets were solarised, which is the highest number of retail outlets solarised in a year. Cumulatively, 14,173 retail outlets have been solarised with an installed capacity of about 77 MW. A new initiative, fuel@doorstep was launched during the year to ensure door-to-door delivery of products to specific categories of institutional customers. The Corporation continued to meet the fuel requirement of defence and railways during the year. In order to ensure uninterrupted availability of petroleum products in Leh & Ladakh during winter season, when the region gets isolated from rest of the country, the Corporation successfully completed Advance Winter Stocking exercise much before the closure of roads. The Corporation also maintained uninterrupted supply line of petroleum products, including ATF and LPG, in the State of Kerala during floods.

During the year, the Corporation released the highest new domestic LPG connections to more than 2 crore customers, out of which 1.68 crore connections were released under *Pradhan Mantri Ujjwala Yojana*, to the women of poor households. To meet the increased demand of LPG, the bottling capacity as well as storage capacity was augmented by 360 TMTPA and 7800 MT respectively and the highest number of 1,782 new LPG distributorships were commissioned during the year.

SERVO, the leading lubricant brand of your Corporation, registered a growth of 4 per cent in overall finished lubricants and 8.7 per cent in retail lubricants to achieve the top position in retail lube market. 123 *SERVO* grade approvals were obtained from Original Equipment Manufacturers (OEMs) during the year.

The Aviation Service of the Corporation continued to maintain its leadership position with a market share of 60 per cent. With the commissioning of nine new Aviation Fuel Stations (AFS), your Corporation now has 116 AFS in the country.

Explosives & Cryogenics

During the year, the Explosives and Cryogenics businesses of your Corporation continued with excellent performance and recorded the highest ever production and sales of explosives and cryocans. The Explosives group manufactured and sold 1,83,194 metric tonnes of explosives during the year, recording a growth of 3.6 per cent over the previous year's volume of 1,76,757 metric tonnes. The Cryogenics group sold 29,555 units of cryocans and cryovessels during 2018-19, as against previous year's sale of 28,782 units. During the year, the Cryogenics group developed new equipment for aviation, lubricants and refineries segments of the Corporation.

IndianOil, the industry leader in retail sales, caters to nearly half of India's petroleum consumption.

Research & Development

The R&D Centre of your Corporation plays a key role in supporting the business interests of the Corporation by developing economical, environment-friendly and socially responsible technology solutions. Apart from its core areas of fuels, lubricants & refining, the Centre is also focussed on cutting-edge research in the areas of Nanotechnology, Petrochemicals and Polymers, Bio-technology, Hydrogen Energy, Coal Gassification/Liquefaction and Gas-to-Liquid.

During the year, 103 lubricant formulations were developed and 87% of them were commercialised. 110 approvals were received from Original Equipment Manufacturers (OEMs) during the year.

A pilot plant was set up during the year to demonstrate a novel technology to convert greenhouse gas (CO_2) to bio-fuel and high-value food supplement material (Omega-3 fatty acids) in collaboration with LanzaTech, USA. The R&D Centre also developed its own complete bio-methanation solution, including a best-in-class patented inoculum, process design and technical service support module. A five tonnes-per-day bio-methanation plant based on this technology was commissioned in March, 2018 at Faridabad.

In its bid to provide clean air technologies, the R&D Centre developed and patented the compact reforming process for producing Hydrogen-CNG (H-CNG) blends for use in internal-combustion engines. Last year, the Hon'ble Supreme Court of India took cognizance of this technology and directed IndianOil to operate a select number of buses on Hydrogen CNG mixtures in a Delhi bus depot. The Centre is in the process of setting up a four tonnes-per-day H-CNG production plant at an identified bus depot and the trials would be conducted for a period of 6 months on 50 BS-IV compliant CNG buses.

The performance guarantee test-run of DHDS Unit at Gujarat Refinery employing in-house developed diesel treating technology in collaboration with Engineers India Limited was successfully carried out. The capacity of the DHDS Unit has been augmented for producing diesel having sulphur below 10 ppmw.

The R&D Centre filed for 160 patents and was granted 107 patents (30 Indian and 77 overseas) during the year. IndianOil became the first oil & gas PSU to cross the milestone of 1,000 patents filing in April, 2019 with 794 active patents in its portfolio.

PROJECTS

To maintain its leadership position, your Corporation recognises the importance of developing countrywide infrastructure and has been consistently investing in several major and minor projects. Across the Divisions, efforts are made to ensure that the projects are implemented seamlessly. The projects are financed through an optimum mix of internal accruals and borrowings from domestic as well as international markets whenever required. During the year, the Corporation spent over ₹24,500 crore on capital projects at standalone level. In addition, over ₹3,600 crore was spent on capital expenses through Special Purpose Vehicle(SPV)/investment in Group companies. Most of the capex requirement was met through internal accruals.

IndianOil plans to invest about ₹2 lakh crore in the next 5-7 years to evolve into a future-ready corporate that provides comprehensive energy solutions to diverse user groups.

The details of the completed and ongoing projects are as under :-

Completed Projects

» Paradip-Haldia-Durgapur LPG pipeline

» Jaipur-Panipat naphtha pipeline

» ATF pipeline at Kolkata

» LPG bottling plants at Banka, Bihar and Bhatinda, Punjab.

» Raze, rebuild and revamp of bulk storage depot at Doimukh, Arunachal Pradesh and a grassroots depot at Una, Himachal Pradesh

» 5-MMTPA LNG import terminal at Ennore (through a joint venture company)

Ongoing Projects costing more than ₹500 crore each

» Distillate yield improvement project at Haldia Refinery

» Polypropylene unit at Paradip Refinery

» Fuel quality upgradation project (BS-IV/VI) at Barauni Refinery

» BS-VI projects at all refineries

» INDMAX Unit alongwith associated facilities at Bongaigaon Refinery

» Atmospheric & Vacuum Unit and associated facilities of Barauni Refinery expansion project

» Ethylene Glycol project at Paradip Refinery

» Naphtha Cracker unit expansion and Mono Ethylene Glycol & Butadiene extraction unit revamp at Panipat Refinery

» Paradip-Hyderabad product pipeline

» Augmentation of Paradip-Haldia-Durgapur LPG pipeline and its extension up to Patna and Muzaffarpur

» Ennore-Thiruvallur-Bengaluru-Puducherry-Nagapattinam-Madurai-Tuticorin natural gas pipeline

» Haldia-Barauni crude oil pipeline and conversion of existing Haldia-Barauni crude oil pipeline to product and gas pipelines.

» Koyali-Ahmednagar-Solapur product pipeline

» Paradip-Somnathpur-Haldia product pipeline

» Setting up of fertiliser plants at Barauni, Gorakhpur and Sindri through a Joint Venture Company

BUSINESS DEVELOPMENT

Your Corporation has a long legacy of developing and nurturing new business lines, which have complemented and enriched its core business of refining and marketing. Today, given the wide-ranging changes that are happening in the energy sector, a conscious effort on diversification and upstream and downstream integration is no longer a choice but a necessity for oil & gas companies. The Corporation has made considerable progress in Petrochemicals, Natural Gas, Exploration & Production, Alternative Energy and International Business, which are becoming key sources of innovation, strength and growth.

IndianOil is a major supplier to the key players in the detergent industry, both national and international.

Petrochemicals

During the year 2018-19, the Corporation recorded the highest Petrochemicals sales of 2.64 MMT (domestic and exports) as against a sale of 2.37 MMT in 2017-18, recording a growth of 11.4 per cent. The Corporation's offerings include Polymers, Linear Alkyl Benzene, Purified Terephthalic Acid, Glycols and Butadiene. The Corporation's *PROPEL* brand is a leading brand in the Indian petrochemicals market.

During the year, the Corporation received approvals for its various polymer grades from about 20 major Indian and international OEMs. With focus on developing import substitution grades, three new polymer grades were rolled out during the year and 50 developmental projects were taken up with customers and OEMs.

Natural Gas

The Corporation is making significant investments across the Natural Gas value chain to build infrastructure and to enhance availability of the green fuel in the country. The Corporation now has 60 customers using Re-gasified Liquified Natural Gas (R-LNG). During the year, the R-LNG sale of the Corporation was 1.86 MMT. In addition, 2.10 MMT of R-LNG was internally consumed in three of the Corporation's refineries, viz., Panipat, Mathura and Gujarat.

The Corporation has been a pioneer in India through its 'LNG at Doorstep' service. During the year, the Corporation sold 36.12 TMT of LNG through trucks, registering a growth of 30.5% over the previous year.

During the year, the Corporation imported 20 cargoes (1.32 MMT) of LNG, against 17 cargoes (1.13 MMT) in the previous year. The Corporation is expanding its LNG sourcing infrastructure for catering to the growing demand in the country and has commissioned a 5-MMTPA LNG Import Terminal at Ennore near Chennai recently through a joint venture, which is the first of its kind on the East coast of India.

The Corporation is operating / implementing City Gas Distribution (CGD) Networks in 11 Geographical Areas (GAs) through its two Joint Venture Companies, Green Gas Ltd. (GGL) in Lucknow & Agra GAs and IndianOil-Adani Gas Pvt. Ltd. (IOAGPL) in Allahabad, Chandigarh, Panipat, Daman, Ernakulam, Udham Singh Nagar, Dharwad, South Goa & Bulandshahar GAs. The Corporation also participated in the 9th & 10th rounds of CGD Bidding invited by the Petroleum & Natural Gas Regulatory Board (PNGRB) and received authorisation for developing CGD Networks in 17 GAs on its own and in 12 GAs through its JV Companies, GGL & IOAGPL.

Pipeline infrastructure is critical to the development of natural gas market in the country and, therefore, the Corporation is laying several cross-country gas pipelines independently and through JV companies.

Exploration & Production

Your Corporation is actively engaged in upstream Exploration & Production (E&P) activities through Participating Interest (PI), joint ventures and wholly-owned subsidiaries. The upstream portfolio of the Corporation consists of 10 domestic blocks including 4 discovered small fields (DSF) & 2 coal bed methane blocks, and 12 overseas blocks, with Participating Interest (PI) ranging from 3 per cent to 100 per cent. The overseas E&P portfolio of the Corporation is spread over 10 countries, viz., Canada, Gabon, Israel, Libya, Nigeria, Oman, Russia, UAE, USA & Venezuela.

During the year, the Corporation's share of production from upstream assets increased by 65 per cent compared to the previous year, registering an increase in volume from 2.66 MMT to 4.39 MMT. The Corporation's 2P reserves increased by 45 per cent during 2018-19 over 2017-18 (from 743 MMboe to 1,079 MMboe).

During the year, the Corporation, along with Bharat Petro Resources Ltd. was jointly awarded Block Onshore 1 in U.A.E., offered during the Abu Dhabi Licencing Round 2018. The Corporation alongwith its consortium partners was also awarded the licence for Block 32 in Israel by the Government of Israel. Another consortium of IndianOil (with 90 per cent PI – as lead operator) and Hindustan Oil Exploration Ltd. (with 10 per cent PI) emerged the winner in the Umatara Cluster in Assam under the DSF Bid Round II.

The Corporation acquired 17 per cent PI in Mukhaizna Oil Field, Oman, through acquisition of 100% share capital of Shell Exploration & Production Oman Ltd. from Shell Overseas Holding Ltd. The transaction marked the entry of the Corporation into the highly prospective Middle East region and is also consistent with the strategic objective of adding high quality producing assets to its upstream portfolio.

The Corporation is targeting to raise equity oil & gas production from its international and domestic acquisitions to 7 MMTPA by the year 2023-24 and further to 11 MMTPA by 2029-30 by suitable addition of new assets from time to time.

Overseas Business

Your Corporation has been constantly exploring various overseas opportunities in oil & gas sector with special focus on neighbouring countries. MoUs were signed during the year with partners in neighbouring countries of Bangladesh and Myanmar to explore the possibility of joint cooperation in upstream and downstream hydrocarbons sector. The Corporation is evaluating multiple opportunities in Bangladesh, Myanmar, Nepal, Saudi Arabia, Azerbaijan and Africa.

Alternative Energy

Your Corporation has an installed capacity of 216 MW of renewable energy, including 167.6 MW of wind and 48.6 MW of solar (comprising 20.5 MW grid-connected solar PV and 28.1 MW off-grid solar). During the year, 14.2 MW of solar PV capacity was added and installation of another 13 MW is in progress.

The Corporation has commissioned three waste-to-energy plants of 5 tonnes per day capacity each under *Swachh Bharat Abhiyan*. The total power generated during the year 2018-19 from these waste-to-energy plants was about 40,250 units (kWh).

Under the Government of India's 'SATAT' (Sustainable Alternative Towards Affordable Transportation) initiative, 5,000 Compressed Bio-Gas (CBG) plants are to be set up by the year 2023, with production capacity of 15 MMTPA of CBG, which is 34 per cent of India's natural gas consumption during 2017-18. The Corporation has issued Letters of Intent to entrepreneurs for setting up 75 CBG plants. The technology for these plants shall be facilitated by IndianOil and their expected capacity is 792 tonnes per day.

The Corporation is setting up a second generation ethanol plant at Panipat based on ligno-cellulosic conversion of agricultural residue. Similar plants are also planned at Gorakhpur (Uttar Pradesh) and Dahej (Gujarat).

Sustainable Development

In view of the recent developments on climate change and sustainable development goals, there is an increased thrust on sustainable development. Your Corporation has taken cognizance of the fact and has been pursuing carbon management through energy conservation, energy efficiency, renewable energy & carbon sequestration; water management through reducing consumption, recycling & rain-water harvesting; and waste management through reduce, reuse & recycle initiatives.

The Corporation is replacing conventional lighting with LED lights across all its installations. Cumulatively, 4.5 lakh conventional light fittings have been replaced with LED. During the year, 2.1 lakh saplings were planted at various locations of the Corporation. Waste paper recycling is another major initiative of the Corporation and during the year 137 tonnes of waste paper was recycled through designated recyclers. The Corporation has installed 608 rainwater harvesting systems to harvest 3 billion litres of rainwater annually.

IndianOil's 5-MMTPA terminal at Ennore for LNG imports and sourcing more LNG directly to meet the increasing domestic requirements.

INFORMATION SYSTEMS & OPTIMISATION

Your Corporation migrated to SAP-HANA technology in January, 2019, becoming the first PSU and the largest installation in India to do so. IndianOil is the first corporate in India to integrate SAP and TReDS platform, which is an e-discounting platform to support financing of MSME receivables.

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 Optimisation group in the Corporation carries out analysis of demand forecast covering purchase of crude oil cargoes through term contracts or spot purchases, logistics arrangements, export of products, etc. not only to maintain supply of products across the country but also to optimise corporate profitability. In order to reduce dependence on procurement of crude oil from conventional sources, 12 million barrels of different varieties of crude oil was procured from the USA during the year.

HEALTH, SAFETY & ENVIRONMENT (HSE)

Your Corporation is committed to conducting business with a strong environment conscience, ensuring sustainable development, safe workplaces and enrichment of the quality of life of its employees, customers and the community. All refineries of your Corporation 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 Corporation 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 Corporation are reviewed periodically in Board meetings. During the year, safety audits were carried out at various offices and locations and various training programmes were conducted across the Corporation covering safety-related topics.

HUMAN RESOURCES

Your Corporation has a strong and dedicated workforce of 33,498, consisting of 17,704 executives and 15,794 non-executives as on 31st March 2019, including 2,869 women employees comprising 8.56 per cent of the total workforce.

Your Corporation scrupulously follows the Presidential Directives and Guidelines issued by the Government of India regarding reservation in services for SC/ST/OBC/PWD (Persons with Disabilities)/ Ex-servicemen to promote inclusive growth. Rosters are maintained as per the directives and are regularly inspected by the Liaison Officer(s) of the Corporation 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 per cent reservation for Persons with Disabilities in line with guidelines/instructions issued by the Government of India are implemented by the Corporation. 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 31st March 2019 was 695, constituting 2.07 per cent of the total employee strength.

Your Corporation maintained cordial industrial relations during the year, and continued to provide 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. Your Corporation 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.

Your Corporation believes that holistic and meaningful employee engagement and their right development will enhance employees' potential. With the focus on aligning various HR policies with the Strategic Corporate Vision, many new initiatives have been undertaken in the human resources function, aimed at both - employee engagement and making the employees 'future-ready'. Some of these initiatives are as under:

e-Learning

A structured, technology-aided e-Learning platform catering to the functional learning and development needs of the employees has been introduced, with an objective to provide continuous functional inputs.

Sponsoring officers for higher studies

A policy has been framed to sponsor the talent to executive management programmes at select management schools, namely IIMs – Ahmedabad, Bangalore, Calcutta, Lucknow and MDI-Gurugram after they secure admission through the rigorous selection process of these institutes.

Expanding horizons of Industry-Academia Partnership

With focus on strengthening 'Industry-Academia' partnership, IndianOil collaborated with the Institute of Chemical Technology (ICT) Mumbai to set up the ICT-IOC Campus at Bhubaneswar. Admission process for the 5-year integrated M. Tech Programme, through JEE-Main examination has been completed for a batch size of 60 students, which saw an overwhelming response from students.

A unique 'one-of-its-kind' Executive M. Tech. Programme for working professionals has been developed jointly by ICT and IIT Kharagpur commencing in June, 2019.

By imbibing and promoting diversity & inclusiveness in work place, IndianOil strives to create richer and more productive work environments where each employee works to fully maximise his or her potential.

Benchmarking of HR Practices

An independent assessment was carried out by a renowned international consultant, as per the People Capability Maturity Model (PCMM) on three inter-related components in HR – People, Process and Technology.

The assessment has been done with a view to benchmark the Corporation's HR processes in areas like Staffing, Work Environment, Performance Management, Training & Development, Competency Analysis & Development, Workforce Planning, Participatory Culture, Mentoring, etc.

The study helped to identify the 'strength areas' and 'action areas for improvement' in various HR processes and accordingly develop action plans – both short-term and long-term.

Women Leadership Development

A 'one-of-its-kind' initiative which aims at long-term all-round development of a select group of women leaders at the middle management level was conceptualised and introduced. The purpose of this unique endeavour was to facilitate enhancement of leadership capacity of the participating women officers by developing greater self-confidence, directing their passion to grow and contribute to the organisation, understanding how other women leaders across varied industries have coped with their professional careers (role models), building a support/network group amongst women leaders, becoming more effective at the workplace, and developing an action plan for performance excellence and goal achievement.

Hindi Implementation

Your Corporation is committed to implementation of Hindi at its various offices/ locations/units in day-to-day functioning. 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.

IndianOil focusses on all-round growth and development of its employees.

RIGHT TO INFORMATION ACT

Your Corporation has put in place an elaborate mechanism across the organisation to deal with matters related to Right to Information Act, 2005 since its inception. The Corporation has designated one Nodal Officer based at the Corporate Office and 31 First Appellate Authorities (FAAs), 42 Central Public Information Officers (CPIOs) and 42 Assistant Public Information Officers (APIOs). The details of all the designated officials, third-party audit reports, etc. are hosted and regularly updated on the website of the Corporation.

The Corporation has aligned with the online RTI portal launched by DoPT and all the applications/appeals received through the portal are disposed of through the portal only. Quarterly Reports/Annual Reports have been submitted through the online portal of Central Information Commission (www.cic.gov.in) within the prescribed time limit. A total of 7,539 requests and 918 first appeals were received during the year and all have been disposed of within the stipulated time. 84 second appeals were filed before the Central Information Commission, New Delhi, and all of them have been disposed of after due follow-up without any adverse remarks from 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 Corporation with the clear objective of providing protection to women against sexual harassment at the workplace and for redressal of complaints. Internal Complaints Committees have been set up at Unit/Region/Head Office level, headed by senior level women executives to deal with sexual harassment complaints, if any, and to conduct enquiries.

Off-grid solar power plant at IndianOil's Panipat Refinery stands as a testimony to Corporation's commitment to energy transition with an aim to increase its renewable energy capacity to 260 MW by 2020.

There were three complaints of sexual harassment pending as on 1st April 2018. During the year 2018-19, six complaints were received and four complaints were disposed of. As on 31st March 2019, five complaints are pending.

Regular workshops are held especially for women employees, with the objective of bringing awareness about their rights and facilities at the workplace and emphasising the provisions of the Act. During the year, 62 workshops/awareness programmes were conducted. Gender sensitisation programmes for male employees are also being conducted regularly. Newly recruited employees in the Corporation are made aware of the provisions of the Act and the measures adopted by the Corporation to prevent such incidents.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Corporation has been actively engaged in various CSR activities over the years, which cover the entire gamut of social welfare/upliftment activities across the nation. The thrust areas under CSR inter-alia include health care and sanitation, education and employment-enhancing vocational skills, empowerment of women and socially/economically backward groups, etc. During the year, the Corporation spent the entire budget of ₹490.60 crore on various CSR activities. A report on the Corporation's CSR activities as per the provisions of the Companies Act alongwith CSR highlights during 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 Corporation can be accessed at the website of the Corporation on the link https://iocl.com/aboutus/Ioc_S&CSR_policy.pdf

VIGILANCE

The objective of the vigilance function is to ensure maintenance of the highest level of integrity throughout the Corporation. The Vigilance department acts as a link between the organisation and Chief Vigilance Commissioner. The Vigilance department takes preventive, punitive and participative steps, with emphasis on the preventive and participative aspects. During the year, 78 vigilance awareness programmes were conducted, which were attended by about 2,000 employees.

Disciplinary action under applicable Conduct, Discipline and Appeal Rules, 1980 and Certified Standing Orders are taken by the Corporation for irregularities/lapses. The number of disciplinary matters related to vigilance cases disposed off during the year 2018-19 was 48. The number of such cases pending at the end of year was 46. The aforesaid cases pertain to irregularities such as indiscipline, dishonesty, negligence in performance of duty or neglect of work, etc. The Corporation 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 Corporation was closed with effect from 31st August 2009. The Corporation has not invited any deposits from the public during the year and no deposits are outstanding as on 31st March 2018 except the old cases amounting to ₹55,000/-, which remain unpaid due to unsettled legal / court cases.

CORPORATE GOVERNANCE

Your Corporation received the prestigious "Certificate of Recognition" for adopting and promoting exemplary Corporate Governance practices for 2017-18 from The Institute of Company Secretaries of India at the 18th ICSI National Award for Excellence in Corporate Governance.

The Corporate Governance Report highlighting the endeavours of your Corporation 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.

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 your Corporation 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 your Corporation 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 Corporation's website. The Directors and Senior Management Personnel have affirmed compliance with the code of conduct for the financial year 2018-19.

RISK MANAGEMENT

Your Corporation 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. Accordingly, the Corporation has re-visited and revised its 'Enterprise Risk Management Policy' during 2018-19. The Corporation's Enterprise Risk Management involves risk identification, assessment and categorisation (based on risk appetite) and is reviewed regularly by risk-owners to optimise risks with appropriate mitigation plan. A Risk Management Compliance Board comprising senior management personnel and headed by Chief Risk Officer reviews the various risks associated with the Corporation's business. The Corporation has constituted a Risk Management Committee comprising whole-time Directors, which oversees risk management activities. A report is, thereafter, put up to the Audit Committee and the Board.

INTERNAL FINANCIAL CONTROLS

Your Corporation has put in place adequate internal financial controls for ensuring the efficient conduct of its business in adherence with laid-down 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, which is commensurate with the operations of the Corporation. The Corporation also has a separate Internal Audit department headed by an Executive Director, 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 Corporation under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act 2013. The report issued thereupon has been attached alongwith the Standalone and Consolidated Financial Statements respectively.

REMUNERATION TO THE AUDITORS

The Office of the Comptroller & Auditor General of India had appointed the Statutory Auditors for the financial year 2018-19. The Auditors' remuneration for the year was fixed at ₹200 lakhs plus applicable taxes for Statutory Audit. In addition, reasonable out-of-pocket expenses incurred are also reimbursed at actuals. The total amount paid to the Statutory Auditors for all services rendered by them to the Company during 2018-19 was ₹434 lakhs.

COST AUDIT REPORT

Your Corporation maintains cost records as required under the provisions of the Companies Act. The Corporation had appointed Cost Auditors for conducting the audit of the cost records maintained by refineries, lube blending plants and other units for the year 2018-19. A remuneration of ₹18.50 lakhs and applicable taxes was fixed by the Board for payment to the cost auditors for the year 2018-19, which was ratified by the shareholders in the last AGM. The cost audit for the year 2017-18 was carried out for various units of the Corporation 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 2018-19 would also be filed within the stipulated time.

SECRETARIAL AUDIT

The Secretarial Audit Report for the year 2018-19 confirms that the Corporation has complied with the applicable provisions of the corporate laws, guidelines, rules, etc., which are within the purview of the Corporation. 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 Corporation has not complied with the requirements with regard to requisite number of Independent Directors on its Board for the period 26.07.2018 to 31.03.2019 and with regard to appointment of Woman Director on its Board for the period 06.07.2018 to 25.07.2018 and 12.03.2019 to 19.03.2019. In this regard, it is clarified that the Corporation 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 Corporation.

IndianOil is metamorphosing from a pure sectoral company with dominance in downstream in India to a vertically integrated, transnational energy behemoth.

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, your Corporation is required to procure minimum 25% of total procurement of Goods and Services from MSEs, out of which 5% 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) during 2018-19 was as under:

PARAMETERS	TARGETS	ACTUAL
Total Procurement from MSEs (General, Reserved SC/ST & Women)	25%	29.07%
Procurement from Reserved SC/ST MSEs	5% (Sub-target out of 25%)	0.5%
Procurement from Women-owned MSEs	3% (Sub-target out of 25%)	0.11%

The deficit of 4.5% and 2.89% under the sub-targets was due to non-availability of vendors in the sub-category; however, the target was achieved by procurement from other micro and small enterprises in line with the policy.

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

SUBSIDIARIES, JOINT VENTURES & ASSOCIATES

During the year, a new Joint Venture Company, viz. Indradhanush Gas Grid Ltd. between your Corporation, ONGC Ltd., GAIL (India) Ltd., Oil India Ltd. and Numaligarh Refinery Ltd. was incorporated in August, 2018 for the purpose of laying Natural Gas pipeline connecting Guwahati to major cities in north-east. The equity holding of partners is 20 per cent each.

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 Corporation i.e. www.iocl.com under 'Financial Performance' section.

In accordance with the provisions of the SEBI guidelines, your Corporation has framed a policy for determining material subsidiaries, which can be accessed on the Corporation'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. Your Corporation 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

Your Corporation 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 under the parameter is monitored on a continuous basis and efforts are made to further enhance 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 71.3, which is the best ever achieved, as against 72.6 in the previous year. Under pipeline operations, various initiatives were taken during 2018-19, which resulted in improvement of Specific Energy Consumption of Pipelines by 11.4 per cent.

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 Corporation:-

Appointment

1. Shri Gurmeet Singh was appointed as Director(Marketing) w.e.f. 26.07.2018
2. Smt.Indrani Kaushal was appointed as Government Director w.e.f. 26.07.2018 and ceased to be Director w.e.f. 12.03.2019 consequent upon change of nomination by the Govt. of India. She was re-appointed as Government Director w.e.f. 28.05.2019.
3. Shri Akshay Kumar Singh was appointed as Director(Pipelines) w.e.f. 14.08.2018.
4. Smt. Sushmita Dasgupta was appointed as Government Director w.e.f. 20.03.2019.
5. Shri Parindu K. Bhagat, whose term as Independent Director ended on 01.12.2018, was re-appointed as Independent Director for another term of one year w.e.f. 02.12.2018 based on letter received from MoP&NG.
6. Shri Sandeep Kumar Gupta was appointed as Chief Financial Officer w.e.f. 18.05.2019.

Cessation

7. Shri Sanjay Kapoor ceased to be Independent Director w.e.f. 02.12.2018 consequent upon completion of his term.
8. Shri A.K.Sharma ceased to be Director(Finance) w.e.f. 01.02.2019 consequent upon his superannuation. Based on directive from MoP&NG, Shri A.K.Sharma was re-appointed as Director(Finance) w.e.f. 18.02.2019 for a period of 3 months and has ceased to be Director(Finance) w.e.f. 18.05.2019.
9. Smt. Sushmita Dasgupta, Government Director ceased to be Director w.e.f. 28.05.2019.

The Corporation 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).

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

Dr. S.S.V.Ramakumar, Director (R&D) and Shri Ranjan Kumar Mohapatra, Director (Human Resource), 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.

BOARD MEETINGS

During the year, 12 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 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 that impact the going concern status of the Corporation and its operations in future except for notice issued by National Green Tribunal and Haryana State Pollution Control Board with regard to air and water pollution caused by PTA Unit of Panipat Refinery. The Corporation's response in the matter has been filed and the matter is being followed-up for resolution.

VIGIL MECHANISM / WHISTLE-BLOWER POLICY

The Corporation 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. 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. During the year, the Whistle Blower Policy was amended to enable employees to report leakage / misuse of Unpublished Price Sensitive Information in violation of IndianOil's Insider Trading Code. The policy on Vigil Mechanism/Whistle-Blower can be accessed on the Corporation's website at the link https://www.iocl.com/InvestorCenter/Whistle_Blower_policy.pdf

DETAILS OF LOANS / INVESTMENTS / GUARANTEES

Your Corporation 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 31st March 2019 are provided 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 31st March 2019 in the prescribed form MGT-9 has been prepared and hosted on the website of the Corporation www.iocl.com.

COMPLIANCE WITH SECRETARIAL STANDARDS

Your Corporation 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 Corporation 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

There have been no material changes and commitments affecting the financial position of the Corporation between the end of the financial year and date of this report. There has been no change in the nature of business of the Corporation.

DIRECTORS' RESPONSIBILITY STATEMENT

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:

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

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

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

(d) the Directors had prepared the annual accounts on a going concern basis; and

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

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

Acknowledgements

The Board of Directors would like to express its appreciation for the dedicated and sincere efforts of the employees of the IndianOil family for the excellent performance achieved during the year 2018-19. 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 Corporation. The Board would like to place on record its appreciation for the valuable guidance and significant contribution made by Shri Sanjay Kapoor, Smt. Sushmita Dasgupta, and Shri A. K. Sharma during their tenure on the Board of the Corporation.

For and on behalf of the Board

(Sanjiv Singh)

Chairman

DIN: 05280701

Place: New Delhi

Date : 15th July, 2019

AWARDS & ACCOLADES

IndianOil moved up 31 positions as the top ranked Indian company among the world's largest corporates in the prestigious *Fortune* **'Global 500'** listing for 2018

The Company has also retained its top position in the annual rankings of *Business Today (BT-500), Businessworld (The BW Real 500), Business Standard (BS-1000), The Economic Times* (ET-500) and *Financial Express (FE-1000)* by net revenue

IndianOil was ranked among the top 10 'Most respected companies' in India in a special report published by *Businessworld* in Nov./Dec. 2018

IndianOil emerged as one of the 'best companies to work for' in India for 2019 in a study conducted by Great Place to Work Institute in association with *The Economic Times*

IndianOil earned the prestigious 'Vigilance Excellence Award' of the Central Vigilance Commission for its outstanding vigilance awareness initiatives. The award was given away by the Hon'ble President of India, Shri Ramnath Kovind

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

IndianOil was conferred the Global HR Excellence Award-2019 at the World HRD Congress held at Mumbai

IndianOil was conferred Sustainability 4.0 Award 2018 jointly by Frost & Sullivan and TERI in recognition of its comprehensive sustainability initiatives as a Leader in the Mega Large Business Process Sector

IndianOil bagged the Dun & Bradstreet awards 2018 in three categories: Manufacturing, Processing & Generation: Petroleum - Refining & Marketing; Best Maharatna in Manufacturing; and Overall Best Maharatna

IndianOil won the prestigious ISTD (Indian Society for Training & Development) National Award for innovative training practices

IndianOil bagged five prestigious awards instituted by the Federation of Indian Petroleum Industry (FIPI) for the year 2017:

- 'Innovator of the Year-2017' award conferred on IndianOil R&D Centre for successful commercialisation of Octamax technology'
- Oil & Gas Pipeline Transportation Company of the Year' award consecutively for the third time in a row for leading performance in the growth of pipeline infrastructure and its optimal utilisation in an energy-efficient manner'
- Human Resources Management – Company of the Year' Award for excellence across the entire spectrum of HR management, particularly succession planning and innovative employee-related initiatives.'
- 'Refinery of the Year' award for Panipat Refinery & Petrochemicals Complex for excellence in production and operational efficiency, energy conservation and refinery margin while meeting HSE norms

- 'Woman Executive of the Year' award to Ms. Ruma Barua, Chief Manager (Construction), Pipelines Division, for handling several challenging assignments of pipelines construction in difficult areas of Jharkhand and Odisha

AWARDS & ACCOLADES

PETROTECH-2019 Special Technical Award for 'Greening of the Oil & Gas Business and Sustainability' was jointly bestowed on IndianOil and Engineers India Ltd. for BS-VI DHDT project at Haldia Refinery, employing indeDiesel® technology developed by IndianOil R&D

IndianOil was awarded 'Dainik Jagran CSR Award-2019' under Poverty Eradication Category amongst PSUs for the vegetable cellar project at Leh, Jammu & Kashmir

IndianOil's Refineries Division won the prestigious TPM Award instituted by Japan Institute of Plant Maintenance

PETROTECH - 2019 Special Technical Award for `Greening of the Oil & Gas Business and Sustainability was jointly bestowed on IndianOil and Engineers India Ltd. for BS-VI DHDT project at Haldia Refinery, employing indeDiesel® technology developed by IndianOil R&D

Mathura Refinery bagged the first prize in the prestigious Refinery Performance Improvement Award for 2017-18 given away at the 23rd Refining & Petrochemicals Technology Meet hosted by Centre for High Technology

IndianOil R&D's Octamax Technology also won the Innovation award for best indigenously developed technology at the meet

IndianOil received Best Loyalty Programme award from Times Network for its XTRAPOWER fleet card

IndianOil earned the Best Supplier Award-2018 from Volvo-Eicher Commercial Vehicles for outstanding performance as lubricants supplier

IndianOil's *SERVO* brand lubricants were conferred the Superbrand status by the Superbrand Council of India in its 2018 edition. This is the 14th consecutive year of the prestigious recognition for the brand

IndianOil bagged the 'Company of the Year' Award in petrochemicals at the 10th edition of IndiaChem-2018 at Mumbai. The prestigious award has been instituted jointly by the Department of Chemicals & Petrochemicals, Govt. of India, and FICCI

IndianOil was bestowed the Global HR Skill Development Award-2019 in Talent Management category by the Energy and Environment Foundation

Indian Chamber of Commerce (ICC) declared IndianOil the winner in PSE Excellence Awards among Maharatna PSUs for its innovative vegetable cellar project undertaken for farmers in Leh

IndianOil bagged the 'Diamond Haryana CSR Award-2018' among PSUs during Haryana CSR Summit-2018 organised by the Government of Haryana. The award was bestowed on IndianOil for its various CSR initiatives undertaken in Haryana in FY 2017-18

The BEST (Budding Executive Search for Talent) contest of IndianOil's Pipelines Division was awarded at India Concord Summit - 2018 in the category of Best HR practices by a PSU

IndianOil bagged the runners-up award at Swachhta Pakhwada Awards-2018, an MoP&NG initiative to honour companies that have done exemplary work during the Swachhta Pakhwada fortnight (July 1-15, 2018)

IndianOil sportstars A Sharath Kamal (table tennis) and Harika Dronavalli (chess) were conferred Padma Shri, the fourth highest civilian award

IndianOil sportstars Rohan Bopanna (tennis), Manika Batra (table tennis), Hima Das (Athletics) and N Sikki Reddy (badminton) bagged Arjuna Awards

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:

» The Company has only one class of shares i.e. Equity shares and, hence, the parameters disclosed hereunder apply to the same.

» The Board while considering payment of dividend for a financial year may, interalia, 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

» 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.

» The Company would endeavor 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.

» 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.

» 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.

» 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 alongwith 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 SCs, STs and OBCs as on 1st January 2019 and number of appointments made during the preceding calender year

Name of the Public Enterprises : Indian Oil Corporation Limited

Groups	Representation of SCs/STs/OBCs (As on 1.1.2019)				Number of appointments made during the calendar year 2018									
					By Direct Recruitment				By Promotion			By Deputation/ Absorption		
	Total No. of Employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Executives														
A	17848	2965	1337	3826	1292	215	111	384	2656	442	186	0	0	0
Non-executives														
B	5605	960	588	388	0	0	0	0	454	109	38	0	0	0
C	9591	1805	716	2394	479	68	59	201	1375	252	69	0	0	0
D (Excluding Sweeper)	409	79	20	121	182	37	5	60	0	0	0	0	0	0
D (Sweeper)	5	2	0	1	0	0	0	0	0	0	0	0	0	0
Total (Executives plus Non-executives)	33458	5811	2661	6730	1953	320	175	645	4485	803	293	0	0	0

SC/ST/OBC REPORT-II

Annual Statement showing the representation of SCs, STs and OBCs in various group A services as on 1st January 2019 and number of appointments made in the service in various grades in the preceding calender year

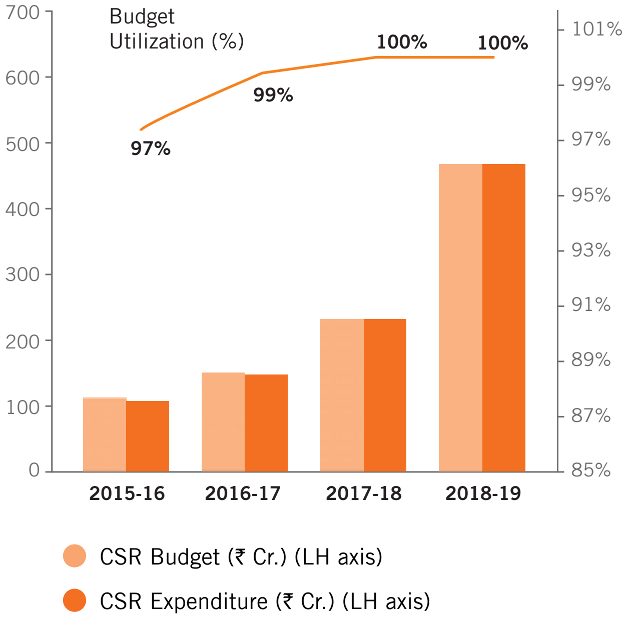
Name of the Public Enterprises : Indian Oil Corporation Limited

Pay Scale(in rupees)	Representation of SCs/STs/OBCs (As on 1.1.2019)				Number of appointments made during the calendar year 2018									
					By Direct Recruitment				By Promotion			By Deputation/ Absorption		
	Total No. of Employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
50000-160000	38	5	2	14	23	3	2	6	0	0	0	0	0	0
60000-180000	5936	938	452	1857	1269	212	109	378	142	28	8	0	0	0
70000-200000	3174	507	219	758	No recruitment is made in this Group.				575	105	51	0	0	0
80000-220000	3241	579	252	632	No recruitment is made in this Group.				635	108	42	0	0	0
90000-240000	1775	291	151	293	No recruitment is made in this Group.				468	90	42	0	0	0
100000-260000	1452	319	128	202	No recruitment is made in this Group.				333	62	26	0	0	0
120000-280000	1247	224	105	64	No recruitment is made in this Group.				240	29	13	0	0	0
120000-280000	667	78	24	4	No recruitment is made in this Group.				160	13	4	0	0	0
120000-280000	242	20	3	2	No recruitment is made in this Group.				78	6	0	0	0	0
150000-300000	76	4	1	0	No recruitment is made in this Group.				25	1	0	0	0	0
G.Total	17848	2965	1337	3826	1292	215	111	384	2656	442	186	0	0	0

ANNEXURE-III

HIGHLIGHTS OF CSR ACTIVITIES DURING 2018-19

IndianOil has been actively engaged in a gamut of social welfare/ upliftment activities across the nation, in addition to reaching essential fuels viz. Kerosene, LPG, Petrol, Diesel, etc. to the nook and corner of the country. IndianOil's key Corporate Social Responsibility (CSR) thrust areas include '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 has a long standing CSR legacy, which started much before the CSR legislation (Companies Act, 2013) came into force in 2014-15. The CSR projects of IndianOil are undertaken mostly for improving the quality of life in various communities, which invariably include marginalized / underprivileged sections of the society, viz. schedule caste, schedule tribe, other backward caste, physically handicapped, etc. With Pan-India presence, IndianOil undertakes CSR activities across the country, from Leh in J&K in the North, to the North Eastern States, to the aspirational/ backward districts/ naxal affected areas, to Gujarat in the West and Tamil Nadu/Kerala in the South. For the year 2018-19, entire CSR budget allocation of ₹490.60 crore was spent, thereby achieving 100% budget utilization.



KEY CSR INITIATIVES IN 2018-19

1. IndianOil Vidushi

With an objective to help girls from the under-privileged sections of the society to gain admission in prestigious Engineering Institutes viz. IITs, NITs, CETs, IIITs, etc., IndianOil started a unique program "IndianOil Vidushi" in July, 2018 at 2 residential centres viz. Bhubaneswar (Odisha) & Noida (Uttar Pradesh). While the Bhubaneswar centre caters to the students of Odisha, Jharkhand & Chhattisgarh, the Noida centre primarilly caters to the students from J&K, Uttarakhand, Himachal Pradesh and Punjab. The students are provided specialized coaching and mentoring after class XIIth to succeed in JEE Main, JEE Advanced & other Central and State Engineering Entrance Examinations. 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. During 2018-19, 30 girl students were enrolled for Bhubaneswar Centre and 26 girls for Noida Centre. Out of 56 girls, 46 cleared JEE Main, out of which 17 girls cleared JEE Advanced and will have the opportunity to join various IITs.

IndianOil Vidushi students - Noida Centre, UP

2. IndianOil Aarogyam

IndianOil Aarogyam, the flagship CSR scheme was launched in 2018-19. Twelve Mobile Medical Units (MMU), each with a 4-member 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, Bongaigaon & Paradip. The MMUs cover more than 140 villages in the catchment areas of 3 Refinery Units. In 2018-19, patient footfall in the target geographies was about 90,000.

MMU operating in the catchment area - Mathura, UP

3. Aids & Assistive devices to Divyangjan

Assistive devices like tricycles, wheel chairs, crutches, walking sticks, Braille kits for visually impaired, hearing aids, artificial limbs, etc. were provided to more than 20,000 Divyangjan across 21 states of India in association with Artificial Limbs Manufacturing Corporation (ALIMCO). The beneficiaries were selected and their disabilities were assessed through assessment camps organized in the villages near the target locations. The training to use these assistive devices were also provided at the distribution camps.

Handing over of aids and assistive kits to Divyangjan at Digboi, Assam

4. IndianOil Gyanodaya Scheme in Govt. ITIs & Polytechnics

IndianOil Gyanodaya Scheme was launched in 2017 with an aim to provide scholarships on merit-cum-means basis to students pursuing 2-year regular courses in Government ITIs and 3-year regular courses in Government Polytechnics, to incentivize them to perform well. The scheme aims to 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 courses. During 2018-19, 1138 students from 30 ITIs and Polytechnics were selected for this scheme.

5. Skill Development Institute, Bhubaneswar, Odisha

Skill Development Institute, Bhubaneswar (SDI-B) was established on 9th May 2016 with an aim to provide opportunities for skilling to the unemployed and underprivileged youth of Odisha and to provide skilled manpower to the industry. Initially, SDI-B started operation in 2 trades viz. Industrial Electrician & Welder. However, with increasing demand of skilled manpower, 6 new courses were added viz. Computer Data Application (only for girls), Fitter Fabrication, Instrumentation Technician, Pipe Fitter (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 to 6 months duration each. Since inception, 810 underprivileged youth were skilled and certified with over 85% placements. Hon'ble President of India laid the foundation of the permanent campus of SDI-B on 18.03.2018 at Taraboi, Jatni, Odisha, which will be a mega-world-class model skill academy to be set up with technical support from National Skill Development Corporation (NSDC). Once functional, about 3,000 to 4,000 youth will be trained every year in 16 regular trades pertaining to the hydrocarbon sector and local industries.

Inauguration of main campus of SDI, Bhubaneshwar

Students of Govt. ITI & Polytechnic, Contai, Purba Medinipur, West Bengal

6. Assam Oil School of Nursing, Digboi, Assam

Assam Oil School of Nursing (AOSN), established in 1986, offers 3-year Diploma in General Nursing and Midwifery (GNM) course to young girls with intake capacity of 30 students per year. 4-year B.Sc. (Nursing) course started from the same campus in 2014 with intake of 30 students per year. Before AOSN came into being, there was a dearth of qualified nurses in the North East. AOSN is able to provide opportunities to young under-privileged girls to bridge this gap and simultaneously provide them stable careers and livelihood. Since inception, 410 students have successfully completed GNM course with 100% placement record.

B.Sc (Nursing) students at Assam Oil School of Nursing, Digboi

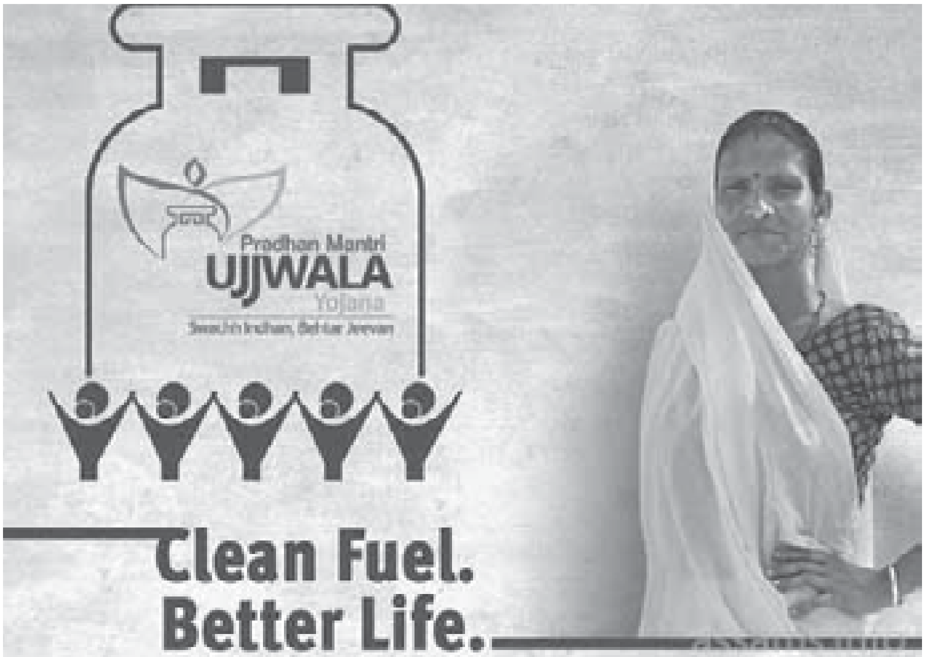
AOD Hospital, Digboi, Assam

8. Assam Oil Division Hospital, Digboi, Assam

Assam Oil Division Hospital, Digboi, established in 1906, is a 200-bed hospital with modern facilities. It caters to the population residing near Digboi and other nearby areas of the North East. Every year, about 1 lakh patients are treated at this hospital, out of which about 15% are 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 no access to medical consultations or treatment. During 2018-19, 8683 non-employee patients were treated at the hospital.

7. Empowering women through Pradhan Mantri Ujjwala Yojana

As per a study by World Health Organization, about 1 million people die every year in India, which can be attributable to diseases related to indoor air pollution. Pradhan Mantri Ujjwala Yojana (PMUY) aims to safeguard the health of women & children by providing them with cleaner cooking fuel, i.e. LPG. Under this scheme, IndianOil contributes 20% of 2% of previous year's profit towards release of one-time grant to BPL families in rural areas for release of new LPG connections. During 2018-19, under CSR, LPG connections were released to about 5.33 lakh families.



9. Swarna Jayanti Samudayik Hospital, Mathura, Uttar Pradesh

Swarna Jayanti Samudayik Hospital at Mathura (with 50 beds), established in 1999, provides medical treatment to residents near Mathura Refinery, Uttar Pradesh. The hospital provides free treatment to the destitute and offers subsidized treatment to others. During 2018-19, 56,437 patients were treated at this Hospital, out of which operative procedures were conducted on 727 patients.

Swarna Jayanti Samudayik Hospital, Mathura, UP

10. Sarve Santu Niramaya, Digboi, Assam

IndianOil's unique CSR initiative titled "Sarve Santu Niramaya" (Good health to all) was launched in December 2012 to provide free health consultation and free medicines to human beings as well as livestock of the villages near Digboi Refinery. It was felt that good health of livestock is as important as that of the human beings, as livestock was a key livelihood generator for the villagers. During 2018-19, 21 Sarve Santu Niramaya camps were organized, in which 2,507 human beings and 6,510 Livestock were treated/ vaccinated.

Medical Aid being given under Sarve Santu Niramaya, Digboi, Assam

Sports Scholars- Lalith Babu (Chess) & Soumya Swaminathan (Chess)

11. IndianOil Sports Scholarship Scheme

IndianOil has been promoting sports for over three decades. In line with the sports policy adopted in 1985, the Corporation has, over the years, recruited many promising sports persons, who went on to reach their peak in their chosen disciplines. The purpose of recruiting sportspersons is to nurture their talent early on, enhance their performance at the National & International level & bring laurels for the Company and the Country.

IndianOil introduced a Sports Scholarship Scheme in the year 2006-07 for promising young sports persons representing the 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 ₹ 15000/- to ₹ 19000/- per month for Elite Scholars and ₹ 12000/- to ₹16000/- per month for Scholars for a 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 2018-19, 103 sportspersons benefitted from the scheme and since inception, more than 900 sports persons have benefitted from IndianOil scholarship scheme.

Sports Scholars - Kajal Kumari (Carrom) & Manika Batra (Table Tennis)

12. Robotic Scavenging Machine (Bandicoot) to Kumbakonam Municipal Corporation, Tamil Nadu

As per the data provided by National Commission for Safai Karamacharis (NCSK), at least one Indian worker has died while cleaning sewers or septic tanks every five days since the beginning of 2017 and is considered one of country's deadliest jobs and most insidious form of caste discrimination. To alleviate this problem, IndianOil has provided Robotic Scavenging Machine (named Bandicoot) to Kumbakonam Municipal Corporation, Tamil Nadu. Bandicoot has a control unit/user interface and a robotic spider-like device at the bottom with four limbs, which is lowered into the manholes for undertaking cleaning operations. It is equipped with seven cameras and many sensors. The limbs scoop/collect the silt from different angles inside the manhole and heap the dirt at one place, which is then lifted up using ropes & buckets. Bandicoot works with precision, takes less time, requires only one/two persons to operate and saves many man-hours.

Bandicoot Robotic Scavenging Machine

Annual Report on CSR Activities for the Financial Year 2018-19

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**. Overview of the CSR initiatives, which were proposed to be undertaken during 2018-19, is provided at **Annexure-B**. The S&CSR policy is also available at the Corporation's website (URL: https://iocl.com/AboutUs/IOC_S&CSR_Policy.pdf). The CSR initiatives undertaken during the financial year are also uploaded at the Corporation's website.

2. The Composition of the CSR & Sustainable Development Committee as on 31.03.2019

1	Shri Parindu K. Bhagat, Independent Director	Chairman
2	Shri Sankar Chakraborti, Independent Director	Member
3	Director (Finance)	Member
4	Director (Planning & Business Development)	Member
5	Director (Human Resources)	Member
6	Director (Marketing)	Member

3. CSR Budget for the FY 2018-19

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 ₹ 24,529.81 crore.

Thus, the prescribed allocation for the year 2018-19, as per the provisions of the Companies Act 2013, was ₹ 490.60 crore. Considering that the entire CSR budget of the previous year was spent and no amount was carried forward to 2018-19, the total CSR budget for 2018-19 was ₹ 490.60 crore.

4. Details of CSR expenditure during FY 2018-19

(a) Total amount spent for the financial year

The total amount spent on CSR initiatives during 2018-19 was ₹490.60 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 ₹ 490.60 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	**Parindu K. Bhagat**
[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 & 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.
- Rain water harvesting (at company 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 2018-19 (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						490.60
	Brought forward from previous year						Nil
	CSR Budget for 2018-19						490.60
	Continuing Flagship/Special Projects						
1	MoP&NG LPG Scheme for BPL Families	Environment Sust.	Local/ Other	All India	All India	LPG Group of Marketing Division	85.38
2	Institute of Chemical Technology-IndianOil campus, Bhubaneswar	Education	Local	Odisha	Bhubaneswar	Corp. Learning & Development group	54.71
3	Skill Development Institute (SDI), Bhubaneswar	Skill Development	Local	Odisha	Bhubaneswar	Corp. Learning & Development group	47.5
4	Swarna Jayanti Samudayik Hospital, Mathura	Healthcare	Local	Uttar Pradesh	Mathura	Unit-level Committee, Mathura Refinery	6.50
5	Assam Oil School of Nursing, Digboi	Skill Development	Local	Assam	Tinsukia	Unit-level Committee, AOD, Digboi	6.39
6	SDIs by BPC, HPC, ONGC, OIL & GAIL	Skill Development	Local	5 States	5 Districts	Corp. Learning & Development group	5.50
7	AOD Hospital, Digboi	Healthcare	Local	Assam	Tinsukia	Unit-level Committee, AOD, Digboi	4.00
8	IndianOil Sports Scholarship Scheme	Sports	Local/ Other	All India	All India	Multi-disciplinary Committee, Mktg. HO	3.80
9	Kendriya Vidyalaya, Mathura	Education	Local	Uttar Pradesh	Mathura	Unit-level Committee, Mathura Refinery	3.50

Sl. No.	Major CSR Heads	Sector	Local/ Other	State	District	Monitoring Process: Monitoring Through	Budget (₹ crore)
10	Higher Secondary School, Bongaigaon	Education	Local	Assam	Bongaigaon	Unit-level Committee, Bongaigaon Refinery	3.40
11	Kendriya Vidyalaya, Haldia	Education	Local	West Bengal	East Midnapore	Unit-level Committee, Haldia Refinery	3.04
12	Kendriya Vidyalaya, Barauni	Education	Local	Bihar	Begusarai	Unit-level Committee, Barauni Refinery	3.00
13	Swachh Iconic Place: Mata Vaishno Devi, Katra	Sanitation/ Drinking Water	Local	J&K	Jammu	Unit-level Committee, Punjab State Office	2.65
14	IndianOil Academic Scholarship Scheme (Residual)	Education	Local/ Other	All India	All India	Committee of IIPM, Gurgaon	2.50
15	Swachh Iconic Place: Gaya Teerth, Gaya	Sanitation/ drinking Water	Local	Bihar	Gaya	Unit-level Committee, Bihar State Office	2.46
16	Kendriya Vidyalaya, Guwahati	Education	Local	Assam	Kamrup Metro	Unit-level Committee, Guwahati Refinery	2.14
17	IndianOil Vidushi, Bhubaneswar & NOIDA	Education	Local	2 States	2 Districts	Unit-level Committees of Pipelines HO & Odisha State Office	1.98
18	IndianOil Gyanodaya (scholarship scheme for students of Govt. ITIs and Polytechnics)	Education	Local	6 States	8 Districts	Unit-level Committees at 8 Refinery Units	1.97
19	Yoga Centre, New Delhi	Healthcare	Local	Delhi	South Delhi	Mktg. Div. Northern Region Office	1.91
20	IndianOil Aarogyam (Mobile Medical Units plying for the villagers near 3 Refinery Units)	Healthcare	Local	3 States	3 Districts	Unit-level Committees at 3 Refinery Units	0.88
21	Waste to Fuel project, Varanasi	Environment Sust.	Local	Uttar Pradesh	Varanasi	Planning & Business Development Group	0.45
22	Sarve Santu Niramaya, Digboi	Healthcare	Local	Assam	Tinsukia	Unit-level Committee, AOD, Digboi	0.15
23	IndianOil Chikitsa Seva Kendra, Bongaigaon	Healthcare	Local	Assam	Bongaigaon	Unit-level Committee, Bongaigaon Refinery	0.07
	New Projects near Units/ Installations						
1	Marketing Division	All sectors	Local/ Other	All India	All India	Divisional/Unit-level Committees	86.52
2	Planning & Business Development Group	All sectors	Local/ Other	All India	All India	Divisional/Unit-level Committees	50.00
3	Refineries Division	All sectors	Local/ Other	7 States	9 Districts	Divisional/Unit-level Committees	45.00
4	Pipelines Division	All sectors	Local/ Other	All India	All India	Divisional/Unit-level Committees	25.00
5	Corporate Office	All sectors	Local/ Other	All India	All India	Corporate/Divisional/Unit-level Committees	8.67
6	R&D Centre	All sectors	Local	Haryana	Faridabad	Divisional/Unit-level Committees	7.00
7	Admin. overheads [incl. Training, Baseline study, etc]	-	-	-	-	-	24.53
	Total CSR Budget for 2018-19						**490.60**

Annexure-C

Details of amount spent in 2018-19

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		Direct exp.	Overheads		
					₹ crore	₹ crore	Overheads	₹ crore	
	Flagship Projects/Special projects								
1	MoP&NG LPG Scheme for BPL Families	Environment Sust.	Local/ Other	All India/ All India	85.38	85.38	-	85.38	Direct
2	Skill Development Institute (SDI), Bhubaneswar	Skill Development	Local	Odisha/ Bhubaneswar	47.50	77.09	-	77.09	Direct
3	Institute of Chemical Technology-IndianOil Campus, Bhubaneswar	Education	Local	Odisha/ Bhubaneswar	54.71	54.71	-	54.71	IA
4	Developmental works for river Ganga at Har Ki Pauri, Haridwar through Clean Ganga Fund	Sanitation	Local	Haridwar/ Uttarakhand	0.00	34.00	-	34.00	IA
5	Swarna Jayanti Samudayik Hospital, Mathura	Healthcare	Local	Uttar Pradesh/ Mathura	6.50	6.01	-	6.01	Direct
6	SDIs by BPC, HPC, ONGC, OIL & GAIL	Skill Development	Local	5 States/ 5 Districts	5.50	4.75	-	4.75	IA
7	Kendriya Vidyalaya, Mathura	Education	Local	Uttar Pradesh/ Mathura	3.50	4.13	-	4.13	Direct
8	Swachh Iconic Place: Mata Vaishno Devi, Katra	Sanitation/ drinking water	Local	J&K/ Jammu	2.65	4.12	-	4.12	IA
9	Welfare of sanitation workers & their wards at Prayagraj through Swachh Kumbh Kosh	Sanitation/ Education	Local	Prayagraj/ Varanasi/ Uttar Pradesh	0.00	4.00	-	4.00	IA
10	AOD Hospital, Digboi	Healthcare	Local	Assam/ Tinsukia	4.00	3.86	-	3.86	Direct
11	Assam Oil School of Nursing, Digboi	Skill Development	Local	Assam/ Tinsukia	6.39	3.57	-	3.57	Direct
12	Kendriya Vidyalaya, Barauni	Education	Local	Bihar/ Begusarai	3.00	3.15	-	3.15	Direct
13	Higher Secondary School, Bongaigaon	Education	Local	Assam/ Bongaigaon	3.40	3.12	-	3.12	Direct
14	IEC activities to educate general public regarding the need to conserve petroleum products through Petroleum Conservation Research Association	Education	Local/ Other	All India/ All India	0.00	3.00	-	3.00	IA
15	Kendriya Vidyalaya, Haldia	Education	Local	West Bengal/ East Midnapore	3.04	2.55	-	2.55	Direct
16	Kendriya Vidyalaya, Guwahati	Education	Local	Assam/ Kamrup Metro	2.14	2.14	-	2.14	Direct

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		Direct exp.	Overheads		
					₹ crore	₹ crore	Overheads	₹ crore	
17	Yoga Centre, New Delhi	Healthcare	Local	Delhi/ South Delhi	1.91	1.97	-	1.97	IA
18	IndianOil Academic Scholarship (Residual)	Education	Local/ Other	All India/ All India	2.50	1.74	-	1.74	Direct
19	IndianOil Aarogyam	Healthcare	Local	3 States/ 3 Districts	0.88	1.69	-	1.69	Direct
20	IndianOil Vidushi, Bhubaneswar & NOIDA	Education	Local	2 States/ 2 Districts	1.98	1.52	-	1.52	Direct
21	IndianOil Sports Scholarships Scheme	Sports	Local/ Other	All India/ All India	3.80	1.35	-	1.35	Direct
22	IndianOil Gyanodaya Scheme	Education	Local	6 States/ 8 Districts	1.97	0.86	-	0.86	Direct
23	Swachh Iconic Place: Gaya Teerth, Gaya	Sanitation/ Drinking water	Local	Bihar/Gaya	2.46	0.76	-	0.76	IA
24	5 Kg LPG DBC under Pradhan Mantri Ujjwala Yojana	Environment Sust.	Local/ Other	All India/ All India	0.00	0.54	-	0.54	Direct
25	Waste to Fuel project, Varanasi	Environment Sust.	Local	Uttar Pradesh/ Varanasi	0.45	0.45	-	0.45	Direct
26	Sarve Santu Niramaya, Digboi	Healthcare	Local	Assam/ Tinsukia	0.15	0.13	-	0.13	Direct
27	IndianOil Chikitsa Seva Kendra, Bongaigaon	Healthcare	Local	Assam/ Bongaigaon	0.07	0.08	-	0.08	Direct
	New projects near establishments across India*								
1	Marketing Division	All sectors	Local/ Other	7 States/9 Districts	86.52	84.19	-	84.19	Direct/IA
2	Refineries Division	All sectors	Local/ Other	All India	45.00	48.96	-	48.96	Direct/IA
3	Pipelines Division	All sectors	Local/ Other	All India	25.00	25.5	-	25.5	Direct/IA
4	R&D Centre	All sectors	Local	Haryana/ Faridabad	7.00	2.77	-	2.77	Direct/IA
5	Corporate Office	All sectors	Local/ Other	All India	8.67	0.06	-	0.06	Direct/IA
6	P&BD	All sectors	Local/ Other	All India	50.00	0.00	-	0.00	Direct/IA
	Admin. Overheads [incl. Training, Baseline study, etc.]	Admin. Overhead	Local/ Other	All India	24.53	-	22.45	22.45	Direct/IA
	Total				**490.60**	**468.15**	**22.45**	**490.60**	

* 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 31ST MARCH 2019

[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 (L23201MH1959GOI011388)** (hereinafter called the "Company") for the financial year ended 31st March, 2019. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering **1st April, 2018 to 31st March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period **1st April, 2018 to 31st March, 2019** 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 Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act,1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 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 (Buy Back of Securities) Regulations, 2018.

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:

- the applicable clauses of Secretarial Standards in respect of Meeting of Board of Directors (SS-1) and General Meetings (SS-2) 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. mentioned above except to the extent as mentioned below;

a) The Company did not have:

1. Requisite number of Independent Directors on its Board as required under Regulation 17 of SEBI(LODR) for the period 26th July 2018 to 31st March, 2019;
2. Woman Director on its Board as required under Section 149 (1) of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of SEBI (LODR) for the period 6th July 2018 to 25th July 2018 and 12th March 2019 to 19th March 2019.

We further report that

- The Board of Directors of the Company is duly constituted and the changes in the composition of the Board of Directors that took place during the period under review were carried out in the compliance with the provision of the Act. *However, the Company has not been able to appoint requisite number of Independent Directors and Woman Director as required under the provisions of Section 149 of the Act and Regulation 17 of SEBI (LODR) as mentioned above.* BSE and NSE had levied monetary fine on the Company under Regulation 17 of SEBI(LODR), for non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director for the quarter ended September 2018, December 2018 and March 2019. We are further informed that the Company being a Central Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the appointment of Directors (including Independent Directors) can be made only after receiving nomination from Govt. of India and the Company has suitably taken up the matter with Govt. of India. The Company has responded to the stock exchanges explaining its position with a request to waive off the penalty.
- Adequate notices were given to all directors to schedule the Board Meetings, and the same was sent at least seven days in advance, agenda and detailed notes on agenda were sent at least 7 days before the date of Meeting, 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 size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulation and guidelines.

We further report that during the audit period the Company has made buy-back of 29,76,51,006, fully paid up equity shares of the Company of face value of ₹10 each at price of ₹149/- per share.

For Ragini Chokshi & Co.
(Company Secretaries)

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

Place: **Mumbai**
Date: **11-05-2019**

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:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
1	IndianOil – Adani Gas Pvt. Ltd. (IOAGPL) (a Joint Venture Company in which IndianOil holds 50% equity capital)	Issuance of Corporate Guarantee	5 years	Issuance of Corporate Guarantee of ₹. 36.52 crore to IOAGPL by levying a fee of 0.10 per cent per annum	IOAGPL had sought Corporate Guarantee from both its promoters for obtaining Bank Guarantee from bank for submission to PNGRB for award of authorization for CGD projects.	26.10.18	NIL	Not applicable
2	- do -	- do -	25 years	Issuance of Corporate Guarantee of ₹. 191 crore to IOAGPL by levying a fee of 0.10 per cent per annum	- do -	25.02.19	NIL	Not applicable

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

For and on behalf of the Board

Sd/-

(Sanjiv Singh)

Chairman

DIN: 05280701

Place: **New Delhi**

Date : **15.07.2019**

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. The steps taken for conservation of energy:

Engineers India Limited was appointed to carry out Energy Efficiency Improvement Study (EEIS) across refineries (excluding Paradip Refinery) as a result of which, 207 implementable schemes with saving potential of 8,55,000 SRFT/year were identified; out of these, 19 schemes were implemented during 2018-19, with saving of about 13940 SRFT/year.

In addition, Petroleum Conservation Research Association was lined up to conduct Mandatory Energy Audit (MEA) for six refineries in 2017 wherein 115 implementable schemes with saving potential of 54000 SRFT/year were identified; of which 16 schemes with an energy saving of 5,968 SRFT/year were implemented during 2018-19.

In addition to the above, 55 schemes with saving potential of approx. 71000 SRFT/year have been identified in-house by the refineries; of which 32 schemes having energy savings of 62,170 SRFT/year were implemented during 2018-19.

As a result, during the year, 67 Energy Conservation (ENCON) Schemes were implemented across refineries of the Corporation, which resulted in energy savings of 82,078 SRFT, equivalent to savings of ₹.135.3 crore. The details of some of the major ENCON Schemes implemented during the year are as under:-

S. No.	Energy saving schemes	Estimated Cost (₹ in Lakh)	Estimated Fuel Savings (Standard Refinery Fuel Equivalent) MT/Year
1	Routing of AVU Naphtha Stabilizer flare to FG header at Paradip Refinery	20.0	13,800
2	Optimization of TPS operations- maximizing TG-1 operation at Barauni Refinery	214.5	6,200
3	Heat recovery from VR in FPU-2 by utilizing standby LPS generator of HVGO at Gujarat Refinery	11.3	4,280
4	Reduction in LP steam condensation at TPS from 15 TPH to 5 TPH at Panipat Refinery	15.0	4,000
5	HGU-3 APH rectification & increase in air outlet temp of E-114 B at Gujarat Refinery	216.9	3,600
6	Generation of MP steam from LGO CR in AVU at Mathura Refinery	192.5	3,200
7	Scheme to maximize MP and MLP steam generation from Diesel CR of HCU at Panipat Refinery	12.0	3,000
8	Installation of Auto decantation valves in 37 tanks at Gujarat Refinery	350.1	2,000
9	Scheme for heating of NSU-1 Feed with HGO R/d (AVU-1) at Panipat Refinery	8.0	1,800
10	Integration of BFW network of HGU-I, HGU-II, DHDS & VBU at Gujarat Refinery	3.9	1,670
11	Saving of steam lost through condensation by isolation of one of the two 8" 2.5 Km MP steam lines to Bitumen marketing terminal at Gujarat Refinery	3.1	1,600
12	Improving preheat in ARU and SWS by Plate type heat exchange at Barauni Refinery	145.5	1,500
13	Routing of Bio gas generated from PTA ETP to TGTU (Unit 26 along with 57) incinerator at Panipat Refinery	10.0	1,500
14	Installation of Thermo-compressor at PTA at Panipat Refinery	11.5	1,500
15	Closure of anti-surge valve of RGC turbine in DHDT at Barauni Refinery	13.7	1,200
16	Heat utilization of Atomizing Air Cooler of GT 1 & 2 at Barauni Refinery	1.0	1,000

b The following initiatives/projects are under implementation in various refineries of the Corporation:-

Guwahati Refinery:

- Utilization of superheated MPS in DCU S22 reboiler after de-superheating
- Recovery of steam condensate lost in refinery complex

Barauni refinery:

- Stoppage of Gasoline splitter operation
- Commissioning of 0.5 MW Solar Plant through roof tops and solar trees
- Additional supplementary firing in HRSG-1
- Thermal Efficiency Improvement of the DHDT heater (F-01) by minimizing hot flue gas duct losses

Gujarat Refinery:

- AU-1 Re-run routing of hot K-8 bottom to MSQ
- CGP-2: Adding condensate pre-heater coil in HRSG-5
- Condensate recovery in the refinery complex

Haldia Refinery:

- Maximization of steam generation by VBU economizer tube rectification
- Excess air optimization of the Heater 11-F-01 by replacement of O2 Analyzer / burners' fine tuning / replacement of burner components
- Heat Recovery from Boiler's & HRSG's blow-down

Mathura Refinery:

- Installation of Divided Wall Column in CCRU NSU to improve separation & saving of energy
- Installation of LP steam generator in MCB pump around circuit along with hot feed maximization to FCCU
- DHDS feed preheating up to 97°C by product rundown, thus reducing the furnace duty
- Excess air optimization of the Heater 16-F-01 A/B by replacement of existing O2 Analyzer with TDLS type analyzer
- Power savings by replacing existing HT/LT motors with energy efficient motors

Digboi Refinery:

- Rationalization of Air Compressors
- Optimization of Motive Steam in the Vacuum Column Overhead Ejector System in VDU
- Crude Preheat Temperature Improvement by Pinch Analysis and Modification in Preheat Train in AVU
- LP Steam Generation from MP condensate in MS block, SDU & WHFU through a flash vessel
- Recovery of steam/condensate loss in refinery complex

Panipat Refinery:

- Improve HRSG efficiency by reducing stack temperature by 10 °C for HRSG 2/3/4/5
- Scheme for generating HP steam ex CCRU and routing it to PRE HP header at AVU-2 B/L
- Routing of Hot BFW ex DHDT to MUH of HRSG-2/3/4/5 instead of Deaerator.
- MP steam heating in place of HP in PR IFO heater (located in Merox unit)
- Scheme for creating facility for use of MLP steam as stripping steam in place of MP steam in LGO/HGO stripper in AVU-1
- Scheme for routing Hot VB Tar to DCU Feed

Bongaigaon Refinery:

- Routing of CDU-I stabilizer off gas to DCU-I WGC
- Installation of VFD/Destaging in HGU BFW pump
- In CDUs, feasibility of routing low pressure Fractionators O/H gas
- Step less capacity control system for CRU RGC (22-K-001A/B).
- Thermal efficiency improvement of Hot Oil Heaters by augmentation of APH system

Paradip Refinery:

- Commissioning of 1 MW Solar Power
- Destaging of HP & MP BFW export pumps
- H2 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 Corporation includes grid connected power and off-grid solar power. The Corporation is implementing fluorescent tube lights & incandescent lamps with LED lighting; for which procurement has been initiated at various refineries. More than 2.80 Lakhs LEDs have already been installed as an ENCON initiative.
- The Corporation has 12.68 MW_P of solar PV across various refineries, installations and office building with a total annual generation capacity of 19.4 million units. In addition, installation of Solar PV of different capacity is in progress at various refineries.

B) Efforts made towards Technology Absorption, Adaptation and Innovation

As a 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, the Corporation has adopted most modern technologies in line with the latest worldwide developments in the field of petroleum refining and petrochemical production.

Major technologies adopted by your Corporation are as follows:-

a. Indigenous Technology

i) Diesel Hydrotreatment Technology

Diesel Hydrotreatment technology developed by R&D Centre of IndianOil and licensed jointly with EIL has been implemented at Bongaigaon Refinery for meeting Diesel quality requirements. The technology is under implementation at Haldia Refinery.

ii) 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.

iii) INDAdeptG Technology

INDAdeptG unit based on technology developed by R&D Centre of IndianOil and licensed jointly with EIL has been implemented at Guwahati Refinery for desulphurisation of cracked gasoline feed stock.

iv) indDSK Technology

indDSK technology, developed by R&D Centre of IndianOil and licensed jointly with EIL is under implementation at Paradip refinery, for production of ultra-low sulphur kerosene (PCK) from kerosene feedstock by hydro desulphurisation.

v) indJet Technology

indJet technology, developed by R&D Centre of IndianOil and licensed jointly with EIL is under implementation at Barauni refinery, for production of jet fuel from kerosene feedstock by hydro desulphurisation.

vi) 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 is under implementation at Bongaigaon Refinery.

vii) indSelect Technology

indSelect technology, developed by R&D Centre of IndianOil, is under implementation at Guwahati Refinery for selective di-olefin saturation of coker naphtha and FCC gasoline.

viii) Isomerisation Technology

Isomerisation Technology "ZEOSOM" developed by R&D Centre of IndianOil and licensed jointly with EIL has been implemented at Bongaigaon Refinery for meeting MS quality requirements.

ix) Naphtha Hydrotreatment Technology

Naphtha Hydrotreatment technology developed by R&D Centre of IndianOil and licensed jointly with EIL is under implementation at Bongaigaon Refinery.

x) 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.

b. Imported Technology

i) Alkylation Technology

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

ii) ATF Treatment Technology

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

iii) Biturox Technology

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

iv) Butane Isomerisation Technology

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

v) Butene-1 Technology

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

vi) Catalytic Iso-dewaxing Technology at Haldia Refinery

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 & 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 is under implementation 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 and also implemented at Paradip Refinery and is under implementation at Haldia Refinery under Distillate Yield Improvement (DYIP) Project.

x) Diesel Hydro Desulphurisation Technology

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

xi) Diesel Hydrotreatment Technology

Diesel Hydrotreatment (DHDT) Units have been installed at Guwahati, Barauni & 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.

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 is under implementation 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, 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. Haldor Topsoe, Denmark is in operation at Gujarat, Mathura, Haldia, Panipat and Barauni refineries and has been implemented at Gujarat Refinery under Resid Upgradation Project. Similar technology from M/s 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.

xix) LPG Treatment Technology

Coker LPG Merox Treatment technology from M/s UOP, USA has been implemented at Panipat Refinery and is under implementation 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.

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 and Barauni Refineries.

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, HDPE unit, Swing Unit (HDPE/LLDPE) and MEG Unit respectively. Technology from M/s ABB Lummus has been implemented for production of Butadiene. Technology from M/s Basell, Italy is under implementation at Paradip Refinery for production of Poly-Propylene. Technology from M/s Scientific Design, USA is under implementation at Paradip Refinery for production of MEG. Ethylene Recovery Technology from M/s ABB Lummus.

xxiii) Naphtha Treatment Technology

FCC Naphtha Treatment Technology from M/s Mericam, USA for removal of Mercaptans and H2S is implemented at Paradip Refinery. Technology for Naphtha Hydrotreating & Fractionating from M/s UOP, USA is implemented at Paradip refinery.

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.

xxv) Propylene Recovery Technology

For recovery of Propylene from LPG, propylene recovery from M/s Basell, Italy is under implementation at Paradip 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.

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.

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.

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 environmental friendly and easier to handle
- Auto Fuel Quality improvement for HSD and MS so that these fuels can conform to BS-IV/BS-VI fuel standards and latest pollution control norms.
- Use of a number of indigenous technologies resulting in import substitution

d) Details of imported technology (imported during the last three years reckoned from the beginning of the financial year):

i. BS-VI Projects at Panipat refinery:

The details of technology imported:

- Technology for desulphurisation of gas oils, from M/s UOP, USA
- Technology for production of sulphur from M/s 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 Sep-2019

ii. BS-VI Projects at Gujarat refinery:

The details of technology imported:

- Technology for desulphurisation of FCC Gasoline 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 by Sep-2019

iii. Mathura Refinery Expansion and 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: The project is in implementation stage - Expected commissioning by June-2021.

iv. Barauni Refinery Expansion project

The details of technology imported:

- Technology for processing Vacuum gasoil in Hydrocracking unit of sulphur 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

The year of import: 2018-19

Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning by March-2022

v. **Catalytic reforming unit project in Guwahati Refinery**

The details of technology imported:

- Technology for production of Reformate from M/s UOP , USA.

The year of import: 2017-18

Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning by May-2021

vi. **Gujarat Refinery Expansion Project**

The details of technology imported:

- Technology for LPG Treatment Unit from M/s UOP, USA.
- Technology for production of Reformate and 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: 2017-18/2018-19

Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning by Dec-2022

vii. **Panipat Refinery Expansion Project**

- 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

C) Foreign Exchange Earning and Outgo

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

- Foreign Exchange earned : ₹22,254.54 crore
- Foreign Exchange outgo : ₹2,63,449.91 crore

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

- Development & demonstration of Refinery process technologies
- Licensing & commercialization of R&D developed technologies
- Modelling and simulation – Refinery Processes
- Technical services to refineries, petrochemicals and pipeline division
- Lubricant, Greases and Specialities - Fuel Efficient Products
- Metal Working Tribology and Boundary Lubrication
- M15 fuel evaluations, fuel additives development and commercialization
- Fuel Quality and Emission related Studies
- Carbon Capture & utilization to valuable products
- Alternative fuels - HCNG, 2nd & 3rd Generation bio-fuels
- Analytical support for BS-IV/VI Gasoline and Diesel
- Process and catalyst development for Petrochemicals & Polymers application
- Development of Intelligent and Caliper pigs for monitoring health of pipelines
- Nanotechnological interventions for enhanced performance of fuels and lubricants
- Alternate Energy – Gasification, Hydrogen, Fuel Cell and Solar
- Troubleshooting, revamp and optimization for refinery processes
- Catalysts development for refining and petrochemical processes
- Bituminous products- PMB & CRMB+
- Corrosion, Remaining life assessment and Material failure Analyses
- Biotechnology interventions for refinery ETP, biomethanation, 2G ethanol
- **Expenditure on R&D**

Sl. No.	Particulars	Amount (₹ crore)
(a)	Capital	137.15
(b)	Recurring	300.19
	Total	**437.34**

MANAGEMENT'S DISCUSSION & ANALYSIS

1. MACROECONOMIC CONDITIONS & OUTLOOK

1.1. Global Economic Backdrop

Global economic growth slowed down to 3.6% in 2018 from 3.8% recorded in 2017. There was a marked deceleration in the growth of advanced economies mainly on account a sizeable slippage in growth in Euro Area to 1.8% in 2018 from 2.4% in 2017 as growth slackened in key Euro Area economies like Germany, France & Italy. United States was the only exception to the overall slackening growth momentum in the advanced economies, where a fiscal stimulus through tax cuts and increase in spending propelled demand. Growth in emerging economies also decelerated to 4.5% in 2018 from 4.8% in 2017, mainly on account of slowdown in growth in developing Asia-China, India & Asean-5 (Indonesia, Malaysia, Philippines, Thailand, Vietnam). The slowdown in global growth was mirrored in slippages in world trade growth, industrial production growth and Purchasing Managers' Indices (PMI).

A number of developments marked the year that lie at the core of the economic deceleration witnessed. Rising trade protectionism was the first and foremost, with the US-China's trade tensions resulting in rising tariffs and higher trade policy uncertainty. Another, major shift witnessed during the year was normalisation of monetary policies in the larger advanced economies. During the year, European Central Bank (ECB) ended its bond buying programme and policy rates in the US rose by 100 basis points. Country specific factors such as credit tightening in China, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany, troubles in France and Italy contributed to the slowing of growth momentum.

While growth in the current year is expected to dip further, growth is expected to start picking-up in the coming years. The rate hike pause by the Federal Reserve in 2019 and shift to monetary accommodation by other major advanced economies to support growth along with fiscal and monetary stimulus in China are expected to support growth. However, many downside risks such as further escalation of trade tensions, Brexit, deterioration of financial market conditions, among others remain and cloud the global outlook.

1.2. Indian Economic Backdrop

During the year, Indian economy grew by 6.8% and continued to be the fastest growing large economy. Growth was propelled by private spending, industry, manufacturing and capital formation. Exports continued to post a healthy growth of 9.1% in 2018-19 on top of 10% growth posted in the previous fiscal. Despite this, GDP growth during the year was lower than 7.2% recorded in 2017-18. The slippage in momentum was on account of deceleration in agriculture and services sectors and government spending. Besides, there was deceleration in growth of non-oil imports, mainly capital goods and gold. In the last quarter of 2018-19, the economy's performance was subdued in particular; growth in the quarter fell to 5.8% on account of slowdown in industry sector and investment expenditure along with decline in output in the agriculture sector.

On the macroeconomic front, India posted a mixed performance. On the positive side, retail inflation measured by CPI slowed down to 3.41%, its lowest level in the last seven years. This was mainly on account of muted food prices, while inflation in other goods and services did exhibit stubbornness and fuel prices were under pressure as well. Moderation in inflation and slippages in growth prompted RBI to usher in rate cuts. RBI reduced repo rate by 75 basis points in 2018-19, taking it to 6.25%. On the fiscal front, India's fiscal deficit during the year stood at 3.4% of GDP, missing the target (BE) of 3.3%. India's current account deficit widened to an estimated 2.3% of GDP from 1.9% of GDP in 2017-18 on account of weakness in net service imports along with a larger trade deficit. On the upside, net foreign direct investment inflows at $34.6 billion in 2018-19 were higher than the previous year. Foreign portfolio investments, however, turned negative during the year on account of global cues such as rising oil prices, US-China trade war, rate hikes in the US and domestic concerns. Rupee depreciated against the US Dollar by 7.8%, reflecting the widening current account deficit and weak foreign investment flows.

Looking ahead, growth is expected to accelerate in the current fiscal. Policy rate cuts by RBI, continued improvement in banking sector health post-introduction of Insolvency & Bankruptcy Code, 2016, farmers income support, etc., are expected to boost domestic demand.

2. INDUSTRY STRUCTURE & DEVELOPMENTS

2.1. Global Energy Scenario

During the year, primary energy consumption grew by 2.3% to 14,301 million tonnes of oil equivalent (mtoe), compared to 1.9% growth in 2017. China, the United States, and India together accounted for nearly 70% of the rise in energy demand.

The growth in energy demand was broad-based, with demand for all energy types growing, with fossil fuels meeting nearly 70% of the growth. Oil demand grew by 1.3% and coal consumption rose by 0.7%. The biggest gains came from natural gas, which emerged as one of the fastest growing fuels in the energy basket, accounting for nearly 44.5% of the increase in total energy demand. Renewables, which grew by over 4%, met around one-quarter of the growth in total primary energy demand. Renewables covered almost 45% of the world's electricity generation growth. Global clean energy investment totalled $332 billion in 2018, down by 8% from 2017 level.

As a result of higher energy consumption, global energy-related carbon-di-oxide (CO_2) emissions increased to 33.1 Giga tonnes (Gt) CO_2 up 1.7% from the previous year. Coal-fired power generation continues to be the single largest emitter, accounting for 30% of all energy-related CO_2 emissions.

2.1.1 Global Oil Market

2.1.1.1. Consumption

Global oil consumption increased by 1.3 million barrels per day (mbpd) in 2018 to 99.2 mbpd (1.3%) from 97.9 mbpd in 2017. OECD demand during the year grew by 0.3 mbpd to 47.7 mbpd, an increase in demand for the fourth consecutive year. Non-OECD demand increased by 0.95 mbpd to 51.5 mbpd. Demand from Asia's emerging economies once again grew rapidly, adding 0.8 mbpd to global oil demand growth.

2.1.1.2. Production

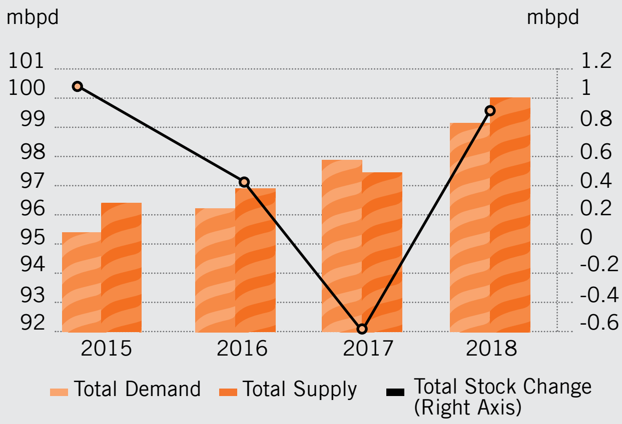
On the supply side, global oil production grew by a robust 2.6 mbpd (2.8%) to average 100.1 mbpd, after a subdued increase of only 0.4 mbpd in 2017. Key growth drivers in 2018 were the US, along with Canada, Russia, Kazakhstan, Qatar, Ghana and the UK, while Mexico, Norway and Vietnam showed the largest declines. The US saw record production growth of 2.2 mbpd in 2018. In December 2018, monthly US crude oil production reached 11.96 mbpd , the highest monthly level of crude oil production in US history. US crude oil production is expected to continue to grow in 2019 and 2020 averaging 12.3 mbpd and 13.0 mbpd, respectively.

In contrast, OPEC production declined by 0.1 mbpd in 2018, the second consecutive annual decline. Production curtailments remained in place among OPEC and co-operating non-OPEC countries for first half of the year. During mid-year, on the face of rising oil prices, OPEC+ producers reached a compliance agreement to raise oil output from July 2018. In December 2018, OPEC+ agreed to 1.2 mbpd of production cuts from January 2019 to shore up flagging oil prices and prevent a supply surplus.

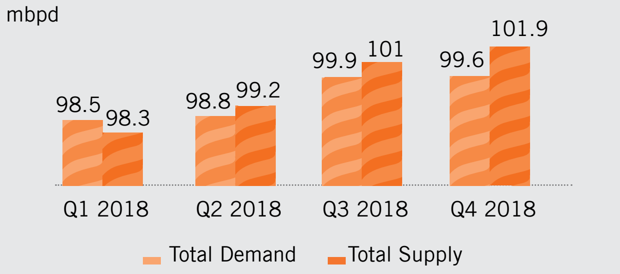
2.1.1.3.Inventories

The supply demand scenario resulted in global supply significantly exceeding demand in 2018, particularly during Q3 and Q4 of 2018. As OPEC and co-operating non-OPEC members continued their production cuts early in the year, commercial oil inventories in the OECD were below the five year average for a large part of the year. However, inventories began to rise after compliance agreement to raise output from July 2018, and by the end of December, inventories were above the five-year average.

Annual: Global Oil Supply & Demand



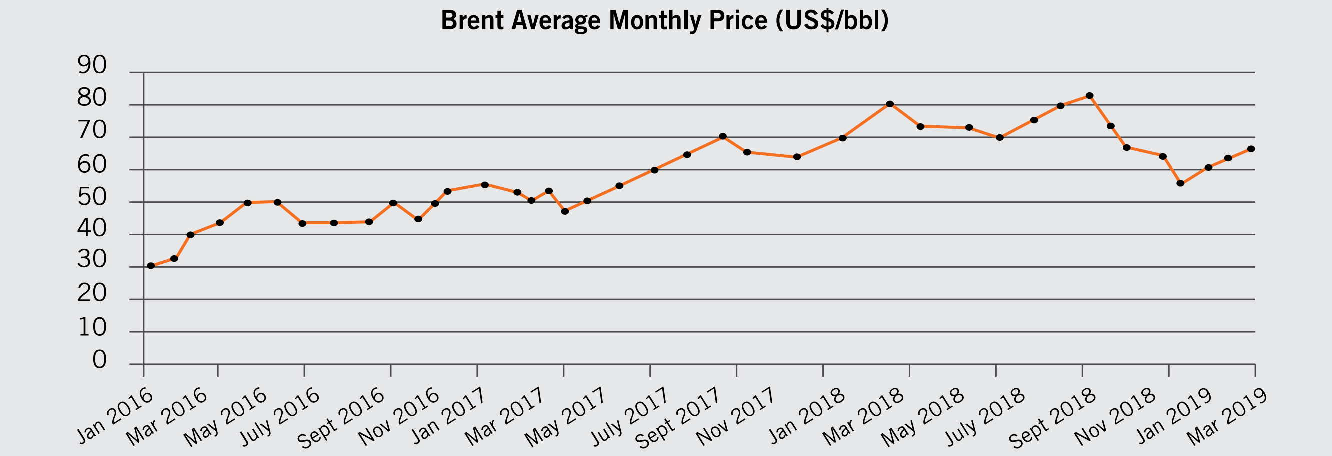
Quarterly: Global Oil Supply & Demand in 2018



Source: IEA

2.1.1.4. Prices

During the year, Brent crude oil prices averaged $71.1 per barrel (bbl), registering a significant increase of $16.7/bbl, or a 30% growth over 2017. Oil prices moved under the influence of opposing forces. The re-imposition of sanctions on Iran by the United States boosted oil prices along with support coming from a weak dollar, adherence by OPEC and Russia to production cuts and crisis in Venezuela coupled with US sanctions on Venezuelan oil sector. On the other hand, oil prices were pressured by concerns surrounding global oversupply and US-China trade war and concerns about weakening of the global economy



Source: Platts

2.1.2. Global Gas Market

Natural gas consumption rose by 195 billion cubic metres (bcm), or 5.3%, in 2018, rising to 3,849 bcm, one of the fastest rates of growth since 1984. The demand was driven by growing energy demand and substitution of coal. The switch from coal to gas accounted for over one-fifth of the rise in gas demand. Growth in gas consumption was driven mainly by the US (78 bcm), supported by China (43 bcm), Russia (23 bcm) and Iran (16 bcm). Gas now accounts for 8% of primary demand in China, becoming the world's largest natural gas importer in 2018, ahead of Japan.

Total gas production increased by 5.2% in 2018, one of the strongest rates of growth for output for over 30 years. Significant production increases were achieved in the US (86 bcm, 11.5% y-o-y growth in 2018), and Australia (17 bcm, 15.3% y-o-y growth in 2018) – supported by the start of new LNG trains – and Russia (33.9 bcm, 5.3% y-o-y growth in 2018). OECD natural gas production grew by 7.3% and Non-OECD production grew by 4%.

Global Liquefied Natural Gas (LNG) supplies continued to expand at a rapid pace during last year, increasing by almost 10% (37 bcm), as new liquefaction plants in Australia, US and Russia were started or ramped up.

Gas prices bounced back in all key markets in 2018. Gas prices in the US averaged $3.14 per million metric British thermal units (mmbtu) in 2018 compared to $2.96/mmbtu, up by $0.18. LNG Japan price rebounded to $10.67/mmbtu in 2018 from $8.04/mmbtu in 2017. The price was driven by stronger Asian LNG demand and a tight LNG market.

2.1.3. Global Renewables Sector

Renewables are the fastest-growing energy source in the world today, and are expected to play a much enlarged role in the global energy mix over the long-term. Renewable generation capacity has been growing at 8-9% per annum in the recent years. The trend continued in 2018 as well, with total renewable energy generation capacity reaching 2,351 GW at the end of 2018, with annual increase of 7.9%, bolstered by new additions from solar and wind energy, which accounted for 84% of the growth. Solar energy continued to dominate, with a capacity increase of 94 GW (+24%), followed by wind energy with an increase of 49 GW (+10%). Hydropower capacity increased by 21 GW (+2%) and bio-energy by 6 GW (+5%). Almost 30% of global power capacity is now based on renewable energy.

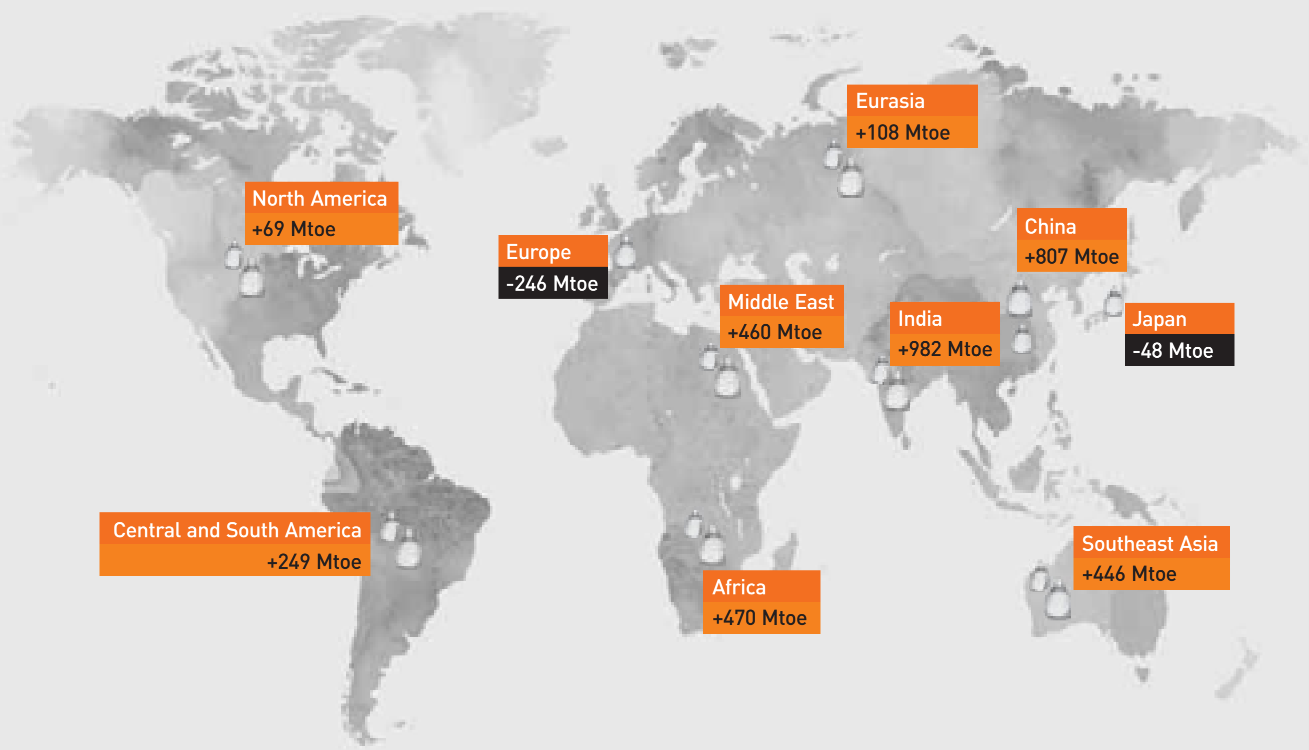
In solar energy capacity expansion, Asia continued to dominate with 64 GW increase during 2018. China (45 GW), India (9.2 GW), Japan (6.5 GW) and Republic of Korea (2 GW) accounted for most of the solar capacity addition in Asia. Whereas China (20 GW) and the USA (7 GW) continued to account for most expansion in wind energy.

However, renewable energy deployment needs to grow even faster, to ensure that global climate objectives and Sustainable Development Goals can be achieved.

2.1.4. Global Energy Outlook

As per the latest energy outlooks, the global energy demand is projected to continue growing, driven by expansion in global output and prosperity. However, energy efficiency increases are expected to moderate the pace of growth in the future. While global GDP is expected to more than double by 2040, energy consumption is projected to increase by only a third. India and China will be the largest sources of global energy growth. Natural gas demand in primary energy mix is expected to increase by 2040 from current level whereas share of coal and oil is projected to decrease. Oil and gas together are projected to account for the largest share of the energy mix across a range of scenarios. Renewable energy is the fastest growing source of energy, contributing half of the growth in global energy supplies and becoming the largest source of power by 2040.

Change in Primary Energy Demand 2017-2040 (Mtoe)



Source: World Energy Outlook-2018, New Policy Scenario, IEA

Note: Global Primary Energy Demand projected to rise from 13,972 million tonnes oil equivalent (Mtoe) in 2017 to 17,715 Mtoe in 2040

2.2. Developments in the Indian Energy Sector

Indian energy sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive energy demand in India. The speed of energy demand growth in India has been way ahead of the global average. In the last decade, while global energy demand grew by 1.7% annually, India's energy demand grew at 5.7% per annum. India's energy mix is dominated by fossil fuels, with coal being the leading energy source with 45% share, followed by oil at 25%. The share of gas is small at 6% as compared to the global average of over 20%. India's gas demand is expected to grow rapidly in the near future. The oil and gas sector is among the eight core industries in India and plays a major role in influencing decision-making for all the other important sections of the economy. Renewable energy has a small but rapidly growing presence.

Several policies have been adopted to fulfil the country's future energy demand. 100% Foreign Direct Investment (FDI) has been allowed in many segments of the sector, including natural gas, petroleum products and refineries, among others.

Key developments in the Indian energy sector that marked the year, particularly with reference to the areas in which the Corporation operates, were-

- BS-VI auto fuels were introduced in the National Capital Territory (NCT) including Delhi, from 1st April 2018. The same was extended to cover 12 contiguous districts, including key cities of Agra, Meerut and Bharatpur, subsequently.
- To widen the reach of domestic LPG cylinders under the *Pradhan Mantri Ujjwala Yojana* (PMUY) scheme, the Government directed that beneficiaries would also be identified from BPL families covered under SC/ST, *Antyodaya Anna Yojana* (AAY) *Pradhan Mantri Awas Yojana* (PMAY), forest dwellers, tea garden tribes, Most Backward Classes (MBCs), islands/river islands under the Expanded Ujjwala Scheme w.e.f. 1.4.2018. Later, Below Poverty Line (BPL) families who have not been covered under the Socio Economic and Caste Census 2011 (SECC) or under the above mentioned 7 categories were also covered w.e.f. 20.12.2018.
- The Government approved the National Policy on Biofuels in May 2018. The policy expands the scope of raw material for ethanol production.
- India received its first crude oil cargo shipment from Abu Dhabi National Oil Company (ADNOC) for its strategic petroleum reserve at Mangalore on 21.05.18.
- National Wind-Solar Hybrid Policy was released on 14th May 2018. The policy seeks to promote new hybrid projects as well as hybridisation of existing wind/solar projects.
- The Government approved revision of ethanol price under the Ethanol-Blended Petrol Programme for supply to public sector oil marketing companies, June 2018.
- Abu Dhabi National Oil Company (ADNOC) signed an agreement to pick up stake in the planned US$ 44-billion refinery-cum-petrochemicals project on the West Coast of the country. Saudi Aramco and ADNOC will together hold 50% stake, June 2018.
- IndianOil, ONGC, GAIL, OIL and NRL signed a joint venture agreement for executing "Indradhanush," the North-East Natural Gas Pipeline Grid with connectivity to the East-West *Urja Ganga* Gas Pipeline Project, July 2018.
- The Government approved a policy to permit exploration and exploitation of unconventional hydrocarbons such as shale oil/gas, Coal Bed Methane (CBM) etc., August 2018.
- India banned the import of petcoke for use as fuel, but allowed only for lime kiln, calcium carbide and gasification industries, when used as feedstock or in the manufacturing process on actual user condition, August 2018.
- The Government launched Sustainable Alternative Towards Affordable Transportation (SATAT) initiative on 2nd October to promote Compressed Bio-Gas production.
- On November 22nd, 2018, the Prime Minister of India laid the foundation stone of City Gas Distribution (CGD) projects in 65 Geographical Areas (GAs) in 129 districts under the 9th CGD bidding round. Bidding for the 10th CGD in 50 GAs spread over 124 districts in 14 states also launched. Award of GAs to the successful bidders have since been completed.
- The Government announced a policy for the rollout of electric vehicle-charging infrastructure, December 2018.
- A consortium of Indian Oil Corporation (50% share), Bharat Petroleum Corporation (25% Share) and Hindustan Petroleum Corporation (25% share) was given authorisation by PNGRB for the 2,757 km cross-country Kandla-Gorakhpur LPG pipeline, December 2018.
- The Government launched the National Clean Air Programme with an objective to reduce PM2.5 and PM10 concentration by 20-30% by the year 2024 (compared to 2017 levels), January 2019.
- MoP&NG issues directions to companies to sell 10% ethanol-blended petrol from April 2019. Before this directive, subject to commercial viability, oil marketing companies were mandated to sell 5% ethanol-blended petrol.

- The Government announced an outlay of ₹ 10,000 crore for Phase 2 of the Faster Adoption and Manufacturing of Hybrid and Electric Vehicles, or FAME 2 scheme, to boost electric mobility and increase the number of electric vehicles in commercial fleets, March 2019

Major policy decisions during the year were shaped by environmental concerns, focus on renewable and alternatives, importance of natural gas in the energy mix, and need for international cooperation and foreign investment.

2.2.1. Oil Market - Domestic

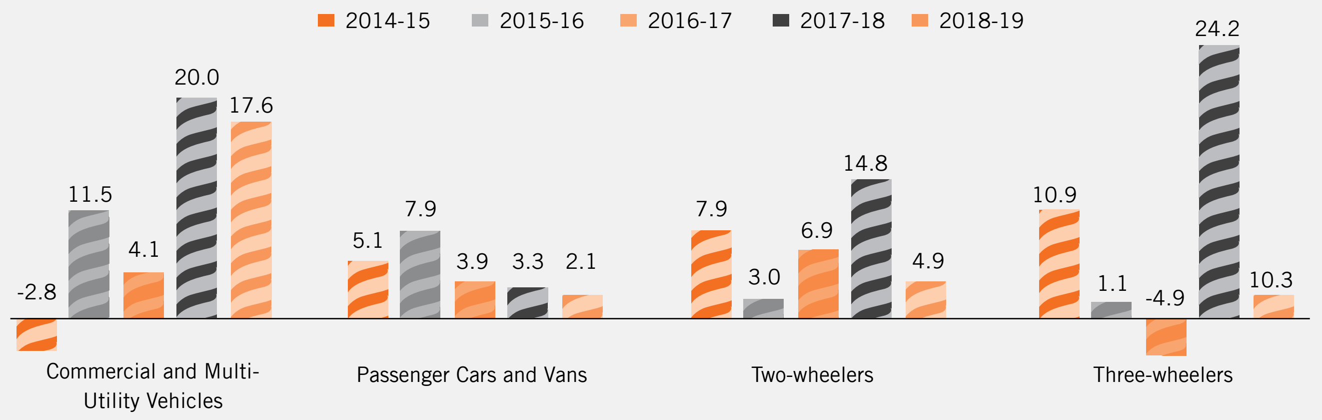
2.2.1.1. Demand Side

During 2018-19, petroleum product consumption was 211.6 MMT, registering a growth of 2.7% as against consumption of 206.2 MMT and a growth rate of 5.9% growth during 2017-18. This growth is despite a fall of 5.1 MMT in petcoke consumption during the current year due to the restrictions for its use as a fuel.

MS consumption registered a growth of 8.1% in 2018-19 as compared to 10.1% growth rate in the previous year. HSD consumption recorded a growth of 3.0% in 2018-19 compared to 6.6% growth in the previous year. Consumption growth rates of these products in 2018-19 were lower compared to the previous year due to slowdown in India's automobile industry during 2018-19.

Domestic commercial vehicle sales increased by 17.6% during the year compared to 20.0% growth rate in the previous year. Passenger cars sales increased by 2.1% during the year compared to 3.3% growth rate in the previous year. The biggest slowdown in domestic sales were observed in two and three-wheeler sales, which grew by 4.9% and 10.3% compared to 14.8% and 24.2% growth rate respectively in the previous year.

Domestic Sales Growth Rate (% y-o-y) of Automobiles

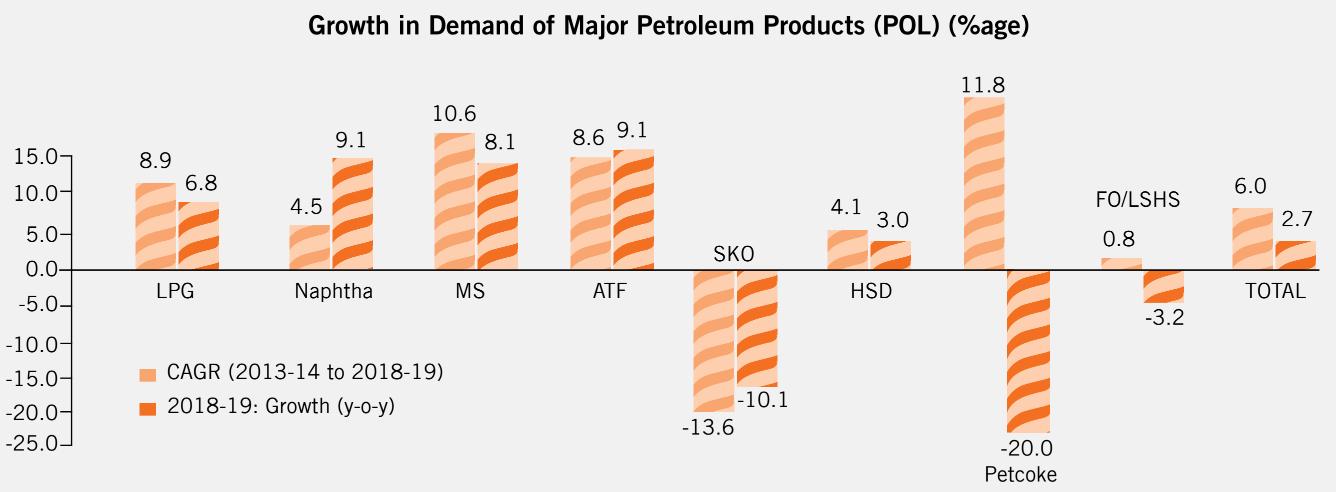


Source: CMIE

The growth story of the civil aviation sector continued during the year, with traffic registering double digit growth. During the year, growth in ATF consumption soared to 9.1% as compared to the previous year.

LPG consumption too recorded a positive growth of 6.8% during 2018-19 after recording a growth of 8.0% in the previous year. LPG consumption grew at 8.9% CAGR during 2013-14 to 2018-19, making it one of the fastest growing fuel. The Government's push to providing a clean fuel like LPG to the marginalised sections of society through PMUY also drove up the demand. During 2018-19, 51.4 lakh double-bottle connections (DBCs) and 455.2 lakh new connections were released, out of which 362.9 lakhs were released under PMUY. A total of 719 lakh connections have been released under PMUY till 31.03.2019 since inception, taking the penetration of LPG among households to over 94%.

Growth in heavy and residual fluids like Fuel Oil (FO), Low-Sulphur Heavy Stock (LSHS) and Petcoke registered negative growth during the year due to customers shifting to alternatives as well as due to environmental concerns. SKO consumption continued to decline on account of reduced allocation to states and voluntary surrender of quota by few states/UTs.

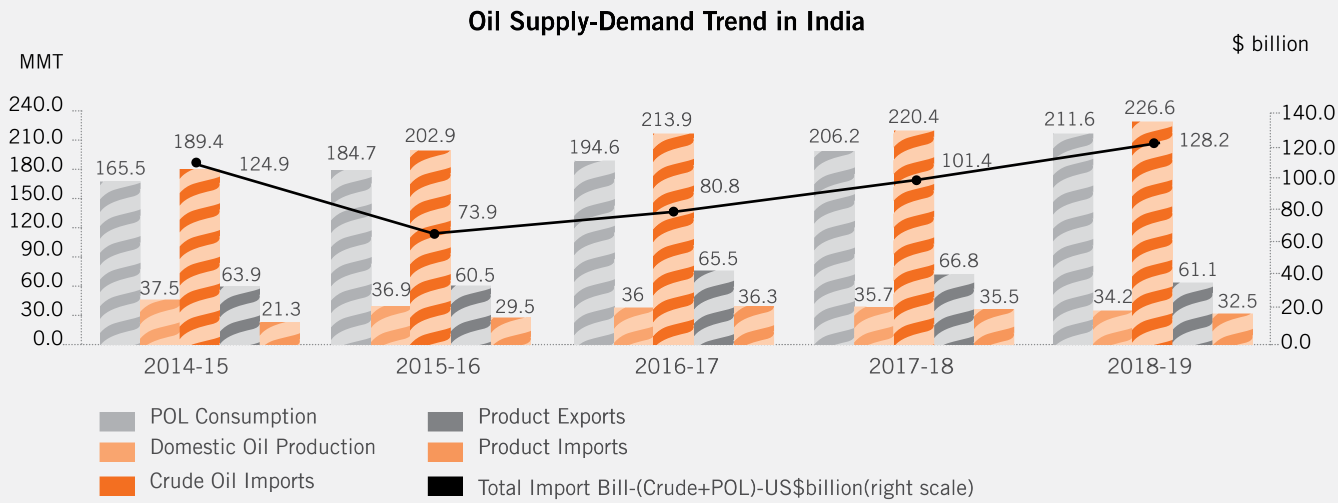


Source: PPAC, MoP&NG

2.2.1.2. Supply Side

Domestic crude oil production declined by 4.2% during 2018-19, after falling by 0.9% in the previous year. Production during 2018-19 was 34.2 MMT as declining phase of many fields continued. Indigenous crude oil and condensate production under PSU fields decreased by 5% during the year whereas production by private/ JVs in PSC regime decreased by 1.9% in 2018-19 than the crude oil and condensate production during 2017-18. However, with Government's thrust on ramping up domestic production through investment-friendly policies, improvement in production levels is expected in the near future.

On the refining front, India's refining capacity stood at 249.4 MMTPA at the end of 2018-19, making it the second largest refiner in Asia. Private companies own about 35.62% of the total refining capacity. Increasing domestic demand was met by 2.1% increase in refinery throughput during 2018-19. During the year, Indian refiners processed 257.20 MMT of crude oil as compared to 251.9 MMT in 2017-18. During 2018-19, 75.4% high-sulphur crudes were processed against 74.8% during 2017-18.

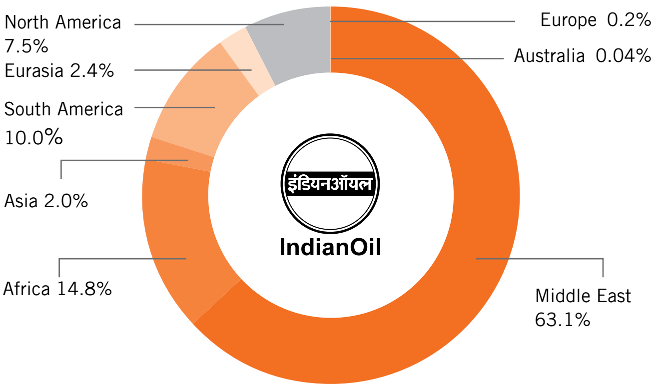


Source: PPAC, MoP&NG

Imports / Exports

Crude oil imports posted a 2.8% growth over the previous year in quantity terms, rising to 226.6 MMT. With the rise in international oil prices in value terms as well, the crude oil import bill rose to US$ 112 billion during the year from US$ 87.8 billion in 2017-18. Crude oil imports during the year from different regions are depicted in the following figure

Regionwise Percentage Share of Crude Oil Imports in FY 2018-19



Source: PPAC, MoP&NG

Product imports decreased to 32.5 MMT during the year from 35.5 MMT in the previous year. However, product imports bill expanded from US$ 13.6 billion in 2017-18 to US$16.2 billion. The total import bill for the year amounted to US$ 128.2 billion from US$101.4 billion in the previous year. Export of POL products reduced to 61.1 MMT in 2018-19 compared to 66.8 MMT in the previous year. In value terms, the total product exports amounted to US$ 38.2 billion in 2018-19 as compared to US$34.9 billion in 2017-18.

2.2.1.3. Pricing & Subsidy Administration

At present, only domestic LPG and PDS Kerosene are the regulated products and remain under the subsidy regime. During the year, Indian crude basket averaged at $69.8/ barrel rising by more than 23.8% from 2017-18 level.

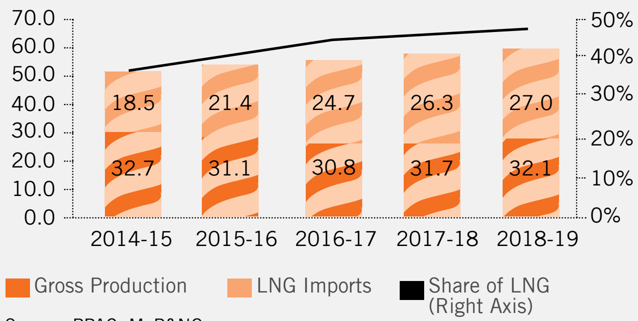
During the year, gross under-recoveries increased to ₹ 37,390 crore from ₹ 25,552 crore in FY 2017-18. Under-recovery for SKO (PDS) increased to ₹ 5,950 crore from ₹ 4,672 crore in 2017-18, whereas under-recovery for domestic LPG under DBTL Subsidy (Direct Benefit Transfer for LPG) scheme increased to ₹ 31,441 crore from ₹ 20,880 crore in the previous year.

2.2.2. Gas Market-Domestic

The share of natural gas in the energy basket of India is 6% and is expected to increase in the coming years. India's natural gas demand outlook is continuously improving. The Government of India (GoI) is aiming to make India a gas-based economy by boosting domestic production and encouraging infrastructure rollouts. GoI has already taken a number of steps to increase consumption of natural gas.

Natural gas consumption during the year increased marginally to around 59.1 bcm, registering a growth of 1.7% as against a growth of 4.5% in the previous year. On the supply side, Natural gas production during the year was 32.9 bcm, higher by 0.7% compared with the previous financial year. Gross natural gas production during 2018-19 was the highest since 2015-16. LNG import rose to 27.0 bcm for 2018-19, higher by 2.6% compared with the previous financial year. India is the fourth-largest LNG importer after Japan, China and South Korea, and accounts for 7.1% of the total global LNG imports.

Natural Gas Production/Import Trend (in bcm)



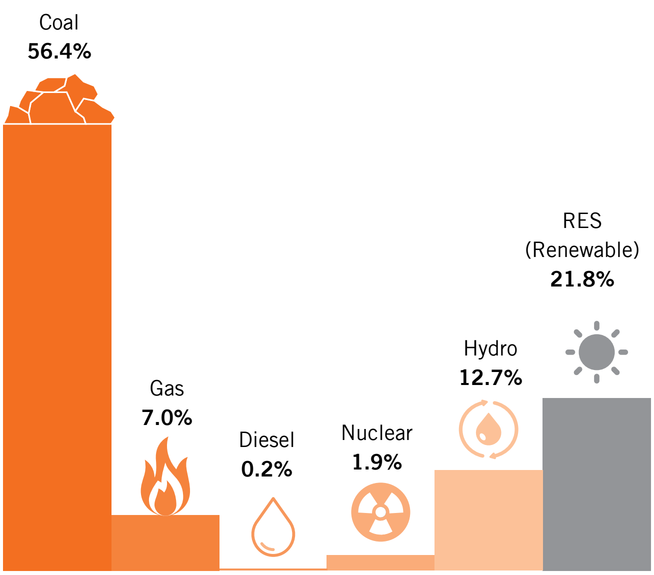
Source: PPAC, MoP&NG

2.2.3. Power Sector & Renewable Energy

Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

India's power sector is dominated by coal, with 56% of installed power capacity. Renewable capacity has been growing and is now 22% of the installed power capacity in the country.

Installed Capacity of Power Generation (356 GW)



As on 31.3.2019 Source: CEA

To counter climate change and at the same time to reduce dependence on fossil fuels, the Government of India has set a target of 175 GW renewable power installed capacity by the end of 2022. This includes 60 GW from wind power, 100 GW from solar power, 10 GW from biomass power and 5 GW from small hydro power. During 2018-19, 8.78 GW of renewable energy capacity was installed, taking the cumulative capacity to 79.57 GW. In terms of wind power installed capacity, India is globally placed at the 4th position after China, USA and Germany, and at the 5th position in global solar power installed capacity.

India's Installed Renewable Energy Capacity

	Capacity Addition in 2018-19 (in MW)	Installed Capacity (as on 31.03.2019) (in GW)
Wind Power	1481	35.6
Solar Power	6773	29.1
Small Hydro	107	4.6
Bio-Power (Biomass, Waste-to-Power etc.)	421	10.2
Total	**8783**	**79.6**
Source: Ministry of New & Renewable Energy, GoI		

The Indian power sector is undergoing a significant change that has redefined the industry outlook. The Government's focus on 'Power for all' has accelerated capacity addition in the country, in which renewable is playing a vital role.

3. Indian Energy Outlook

There is a broad consensus that India will lead global energy demand growth over the long-term. The key propellers will be India's prospering economy and growing population. Across outlooks, a common thread is that India's energy demand by 2040 will be more than double its present demand. In the previous 23 years, it had grown by more than threefolds. In India, coal is expected to continue dominance in the future. Oil's share is projected to fall marginally, but continue to be the second most important source. The share of gas in the Indian energy mix is set to increase significantly. The share of renewable is set to grow manyfold, witnessing highest growth rates amongst energy types across a range of scenarios.

While it is clear that India would need more energy as it moves ahead, there are critical challenges that it faces in meeting its growing energy needs such as bridging the energy divide and providing energy justice through electricity and clean cooking fuel access to the marginalised groups in the population; containing the deteriorating air quality in major cities; meeting the Nationally Determined Contributions (NDCs) under the Paris Climate Agreement; and securing energy supplies in the face of India's high import dependence.

4. IndianOil's Strengths & Weaknesses

IndianOil is one of the largest commercial enterprises in the country with a dominant presence in the Indian corporate and energy landscape.

The first and foremost strength of the Corporation is its infrastructure spread across the country. The Corporation has a refining capacity of 80.7 MMTPA (including its subsidiary) and accounts for one-third of the country's refining capacity. The Corporation has advanced and complex refineries capable of processing 200 types of crude combinations. The Corporation accounts for over 49% of downstream marketing infrastructure in the country. Its wide network of pipelines, marketing infrastructure and spread in every nook and corner of the country marks its unmatched outreach. A hallmark of its retail network is that it has made inroads into rural areas through the no-frills low-cost *Kisan Seva Kendra* (KSK) outlets.

IndianOil is a household name and one of India's most trusted national brands. This hard-earned brand equity is a manifestation of the strong relationship the Corporation with its customers. As the Corporation forges ahead beyond its core business to Petrochemicals, natural gas and biofuels, the value of Brand IndianOil will be a major plus.

The Corporation has been one of the early adopters of integration and diversification drive in the Indian downstream oil industry. The Corporation is a major player in petrochemicals business with ambitious ongoing expansion plans. The petrochemicals business of the

Corporation is a major value driver. Integration with petrochemicals provides it flexibility in operations to align with demand. The Corporation is also diversifying into other areas, such as fertilisers. The Corporation has formed a JV Company-Hindustan Urvarak & Rasayan Ltd. (HURL) with the objective of establishing and operating state-of-the-art energy-efficient natural gas-based fertiliser complexes at Gorakhpur, Barauni and Sindri.

IndianOil's production from its upstream assets is on the rise and its upstream integration ratio is presently over 5%.

The Corporation is growing its presence in the natural gas sector, with presence across the gas value chain in India. It is the second biggest player in the R-LNG market with massive plans to expand its gas infrastructure. The Corporation has also been an early investor in the renewable energy space, much ahead of its peers, and has a growing portfolio.

Human capital is the backbone of any organisation. The Corporation has over 33,000 employees, who run its country-wide and overseas operations. Armed with close to 7,000 millennials, the Corporation's manpower has strengths of both experience and youthful energy. The Corporation has a strong culture of learning and development, which is being further enriched through initiatives such as E-Learning, partnerships with academia, focus on women leadership etc. The robust HR policies and a culture of learning have ensured that the Corporation has in-house expertise in all areas and the employees are abreast of the latest developments in each field. This has enabled the Corporation to adopt cutting-edge technologies in all areas of operations. The Corporation is recognised as one of the most valued employers in the country with continuous benchmarking to international standards and a robust working model of HR facilitators, mentor-mentee development and e-learning, among others.

IndianOil has a robust crude oil and product sourcing infrastructure along with long-term contracts with national oil companies. Within each region, the Corporation is procuring crude oil from almost all the major oil suppliers and has a very well diversified crude sourcing mix. The Corporation has established a new re-engineered crude procurement system for import of crude oil. New initiatives have enabled a significant reduction in price validity period from 12 hours to 2 hours. A trading desk has also been set up to further leverage opportunities in the international market.

The Corporation has automated all its operative retail outlets and a majority of its terminals have been converted into smart terminals. The Corporation recently become the first public sector company and the largest installation in India to migrate to SAP HANA technology. The Corporation has a strong IT infrastructure and e-tendering and e-procurements portals and a digital platform for CRM, among other digital initiatives, have become a norm.

Focus on research & development is a key source of growth for economies and companies. The Corporation has built a large and strong Research & Development infrastructure. Its R&D centre, with focus on proprietary research in lubricants, catalysts, refining technologies, and pipelines operations, is recognised as one of Asia's finest. In the area of refining technology, which is dominated by foreign technology suppliers, the Corporation has reached a stage where a number of technologies developed by it are getting commercialised.

While the Corporation's core business of refining and marketing of petroleum products is inherently a low margin business, its focus on operational efficiency, cost optimisation, integration and diversification have been pivotal in ensuring its growth and competitiveness. Some of the Corporation's refineries are quite old and have small capacities, while these have been augmented and modernised from time to time; their sizes remain sub-optimal in the present context. The refining capacity of the Corporation is spread out across the regions, necessitating crude movement to the hinterland and not always resulting in optimisation of crude mix that can be handled. Also, in view of the mismatch between regional supply and demand, the associated infrastructure of logistics has to be created and continuously expanded. As the Corporation expands into newer areas, building the requisite manpower capability is a major issue that is being addressed. The Corporation's petrochemicals production base is at present concentrated in the north of the country; with upcoming petrochemicals projects at its various refineries, this imbalance is getting addressed.

Opportunities, Challenges & Threats

India is set to lead the global energy story for the next 20-30 years and as a flagship energy company, there could not have been a better time in terms of the spectrum and scale of opportunities available for Indian Oil. At the same time, it is not just simple addition or replication that the growth path will ensure but rather a more exciting growth phase defined by innovation, sustainability and entrepreneurial spirit.

4.1. The Overall Context: Energy Growth & Energy Transition

For the global economy, the overall context is set by the fact that the world needs more energy as the global economy and population grow and countries become more and more urbanised. Along with this come the related and highly critical aspects of future energy growth and the inclusiveness and environmental sustainability aspects of future energy growth as enshrined in the United Nations Sustainable Development Goals (SDGs). Clean energy access for all, climate action and addressing air pollution are critical challenges for the future growth of energy.

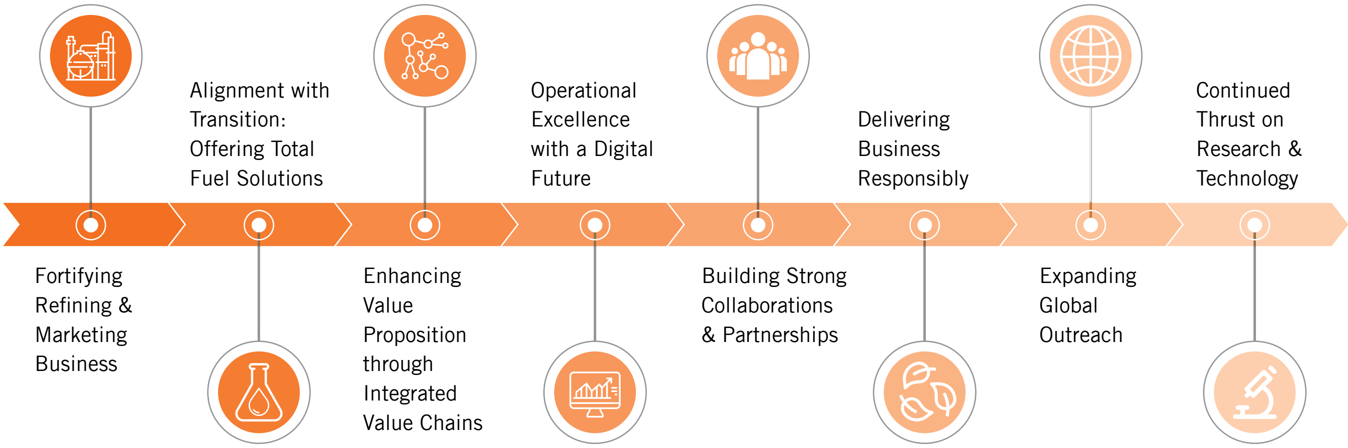
India is set to be at the forefront of the global energy demand growth as it is expected to continue being the fastest growing large economy over the long-term and to become the most populated country by the middle of the next decade, and see a massive scale-up in urbanisation. The gamut of challenges relating to future energy demand growth at the global level is nowhere more relevant than in India.

- India needs to bridge the energy divide and provide energy justice through electricity and clean cooking fuel access to the marginalised groups in the population
- Contain the deteriorating air quality in major cities
- Meet the Nationally Determined Contributions (NDCs) under the Paris Climate Agreement
- Secure energy supplies in the face of high import dependence

Within the broader ambit of challenges & opportunities that the energy sector faces, the twin forces of technology and policy are shaping a 'transition' wherein renewable energy, storage technology, shale revolution, LNG, electrification, advanced bio-fuels, digitalisation and energy efficiency are redefining how and what the sector produces and supplies along with demand patterns and consumer expectations. India as a country and IndianOil as its leading energy corporate are exploring the multitude of opportunities the 'transition' presents for a greener and enriched tomorrow.

4.2. IndianOil's Strategic Approach

The eight drivers of the Corporation's strategy, which are working in conjunction in this vibrant and exciting phase to deliver value to all the stakeholders are outlined as under:-



4.2.1. Fortifying Refining & Marketing Business

Across scenarios and projections, India's oil story continues to be intact. India is set to lead global oil demand growth, growing at rates way faster than the overall global oil demand. India will be the single largest source of incremental global oil demand, across countries and much ahead of increment in Chinese oil demand between 2017 and 2040. Road freight, aviation and petrochemicals will be the key propellers of India's oil demand along with passenger cars.

- High economic growth, rising share of manufacturing and a modal mix tilted in favour of road will drive oil demand in freight transportation.
- Indian aviation sector has been on a fast growth trajectory and is set to continue adding one of the highest number of incremental passengers over the next 15 years.
- Indian petrochemicals sector has been growing at rates much faster than the global rates and is set to chug at a rapid pace over the next 10-15 years.
- Rising incomes and aspirations are set to unleash the demand for passenger cars in India. Passenger car stock in India is set to increase five-fold in the next 20 years, while global car stock is expected to double. Despite rising EV penetration and rising vehicular efficiency, the sheer momentum of growth is set to keep oil demand from passenger cars growing in India.

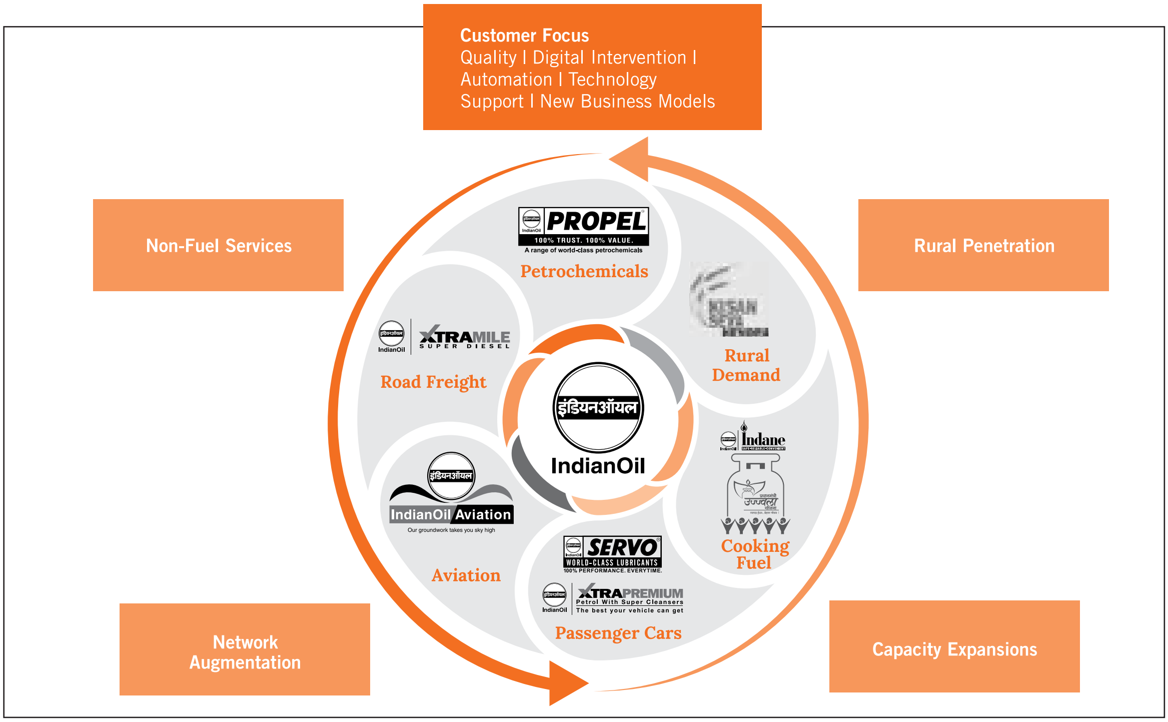
Another major demand driver for oil demand is the rural economy. Rural energy consumption in India has been way below the urban levels and is also highly dominated by usage of traditional bio-energy, which comes with its own costs on health, time and overall well-being. The policy thrust on bridging the energy divide through free LPG connections- *Pradhan Mantri Ujjwala Yojana*, and rural electrification scheme- *Saubhagya* is bringing in a paradigm shift. Further, as rural incomes and prosperity rise, vehicle ownership is set to rise and propel rural transportation fuel demand.

The Corporation has plans in place to expand its refining capacity ahead of demand. The Corporation is expanding capacity at existing locations and is also leading the ambitious JV project on the west-coast in Maharashtra. In addition, plans for concomitant investments in distribution and marketing infrastructure are afoot to cater to the growing demand.

For the rural markets, the Corporation has been a leader in making inroads through its strong network of no-frills rural retail outlets - *Kisan Seva Kendra*. As a leading implementing agency for Ujjwala, the Corporation is assiduously working to make marginalised rural population adopt LPG as a cooking fuel. Growing LPG demand emanating from Ujjwala and other demand segments are being met both through domestic production and imports. The Corporation has been investing in building adequate LPG import and transportation infrastructure along with deployment of its in-house LPG maximisation technologies such as INDMAX.

Competition is getting increasingly fiercer across fuel segments. Deregulation and shift towards market prices has raised competition levels significantly with entry of private players in the domestic market. Competition has made IndianOil sharper and benefitted the customers in terms of price, quality and experience. The Corporation aims to provide best-in-class services to its customers and is constantly working on improving it through automation, digital interventions, technological support and new business models, while growing its presence as the market and its expanse grow. Another major theme is to strengthen the relationship with the customer at the retail outlets by raising the bar of convenience. Enhancing the bouquet of non-fuel services and offerings to the customers through alliances and partnerships, will be an important thread of the strategy to strengthen the customer relationship and maximising returns from the vast network.

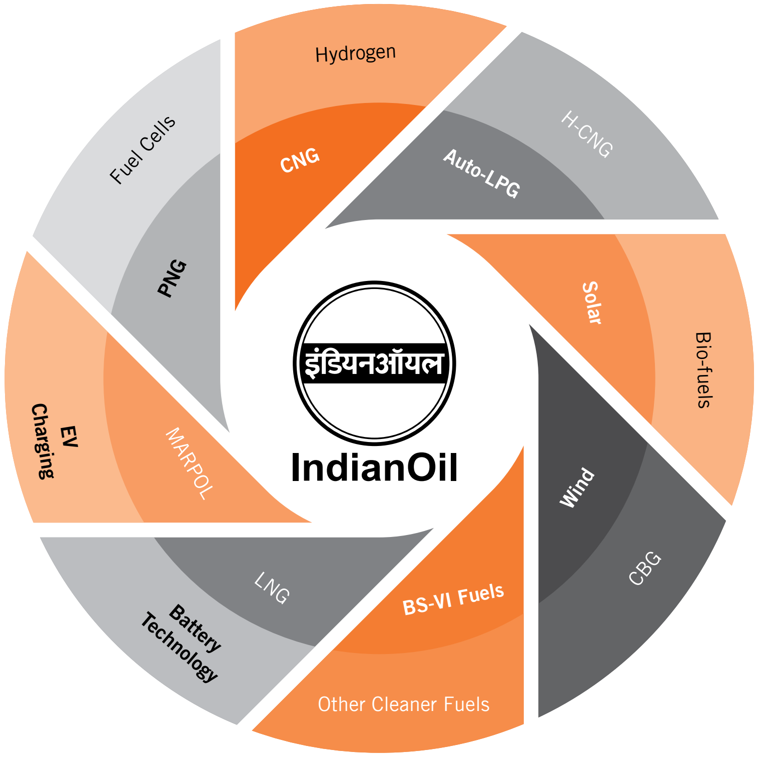
Fortifying Refining & Marketing Business



4.2.2. Alignment with Transition: Offering Total Fuel Solutions

Despite the assurance of growth in downstream oil in India, alignment with the imperatives of energy transition is integral to the strategy. The Corporation has made timely investments for meeting regulatory requirements pertaining to fuel quality be it Euro norms or MARPOL. IndianOil refineries last year started supplying BS-VI fuels to address the air quality concerns in the National Capital Territory and are gearing up to meeting the 2020 timeline for the whole country. The Corporation's refineries on both east and west coast are already in readiness for supplying MARPOL (0.5% Sulphur) bunkering fuel. Further, the product pattern of refineries, which has already made the shift towards cleaner transportation fuels, will be shifting towards cleaner fuels in other POL product categories and where demand is secure such as naphtha, jet fuel, LSFO and avenues such as Petcoke gassification for making the product profile greener are under active consideration.

Aligning with Transition: Total Fuel Solutions



Another implication of the transition for downstream oil business in India and elsewhere is the growing competition from newer and cleaner fuels. In India, the policy thrust on greener options such as Compressed Natural Gas (CNG), Piped Natural Gas (PNG), Compressed Biogas (CBG), Liquefied Natural Gas (LNG), bio-fuels and selective regional bans on fuels such as petcoke and fuel oil are invigorating these forces. In the passenger transport fuel segment, CNG is already a growing fuel in a number of cities and Electric mobility, LNG are emerging future options. In the cooking space, PNG is already emerging as a major fuel in a growing number of Indian cities and in the industrial segment, electricity and gas are increasingly becoming popular options as regulatory pressure for clean fuels increases.

The Corporation, as a downstream player with a trusted and well accepted brand presence, has embraced a strategy of providing total fuel solutions to its commercial customers. The future retail outlets are also envisioned to be fuel solution centres where not only petrol/diesel is dispensed but also has CNG (which already is there), LNG, CBG, and vehicle-charging facilities. This model would be especially applicable to urban centres and upcoming smart cities in the country.

- Bio-fuels is a space the Corporation is gearing up with great zest emboldened by the renewed policy thrust on modern bioenergy. Traditional bioenergy provides for more than 20% of the country's energy needs, mainly at the end of marginalised consumers. Transforming this to modern and advanced bioenergy applications is a vista that the Corporation envisages for the future. The Corporation has been raising the percentage of ethanol-blending in petrol. Besides investing in setting up of 2-G ethanol plants, integration of refinery processes with bio-fuel production along with R&D in 2-G ethanol and 3-G ethanol, is also being worked upon.

- India has a potential to substitute about 30% of its current petroleum fuel demand with Compressed Biogas (CBG). The Government's Sustainable Alternative Towards Affordable Transportation (SATAT) scheme which targets setting up of 5000 CBG plants over the next few years has given an impetus to this sector. The Corporation is one of the leading partners in the programme and is working enthusiastically in realising the potential of a green, clean and rural economy-friendly fuel.

- Gas has been an integral part of the portfolio of global oil majors and the Corporation has also been investing and building its natural gas portfolio. The decarbonisation avenue provided by gas coupled with its easier access through the LNG boom makes it an appropriate choice as the energy transition progresses. Post the 9th & 10th CGD (City Gas Distribution) rounds, the Corporation is scaling up its presence in the CGD sector in a major way. Besides, plans are afoot to grow its LNG terminal capacity and gas pipeline infrastructure. The Corporation's recently commissioned LNG import terminal in Ennore, Tamil Nadu, is the country's first on the east coast and marks beginning of the Corporation making inroads in to the erstwhile gas-deprived southern sector of the country. The Corporation has been working on creating avenues for gas demand and has been working on promoting LNG as a transportation fuel in the country.

- The Corporation has been an early investor in wind and solar power 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 the electric battery technologies has made it a compelling choice for many oil majors and IndianOil too is keen on entering in this space.

4.2.3. Enhancing Value Proposition through Integrated Value Chains

In the 1990s, in conjunction with the opening up of the Indian economy and seeing the value in integrated operations of the global oil majors, the Corporation set off on its integration journey. The integration drive of the Corporation has today become more relevant than ever.

The great collapse of oil prices in 2014-15 and the low oil prices in the last quarter of 2018 exhibited the merits of downstream integration for the global oil majors. For the Corporation, with asset concentration in the downstream business, the endeavour has been to integrate upstream business in its value chain. The Corporation has judiciously built an upstream portfolio consisting of assets in different stages of exploration, appraisal, development and production within India and abroad. The Corporation is targeting a vertical integration ratio of 10% in the next decade by acquiring producing/near-term producing/ under development/discovered upstream assets and by participating in the Indian and international licencing/ bidding rounds and bidding for prospective exploratory blocks, either alone or in consortium with experienced Indian/foreign E&P companies.

The Corporation's petrochemicals business has been contributing close to 15 % of its profits with less than 4% share in its top-line. It is a major cushion to the Corporation's low-margin refining business. The high growth potential of petrochemicals in the Indian market, coupled with the hedge it provides to cyclical performance and better returns, make it a compelling strategic choice for future investments. The Corporation's JV refinery on the west coast will have an integrated petrochemicals complex. Besides, three petrochemicals projects are under implementation at the Corporation's Paradip Refinery and a number of others are in the pipeline and would be spread across the Corporation's refinery network.

4.2.4. Operational Excellence with a Digital Future

The Corporation's downstream oil business faces continuing challenges in the form of low margins and is influenced by myriad factors ranging from fluctuations in crude and product prices, crude and product inventory levels, yield patterns, capacity utilisation, supply risks, geo-political uncertainty, and an array of product market variables such as seasonality of demand, pricing and taxation, among others. In this context, the thrust of the Corporation has been to diversify its crude supply, using cheaper heavy crude varieties, making operations energy and resource efficient and automating its processes.

The Corporation's quest for efficient operations is getting further emboldened by the ongoing digital revolution- the frontiers of technology armed by big data analytics, artificial intelligence, AR/VR, cloud computing, block chain, Internet of Things, etc. The Corporation has started deploying these digital technologies and is exploring their applications in predictive maintenance, real-time integrated data, drones for surveillance among others, which can reduce costs, enhance productivity and increase reliability and safety of operations.

Another, value proposition of digitalisation is on the customer experience front of the downstream business. India has witnessed e-commerce, digital payments, shared mobility and changing market dynamics in a short span of time. The Corporation has been among the first to adopt digital payment systems in India. The Corporation's automation drive and mobile applications have been enhancing customer experience and satisfaction. Going ahead, digitalisation technologies such as big data and analytics will provide the Corporation with the much needed agility to sense customer preferences.

4.2.5. Building Strong Collaborations & Partnerships

In today's environment of fast-moving technological changes, partnerships between government, private and public sector enterprises, start-ups and technology companies have become imperative across businesses. As the market place demands entry into new arenas and uncharted territories, it is best to work in partnership and leverage the synergies between the partners.

The Corporation has forged alliances and is on a constant lookout for alliances based on synergistic value creation. These partnerships have enabled and are enabling our endeavours in areas such exploration & production, advanced bio-fuels, compressed biogas, petrochemicals, gas infrastructure, electric mobility and many others.

The Corporation views start-ups as an emerging force that can drive innovation and competitive advantage. In line with this, the Corporation has set up a start-up fund and is currently supporting 11 start-up ventures for innovative solutions in the energy space, especially using digital platforms, which will help in surveillance, automation, efficiency improvement, process improvement and customer retention, among many others.

In addition to this, as a Central Public Sector Enterprise, the Corporation shares values and responsibilities along with other CPSEs. The Corporation has been partnering with other CPSEs for upstream oil & gas assets in global and domestic bidding rounds and acquisitions of cross-country gas pipelines, CGD networks and fertilisers, among others. The Corporation is also keenly looking at avenues of collaboration with other CPSEs for collective growth and nation-building.

4.2.6. Delivering Business Responsibly / Responsible Business

The Corporation is committed to complying with all environmental compliance norms and regulations in its operations and set new industry standards. The Corporation is persistently working in making its operations greener and reducing its carbon and water footprints. Recently, the Corporation has begun a plastic neutrality initiative under which it is exploring opportunities for creating a value chain for plastics recycling.

The Corporation's refineries are big energy consumers and it has been working in making these more energy efficient through various ENCON measures and other measures such as integration of smaller units in older refineries into single units for efficient energy utilisation. Consequently, the specific energy consumption of its refineries has been consistently falling. Besides, the Corporation has increased the usage of gas as a fuel in its refineries and plans to bring all its refineries to operate on gas as the national gas grid expands.

4.2.7. Expanding Global Outreach

While the Corporation has investments in overseas E&P assets and has its downstream subsidiaries in Sri Lanka, UAE & Mauritius, it realises that significant strides need to be made for it to become A Globally Admired Company, in line with its vision.

The Corporation understands that international partnerships / acquisitions and geographical spread would result in economies of scale and provide it with advantage to be competitive in the global arena. In particular, in the upstream space, the Corporation is keen on strategic partnerships with leading International Oil Companies / National Oil Companies to bring more synergy. Intense competition in the upstream sector has favoured the companies with strong networking and partnership capabilities in the highly volatile upstream eco-system.

In downstream business space, non-OECD economies will be leading centres for oil demand growth as incomes and prosperity rise. The Corporation is increasingly looking at markets in SAARC, ASEAN, MENA regions and Africa to scale up its global footprint and make inroads into the global markets to realise its vision.

4.2.8. Continued Thrust on Research & Technology

Technology is defining the path forward for the energy sector and thrust on research is imperative today for any energy company. The Corporation has a well developed and renowned research setup. In the area of refining technology, which is dominated by foreign technology suppliers, the Corporation has reached a stage where a number of technologies developed by it are getting commercialised. While refining and lubricant technology have been the focus since inception, the Corporation has expanded the focus of its R&D investments to bio-energy, alternative energy, nano-technology and petrochemicals in line with its strategy of integrated value chains, diversified businesses and also as a potent approach for deriving competitive advantage in the context of the ongoing energy transition.

In the coming years the thrust areas for the Corporation's R&D will be on lubes, catalyst development & production, refining technology, bio-fuels, fuel cells, energy storage and renewable energy, among others.

Leveraging technology, IndianOil introduced a pioneering concept of Smart Terminals with a centralised automated system at its supply points,that takes care of all core operations, thus enabling manpower to focus on critical maintenance and safety-related support.

5. Risks & Concerns

There is an increasing recognition globally of the value that can be added by a strong risk management framework integrated into strategic and capital planning which provides insight into decision-making. A strong risk management function allows threats to be managed and opportunities to be captured across every unit and level of the enterprise. Developing a risk management framework is an ongoing process that involves strategic and ongoing setting, risk identification, risk assessment, risk monitoring and risk incidence procedure.

The risk governance structure at IndianOil is aligned to leading practices and regulatory guidelines. In its endeavour to attain sustainable growth, the Corporation constantly scans its external and internal business environment. The Corporation recognises that risk is an integral component of business and is committed to managing the risk in a proactive and effective manner. The enterprise risk management framework at IndianOil is spearheaded by a Risk Management Committee of the Board that ensures that the risk management activities are undertaken as per the policy. Risk Owners from 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/ departments. RMCB evaluates the risks reported and provides an enterprise-wide view of key risks within the organisation to the Risk Management Committee of the Board. The dynamic risk landscape presents a unique challenge to the Corporation, which it is committed to manage strategically. Following are the risks as identified by the Corporation:

Risks Ledger *

High Risk

- Threat to market share due to competition – Petroleum
- Erosion in refining margins
- Cost and time overruns in projects
- Lack of adequate infrastructure impacting operational cost & timely supply of products: LPG/ATF/Exports
- Equity/Asset investment in producing E&P assets not yielding the desired returns

Medium Risk

- Threat to market share in petrochemicals
- Data leakage: Compromise of operational data and intellectual property
- International compliance risk for overseas JVs & subsidiaries: Non-compliance to with international laws & regulations
- Investments in Subsidiaries and JVs not resulting in desired returns
- Physical security risk: Unauthorised access with motive for interruption of services, physical damage to infrastructure & people, and theft of assets
- Brand value risk
- Government policies / PNGRB decisions impacting profitability and ability to do business

Low Risk

- Unplanned shutdown of refinery during peak demand
- Pilferages in oil & gas cross country pipelines
- Impact on inventories due to crude/product price fluctuation
- Loss of input tax credit due to complexities arising out of dual tax compliances in the GST regime
- Threat of alternative fuels
- Industrial relations risk-Labour unrest
- Non-recovery/delays in recovery of outstanding dues
- Exposure to borrowings and foreign exchange fluctuations
- Loss of expert manpower due to competitive job market

Risks on Radar

Electric mobility | Environmental risk | Cyber security | Tax disputes and litigation | Safety Risk: Loss of lives and assets

*Non-exhaustive list

FINANCIAL REVIEW

The Corporation continued its journey of excellent operational and physical performance in the financial year 2018-19 surpassing its previous performances in all respect. The crude oil throughput was at its highest ever at 71.816 MMT with the newest Paradip Refinery capacity utilisation at 97%.

Pipelines throughput was also the highest with increase of 3.3% over the previous year at 88.527 MMT. Domestic sales also registered the highest volumes at 84.650 MMT during the financial year 2018-19 as compared to 81.489 MMT in the previous year. Petrochemicals sales volumes were also higher at 2.636 MMT, registering a growth of 11% over the previous year.

The standalone financial performance of the Corporation is summarized below:

(₹ in Crore)

Particulars	2018-19	2017-18	Variation
Revenue from Operations	605,924	506,428	99,496
EBITDA	36,952	43,114	(6,162)
PBT	25,127	32,564	(7,437)
Net Profit	16,894	21,346	(4,452)
Cash Profit	24,408	28,413	(4,005)
Borrowings	86,359	58,030	28,329
Revenue from Operations (Segmentwise)			
Petroleum	576,088	481,168	94,920
Petrochemicals	21,147	18,034	3,113
Other Businesses*	8,689	7,226	1,463
Profit Before Tax (Segmentwise)			
Petroleum	22,166	27,602	(5,436)
Petrochemicals	4,198	5,226	(1,028)
Other Businesses*	370	408	(38)
Other Un-allocable Expenditure/Income	(1,607)	(672)	(935)

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

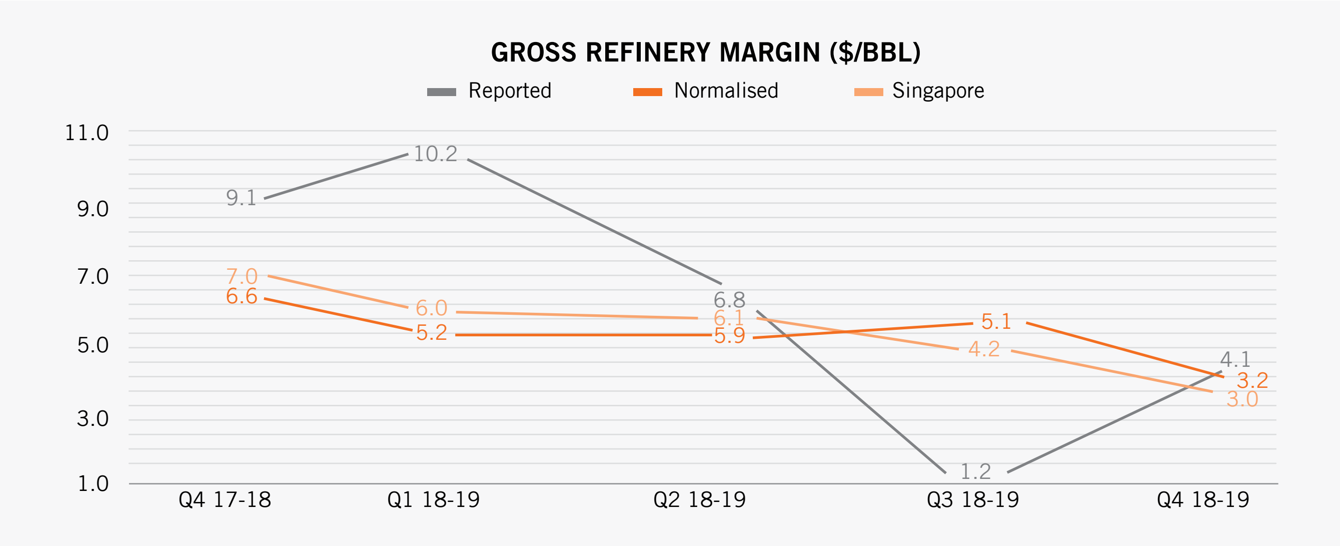
Standalone Financial Performance

The Revenue from Operations has grown by about 20% on account of increase in international prices as well as sales volumes. The revenue in the Petroleum segment registered a growth of 20% and that of the Petrochemicals segment by 17%.

The EBITDA, Operating Profit and Net Profit margin for the current year are 6.99%, 4.97% and 3.19% as compared to 10.22%, 7.74% and 5.06% in the previous year respectively. This is mainly on account of reduced refining margins and lower inventory gain during the current year. The Return on Capital Employed is 18.10% as compared to 24.22% in the previous year and Return on Net Worth for the year 2018-19 is lower at 18.35% as compared to 24.66% in the previous year.

The EBITDA margin for the Petroleum segment is about 5% and for the Petrochemical segment it is 25% in the financial year 2018-19 as compared to 8% and 37% in the previous year respectively. The Petrochemicals segment continues to earn higher margins in spite of fall in international spreads and impact due to non-availability of some petrochemical plants. The margin in the Petroleum segment is affected by the spread between the international prices of petroleum products and crude oil, which were low and volatile during the year 2018-19. The year witnessed volatility in crude oil prices as well.

At the beginning of the year, crude oil prices were about $ 65/bbl, which went up to $85/bbl around October 2018 and touched a low of $52/bbl in January 2019 before closing $67/bbl. The HSD cracks decreased from about $13-14/bbl to $ 9.5/bbl during the year. Similarly, MS cracks, which were about $9-10/bbl, became negative in the month of January/February 2019. The quarter-wise movement in refining margins are explained as below:



As can be seen, the Singapore benchmark for refining margin fell significantly during the year on account of lower spread between international prices of petroleum products and crude. IndianOil's current price refining margin (normalised) has moved in tandem with international margins. The inventory holding is higher on account of inland refineries due to which, in fluctuating crude prices scenario, inventory gain/losses becomes significant and greater volatility is seen in the reported margins.

The ratio of Current Assets to Current Liabilities continues to be above 1 and the Debt Equity ratio was at 0.79 in the current year as against 0.53 in the previous year. This is mainly on account of higher receivables for Government subsidies and increase trade receivables from DGS&D department. IndianOil maintains a healthy interest coverage of more than 8 times and debt coverage of 4 times. The Inventory holding period is about 43 days and the average collection period is 8 days. IndianOil has paid/proposed a dividend of ₹ 8,909 crore for the financial year 2018-19 and maintained a dividend payout of above 50% in that current year also. Detailed financial indicators and ratios for the last five years have been incorporated in the Annual Report in a separate section -"Performance at a Glance."

Group Financial Performance

The Revenue from Operations for the Group was at ₹ 6,17,243 crore during the year 2018-19 as compared to ₹ 5,15,542 crore in the previous year and Net Profit was at ₹ 17,377 crore as compared to ₹ 22,189 crore in the previous year. Increase in group profit is mainly contributed by IOC Singapore Pte.Ltd (Subsidiary Company). The detailed profit walkthrough from standalone to group is provided in Note 46 to Consolidated Financial Statements.

INTERNAL CONTROL SYSTEMS

Internal Control Systems include a set of rules, policies, and procedures an organisation implements to provide direction, increase efficiency and strengthen adherence to policies. The Corporation has well-established internal control systems to ensure smooth and efficient conduct of its business. The Corporation has laid down various policies as well as detailed manuals, which cover almost all aspects of the business. The internal processes and policies are reviewed from time to time and revision is carried out to align with the changing business needs. Organisation 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 error/frauds are minimised. The Corporation has put in place adequate internal controls, which are commensurate with its operations.

The Corporation has an independent Internal Audit Department, which is headed by an Executive Director, who reports to the Chairman. The Internal Audit Department comprises officers from Finance and 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 Corporation 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 calls upon Internal Auditors and Statutory

Auditors for their comments on Internal Control Systems before the Financial Statements are placed before them for recommending to the Board for approval.

HUMAN RESOURCES

IndianOil has always assigned very high importance towards developing its human resources with focus on its core values of *Care, Innovation, Passion* and *Trust*. The HR systems and practices of the Corporation focus on diversity and inclusion in all initiatives to build a cohesive workforce. The challenges surrounding the present business scenario 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 various HR initiatives with Strategic Corporate Vision, many new initiatives were undertaken aimed at making the employees 'future-ready'. An enabling environment has been created for employees to enhance their domain knowledge and thus, maintain their expertise in respective areas. Integrated HR practices through focussed recruitment, career path, learning and development have contributed towards maintaining the future-readiness of the workforce. HR Facilitator initiative was launched across the organisation during the year, with the objective of expeditiously resolving HR-related queries of the employees through a single-window concept.

The Corporation has adopted innovative learning & development interventions like Competency-based Learning apart from the regular programmes for upgrading functional skills for developing its human resources. Initiatives such as e-Learning were introduced during the year and avenues for higher education have been provided to employees in collaboration with reputed management and technical institutes of the country. The Corporation has a structured and robust succession planning framework for identification and development of the leadership pipeline. IndianOil has not only groomed several visionary leaders who have led & transformed the Corporation over the years but also proved to be a nursery for grooming leaders for both public and private sectors.

The employees of IndianOil are passionate about their responsibility towards the society at large. The engagement and motivation of the employees is always benchmarked with national and international standards. IndianOil has been adjudged the Best Human Resource Management Company of the Year by the Federation of Indian Petroleum Industry (FIPI) and is amongst the '*Top 50 Companies to Work For*' in India in a study conducted by Great Place to Work Institute and The Economic Times.

IR CLIMATE

The industrial relations climate in the Corporation has traditionally been harmonious. A collaborative and seamless IR climate has been maintained in the Corporation so that IndianOil People are ready for the challenges faced by the Corporation due to changes in business environment, technology, competition, regulations, etc. This has been made possible by sharing the changes in business environment, consequent changes required in strategy and business models of the Corporation, resultant impact on current business and people along with future plans with the collectives and inviting suggestions, views from them through periodic structured communication meetings with the collectives. 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 any external challenges faced by the Corporation. The employee strength of the Corporation as on 31st March 2019 was 33,498, which comprises 17,704 executives and 15,794 non-executives.

OTHER INFORMATION

The details regarding the Corporation'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 Corporation include global and domestic demand and supply conditions affecting 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.

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 Corporation Limited, IndianOil 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** : 2018-19
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** IndianOil 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 code numbers of group, class and sub-class as assigned by National Industrial Classification, Ministry of Statistics and Programme Implementation are as under:

Group	Class	Sub Class	Description
111	1110		Extraction of crude petroleum and natural gas [including liquefaction/re-gasification of natural gas for purposes of transport and the production, at the mining site, of hydrocarbons from oil or gas field]
		11102	Onshore extraction of petroleum
		11104	Onshore extraction of natural gas
232	2320		Manufacture of refined petroleum products
		23201	Production of liquid or gaseous fuels, illuminating oils, lubricating oils or greases or other products from crude petroleum or bituminous mineral
		23202	Manufacture of paraffin wax
		23203	Bottling of LPG
		23209	Manufacture of other petroleum products not elsewhere classified (includes manufacture of petroleum jelly, micro-crystalline petroleum wax, slack wax, ozokerite, lignite wax, petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals. Manufacture of candles is classified in 3699)
241	2413		Manufacture of plastics in primary forms and of synthetic rubber
		24131	Manufacture of synthetic rubber in primary forms
401	4010		Production, collection and distribution of electricity
401	4010	40105	Generation and transmission of electricity: other power plants using conventional fuels (e.g., gas-based)
401	4010	40106	Generation of solar energy
401	4010	40108	Generation of electricity from other non-conventional sources
402	4020	40200	Manufacture of gas; distribution of gaseous fuels through mains
452	4520	45203	Construction and maintenance of roads, rail-beds, bridges, tunnels, pipelines, rope-ways, ports, harbours and runways, etc.
505	5050	50500	Retail sale of automotive fuel [includes the activity of petrol filling stations. This activity is often combined with sales of lubricating products, cleaning and all other kinds of products for motor vehicles. If the main object, however, is the sale of automotive fuel or lubricants, they remain classified here.
511	5110	51102	Commission agents dealing in wood, paper, skin, leather and fur, fuel, petroleum products, chemicals, perfumery and cosmetics, glass, minerals, ores and metals
514	5141	51410	Wholesale of solid, liquid and gaseous fuels and related products
603	6030	60300	Transport via pipelines [Includes transport of gases, liquids, slurry and other commodities via pipelines. Included are the incidental activities like operation of pump stations and maintenance of the pipeline.]
731	7310	73100	Research and Development in the field of fuels, lubricants, refinery processes & technologies, catalyst, alternative fuels, petrochemicals, biotechnology, nano-technology etc.

Source: http://mospi.nic.in/sites/default/files/economic-census/nic_code/nic_2004_struc_detail.pdf

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

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

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

i. **Number of international locations (as on March 31, 2019):**
   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.

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

ii. **Number of national locations (as on March 31, 2019):**

Locations	Numbers
Operating Refineries	9
Oil Depots & Terminals	125
Aviation Fuelling Stations	116
LPG Bottling Plants	91
Lube Blending Plants	10
R&D Centre	1
Pipeline Terminals	88
Retail Outlets (including *Kisan Seva Kendra* ROs)	27,702
Kisan Seva Kendra (Rural Petrol/Diesel Stations)	7,857
LPG Distributors (including distributorships under *Rajiv Gandhi Gramin LPG Vitarak Yojana*)	11,964
SKO/LDO Dealers	3,889
Consumer Pumps	6,960
Explosives Plants	11
Cryogenics Plant	1
Petrochemical Plants	5
Wind Power Plants	6
Solar Power Plants: On-grid	4
E&P Location	1
LNG Terminal	1

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

SECTION-B : FINANCIAL DETAILS OF THE COMPANY

1. **Paid-up capital (INR)** : ₹9414.16 crore
2. **Revenue from operations (inclusive of excise duty & sales services)** : ₹6,05,924 crore
3. **Total profit after taxes (INR)** : ₹16,894 crore
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax** : 2.9% of profit after tax during the year 2018-19
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:**

IndianOil has one Indian operating subsidiary and seven overseas subsidiaries. The details of IndianOil's 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
Lanka IOC PLC Colombo, Sri Lanka	Overseas Subsidiary	Retailing, terminalling & bunkering of petroleum products
IOC Middle East FZE Dubai, UAE	Overseas Subsidiary	Lube blending & marketing of lubricants & base oil
IOC Sweden AB, Sweden	Overseas Subsidiary	Investment company for E&P project in Venezuela
IOCL (USA) Inc., USA	Overseas Subsidiary	Participation in shale gas asset project
IndOil Global B.V., The Netherlands	Overseas Subsidiary	Investment company for integrated LNG project in Canada and investment in E&P project, lower Zakum, Abu Dhabi
IOCL Singapore Pte. Ltd., Singapore	Overseas Subsidiary	Investment company for E&P assets in Russia and Oman and trading operations for procurement of crude oil and import/export of petroleum products

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 makes its own BR initiatives and adheres to the operating guidelines as issued by the Government from time to time.

The overseas subsidiary companies undertake various activities 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%]:**

IndianOil's suppliers, distributors, etc., are guided by the country's labour, environment, safety, governance and other laws related to Business Responsibility. IndianOil ensures that these entities comply with the national laws and guidelines. Further, IndianOil also encourages suppliers, distributors, etc., to undertake various Business Responsibility initiatives pertaining to social/employee/labour welfare and environment conservation. For example, IndianOil has promoted use of off-grid/localised solar energy to replace conventional power sources in its retail network. Till March 31, 2019, 14,173 retail outlets have been solarised, which is approximately 51% of IndianOil's total retail outlets 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. Subodh Kumar

Designation: Executive Director (Alternate Energy and Sustainable Development)

Telephone number: 011-24362170

E-mail id: ksubodh@indianoil.in

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Yes/No):

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, which 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.								
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 requirement, which are amended from time to time.								

Policies / rules of the Company along with their web links are given below:

Code of conduct for Directors and Senior Management Personnel	https://iocl.com/download/Code_of_Conduct_for_Board_Members_&_SMP.pdf
Code of conduct for prevention of Insider Trading	https://iocl.com/download/IOC_Insider_Trading_Code_2015.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.1 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 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 it is published?

IndianOil publishes Corporate Sustainability Report as well as the Business Responsibility Report annually. The Sustainability Report for the year 2018-19 can be accessed at the following link: https://www.iocl.com/sustainability/home.aspx. The BRR forms a part of the Annual Report.

SECTION-E : PRINCIPLEWISE REPLY

PRINCIPLE-1 : BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY.

Good Corporate Governance practices ensure ethical and efficient conduct of the affairs of the Company and also help in maximising value for all its stakeholders. IndianOil follows practices of Corporate Governance at all levels to ensure transparency, integrity and accountability in its functioning.

A well-defined policy framework and strong structural set-up is key to effective implementation of corporate governance initiatives. IndianOil's policies have been formulated after detailed deliberations amongst the concerned stakeholders. The policies are reviewed from time to time to cater to the emerging and new business paradigms.

IndianOil constantly endeavours to inculcate ethical behaviour at all levels in the organisation in order to make it an essential part of the work culture. "Care, Innovation, Passion and Trust" are its "Core Values", which are the guiding philosophies for all its transactions and activities.

Empowerment and Delegation of Authority (DoA) are essential components of the principle of governance. IndianOil has a well structured and evolved system of "Delegation of Authority" and "Financial Concurrence", which are hallmarks of a "mature and responsible" organisation.

In an effort to enhance transparency, fairness and competitiveness at all working levels, IndianOil adopted and implemented the Integrity Pact (IP) Programme, e-tendering for procurement of goods and services (https://iocletenders.gov.in/nicgep/app), opened its operations to public queries through RTI (Right to Information) / shared details of Public Information Officer (PIO) / RTI Manual, etc., on the website (https://iocl.com/Talktous/right-to-information.aspx), provided a clear and publically available Citizen Charter (https://iocl.com/Talktous/CitizensCharter.aspx) and provided an option for online application to the Company's Vigilance Department (https://iocl.com/VigilanceInquiry.aspx)

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 and Whistle-Blower Policy, to guide employee conduct and ensure transparency and accountability within the Company.

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 Venture Companies 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.**

<table>
<tr><th>Stakeholder</th><th>No of complaints received</th><th>No of complaint resolved</th><th>% Resolved</th><th>Remarks</th></tr>
<tr><td>Related to services, tenders</td><td>10,248</td><td>9,822</td><td>96%</td><td>Complaints received directly as well as through Public Grievance portal, Government of India.</td></tr>
<tr><td>Shareholder's Complaints</td><td>3,968</td><td>3,968</td><td>100%</td><td>These are investor complaints forwarded by MCA / SEBI / Stock Exchanges as well as those directly raised with the company.</td></tr>
<tr><td>Related to consumers / customers</td><td>6,16,972</td><td>6,16,779</td><td>99.97%</td><td><u>Summary of Customer / Consumer complaints received and resolved</u>
<table>
<tr><th>Dept.</th><th>Complaints received</th><th>Complaints resolved</th></tr>
<tr><td>Retail Sales</td><td>10,644</td><td>10,496</td></tr>
<tr><td>LPG</td><td>6,06,054</td><td>6,06,009</td></tr>
<tr><td>Lubes</td><td>65</td><td>65</td></tr>
<tr><td>Institutional Business</td><td>31</td><td>31</td></tr>
<tr><td>Petrochemicals</td><td>122</td><td>122</td></tr>
<tr><td>Cryogenics</td><td>55</td><td>55</td></tr>
<tr><td>Explosives</td><td>1</td><td>1</td></tr>
</table></td></tr>
<tr><td>Related to Integrity Pact (IP)</td><td>11</td><td>11</td><td>100%</td><td>All complaints received under IP were tabled before the panel of IEMs for deliberation and recommendation. Compliance to IEM recommendations was carried out by the concerned Functional Groups / Departments and apprised to IEMs subsequently.</td></tr>
</table>

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 corporate in India. Oil & gas shall remain the fuels of choice in the foreseeable future, while renewables grow in relevance owing to impending climate change and global warming concerns. Hence, while IndianOil pursues diversification into natural gas and renewable energy, the Company is also putting a lot of emphasis on better and safer petroleum products.

Some of the recent/major product upgradations include offer of BS-VI grade fuels, improved ethanol / bio-diesel blending in vehicular fuels, offer of value-added fuels like XtraPremium, supply of LPG cylinders to rural areas, undertaking various renewable energy projects and promotion of natural gas as vehicular fuel/cooking fuel in cities.

IndianOil is also making its processes and business activities safer and sustainable through various initiatives such as energy efficiency, water conservation, renewable energy, tree plantation (buffer zone creation) and improved waste management.

Product, its use and safety-related data is provided to customers for safer and efficient utilisation. Employees and nearby communities are trained on product use, and procedures are in place to meet any untoward natural disaster/accident. These contribute to safer work areas and improved community confidence.

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, IndianOil has been continuously improving its product offerings by focussing on efficiency improvements. IndianOil balances its products so that they match up to customer requirements for quality, efficient and low-emission fuels and maintain wide-scale availability and affordability. While all the Company's product offerings are designed keeping in mind social concerns/requirements, the following products/services are specifically designed keeping in mind the environmental concerns:

   i. BS-VI grade Petrol/Diesel
   ii. LPG connections to below poverty lines (BPL) families
   iii. Sale of Ethanol-Blended Petrol
   iv. Synthetic Lubes
   v. Natural Gas
   vi. Renewable Energy
   vii. Packaging Material in Lubes
   viii. EV Charging Stations at Retail Outlets

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?**

   a. BS-VI grade Petrol/Diesel

   IndianOil has commenced offering BS-VI grade fuel in 12 districts in National Capital Region and Agra. This superior fuel offers to reduce SOx emissions significantly as compared to previous grades of fuel.

   b. LPG connections under *Pradhan Mantri Ujjawala Yojana* to BPL families

   Under the flagship scheme of the Govt. of India, i.e., *Pradhan Mantri Ujjwala Yojana*, IndianOil has released over 3.34 crore LPG connections to BPL families since its launch in May, 2016. The objective of the scheme is to provide clean cooking fuel to the BPL families to eliminate use of biomass like agricultural residue, wood, cow-dung, etc. The clean fuel has helped in eliminating domestic pollution and thus, improving the health of women from BPL families.

   c. Sale of Ethanol-Blended Petrol

   During 2018-19, IndianOil blended 82 crore litres of ethanol with petrol for sale as Ethanol-Blended Motor Spirit. The sale of EBMS not only results in savings in foreign exchange and reducing import dependency but is also an environment-friendly initiative. The blending of ethanol also helps in increasing the income of farmers.

   d. Synthetic Lubes (Extended life of products and reduction of production material use):

   For example, *Servo Futura G Plus* engine oil launched by IndianOil offers 2% fuel savings.

   e. Natural Gas

   IndianOil has commissioned Ennore LNG Terminal near Chennai. This would help to create accessibility to cleaner natural gas for customers in the southern part of India.

   f. Renewable Energy

   - Cumulatively, IndianOil has installed 216 MW of Renewable Energy (Wind and Solar).
   - During the year 2018-19, IndianOil generated 388 GWh of energy from these renewable energy sources. Total GHG emission reduction was 3.18 lakh tonnes of CO_2 equivalent.

   g. Reduction in lubes packaging material:

   - IndianOil replaced procurement of additives in steel barrels with bulk tank-trucks. By procuring additives in bulk, the Company has avoided scrapping of 5 barrels each weighing 110 kg for every 1000 kg of additive procurement. Till date, 7000 tonnes of additives procurement has been converted to bulk, resulting in reduction of 850 tonnes of metal scrap.

- By switching to 0.90 mm thickness barrels from 1.00 mm thickness barrels for packing of lubes, the Company is estimated to reduce 900 tonnes of metal scraps annually.
- IndianOil has redesigned its HDPE containers used for packing of lubes to be sold in retail. The weight of the container has been reduced by 10-15% over existing packs, which would lead to a reduction of 400 tonnes of HDPE scrap annually.

h. EV Charging Stations at Retail Outlets:

IndianOil has put up pilot EV charging facilities at select retail outlets. This initiative will help in reducing carbon footprint of consumers by encouraging more EVs on the road.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

i) 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. As most of IndianOil's crude oil requirement is imported, many considerations such as trade terms, geo-political ties, transport distance, type of crude oil, etc., have an impact on the imports. A major portion of IndianOil's crude oil is imported from the middle-east, resulting in much less freight travel and related emissions. IndianOil is also using about 10% of indigenous crude oil in its input mix. The crude oil is transported through efficient pipeline networks to refineries. Also, for meeting it's requirements for other input materials, IndianOil is focussing more on local sourcing, which is covered in greater detail in next question.

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 the 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). Against the target of 25 per cent procurement from MSE, the actual procurement of IndianOil during the year 2018-19 was 29.07 per cent (figure excludes procurement of crude oil, petroleum products & natural gas).

As many of the smaller vendors do not have suitable manpower / experience, they are trained vide various Government programmes. Corporate interface is provided to these vendors so that they become acquainted with Company requirements. Local workers from nearby communities are provided on-the-job skill training. They are then employed through local contractors. Some of IndianOil's interventions in this area are given as under:-

- Local & small producers are encouraged by providing skill improvement through trial orders.
- Structured meeting for registration of MSE vendors in Trade Receivables Discounting System and Government e-market place were conducted.
- During the year, 72 vendor development programmes were conducted to develop small and medium enterprises, including 15 programmes exclusively for SC/ST vendors.
- In retail business, IndianOil procured low-cost technology and solutions from start-ups.

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 wherever possible across its operations. The waste that is not recycled in operations is disposed off as per the CPCB and SPCB norms.

Waste water generated from refineries is treated in Effluent Treatment Plants (ETP). The treated water is reused as makeup water in cooling towers, fire water headers, and horticulture, etc. During 2018-19, the refineries have recycled approximately 89% of waste water.

Some specific initiatives undertaken are listed as under:

- Oily sludge from tank bottoms and 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 gas oil. The residual sludge generated from the process is further bio-remediated with the help of 'Oilivorous-S' technology of IndianOil's R&D. 100% of the slop oil and oily sludge generated is recycled.
- Mechanised OWS (Oil Water Separators) are used in plants to separate oil and water. Oil is reclaimed and recycled and water samples are monitored to ensure compliance with effluent standards before discharging them outside the installations.
- Collection of waste lube oil for processing and extending its useful life is underway. An engine oil has been developed for agriculture use and has been tested in the market as *Servo Pumpset Oil 40.*

- Disposal of hazardous waste through certified vendors ensures that the most environment-friendly processes are adopted.
- The Company has also undertaken waste paper recycling initiative, and the locations have partnered with third-party recyclers.
- All recyclables are sold to designated recyclers.

PRINCIPLE-3 : BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

With focus on aligning the Company's various HR initiatives with the strategic Corporate Vision, many employee-centric initiatives were undertaken, aimed at both - employee engagement and making the Company's people 'future-ready'.

The focus remains on hiring the best for IndianOil. 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 into 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 or development, satisfaction, etc.

IndianOil also values everyone's differences 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 and development needs of employees; (iii) Women Leadership Development Programme; (iv) Employee health; amongst others.

IndianOil offers good exposure to latest technology and training facilities to its employees, professional as well as personal security in terms of a secured job, defined career progression, good benefit policies, etc.

Principle-3 : Questions

1. **Please indicate the total number of employees:**

   33,498

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis.**

   As on 31.3.2019, 140 persons were engaged as Consultants/ Liaison Officers/Doctors on contract, etc. 11 persons are working as casual labourers/temporary workers

   In IndianOil, contract workers are engaged by the contractors within 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 31.03.2019 was 72,264. IndianOil as a principle employer ensures that all statutory requirements are duly complied with.

3. **Please indicate the number of permanent women employees.**

   2,869 number of permanent women employees serve the Company

4. **Please indicate the number of permanent employees with disabilities.**

   695 total permanent employees are with disabilities

5. **Do you have an employee association that is recognised by the 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 are members of this recognised employee association?**

   About 91% 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 labor, forced labor, involuntary labor, 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 2018-19	No. of complaints pending as on 31.3.2019
1	Child labour/ forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	06	05
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 2018-19
1	Permanent Male employees	73.97%
2	Permanent Women Employees	75.36%
3	Permanent Employees with Disability	62.72%
4	Casual/Temporary/Contractual Employees/Contract labour	79.04%

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 them through various fora throughout the year. These fora are aimed to understand stakeholders' opinions and to build trust and long-term relationships by way of structured collaborations and communications across earmarked channels.

IndianOil has a vast number of avenues in place, to enable communication with 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 of '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. The key aim is to improve the quality of life of communities, which invariably include marginalised or under-privileged section of society, viz., SCs, STs, PHs, OBCs, etc. For engagement of disadvantaged, vulnerable and marginalized external business stakeholders, various initiatives, viz., allotment of dealership/distributorship, petty contracts, etc. are undertaken.

At the apex level, a Board Committee on Stakeholders' Relationship has been constituted which examines and redresses grievances of the stakeholders. Further, the Company has also constituted a Corporate Social Responsibility and Sustainable Development Committee at the Board level, which guides and monitors initiatives taken under Sustainability and CSR Policy of the Company.

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 marginalized stakeholders.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.**

   IndianOil follows the presidential directives and guidelines issued by the Government of India regarding reservation in services for SC/ST/OBC/PwD (Persons with Disabilities)/Ex-servicemen to promote inclusive growth.

   There is also a 33% reservation for women entrepreneurs in award of *Kisan Seva Kendra* dealerships. This initiative has not only enabled in motivating women entrepreneurs to take up business activities but has also helped in making them independent and contribute positively to society.

PRINCIPLE 5 : BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

IndianOil is an equal opportunity employer and there is no discrimination among the employees on the basis of caste, tribe, religion or region in extending the various welfare facilities to take care of employees' health, efficiency, financial well-being, social status, satisfaction, employment, growth, remuneration or development, etc.

IndianOil is a fair employer and believes in diversity and inclusiveness that respects and promotes human rights, the commitment for 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.

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 and the salary paid to employees of all categories fulfils all norms of the Act as prescribed by the Government of India. There is a Zero Tolerance Policy towards sexual harassment at workplace and a stringent policy in this regard has been implemented across all locations and installations. All reported cases of sexual harassment are inquired into by a Complaint Committee.

All contracts have laid-down terms and conditions (under General Conditions of Contract) for the Company's vendors and suppliers instructing them to comply with the human rights aspects. Though the terms and conditions of engagement between the contractor and the labour are governed by respective contract, IndianOil, being the principal employer, ensures adherence to the provisions of EPF & MP Act, 1952/ESI Act 1948 covering social security aspects like PF, ESI, etc. All contractual labour engaged are governed by the Contract Labour (Regulation and Abolition) Act, 1970.

All vendors and suppliers submit a written declaration confirming that they have not engaged child labour at his/her facilities and any industry deploying child labour is discouraged from doing so. No form of forced or compulsory labour is supported by IndianOil.

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 procedure. However, IndianOil 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 and the 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 reduce 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 'Alternative Energy & Sustainable Development' Group, formed 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 and 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? Yes/No**

   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 has 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 sustainability initiatives can be accessed at the following links:

   - http://www.iocl.com/Aboutus/sustainability.aspx
   - https://www.iocl.com/AboutUs/environment(GFA).aspx
   - https://www.iocl.com/AboutUs/Environment.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 2018-19.

7. **Number of showcause/legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of financial year.**

   The following three showcause/legal notices were pending as of 31.3.2019:

   - A complaint was filed by the Sarpanch, Gram Panchayat, Singhpura, Sithna, Panipat before the National Green Tribunal (NGT) alleging that the Panipat Refinery & Petrochemicals Complex (PRPC) of IndianOil is creating air and water pollution. Subsequently, a Showcause/Legal notice was issued by NGT and Haryana State Pollution Control Board (HSPCB). The Company's response in the matter has been filed and is being followed up with NGT and HSPCB for final resolution.

   - NGT had issued notice on provision of Vapour Recovery Systems (VRS) at Terminals/Depots and Retail Outlets in National Capital Territory (NCT) and National Capital Region (NCR). Work on installation of VRS in NCT and NCR is in progress as per timelines fixed by the Hon'ble. Supreme Court of India.

   - A case was filed by Shri Sant Dasganu Maharaj Shetkari Sangh, Akolner in Nov.'14 for contamination of groundwater caused due to leakage of products from petroleum storage tanks and pipelines installed by IndianOil (Akolner (Ahmednagar) Depot) & BPCL. All the directions given by NGT have already been complied with by IndianOil & BPCL. NIH Roorkee was appointed by MPCB to study and give their findings in the matter. NIH Roorkee submitted their report stating that there was no leakage from the depots of oil companies. Based on the report, IndianOil has filed appeals before the Supreme Court and the matter is pending before the Supreme Court.

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 also provide for certain desirable restrictions and boundaries. It actively participates 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 Nation's agenda such as human rights, labour standards, environment, anti-corruption, etc. IndianOil 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
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
International Advertising Association	National
National HRD Network	National
Standing Conference of Public Enterprises	National
Biodiesel Association of India (BDAI)	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
National Lubricating Grease Institute (NLGI)	International
CIMAC	International

2. **Have you advocated / lobbied through the above associations for the advancement or improvement of public good? Yes/No; If yes, specify the broad areas (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 formulations 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. 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

IndianOil, as a socially responsible corporate entity, understands the importance of developing & supporting an ecosystem that is equitable, growth-oriented and sustainable in the long run. IndianOil believes that Corporate Social Responsibility (CSR) is the continuing commitment to conduct business ethically and contribute to economic development, while improving the quality of life of the local community and society at large. Enshrined in IndianOil's vision is the commitment towards the society "... to help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience...". IndianOil's Sustainability & CSR vision is to operate its activities in providing energy solutions to its customers in a manner that is efficient, safe & ethical, which minimises negative impact on 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 society, viz., SCs, STs, PHs, OBCs, etc. With pan-India presence, depending on requirement, IndianOil undertakes CSR activities in all part of the country. As per the Board-approved Sustainability & CSR policy, 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 welfare of the economically and socially deprived sections of society. IndianOil strives to involve all relevant stakeholders throughout the life cycle of the project for equitable growth.

The details of 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 organisation?**

   The CSR activities are implemented mostly through either: a) IndianOil's in-house resources or b) 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 Rs. 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 continuing activities with investment of more than Rs. 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 2018-19 was Rs. 490.6 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 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 concerns. Involvement of local communities all through the project cycle ensures ownership and successful O&M of the facilities/infrastructure provided under CSR, after handing over by IndianOil.

PRINCIPLE-9 : BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

IndianOil has a comprehensive system to engage with its customers and ensure necessary product improvements.

- Information on the Company's product and service offerings has been 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 feedbacks are 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 e-Platform for IndianOil Customers (ePIC) (https://cx.indianoil.in/webcenter/portal/Customer), Twitter handle/Facebook page of Ministry and IndianOil, along with various engagement mechanisms for the Company's bulk consumers.
- It is also ensured that the complaints get resolved within timelines and necessary communication is provided through a transparent mechanism.
- Various awareness exercises/training programmes are undertaken for customers/bulk product consumers on safety and efficient use of products.

- Some specific interventions undertaken by IndianOil to tailor-make the product/service offerings to customer requirement are given as under:
  - IndianOil introduced Mobile Dispenser for fuelling of stationery equipments at approved customer premises only, thereby providing doorstep delivery of product (HSD) to such customers.
  - The Company has embarked on a Retail Transformation Project "Dhruva" with a vision to provide standardised facilities and services to the customers. This is done through professional training, streamlined guidelines, and reward & recognition mechanism.
  - Option for customer 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 works shoulder to shoulder with various Government agencies, Defence Forces and Airlines to provide relief and rescue operations during natural calamities.

Principle-9 : Questions

1. **What percentage of customer complaints/consumer cases is pending as on the end of financial year?**

   Refer to Principle-1: Question no. 2 for details on customer complaints. Total 193 pending as on 31.3.2019 from amongst the 6,16,972 customer complaints received during the year 2018-19 (~0.03%).

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).**

   All commercial products of IndianOil follow Bureau of Indian Standards (BIS) guidelines for product information and labelling, details of which are given below:

   - **LPG:** Domestic LPG Cylinders are exempted. All commercial products follow BIS guidelines for product information and labelling. In case of LPG, Cylinders, Pressure Regulators & Valves conform to BIS Standards, which are displayed on the equipment. The Distributors are also under instruction to sell LPG rubber hose and hot plates conforming to BIS Standards.
   - **Bitumen** is mostly sold in bulk in liquid form and only about 10% of the product is sold in packed form in barrel wherein product name is only maintained. It is ensured that product specifications are made available to the consumer and the highest quality control & safety procedures are followed while marketing these products.
   - **Lubricants:** All lubricant products display product information besides complying with Legal Metrology requirements for the benefit of customers, regarding technical specifications and recommended use of the product being marketed.
   - **Cryo-containers:** Safe handling methods, including dos & don'ts, are being sent along with every Cryo-Container.
   - **Petrochemicals:** Certification of Analysis depicting all quality parameters is attached with each consignment. Product test report is sent to customers with every dispatch.

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 31.3.2019, 4 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 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 11.02.2014 dismissed the said application for want of merit and substance. Against the said order, North-East Dealers Association filed appeal before Competition Appellate Tribunal (COMPAT). The COMPAT vide order dated 26.11.2015, 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 13.04.2016 and stayed the operation of order passed by COMPAT on 26.11.2015. The case is pending for the final hearing.

   ii. OMCs received notices dated 22.04.2013 from the Director General of CCI requesting information on various modalities of MS pricing as CCI had suo moto started investigation into the prices 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. The CCI rejected the contention of OMCs vide order dated 23.10.2013. IndianOil has filed a Writ Petition (WP) before the

Hon'ble High Court of Delhi against CCI's Order dated 23.10.2013. The matter is pending in the Delhi High Court as the court has stayed the order of CCI till further orders and the next date of hearing is fixed on 27.09.2019.

iii. LPG Transporters have filed a complaint before the CCI praying for instituting an enquiry against OMCs under Section 19(1) read with Section 3 & 4 of Competition Act and directing the Director General to cause a detailed and thorough investigation against OMCs, not to impose restrictive and anti-competitive conditions in their tenders and subsequent contracts with transporters of bulk LPG, ad-interim against floating of joint tenders by OMCs. The objection of the transporters is for floating joint tenders by OMCs for bulk LPG transportation, arbitrary price band and anti-competitive, mandatory use of fleet/loyalty cards - tie up for fuel requirements, arbitrary preference to State-registered trucks. A reply on behalf of OMCs was submitted on 05.06.2018 and the matter was argued on 05.06.2018. Additional application on tie-up arrangements for fuel requirement of transporters/loyalty cards - XtraPower Cards of IndianOil was submitted to CCI on 14.06.2018. CCI vide order dated 04.07.2018 had observed that no case of contravention under Section 3 or Section 4 of the Act is made out against the OMCs. Accordingly, the complaint is ordered to be closed forthwith in terms of Section 26(2) of the Act. Hence, the matter was decided in favour of the OMCs without any adverse observation/penalties by the CCI.

iv. Reliance Industries Limited filed a complaint against the 3 OMCs & National Aviation Company India Limited (NACIL) before the CCI wherein allegations were made about cartelisation, etc., of tender floated by NACIL for supply of ATF for 2010-11. OMCs had raised preliminary objection relating to the jurisdiction of CCI. By Order dated 30.09.2010, CCI held that the preliminary objection was legally not tenable and was accordingly dismissed. Against this Order, an appeal was filed in the High Court of Delhi. On the last date, i.e., 02.05.2018 of the hearing, the Hon'ble Court directed that the matter be listed along with WP 7303 of 2013. 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.

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 a 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
» Corporate Social Responsibility & Sustainable Development 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 31.03.19, the Board of the Company comprised of 17 Directors which included 8 Executive Directors (Whole-Time Directors including Chairman), 2 Government Nominee Directors and 7 Independent Directors. The composition of the Board of Directors as on 31.03.19 is given below:

Sl. No.	Name	Category	Designation	Date of appointment	Tenure (in years) as on 31.03.2019
1.	Shri Sanjiv Singh	Whole-time Director	Chairman	01.07.14 (Note 1)	4.75
2.	Shri A .K. Sharma	Whole-time Director	Director (Finance)	27.10.14	4.30 (Note 2)
3.	Shri G. K. Satish	Whole-time Director	Director (Planning & Business Development)	01.09.16	2.58
4.	Dr. S. S. V. Ramakumar	Whole-time Director	Director (Research & Development)	01.02.17	2.16
5.	Shri B. V. Rama Gopal	Whole-time Director	Director (Refineries)	12.02.18	1.13
6.	Shri Ranjan Kumar Mohapatra	Whole-time Director	Director (Human Resources)	19.02.18	1.11
7.	Shri Gurmeet Singh	Whole-time Director	Director (Marketing)	26.07.18	0.68
8.	Shri Akshay Kumar Singh	Whole-time Director	Director (Pipelines)	14.08.18	0.63
9.	Smt. Sushmita Dasgupta	Non-Executive Director	Govt. Nominee Director	20.03.19	0.03

Sl. No.	Name	Category	Designation	Date of appointment	Tenure (in years) as on 31.03.2019
10.	Shri Ashutosh Jindal	Non-Executive Director	Govt. Nominee Director	12.02.16	3.13
11.	Shri Parindu K. Bhagat	Non-Executive Director	Independent Director	02.12.15	3.33
12.	Shri Vinoo Mathur	Non-Executive Director	Independent Director	22.09.17	1.52
13.	Shri Samirendra Chatterjee	Non-Executive Director	Independent Director	22.09.17	1.52
14.	Shri C. R. Biswal	Non-Executive Director	Independent Director	22.09.17	1.52
15.	Dr. Jagdish Kishwan	Non-Executive Director	Independent Director	22.09.17	1.52
16.	Shri Sankar Chakraborti	Non-Executive Director	Independent Director	22.09.17	1.52
17.	Shri D. S. Shekhawat	Non-Executive Director	Independent Director	22.09.17	1.52

Note 1: Shri Sanjiv Singh was appointed as Director (Refineries) on 01.07.14 and became Chairman w.e.f. 01.06.2017.

Note 2: Shri A. K. Sharma ceased to be Director upon superannuation on 31.01.19. Pursuant to MoP&NG's directive dated 15.02.19, Shri A. K. Sharma was re-appointed as Director (Finance) for a period of 3 months w.e.f. 18.02.19.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfill 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 directors 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 Directors and Independent Directors are selected and appointed by the Government as per a well laid down process for each category of Director. 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 2018-19, 12 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 given 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.

» Status of various projects.

» 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
  - 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 2018-19 are as under:

Sl. No.	Date	Board Strength	No. of Directors Present
1.	26.04.18	17	17
2.	22.05.18	17	17
3.	26.06.18	16	15
4.	11.08.18	17	17
5.	28.08.18	18	17
6.	10.10.18	18	17
7.	02.11.18	18	17
8.	13.12.18	17	15
9.	11.01.19	17	16
10.	30.01.19	17	17
11.	25.02.19	17	15
12.	19.03.19	16	16

(c) Attendance of each Director at Board Meetings held during 2018-19, last Annual General Meeting (AGM) and Number of other Directorships and Chairmanship / Membership of Committees of each Director in various companies is 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 29.08.18 (Yes / No / NA)	No. of Directorship in other Companies as on 31.03.19	Directorship in other listed entities as on 31.03.19 & category of Directorship	Membership of Committees in other companies as on 31.03.19	Chairmanship of Committees in other Companies as on 31.03.19
Whole-time Directors						
Shri Sanjiv Singh Chairman (DIN - 05280701)	12 (12)	Yes	5	1) Chennai Petroleum Corporation Ltd. - Non Executive Chairman 2) Petronet LNG Ltd. - Non Executive Director	-	-
Shri A. K. Sharma[1] Director (Finance) (DIN - 06665266)	11 (12)	Yes	2	-	-	-
Shri G. K. Satish Director (Planning & Business Development) (DIN - 06932170)	11 (12)	Yes	4	-	-	-

Name of the Director	No. of Board Meetings attended out of meetings held during the tenure of Director	Attendance at the AGM on 29.08.18 (Yes / No / NA)	No. of Directorship in other Companies as on 31.03.19	Directorship in other listed entities as on 31.03.19 & category of Directorship	Membership of Committees in other companies as on 31.03.19	Chairmanship of Committees in other Companies as on 31.03.19
Dr. S. S. V. Ramakumar (DIN - 07626484) Director (Research & Development)	12 (12)	Yes	1	-	-	-
Shri B. V. Rama Gopal Director (Refineries) (DIN – 07551777)	12 (12)	Yes	2	Chennai Petroleum Corporation Ltd. - Non Executive Director	-	-
Shri Ranjan Kumar Mohapatra Director (Human Resources) (DIN – 08006199)	12 (12)	Yes	1	-	-	-
Shri Gurmeet Singh[2] Director (Marketing) (DIN- 08093170)	9 (9)	Yes	1	-	-	-
Shri Akshay Kumar Singh[3] Director (Pipelines) (DIN - 03579974)	8 (8)	Yes	-	-	-	-
Non-Executive Directors (Govt. nominees)						
Shri Ashutosh Jindal (DIN - 05286122)	10 (12)	No	-	-	-	-
Smt Sushmita Dasgupta[4] (DIN - 08395557)	NA	NA	-	-	-	-
Smt Urvashi Sadhwani[5] (DIN - 03487195)	1 (1)	NA	-	-	-	-
Smt Sushma Rath Taishete[6] (DIN - 3585278)	2 (2)	NA	-	-	-	-
Smt Indrani Kaushal[7] (DIN- 02091078)	4 (8)	No	-	-	-	-
Non-Executive Directors (Independent Directors)						
Shri Parindu K. Bhagat[8] (DIN - 01934627)	12 (12)	Yes	-	-	-	-
Shri Vinoo Mathur (DIN - 01508809)	12 (12)	Yes	-	-	-	-
Shri Samirendra Chatterjee (DIN - 06567818)	11 (12)	Yes	-	-	-	-
Shri C. R. Biswal (DIN - 02172414)	12 (12)	Yes	1	-	1	-
Dr. Jagdish Kishwan (DIN - 07941042)	11 (12)	Yes	-	-	-	-
Shri Sankar Chakraborti (DIN - 06905980)	12 (12)	No	2	-	-	-
Shri D. S. Shekhawat (DIN - 07404367)	12 (12)	Yes	-	-	-	-
Shri Vivek Rae[9] (DIN - 01866765)	2 (2)	NA	3	-	-	-
Shri Sanjay Kapoor[10] (DIN - 07348106)	7 (7)	Yes	-	-	-	-

Remarks:

1. Shri A. K. Sharma ceased to be Director upon superannuation from IndianOil on 31.01.19. Pursuant to MoP&NG's directive dated 15.02.19, Shri A. K. Sharma was re-appointed as Director (Finance) for a period of 3 months w.e.f. 18.02.19.
2. Shri Gurmeet Singh was inducted on the Board w.e.f. 26.07.18.
3. Shri Akshay Kumar Singh was inducted on the Board w.e.f. 14.08.18.
4. Smt. Sushmita Dasgupta was inducted on the Board w.e.f. 20.03.19.
5. Smt. Urvashi Sadhwani ceased to be Director w.e.f. 11.05.18
6. Smt. Sushma Rath Taishete was inducted on the Board w.e.f. 11.05.18 and ceased to be Director w.e.f. 06.07.18.
7. Smt. Indrani Kaushal was inducted on the Board w.e.f. 26.07.18 and ceased to be Director w.e.f. 12.03.19.
8. Shri Parindu K. Bhagat has been re-appointed as Independent Director for a period of one year w.e.f. 02.12.18.
9. Shri Vivek Rae ceased to be Director w.e.f 04.06.18.
10. Shri Sanjay Kapoor ceased to be Director w.e.f. 02.12.18.

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 has been 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 31.03.19 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 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) vests with the Government of India. However, the Company has put in place an orderly succession plan for grooming of Senior Management Personnel.

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 31.03.19:

(1) Shri D. S. Shekhawat, Independent Director - Chairman

(2) Shri Parindu K. Bhagat, Independent Director - Member

(3) Shri Samirendra Chatterjee, 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 alongwith 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 / and management's assurances thereon of the Comptroller & Auditor General of India (CAG).

» 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 2018-19 is given below:

Name	Meeting held on								
	21.05.18	25.06.18	10.08.18	09.10.18	01.11.18	13.12.18	29.01.19	23.02.19	27.03.19
Shri Sanjay Kapoor (Chairman upto 01.12.18)	Yes	Yes	Yes	Yes	Yes	NA	NA	NA	NA
Shri Parindu K. Bhagat	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri D. S. Shekhawat (Member upto 01.12.18 & Chairman w.e.f. 02.12.18)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Samirendra Chatterjee (w.e.f. 02.12.18)	NA	NA	NA	NA	NA	-	Yes	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 attend 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 31.03.19:

(1) Dr. Jagdish Kishwan, Independent Director - Chairman

(2) Shri C. R. Biswal, Independent Director - Member

(3) Shri Ashutosh Jindal, Govt. Nominee Director - Member

(4) Shri Sanjiv Singh, Chairman of the company - Member

The attendance at the 4 meetings of Nomination & Remuneration Committee held during 2018-19 is given below:

Name	Meeting held on			
	26.04.18	11.08.18	11.01.19	30.01.19
Shri Vivek Rae (Chairman up to 03.06.18)	Yes	NA	NA	NA
Dr. Jagdish Kishwan (Chairman w.e.f. 26.06.18)	NA	Yes	Yes	Yes
Shri C. R. Biswal	Yes	Yes	Yes	Yes
Shri Ashutosh Jindal	-	-	Yes	Yes
Shri Sanjiv Singh	Yes	Yes	Yes	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. The same is also exempted to 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 2018-19 is as under:

(₹)

Name of the Director	Designation	Salaries & Allowances	Performance Linked Incentive	Other Benefits & Perquisites	Total Remuneration
Shri Sanjiv Singh	Chairman	36,66,904	39,31,128	12,00,373	87,98,405
Shri A. K. Sharma	Director (Finance)	1,19,95,729	3,22,856	9,34,585	1,32,53,170
Shri G. K. Satish	Director (P&BD)	40,63,895	33,39,490	13,66,093	87,69,478
Dr. S. S. V. Ramakumar	Director (R&D)	56,02,266	31,44,383	8,18,714	95,65,363
Shri B. V. Rama Gopal	Director (Refineries)	47,49,346	22,79,227	11,13,177	81,41,750
Shri Ranjan Kumar Mohapatra	Director (HR)	45,65,464	24,21,860	11,05,881	80,93,205
Shri Gurmeet Singh	Director (Marketing) (w.e.f. 26.07.18)	33,17,649	23,77,499	12,26,678	69,21,826
Shri Akshay Kumar Singh	Director (Pipelines) (w.e.f. 14.08.18)	26,56,118	-	8,56,693	35,12,811
	TOTAL	**4,06,71,371**	**1,78,16,443**	**86,22,194**	**6,70,56,008**

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 Independent Directors are not paid any remuneration except sitting fees of Rs. 40,000/- per meeting for attending meetings of the Board or Committees thereof. The sitting fees paid during the financial year 2018-19 is as under:

Name of the Director	Sitting Fees (₹)
Shri Parindu K. Bhagat	11,20,000
Shri Vinoo Mathur	9,20,000
Shri Samirendra Chatterjee	6,40,000
Shri C. R. Biswal	6,80,000
Dr. Jagdish Kishwan	10,00,000
Shri Sankar Chakraborti	8,40,000
Shri D. S. Shekhawat	9,20,000
Shri Vivek Rae	1,20,000
Shri Sanjay Kapoor	6,00,000
TOTAL	**68,40,000**

Note: There were no other materially significant pecuniary relationships or transactions of the Independent Directors vis-à-vis the Company.

The Government Nominee Directors are not paid any remuneration, sitting fees, etc.

Shareholding of Directors as on 31.03.19

The details of shares of the company held by the Directors as on 31.03.19 are given below:

Sl. No.	Name	Designation	No. of shares
1.	Shri Sanjiv Singh	Chairman	18972
2.	Shri A. K. Sharma	Director (Finance)	7572
3.	Shri G. K. Satish	Director (P&BD)	2172
4.	Dr. S. S. V. Ramakumar	Director (R&D)	8800
5.	Shri B. V. Rama Gopal	Director (Refineries)	17380
6.	Shri Ranjan Kumar Mohapatra	Director (Human Resources)	9600
7.	Shri Gurmeet Singh	Director (Marketing)	2172
8.	Shri Akshay Kumar Singh	Director (Pipelines)	-
9.	Shri Ashutosh Jindal	Government Nominee Director	-
10.	Smt. Sushmita Dasgupta	Government Nominee Director	-
11.	Shri Parindu K. Bhagat	Independent Director	-
12.	Shri Vinoo Mathur	Independent Director	-
13.	Shri Samirendra Chatterjee	Independent Director	-
14.	Shri C. R. Biswal	Independent Director	-
15.	Dr. Jagdish Kishwan	Independent Director	-
16.	Shri Sankar Chakraborti	Independent Director	-
17.	Shri D. S. Shekhawat	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 endeavors to resolve complaints / grievances / queries of stakeholders / investors within a reasonable period of time.

The Committee comprised of the following members as on 31.03.19:

(1) Shri Sankar Chakraborti, Independent Director - Chairman

(2) Shri D. S. Shekhawat, Independent Director - Member

(3) Shri A. K. Sharma, Director (Finance) - Member

(4) Shri Ranjan Kumar Mohapatra, Director (HR) - Member

The attendance at the meeting of the Stakeholders' Relationship Committee held during 2018-19 is given below:

Name of the Director	Meeting held on 25.02.19
Shri Sankar Chakraborti (Chairman w.e.f. 02.12.18)	Yes
Shri D. S. Shekhawat	Yes
Shri A. K. Sharma	Yes
Shri Ranjan Kumar Mohapatra	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 2018-19:

During the year, 3968 complaints were received and all have been resolved. This includes 3930 complaints for non-receipt of dividends. As on 31.03.19, no complaints were pending. Further, during the year, 980 requests for change of address, recording of nomination, issue of duplicate share certificates / dividend warrant, etc. were received, out of which 33 requests were pending as on 31.03.19 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 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 31.03.19:

(1) Shri Parindu Bhagat, Independent Director - Chairman

(2) Shri Sankar Chakraborti, Independent Director - Member

(3) Shri A. K. Sharma, Director (Finance) - Member

(4) Shri G. K. Satish, Director (P&BD) - Member

(5) Shri Ranjan Kumar Mohapatra, Director (HR) - Member

(6) Shri Gurmeet Singh, Director (Marketing) - Member

The attendance at the 6 meetings of the CSR & SD Committee held during the year 2018-19 is given below:

Name	Meeting held on					
	26.06.18	28.08.18	13.12.18	29.01.19	23.02.19	19.03.19
Shri Parindu Bhagat	Yes	Yes	Yes	Yes	Yes	Yes
Shri Sankar Chakraborti	Yes	Yes	Yes	Yes	Yes	Yes
Shri A. K. Sharma	Yes	Yes	Yes	Yes	Yes	Yes
Shri G. K. Satish	Yes	Yes	Yes	Yes	Yes	Yes
Shri Ranjan Kumar Mohapatra	Yes	Yes	Yes	Yes	Yes	Yes
Shri Gurmeet Singh	NA	Yes	Yes	Yes	-	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/Ioc_S&CSR_policy.pdf. The CSR Report, as required under the Companies Act, 2013 for the year ended 31.03.19 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 31.03.19:

(1) Shri Sanjiv Singh, Chairman - Chairman of the Committee
(2) Shri A. K. Sharma, Director (Finance) - Member
(3) Shri G. K. Satish, Director (P&BD) - Member
(4) Shri B. V. Rama Gopal, Director (Refineries) - Member
(5) Shri Gurmeet Singh, Director (Marketing) -.Member

The attendance at the meeting of the Risk Management Committee held during 2018-19 is given below:

Name of the Director	Meeting held on 03.10.18
Shri Sanjiv Singh	Yes
Shri A. K. Sharma	Yes
Shri G. K. Satish	Yes
Shri B. V. Rama Gopal	Yes
Shri Gurmeet Singh	-

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 31.03.19 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 - 1 Government Nominee Director - 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 - 1 Government Nominee Director - 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.

Sl. No.	Name of Committee	Role and Responsibilities	Members
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 - 1 Government Nominee Director - 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 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 2018-19

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:

	2015-16	2016-17	2017-18
Date and Time	14.09.16 10:30 AM	29.08.17 10:30 AM	29.08.18 10:30 AM
Venue	Nehru Centre Auditorium, Discovery of India Building, Worli, Mumbai – 400 018	Hotel Rang Sharda, KC Marg, Bandra Reclamation, Bandra West, Mumbai – 400050	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 2018-19.

5. POSTAL BALLOT

No approval of shareholders was sought by means of postal ballot during the year 2018-19.

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 30.01.19 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 2018-19 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 2018-19. 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 September 2018, December 2018 & March 2019 and imposition of monetary penalty for not having 50% Independent Directors on the Board. In response to the notice, the Company wrote to the Exchange(s) clarifying that the shortfall in Independent Directors was not due to any negligence / default by the Company as appointment of Directors is done by the Government of India. In view thereof the Company has requested the Exchanges to waive-off the penalties.

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 Rs. 10 Crore and above, across all Divisions of the Company.

During the year 12 meetings of IEM's were held. Based on the above threshold value, 444 tenders came under the purview of IP during the year 2018-19 against which 11 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:

The Company has not issued any GDRs / ADRs / Warrants or any Convertible instruments.

k. Disclosure regarding commodity price risk and Hedging activities

(i) Entity's Risk Management Policy w.r.t. commodities and its hedging:

The Company 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 refining system, risk of variation in prices of LNG on refinery consumption, risk of price variations on import of petroleum products and LNG for marketing, etc.

The Company assesses 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 Materials, Stock in Process, Finished Goods and Stock in Trade as on 31.03.2019 was ₹67,673.74 crore. The Refinery margins for the Financial Year 2018-19 was ₹17,000 crore (approx.)

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	1700	67.327	NIL	NIL	2.7%	NIL	2.7%
Inventory as on 31.03.19							
- Crude Oil	2,800	8.142	NIL	NIL	NIL	NIL	NIL
- Finished Goods (including Stock In Trade)	3,400	6.500	NIL	NIL	NIL	NIL	NIL

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 the company 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.

l. 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 Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 alongwith status of complaints received and disposed off during the year is provided in the Directors Report.

m. Fees paid to Statutory Auditors:

The statutory auditors of the company were paid a total amount of ₹4.34 crore for all the services rendered by them to the Company.

n. 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 fifteen days from close of the quarter. The same is also hosted on the website of the company www.iocl.com.

o. 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 in respect of composition of the Board of Directors with regard to at least 50% Independent

Directors during the period 26.07.18 to 31.03.19 and atleast one woman director for the period 06.07.18 to 25.07.18 & 12.03.19 to 19.03.19. 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) 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).

p. Adoption of the non-mandatory requirements of SEBI (LODR)

The Company has not adopted any discretionary requirements provided under Schedule II Part E of SEBI (LODR). However, the Statutory Auditors have expressed un-modified opinion on Financial Statement for the year 2018-19.

q. 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 (o) 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 accounts, 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 1.53% of total expense during 2018-19 as against 1.26% during the previous year.

7. MEANS OF COMMUNICATION

a. Financial Results

The quarterly audited / unaudited financial results are announced within the time prescribed under the SEBI (LODR). The results are published in leading newspapers like Times of India, Indian Express, Economic Times, Business Standard, The Hindu Business Line 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 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 is distributed to the shareholders at the AGM. The same is 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 one-way live webcast of the proceedings of the AGM held on 29.08.2018.

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". Karvy Fintech 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. Accordingly, the company would send the copy of the Annual Report for the year 2018-19 along with the notice convening the AGM through email to those shareholders who have registered their email id with the DP / RTA and have not opted for physical copy of the Annual Report.

8. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting:

Date, Time and Venue of the Annual General Meeting	Wednesday, 28.08.19 at 10:00 AM at Nehru Centre Auditorium, Discovery of India Building, Worli, Mumbai – 400 018.

(b) Financial Year:

The Financial Year of the Company was from 01.04.18 to 31.03.19. The financial calendar to approve quarterly / annual financial result for the year 2019-20 is given below:

Quarter ending 30th June 2019	On or before 14.08.19
Quarter ending 30th September 2019	On or before 14.11.19
Quarter ending 31st December 2019	On or before 14.02.20
Quarter and year ending 31st March 2020	On or before 30.05.20

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) Book Closure Date for Final Dividend:

Book Closure for Final Dividend	23.08.19 to 28.08.19 (both days inclusive)

(d) Dividend Payment Date:

During the year Company has paid Interim Dividend of ₹6.75 per share and ₹1.50 per share in the month of December 2018 & March 2019 respectively.

In addition, a final dividend of ₹1/- per share (10%), recommended by the Board of Directors, if approved at the AGM, shall be paid to the eligible shareholders within the stipulated 30 days period after the AGM as provided under the Companies Act.

(e) 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 Company has paid Listing fees in respect of its listed securities to both the stock exchanges for the financial year 2018-19.

(f) 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.

(g) Stock Code at BSE : 530965

(h) Stock Code at NSE : IOC

(i) Demat ISIN Number of Equity Shares at NSDL / CDSL : INE 242A01010

(j) Stock Market Data:

The market price and volume of the Company's Equity Shares (face value ₹10 each) traded on the BSE & NSE during the financial year 2018-19 are given below:

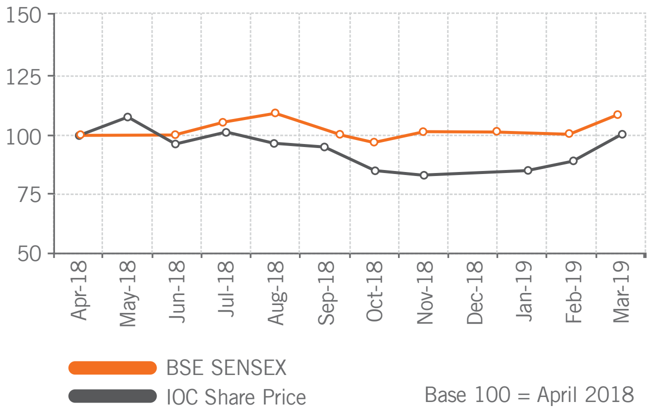
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2018	181.25	156.80	2,26,80,062	181.30	156.75	22,96,93,483
May 2018	176.70	151.10	2,08,57,928	177.00	151.10	27,12,40,852
June 2018	177.20	150.15	1,62,12,835	177.20	150.00	19,08,19,930
July 2018	169.05	151.50	91,83,715	169.10	151.20	18,61,90,330
August 2018	171.55	151.60	99,87,438	171.80	151.50	12,71,56,037
September 2018	160.10	145.65	81,95,303	160.20	145.55	13,44,93,343
October 2018	158.90	105.65	3,18,21,197	159.10	105.25	32,48,89,662
November 2018	154.95	132.00	2,26,44,580	155.50	132.10	29,00,11,782
December 2018	148.20	127.70	3,12,32,821	148.25	127.50	41,95,00,894
January 2019	139.40	129.40	1,46,25,911	139.55	129.45	21,36,51,008
February 2019	146.80	121.05	1,60,44,856	146.80	120.95	26,14,50,496
March 2019	169.50	143.45	1,65,43,041	169.75	143.25	40,18,73,437

(k) Stock Price Performance in comparison to broad-based indices:

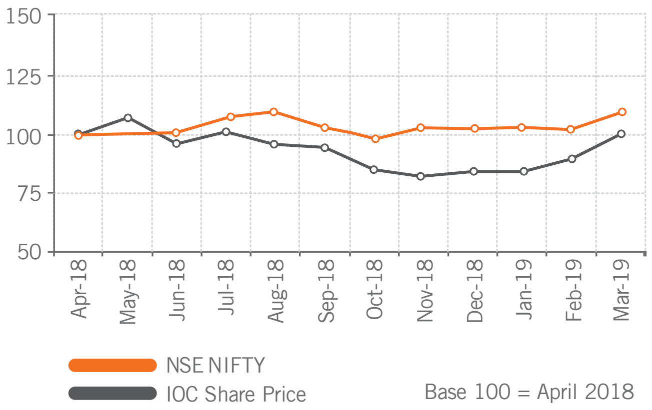
During 2018-19, the share price of the Company opened at ₹ 177.55 on 01.04.18 and closed at ₹ 162.70 on 31.03.19 on the BSE thereby decreasing by 8.36%. During the same period, the BSE SENSEX opened at 33031 and closed at 38673 thereby increasing by 17.08%. The NSE NIFTY opened at 10152 and closed at 11624 thereby increasing by 14.50%.

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 2018-19 is given below:

Relative Movement of IndianOil share closing price vis-a-vis BSE Sensex during 2018-19



Relative Movement of IndianOil share closing price vis-a-vis NSE Nifty during 2018-19



(l) Registrar & Transfer Agents (RTA) :

Karvy Computershare Pvt. Ltd. (KCPL) was the Registrar & Transfer Agents (RTA) of the Company. During the year, pursuant to a scheme of arrangement and amalgamation, approved by the Hyderabad Bench of the National Company Law Tribunal vide order dated 23rd October 2018, the operations of KCPL have been transferred to Karvy Fintech Pvt. Ltd. (KFPL). In terms of the approved scheme, the RTA business of KCPL, including all the licenses, got transferred to KFPL on the same terms and conditions as those available to KCPL w.e.f. 17th November, 2018. 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:

Karvy Fintech Private Limited
Karvy 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@karvy.com
Website	:	www.karvyfintech.com

(m) Share Transfer System:

The shares of the Company are traded in dematerialised form. SEBI vide circular dated 5th December 2018 has directed that no transfer of shares in physical form would be allowed w.e.f. 1st April 2019. Accordingly, no transfer of shares in physical form would be processed w.e.f. 1st April 2019. However, all requests for transfer of shares in physical form received upto 31st March 2019 have been transferred within the stipulated time from the date of lodgement subject to documents being valid and complete in all respects. There were no overdue share transfers pending as on 31st March 2019. In order to expedite the process of share transfer and in line with regulation 40(2) of the SEBI (LODR), the Company has delegated the power of share transfer to its RTA - Karvy Fintech Pvt. Ltd.

(n) Distribution of shareholding as on 31.03.19:

Sl. No.	Nominal Value of Equity Shares (₹)	No. of Shareholders (Folios)	% of Shareholders	Amount (₹)	% of Amount
1.	1 - 5000	3,74,299	81.90	45,57,53,520	0.48
2.	5001 - 10000	31,450	6.88	23,99,77,910	0.25
3.	10001 - 20000	18,459	4.04	27,76,92,520	0.30
4.	20001 - 30000	9,635	2.11	23,42,79,880	0.25
5.	30001 - 40000	4,294	0.94	15,41,78,090	0.16
6.	40001 - 50000	2,828	0.62	13,07,27,360	0.14
7.	50001 - 100000	6,747	1.48	49,58,84,280	0.53
8.	100001 & Above	9,291	2.03	9215,30,95,660	97.89
	Total	**4,57,003**	**100.00**	**9414,15,89,220**	**100.00**

(o) Categories of Shareholders as on 31.03.19:

Sl. No.	Category	Shareholders (Folios)		Shares	
		No.	%	No.	%
1.	President of India	1	0.00	491,21,49,459	52.18
2.	Governor of Gujarat	1	0.00	1,08,00,000	0.11
3.	Government Company (Oil & Natural Gas Corp. Ltd.)	1	0.00	133,72,15,256	14.20
4.	Government Company (Oil India Ltd.)	1	0.00	48,55,90,496	5.16
5.	Corporate Bodies	2,260	0.49	7,92,49,249	0.84
6.	FIIs / NRIs	7,095	1.55	67,04,39,249	7.12
7.	Banks / Indian Financial Institutions	40	0.01	61,64,555	0.07
8.	Mutual Funds	150	0.03	60,57,34,762	6.43
9.	Insurance Companies	8	0.00	67,92,94,413	7.22
10.	Public	4,47,004	97.81	34,55,93,234	3.67
11.	Trusts	97	0.02	25,56,76,524	2.72
12.	Investor Education & Protection Fund	1	0.00	26,04,902	0.03
13.	Others	344	0.09	2,36,46,823	0.25
	Total	**4,57,003**	**100.00**	**941,41,58,922**	**100.00**

Note:

i. Till May 2018 President of India (PoI) was holding 553,34,36,444 equity shares constituting 56.98% of the total equity share capital. Thereafter in June 2018 the PoI disinvested 2,18,90,396 equity shares in favour of Bharat 22 ETF (an exchange traded fund comprising of 22 stocks managed by ICICI Prudential Mutual Fund) whereby the PoI holding reduced to 551,15,46,048 equity shares constituting 56.75% of the paid up equity share capital of the company.

ii. On 04.12.18, the PoI further disinvested 26,13,74,221 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 525,01,71,827 equity shares constituting 54.06% of the paid up equity share capital of the company.

iii. Under the company Buyback of Shares, 17,78,54,068 shares were bought back from the President of India (PoI) and consequently the shareholding of PoI reduced from 5,25,01,71,827 equity shares (54.06%) to 5,07,23,17,759 equity shares constituting 53.88% of the paid-up equity share capital of the company.

iv. On 21.02.19 the PoI disinvested 3,72,03,876 equity shares in favour of Bharat 22 ETF whereby the PoI holding further reduced to 503,51,13,883 equity shares constituting 53.48% of the paid up equity share capital of the company.

v. On 25.03.19, the PoI further disinvested 12,29,64,424 equity shares in favour of CPSE ETF, whereby the PoI holding reduced to 491,21,49,459 equity shares constituting 52.18% of the paid up equity share capital of the company.

(p) Top 10 shareholders as on 31.03.19:

Sl. No.	Name	No. of Shares	% To Equity
1.	President of India	491,21,49,459	52.18%
2.	Oil & Natural Gas Corporation Limited	133,72,15,256	14.20%
3.	Life Insurance Corporation of India	61,29,21,292	6.51%
4.	Oil India Limited	48,55,90,496	5.16%
5.	IOC Shares Trust	23,31,18,456	2.48%
6.	CPSE ETF	19,50,09,917	2.07%
7.	ICICI Prudential Equity & Debt Fund	4,54,09,806	0.48%
8.	ICICI Prudential Value Discovery Fund	4,16,46,898	0.44%
9.	ICICI Prudential Blue Chip Fund	3,55,33,448	0.38%
10.	Vanguard Total International Stock Index Fund	3,40,06,018	0.36%

(q) 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 31.03.19 is as under:

Type of Shareholding	Shareholders (Folios)		Shareholding	
	No.	%	No.	%
Physical	4,488	0.98	2,93,54,324	0.31
Demat	4,52,515	99.02	938,48,04,598	99.69
Total	**4,57,003**	**100.00**	**941,41,58,922**	**100.00**

(r) Corporate Action

i) Dividend History :

The Company has been consistently declaring dividends. The dividend paid during the last 10 financial years is given below:

Financial Year	Rate (%)	Remarks
2008-09	75 %	-
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%

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

(s) 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 ₹ 1,57,47,402/- for the Financial Year 2010-11 was transferred to the IEPF authority on 16.11.18.

The details of dividend which remains unpaid / unclaimed as on 31.03.19 are given below:

Year	Amount (₹)
2011-12 (Final)	1,02,31,670.00
2012-13 (Final)	1,35,43,689.20
2013-14 (Final)	1,51,47,439.50
2014-15 (Final)	1,57,73,617.20
2015-16 (Interim)	1,52,76,844.00
2015-16 (Final)	2,40,02,164.50
2016-17 (1st Interim)	6,74,21,012.86
2016-17 (2nd Interim)	2,40,56,298.50
2016-17 (Final)	62,67,963.00
2017-18 (Interim)	8,59,06,828.00
2017-18 (Final)	2,24,19,822.00
2018-19 (1st Interim)	5,66,30,002.50
2018-19 (2nd Interim)	4,95,22,820.00
Total	**40,62,00,171.26**

Note: In compliance with SEBI circular dated 20th April 2018 on "Strengthening the guidelines and raising industry standards for RTA, Issuer Companies and Banker to an issue", the Company had credited back all demand drafts and dividend warrants lying unpaid beyond the validity period thereby resulting in increase in the unpaid dividend account balances during the year.

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. 29.08.18 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 2010-11 to 2017-18, were transferred to the demat account of the IEPF authority on 29.11.18. 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 01.04.18	9,38,588
Add: Shares transferred to demat account of IEPF authority on 29.11.18	16,66,314
Less: Shares claimed by investors from IEPF authority	-
Shares in the demat account of IEPF Authority as on 31.03.19	26,04,902

The procedure for claiming the unpaid dividend amount and shares transferred to the IEPF Authority is provided on the following link:

http://www.iepf.gov.in/IEPF/refund.html

(t) Credit Rating

Credit rating assigned to the Company for various debt instruments by Rating Agencies is as under:

Instrument	Rating Agency	Rating	Outlook
Senior Unsecured Debt – Foreign Currency	Moody's	Baa2	Stable
Senior Unsecured Debt – Foreign Currency	Fitch	BBB-	Stable
Bank Facilities – Long Term	CRISIL	CRISIL AAA	Stable
Bank Facilities – Short Term	CRISIL	CRISIL A1+	-
Commercial Papers	ICRA	[ICRA] A1+	-
Commercial Papers	India Ratings	IND A1+	-

(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
Fax : (022) 26447961
E-mail ID : investors@indianoil.in

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Indian Oil Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Indian Oil Corporation Limited ("the Company") for the year ended on March 31, 2019, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and the guidelines on Corporate Governance for Central Public Sector Enterprises, as enunciated by the Department of Public Enterprises (DPE).

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination, as carried out in accordance with the Guidance Note on Corporate Governance issued by the Institute of Chartered Accountants of India, was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the DPE Guidelines except for the following:

a. The Company has not complied with the conditions with regard to minimum number of Independent Directors in the composition of Board of Directors for the period 26.07.18 to 31.03.19;

b. The Company has not complied with the conditions with regard to appointment of woman director for the period 06.07.18 to 25.07.18 & 12.03.19 to 19.03.19;

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

For S. K. MEHTA & CO. **Chartered Accountants** **(Firm Regn. No. 000478N)**	**For V. SANKAR AIYAR & CO.** **Chartered Accountants** **(Firm Regn. No. 109208W)**	**For C. K. PRUSTY & ASSOCIATES** **Chartered Accountants** **(Firm Regn. No. 323220E)**	**For V. SINGHI & ASSOCIATES** **Chartered Accountants** **(Firm Regn. No. 311017E)**
Sd/ **(CA. Rohit Mehta)** **Partner** **M. No. 091382**	**Sd/** **(CA. G. Sankar)** **Partner** **M. No. 046050**	**Sd/** **(CA. Chandrakanta Prusty)** **Partner** **M. No. 057318**	**Sd/** **(CA Vinod Kumar Singhi)** **Partner** **M. No. 050051**

Place : Mumbai
Date : 19th June 2019

STANDALONE FINANCIAL STATEMENTS 2018-19

इंडियनऑयल

IndianOil

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, 2019, the Statement of Profit and Loss (including other Comprehensive Income), Statement of Changes in Equity and 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 returns 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, 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 Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the 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.

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 asset lives applied in the calculation of depreciation; the useful lives of assets prescribed in Schedule II of the Companies Act, 2013 and the useful lives of certain assets as per the technical assessment of the management. We have observed that the management has regularly reviewed the aforesaid judgements and there are no material changes.

Key Audit Matters	Auditors' response to Key Audit Matters
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 process 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 have 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.
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 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 procedure 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 financial statements.
Goods and Services Tax (GST)	
The country has adopted goods and services tax with effect from July 1, 2017. The goods and service tax is applicable only in case of certain products and services of the Company while major products are still covered under the old regime viz., excise duty and value added tax. Since the Company is covered under both the regimes, the management is required to apply judgment in the interpretation with respect to input tax credit available and taxability of the products and services. Since significant judgment of the management is required, the area is a key audit matter for our audit.	Our audit process involved assessing the management's judgement on the interpretations involved taking into account the advices and opinions received from indirect tax experts.

Key Audit Matters	Auditors' response to Key Audit Matters
Investments in Subsidiaries, Joint Ventures and Associates Investments in subsidiaries, joint ventures and associates are valued at cost adjusted for impairment losses. In line with "IndAS 36 Impairment of assets", in case there is an indication of possible impairment, the Company carries out an impairment test by comparing the recoverable amount of the investments determined according to the value in use method and their carrying amount. The valuation process adopted by management is complex and is based on a series of assumptions, such as the forecast cash flows, the appropriate discounting rate and the growth rate. These assumptions are, by nature, influenced by future expectations regarding the evolution of external market. Since judgement of the management is required to determine whether there is indication of possible impairment and considering the subjectivity of the estimates relating to the determination of the cash flows and the key assumptions of the impairment test, the area is considered a key audit matter for our audit.	With reference to this key audit matter, we considered the following: • Book value of the investments in subsidiaries, joint venture and associates as compared to the carrying amount. • Market capitalization in case of listed entities in which investments have been made • The prices of crude/gas being higher than the previous year's level in case of upstream companies where the 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.

Key Audit Matters	Auditors' response to Key Audit Matters
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 from the private airline companies. 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. We are also informed that the Company has invoked bank guarantee obtained from one private airline and realised the money against the dues subsequent to the Balance Sheet date.

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 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 standalone financial statements and our auditors' report thereon.

The information to the extent available, relating to the standalone financial statements which will be included in the Management discussion and Analysis and Financial Performance Highlights have been made available to us prior to the date of this auditors' report and we have not observed any misstatement.

The other information, to the extent not made available to us as of the date of signing this report is expected to be made available to us after the date of this auditors' report.

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, 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 Ind AS and the other accounting principles generally accepted in India, including Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 system 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/information of one Branch included in the standalone financial statements of the Company whose financial statements/financial information reflect total assets of ₹899.80 crore as at March 31, 2019 and total revenues of ₹25.22 crore for the year ended on that date, as considered in the standalone financial statements. The financial statements/information 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.

b) The standalone financial statements include the Company's proportionate share (relating to Jointly controlled operations) in assets ₹544.39 crore, liabilities ₹140.36 crore, income of ₹152.52 crore and expenditure ₹85.00 crore and elements making of the cash flow statement and related disclosures contained in the enclosed standalone financial statements and our observations thereon are based on unaudited statements from the operators to the extent available with the Company in respect of 14 blocks in India and overseas and have been certified by the management.

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.

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, and 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, 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 sent 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   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 June 5, 2015 issued by Ministry of Corporate Affairs, Government of India.

   g) With respect to the adequacy of the internal financial controls over financial reporting 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 June 5, 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 36 B 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 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 S.K. MEHTA & CO. Chartered Accountants (Firm Regn. No. 000478N)	**For V SANKAR AIYAR & CO.** Chartered Accountants (Firm Regn. No.109208W)	**For CK PRUSTY & ASSOCIATES** Chartered Accountants (Firm Regn. No. 323220E)	**For V. SINGHI & ASSOCIATES** Chartered Accountants (Firm Regn. No. 311017E)
Sd/- **(CA. ROHIT MEHTA)** Partner M. No. 091382	Sd/- **(CA. M.S. BALACHANDRAN)** Partner M. No. 024282	Sd/- **(CA. GV. JAYABAL)** Partner M. No. 015616	Sd/- **(CA. V. K. SINGHI)** Partner M. No. 050051

Place of Signature: New Delhi

Date: 17th May, 2019

ANNEXURE 1 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, 2019

(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)
Leasehold Land- Operating leases	15	33.75	29.53
Leasehold Land- Finance leases	9	35.59	31.51
Leasehold Land- Total	**24**	**69.34**	**61.04**
Freehold Land	26	158.66	158.66
Building	7	5.58	4.97
Building- operating Lease	1	20.77	20.42

(ii) In our opinion and according to the information and explanations given to us, the inventory (excluding inventory lying with third parties and material in transit) has been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, during the year, to any companies, firms, and limited liability partnerships or other parties covered in register maintained under Section 189 of the Act.

In view of the above, reporting under clause 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company is exempted from the provisions of section 186 of the Act as it is engaged in the business of providing infrastructure facilities as provided under Schedule-VI of the Act. There were no transactions during the year to which the provisions of section 185 of the Act were applicable.

(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 year end except old cases under dispute aggregating to ₹0.01 crore, where we are informed that the Company has complied with necessary directions.

(vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act, read with Companies (Cost Records & Audit) Rules, 2014, as amended and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.

(vii) (a) 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, 2019 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 money through initial public offer or further public offer (including debt instruments). However, the Company has issued bonds for working capital requirements in the international 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 June 5, 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 during the year.

(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 S.K. MEHTA & CO. Chartered Accountants (Firm Regn. No. 000478N)	**For V SANKAR AIYAR & CO.** Chartered Accountants (Firm Regn. No.109208W)	**For CK PRUSTY & ASSOCIATES** Chartered Accountants (Firm Regn. No. 323220E)	**For V. SINGHI & ASSOCIATES** Chartered Accountants (Firm Regn. No. 311017E)
Sd/- **(CA. ROHIT MEHTA)** Partner M. No. 091382	Sd/- **(CA. M.S. BALACHANDRAN)** Partner M. No. 024282	Sd/- **(CA. GV. JAYABAL)** Partner M. No. 015616	Sd/- **(CA. V. K. SINGHI)** Partner M. No. 050051

Place of Signature: New Delhi
Date: 17th May, 2019

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 (Financial Years)
1	**CENTRAL EXCISE ACT, 1944**	CENTRAL EXCISE	Supreme Court	67.70	12.74	54.96	1989 to 2007
			High Court	251.50	0.76	250.74	1996 to 2018
			Tribunal	3,308.58	29.00	3,279.58	1980 to 2018
			Revisionary Authority	14.78	0.10	14.68	2000 to 2016
			Appellate Authority (Below Tribunal)	173.92	0.50	173.42	1988 to 2018
			Total	**3,816.48**	**43.10**	**3,773.38**	
2	**CUSTOMS ACT, 1962**	CUSTOMS DUTY	Supreme Court	11.04	2.00	9.04	1998 to 2001
			High Court	2.10	2.05	0.05	2004 to 2017
			Tribunal	59.78	1.02	58.76	1994 to 2006
			Revisionary Authority	0.13	0.01	0.12	2010-11
			Appellate Authority (Below Tribunal)	14.23	0.14	14.09	2003 to 2017
			Total	**87.28**	**5.22**	**82.06**	
3	**SALES TAX/VAT LEGISLATIONS**	SALES TAX/VAT/ TURNOVER TAX	Supreme Court	25.19	-	25.19	1986 to 2005
			High Court	1,317.69	82.30	1,235.39	1978 to 2017
			Tribunal	4,063.93	950.15	3,113.78	1984 to 2018
			Revisionary Authority	544.69	103.49	441.20	1979 to 2011
			Appellate Authority (Below Tribunal)	1,758.81	192.50	1,566.31	1989 to 2018
			Total	**7,710.31**	**1,328.44**	**6,381.87**	
4	**INCOME TAX ACT, 1961**	INCOME TAX	Supreme Court				
			High Court	428.31	427.69	0.62	1986 to 2006
			Tribunal	2,346.17	1,984.96	361.21	2003 to 2014
			Appellate Authority (Below Tribunal)	2,184.72	645.50	1,539.22	2007 to 2016
			Total	**4,959.20**	**3,058.15**	**1,901.05**	
5	**FINANCE ACT, 1994**	SERVICE TAX	Tribunal	26.62	0.64	25.98	1996 to 2017
			Appellate Authority (Below Tribunal)	17.06	0.33	16.73	2004 to 2017
			Total	**43.68**	**0.97**	**42.71**	

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 (Financial Years)
6	**STATE LEGISLATIONS**	ENTRY TAX	Supreme Court	5,534.02	36.59	5,497.43	1991 to 2018
			High Court	255.17	165.68	89.49	1999 to 2018
			Tribunal	38.12	25.38	12.74	2001 to 2015
			Revisionary Authority	1.44	0.20	1.24	1999 to 2013
			Appellate Authority (Below Tribunal)	9.41	4.10	5.31	1998 to 2015
			Total	**5,838.16**	**231.95**	**5,606.21**	
7	**OTHER CENTRAL/STATE LEGISLATIONS**	OTHERS COMMERCIAL TAX etc.	Supreme Court	2.64	-	2.64	2010-11
			High Court	90.42	10.38	80.04	2001 to 2019
			Appellate Authority (Below Tribunal)	8.78	1.27	7.51	1999 to 2009
			Total	**101.84**	**11.65**	**90.19**	
			GRAND TOTAL	**22,556.95**	**4,679.48**	**17,877.47**	

Note: Dues include penalty and interest, wherever applicable.

ANNEXURE 2 TO THE 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 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.	Company has a robust ERP system (SAP) to process all the accounting transactions through IT system. Some manual intervention is necessitated for valuation of inventories; however, accounting entries for the same are also processed through ERP.	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	Company has been regular in discharging its principal and interest obligations on various loans during 2018-19. 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 S.K. MEHTA & CO.	For V SANKAR AIYAR & CO.	For CK PRUSTY & ASSOCIATES	For V. SINGHI & ASSOCIATES
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 000478N)	(Firm Regn. No.109208W)	(Firm Regn. No. 323220E)	(Firm Regn. No. 311017E)
Sd/-	Sd/-	Sd/-	Sd/-
(CA. ROHIT MEHTA)	**(CA. M.S. BALACHANDRAN)**	**(CA. GV. JAYABAL)**	**(CA. V. K. SINGHI)**
Partner	Partner	Partner	Partner
M. No. 091382	M. No. 024282	M. No. 015616	M. No. 050051

Place of Signature: New Delhi

Date: 17th May, 2019

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, 2019

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 over financial reporting of Indian Oil Corporation Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 over financial reporting 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 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the 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 over financial reporting 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 S.K. MEHTA & CO. Chartered Accountants (Firm Regn. No. 000478N)	**For V SANKAR AIYAR & CO.** Chartered Accountants (Firm Regn. No.109208W)	**For CK PRUSTY & ASSOCIATES** Chartered Accountants (Firm Regn. No. 323220E)	**For V. SINGHI & ASSOCIATES** Chartered Accountants (Firm Regn. No. 311017E)
Sd/- **(CA. ROHIT MEHTA)** Partner M. No. 091382	Sd/- **(CA. M.S. BALACHANDRAN)** Partner M. No. 024282	Sd/- **(CA. GV. JAYABAL)** Partner M. No. 015616	Sd/- **(CA. V. K. SINGHI)** Partner M. No. 050051

Place of Signature: New Delhi

Date: 17th May, 2019

STANDALONE FINANCIAL STATEMENTS
BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Crore)

Particulars	Note No.	March 31, 2019		March 31, 2018
ASSETS				
Non-current Assets				
a) Property, Plant and Equipment	2	**1,17,331.22**		1,12,887.65
b) Capital Work-in-Progress	2.1	**22,160.52**		13,660.23
c) Intangible Assets	3	**1,376.61**		1,039.67
d) Intangible Assets Under Development	3.1	**1,438.44**		688.20
e) Financial Assets				
i) Investments	4			
Equity investment in Subsidiaries, Joint Ventures and Associates		**17,956.51**		13,724.65
Other Investments		**23,383.07**		25,364.29
ii) Loans	5	**2,281.40**		2,031.01
iii) Other Financial Assets	6	**202.25**		3,764.56
f) Income Tax Assets (Net)	7	**1,347.85**		1,291.33
g) Other Non-Current Assets	8	**3,786.73**		3,233.35
			1,91,264.60	**1,77,684.94**
Current Assets				
a) Inventories	9	**71,470.38**		65,313.21
b) Financial Assets				
i) Investments	4	**8,415.80**		8,399.32
ii) Trade Receivables	10	**15,448.02**		10,116.52
iii) Cash and Cash Equivalents	11	**38.50**		53.48
iv) Bank Balances other than above	12	**52.86**		29.91
v) Loans	5	**1,378.20**		430.56
vi) Other Financial Assets	6	**22,741.38**		15,291.09
c) Current Tax Assets (Net)	7	**486.60**		2.04
d) Other Current Assets	8	**4,183.98**		3,260.56
		1,24,215.72		**1,02,896.69**
Assets Held for Disposal	13	**227.40**		161.68
			1,24,443.12	**1,03,058.37**
TOTAL ASSETS			**3,15,707.72**	**2,80,743.31**
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share Capital	14	**9,181.04**		9,478.69
b) Other Equity	15	**99,476.47**		1,00,692.33
			1,08,657.51	**1,10,171.02**

STANDALONE FINANCIAL STATEMENTS
BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Crore)

Particulars	Note No.	March 31, 2019		March 31, 2018
LIABILITIES				
Non-Current Liabilities				
a) Financial Liabilities				
i) Borrowings	16	**34,666.36**		18,717.60
ii) Other Financial Liabilities	17	**616.03**		533.47
b) Provisions	18	**883.66**		2,023.32
c) Deferred Tax Liabilities (Net)	19	**15,823.07**		12,019.57
d) Other Non-Current Liabilities	20	**1,598.09**		1,355.16
			53,587.21	**34,649.12**
Current Liabilities				
a) Financial Liabilities				
i) Borrowings	21	**48,593.55**		36,808.03
ii) Trade Payables	22			
A. Total outstanding dues of Micro and Small Enterprises		**235.24**		253.75
B. Total outstanding dues of creditors other than Micro and Small Enterprises		**38,443.76**		32,667.26
iii) Other Financial Liabilities	17	**43,972.06**		40,350.85
b) Other Current Liabilities	20	**12,080.50**		11,681.68
c) Provisions	18	**10,137.89**		14,161.60
			1,53,463.00	**1,35,923.17**
TOTAL EQUITY AND LIABILITIES			**3,15,707.72**	**2,80,743.31**
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)	**(A. K. Sharma)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN - 05280701	DIN - 06665266	ACS - 13737

As per our attached Report of even date

For S.K. MEHTA & CO.	For V SANKAR AIYAR & CO.	For CK PRUSTY & ASSOCIATES	For V. SINGHI & ASSOCIATES
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 000478N)	(Firm Regn. No.109208W)	(Firm Regn. No. 323220E)	(Firm Regn. No. 311017E)
Sd/-	Sd/-	Sd/-	Sd/-
(CA. ROHIT MEHTA)	**(CA. M.S. BALACHANDRAN)**	**(CA. GV. JAYABAL)**	**(CA. V. K. SINGHI)**
Partner	Partner	Partner	Partner
M. No. 091382	M. No. 024282	M. No. 015616	M. No. 050051

Place : New Delhi
Date : 17 May, 2019

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	Note No.	2018-19		2017-18
I. Revenue From Operations	23		**6,05,923.77**	5,06,427.59
II. Other Income	24		**3,128.51**	3,414.62
III. Total Income (I+II)			**6,09,052.28**	**5,09,842.21**
IV. Expenses:				
Cost of Materials Consumed	25		**2,69,679.61**	1,88,819.25
Excise Duty			**78,231.08**	82,388.89
[Includes ₹76,950.54 crore (2018: ₹84,597.78 crore) included in Revenue from Operations]				
Purchases of Stock-in-Trade			**1,79,055.50**	1,52,117.55
Changes in Inventories of Finished Goods, Stock-in-trade and Stock-In Process	26		**(3,011.13)**	2,288.37
Employee Benefits Expense	27		**11,102.17**	10,079.41
Finance Costs	28		**4,311.03**	3,482.71
Depreciation and Amortization on :				
a) Tangible Assets		**7,410.58**		6,994.57
b) Intangible Assets		**103.71**		72.44
			7,514.29	**7,067.01**
Net Loss on de-recognition of Financial Assets at Amortised Cost			**3.29**	7.96
Other Expenses	29		**37,039.52**	31,026.78
Total Expenses (IV)			**5,83,925.36**	**4,77,277.93**
V. Profit before Tax (III-IV)			**25,126.92**	32,564.28
VI. Tax Expense:				
Current Tax			**5,100.94**	7,276.45
[includes ₹25.06 crore {2018: (₹318.87) crore} relating to prior years]				
Deferred Tax			**3,131.83**	3,941.71
[includes (₹544.62) crore (2018: NIL) relating to prior years]				
VII. Profit For The Year (V-VI)			**16,894.15**	**21,346.12**

STANDALONE FINANCIAL STATEMENTS
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	Note No.	2018-19	2017-18
VIII. Other Comprehensive Income:	30		
A (i) Items that will not be reclassified to profit or loss		**(1,982.05)**	208.15
A (ii) Income Tax relating to items that will not be reclassified to profit or loss		**(463.51)**	358.66
B (i) Items that will be reclassified to profit or loss		**155.25**	(232.42)
B (ii) Income Tax relating to items that will be reclassified to profit or loss		**(34.11)**	62.97
IX. Total Comprehensive Income for the Year (VII+VIII) (Comprising Profit/(Loss) and Other Comprehensive Income for the Year)		**14,569.73**	21,743.48
X. Earnings per Equity Share (₹):	32		
(1) Basic		**17.89**	22.52
(2) Diluted		**17.89**	22.52
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/- **(A. K. Sharma)** Director (Finance) DIN - 06665266	Sd/- **(Kamal Kumar Gwalani)** Company Secretary ACS - 13737

As per our attached Report of even date

For S.K. MEHTA & CO. Chartered Accountants (Firm Regn. No. 000478N)	**For V SANKAR AIYAR & CO.** Chartered Accountants (Firm Regn. No.109208W)	**For CK PRUSTY & ASSOCIATES** Chartered Accountants (Firm Regn. No. 323220E)	**For V. SINGHI & ASSOCIATES** Chartered Accountants (Firm Regn. No. 311017E)
Sd/- **(CA. ROHIT MEHTA)** Partner M. No. 091382	Sd/- **(CA. M.S. BALACHANDRAN)** Partner M. No. 024282	Sd/- **(CA. GV. JAYABAL)** Partner M. No. 015616	Sd/- **(CA. V. K. SINGHI)** Partner M. No. 050051

Place : New Delhi
Date : 17 May, 2019

STANDALONE FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

	Particulars	2018-19		2017-18	
A	Cash Flow from Operating Activities				
	1 Profit Before Tax		25,126.92		32,564.28
	2 Adjustments for :				
	Depreciation and Amortisation	7,514.29		7,067.01	
	Loss/(Profit) on sale of Assets (net)	152.87		157.22	
	Loss/(Profit) on sale of Investments (net)	1.60		(92.00)	
	Amortisation of Capital Grants	(99.99)		(30.86)	
	Provision for Probable Contingencies (net)	(1,492.97)		(3,246.53)	
	MTM Loss/(gain) arising on financial assets/liabilities as at fair value through profit and loss	2.77		81.07	
	Unclaimed/Unspent liabilities written back	(312.03)		(87.07)	
	Fair value Gain on Investment/Provision on investment (net)	(1.60)		(18.38)	
	Bad Debts, Advances & Claims written off	9.07		10.48	
	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores (net)	1,025.82		308.54	
	MTM Loss/(Gain) on Derivatives	66.82		(130.42)	
	Foreign Currency Monetary Item Translation Difference Account	148.39		111.13	
	Remeasurement of Defined Benefit Plans thru OCI	(64.40)		246.64	
	Interest Income	(1,696.41)		(1,782.03)	
	Dividend Income	(1,348.63)		(1,096.62)	
	Finance costs	4,311.03		3,482.71	
			8,216.63		4,980.89
	3 Operating Profit before Working Capital Changes (1+2)		33,343.55		37,545.17
	4 Change in Working Capital (excluding Cash & Cash Equivalents):				
	Trade & Other Receivables	(13,834.12)		(6,433.90)	
	Inventories	(6,176.09)		(3,094.32)	
	Trade and Other Payables	5,615.72		5,321.54	
	Change in Working Capital		(14,394.49)		(4,206.68)
	5 Cash Generated From Operations (3+4)		18,949.06		33,338.49
	6 Less : Taxes paid		5,459.53		6,881.06
	7 Net Cash Flow from Operating Activities (5-6)		13,489.53		26,457.43
B	Cash Flow from Investing Activities:				
	Proceeds from sale of Property, plant and equipment/Transfer of Assets	1,068.32		389.15	
	Purchase of Property, Plant and Equipment	(6,985.67)		(7,554.56)	
	Expenditure on Construction Work in Progress	(16,438.28)		(9,631.26)	
	Proceeds from sale of financial instruments (other than working capital)	500.00		829.00	
	Investment in subsidiaries	(2,516.47)		(1,611.13)	
	Purchase of Other Investments	(513.43)		(1,141.56)	
	Receipt of government grants (Capital Grant)	10.20		54.09	
	Interest Income received on Investments	1,687.70		1,790.97	

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

	Particulars	2018-19		2017-18	
	Dividend Income on Investments	1,348.63		1,096.62	
	Net Cash Generated/(Used) in Investing Activities:		(21,839.00)		(15,778.68)
C	**Net Cash Flow From Financing Activities:**				
	Proceeds from Long-Term Borrowings (Including finance lease)	18,761.03		2,602.44	
	Repayments of Long-Term Borrowings (Including finance lease)	(2,356.61)		(6,151.31)	
	Proceeds from/(Repayments of) Short-Term Borrowings	11,785.52		6,735.27	
	Interest paid	(3,777.31)		(2,452.25)	
	Dividend/Dividend Tax paid	(11,635.34)		(11,408.49)	
	Utilised for Issue of Bonus Shares/Buy Back (including expenses)	(4,442.80)		(3.79)	
	Net Cash Generated/(Used) from Financing Activities:		8,334.49		(10,678.13)
D	**Net Change in Cash & Cash Equivalents (A+B+C)**		(14.98)		0.62
E1	**Cash & Cash Equivalents as at end of the year**		38.50		53.48
	Less:				
E2	**Cash & Cash Equivalents as at the beginning of year**		53.48		52.86
	NET CHANGE IN CASH & CASH EQUIVALENTS (E1 - E2)		(14.98)		0.62

Notes:

1. Net Cash Flow From Financing Activities includes following non-cash changes:

Particulars	2018-19	2017-18
(Gain)/Loss due to changes in exchange rate	(391.32)	368.84
Increase in Lease liabilities due to new leases	55.11	3.25
Interest Accrued and Due/not Due on borrowings	2.04	(23.17)
TOTAL	**(334.17)**	**348.92**

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/- **(Sanjiv Singh)** Chairman DIN - 05280701	Sd/- **(A. K. Sharma)** Director (Finance) DIN - 06665266	Sd/- **(Kamal Kumar Gwalani)** Company Secretary ACS - 13737

As per our attached Report of even date

For S.K. MEHTA & CO. Chartered Accountants (Firm Regn. No. 000478N)	**For V SANKAR AIYAR & CO.** Chartered Accountants (Firm Regn. No.109208W)	**For CK PRUSTY & ASSOCIATES** Chartered Accountants (Firm Regn. No. 323220E)	**For V. SINGHI & ASSOCIATES** Chartered Accountants (Firm Regn. No. 311017E)
Sd/- **(CA. ROHIT MEHTA)** Partner M. No. 091382	Sd/- **(CA. M.S. BALACHANDRAN)** Partner M. No. 024282	Sd/- **(CA. GV. JAYABAL)** Partner M. No. 015616	Sd/- **(CA. V. K. SINGHI)** Partner M. No. 050051

Place : New Delhi
Date : 17 May, 2019

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2019

A Equity Share Capital

(₹ in Crore)

	2018-19	2017-18
Balance at the beginning of the year	**9,478.69**	4,739.34
Changes in during the year		
Issue of Bonus Shares	-	4,739.35
Shares bought back	**(297.65)**	-
Balance at the end of the year	**9,181.04**	**9,478.69**

B Other Equity

	Reserves and Surplus			
	Retained Earnings	Bond Redemption Reserve	Capital Redemption Reserve	Capital Reserve
Opening Balance as at April 1, 2017	**73,993.02**	**2,611.11**	-	**183.08**
Profit for the Year	21,346.12	-	-	-
Other Comprehensive Income	161.28*	-	-	-
Total Comprehensive Income	**21,507.40**	-	-	-
Transfer from Bond Redemption Reserve	162.12	(162.12)	-	-
Utilized for Issue of Bonus Shares/Buy Back including expenses (net of tax)	(4,743.14)	-	-	-
Appropriation towards Interim Dividend	(9,004.90)	-	-	-
Appropriation towards Final Dividend	(474.06)	-	-	-
Appropriation towards Dividend Distribution Tax	(1,921.17)	-	-	-
Appropriation towards Insurance Reserve (Net)	(20.00)	-	-	-
Appropriation towards Bond Redemption Reserve	(503.49)	503.49	-	-
Appropriation towards Corporate Social Responsibility Reserve (net)	3.11	-	-	-
Foreign Currency Exchange Gain/(Loss) on Long Term Monetary Items	-	-	-	-
FCMITDA amortised during the year	-	-	-	-
Transferred to Statement of Profit and Loss (recycling)	-	-	-	-
Closing Balance as at March 31, 2018	**78,998.89**	**2,952.48**	-	**183.08**

(₹ in Crore)

	Reserves and Surplus				Items of Other Comprehensive Income			Total
	Insurance Reserve	Export Profit Reserve	Corporate Social Responsibility Reserve	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Fair value of Equity Instruments	Fair value of Debt Instruments	Cash Flow Hedge Reserve	
	203.48	**53.72**	**3.11**	**(132.42)**	**18,070.33**	**3.95**	**-**	**94,989.38**
	-	-	-	-	-	-	-	21,346.12
	-	-	-	-	405.53	(169.45)		397.36
	-	**-**	**-**	**-**	**405.53**	**(169.45)**	**-**	**21,743.48**
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(4,743.14)
	-	-	-	-	-	-	-	(9,004.90)
	-	-	-	-	-	-	-	(474.06)
	-	-	-	-	-	-	-	(1,921.17)
	20.00	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	(3.11)	-	-	-	-	-
	-	-	-	(24.48)	-	-	-	(24.48)
	-	-	-	111.13	-	-	-	111.13
	-	-	-	-	-	16.09	-	16.09
	223.48	**53.72**	**-**	**(45.77)**	**18,475.86**	**(149.41)**	**-**	**1,00,692.33**

STANDALONE FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2019

	Reserves and Surplus			
	Retained Earnings	**Bond Redemption Reserve**	**Capital Redemption Reserve**	**Capital Reserve**
Profit for the Year	16,894.15	-	-	-
Other Comprehensive Income	(41.90)*	-	-	-
Total Comprehensive Income	**16,852.25**	**-**	**-**	**-**
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	-
Appropriation towards Interim Dividend	(7,775.62)	-	-	-
Appropriation towards Final Dividend	(1,895.88)	-	-	-
Appropriation towards Dividend Distribution Tax	(1,985.29)	-	-	-
Appropriation towards Insurance Reserve (Net)	(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	-	-	-	-
FCMITDA amortised during the year	-	-	-	-
Transferred to Statement of Profit and Loss (recycling)	-	-	-	-
Closing Balance as at March 31, 2019	**79,533.78**	**3,152.64**	**297.65**	**183.08**

* Remeasurement of Defined Benefit Plans

(₹ in Crore)

	Reserves and Surplus				Items of Other Comprehensive Income			Total
	Insurance Reserve	Export Profit Reserve	Corporate Social Responsibility Reserve	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Fair value of Equity Instruments	Fair value of Debt Instruments	Cash Flow Hedge Reserve	
	-	-	-	-	-	-	-	16,894.15
	-	-	-	-	(2,403.66)	105.46	15.68	(2,324.42)
	-	**-**	**-**	**-**	**(2,403.66)**	**105.46**	**15.68**	**14,569.73**
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(4,145.15)
	-	-	-	-	-	-	-	(7,775.62)
	-	-	-	-	-	-	-	(1,895.88)
	-	-	-	-	-	-	-	(1,985.29)
	17.61	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	(138.40)	-	-	-	(138.40)
	-	-	-	148.39	-	-	-	148.39
	-	-	-	-	-	-	6.36	6.36
	241.09	**53.72**	**-**	**(35.78)**	**16,072.20**	**(43.95)**	**22.04**	**99,476.47**

For and on Behalf of Board of Directors

Sd/- **(Sanjiv Singh)** Chairman DIN - 05280701	Sd/- **(A. K. Sharma)** Director (Finance) DIN - 06665266	Sd/- **(Kamal Kumar Gwalani)** Company Secretary ACS - 13737

As per our attached Report of even date

For S.K. MEHTA & CO. Chartered Accountants (Firm Regn. No. 000478N)	**For V SANKAR AIYAR & CO.** Chartered Accountants (Firm Regn. No.109208W)	**For CK PRUSTY & ASSOCIATES** Chartered Accountants (Firm Regn. No. 323220E)	**For V. SINGHI & ASSOCIATES** Chartered Accountants (Firm Regn. No. 311017E)
Sd/- **(CA. ROHIT MEHTA)** Partner M. No. 091382	Sd/- **(CA. M.S. BALACHANDRAN)** Partner M. No. 024282	Sd/- **(CA. GV. JAYABAL)** Partner M. No. 015616	Sd/- **(CA. V. K. SINGHI)** Partner M. No. 050051

Place : New Delhi
Date : 17 May, 2019

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, 2019.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in 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 on May 17, 2019.

II. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION

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 ("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 stand-alone 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 policy regarding financial instruments),

1.3 The stand-alone 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 The cost of an item of property, plant and equipment 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.

2.1.2 PPE are stated at acquisition cost less accumulated depreciation/amortization and cumulative impairment except freehold land which is stated at historical cost.

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 on Projects

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 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.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

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 is capitalised. However, where such computer software is still in development stage, cost incurred during the development stage of such software are accounted as "Intangible Assets Under Development".

2.3.4 Right of ways with indefinite useful lives are not amortised, but are 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 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. Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is reflected 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 economic 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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

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 Companies Act, 2013 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, whichever is earlier,

d) In case of certain assets of R&D Centre useful life is considered based on technical assessment,

e) In case of immovable assets constructed on leasehold land, useful life as per Schedule-II or lease period of land (including renewable/likely renewable period), whichever is earlier and

f) In other cases Spare Parts etc. useful life 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 generally considered between 0 to 5% of cost of assets except in few cases where it is considered based on transfer value

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

agreed in respective agreement. Further, in case of catalyst with noble metal content, residual value is considered based on the cost of metal content.

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.

3. LEASES

3.1 A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

3.2 Operating Leases as a Lessee:

Lease rentals are recognized pro rata on quarterly basis as expense on a straight line basis with reference to lease terms and other considerations except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken on lease; or

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Contingent rentals are recognised as expense in the periods in which it is incurred.

3.3 Operating Leases as a Lessor:

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease; or

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.4 Finance Leases as Lessee:

(i) Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance cost in the Statement of Profit and Loss, unless the same are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expense in the periods in which it is incurred.

(ii) A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

3.5 Finance Leases as Lessor:

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.

3.6 The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

4. IMPAIRMENT OF NON-FINANCIAL 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

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

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 assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. 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 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 investments, fixed assets 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 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.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

(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.

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. 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, an adhoc 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, CONTINGENCIES & CONTIGENT 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, 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. Increase in carrying amount of provisions, where interest rate is specified, are accounted in finance cost to the extent of increase attributable to passage of time.

8.1.4 **Decommissioning Liability**

Decommissioning cost 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:

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

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 FROM CONTRACTS WITH CUSTOMERS

9.1 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).

9.2 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.

9.3 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.

9.4 Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved

The Company provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The volume rebates/Cash discount give rise to variable consideration. To estimate the variable consideration for the expected future rebates/cash discount, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract and accordingly, the Company recognizes a refund liability for the expected future rebates.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

9.5 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

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 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 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.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

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 discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- service cost comprising current service cost, past-service cost, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

13. GRANTS

13.1 Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

13.2 Grant relating to Assets (Capital Grants)

In case of grants relating to depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Deferred income which are recognized as income 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.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

14. OIL & GAS EXPLORATION ACTIVITIES

14.1 Pre-Acquisition Cost:

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

14.2 Exploration Stage:

Acquisition cost relating to projects under exploration are initially accounted as "Intangible Assets under Development". The expenses on oil and gas assets that is classified as intangible include:

- acquired rights to explore

- exploratory drilling cost

Cost of Survey and prospecting activities conducted in the search of oil and gas are expensed as exploration cost in the year in which these are incurred

If the project is not viable based upon technical feasibility and commercial viability study, then all cost relating to Exploratory Wells are expensed in the year when determined to be dry.

If the project is proved to be viable, then all cost relating to drilling of Exploratory Wells shall be continued to be presented as "Intangible Assets under Development".

14.3 Development Stage:

Acquisition cost relating to projects under development stage are presented as "Capital work-in-progress".

When a well is ready to commence commercial production, the capitalised cost corresponding to proved developed oil and gas reserves is reclassified as "Completed wells/Producing wells" from "Capital work-in-progress/Intangible Asset 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.

15. CURRENT VERSUS NON-CURRENT CLASSIFICATION

15.1 The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

15.2 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.

15.3 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

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

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.

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.

Subsequent measurement

For purposes 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 Assets 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

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, JVs 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

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

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, JVs 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 17

Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables.

The application of si mplified 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.

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

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

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 measured at amortised cost net of directly attributable transaction cost.

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 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 recognised less cumulative amortisation.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

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

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting.

17.5.2 **Derivatives that are not designated as hedge instrument**

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through the Statement of Profit and Loss and are included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

17.6 Commodity Contracts

Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

18. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

19. TREASURY SHARES

Pursuant to 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.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

21. EARNINGS PER SHARE

The basic Earnings Per Share ("EPS") is computed by dividing the net profit/(loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. The Company did not have any potentially dilutive securities in the years presented.

III. New Standards/amendments and other changes effective April 1,2018

Ind AS 115, Revenue from Contract with Customers

The Company has adopted this Ind AS w.e.f April 1, 2018. The effect of this standard along with relevant disclosures are provided in Note-47.

Amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

The Company has adopted the amendments w.e.f April 1, 2018. The effect of this amendment is not material.

Ind AS-109 Hedge Accounting

The Company has adopted hedge accounting w.r.t. derivative transactions entered w.e.f April 1, 2018. The effect of this adoption along with relevant disclosures are provided in Note-40.

IV. Standards issued but not yet effective

The Ministry of Corporate Affairs vide its notifications dated March 30, 2019 has notified Ind AS-116 Leases and certain amendments to existing Ind AS. These amendments are applicable from April 1, 2019 to the Company. The Company's assessment of the impact of the new standards and amendments, to the extent applicable, is set out below.

(1) Ind AS- 116 Leases

Ind AS 116 replaces Ind AS 17 Leases. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less).

Lessor accounting under Ind AS 116 is substantially unchanged from accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases. Ind AS 116, requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Transition to Ind AS 116

The Company plans to adopt Ind AS 116 retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application i.e. April 1, 2019. The Company will not restate comparative amounts for the year prior to first adoption. The Company plans to elect for the following practical expedients:

1. Not applying the standard to contracts that were not previously identified as containing a lease applying Ind AS 17 and
2. Not applying the standard to lease contracts for which the lease terms ends within 12 months as of the date of initial application.

As lessee, the impact of Ind AS 116 adoption is expected to be, as follows:

Impact on the Balance Sheet as at April, 1 2019:

Assets	₹ crore
Increase in non- current assets -right-of-use assets	4,222.22
Decrease in Prepaid Rentals	(1,938.57)
Liabilities	
Increase in lease obligations	2,283.65
Net impact on equity	-

Impact on the Statement of Profit and Loss (increase/(decrease)) :

Assets	₹ crore
Increase in Depreciation and Amortization	322.33
Decrease in Other Expenses	(419.54)
Operating profit	97.21
Increase in Finance costs	197.31
Profit Before Tax	**(100.10)**

(2) Ind AS-12 Income Taxes

Appendix C - Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The Company will apply the above change from its effective date. Based on the assessment done by the company, impact of this appendix is likely to be insignificant on the financial statements.

Other Amendments

This amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. This amendment will not have any material effect on the financial statements.

(3) Amendment to Ind AS 19 –Employee Benefits relating to Plan amendment, curtailment or settlement

The amendments address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company. This amendment will not have any material effect on the financial statements.

(4) Amendment to Ind AS 23, Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. This amendment will not have any material effect on the financial statements.

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.

Lease classification in case of leasehold land

The Company has obtained various lands from the governments for the purpose of plants, facilities and offices. These lands are having various tenures and at the end of lease term, the lease could be extended for another term or the land could be returned to the government authority. Since land has an indefinite economic life, the mangement has considered 99 years and above cases for finance lease if at the inception of the lease, the present value of minimum lease payments are substantialy equal to fair value of leased assets. Furthers cases between 90-99 are also evaluated for finance lease on the basis of principle that present value of the minimum lease payments are substantially equal to fair value of the leased asset. In addition, other indicators such as the lessee's ability to renew lease for another term at substantially below market rent, lessee's option to purchase at price significantly below fair value are also examined for classification of land lease. Leases not meeting the finance lease criteria are classified under operating leases.

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

NOTES TO FINANCIAL STATEMENTS

NOTE - 1B : SIGNIFICANT ACCOUNTING ESTIMATES & JUDGEMENTS

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 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. Also refer Note-40 for impairment analsysis and provision.

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	Total
		(Refer A&F)	(Refer A&F)	(Refer B&F)								
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**
Gross Block	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
Gross Block	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
Gross Block	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	**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	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
DEPRECIATION & AMORTISATION	Disposals/Deductions/ Transfers/Reclassifications	-	(8.67)	(21.54)	(34.55)	(35.96)	(2.26)	1.27	(2.15)	-	-	(103.86)
DEPRECIATION & AMORTISATION	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
DEPRECIATION & AMORTISATION	**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**

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	Total
		(Refer A&F)	(Refer A&F)	(Refer B&F)								
Gross Block	**Gross Block as at April 1, 2017**	**1,940.58**	**211.36**	**10,361.87**	**1,02,767.14**	**775.31**	**49.51**	**434.55**	**104.77**	**974.53**	-	**1,17,619.62**
Gross Block	Additions during the year	926.74	53.48	184.86	6,011.13	214.56	6.23	39.53	8.93	15.21	-	7,460.67
Gross Block	Transfers from construction work-in-progress	0.09	2.09	1,089.38	4,625.39	86.31	0.51	36.02	22.88	129.88	178.23	6,170.78
Gross Block	Disposals/Deductions/ Transfers/Reclassifications	(21.15)	20.41	(82.67)	(716.05)	(13.10)	0.75	19.77	5.78	(0.67)	-	(786.93)
Gross Block	**Gross Block as at March 31, 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**
DEPRECIATION & AMORTISATION	**Depreciation & Amortisation as at April 1, 2017**	-	**3.48**	**1,185.46**	**9,022.85**	**324.60**	**10.68**	**89.22**	**13.10**	**69.50**	-	**10,718.89**
DEPRECIATION & AMORTISATION	Depreciation & Amortisation during the year (Refer D)	-	4.49	571.45	6,081.91	212.54	6.53	67.60	9.20	40.91	2.28	6,996.91
DEPRECIATION & AMORTISATION	Disposals/Deductions/ Transfers/Reclassifications	-	9.72	(53.71)	(116.17)	(10.23)	2.91	23.12	5.13	(0.08)	-	(139.31)
DEPRECIATION & AMORTISATION	Depreciation & Amortisation as at March, 31 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	**Net Block as at March 31, 2018**	**2,846.26**	**269.65**	**9,850.24**	**97,699.02**	**536.17**	**36.88**	**349.93**	**114.93**	**1,008.62**	**175.95**	**1,12,887.65**

NOTES TO FINANCIAL STATEMENTS

NOTE - 2 : PROPERTY, PLANT AND EQUIPMENT (Contd...)

A. i) Freehold Land includes ₹**22.13 crore** (2018: ₹21.26 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.

B. i) Buildings include ₹**0.01 crore** (2018: ₹0.01 crore) towards value of **1605** (2018: 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 ₹**2,945.52 crore** (2018: ₹2,040.91 crore) and net block amounting to ₹**1,809.3 crore** (2018: ₹1,271.68 crore).

C. During the year ₹**1,758.66 crore** (2018: ₹942.39 crore) has been availed as VAT CREDIT/CENVAT/GST ITC out of capital expenditure on CWIP/assets. The cost of assets are net of VAT CREDIT/CENVAT/GST ITC, wherever applicable.

D. Depreciation and amortisation for the year includes ₹**8.22 crore** (2018: ₹2.34 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 assets of the Company, WDV of such assets is ₹**70.1 crores** (2018: ₹70.63 crores). This includes WDV of assets worth ₹**7.09 crore** (2018: ₹8.21 crore) which are not in operation at present. However, considering the right on the assets and future commercial interest of the company, these assets are continued to be reflected as PPE.

F. Land and Buildings include ₹**199.83 crore** (2018: ₹211.94 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.

Details of assets under lease included in the above (other than leasehold land):

(₹ in Crore)

Asset Particulars	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at March 31, 2019	W.D.V. as at March 31, 2018
Taken on Finance Lease					
Buildings	9.90	0.94	-	**8.96**	9.19
Plant and Equipment	4,109.34	794.64	-	**3,314.70**	3,476.95
Transport Equipment	3.74	1.59	-	**2.15**	2.61
Given on Operating Lease					
Buildings	1.00	0.11	-	**0.89**	1.97
Plant and Equipment	2.63	0.57	-	**2.06**	1.66

Details of Company's share of Jointly Owned Assets included in the above:

(₹ in Crore)

Asset Particulars	Name of Joint Owner	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at March 31, 2019	W.D.V. as at March 31, 2018
Land - Freehold	HPC/BPC	3.27	-	-	**3.27**	3.27
Land - Leasehold	BPC	0.05	-	-	**0.05**	-
Buildings	HPC/BPC/OTHERS	41.11	7.57	-	**33.54**	26.89
Plant and Equipment	HPC/BPC/GSFC/IPCL/GNRE	62.46	11.97	-	**50.49**	42.46
Railway Sidings	HPC/BPC	12.76	3.98	-	**8.78**	7.67
Drainage,Sewage & Water Supply	HPC/BPC/GSFC	0.45	0.05	-	**0.40**	0.24
TOTAL		**120.10**	**23.57**	-	**96.53**	**80.53**

NOTES TO FINANCIAL STATEMENTS

NOTE - 2 : PROPERTY, PLANT AND EQUIPMENT (Contd...)

Additions to Gross Block Includes:

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Land - Freehold	-	-	-	-
Land - Leasehold	-	-	-	-
Buildings	11.18	1.40	-	0.39
Plant and Equipment	534.62	153.39	17.30	136.49
Office Equipments	0.07	-	-	0.04
Transport Equipment	-	-	-	-
Furniture & Fixtures	-	-	-	-
Railway Sidings	-	-	-	-
Drainage, Sewage & Water Supply	24.90	18.65	-	8.78
Water Supply				
TOTAL	570.77	173.44	17.30	145.70

NOTE - 2.1 : CAPITAL WORK IN PROGRESS

(₹ in Crore)

Particulars		March 31, 2019		March 31, 2018
Construction Work in Progress - Tangible Assets				
(Including unallocated capital expenditure, materials at site)				
Balance as at beginning of the year	A	9,732.86		6,976.37
Add: Additions during the year		12,257.78		8,698.53
Less: Allocated/Adjusted during the year		6,463.11		5,942.04
		15,527.53		9,732.86
Less: Provision for Capital Losses		30.89		20.09
			15,496.64	9,712.77
Capital Stores				
Balance as at beginning of the year	B	2,681.67		1,769.17
Add: Additions during the year		4,708.43		3,074.85
Less: Allocated/Adjusted during the year		2,676.75		2,162.35
		4,713.35		2,681.67
Less: Provision for Capital Losses		7.60		7.72
			4,705.75	2,673.95
Capital Goods in Transit			1,049.95	597.63
Construction Period Expenses pending allocation:				
Balance as at beginning of the year		675.88		1,135.12
Add: Net expenditure during the year (Note - 2.2)		494.02		454.40
		1,169.90		1,589.52
Less: Allocated/Adjusted during the year		261.72		913.64
			908.18	675.88
TOTAL			22,160.52	13,660.23
A. Includes Capital Expenditure relating to ongoing Oil & Gas Exploration & Production activities.			122.28	54.73
B. Includes Stock lying with Contractors			191.06	108.84
C. Specific borrowing eligible for capitalisation (Rate)			5.75% to 8.12%	1.80% to 9.27%

NOTES TO FINANCIAL STATEMENTS

NOTE - 2.2 : CONSTRUCTION PERIOD EXPENSES (NET) DURING THE YEAR

(₹ in Crore)

Particulars	2018-19	2017-18
Employee Benefit Expenses	341.34	310.43
Repairs and Maintenance	5.28	2.87
Consumption of Stores and Spares	-	1.89
Power & Fuel	33.09	2.81
Rent	3.26	8.58
Insurance	7.44	15.33
Rates and Taxes	3.86	2.61
Travelling Expenses	39.31	34.19
Communication Expenses	1.22	1.11
Printing and Stationery	0.65	0.72
Electricity and Water Charges	8.53	2.73
Bank Charges	0.01	0.11
Technical Assistance Fees	2.31	0.74
Exchange Fluctuation	0.18	(2.68)
Finance Costs	3.16	19.25
Depreciation and Amortization on:		
Tangible Assets	8.22	2.34
Intangible Assets	0.01	-
Others	47.09	54.03
Total Expenses	**504.96**	**457.06**
Less : Recoveries	**10.94**	**2.66**
Net Expenditure during the year	**494.02**	**454.40**

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, 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**

Previous Year

(₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
GROSS BLOCK	**Gross Block as at April 1, 2017**	**259.51**	**757.38**	**72.17**	**1,089.06**
	Additions during the year	41.46	26.08	26.34	93.88
	Transfers from Intangible Assets under Development	18.82	0.23	21.49	40.54
	Deductions/Transfers/Reclassifications	(0.24)	(0.39)	(0.52)	(1.15)
	Gross Block as at March 31, 2018	**319.55**	**783.30**	**119.48**	**1,222.33**
AMORTISATION	**Amortisation as at April 1, 2017**	**0.52**	**65.45**	**44.33**	**110.30**
	Amortisation during the year	2.47	40.83	29.14	72.44
	Disposals/Deductions/Transfers/Reclassifications	-	0.26	(0.34)	(0.08)
	Amortisation as at March 31, 2018	2.99	106.54	73.13	182.66
	Net Block as at March 31, 2018	**316.56**	**676.76**	**46.35**	**1,039.67**

NOTES TO FINANCIAL STATEMENTS

NOTE - 3 : INTANGIBLE ASSETS (Contd...)

A. Amortisation for the year includes ₹**0.01 crore** (2018: ₹NIL) relating to construction period expenses shown in Note 2.2

B. Net Block of Intangible Assets with indefinite useful life

(₹ in Crore)

	March 31, 2019	March 31, 2018
Right of Way	**586.64**	298.72

Right of way for laying pipelines are acquired on a perpetual basis.

C. Details of Company's share of Jointly Owned Assets included in the above:

(₹ in Crore)

Assets Particulars	Name of Joint Owner	Gross Block	Accumulated Depreciation & Amortisation	W.D.V. As at March 31, 2019	W.D.V. As at March 31, 2018
Computer Software	HPC/BPC	0.93	0.46	**0.47**	0.38
TOTAL		**0.93**	**0.46**	**0.47**	**0.38**

NOTE - 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

Particulars	March 31, 2019		March 31, 2018
Work in Progress - Intangible Assets			
(Including Unallocated Capital Expenditure)			
Balance as at beginning of the year	**928.01**		729.54
Add: Net expenditure during the year	**853.87**		302.43
	1,781.88		**1,031.97**
Less: Allocated/Adjusted during the year	**103.63**		103.96
	1,678.25		**928.01**
Less: Provision for Loss	**239.81**		239.81
		1,438.44	688.20
TOTAL		**1,438.44**	**688.20**
A. Includes Capital Expenditure (Net) relating to ongoing Oil & Gas Exploration & Production activities.		**239.27**	196.68
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

(₹ in Crore)

	Particulars	Investment Currency	Face Value/Paid up Value	March 31, 2019					March 31, 2018				
				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)
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	**4204835**	**100**	**296.18**	**-**	**296.18**	4204835	100	294.03	-	294.03
	IOCL (USA) Inc.	USD	0.01	**5763538921**	**0.01**	**336.32**	**-**	**336.32**	5763538921	0.01	336.32	-	336.32
	Indian Catalyst Private Limited (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**	**(564.27)**	**7,276.08**	1116302435	1	6,104.48	(564.27)	5,540.21
	IOCL Singapore PTE Ltd	USD	1	**1079991988**	**1**	**7,128.82**	**-**	**7,128.82**	730990136	1	4,855.71	-	4,855.71
	Sub-total: (I)(A)					**16,394.28**	**(568.99)**	**15,825.29**			**12,383.15**	**(568.99)**	**11,814.16**
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**
C	In Joint Ventures (At Cost):												
	UNQUOTED:												

NOTES TO FINANCIAL STATEMENTS

NOTE - 4 : INVESTMENTS (Contd...)

(₹ in Crore)

Particulars	Investment Currency	Face Value/Paid up Value	March 31, 2019					March 31, 2018				
			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)
Indian Oiltanking Limited (formerly known as IOT Infrastructure & Energy Services Limited)	Indian Rupees	10	**494828289**	**10**	**723.98**	**(316.66)**	**407.32**	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	**120125030**	**10**	**120.13**	**-**	**120.13**	100625030	10	100.63	-	100.63
GSPL India Transco Limited	Indian Rupees	10	**99060000**	**10**	**99.06**	**-**	**99.06**	99060000	10	99.06	-	99.06
Indian Oil Adani Gas Private Limited	Indian Rupees	10	**185500000**	**10**	**185.50**	**-**	**185.50**	124000000	10	124.00	-	124.00
Mumbai Aviation Fuel Farm Facility Private Limited	Indian Rupees	10	**48288750**	**10**	**48.29**	**-**	**48.29**	41888750	10	41.89	-	41.89
Kochi Salem Pipeline Private Limited	Indian Rupees	10	**96250000**	**10**	**96.25**	**-**	**96.25**	75000000	10	75.00	-	75.00
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	**440325000**	**10**	**440.33**	**-**	**440.33**	333250000	10	333.25	-	333.25
Ratnagiri Refineries & Petrochemicals Limited	Indian Rupees	10	**50000000**	**10**	**50.00**	**-**	**50.00**	50000000	10	50.00	-	50.00

NOTES TO FINANCIAL STATEMENTS

NOTE - 4 : INVESTMENTS (Contd...)

(₹ in Crore)

	Particulars	Investment Currency	Face Value/Paid up Value	March 31, 2019					March 31, 2018				
				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)
	Indradhanush Gas Grid Limited	Indian Rupees	10	5000000	10	5.00	-	5.00	-	-	-	-	-
	Indian Oil Ruchi Biofuels LLP (Capital Fund) (under Insolvency Resolution Process)	Indian Rupees		-	-	-	-	-	-		1.60	(1.60)	-
	Sub-total: (I)(C)					**2,350.25**	**(322.48)**	**2,027.77**			**2,131.12**	**(324.08)**	**1,807.04**
	Total Investments in Subsidiaries, Associates & JVs [(I)(A)+(I)(B)+(I)(C)]					**18,873.98**	**(917.47)**	**17,956.51**			**14,643.72**	**(919.07)**	**13,724.65**
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	13,985.37	15,765.49	986885142	5	1,780.12	15,766.70	17,546.82
	GAIL (India) Limited	Indian Rupees	10	54452730	10	122.52	1,770.53	1,893.05	54452730	10	122.52	1,666.53	1,789.05
	Oil India Limited	Indian Rupees	10	53501100	10	1,123.52	(131.35)	992.17	5501100	10	1,123.52	33.97	1,157.49
	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	501.75	651.75	150000000	10	150.00	576.75	726.75
	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	1663	10	-	-	-	1663	10	-	-	-

NOTES TO FINANCIAL STATEMENTS

NOTE - 4 : INVESTMENTS (Contd...)

(₹ in Crore)

	Particulars	Investment Currency	Face Value/Paid up Value	March 31, 2019					March 31, 2018				
				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)
	In Indian Oil Cooperative Consumer Stores Limited, Delhi[g]	Indian Rupees	10	**375**	**10**	**-**	**-**	**-**	375	10	-	-	-
	Sub-total: (I)(D)					**3,176.28**	**16,126.30**	**19,302.58**			**3,176.28**	**18,043.95**	**21,220.23**
	Sub-total: (I) = [(I)(A)+(I)(B)+(I)(C)+(I)(D)]					**22,050.26**	**15,208.83**	**37,259.09**			**17,820.00**	**17,124.88**	**34,944.88**
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**	**58.38**	**558.38**	500000000	10	500.00	48.38	548.38
	Sub-total: (II)(A)					**500.00**	**58.38**	**558.38**			**500.00**	**48.38**	**548.38**
B	**In Others**												
	UNQUOTED:												
	Shama Forge Co. Limited[h] (under liquidation) 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			**-**	**-**	**-**	460000	10000	460.00	(4.20)	455.80
	9.15% Govt Stock 2024	Indian Rupees	10000	**1960000**	**10000**	**2,242.91**	**(101.60)**	**2,141.31**	1960000	10000	2,242.91	(123.70)	2,119.21
	7.35% Govt. Stock 2024	Indian Rupees	10000	**695000**	**10000**	**704.04**	**2.09**	**706.13**	695000	10000	704.04	(12.58)	691.46
	Sub-total: (III)					**2,946.95**	**(99.51)**	**2,847.44**			**3,406.95**	**(140.48)**	**3,266.47**
IV	**In Debentures or Bonds**												
	Investments at fair value through profit and loss												

NOTES TO FINANCIAL STATEMENTS

NOTE - 4 : INVESTMENTS (Contd...)

(₹ in Crore)

Particulars	Investment Currency	Face Value/Paid up Value	March 31, 2019					March 31, 2018				
			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)
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**	**21.67**	**674.67**	3265	1000000	326.50	2.71	329.21
Sub-total: (IV)					**653.00**	**21.67**	**674.67**			**326.50**	**2.71**	**329.21**
Total Other Investments [(I)(D) + (II) + (III) + (IV)]					**7,276.23**	**16,106.84**	**23,383.07**			**7,409.73**	**17,954.56**	**25,364.29**
Total Non Current Investments (I+II+III+IV)					**26,150.21**	**15,189.37**	**41,339.58**			**22,053.45**	**17,035.49**	**39,088.94**
CURRENT INVESTMENTS:												
In Government Securities (at fair value through OCI)												
Quoted:												
Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	**8366020**	**10000**	**8,366.02**	**49.78**	**8,415.80**	7906020	10000	7,906.01	(40.38)	7,865.63
In Preference Shares												
Investments at fair value through profit and loss												
In Subsidiary Companies:												
UNQUOTED:												-
Chennai Petroleum Corporation Limited 6.65% Cum. Redeemable Non Convertible Preference Shares	Indian Rupees	10			-	-	-	500000000	10	500.00	33.69	533.69
TOTAL					**8,366.02**	**49.78**	**8,415.80**			**8,406.01**	**(6.69)**	**8,399.32**

NOTES TO FINANCIAL STATEMENTS

NOTE - 4 : INVESTMENTS (Contd...)

(₹ in Crore)

	Particulars	March 31, 2019	March 31, 2018
	Aggregate carrying value of quoted investments	**30,716.16**	32,427.67
	Aggregate market value of quoted investments	**37,039.33**	38,999.10
	Aggregate carrying value of unquoted investments	**19,039.22**	15,060.59
	Aggregate amount of impairment in value of investments	**917.47**	919.07

Followings are not reflected above due to rounding off:-

Amount in ₹

	Particulars	March 31, 2019	March 31, 2018
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
	1. Investment in Equity Shares:		
	IOC Sweden AB	-	2.15
	IndOil Global B.V. Netherlands	15000000	1,735.87
	IOCL Singapore Pte. Ltd.	349001852	2,273.11
	GSPL India Gasnet Ltd.	19500000	19.50
	IndianOil Adani Gas Pvt. Ltd.	61500000	61.50
	Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	6400000	6.40
	Kochi Salem Pipelines Private Limited	21250000	21.25
	Hindustan Urvarak and Rasayan Limited	107075000	107.08
	Indradhanush Gas Grid Limited	5000000	5.00
	2. Investment in Compulsorily Convertible Debentures:		
	IndianOil LNG Private Limited	3265	326.50

NOTES TO FINANCIAL STATEMENTS

NOTE - 4 : INVESTMENTS (Contd...)

Note: B

Investment in Oil Marketing Companies GOI Special Bonds consists of:

Nature of Bond	Number of Bonds	Face Value (₹ in Crore)	Fair value (₹ in Crore)
Current investment:			
8.13% GOI SPECIAL BONDS 2021	78000	78.00	79.83
7.95% GOI SPECIAL BONDS 2025	457250	457.25	466.78
8.20% GOI SPECIAL BONDS 2023	1453510	1,453.51	1,499.71
6.90% GOI SPECIAL BONDS 2026	3082930	3,082.93	2,969.50
8.00% GOI SPECIAL BONDS 2026	189270	189.27	193.40
8.20% GOI SPECIAL BONDS 2024	3105060	3,105.06	3,206.58
Total Current Investments	**8366020**	**8,366.02**	**8,415.80**

Note: C - Other Disclosures

1 During the year, Oil Marketing Companies 6.90% and 8.20% GOI special Bonds of Investments value of ₹**200.00 crore** and ₹**260.00 crore** respectively are reclassified from non-current investments to current investment.

2 During the year, out of the total investment of ₹**1,000.00 Crore** in 6.65% Cum. Redeemable Non Convertible Preference Shares of Chennai Petroleum Corporation Limited, ₹**500.00** Crore has been redeemed.

3 Out of Government Securities classified as non-current, the following are pledged in favour of Clearing Corporation of India Ltd. (CCIL) for Loans through Tri-party Repo Segment (TREPS) of CCIL.

(₹ in Crore)

Nature of Bonds	March 31, 2019		March 31, 2018	
	Face Value	Carrying Value	Face Value	Carrying Value
6.90% Oil Marketing Companies GOI Special Bonds 2026	-	-	200.00	189.29
9.15% GOVT.STOCK 2024	1,960.00	2,141.31	1,960.00	2,119.21
7.35% GOVT.STOCK 2024	695.00	706.13	695.00	691.46

4 Out of Oil Marketing Companies GOI Special Bonds,the following has been earmarked in line with the requirement of Companies (Share Capital and Debentures) Rules, 2014.

(₹ in Crore)

Nature of Bonds	March 31, 2019		March 31, 2018	
	Face Value	Carrying Value	Face Value	Carrying Value
8.20% GOI SPECIAL BONDS 2023	-	-	258.27	264.74

NOTES TO FINANCIAL STATEMENTS

NOTE - 5 : LOANS (Unsecured, Considered Good at amortised cost unless otherwise stated)

(₹ in crore)

Particulars		Non Current			Current		
		March 31, 2019		March 31, 2018	March 31, 2019		March 31, 2018
Security Deposits							
To Others							
Secured, Considered Good		**0.06**		0.06	**-**		0.13
Unsecured, Considered Good		**137.13**		123.08	**168.19**		119.34
Unsecured, Considered Doubtful		**0.20**		0.20	**1.36**		1.38
		137.39		123.34	**169.55**		120.85
Less : Provision for Doubtful Deposits		**0.20**		0.20	**1.36**		1.38
			137.19	**123.14**		**168.19**	**119.47**
Loans	A						
To Related Parties							
Secured, Considered Good		**0.13**		0.10	**0.04**		0.05
Unsecured, Considered Good		**236.35**		120.69	**7.08**		89.69
Which have significant increase in Credit Risk		**-**		-	**-**		-
Credit Impaired		**-**		-	**2.25**		2.25
		236.48		**120.79**	**9.37**		**91.99**
Less : Provision for Doubtful Loans		**-**		-	**2.25**		2.25
		236.48		**120.79**	**7.12**		**89.74**
To Others							
Secured, Considered Good		**734.10**		656.39	**113.65**		103.62
Unsecured, Considered Good		**1,173.63**		1,130.69	**1,089.24**		117.73
Which have significant increase in Credit Risk		**-**		162.16	**1,141.71**		-
Credit Impaired		**-**		-	**1.38**		0.86
		1,907.73		**1,949.24**	**2,345.98**		**222.21**
Less : Provision for Doubtful Loans		**-**		162.16	**1,143.09**		0.86
		1,907.73		**1,787.08**	**1,202.89**		**221.35**
			2,144.21	**1,907.87**		**1,210.01**	**311.09**
TOTAL			**2,281.40**	**2,031.01**		**1,378.20**	**430.56**
A. Includes:							
1. Loans valued at Fair Value through Profit or Loss (FVTPL)			**147.29**	120.56		**-**	-
2. Due from Directors			**0.14**	0.23		**0.08**	0.11
3. Due from Other Officers			**3.70**	2.08		**2.05**	1.42

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, 2019		March 31, 2018	March 31, 2019		March 31, 2018
Advances for Investments	A						
Subsidiary Companies			-	1,494.66		-	-
Amount Recoverable from Central/State Government			-	-		19,120.96	9,438.97
Finance Lease Receivables			41.47	0.38		18.50	0.69
Deposits for Leave Encashment Fund (refer Note - 48)			-	2,088.11		-	-
Interest Accrued on Investments/ Bank Deposits/Loans			-	-		196.35	187.64
Derivative instruments at fair value through profit or loss			-	-		35.56	2.93
Advance to Employee Benefits Trusts/Funds (refer Note - 48)			141.06	147.42		63.56	121.96
Receivables on Agency Sales			-	-		2,511.59	4,020.25
Others	B	19.72		33.99	801.07		1,524.87
Less: Provision for doubtful asset		-		-	6.21		6.22
			19.72	33.99		794.86	1,518.65
TOTAL			202.25	3,764.56		22,741.38	15,291.09
A. Advances for equity pending allotment.							
B. Mainly includes:							
1. Amount held with bank for purchase of foreign currency for value date April 2, 2018.						-	907.92
2. Interest receivables from Air India Limited						544.03	465.04

NOTE - 7 : INCOME TAX/CURRENT TAX ASSET/(LIABILITY) - NET

(₹ in crore)

Particulars	Non Current			Current		
	March 31, 2019		March 31, 2018	March 31, 2019		March 31, 2018
Income Tax/Current Tax Asset/(Liability) - Net						
Advance payments for Current Tax	21,121.87		21,367.83	486.60		2.04
Less : Provisions	19,774.02		20,076.50	-		-
		1,347.85	1,291.33		486.60	2.04
TOTAL		1,347.85	1,291.33		486.60	2.04
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, 2019		March 31, 2018	March 31, 2019		March 31, 2018
Advances for Capital Expenditure							
To Related Parties							
Unsecured, Considered Good		**0.03**		8.77	**-**		-
		0.03		**8.77**	**-**		**-**
To Others							
Secured, Considered Good		**3.20**		-	**-**		-
Unsecured, Considered Good		**1,347.05**		757.32	**-**		-
Unsecured, Considered Doubtful		**0.09**		0.09	**-**		-
		1,350.34		**757.41**	**-**		**-**
		1,350.37		**766.18**	**-**		**-**
Less: Provision for Doubtful Advances		**0.09**		0.09	**-**		-
			1,350.28	**766.09**		**-**	**-**
Advances Recoverable							
From Related Parties							
Unsecured, Considered Good		**264.05**		286.52	**27.01**		24.78
From Others							
Secured, Considered Good		**-**		-	**-**		0.16
Unsecured, Considered Good		**-**		219.51	**2,657.04**		1,758.10
Unsecured, Considered Doubtful		**-**		-	**4.96**		3.43
		-		219.51	**2,662.00**		1,761.69
Less : Provision for Doubtful Advances		**-**		-	**4.96**		3.43
		-		**219.51**	**2,657.04**		**1,758.26**
			264.05	**506.03**		**2,684.05**	**1,783.04**
Claims Recoverable:	A						
From Related Parties							
Unsecured, Considered Good		**-**		-	**1.99**		3.43
Unsecured, Considered Doubtful		**-**		-	**2.61**		2.61
		-		**-**	**4.60**		**6.04**
From Others							
Unsecured, Considered Good		**-**		-	**744.64**		624.22
Unsecured, Considered Doubtful		**-**		-	**170.06**		203.46
		-		-	**914.70**		827.68
Less : Provision for Doubtful Claims		**-**		-	**172.67**		206.07
			-	**-**		**746.63**	**627.65**
Balance/Deposits with Government Authorities							
Unsecured, Considered Good				-		**475.08**	439.04
Gold/Other Precious Metals		**-**		-	**58.94**		162.70
Less : Provision for Diminution in value		**-**		-	**11.44**		13.04
			-	**-**		**47.50**	**149.66**

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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deferred Expenses	**718.64**	630.47	**177.77**	187.72
Prepaid Rentals	**1,453.76**	1,330.76	**52.95**	73.45
TOTAL	**3,786.73**	**3,233.35**	**4,183.98**	**3,260.56**
A. Includes:				
1. Customs/Excise Duty/DEPB/ Duty Drawback Claims which are in the process of being claimed with the Department.	**-**	-	**6.75**	6.10
2. Claims recoverable from Customs Authorities pending for final assessment/ settlement.	**-**	-	**59.70**	67.27

NOTE - 9 : INVENTORIES

(₹ in Crore)

Particulars		March 31, 2019		March 31, 2018
In Hand :				
Raw Materials	A		**18,278.37**	17,624.26
Stock in Process			**5,739.85**	4,960.90
Finished Products	B		**23,322.17**	22,051.01
Stock in Trade	C		**7,519.96**	7,255.76
Stores, Spares etc.	D	**3,658.76**		3,220.11
Less : Provision for Losses		**170.22**		151.30
			3,488.54	**3,068.81**
Barrels and Tins	E		**74.84**	41.66
			58,423.73	**55,002.40**
In Transit :				
Raw Materials			**10,081.13**	8,119.15
Finished Products			**938.27**	896.89
Stock in Trade			**1,793.99**	1,138.55
Stores, Spares etc.			**233.26**	156.22
			13,046.65	**10,310.81**
TOTAL			**71,470.38**	**65,313.21**
Includes-				
A. Includes stock lying with others			**160.56**	2.91
B. Includes stock lying with others			**1,402.94**	1,125.07
C. Includes stock lying with others			**1,285.23**	1,499.10
D. Includes stock lying with contractors			**6.85**	6.93
E. Includes stock lying with others			**0.45**	1.01
F. Amount of write down of inventories carried at NRV and recognised as expense.			**427.56**	740.89
G. Amount of reversal of write down of inventories recognised as income.			**-**	0.01
H. Valuation of inventories are done as per point no. 7 of significant accounting policies (Note-1).				
I. For hypothecation details refer Note-21.				

NOTES TO FINANCIAL STATEMENTS

NOTE - 10 : TRADE RECEIVABLES (At amortised cost)

(₹ in Crore)

Particulars		March 31, 2019		March 31, 2018
From Related Parties				
Unsecured, Considered Good		648.17		111.00
Unsecured, Considered Doubtful		0.62		0.09
		648.79		111.09
From Others				
Secured Considered Good		50.00		50.00
Unsecured, Considered Good		14,749.85		9,955.52
Unsecured, Considered Doubtful		133.45		84.33
		14,933.30		10,089.85
TOTAL		15,582.09		10,200.94
Less : Provision for Impairment	A	134.07		84.42
			15,448.02	10,116.52
TOTAL			15,448.02	10,116.52
A. Includes provision as per Expected Credit Loss method in line with accounting policy			15.46	10.14

NOTE - 11 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	March 31, 2019		March 31, 2018
Bank Balances with Scheduled Banks :			
In Current Account	20.53		25.91
In Fixed Deposit - Maturity within 3 months	0.21		0.37
		20.74	26.28
Bank Balances with Non-Scheduled Banks		0.32	1.79
Cheques, Drafts in hand		15.16	22.92
Cash Balances, Including Imprest		2.28	2.49
TOTAL		38.50	53.48

NOTE - 12 : BANK BALANCES OTHER THAN ABOVE

(₹ in Crore)

Particulars		March 31, 2019	March 31, 2018
Fixed Deposits	A	11.52	10.05
Earmarked Balances	B	40.65	19.21
Blocked Account	C	0.68	0.64
Other Bank Balances	D	0.01	0.01
TOTAL		52.86	29.91
A) Earmarked in favour of Statutory Authorities.			
B) Pertains to			
- Unpaid Dividend		40.62	19.17
- Fractional Share Warrants		0.03	0.04
C) There exists restrictions on banking transactions in Libya due to political unrest.			
D) There exists restrictions on repatriation from bank account in Myanmar.		0.01	0.01

NOTES TO FINANCIAL STATEMENTS

NOTE - 13 : ASSETS HELD FOR DISPOSAL

(₹ in Crore)

Particulars		March 31, 2019	March 31, 2018
Freehold land	A	**1.65**	2.21
Building	B	**0.32**	0.43
Plant and Equipment	B	**224.81**	158.28
Office Equipment	B	**0.52**	0.63
Transport Equipment	B	**0.08**	0.02
Furniture and Fixtures	B	**0.02**	0.11
TOTAL		**227.40**	**161.68**

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.

C. During the year, the company has recognized impairment loss of **₹150.36 crore** (2018: ₹97.91 crore) on write-down of the asset to fair value less costs to sell and the same has been shown in Provision/loss on Other Assets sold 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, 2019	March 31, 2018
Authorized:		
15000000000 Equity Shares of ₹10 each	**15,000.00**	15,000.00
Issued Subscribed and Paid Up:		
9414158922 (2018: 9711809928)	**9,414.16**	9,711.81
Equity Shares of ₹10 each fully paid up		
Less: Equity Shares held under IOC Shares Trust	**233.12**	233.12
233118456 (2018: 233118456)		
Equity Shares of ₹10 each fully paid up		
TOTAL	**9,181.04**	**9,478.69**
A. Reconciliation of No. of Equity Shares		
Opening Balance	**9711809928**	4855904964
Shares Issued (Bonus Shares)	**-**	4855904964
Shares bought back	**297651006**	-
Closing Balance	**9414158922**	9711809928

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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the 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.

C. Details of shareholders holdings more than 5% shares

Name of Shareholder	March 31, 2019		March 31, 2018	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
THE PRESIDENT OF INDIA	**4912149459**	**52.18**	5533436444	56.98
OIL AND NATURAL GAS CORPORATION LIMITED	**1337215256**	**14.20**	1337215256	13.77
LIFE INSURANCE CORPORATION OF INDIA	**612921292**	**6.51**	530228840	5.46
OIL INDIA LIMITED	**485590496**	**5.16**	485590496	5.00

D. For the period of preceeding 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*	297651006

*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 for an aggregate amount not exceeding **₹4,435.00 crores** (Rupees Four Thousand Four Hundred Thirty Five Crore only) representing 3.06% of the total paid up equity share capital of the Company at a price of ₹149 (Rupees One Hundred and Forty Nine Only) per equity share. The process of buyback was duly completed on February 14, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE - 15 : OTHER EQUITY

(₹ in Crore)

Particulars	March 31, 2019		March 31, 2018
Retained Earnings			
General Reserve:			
As per last Account	78,998.89		73,993.02
Add: Remeasurement of Defined Benefit Plans	(41.90)		161.28
Add: Transfer from Bond Redemption Reserve	430.46		162.12
Less: Utilized for Issue of Bonus Shares/Buy Back of shares [including expenses (net of tax)]	4,442.80		4,743.14
[Includes ₹297.65 crore (2018: NIL) transferred to Capital Redemption Reserve]			
Add: Appropriation from Surplus	4,589.13		9,425.61
		79,533.78	78,998.89
Surplus (Balance in Statement of Profit and Loss)			
Profit for the Year	16,894.15		21,346.12
Less: Appropriations			
Interim Dividend	7,775.62		9,004.90
Final Dividend	1,895.88		474.06
Dividend Distribution Tax on:			
Interim Dividend	1,589.11		1,873.27
Final Dividend	396.18		47.90
Insurance Reserve (Net)	17.61		20.00
Bond Redemption Reserve	630.62		503.49
Corporate Social Responsibility Reserve (Net)	-		(3.11)
General Reserve	4,589.13		9,425.61
Balance carried forward to next year		-	-
		79,533.78	78,998.89
Other Reserves			
Bond Redemption Reserve			
As per last Account	2,952.48		2,611.11
Add: Appropriation from Surplus	630.62		503.49
Less: Transfer to General Reserve	430.46		162.12
		3,152.64	2,952.48
Capital Redemption Reserve Account :			
As per last Account	-		-
Add: Transfer from General Reserve during the year	297.65		-
		297.65	-
Capital Reserve		183.08	183.08

NOTES TO FINANCIAL STATEMENTS

NOTE - 15 : OTHER EQUITY (Contd...)

(₹ in Crore)

Particulars	March 31, 2019		March 31, 2018
Insurance Reserve :			
As per last Account	**223.48**		203.48
Less : Recoupment of uninsured fire loss	**2.39**		-
Add: Appropriation from Surplus	**20.00**		20.00
		241.09	**223.48**
Export Profit Reserve		**53.72**	53.72
Corporate Social Responsibility Reserve (refer Note - 45)			
As per Last Account	**-**		3.11
Add: Appropriation from Surplus	**490.60**		327.94
Less: Utilized during the year	**490.60**		331.05
		-	-
Foreign Currency Monetary Item Translation Difference Account			
As per Last Account	**(45.77)**		(132.42)
Add: Foreign Currency Exchange Gain/(Loss) on Long Term Monetary Items	**(138.40)**		(24.48)
Less: Amortized during the year	**(148.39)**		(111.13)
		(35.78)	**(45.77)**
Fair Value Through Other Comprehensive Income :			
Fair value of Equity Instruments			
As per Last Account	**18,475.86**		18,070.33
Add: Fair value during the year	**(2,403.66)**		405.53
		16,072.20	**18,475.86**
Fair value of Debt Instruments			
As per Last Account	**(149.41)**		3.95
Add: Fair value during the year	**105.46**		(169.45)
Less: Transferred to Statement of Profit and Loss	**-**		(16.09)
		(43.95)	**(149.41)**
Cash Flow Hedge Reserve			
As per Last Account	**-**		-
Add: Gain/(Loss) during the year	**15.68**		-
Less: Transferred during the year	**(6.36)**		-
		22.04	-
TOTAL		**99,476.47**	**1,00,692.33**

NOTES TO FINANCIAL STATEMENTS

NOTE - 15 : OTHER EQUITY (Contd...)

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 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 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 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 Companies Act 2013.

D. Capital Reserve

Capital Reserve was created thru business combinations and shall be utilised as per the provisions of Companies Act 2013.

E. Insurance Reserve

Insurance Reserve is created by the company with the approval of BOD 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 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 **₹490.60 crore** (2018: ₹327.94 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), an amount of **₹490.60 crore** (2018: ₹331.05 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 thru 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 thru 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 hedging 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 thru 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, 2019		March 31, 2018	March 31, 2019		March 31, 2018
SECURED LOANS							
Bonds:							
Non-Convertible Redeemable Bonds-Series-VIII B	A&B		-	-		-	1,133.85
Term Loans:							
Oil Industry Development Board (OIDB)	C		**176.84**	458.39		**282.81**	425.81
Finance Lease Obligations	D		**3,309.74**	3,453.88		**201.06**	167.60
Total Secured Loans			**3,486.58**	**3,912.27**		**483.87**	**1,727.26**
UNSECURED LOANS							
Bonds							
Foreign Currency Bonds	E	**15,159.33**		8,502.93	**188.96**		116.76
Senior Notes (Bank of America)	F&B	-		-	-		658.60
			15,159.33	**8,502.93**		**188.96**	**775.36**
Term Loans:							
From Banks/Financial Institutions							
In Foreign Currency Loans	G	**15,313.12**		5,823.54	**2,425.98**		2.13
From Government							
In Rupees	H	**707.33**		478.86	-		-
			16,020.45	**6,302.40**		**2,425.98**	**2.13**
Total Unsecured Loans			**31,179.78**	**14,805.33**		**2,614.94**	**777.49**
TOTAL LONG-TERM BORROWINGS			**34,666.36**	**18,717.60**		**3,098.81**	**2,504.75**

*Current maturities (including Finance Lease Obligations) are carried to Note - 17: Other Financial Liabilities.

Secured Loans (Bonds : A - B)

	Particulars	Allotment Date	Coupon Rate	Date of Redemption	Security Details
A	10,700 Bonds of face value of ₹ 10,00,000/- each	September 10, 2008	11.00 % p.a. payable annually on 15th September	After 10 years from the date of allotment. These bonds were redeemed during FY 2018-19	These were secured by way of registered mortgage over the immovable properties of the Company i.e. Flat no. 3/62 Nanik Niwas of Shyam Co-op. Housing Society Ltd. situated at Bhulabhai Desai Road at Mumbai, together with 5 shares of the said society and immovable properties of the Company at Panipat Refinery situated at Panipat in the state of Haryana.
B	In line with the requirement of the Companies (Share Capital and Debentures) Rules, 2014, the Company has earmarked 8.20% Oil Marketing Companies GOI Special Bonds 2023 of face value of **NIL** (2018: ₹258.27 Crore) for total bonds value of **NIL** (2018: ₹1,721.80 crore) maturing in the next financial year.				

NOTES TO FINANCIAL STATEMENTS

NOTE - 16 : LONG TERM BORROWINGS (At Amortised Cost) (Contd...)

C. 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 Butadiene Extraction Unit, Panipat, Haryana.
c) First charge on the facilities at FCC Unit at Mathura Refinery, Uttar Pradesh.
d) First charge on the facilities at Paradip-Raipur-Ranchi Pipeline
e) First charge on the facilities at SMPL System
f) First charge on the facilities at Paradip-Haldia-Durgapur LPG Pipeline

2. Loan Repayment Schedule against loans from OIDB (Secured)-Term Loans

Sl. No.	Repayable During	Repayable Amount (₹ in crore)	Range of Interest Rate
1	2019-20	282.81	8.12% - 9.27%
2	2020-21	177.82	8.12% - 8.45%
	TOTAL	**460.63**	

D. Finance Lease Obligations

The Finanace Lease Obligations are against Assets aquired under finance lease. The carrying value of the same is **₹3,387.63 crore** (2018: ₹3,555.00 crore).

Unsecured Loans

E. Repayment Schedule of Foreign Currency Bonds

Sl. No.	Particulars of Bonds	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

F. Repayment Schedule of Senior Notes (Bank of America)

1 USD 300 Million US Private Placement bonds issued in four tranches of USD 75 Million dt. June 6, July 2, August 1 and september 4, 2007 are payable in three tranches of USD 100 Million each on August 1, 2016, August 1, 2017 and August 1, 2018

G. Repayment Schedule of loans from Banks and Financial Institutions

Sl. 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 250 Million syndication loan	January 29, 2016	
13	USD 650 Million now USD 350 syndication loan (USD 300 Million repaid on September 29, 2017)	June 27, 2014	

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

1 Interest free loan given by Odisha Government for 15 years is to be disbursed in quarterly instalment of ₹175 crore started from April 1, 2016 repayble after 15 years. The first instalment of loan for the period April to December 2017 of ₹1,225 crore has been received on January 15, 2018 and thereafter ₹175 crore will be received every quarter. Total loan disbursed till now is ₹2,100 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.

NOTE - 17 : OTHER FINANCIAL LIABILITIES (At Amortised Cost unless otherwise stated)

(₹ in crore)

Particulars		Non Current			Current		
		March 31, 2019		March 31, 2018	March 31, 2019		March 31, 2018
Current Maturities of Long-term Debt (refer Note - 16)			**-**	-		**3,098.81**	2,504.75
Liability for Capital Expenditure			**-**	-		**4,828.93**	3,644.74
Liability to Trusts and Other Funds			**-**	-		**240.64**	1,176.97
Employee Liabilities			**-**	-		**3,367.72**	3,317.63
Liability for Purchases on Agency Basis			**-**	-		**2,504.22**	3,985.44
Investor Education & Protection Fund to be credited on the due dates:							
- Unpaid Dividend		**-**		-	**40.62**		19.17
- Unpaid Matured Deposits		**-**		-	**0.01**		0.01
			-	-		**40.63**	**19.18**
Derivative instruments at fair value through profit and loss			**-**	-		**258.40**	224.33
Security Deposits	A		**615.20**	532.64		**27,115.35**	23,442.00
Others	B		**0.83**	0.83		**2,517.36**	2,035.81
TOTAL			**616.03**	**533.47**		**43,972.06**	**40,350.85**
A. LPG Deposits reclassified as current in line with industry practice and includes towards:							
1. LPG Connection issued under Pradhan Mantri Ujjawala Yojna (PMUY) and Rajiv Gandhi Gramin LPG Vitrak Yojna (RGGLVY) and various other schemes of Government of India.		-	-	-	-	5,675.42	3,286.64
2. Deposit free LPG connections funded by Chennai Petroleum Corporation Limited.		-	-	-	-	0.52	0.57
B. Includes liability towards Renewable Purchase Obligation (RPO) after considering credits from renewable sources and offset for Renewable Energy Certificates (RECs) generated.						323.54	165.57

NOTES TO FINANCIAL STATEMENTS

NOTE - 18 : PROVISIONS

(₹ in crore)

Particulars		Non Current			Current		
		March 31, 2019		March 31, 2018	March 31, 2019		March 31, 2018
Provision for Employee Benefits (refer Note - 48)			**879.04**	2,019.66		**122.09**	293.03
Decommissioning Liability	A		**4.62**	3.66		-	-
Contingencies for probable obligations	B	-		-	**11,452.36**		32,320.69
Less: Deposits		-		-	**1,436.56**		18,452.12
			-	-		**10,015.80**	**13,868.57**
TOTAL			**883.66**	**2,023.32**		**10,137.89**	**14,161.60**

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	3.66	0.98	-	0.06	0.04	4.62
Previous Year Total	3.60	0.08	-	0.03	0.01	3.66

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	15.32	18.07	-	-	33.39
Sales Tax/GST	2,709.74	224.39	0.03	5.77	2,928.33
Entry Tax	27,735.95	67.26	20,654.17	1,414.39	5,734.65
Others	1,859.68	1,169.30	183.98	89.01	2,755.99
TOTAL	**32,320.69**	**1,479.02**	**20,838.18**	**1,509.17**	**11,452.36**
Previous Year Total	36,418.41	2,268.78	3,119.97	3,246.53	32,320.69

	Addition includes	Reversal includes
- capitalized	400.83	16.20
- included in Raw Material	107.97	-
- included in Finance Cost	536.88	-
- included in Other Expenses	422.79	-
- Adjusted against Deposits/Paid	10.55	-

*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	April 1, 2018	Provided during the year in the Statement of Profit and Loss	Provided during the year in OCI (net)	Balance as on March 31, 2019
Deferred Tax Liability:				
Related to Fixed Assets	20,175.99	1,924.51	-	**22,100.50**
Foreign Currency gain on long term monetary item	15.99	(3.49)	-	**12.50**
Total Deferred Tax Liability (A)	**20,191.98**	**1,921.02**	**-**	**22,113.00**
Deferred Tax Assets:				
Provision on Inventories, Trade Receivable, Loans and Advance, Investments	625.61	367.62	-	**993.23**
Compensation for Voluntary Retirement Scheme	14.03	(4.65)	-	**9.38**
43B/40 (a)(ia)/other Disallowances etc.	5,809.85	(2,117.35)	-	**3,692.50**
Fair valuation of Equity instruments	431.90	-	(486.01)	**(54.11)**
MTM on Hedging Instruments	-	-	(11.85)	**(11.85)**
Fair value of debt instruments	31.43	-	(25.67)	**5.76**
Others	62.64	(1.05)	-	**61.59**
Total Deferred Tax Assets (B)	**6,975.46**	**(1,755.43)**	**(523.53)**	**4,696.50**
MAT credit entitlement (C) - Net #	**1,196.95**	**396.48**	**-**	**1,593.43**
Deferred Tax Liability net of MAT Credit (A-B-C)	**12,019.57**	**3,279.97**	**523.53**	**15,823.07**

Includes utilisation of MAT Credit of ₹**148.14 crores** during FY 2018-19

(ii) Reconciliation between the average effective tax rate and the applicable tax rate is as below :

	2018-19 (%)	2017-18 (%)
Applicable tax rate	**34.944**	**34.608**
Tax effect of income that are not taxable in determining taxable profit	**(2.38)**	(2.22)
Tax effect of expenses that are not deductible in determining taxable profit	**0.84**	1.05
Tax effect on recognition of previously unrecognised allowance/disallowances	**1.25**	1.61
Tax effect of expenses on share buy back through Equity	**0.02**	-
Tax expenses/income related to prior years	**(1.90)**	(0.98)
Difference in tax due to income chargeable to tax at special rates	**(0.01)**	(0.03)
Difference due to change in Rate of Tax	**-**	0.41
Average Effective Tax Rate	**32.76**	**34.45**

NOTES TO FINANCIAL STATEMENTS

NOTE - 20 : OTHER LIABILITIES (NON FINANCIAL)

(₹ in crore)

Particulars		Non Current		Current	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deferred Income		5.57	6.58	1.81	1.82
Government Grants (refer Note - 46)		1,568.91	1,348.58	120.57	84.99
Statutory Liabilities		-	-	7,319.11	7,383.78
Advances from Customers		23.61	-	3,766.82	3,413.49
Others	A	-	-	872.19	797.60
TOTAL		**1,598.09**	**1,355.16**	**12,080.50**	**11,681.68**
A. Includes liability towards Fleet Customers				797.01	690.29

NOTE - 21 : BORROWINGS - CURRENT

(₹ in Crore)

Particulars		March 31, 2019		March 31, 2018
SECURED LOANS				
Loans Repayable on Demand				
From Banks:	A			
Working Capital Demand Loan		3,880.87		6,102.85
Cash Credit		3,392.64		348.09
			7,273.51	6,450.94
From Others:				
Loans through Tri-Party Repo Segment (TREPS) of Clearing Corporation of India Ltd. (CCIL)	B		2,587.53	2,635.01
Total Secured Loans			**9,861.04**	**9,085.95**
UNSECURED LOANS				
Loans Repayable on Demand				
From Banks/Financial Institutions				
In Foreign Currency		14,138.83		20,821.89
In Rupee		1,176.17		3,900.54
			15,315.00	24,722.43
From Others				
Commercial Papers			23,417.51	2,999.65
Total Unsecured Loans			**38,732.51**	**27,722.08**
TOTAL SHORT-TERM BORROWINGS			**48,593.55**	**36,808.03**

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 following to CCIL:

Government Securities	2,655.00	2,855.00
Bank Guarantees	1,650.00	1,650.00

NOTES TO FINANCIAL STATEMENTS

NOTE - 22 : TRADE PAYABLES

(₹ in Crore)

Particulars		March 31, 2019	March 31, 2018
Dues to Micro and Small Enterprises		235.24	253.75
Dues to Related Parties		2,609.91	2,272.00
Dues to Others	A	35,833.85	30,395.26
TOTAL		38,679.00	32,921.01
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		1.21	-

NOTE - 23 : REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	2018-19		2017-18
Sale of Products and Crude	6,08,378.66		5,07,654.41
Less: Discounts	12,158.70		10,253.98
Sales (Net of Discounts)	5,96,219.96		4,97,400.43
Sale of Services	131.39		96.16
Other Operating Revenues (Note "23.1")	5,001.58		5,660.45
		6,01,352.93	5,03,157.04
Net Claim/(Surrender) of SSC		310.66	(6.90)
Subsidy from Central/State Governments		150.00	81.11
Grant from Government of India		4,110.18	3,196.34
TOTAL		6,05,923.77	5,06,427.59
Particulars relating to Revenue Grants are given in Note - 46			

NOTE - 23.1 : OTHER OPERATING REVENUES

(₹ in Crore)

Particulars	2018-19	2017-18
Sale of Power and Water	429.56	304.33
Revenue from Construction Contracts	6.50	5.78
Unclaimed/Unspent liabilities written back	312.03	87.07
Provision for Doubtful Debts, Advances, Claims and Stores written back	58.93	53.44
Provision for Contingencies written back	1,492.97	3,246.53
Recoveries from Employees	11.98	16.15
Retail Outlet License Fees	1,187.82	849.08
Income from Non Fuel Business	244.67	186.02
Commission and Discount Received	5.45	7.47
Sale of Scrap	235.06	139.11
Income from Finance Leases	2.48	0.20
Amortization of Capital Grants	99.99	30.86
Revenue Grants	210.78	236.20
Commodity Hedging Gain (Net)	27.58	-
Terminalling Charges	83.13	72.61
Other Miscellaneous Income	592.65	425.60
TOTAL	5,001.58	5,660.45

NOTES TO FINANCIAL STATEMENTS

NOTE - 24 : OTHER INCOME

(₹ in Crore)

Particulars		2018-19		2017-18
Interest on:	A			
Financial items:				
Deposits with Banks		**19.52**		6.82
Customers Outstandings		**423.83**		328.78
Oil Companies GOI SPL Bonds/Other Investments		**914.04**		905.37
Other Financial Items		**239.68**		500.81
Total interest on Financial items			**1,597.07**	1,741.78
Non-Financial items			**99.34**	40.25
			1,696.41	**1,782.03**
Dividend:	B			
From Related Parties		**488.45**		376.33
From Other Companies		**860.18**		720.29
			1,348.63	**1,096.62**
Profit on Sale of Investments (Net)	C		**-**	108.09
Fair value Gain on Investment/Provision Written Back (Net)			**1.60**	18.38
Exchange Fluctuations (Net)			**-**	304.07
Gain on Derivatives			**0.32**	46.40
Other Non Operating Income			**81.55**	59.03
TOTAL			**3,128.51**	**3,414.62**
A 1. Includes Tax Deducted at Source			**24.62**	13.55
A 2. Includes interest received under section 244A of the Income Tax Act.			**90.14**	22.96
A 3. Include interest on:				
Current Investments			**644.36**	616.44
Non-Current Investments			**269.68**	288.93
A 4. Total interest income (calculated using the effective interest method) for financial assets:				
In relation to Financial assets classified at amortised cost			**683.03**	836.41
In relation to Financial assets classified at FVOCI			**874.79**	874.75
In relation to Financial assets classified at FVTPL			**39.25**	30.62
B.1 Dividend Income consists of Dividend on:				
Current Investments			**17.44**	14.08
Non-Current Investments			**1,331.19**	1,082.54
B.2 Dividend on Non Current Investment Includes Dividend from Subsidiaries			**230.64**	259.03
C. Includes Gain/(Loss) reclassified from Fair Value of Debt Instruments Reserve			**-**	(24.60)

NOTE - 25 : COST OF MATERIALS CONSUMED

(₹ in Crore)

Particulars	2018-19	2017-18
Opening Stock	**25,743.40**	20,590.77
Add: Purchases	**2,72,295.71**	1,93,971.88
	2,98,039.11	**2,14,562.65**
Less: Closing Stock	**28,359.50**	25,743.40
TOTAL	**2,69,679.61**	**1,88,819.25**

NOTES TO FINANCIAL STATEMENTS

NOTE - 26: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND STOCK IN PROCESS

(₹ in Crore)

Particulars	2018-19		2017-18
Closing 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**
Less:			
Opening Stock			
Finished Products	**22,947.90**		25,179.48
Stock in Process	**4,960.90**		5,184.53
Stock - in - Trade	**8,394.31**		8,227.47
		36,303.11	**38,591.48**
NET INCREASE/(DECREASE)		**3,011.13**	**(2,288.37)**

NOTE - 27: EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars	2018-19	2017-18
Salaries, Wages, Bonus etc	**7,053.80**	7,576.49
Contribution to Provident & Other Funds	**2,365.02**	1,516.55
Voluntary Retirement Compensation	**1.49**	1.22
Staff Welfare Expenses	**1,681.86**	985.15
TOTAL	**11,102.17**	**10,079.41**

A. Includes ₹**11.62 crore** (2018: ₹16.74 crore) towards compensation to executives for working in shift duty in the plant/operation area on which the Company has taken up the matter with MOP&NG/DPE. This allowance has been discontinued w.e.f. November 1, 2018.

B. Excludes ₹**372.88 crore** (2018: ₹310.43 crore) included in capital work in progress (Note - 2.2)/intangible assets under development (Note - 3.1) and ₹**21.92 crore** (2018: ₹13.94 crore) included in CSR expenses (Note - 29.1). The amount included in capital work in progress also includes ₹**0.28 crore** (2018: ₹0.54 crore) paid to executives as Project Allowance working in grass root projects till commercial production, where the company has taken up the matter with MOP&NG. The Project allowance has been discontinued w.e.f. March 1, 2019.

C. Includes ₹1,266.52 crore towards SABF defined benefit contribution for the transition phase arising as on January 1, 2007 (refer Note - 35).

D. Includes ₹**555.18 crore** (2018: NIL) [Including acturial liability of ₹**475.90** (2018: NIL)] for felicitation award to retired employees (refer Note - 35)

E. 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		2018-19		2017-18
Interest Payments on Financial items:				
Working Capital Loans:				
Bank Borrowings		**1,026.57**		427.21
Bonds/Debentures		**65.77**		-
Others		**472.98**		40.12
		1,565.32		**467.33**
Other Loans:				
Bank Borrowings		**381.36**		442.10
Bonds/Debentures		**579.87**		590.58
Others		**462.72**		451.43
		1,423.95		**1,484.11**
Unwinding of Discount		**44.85**		9.54
Others		**17.43**		128.53
		3,051.55		**2,089.51**
Interest Payments on Non Financial items:				
Unwinding of Discount		**0.04**		0.01
Others	A	**446.93**		1,113.63
		446.97		**1,113.64**
			3,498.52	3,203.15
Other Borrowing Cost			**16.95**	5.49
Applicable Net (Gain)/Loss on Foreign Currency Transactions and Translation			**795.56**	274.07
TOTAL			**4,311.03**	**3,482.71**

A. Mainly includes:

Interest on Entry Tax Liability	56.53	787.60
Interest expenses u/s 234 B and 234C	35.53	95.28
B. Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss	3,051.55	2,089.51

NOTE - 29 : OTHER EXPENSES

(₹ in Crore)

Particulars	2018-19		2017-18
Consumption:			
a) Stores, Spares and Consumables	**1,664.24**		1,495.14
b) Packages & Drum Sheets	**512.62**		405.04
		2,176.86	**1,900.18**
Power & Fuel	**26,100.56**		17,754.78
Less : Fuel from own production	**19,827.83**		12,978.28
		6,272.73	**4,776.50**
Throughput, Processing & Blending Fees, Royalty and Other Charges		**1,587.71**	1,479.88
Octroi, Other Levies and Irrecoverable taxes		**1,659.75**	1,463.46
Repairs and Maintenance			
i) Plant & Equipment	**3,065.58**		2,895.47
ii) Buildings	**356.42**		288.97
iii) Others	**503.71**		460.26
		3,925.71	**3,644.70**
Freight, Transportation Charges and Demurrage		**13,310.01**	12,395.03
Office Administration, Selling and Other Expenses (Note "29.1")		**8,909.50**	5,989.35
TOTAL		**37,842.27**	**31,649.10**
Less: Company's use of own Products and Crude		**802.75**	622.32
TOTAL (Net)		**37,039.52**	**31,026.78**

NOTES TO FINANCIAL STATEMENTS

NOTE - 29.1 : OFFICE, ADMINISTRATION,SELLING AND OTHER EXPENSES

(₹ in Crore)

Particulars	2018-19		2017-18
Rent		1,115.35	1,074.92
Insurance		151.85	105.99
Rates & Taxes		189.54	121.70
Donation		5.71	10.91
Payment to Auditors			
As Auditors	2.06		1.60
For Taxation Matters	0.45		0.41
Other Services(for issuing other certificates etc.)	1.51		0.59
For reimbursement of expenses	0.32		0.38
		4.34	2.98
Travelling & Conveyance		716.98	652.41
Communication Expenses		57.18	62.20
Printing & Stationery		41.32	39.59
Electricity & Water		386.34	351.89
Bank Charges		33.07	27.84
Advances & Claims written off		5.78	2.52
Provision/Loss on Assets sold or written off (Net)		152.87	157.22
Technical Assistance Fees		34.39	22.18
Exchange Fluctuation (net)		1,503.15	-
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.		1,084.75	361.98
Security Force Expenses		768.75	719.52
Sales Promotion Expenses (Including Commission)		469.49	338.04
Handling Expenses		541.31	460.06
Commodity Hedging Losses (Net)		-	31.79
Exploration & Production Cost		98.15	41.01
Fair value Loss on Financial instruments classified as FVTPL		2.77	81.07
Amortisation of FC Monetary Item Translation		148.39	111.13
Loss on Sale of Investments (Net)		1.60	-
Expenses on Construction Contracts		6.37	5.25
Expenses on CSR Activities		490.60	331.05
Training Expenses		90.70	60.87
Legal Expenses/Payment To Consultants		175.72	157.16
Notices and Announcement		37.51	98.92
Advertisement and Publicity		79.70	70.26
Pollution Control Expenses		81.82	59.43
Miscellaneous Expenses		434.00	429.46
TOTAL		**8,909.50**	**5,989.35**

A. Expenses Includes expenditure on Public Relations and Publicity amounting to ₹**119.04 crore** (2018: ₹172.91 crore) which is inclusive of ₹**21.13 crore** (2018:₹56.34 crore) on account of Staff and Establishment and ₹**97.91 crore** (2018: ₹116.57 crore) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is **0.00020:1** (2018: 0.00035:1)

NOTES TO FINANCIAL STATEMENTS

NOTE - 30 : OTHER COMPREHENSIVE INCOME

(₹ in Crore)

Particulars	2018-19		2017-18
Items that will not be reclassified to profit and loss:			
Remeasurement of Defined Benefit Plans	**(64.40)**		246.64
Fair value of Equity Instruments	**(1,917.65)**		(38.49)
		(1,982.05)	**208.15**
Income Tax relating to items that will not be reclassified to profit and loss:			
Remeasurement of Defined Benefit Plans	**22.50**		(85.36)
Fair value of Equity Instruments	**(486.01)**		444.02
		(463.51)	**358.66**
Items that will be reclassified to profit and loss:			
Fair value of Debt Instruments	**131.13**		(232.42)
Gain/(Loss) on Hedging Instruments	**24.12**		-
		155.25	**(232.42)**
Income Tax relating to items that will be reclassified to profit and loss:			
Fair value of Debt Instruments	**(25.67)**		62.97
Gain/(Loss) on Hedging Instruments	**(8.44)**		-
		(34.11)	62.97
TOTAL		**(2,324.42)**	**397.36**

NOTES TO FINANCIAL STATEMENTS

NOTE - 31 : DISTRIBUTIONS MADE AND PROPOSED

(₹ in Crore)

Particulars	March 31, 2019	March 31, 2018
Cash dividends on Equity Shares declared:		
Final dividend		
Total Final dividend during the current year for March 31, 2018: ₹**2.00 per share** (March 31, 2017: ₹0.50 per share after restatement for bonus shares)	**1,942.36**	485.59
Less: Final Dividend pertaining to IOC Share trust (Refer Note-2)	**46.62**	11.66
Final dividend net of IOC share trust	**1,895.74**	**473.93**
DDT on final dividend	**396.18**	47.90
Interim dividend		
Total Interim dividend for March 31, 2019: ₹**8.25 per share** (March 31, 2018: ₹9.50 per share) (Refer Note 4).	**7,967.60**	9,226.22
Less: Interim Dividend pertaining to IOC Share trust (Refer Note-2)	**192.32**	221.46
Interim dividend net of IOC share trust	**7,775.28**	9,004.76
DDT on interim dividend	**1,589.11**	1,873.27
TOTAL	**11,656.31**	**11,399.86**
Proposed dividends on Equity shares		
Final proposed dividend for March 31, 2019: ₹**1.00 per share** (March 31, 2018: ₹2.00 per share)	**941.42**	1,942.36
Less: Proposed Dividend pertaining to IOC Share trust (Refer Note-2)	**23.31**	46.62
Final proposed dividend net of IOC share trust	**918.11**	1,895.74
DDT on proposed dividend	**193.51**	399.26
	1,111.62	**2,295.00**

Notes:

1. Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at March 31, 2019.
2. Shares held under IOC Share Trust of face value ₹**233.12 crore** (2018: ₹233.12 crore) has been netted off from paid up capital.
3. The Company has also incurred expenses on distribution of final dividend amounting to ₹**0.14 crore** (2018: ₹0.13 crore) and on distribution of interim dividend amounting to ₹**0.34 crore** (2018: ₹0.14 crore) which has been debited to equity.
4. 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 for the year attributable to equity holders by the weighted average number of Equity Shares outstanding during the year.

The following reflects the profit and number of shares used in the basic and diluted EPS computations:

(₹ in Crore)

Particulars	2018-19	2017-18
Profit attributable to Equity holders (₹ in Crore)	**16,894.15**	21,346.12
Weighted Average number of equity shares used for computing Earning Per Share (Basic) (Refer note-1 and 2	**9441179290**	9478691472
Weighted Average number of equity shares used for computing Earning Per Share (Diluted) (Refer note-1 and 2	**9441179290**	9478691472
Earning Per Share (Basic) (₹)	**17.89**	22.52
Earning Per Share (Diluted) (₹)	**17.89**	22.52
Face value per share (₹)	**10.00**	10.00

Notes

1. Equity Shares held under IOC Share Trust of face value ₹**233.12 crore** has 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, 2019	March 31, 2018
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 (Formerly IOT Infrastructure & Energy Services Ltd)	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 Ltd.	India	**50.00%**	50.00%
Indradhanush Gas Grid Limited (Incorporated on 10.08.18)	India	**20.00%**	-

The Company is under process of closure

IndianOil has decided to exit the Joint Venture and has given notice of its exit from the LLP to the other JV partner viz. Ruchi Soya Industries as well as to the LLP on December 26, 2018 stating that it will exit the LLP w.e.f. January 25, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE - 33B : INTEREST IN JOINT OPERATIONS

Name	Principle place of business	Proportion of Ownership Interest	
		March 31, 2019	March 31, 2018
E&P BLOCKS			
1) MN-OSN-2000/2#	India	**20.00%**	20.00%
2) AA-ONN-2001/2@	India	**20.00%**	20.00%
3) GK-OSN-2009/1	India	**25.00%**	25.00%
4) GK-OSN-2009/2	India	**30.00%**	30.00%
5) CB-ONN-2010/6#	India	**20.00%**	20.00%
6) AAP-ON-94/1	India	**29.03%**	29.03%
7) AA-ONDSF-UMATARA-2018 *	India	**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^	Iran	**40.00%**	40.00%
11) LIBYA BLOCK 86#	Libya	**50.00%**	50.00%
12) LIBYA BLOCK 102/4#	Libya	**50.00%**	50.00%
13) SHAKTHI GABON	Gabon	**50.00%**	50.00%
14) AREA 95-96~	Libya	**25.00%**	25.00%
OTHERS			
15) Petroleum India International	India	**27.27%**	27.27%

* The Revenue Sharing Contract (RSC) for block AA-ONDSF-UMATARA-2018 under Discovered Small Fields (DSF) Round II, has been signed on March 7, 2019 with Govt of India.

^ The project 's exploration period ended on June 24, 2009. Negotiations with Iranian Authorities are in progress for development of the Block

Blocks are under relinquishment.

~ Under Force Majeure since May 20, 2014

@ 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.

IOCL share of Financial position of above Joint Operations is as under:

(₹ in Crore)

Particulars	March 31, 2019	March 31, 2018
Assets	**547.31**	**451.25**
PPE (including Producing Properties)	180.33	178.23
Capital Work in Progress	121.60	54.73
Intangible Asset under Development (Net of Provisions)	238.68	196.68
Other Assets (Net of Provisions)	6.70	21.61
Liabilities & Provisions	**140.37**	**115.50**
Liabilities	135.75	111.84
Provisions	4.62	3.66
Incomes	**152.65**	**19.00**
Sale of Products (Net of Own Consumption)	152.44	18.45
Other Income	0.21	0.55
Expenditure	**85.06**	**41.14**
Expenditure written off (incl exploration related)	0.09	1.57
Other Costs (incl exploration related)	84.97	39.57
Commitments	**797.28**	**782.45**
Contingent Liabilities	-	-

NOTES TO FINANCIAL STATEMENTS

NOTE - 34 : DISCLOSURE RELATING EXPLORATION AND PRODUCTION ACTIVITIES

A. 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.) is as under:

(₹ in Crore)

Name	March 31, 2019	March 31, 2018
(i) Assets	**242.73**	**204.92**
- Intangible Assets under Development	239.27	196.68
- Capital Work in Progress	0.79	0.73
- Other Assets	2.67	7.51
(ii) Liabilities	**115.70**	**98.58**
- Trade Payables	-	-
- Provisions	2.31	2.31
- Other Liabilities	113.39	96.27
(iii) Income	**-**	**0.39**
- Other Income	-	0.39
(iv) Expenses	**71.56**	**39.74**
- Exploration expenditure written off	0.09	1.44
- Other exploration costs	71.47	38.30
(v) Cash Flow		
- Net Cash from/(used) in operating activities	**(49.51)**	**(24.52)**
- Net Cash from/(used) in investing activities	**(42.73)**	**82.63**

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, 2019		March 31, 2018	
		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	**47.42**	**1715.26**	48.34	1730.51
	Addition	**32.04**	**-**	-	-
	Deduction	**-**	**-**	-	-
	Production	**10.00**	**94.21**	0.92	15.25
	Balance	**69.46**	**1621.05**	47.42	1715.26
Total Proved Reserves		**69.46**	**1621.05**	**47.42**	**1715.26**
B) Proved developed Reserves					
Assam AAP-ON-94/1	Begining	**47.42**	**1369.16**	48.34	1384.41
	Addition	**32.04**	**346.10**	-	-
	Deduction	**-**	**-**	-	-
	Production	**10.00**	**94.21**	0.92	15.25
	Balance	**69.46**	**1621.05**	47.42	1369.16
Total Proved developed Reserves		**69.46**	**1621.05**	**47.42**	**1369.16**

Net Proved Reserves & Proved developed Reserves of Crude Oil, Condensate, Natural Gas Liquids and Gas on Geographical Basis:

Details	March 31, 2019		March 31, 2018	
	Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
	TMT	Million Cubic Meter	TMT	Million Cubic Meter
A) Proved Reserves				
India	**69.46**	**1621.05**	47.42	1715.26
Total Proved Reserves	**69.46**	**1621.05**	**47.42**	**1715.26**
B) Proved developed Reserves				
India	**69.46**	**1621.05**	47.42	1369.16
Total Proved developed Reserves	**69.46**	**1621.05**	**47.42**	**1369.16**

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 ₹**37.32 crore** (2018 : ₹39.66 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 ₹**474.20 crore** (2018 : ₹516.68 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).

Further, during the year an amount of ₹**1,266.52 crore** has been contributed on one time basis towards Defined Benefit contribution for the transition phase arising as on January 1, 2007 i.e. at the time of commencement of Defined Contribution pension scheme.

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 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 all three trusts do not have any deficit as on March 31, 2019.

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 introduced a scheme to pay specified amount as felicitation award to retired employees on achieving specific age milestones. ₹**555.18 crore** has been regognised as expenses (including acturial liability of ₹475.90 crore) during the year on this account.

NOTES TO FINANCIAL STATEMENTS

NOTE - 35 : EMPLOYEE BENEFITS (Contd...)

C. Other Long-Term Employee Benefits - General Description

Leave Encashment:

Each employee is entitled to get 8 earned leaves for each completed quarter of service. Encashment of earned leaves is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation of 300 days. In addition, each employee is entitled to get 5 sick leaves (in lieu of 10 HPL) at the end of every six months. The entire accumulation is permitted for encashment only at the time of retirement. DPE had clarified 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. However, keeping in view operational complications and service agreements the company has continued with the present practice and requested concerned authorities to reconsider the matter.

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 2018-19 on this account is ₹**21.08 crores** (2018: ₹20.47 Crore) and the payments made to employees during 2018-19 is ₹**30.66 Crores** (2018: ₹34.98 Crores). The actuarial liability of ₹**187.07 Crores** in this respect as on March 31, 2019 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	**12,846.57**	**2,657.59**	**4,561.94**	**1.23**	**122.34**	**190.55**
	11,338.41	*1,443.47*	*4,322.03*	*2.85*	*87.58*	*198.42*
Current Service Cost	**418.12**	**39.11**	**208.16**	-	**19.71**	-
	401.03	*20.77*	*197.94*	*0.06*	*13.96*	-
Past Service Cost	-	-	-	-	-	-
	-	*1,288.12*	-	-	*40.78*	-
Interest Cost	**1,119.63**	**206.76**	**354.01**	**0.01**	**9.52**	**14.90**
	1,122.62	*105.23*	*321.99*	*0.12*	*6.38*	*14.90*
Contribution by employees	**1,154.88**	-	-	-	-	-
	983.70	-	-	-	-	-
Net Liability transferred In/(Out)	**83.62**	-	-	-	-	-
	67.52	-	-	-	-	-
Benefits paid	**(1,296.83)**	**(369.78)**	**(203.04)**	**(1.24)**	**(8.18)**	**(27.60)**
	(1,066.71)	*(149.97)*	*(180.16)*	*(1.82)*	*(6.16)*	*(27.32)*
Actuarial (gain)/loss on obligations	-	**129.08**	**(12.13)**	-	**(22.56)**	**31.07**
	-	*(50.03)*	*(99.86)*	*0.02*	*(20.20)*	*4.55*
Defined Benefit Obligation at the end of the year	**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*

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	**13,102.84**	**1,837.53**	**4,642.23**	**1.24**	**-**	**-**
	11,694.45	*1,842.85*	*3,702.41*	*2.87*	*-*	*-*
Interest Income	**1,119.63**	**142.96**	**360.24**	**-**	**-**	**-**
	1,122.62	*134.34*	*275.83*	*0.12*	*-*	*-*
Contribution by employer	**418.12**	**909.31**	**160.94**	**-**	**-**	**-**
	401.03	*-*	*772.23*	*-*	*-*	*-*
Contribution by employees	**1,154.88**	**-**	**1.27**	**-**	**-**	**-**
	983.70	*-*	*1.18*	*-*	*-*	*-*
Net Liability transferred In/(Out)	**83.62**	**-**	**-**	**-**	**-**	**-**
	67.52	*-*	*-*	*-*	*-*	*-*
Benefit paid	**(1,296.83)**	**(369.78)**	**(203.04)**	**(1.24)**	**-**	**-**
	(1,066.71)	*(149.97)*	*(180.16)*	*(1.82)*	*-*	*-*
Re-measurement (Return on plan assets excluding Interest Income)	**53.46**	**29.11**	**31.95**	**-**		
	(99.77)	*10.31*	*70.74*	*0.07*		
Fair value of plan assets at the end of the year	**14,635.72**	**2,549.13**	**4,993.59**	**-**	**-**	**-**
	13,102.84	*1,837.53*	*4,642.23*	*1.24*	*-*	*-*

(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	**14,635.72**	**2,549.13**	**4,993.59**	**-**	**-**	**-**
	13,102.84	*1,837.53*	*4,642.23*	*1.24*	*-*	*-*
Defined Benefit Obligation at the end of the year	**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*
Amount not recognised in the Balance Sheet (as per para 64 of Ind AS 19)	**(309.73)**	**-**	**-**	**-**	**-**	**-**
	(256.27)	*-*	*-*	*-*	*-*	*-*
Amount recognised in the Balance Sheet	**-**	**113.63**	**(84.65)**	**-**	**120.83**	**208.92**
	-	*820.06*	*(80.29)*	*(0.01)*	*122.34*	*190.55*

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	**418.12**	**39.11**	**208.16**	**-**	**19.71**	**-**
	401.03	*20.77*	*197.94*	*0.06*	*13.96*	*-*
Past Service Cost	**-**	**-**	**-**	**-**	**-**	**-**
	-	*1,288.12*	*-*	*-*	*40.78*	*-*
Net Interest Cost	**-**	**63.80**	**(6.23)**	**0.01**	**9.52**	**14.90**
	-	*(29.11)*	*46.16*	*-*	*6.38*	*14.90*
Contribution by Employees	**-**	**-**	**(1.27)**	**-**	**-**	**-**
	-	*-*	*(1.18)*	*-*	*-*	*-*
Expenses for the year	**418.12**	**102.91**	**200.66**	**0.01**	**29.23**	**14.90**
	401.03	*1,279.78*	*242.92*	*0.06*	*61.12*	*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	**-**	**(1.61)**	**(14.86)**	**-**	**(0.15)**	**2.30**
	-	*(81.03)*	*192.00*	*-*	*(7.62)*	*4.55*
Actuarial (gain)/loss on Obligations - Due to Experience	**-**	**130.69**	**2.73**	**-**	**(22.41)**	**28.77**
	-	*31.00*	*(291.86)*	*0.02*	*(12.58)*	*-*
Re-measurement (Return on plan assets excluding Interest Income)	**-**	**29.11**	**31.95**	**-**	**-**	**-**
	-	*10.31*	*70.74*	*0.07*	*-*	*-*
Net Loss/(Gain) recognized in OCI	**-**	**99.97**	**(44.08)**	**-**	**(22.56)**	**31.07**
		(60.34)	*(170.60)*	*(0.05)*	*(20.20)*	*4.55*

(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	**7.78%**	**7.79%**	**7.78%**	**-**	**7.79%**	**7.54%**
	7.78%	*7.78%*	*7.76%*	*6.60%*	*7.78%*	*7.82%*
Salary escalation	**-**	**8.00%**	**-**	**-**	**-**	**-**
	-	*8.00%*	*-*	*8.00%*	*-*	*-*
Inflation	**-**	**-**	**8.00%**	**-**	**6.00%**	**-**
	-	*-*	*8.00%*	*-*	*6.00%*	*-*
Average Expected Future Service/ Obligation (Years)	**-**	**16**	**30**	**-**	**16**	**11**
	-	*15*	*30*	*2*	*15*	*9*

The estimate of future salary increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

NOTES TO FINANCIAL STATEMENTS

NOTE - 35 : EMPLOYEE BENEFITS (Contd...)

(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%	-	**(150.14)**	**(652.78)**	-	**(13.68)**	**(7.96)**
	-	*(149.02)*	*(607.15)*	*(0.01)*	*(13.34)*	*(7.34)*
Decrease by 1%	-	**174.01**	**851.89**	-	**17.14**	**8.71**
	-	*171.68*	*790.46*	*0.01*	*16.66*	*8.04*
Change in Salary Escalation						
Increase by 1%	-	**36.29**	-	-	-	-
	-	*38.95*	-	*0.01*	-	-
Decrease by 1%	-	**(39.79)**	-	-	-	-
	-	*(43.60)*	-	*(0.01)*	-	-
Change in Inflation Rate						
Increase by 1%	-	-	**505.49**		-	-
	-	-	*467.36*		-	-
Decrease by 1%	-	-	**(414.91)**		-	-
	-	-	*(383.10)*		-	-

(viii) Investment details:

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Investment with Insurer	-	**99.65%**	**94.29%**	-
	-	*98.47%*	*93.95%*	*97.27%*
Self managed investments	**100.00%**	**0.35%**	**5.71%**	-
	100.00%	*1.53%*	*6.05%*	*2.73%*

Details of the investment pattern for the above mentioned funded obligations is as under:

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Government Securities (Central & State)	**49.99%**	**69.21%**	**69.68%**	-
	44.12%	*69.33%*	*65.19%*	*2.73%*
Investment in Equity/Mutual Funds	**6.83%**	**5.06%**	**5.20%**	-
	4.66%	*5.43%*	*5.18%*	-
Investment in Debentures/Securities	**39.07%**	**16.03%**	**22.67%**	-
	41.13%	*21.60%*	*25.57%*	-
Other approved investments (incl. Cash)	**4.11%**	**9.70%**	**2.45%**	-
	10.09%	*3.64%*	*4.06%*	*97.27%*

(ix) The following payments are expected projections to the defined benefit plan in future years:

(₹ in Crore)

Loss/(Gain) for:	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
Within next 12 Months	**415.59**	**209.61**	-	**8.78**	**36.67**
	489.04	*183.81*	*0.02*	*9.01*	*33.03*
Between 2 to 5 Years	**1,076.26**	**904.46**	-	**32.33**	**117.07**
	1,073.84	*780.53*	*1.36*	*33.17*	*106.74*
Between 6 to 10 Years	**1,067.11**	**1,245.33**	-	**40.38**	**88.61**
	1,101.98	*1,098.67*	-	*43.84*	*82.83*

NOTES TO FINANCIAL STATEMENTS

NOTE - 36 : COMMITMENTS AND CONTINGENCIES

A. Leases

(a) Operating Lease — As Lessee

(i) Lease Rentals charged to the Statement of profit and loss and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements/arrangements

(₹ in Crore)

	2018-19	2017-18
Lease Rentals for Non-Cancellable operating leases		
(a) Lease rentals recognized during the year (incl. applicable cases as per (iv) below)	**9,398.74**	8,488.37
(b) Lease Obligations		
- Within one year	**8,352.95**	7,021.55
- After one year but not more than five years	**18,739.51**	10,097.61
- More than five years	**537.23**	626.81

These relate to storage tankage facilities for petroleum products, BOO contract for Nitrogen and Hydrogen Plant, QC labarotary at Paradip Refinery and various other leases in substance as mentioned in (iv) below.

(ii) 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 the year. Company has not taken the physical possession of property as stay is imposed by Hon'ble Delhi High Court for handing over of the office premises. Pending taking over of possession, amount paid to contractor is continued as advances under Note 8 and no amortization of lease rental is being done.

(iii) The Company has taken certain assets (including lands,office/residential premises) on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements incl. applicable cases as per (iv) below. During the current year, **₹995.68 crore** (2018: ₹1,038.21 crore) has been paid towards cancellable Operating Lease. Also refer Note 1B for more details on judgements made for lease classification in case of lands.

(iv) Leases in substance (Operating lease: Company as lessee)

The Company has entered into some contracts which are in substance operating lease contracts. Currently, the Company has booked payment made under these contracts as expenses in the statement of profit and loss. The details in respect of material operating lease arrangements are as under:

(a) IOCL has entered into various agreements with transporters for the movement of petroleum products for different tenures. Under these agreements, specific trucks are identified that are used exclusively for the transport operations of IOCL only.

(b) IOCL has entered into agreements with vessel owners for hiring of vessels for different tenures. Specified vessels are identified in the agreement with reference to the name and description of vessel, which can only be used. Such vessels are dedicated for IOCL's use only for the entire period of arrangement. Further, during the lease period, the owner can let out the specific vessel to any third party only after obtaining IOCL's permission. Hence this arrangement is classified as lease as per Appendix C to Ind AS 17.

(c) BOO agreement with Air Liquide Industries is for supply of oxygen and nitrogen at Panipat Refinery for a period of 18 years. The land is owned by IOCL and the plant is being operated by contractor for supply of oxygen and nitrogen to IOCL. There is a commitment to pay monthly minimum amount as per the agreement. IOCL shall always have first right of use of Nitrogen & Oxygen manufactured at the plant. Nitrogen gas manufactured by the contractor is mainly supplied to IOCL. Hence this arrangement is classified as lease as per Appendix C to Ind AS 17.

NOTES TO FINANCIAL STATEMENTS

NOTE - 36 : COMMITMENTS AND CONTINGENCIES (Contd...)

Details of expenses booked under various arrangements are as under:

(₹ in Crore)

	2018-19	2017-18
Operating Lease cases under Appendix C of Ind AS-17		
Handling expense under the head "Other expenses" in relation to CFA arrangement	**28.20**	38.48
Processing Fee and other charges under the head "Other expenses" in relation to bottling arrangement with CPCL	-	11.25
Processing Fee and other charges under the head "Other expenses" in relation to terminalling arrangement with GCPTCL	**21.13**	9.12
Processing Fee under the head "Other expenses" in relation to lubricants filling arrangement	-	0.19
Transportation charges under the head "Other expenses" in relation to Prime Mover Agreement	**7.65**	6.83
Purchase of nitrogen & oxygen for supply of oxygen and nitrogen at Panipat Refinery under "Cost of materials consumed"	**122.25**	77.25
Freight charges under the head "Cost of Materials Consumed"/"Other expenses" in relation to Time Charter Arrangement	**796.55**	803.74
Freight and transportation charges under the head "Other Expenses" in relation to arrangement with transporters	**8,441.82**	7,505.79

(b) Operating Lease — As Lessor

The lease rentals recognized as income in these statements as per the rentals stated in the respective agreements:

(₹ in Crore)

	2018-19	2017-18
A. Lease rentals recognized as income during the year	**4.28**	5.57
B. Value of assets given on lease included in tangible assets		
- Gross Carrying Amount	**3.63**	4.26
- Accumulated Depreciation	**0.68**	0.63
- Depreciation recognized in the Statement of Profit and Loss	**0.17**	0.15

These relate to storage tankage facilities for petroleum products and buildings given on lease.

(c) Finance Lease — As Lessee

The Company has entered into the following material finance lease arrangements:

(i) BOOT Agreement with IOT Utkal Energy Services Ltd. in respect of Tankages facility for a period of 15 years. Lessor will transfer ownership to IOCL after 15 Years at NIL value.

(ii) BOOT Agreement with IL&FS 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.

(iii) The Company has entered into finance lease arrangements with Gujarat Adani Port Limited related to Port facilities at Gujarat for a period of 25 years and 11 months.

(iv) The Company has obtained various lands from the governments for purpose of plants, facilities and offices. Lease cases where at the inception of the lease, the present value of minimum lease payments is substatitally equal to the fair value of leased assets are considered under finance leases. Also refer Note 1B for more details on judgements made for lease classification.

NOTES TO FINANCIAL STATEMENTS

NOTE - 36 : COMMITMENTS AND CONTINGENCIES (Contd...)

Disclosure under Finance Lease as Lessee:

(₹ in Crore)

	March 31, 2019	March 31, 2018
(i) Minimum lease payments		
- Within one year	**581.20**	562.06
- After one year but not more than five years	**2,263.77**	2,229.72
- More than five years	**3,892.30**	4,279.84
TOTAL	**6,737.27**	**7,071.62**
(ii) Present value of minimum lease payments		
- Within one year	**201.06**	167.60
- After one year but not more than five years	**982.70**	856.53
- More than five years	**2,327.04**	2,597.35
TOTAL	**3,510.80**	**3,621.48**
Add: Future finance charges	**3,226.47**	3,450.14
TOTAL	**6,737.27**	**7,071.62**

(d) Finance Lease — as Lessor

The Company has entered into following material finance lease arrangements:

(i) 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) 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

(₹ in Crore)

	March 31, 2019	March 31, 2018
A. Gross Investments in Finance Lease	**510.17**	432.28
Less: Unearned Finance Income	**7.72**	0.16
Less: Finance Income Received	**173.48**	170.98
Less: Minimum Lease payment received	**269.00**	260.07
Net Investment in Finance Lease as on Date	**59.97**	**1.07**
B. Unearned finance Income	**7.72**	**0.16**
C. Present Value of Minimum Lease Payments Receivable		
- Within one year	**18.50**	0.69
- After one year but not more than five years	**41.47**	0.38
- More than five years	**-**	-
TOTAL	**59.97**	**1.07**
D. Break-up of un-earned income		
- Within one year	**4.04**	0.11
- After one year but not more than five years	**3.68**	0.05
- More than five years	**-**	-
TOTAL	**7.72**	**0.16**

NOTES TO FINANCIAL STATEMENTS

NOTE - 36 : COMMITMENTS AND CONTINGENCIES (Contd...)

B. Contingent Liabilities

B.1 Claims against the Company not acknowledged as debt

Claims against the Company not acknowledged as debt amounting to ₹**10,095.39 crore** (2018: ₹8,025.58 crore) are as under:

B.1.1 ₹**568.18 crore** (2018: ₹373.35 crore;) being the demands raised by the Central Excise/Customs/Service Tax Authorities including interest of ₹**171.74 crore** (2018: ₹113.24 crore.)

B.1.2 ₹**52.39 crore** (2018: ₹31.23 crore) in respect of demands for Entry Tax from State Governments including interest of ₹**11.69 crore** (2018: ₹3.07 crore).

B.1.3 ₹**2,623.21 crore** (2018: ₹2,773.87 crore) being the demands raised by the VAT/Sales Tax Authorities including interest of ₹**1,195.85 crore** (2018: ₹1,332.72 crore).

B.1.4 ₹**3,263.12 crore** (2018: ₹1,834.36 crore;) in respect of Income Tax demands including interest of ₹**419.74 crore** (2018: ₹614.06 crore).

B.1.5 ₹**2,402.98 crore** (2018: ₹2,005.42 crore) including ₹**1,689.87 crore** (2018: ₹1,616.36 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹**187.48 crore** (2018: ₹155.86 crore).

B.1.6 ₹**1,185.51 crore** (2018: ₹1,007.35 crore) in respect of other claims including interest of ₹**513.66 crore** (2018: ₹405.84 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 favour of three beneficiaries i.e. Bolivarian Republic of Venezuela (Republic), The Corporacion Venezolana del Petroleo S.A. and PeTroCarabobo S.A., on behalf of Indoil Netherlands B.V., Netherlands (an associate company) to fulfill the associate company's future obligations of payment of signature bonus/equity contribution/loan to the beneficiaries. The total amount sanctioned by the Board of Directors is USD 424 million. The estimated amount of such obligation (net of amount paid) is ₹**2,533.81 crore** - **USD 366.37 million** (2018: ₹2,387.99 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. 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 ₹**4,558.93 crore** - **CAD 884.39 million** (2018: 4,588.28 crore - CAD 905.65 million). The sanctioned amount was reduced by CAD 1,462 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** (2018: ₹3,280.94 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** (2018: ₹11.40 crore).

B.2.5 The Company has issued Parent Company Guarantee in favour 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 ₹**581.98 crore - USD 84.15 million** (2018: ₹NIL - USD NIL).

NOTES TO FINANCIAL STATEMENTS

NOTE - 36 : COMMITMENTS AND CONTINGENCIES (Contd...)

B.3 Other money for which the Company is Contingently Liable

Pending decision of the Government, no liability could be determined and provided for in respect of additional compensation, if any, payable to the land owners and the Government for certain lands acquired.

C. Commitments

C.1 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for **₹23,638.90 crore** (2018: ₹14,748.60 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 **₹785.17 crore** (2018: ₹2,822.44 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 To meet the direction of Honourable High Court of Orissa, the Company has a commitment to pay **₹280.10 crore** (2018: ₹280.10 crore) towards providing high tech ambulances, removal of old anicut and construction of water treatment plant in the State of Orissa. In addition the Company has to incur cost towards dredging through Orissa Construction Co, a state government agency estimate for which yet to be finalised.

C.2.3 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 option to sell Compulsory Convertible Debenture (CCD) to the Company (IOCL) before the expiry date. 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** (2018: ₹949.05 Crore).

D. Contingent assets

(₹ in Crore)

		March 31, 2019	March 31, 2018
a.	A customer had lodged a claim against the Company challenging the pricing mechanism of utilities provided. The matter was referred to arbitration and award was given in favour of the Company. Customer has approached Honourable High Court challenging the award of arbitration and Honourable High Court vide its interim orders dated August 28, 2017 and April 19, 2018 has directed the customer to deposit the principal amount and interest amount respectively in the Registry of the Court. Court has also directed that the amount deposited by the customer shall be released to the company upon furnishing an unconditional Bank Guarantee of the equivalent amount. Based on the direction of the Court, the Company had furnished unconditional Bank Gurantee during current year. Pending receipt of money the management has treated a portion of the amount recoverable as contingent asset pending adjudication of matter with Honourable High Court in the previous year.	-	112.98
b.	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.	**3.61**	3.48
c.	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.	**5.36**	-
d.	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	**39.99**	**116.46**

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, 2019	March 31, 2018
1	Sales of Products/Services	**1,595.10**	720.98
	[Includes sales to Chennai Petroleum Corporation Limited ₹**1,211.67 crore** (2018: ₹525.90 crore) and Lanka IOC PLC ₹**366.84 crore** (2018: ₹186.63 crore)]		
2	Other Operating Revenue/Other Income	**254.19**	284.33
	[Includes Other Operating Revenue/Other Income from Chennai Petroleum Corporation Limited ₹**222.77 crore** (2018: ₹242.33 crore)]		
3	Purchase of Products	**46,178.75**	39,009.04
	[Includes Purchase of Products from Chennai Petroleum Corporation Limited ₹**46,178.75 crore** (2018: ₹39,009.04 crore)]		
4	Purchase of Raw Materials/Others	**9,289.24**	2,553.60
	[Includes Purchase of Raw Materials/Others from IOCL Singapore Pte. Limited ₹**6,607.35 crore** (2018: ₹1,695.21 crore) and IndOil Global B.V., Netherlands ₹**1,905.29 crore** (2018: NIL)]		
5	Handling/Other Expenses	**7.31**	13.34
	[Includes Handling/Other Expenses to Chennai Petroleum Corporation Limited ₹**3.46 crore** (2018: ₹6.97 crore), IOC Middle East FZE ₹**1.85 crore** (2018: ₹1.16 crore), IndianOil (Mauritius) Limited ₹**1.20 crore** (2018: ₹0.63 crore) and Lanka IOC PLC ₹**0.80 crore** (2018: ₹4.58 crore)]		
6	Reimbursement of Expenses	**25.47**	43.96
	[Includes Reimbursement of Expenses pertaining to Chennai Petroleum Corporation Limited ₹**24.03 crore** (2018: ₹43.96 crore)]		
7	Investments made/(sold) during the year incl Advance for Investment	**2,016.47**	1,612.13
	[Includes Investment made in IOCL Singapore Pte. Limited ₹**2,273.11 crore** (2018: ₹117.47 crore), Preference Shares Redemeed-Chennai Petroleum Corporation Limited-₹**500.00 crore** (2018: NIL) and IndOil Global B.V., Netherlands ₹**242.76 crore** (2018: ₹1,493.11 crore)]		
8	Purchase/(Sale)/Acquisition of Fixed Assets including CWIP	**1.03**	0.11
	[Includes Purchase/Sale/Acquisition of Fixed Assets incl. CWIP from Chennai Petroleum Corporation Limited ₹**1.03 crore** (2018: ₹0.11 crore)]		
9	Outstanding Receivables/Loans	**3,018.68**	4,079.70
	[Includes Outstanding Receivables/Loans & Advances from Chennai Petroleum Corporation Limited ₹**2,974.89 crore** (2018: ₹4,023.60 crore)]		
10	Outstanding Payables	**2,315.54**	1,792.56
	[Includes Outstanding payable to Chennai Petroleum Corporation Limited ₹**1,361.82 crore** (2018: ₹1,323.22 crore), IndOil Global B.V., Netherlands ₹**479.42 crore** (2018: NIL) and IOCL Singapore Pte. Limited ₹**460.33 crore** (2018: ₹447.29 crore)]		
11	Investments in Subsidiaries as on date	**16,383.67**	12,896.23

NOTES TO FINANCIAL STATEMENTS

NOTE - 37 : 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 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 (Formerly known as IOT Infrastructure & Energy Services Ltd.)	18) GSPL India Transco Limited
2) Lubrizol India Private Limited	19) GSPL India Gasnet Limited
3) Petronet VK Limited	20) IndianOil - Adani Gas Private Limited
4) IndianOil Petronas Private Limited	21) Mumbai Aviation Fuel Farm Facility Private Limited
5) Avi-Oil India Private Limited	22) Kochi Salem Pipeline Private Limited
6) Petronet India Limited *	23) Hindustan Urvarak & Rasayan Limited
7) Petronet LNG Limited	24) Ratnagiri Refinery & Petrochemicals Limited
8) Green Gas Limited	25) Indradhanush Gas Grid Limited (Incorporated on 10.08.18)
9) IndianOil Panipat Power Consortium Limited @	26) Indian Additives Limited
10) Petronet CI Limited @	27) National Aromatics & Petrochemicals Corporation Limited
11) IndianOil LNG Private Limited	28) INDOIL Netherlands B.V.
12) IndianOil SkyTanking Private Limited	29) Taas India PTE Limited
13) Suntera Nigeria 205 Limited	30) Vankor India PTE Limited
14) Delhi Aviation Fuel Facility Private Limited	31) Ceylon Petroleum Storage Terminals Limited
15) Indian Synthetic Rubber Private Limited	32) Falcon Oil & Gas B.V.
16) Indian Oil Ruchi Biofuels LLP #	33) Urja Bharat PTE Ltd (Incorporated on 12.02.19)
17) NPCIL- IndianOil Nuclear Energy Corporation 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 (Formerly known as IOT Mabagas Private Limited)
6) IOT Engineering Projects Limited	

NOTES TO FINANCIAL STATEMENTS

NOTE - 37 : RELATED PARTY DISCLOSURES (Contd...)

C) The following transactions were carried out with the related parties in the ordinary course of business:

(₹ in Crore)

		March 31, 2019	March 31, 2018
1	**Sales of Products/Services**	**1,108.21**	815.37
	[Includes sales to IndianOil Petronas Private Limited ₹**548.21 crore** (2018: ₹273.56 crore) and Indian Synthetic Rubber Private Limited ₹**460.33 crore** (2018: ₹484.07 crore)]		
2	**Interest received**	**52.19**	45.63
	[Includes interest received from IndianOil LNG Private Limited ₹**39.25 crore** (2018: ₹39.24 crore) and Petronet VK Limited ₹**11.21 crore** (2018: NIL)]		
3	**Other Operating Revenue/Other Income**	**370.06**	204.23
	[Includes Other Operating Revenue/Other Income from Petronet LNG Limited ₹**192.40 crore** (2018: ₹51.46 crore) and Indian Synthetic Rubber Private Limited ₹**95.79 crore** (2018: ₹75.30 crore)]		
4	**Purchase of Products**	**5,960.46**	5,950.04
	[Includes Purchase of Products from Petronet LNG Limited ₹**5,768.06 crore** (2018: ₹5,820.32 crore)]		
5	**Purchase of Raw Materials/Others**	**5,527.95**	3,485.52
	[Includes Purchase of Raw Materials/Others from Petronet LNG Limited ₹**5,083.97 crore** (2018: ₹3,080.47 crore)]		
6	**Interest paid**	**284.69**	299.64
	[Includes Interest paid to IOT Utkal Energy Services Limited ₹**284.69 crore** (2018: ₹299.64 crore)]		
7	**Handling/Other Expenses**	**958.23**	872.20
	[Includes Handling/Other Expenses to IndianOil Sky Tanking Private Limited ₹**432.75 crore** (2018: ₹351.20 crore) and IndianOil Petronas Private Limited ₹**298.93 crore** (2018: ₹290.44 crore)]		
8	**Reimbursement of Expenses**	**1.71**	4.09
	[Includes Reimbursement of Expenses pertaining to Indian Oiltanking Ltd ₹**1.26 crore** (2018: ₹0.99 crore) and Green Gas Limited ₹**0.29 crore** (2018: NIL)]		
9	**Investments made/(sold) during the year incl. Advance for Investment**	**547.23**	440.43
	[Includes Investment made/(sold) in IndianOil LNG Private Limited ₹**326.50 crore** (2018: NIL), Hindustan Urvarak and Rasayan Limited ₹**107.08 crore** (2018: ₹328.23 crore) and IndianOil Adani Gas Private Limited ₹**61.50 crore** (2018: ₹39.00 crore)]		
10	**Purchase/(Sale)/Acquisition of Fixed Assets including CWIP**	**158.44**	7.15
	[Includes Purchase/Acquisition of Fixed Assets incl. CWIP from IOT Utkal Energy Services Limited ₹**147.72 crore** (2018: ₹6.04 crore)]		
11	**Provisions made/(write back) during the year**	**0.03**	-
	[Includes Provision made GSPL India Gasnet Limited ₹**0.03 crore** (2018: NIL)]		
12	**Outstanding Receivables/Loans**	**718.86**	627.55
	[Includes Outstanding Receivables/Loans & Advances from Petronet LNG Limited ₹**286.96 crore** (2018: ₹307.61 crore), Suntera Nigeria 205 Limited ₹**139.31 crore** (2018: ₹113.58 crore), Petronet VK Limited ₹**92.45 crore** (2018: ₹84.65 crore) and Indian Synthetic Rubber Private Limited ₹**87.01 crore** (2018: ₹68.66 crore)]		
13	**Outstanding Payables**	**3,018.52**	3,375.44
	[Includes Outstanding payable to IOT Utkal Energy Services Limited ₹**2,665.02 crore** (2018: ₹2,817.97 crore)]		
14	**Investments in JV/Associates as on date**	**2,805.89**	2,239.70

NOTES TO FINANCIAL STATEMENTS

NOTE - 37 : 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.

3. Relatives of Key Managerial Personnel and nature of relation with whom transactions are undertaken during the year:

Shri B V Raghav Raju (Manager, 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, 2019	March 31, 2018
1	Remuneration		
	Shri B V Raghav Raju	**0.24**	0.06
2	Outstanding Receivables/Loans		
	Shri B V Raghav Raju	-	-

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.

\# IndianOil has decided to exit the Joint Venture and has given notice of its exit from the LLP to the other JV partner viz. Ruchi Soya Industries as well as to the LLP on December 26, 2018 stating that it will exit the LLP w.e.f. January 25, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE - 37 : RELATED PARTY DISCLOSURES (Contd...)

5) **Key Managerial Personnel**

A. Whole Time Directors/Company Secretary	B. Independent Directors	C. Government Nominee Directors
1) Shri Sanjiv Singh	1) Shri Sanjay Kapoor (Upto December 1, 2018)	1) Shri Ashutosh Jindal
2) Shri A.K.Sharma (Upto January 31, 2019 and w.e.f February 18, 2019)	2) Shri Parindu K. Bhagat	2) Smt. Urvashi Sadhwani (Upto May 10, 2018)
3) Shri G. K. Satish	3) Shri Vinoo Mathur	3) Smt. Sushma Taishete Rath (Upto July 5, 2018)
4) Dr. S. S. V. Ramakumar	4) Shri Samirendra Chatterjee	4) Smt Indrani Kaushal (Upto March 11, 2019)
5) Shri B. V. Rama Gopal	5) Shri Vivek Rae (Upto June 3, 2018)	5) Smt Sushmita Dasgupta (w.e.f March 20, 2019)
6) Shri Ranjan Kumar Mohapatra	6) Shri Chitta Ranjan Biswal	
7) Shri Gurmeet Singh (w.e.f. July 26, 2018)	7) Dr. Jagdish Kishwan	
8) Shri Akshay Kumar Singh (w.e.f. August 14, 2018)	8) Shri Sankar Chakraborti	
9) Shri Kamal Kumar Gwalani	9) Shri Dharmendra S. Shekhawat	

D) **Details relating to the parties referred to in Item No. 5A & 5B above:**

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 Sanjay Kapoor	-	-	-	-	0.06	-
2) Shri Parindu K. Bhagat	-	-	-	-	0.11	-
3) Shri Vinoo Mathur	-	-	-	-	0.09	-
4) Shri Samirendra Chatterjee	-	-	-	-	0.06	-
5) Shri Vivek Rae	-	-	-	-	0.01	-
6) Shri Chitta Ranjan Biswal	-	-	-	-	0.07	-
7) Dr Jagdish Kishwan	-	-	-	-	0.10	-
8) Shri Sankar Chakraborti	-	-	-	-	0.08	-
9) Shri Dharmendra S. Shekhawat	-	-	-	-	0.09	-
TOTAL	**5.71**	**0.75**	**0.96**	**7.42**	**0.67**	**0.43**

NOTES TO FINANCIAL STATEMENTS

NOTE - 37 : RELATED PARTY DISCLOSURES (Contd...)

March 31, 2018

(₹ 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	0.57	0.07	0.27	0.91	-	0.02
2) Shri A.K.Sharma	0.64	0.07	0.16	0.87	-	0.07
3) Shri G. K. Satish	0.53	0.07	0.12	0.72	-	0.01
4) Dr S. S. V. Ramakumar	0.53	0.07	0.05	0.65	-	0.03
5) Shri B V Rama Gopal	0.09	0.01	-	0.10	-	0.01
6) Shri Ranjan Kumar Mohapatra	0.08	0.01	-	0.09	-	0.23
7) Shri Gurmeet Singh	-	-	-	-	-	-
8) Shri Akshay Kumar Singh	-	-	-	-	-	-
9) Shri Kamal Kumar Gwalani	0.34	0.04	0.18	0.56	-	0.22
B. Independent Directors						
1) Shri Sanjay Kapoor	-	-	-	-	0.16	-
2) Shri Parindu K. Bhagat	-	-	-	-	0.15	-
3) Shri Vinoo Mathur	-	-	-	-	0.05	-
4) Shri Samirendra Chatterjee	-	-	-	-	0.04	-
5) Shri Vivek Rae	-	-	-	-	0.04	-
6) Shri Chitta Ranjan Biswal	-	-	-	-	0.04	-
7) Dr. Jagdish Kishwan	-	-	-	-	0.05	-
8) Shri Sankar Chakraborti	-	-	-	-	0.05	-
9) Shri Dharmendra S. Shekhawat	-	-	-	-	0.05	-
TOTAL	**2.78**	**0.34**	**0.78**	**3.90**	**0.63**	**0.59**

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 12,000 kms. per annum on a payment of ₹2,000/- per mensem.

NOTES TO FINANCIAL STATEMENTS

NOTE - 37 : RELATED PARTY DISCLOSURES (Contd...)

6) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

	Name of the Trust	Post Employment Benefit Plan	March 31, 2019		March 31, 2018	
			Contribution by employer	Outstanding Receivable/ (Payable)	Contribution by employer	Outstanding Receivable/ (Payable)
1	IOCL (Refinery Division) Employees Provident Fund	Provident Fund	**190.95**	**(18.72)**	181.28	(19.79)
2	Indian Oil Corporation Limited (Assam Oil Division) Employees Provident Fund	Provident Fund	**19.17**	**(6.98)**	20.31	(7.21)
3	Provident Fund for the Employees of Indian Oil Corporation Limited (Marketing Division)	Provident Fund	**208.00**	**(52.98)**	199.44	(5.81)
4	IOCL Employees Superannuation Benefit Fund	Pension Scheme	**1,740.72**	**19.76**	592.22	(0.13)
5	IOCL Employees Post Retirement Medical Benefit Fund	Post Retirement Medical Scheme	**160.94**	**84.65**	772.23	80.29
6	IOCL Employees Group Gratuity Trust	Gratuity	**909.31**	**(113.63)**	-	(820.06)
7	Indian Oil Corporation Limited (Assam Oil Division) Staff Pension Fund	Pension Scheme	**-**	**-**	-	0.01

NOTES TO FINANCIAL STATEMENTS

NOTE - 38 : SEGMENT INFORMATION

Operating Segment Reporting as per Ind AS 108 for the year ended March 31, 2019 is as under:

(₹ in Crore)

	2018-19					2017-18				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
Revenue										
External Revenue	5,76,087.88	21,146.91	8,688.98	-	6,05,923.77	4,81,168.43	18,033.84	7,225.32	-	5,06,427.59
Inter-segment Revenue	11,651.29	35.91	95.89	(11,783.09)	-	8,413.76	25.32	53.94	(8,493.02)	-
Total Revenue	**5,87,739.17**	**21,182.82**	**8,784.87**	**(11,783.09)**	**6,05,923.77**	**4,89,582.19**	**18,059.16**	**7,279.26**	**(8,493.02)**	**5,06,427.59**
Result										
Segment Results excluding Exchange Gain/(Loss)	23,505.28	4,246.56	366.38	-	28,118.22	27,324.73	5,255.84	401.22	-	32,981.79
Segmental Exchange Gain/(Loss)	(1,339.77)	(48.86)	3.82	-	(1,384.81)	276.79	(29.62)	6.60	-	253.77
Segment Results	**22,165.51**	**4,197.70**	**370.20**	**-**	**26,733.41**	**27,601.52**	**5,226.22**	**407.82**	**-**	**33,235.56**
Less: Unallocable Expenditure										
- Finance Cost					4,311.03					3,482.71
- Loss on Sale of Investments (Net)					1.60					-
- Loss on sale and disposal of Assets					152.87					157.22
- Exchange Loss - (Net)					118.34					-
- Fair value Loss on Financial instruments classified as FVTPL					2.77					81.07
- Amortisation of FC Monetary Item Translation					148.39					111.13
Add: Unallocable Income										
- Interest/Dividend Income					3,045.04					2,878.65
- Profit on Sale of Investments (Net)					-					108.09
- Provision for diminution in Investments written back (Net)					1.60					18.38
- Exchange Gain - (Net)					-					50.30
- Gain on Derivatives					0.32					46.40
- Other non operating income					81.55					59.03
Profit Before Tax					**25,126.92**					**32,564.28**
Less: Income Tax (including										
deferred tax)					8,232.77					11,218.16
Profit After Tax					**16,894.15**					**21,346.12**

1. **The Company is engaged in the following operating segments:**
   a) Sale of Petroleum Products
   b) Sale of Petrochemicals
   c) Other Businesses, which comprises Sale of Gas, Explosives & Cryogenics, Wind Mill & Solar Power Generation and Oil & Gas Exploration Activities.

   Segments have been identified and reported taking into account, the nature of products and services and differing risks and returns.

2. **Segment Revenue comprises of the following:**
   a) Turnover (Inclusive of Excise Duties)
   b) Net Claim/(Surrender) of SSC
   c) Subsidy/Grants received from Governments
   d) Other Operating Revenue

3. **Inter segment pricing are at Arm's length basis**

4. **There are no reportable geographical segments.**

NOTES TO FINANCIAL STATEMENTS

NOTE - 38 : SEGMENT INFORMATION (Contd...)

Other Information

(₹ in Crore)

	2018-19					2017-18				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
Segment Assets	2,43,098.77	16,847.70	3,642.41		2,63,588.88	2,10,379.14	14,665.15	2,944.62		2,27,988.91
Corporate Assets										
Investments (Current and Non Current)					49,755.38					47,488.26
Advances For Investments					-					1,494.66
Advance Tax					1,834.45					1,293.37
Interest Accrued On Investments/Bank Deposits					196.35					187.64
Loans To JV/Subsidiaries Included In Loans and Receivables					237.13					198.36
Deposits for Leave Encashment Fund (refer Note - 48)					-					2,088.11
Derivative Asset					35.56					2.93
Finance Lease Receivables					59.97					1.07
Total Assets					3,15,707.72					2,80,743.31
Segment Liabilities	1,02,810.49	807.51	992.02		1,04,610.02	98,598.87	557.05	1,142.09		1,00,298.01
Corporate Liabilities										
Borrowings (Short Term and Long Term)					83,259.91					55,525.63
Current Maturities Of Long-Term Debt					3,098.81					2,504.75
Deferred Tax Liability					15,823.07					12,019.57
Derivative Liabiliies					258.40					224.33
Total Liabilities					2,07,050.21					1,70,572.29
Capital Employed										
Segment Wise	1,40,288.28	16,040.19	2,650.39		1,58,978.86	111,780.27	14,108.10	1,802.53		1,27,690.90
Corporate					(50,321.35)					(17,519.88)
Total Capital Employed					1,08,657.51					1,10,171.02
Capital Expenditure	18,644.93	2,111.97	686.00	-	21,442.90	15,253.59	1,257.75	77.07	-	16,588.41
Depreciation and Amortization	6,472.50	958.26	83.53	-	7,514.29	6,154.43	851.02	61.56	-	7,067.01

Geographical information

(₹ in Crore)

	Revenue from external customers		Non-current assets	
	2018-19	2017-18	2018-19	2017-18
India	5,81,692.71	4,81,941.19	1,45,911.71	1,31,369.68
Outside India	24,231.06	24,486.40	181.81	139.42
TOTAL	6,05,923.77	5,06,427.59	1,46,093.52	1,31,509.10

Revenue from major Products and Service

(₹ in Crore)

	2018-19	2017-18
Motor Spirit (MS)	1,14,704.54	98,114.75
High Speed Diesel (HSD)	3,03,561.37	2,53,447.23
Superior Kerosene Oil (SKO)	13,264.74	11,166.51
Liquified Petroleum Gas (LPG)	65,240.79	53,101.38
Aviation Turbine Fuel (ATF)	30,748.72	22,648.05
Others	78,403.61	67,949.67
Total External Revenue	**6,05,923.77**	**5,06,427.59**

NOTES TO FINANCIAL STATEMENTS

NOTE - 39 : FAIR VALUES

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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
Financial Assets					
A. FVOCI financial instruments:					
Quoted Equity Shares	**18,650.71**	20,493.36	**18,650.71**	20,493.36	Level 1
Unquoted Equity Instrument	**651.87**	726.87	**651.87**	726.87	Level 3
Quoted Government Securities	**11,263.24**	11,132.10	**11,263.24**	11,132.10	Level 1
Hedging derivatives					
Commodity forward contracts-Margin Hedging	**35.56**	-	**35.56**	-	Level 2
B. FVPL financial instruments:					
Non Convertible Redeemable Preference shares	**558.38**	1,082.07	**558.38**	1,082.07	Level 3
Compulsorily Convertible Debentures	**674.67**	329.21	**674.67**	329.21	Level 3
Loan to Related parties - Suntera	**147.29**	120.56	**147.29**	120.56	Level 3
Derivative Instruments at fair value through profit or loss	**-**	2.93	**-**	2.93	Level 2
C. Amortised Cost:					
Loans to employees	**1,275.08**	1,159.11	**1,277.31**	1,156.86	Level 2
PMUY Loan	**1,729.76**	754.75	**1,725.37**	764.91	Level 2
Financial Liabilities					
A. Borrowings:					
Amortised Cost:					
Term Loans from Oil Industry Development Board (OIDB)	**459.65**	884.20	**462.28**	896.18	Level 2
Finance lease obligation	**3,510.80**	3,621.48	**3,983.20**	4,281.39	Level 2
Foreign Currency Bonds - US Dollars	**13,256.62**	6,578.88	**14,015.75**	6,994.10	Level 1
Foreign Currency Bonds - Singapore Dollars	**2,091.67**	2,040.81	**2,125.42**	2,008.20	Level 2
Loan from Odisha Government	**707.33**	478.86	**637.29**	469.46	Level 2
B. Other financial liabilities:					
Fair value through profit and loss (FVPL):					
Derivative Instruments at fair value through profit or loss	**249.07**	224.33	**249.07**	224.33	Level 2
C. Other financial liabilities:					
Fair value through OCI (FVOCI):					
Hedging Derivatives					
Foreign exchange forward contracts-Loans	**9.33**	-	**9.33**	-	Level 2

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, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Finance Lease Receivable, 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/PMUY Loan:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities.

(iv) **Finance Lease Obligation:** For obligation arrived based on IRR, implicit rate applicable on the reporting date and for obligation arrived based on incremental borrowing rate, applicable rate for remaining maturity.

(v) **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).

(vi) **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 and Loan to Related parties - Suntera:** Fair value of Preference shares, Debentures and Loan to Suntera is estimated with the help of external valuer by discounting future cash flows. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE - 39 : 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 March 31, 2019 and March 31, 2018 are shown below:

	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	31.03.19: 0.80x - 0.84x (0.82x) 31.03.18: 0.85x - 0.89x (0.87x)	0.01x increase/(decrease) in Revenue Multiple would result in increase/(decrease) in fair value by: 31.03.19: **₹4.50 crore/₹(4.40) crore** 31.03.18: ₹5.50 crore/₹(5.40) crore
			EBITDA multiple	31.03.19: 5.5x - 5.9x (5.7x) 31.03.18: 6.5x - 6.9x (6.7x)	0.1x increase/(decrease) in EBITDA Multiple would result in increase/(decrease) in fair value by: 31.03.19: **₹7.50 crore/₹(7.40) crore** 31.03.18: ₹6.80 crore/₹(6.70) crore
II	Non Convertible Redeemable Preference Shares	DCF method	Discount Rate (Post tax)	31.03.19: 4.85% - 6.85% (5.85%) 31.03.18: 5.60% - 6.60% (6.14%)	0.5% increase/(decrease) in discount rate would result in (decrease)/increase in fair value by: 31.03.19: **₹(14.00) crore/₹14.00 crore** 31.03.18: ₹(15.00) crore/₹16.00 crore
III	Compulsorily Convertible Debentures	Present Value Analysis	Discount Rate	31.03.19: 7.3% - 9.3% (8.3%) 31.03.18: 7.3% - 9.3% (8.3%)	0.5% increase/(decrease) in Discount Rate would result in (decrease)/increase in fair value by: 31.03.19: **₹(5.20) crore/₹5.30 crore** 31.03.18: ₹(1.40) crore/₹1.40 crore
IV	Loan to Related party - Suntera	DCF method	Discount Rate	31.03.19: 14.5% - 18.5% (16.5%) 31.03.18: 12% - 16% (14%)	1% increase/(decrease) in Discount rate would result in (decrease)/increase in fair value by: 31.03.19: **₹(6.90) crore/₹7.60 crore** 31.03.18: ₹(5.20) crore/₹5.20 crore

Unquoted Equity Instruments carried at FVOCI includes following investments for which sensitivity disclosure are not disclosed:

	Carrying Value (₹ in Crore)	
	March 31, 2019	March 31, 2018
Woodlands Multi-speciality 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, 2018	**726.87**	**1,082.07**	**329.21**	**120.56**
Addition	-	-	326.50	17.62
Redemption/Sales	-	(500.00)	-	-
Fair Value Changes	(75.00)	(23.69)	18.96	1.96
Exchange Difference	-	-	-	7.15
Balance as at March 31, 2019	**651.87**	**558.38**	**674.67**	**147.29**

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 finance 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 Committee 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 Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies, risk objectives and risk appetite.

The Company's requirement of crude oil are managed through integrated function handled through its international trade and 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 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, 2019 and March 31, 2018.

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 possibility that changes in interest 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 maintain 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, 2019, approximately **59%** of the Company's borrowings are at a fixed rate of interest (March 31, 2018: 49%).

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, 2019		March 31, 2018	
INR	**+50**	**(18.09)**	+50	(15.00)
US Dollar	**+50**	**(159.39)**	+50	(133.24)
INR	**-50**	**18.09**	-50	15.00
US Dollar	**-50**	**159.39**	-50	133.24

NOTES TO FINANCIAL STATEMENTS

NOTE - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

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 occurrence of pre-determined triggers. The hedging is mostly undertaken through forward contracts.

The Company has outstanding forward contract of **₹2,873.43 crore** as at March 31, 2019 (March 31, 2018: ₹4,210.75 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 of Borrowings	Increase/Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/Decrease in %	Effect on profit before tax (₹ in Crore)
	March 31, 2019		March 31, 2018	
Forward Contract - US Dollar	**+5%**	**143.67**	+5%	210.54
	-5%	**(143.67)**	-5%	(210.54)
Other Exposures - US Dollar	**+5%**	**(3,516.15)**	+5%	(2,699.12)
	-5%	**3,516.15**	-5%	2,699.12
Other Exposures - SGD	**+5%**	**(104.58)**	+5%	(102.04)
	-5%	**104.58**	-5%	102.04
Cross Currency - USD vs. SGD	**+5%**	**(112.59)**	+5%	(106.11)
	-5%	**112.59**	-5%	106.11

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

	March 31, 2019	March 31, 2018
Inventory		
- Raw Materials	**8.248**	8.242
- Stock in Process	**1.561**	1.442
- Finished Products	**4.682**	4.664
- Stock in Trade	**1.818**	1.915

Due to variation in prices, the Company incurred inventory gain/(Loss) of **₹4,172.26 crores** during the current year (Previous Year: ₹6,794.64 crores)

NOTES TO FINANCIAL STATEMENTS

NOTE - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

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)

	March 31, 2019	March 31, 2018
Margin Hedging	**15.75**	94.25

The sensitivity to a reasonably possible change in price of crude oil/refinery margin on the outstanding commodity hedging position as on March-2019:

Particulars	Increase/Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/Decrease in %	Effect on profit before tax (₹ in Crore)
	March 31, 2019		March 31, 2018	
Margin Hedging	**+10%**	**(16.49)**	+10%	(96.20)
Margin Hedging	**-10%**	**16.49**	-10%	96.20

4. Equity Price Risk

The Company's investment in listed and non-listed equity securities, other than its investment 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 **₹651.87 crore.** Sensitivity analysis of these investments have been provided in Note 39.

The exposure to listed equity securities valued at fair value was **₹18,650.71 crore**. An increase/decrease of 5% on the NSE market index could have an impact of approximately **₹932.54 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. The Company has applied hedge accounting for designated derivative contracts w.e.f April 1, 2018 as per Ind AS 109 "Financial Instruments". Due to this, gain amounting to **₹22.04 crore** (net of tax) has been accounted in Other Comprehensive income which will be recycled to Statement of Profit and Loss in subsequent periods on settlement of respective contracts.

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, 2019	March 31, 2018
Derivatives not designated as hedging instruments		
Foreign exchange forward contracts- Loans- Other financial Liabilities	**(13.05)**	(59.66)
Foreign exchange forward contracts- Loans -Other financial Assets	**-**	2.93
Foreign exchange forward contracts- Crude/Product Liabilities	**-**	(1.01)
Foreign Exchange currency swap	**(236.02)**	(124.52)
Commodity Forward Contracts	**-**	(39.14)
Derivatives designated as hedging instruments		
Foreign exchange forward contracts- Loans	**(9.33)**	-
Commodity Forward Contracts - Margin Hedging	**35.56**	-

NOTES TO FINANCIAL STATEMENTS

NOTE - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

(ii) Hedging activities

The primary risks managed using derivative instruments are foreign currency risk and commodity price risk.

Commodity Price Risk

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 crack spreads i.e. decrease in the difference between the price of a refined product and the price of crude.

The risk of fall in crack spreads of certain 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 the crack spread forward contracts to hedge the margin on highly probable forecast sale in future. Risk management activities are undertaken in OTC market i.e. these are the bilateral contracts with registered counterparties.

All these hedges are accounted for as cash flow hedges.

Foreign Currency Risk

The Company is exposed to various foreign currency risks as explained in A.2 above. As per Company's Foreign Currency & Interest Rate Risk Management Policy, the Company is required to fully hedge the short term foreign currency loans (other than revolving lines and PCFC loans) and at least 50% of the long term foreign currency loans based on market conditions.

Apart from mandatory hedging of loans, the Company also undertakes foreign currency forward contracts for the management of currency purchase for repayment of crude/product liabilities based on market conditions and requirements. The above hedgings are undertaken through delivery based forward contracts.

All these hedges are accounted for as cash flow hedges.

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 instrument
- 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

The Company has applied the hedge accounting prospectively from the April 1, 2018. The related disclosures are made for the current year only.

Hedging instruments

The Company is holding the following foreign exchange and commodity forward contracts:

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	-	-	-
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)

As at March 31, 2019	Foreign exchange forward contracts- Loans	Foreign exchange forward contracts- Crude/Product Liablities	Commodity forward contracts- Margin Hedging
Nominal amount	713.35	-	200.46
Carrying amount	(9.33)	-	35.56
Line item in the Balance Sheet that's includes Hedging Instruments	Other Current Financial Liabilities	NA	Other Current Financial Assets
Change in fair value used for measuring ineffectiveness for the period (FY 2018-19)- Gain (Loss)	(39.94)	4.14	59.92

Hedge Items

The impact of the Hedged Items on the Balance Sheet is as follows:

(₹ in Crore)

As at March 31, 2019	Loans	Crude/ Product Liablities	Margin Hedging
Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax)	(1.08)	-	23.12
Change in value of the hedged items used for measuring ineffectiveness for the period (FY 2018-19)- Gain (Loss)	39.94	(4.14)	(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)

FY 2018-19	Foreign exchange forward contracts- Loans	Foreign exchange forward contracts- Crude/Product Liablities	Highly probable forecast sales
Total hedging gain/(loss) recognised in OCI	(39.94)	4.14	59.92
Income tax on above	13.96	(1.45)	(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
Amount reclassified from OCI to profit or loss	(38.28)	4.14	24.36
Income tax on above	13.38	(1.45)	(8.51)
Line item in the statement of profit or loss that includes the reclassification adjustments	Other Expenses	Other Expenses	Revenue from Operations

NOTES TO FINANCIAL STATEMENTS

NOTE - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

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 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, 2019						
Gross Carrying amount	12,305.76	1,839.29	1,062.90	159.95	214.19	15,582.09
Expected loss rate	0.10%	0.10%	0.10%	0.10%	0.10%	
Expected credit losses	(12.31)	(1.83)	(1.06)	(0.16)	(0.10)	(15.46)
Specific Provision	-	-	-	(0.01)	(118.60)	(118.61)
Carrying amount	**12,293.45**	**1,837.46**	**1,061.84**	**159.78**	**95.49**	**15,448.02**
Year ended March 31, 2018						
Gross Carrying amount	8,244.82	1,018.67	630.27	86.40	220.78	10,200.94
Expected loss rate	0.10%	0.10%	0.10%	0.10%	0.10%	
Expected credit losses	(8.24)	(1.02)	(0.63)	(0.09)	(0.16)	(10.14)
Specific Provision	-	-	-	-	(74.28)	(74.28)
Carrying amount	**8,236.58**	**1,017.65**	**629.64**	**86.31**	**146.34**	**10,116.52**

Financial instruments and cash deposits

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's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2019 and March 31, 2018 is the carrying amounts as provided in Note 4, 5, 6, 11 & 12.

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 finance 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, 2019						
Borrowings	7,499.37	28,121.83	16,071.16	31,652.62	3,013.74	86,358.72
Trade payables	2,352.95	33,138.49	3,187.56	-	-	38,679.00
Other financial liabilities	22,147.80	8,916.34	9,518.03	431.49	184.54	41,198.20
Financial guarantee contracts*	5,361.10	-	-	-	-	5,361.10
Derivatives	-	258.40	-	-	-	258.40
	37,361.22	**70,435.06**	**28,776.75**	**32,084.11**	**3,198.28**	**1,71,855.42**
Year ended March 31, 2018						
Borrowings	6,452.90	17,307.91	15,551.97	12,401.37	6,316.23	58,030.38
Trade payables	2,287.36	29,593.08	1,040.57	-	-	32,921.01
Other financial liabilities	24,678.25	9,893.63	3,003.99	485.93	47.54	38,109.34
Financial guarantee contracts*	5,325.19	-	-	-	-	5,325.19
Derivatives	-	224.33	-	-	-	224.33
	38,743.70	**57,018.95**	**19,596.53**	**12,887.30**	**6,363.77**	**1,34,610.25**

* 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.

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, 2019	March 31, 2018
Borrowings	**86,358.72**	**58,030.38**
Equity Share Capital	**9,181.04**	9,478.69
Reserves and Surplus	**99,476.47**	1,00,692.33
Equity	**1,08,657.51**	**1,10,171.02**
Debt Equity Ratio	**0.79 : 1**	**0.53 : 1**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

NOTES TO FINANCIAL STATEMENTS

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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
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)	**89.84**	77.86	**89.84**	77.86
		(ii) Suntera Nigeria 205 Ltd. (For Exploration activities) (Refer Note-1)	**137.92**	113.58	**139.16**	113.77
		(iii) IndianOil LNG Private Limited (For LNG terminal construction)	-	-	-	495.49
		(iv) Indian Oiltanking Limited (Formerly known as IOT Infrastructure and Energy Services Ltd)	**1.50**	-	**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 Statement of Profit and Loss in the financial statements and fair value of the loan is ₹**147.29 crore** as on March 31, 2019 (2018: ₹120.56 crore). Refer Note -39 for further details regarding fair valuation.

NOTE - 43 : DUES TO MICRO AND SMALL ENTERPRISES

(₹ in Crore)

Particular	March 31, 2019	March 31, 2018
- Principal*	**286.91**	283.60
- Interest on above Principal	-	-
Payments made during the year after the due date		
- Principal	-	0.41
- Interest	-	-
Interest due and payable for principals already paid	-	0.02
Total Interest accrued and remained unpaid at year end	-	0.02
Further Interest remaining due and payable in succeeding year	-	-

*Amount of ₹**51.67 crore** (2018: ₹29.85 crore) included in Note 17: Other Financial Liabilities.

NOTES TO FINANCIAL STATEMENTS

NOTE - 44 : RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹**137.15 Crore** (2018: ₹85.77 crore) have been capitalized and ₹**300.19 Crore** (2018 : ₹230.86 crore) have been accounted for in the Statement of Profit and Loss during the year. Detailed break up of total expenditure is as under:

A. CAPITAL EXPENSES (FIXED ASSETS)

(₹ in Crore)

S. No.	Asset Block	Gross Block as at 1 Apr 2018	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31 Mar 2019	Work-in-Progress as at 1 Apr 2018	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31 Mar 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)	Fixed Assets										
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**	**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
		1.94	**10.09**	**-**	**-**	**12.03**	**-**	**2.68**	**-**	**2.68**	**12.77**
	TOTAL	**1,056.96**	**79.51**	**13.85**	**23.07**	**1127.25**	**27.55**	**57.64**	**13.85**	**71.34**	**137.15**

(₹ in Crore)

S. No.	Asset Block	Gross Block as at 1 Apr 2017	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31 Mar 2018	Work-in-Progress as at 1 Apr 2017	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31 Mar 2018	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) Fixed Assets										
1	Land - Free Hold	369.41	23.73	-	-	393.14	-	-	-	-	23.73
2	Building, Roads etc	93.34	1.31	6.50	0.09	101.06	11.41	1.37	6.50	6.28	2.68
3	Plant & Equipment	483.32	31.85	16.28	0.70	530.75	16.04	20.70	16.28	20.46	52.55
4	Office Equipment	14.55	2.88	0.99	2.26	16.16	-	0.99	0.99	-	3.87
5	Transport Equipment	0.64	0.45	-	0.01	1.08	-	-	-	-	0.45
6	Furniture & Fixtures	10.11	0.70	0.70	0.10	11.41	-	1.51	0.70	0.81	2.21
7	Drainage & Sewage	1.42	-	-	-	1.42	-	-	-	-	-
	Sub Total	**972.79**	**60.92**	**24.47**	**3.16**	**1,055.02**	**27.45**	**24.57**	**24.47**	**27.55**	**85.49**
	(b) Intangible Assets										
1	Right of way	-	-	-	-	-	-	-	-	-	-
2	Licenses/Technical Know-how	0.11	-	-	-	0.11	-	-	-	-	-
3	Computer Software	1.55	0.28	-	-	1.83	-	-	-	-	0.28
	Sub Total	**1.66**	**0.28**	**-**	**-**	**1.94**	**-**	**-**	**-**	**-**	**0.28**
	TOTAL	**974.45**	**61.20**	**24.47**	**3.16**	**1,056.96**	**27.45**	**24.57**	**24.47**	**27.55**	**85.77**

NOTES TO FINANCIAL STATEMENTS

NOTE - 44 : RESEARCH AND DEVELOPMENT COSTS (Contd...)

B. RECURRING EXPENSES

(₹ in Crore)

Particualrs	March 31, 2019	March 31, 2018
1 Consumption of Stores, Spares & Consumables	**13.17**	10.38
2 Repairs & Maintenance		
(a) Plant & Machinery	**14.11**	9.16
(b) Building	**9.00**	7.69
(c) Others	**2.34**	1.02
3 Freight, Transportation Charges & demurrage	**0.22**	0.08
4 Payment to and Provisions for employees	**184.25**	141.76
5 Office Administration, Selling and Other Expenses	**77.08**	60.75
6 Interest	**0.02**	0.02
TOTAL	**300.19**	**230.86**

C. TOTAL RESEARCH EXPENSES

(₹ in Crore)

Particualrs	March 31, 2019	March 31, 2018
Capital Expenditure	**137.15**	85.77
Recurring Expenditure	**300.19**	230.86
TOTAL	**437.34**	**316.63**

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)

Particualrs	March 31, 2019	March 31, 2018
(a) Gross amount required to be spent by the company during the year		
Annual CSR Allocation	**490.60**	327.94
Carry forward from previous year	-	3.11
Gross amount required to be spent	**490.60**	**331.05**

(b) Amount spent during the year on:

(₹ in Crore)

Particulars	March 31, 2019			March 31, 2018		
	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	**92.53**	**0.54**	**93.07**	18.73	0.61	19.34
Contribution towards PMUY	**85.92**	-	**85.92**	76.43	-	76.43
Flagship Projects-CSR	**13.10**	**1.52**	**14.62**	13.28	1.60	14.88
Educational Scholarship	**2.68**	-	**2.68**	4.01	-	4.01
Swachh Bharat	**7.53**	**0.73**	**8.26**	4.67	0.47	5.14
Education/employment vocational skills	**204.71**	**2.85**	**207.56**	59.22	2.44	61.66
Administration Expenses, training etc.	**22.45**	-	**22.45**	14.72	-	14.72
Drinking Water	**14.41**	**0.72**	**15.13**	8.25	0.56	8.81
Promotion of National Heritage, Art and Culture	**0.48**	-	**0.48**	68.51	37.11	105.62
Other expenses	**40.26**	**0.17**	**40.43**	19.31	1.13	20.44
Total Expenses (ii)	**484.07**	**6.53**	**490.60**	**287.13**	**43.92**	**331.05**
Grand Total (i) and (ii)	**484.07**	**6.53**	**490.60**	**287.13**	**43.92**	**331.05**

**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 ₹**128.21 crore** (2018: ₹63.65 crore) and subsidies on sales of SKO and LPG to customers in Bhutan amounting to ₹**21.79 crore** (2018: ₹17.46 crore) have been reckoned as per the schemes notified by Governments.

2 Compensation against under recoveries

The company has accounted for Budgetary Support of ₹**4,110.18 crore** (2018: ₹3,196.34 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 ₹**6.32 crore** (2018: NIL) 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

The company has received grant of ₹**8.57 crore** (2018: NIL) in respect of stipend paid to apprentices registered under National Apprenticeship Training Scheme (NATS) and the same has been accounted on net basis against training expenses.

5 Grant in respect of revenue expenditure for research projects

During the year, the company has received revenue grant of ₹**0.95 crore** (2018: ₹1.53 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 ₹**3.08 crore** during the current year (2018: ₹2.51 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 on March 31, 2019 is ₹**57.56 crore** (2018: ₹241.42 crore). During the year, the company has recognised ₹**200.43 crore** (2018: ₹232.16 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 ₹**2,831.40 crore** (2018: ₹3,050.90 crore).

9 Entry Tax exemption

The company has recognised grant on net basis in respect of entry tax exemption of crude/Naptha purchased in Panipat Refinery, Panipat Naptha Cracker Complex and Paradip Refinery in cost of materials consumed/Purchase of Stock-in Trade. Entry tax exemption on crude/Naptha procured in the state of Haryana and Odisha has been received amounting to NIL (2018: ₹162.32 crore).

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 on March 31, 2019 is ₹**1.28 crore** (2018: ₹1.56 crore). During the year, the company has recognised ₹**0.28 crore** (2018: ₹0.27 crore) in statement of profit and loss as amortisation of capital grants.

NOTES TO FINANCIAL STATEMENTS

NOTE - 46 : DISCLOSURE ON GOVERNMENT GRANTS (Contd...)

2 DBTL Capital Grant

The company has received Government grant for roll out of DBTL scheme launched by MOPNG towards development, acquisition of software/licenses & data processing equipment for effective implementation of platform for dispesning of subsidy to customers purchasing LPG under DBTL scheme. The unamortized capital grant amount as on March 31, 2019 is **NIL** (2018: NIL). During the year, the company has recognised **NIL** (2018: ₹0.47 crore) in the statement of profit and loss as amortisation of capital grants.

3 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 on March 31, 2019 is **₹52.52 crore** (2018: ₹44.75 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 **₹7.41 crore** (2018: ₹5.20 crore) in the statement of profit and loss as amortisation of capital grants.

4 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 on March 31, 2019 is **₹13.61 crore** (2018: ₹15.33 crore). During the year, the company has recognised **₹3.64 crore** (2018: ₹2.82 crore) in the statement of profit and loss as amortisation of capital grants.

5 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 on March 31, 2019 is **₹116.31 crore** (2018: ₹121.62 crore). During the year, the company has recognised **₹5.29 crore** (2018: ₹5.28 crore) in the statement of profit and loss as amortisation of capital grants.

6 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. The unamortized capital grant amount as on March 31, 2019 is **₹78.65 crore** (2018: ₹83.04 crore). During the year, the company has recognised **₹4.38 crore** (2018: ₹4.38 crore) in the statement of profit and loss as amortisation of capital grants.

7 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 on March 31, 2019 is **₹6.21 crore** (2018: ₹6.40 crore). During the year, the company has recognised **₹0.27 crore** (2018: ₹0.27 crore) in the statement of profit and loss as amortisation of capital grants.

8 Capital Grant in form of Interest Free Loan

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 on March 31, 2019 is **₹1,352.98 crore** (2018: ₹915.94 crore). During the year, the company has recognised **₹78.56 crore** (2018: ₹11.96 crore) in the statement of profit and loss account as amortisation of capital grants.

9 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 on March 31, 2019 is **₹4.34 crore** (2018: ₹3.51 crore). During the year, the company has recognised **₹0.16 crore** (2018: ₹0.21 crore) in the statement of profit and loss as amortisation of capital grants.

10 Capital Grant in respect of Hydrogen blended Natural Gas project at Rajghat DTC

The company has received capital grant of **₹6.00 crore** (2018: NIL) 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 not amortized any amount in statement of Profit & Loss account as the project is under execution.

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 construction contracts on deposit basis. Revenue is recognised for these contracts on input based on cost incurred. Similarly non-refundable deposits received from Retail Outlets (ROs) are recognised as revenue over time.

Bifurcation of Total Revenue into Revenue from contract with customers and other sources of revenue as per requirement of Ind AS is given below;

₹ in Crore

	March 31, 2019	March 31, 2018
Total Revenue (A+E)	**6,05,923.77**	5,06,427.59
Revenue from contract with customers (A)	**5,98,429.57**	4,99,039.70
Recognised from contract liability balance of previous year (B)	**2,896.82**	2,498.22
Recognised from performance obligation satisfied in previous years (C)	**-**	-
Recognised from contracts initiated in current year (D)	**5,95,532.75**	4,96,541.48
Revenue from other contracts/from others (E)	**7,494.20**	7,387.89

An amount of ₹**58.67 crore** (2018: ₹25.30 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 ₹**108.82 crore** is recognised over time under Revenue from contract with customers.

	Receivables	Contract Asset	Contract Liability
Opening Balance	10,772.37	-	4,266.88
Closing Balance	16,228.37	-	4,730.35

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 construction 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 construction contracts/deposit works are recognised over time using input based on cost incurred. Revenue in case of Non Refundable RO Deposit is recognised on time proportion basis.

Indian Accounting Standard (Ind AS)-115 "Revenue from Contracts with Customers" became effective from April 1, 2018 and the company has adopted the same using cumulative catch-up transition method. This adoption has reduced Revenue from Operation for the current year by ₹**25.37 crore.**

NOTES TO FINANCIAL STATEMENTS

NOTE - 48 : OTHER DISCLOSURES

1 In the matter of U.P Entry Tax, consequent upon Hon'ble Allahabad High Court order dated May 4, 2018, IOCL has paid total outstanding principal amount of entry tax and challenged the interest amount. As per the latest status in the matter, Hon'ble Supreme Court under its order dated April 22, 2019 remamded the matter back to Hon'ble Allahabad High Court to decide the interest afresh on merit. Accordingly, IOCL filed stay application in Hon'ble Allahabad High Court on April 24, 2019 for stay of interest demand raised by commercial tax department. The interest liability in this regard has been fully provided for in the books of account.

2 During the year, company has settled its liability for entry tax in the State of Bihar consequent to the order of Commercial Tax Tribunal, Patna (on direction by Hon'ble Supreme Court) and accordingly, an amount of **₹1,155.02 crore**, being provision no more required, has been written back and included in provision for contingencies written back in Other Operating Revenue.

3 The revision of Employees Pay and Allowances was due w.e.f January 1, 2017. Based on presidential directive issued on October 13, 2017 dues in respect of executives have been settled. However, the revision of pay and allowances for workmen is under finalisation where liabilities have been ascertained on similar lines. An amount of **₹1,650.00** Crore has been carried as liability as on March 31, 2019 towards dues on this account.

4 During the year, the Company has considered the deposits against its liability for leave encashment fund as qualifying insurance policy as per Ind AS 19. Accordingly, it has netted off liability for leave encashment against deposits for leave encashment fund and the amount deposited in excess of leave encashment liability is shown under Advance to Employee Benefit Trust/Fund. (Refer Note 8)

5 During the year, the Company has reviewed its impairment policy for Property, Plant and Equipment (PPE) and has changed its estimate for cash flow projections to 15 years as against 10 years earlier. This being the first year of change, the Company also tested for impairment considering cash flow projection of 10 years, where the recoverable amount exceeded the carrying value as on March 31, 2019. Accordingly there was no impact of this change in the value of impairment and PPE during the year.

6 Goods and Services Tax (GST) has been implemented w.e.f July 1, 2017 wherein some of the petroleum products are still outside its ambit. Accordingly, GST is being levied on some products as against Excise Duty applicable hitherto. Since, excise duty is included in revenue and GST is not included in revenue. Thus to ensure comparability on applicable products, sales excluding excise duty is **₹5,96,219.96** Crore and ₹4,95,613.83 Crore for the year ended March 31, 2019 and March 31, 2018 respectively.

7 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. During the year, the scheme was also extended for males where there is no women in the family. 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 benefeciaries. 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 4 refills in a year and average subsidy of ₹180 per cylinder as loan recovery.

The amount of outstanding as on March 31, 2019 towards PMUY claim from Central Government is **₹1,495.63** Crore (₹446.35 Crore as on March 31, 2018) and loan from PMUY consumers is **₹3,111.32** Crore (₹1,099.70 Crore as on March 31, 2018) (net of recovery through subsidy). Against the above loan, a provision for doubtful amounting to **₹1,141.71** Crore (2018: ₹162.06 Crore) has been created as on March 31, 2019 against the beneficiaries who have not taken any refill during past six months.

8 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), consent of Niti Ayog was initially received for formation of the JV by letter dated April 27, 2018. However, the formation of the JV is still pending in view of deliberations at NITI Ayog in the matter. Accordingly, the explosive business continues to be in operation as on March 31, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE - 48 : OTHER DISCLOSURES (Contd...)

9 IndianOil has decided to exit the Joint Venture with Indian Oil Ruchi Biofuels LLP and has given notice of its exit from the Limited Liability Partnership (LLP) to the other JV partner viz. Ruchi Soya Industries as well as to the LLP on December 26, 2018 stating that it will exit the LLP w.e.f. January 25, 2019. The entire investment of ₹1.60 Crore has been written off. Accordingly, provision made for dimunition in value of investment in past of ₹1.60 Crore in earlier year is written back in other income. (Refer Note 24)

10 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.

11 Transactions with other Oil Marketing Companies are jointly reconciled on an ongoing basis.

12 There are no significant subsequent events that would require adjustments or disclosures in the Financial Statements as on the Balance Sheet date.

13 Previous year's comparative figures have been regrouped wherever necessary. Figures in brackets indicate deductions.

Sd/- **(Sanjiv Singh)** Chairman DIN - 05280701	Sd/- **(A. K. Sharma)** Director (Finance) DIN - 06665266	Sd/- **(Kamal Kumar Gwalani)** Company Secretary ACS - 13737

As per our attached Report of even date

For S.K. MEHTA & CO. Chartered Accountants (Firm Regn. No. 000478N)	**For V SANKAR AIYAR & CO.** Chartered Accountants (Firm Regn. No.109208W)	**For CK PRUSTY & ASSOCIATES** Chartered Accountants (Firm Regn. No. 323220E)	**For V. SINGHI & ASSOCIATES** Chartered Accountants (Firm Regn. No. 311017E)
Sd/- **(CA. ROHIT MEHTA)** Partner M. No. 091382	Sd/- **(CA. M.S. BALACHANDRAN)** Partner M. No. 024282	Sd/- **(CA. GV. JAYABAL)** Partner M. No. 015616	Sd/- **(CA. V. K. SINGHI)** Partner M. No. 050051

Place : New Delhi
Date : 17 May, 2019

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019

ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES

(₹ in crore)

	March-2019	March-2018
INCOME :		
1. Recovery of House Rent	**11.26**	11.17
2. Recovery of Utilities-Power and Water	**4.63**	3.79
3. Recovery of Transport Charges	**0.06**	0.14
4. Other Recoveries	**10.03**	7.74
5. Excess of Expenditure over Income	**658.95**	598.66
TOTAL	**684.93**	**621.49**
EXPENDITURE :		
1. Employee Benefit Expenses	**182.69**	140.11
2. Consumable Stores and Medicines	**74.70**	72.63
3. Repairs and Maintenance	**140.44**	156.64
4. Finance Cost	**21.55**	17.91
5. Depreciation & Amortization	**44.77**	45.67
6. Miscellaneous Expenses		
- Taxes, License Fees, Insurance etc.	**59.14**	48.48
7. Utilities-Power, Water and Gas	**120.50**	99.92
8. Rent	**0.28**	0.23
9. Subsidies for Social & Cultural Activities	**30.94**	30.74
10. Bus Hire Charges	**-**	0.45
11. Club and Recreation	**-**	-
12. Others	**9.92**	8.71
TOTAL	**684.93**	**621.49**

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT (TOWNSHIP) FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

PARTICULARS	Gross Block as at April 1, 2018	Additions during the year	Transfers from Capital work-in-progress	Disposals/ Deductions/ Transfers/ Reclassifications	Gross Block as at March, 31, 2019	Depreciation & Amortization During the Year	Deprereciation & Amortization as at March, 31, 2019	NET DEPRECIATED BLOCK	
								March 31, 2019	March 31, 2018
LAND FREEHOLD	108.39	0.01	-	-	108.40	-	-	**108.40**	108.39
LAND-LEASEHOLD	11.96	-	-	-	11.96	0.17	0.62	**11.34**	11.51
BUILDINGS, ROADS etc.	922.08	0.58	14.51	22.60	959.77	35.60	139.59	**820.18**	818.33
PLANT AND EQUIPMENT	51.44	0.65	2.27	1.55	55.91	4.55	14.31	**41.60**	41.40
OFFICE EQUIPMENTS	19.84	3.82	3.18	(7.15)	19.69	2.79	8.85	**10.84**	13.56
FURNITURE & FIXTURES	14.96	1.05	0.08	(0.83)	15.26	1.57	5.20	**10.06**	11.29
DRAINAGE, SEWAGE & WATER SUPPLY SYSTEMS	2.88	-	-	(1.45)	1.43	0.04	0.09	**1.34**	2.80
TRANSPORT EQUIPMENT	1.00	-	-	(0.78)	0.22	0.05	0.12	**0.10**	0.26
GRAND TOTAL	**1,132.55**	**6.11**	**20.04**	**13.94**	**1,172.64**	**44.77**	**168.78**	**1,003.86**	**1,007.54**
PREVIOUS YEAR	**945.41**	**77.08**	**115.74**	**(5.68)**	**1,132.55**	**45.67**	**125.01**	**1,007.54**	

CONSOLIDATED FINANCIAL STATEMENTS 2018-19

इंडियनऑयल

IndianOil

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, 2019, 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 statement 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, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its Joint Ventures and Associates as at March 31, 2019, of consolidated profit, total comprehensive income, consolidated changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). 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 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 is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matters	Auditors' response to Key Audit Matters
Property, Plant & Equipment and Intangible Assets	
There are areas where management judgement impacts the carrying value of property, plant and equipment, intangible assets and their respective depreciation 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 Companies Act, 2013 and the useful lives of certain assets as per the technical assessment by the management. We have observed that the management has regularly reviewed the aforesaid judgements and there are no material changes.

Key Audit Matters	Auditors' response to Key Audit Matters
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 process 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 have 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.
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 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 procedure 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 financial statements.
Goods and Services Tax (GST)	
The country has adopted Goods and Services Tax with effect from July 1, 2017. The Goods and Service Tax is applicable only in case of certain products and services of the Company while major products are still covered under the old regime viz., excise duty, customs duty and value added tax. Since the Company is covered under both the regimes, the management is required to apply judgment in the interpretation with respect to input tax credit available and taxability of the products and services. Since significant judgment of the management is required, the area is a key audit matter for our audit.	Our audit process involved assessing the management's judgement on the interpretations involved taking into account the advices and opinions received from indirect tax experts.

Key Audit Matters	Auditors' response to Key Audit Matters
Upstream Assets –Useful life, Impairment and Obligations	
The Auditors of one of the Group Companies have reported that significant accounting estimates based on management's knowledge and experience about past and current events and assumptions about future events in relation to the valuation, useful life, salvage value, depreciation, depletion and amortisation, impairment testing and provision for obligations on decommissioning liabilities of upstream assets reflected in the consolidated financial statements are sensitive because of their significance and the possibility that future events affecting them may differ significantly from those expected. Hence, the area is a key audit matter for our audit.	The Auditors of the said Group Company have stated that they evaluated the key factors and assumptions used to develop the accounting estimates in determining that they were reasonable in relation to the financial statements taken as a whole and they also have reliance on the reserve study prepared by an independent petroleum engineering consulting firm.
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 of sale. 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 from the private airline companies. 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. We are also informed that the Company has invoked bank guarantee obtained from one private airline and realised the money against the dues subsequent to the Balance Sheet date.

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.

The information to the extent available, relating to the consolidated financial statements which will be included in the Management discussion and Analysis and Financial Performance Highlights have been made available to us prior to the date of this auditors' report and we have not observed any misstatement.

The other information, to the extent not made available to us as of the date of signing this reports expected to be made available to us after the date of this auditors' report.

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 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, 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 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, 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 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 system 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

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 ₹39,531.33 crore and net assets of ₹20,024.73 crore as at March 31, 2019, total revenues of ₹68,488.44 crore and net cash outflows/(inflows) amounting to ₹629.55 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹585.02 crore and Other Comprehensive Income of ₹0.01 crore for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of 23 joint ventures and associates, whose financial statements/financial information have not been audited by us.

These financial statements, 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.

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 auditors as mentioned above.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), 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, 2019 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 June 5, 2015 issued by Ministry of Corporate Affairs.

f) With respect to the adequacy of the internal financial controls over financial reporting 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 June 5, 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, 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, 2019.

For S.K. MEHTA & CO. Chartered Accountants (Firm Regn. No. 000478N)	**For V SANKAR AIYAR & CO.** Chartered Accountants (Firm Regn. No.109208W)	**For CK PRUSTY & ASSOCIATES** Chartered Accountants (Firm Regn. No. 323220E)	**For V. SINGHI & ASSOCIATES** Chartered Accountants (Firm Regn. No. 311017E)
Sd/- **(CA. ROHIT MEHTA)** Partner M. No. 091382	Sd/- **(CA. M.S. BALACHANDRAN)** Partner M. No. 024282	Sd/- **(CA. GV. JAYABAL)** Partner M. No. 015616	Sd/- **(CA. V. K. SINGHI)** Partner M. No. 050051

Place of Signature- New Delhi
Dated: 17 May, 2019

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, 2019

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements')

Report on the Internal Financial Controls Over Financial Reporting 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, 2019, we have audited the internal financial controls over financial reporting 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 over financial reporting criteria established by the respective Companies 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 over financial reporting of the Group,its 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting of the Group, its joint ventures and associates, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019,except in the case of one 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 over financial reporting 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 Matters

Our aforesaid reports under section 143(3) of the Act on the adequacy and operating effectiveness of the internal financial control over the financial reporting insofar as it relates to 2 subsidiaries, 22 joint ventures and associates incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For S.K. MEHTA & CO.	**For V SANKAR AIYAR & CO.**	**For CK PRUSTY & ASSOCIATES**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 000478N)	(Firm Regn. No.109208W)	(Firm Regn. No. 323220E)	(Firm Regn. No. 311017E)
Sd/-	Sd/-	Sd/-	Sd/-
(CA. ROHIT MEHTA)	**(CA. M.S. BALACHANDRAN)**	**(CA. GV. JAYABAL)**	**(CA. V. K. SINGHI)**
Partner	Partner	Partner	Partner
M. No. 091382	M. No. 024282	M. No. 015616	M. No. 050051

Place of Signature- New Delhi
Dated: 17 May, 2019

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Crore)

Particulars	Note No.	March 31, 2019		March 31, 2018
ASSETS				
Non-current Assets				
a) Property, Plant and Equipment	2	**1,29,647.12**		1,22,987.42
b) Capital Work-in-Progress	2.1	**23,401.01**		15,085.32
c) Goodwill - On Consolidation		**1.04**		1.04
d) Intangible Assets	3	**2,845.60**		1,064.54
e) Intangible Assets Under Development	3.1	**4,879.73**		4,045.06
f) Equity Investment in Joint Ventures and Associates	4	**11,893.40**		11,048.51
g) Financial Assets				
i) Investments (Other than Investment in Joint Ventures and Associates)	4	**23,617.36**		25,558.76
ii) Loans	5	**2,291.10**		2,158.71
iii) Other Financial Assets	6	**1,582.81**		3,483.25
h) Income Tax Assets (Net)	7	**1,393.33**		1,302.93
i) Other Non-Current Assets	8	**3,826.58**		3,262.30
			2,05,379.08	**1,89,997.84**
Current Assets				
a) Inventories	9	**77,126.48**		70,567.90
b) Financial Assets				
i) Investments	4	**8,416.90**		8,198.78
ii) Trade Receivables	10	**15,797.72**		10,696.48
iii) Cash and Cash Equivalents	11	**933.28**		318.73
iv) Bank Balances other than above	12	**131.40**		177.58
v) Loans	5	**1,592.05**		635.13
vi) Other Financial Assets	6	**20,490.53**		11,287.05
c) Current Tax Assets (Net)	7	**481.92**		0.91
d) Other Current Assets	8	**4,578.35**		3,633.62
		1,29,548.63		1,05,516.18
Assets Held for Disposal	13	**227.40**		161.68
			1,29,776.03	**1,05,677.86**
TOTAL ASSETS			**3,35,155.11**	**2,95,675.70**
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share Capital	14	**9,181.04**		9,478.69
b) Other Equity	15	**1,03,288.20**		1,04,395.13
c) Non Controlling Interest		**1,877.36**		2,151.22
			1,14,346.60	**1,16,025.04**

CONSOLIDATED FINANCIAL STATEMENTS
BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Crore)

Particulars	Note No.	March 31, 2019		March 31, 2018
LIABILITIES				
Non-current Liabilities				
a) Financial Liabilities				
i) Borrowings	16	**39,152.45**		23,060.51
ii) Other Financial Liabilities	17	**616.03**		533.47
b) Provisions	18	**2,211.99**		2,422.65
c) Deferred Tax Liabilities (Net)	19	**16,509.71**		12,367.85
d) Other non-current Liabilities	20	**1,599.45**		1,361.21
			60,089.63	**39,745.69**
Current Liabilities				
a) Financial Liabilities				
i) Borrowings	21	**53,559.29**		39,080.98
ii) Trade Payables	22			
A. Total outstanding dues of Micro and Small Enterprises		**236.82**		253.87
B. Total outstanding dues of creditors other than Micro and Small Enterprises		**40,957.30**		36,327.78
iii) Other Financial Liabilities	17	**43,316.04**		37,937.98
b) Other Current Liabilities	20	**12,475.38**		12,054.93
c) Provisions	18	**10,174.05**		14,249.43
			1,60,718.88	**1,39,904.97**
TOTAL EQUITY AND LIABILITIES			**3,35,155.11**	**2,95,675.70**
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/- **(A. K. Sharma)** Director (Finance) DIN - 06665266	Sd/- **(Kamal Kumar Gwalani)** Company Secretary ACS - 13737

As per our attached Report of even date

For S.K. MEHTA & CO. Chartered Accountants (Firm Regn. No. 000478N)	**For V SANKAR AIYAR & CO.** Chartered Accountants (Firm Regn. No.109208W)	**For CK PRUSTY & ASSOCIATES** Chartered Accountants (Firm Regn. No. 323220E)	**For V. SINGHI & ASSOCIATES** Chartered Accountants (Firm Regn. No. 311017E)
Sd/- **(CA. ROHIT MEHTA)** Partner M. No. 091382	Sd/- **(CA. M.S. BALACHANDRAN)** Partner M. No. 024282	Sd/- **(CA. GV. JAYABAL)** Partner M. No. 015616	Sd/- **(CA. V. K. SINGHI)** Partner M. No. 050051

Place : New Delhi
Date : 17 May, 2019

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	Note No.	2018-19		2017-18
I. Revenue From Operations	23		6,17,242.84	5,15,541.89
II. Other Income	24		2,714.28	3,419.88
III. Total Income (I+II)			6,19,957.12	5,18,961.77
IV. Expenses:				
Cost of Material Consumed	25		3,06,472.22	2,17,267.64
Excise Duty			89,093.91	94,050.07
[Includes ₹77,364.73 crore (2018: ₹85,223.65 crore) included in Revenue from Operations]				
Purchases of Stock-in-Trade			1,39,170.13	1,18,116.41
Changes in Inventories of Finished Goods, Stock-in-trade and Stock-In Process	26		(3,545.59)	1,462.35
Employee Benefits Expense	27		11,596.28	10,680.70
Finance Costs	28		4,887.98	3,844.78
Depreciation and Amortization on :				
a) Tangible Assets		8,240.07		7,589.66
b) Intangible Assets		266.38		73.88
			8,506.45	7,663.54
Impairment Losses			0.93	4.33
Net Loss on de-recognition of financial assets at amortised cost			3.29	7.96
Other Expenses	29		39,229.00	32,324.92
Total Expenses (IV)			5,95,414.60	4,85,422.70
V. Profit before Share of profit/(loss) of an associate/a joint venture and Exceptional Items (III-IV)			24,542.52	33,539.07
VI Share of profit/(loss) of associates/joint ventures			1,384.38	911.15
VII. Profit before Tax (V+VI)			25,926.90	34,450.22
VIII. Tax Expense:				
Current Tax			5,310.26	7,648.32
Deferred Tax			3,342.79	4,175.55
IX. Profit For The Year (VII-VIII)			17,273.85	22,626.35
Profit for the Year attributable to :				
Equityholders of the Parent			17,376.70	22,189.45
Non-Controlling Interest			(102.85)	436.90

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	Note No.	2018-19	2017-18
X. Other Comprehensive Income:	30		
A (i) Items that will not be reclassified to profit or loss		**(2,044.11)**	64.43
A (ii) Income Tax relating to items that will not be reclassified to profit or loss		**(462.22)**	355.21
B (i) Items that will be reclassified to profit or loss		**(120.96)**	455.55
B (ii) Income Tax relating to items that will be reclassified to profit or loss		**(34.11)**	62.97
XI. Total Comprehensive Income for the Year (IX+X) (Comprising Profit/(Loss) and Other Comprehensive Income for the Year)		**14,612.45**	**23,564.51**
Total Comprehensive Income for the Year (Comprising Profit/(Loss) and Other Comprehensive Income for the Year) attributable to:			
Equityholders of the Parent		**14,722.26**	23,129.24
Non-Controlling Interest		**(109.81)**	435.27
XIII. Earnings per Equity Share (₹):	32		
(1) Basic		**18.41**	23.41
(2) Diluted		**18.41**	23.41
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/- **(A. K. Sharma)** Director (Finance) DIN - 06665266	Sd/- **(Kamal Kumar Gwalani)** Company Secretary ACS - 13737

As per our attached Report of even date

For S.K. MEHTA & CO. Chartered Accountants (Firm Regn. No. 000478N)	**For V SANKAR AIYAR & CO.** Chartered Accountants (Firm Regn. No.109208W)	**For CK PRUSTY & ASSOCIATES** Chartered Accountants (Firm Regn. No. 323220E)	**For V. SINGHI & ASSOCIATES** Chartered Accountants (Firm Regn. No. 311017E)
Sd/- **(CA. ROHIT MEHTA)** Partner M. No. 091382	Sd/- **(CA. M.S. BALACHANDRAN)** Partner M. No. 024282	Sd/- **(CA. GV. JAYABAL)** Partner M. No. 015616	Sd/- **(CA. V. K. SINGHI)** Partner M. No. 050051

Place : New Delhi
Date : 17 May, 2019

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

	Particulars	2018-19		2017-18	
A	**Cash Flow from Operating Activities**				
1	Profit Before Tax		**25,926.90**		34,450.22
2	Adjustments for :				
	Share of Profit of Joint Ventures and Associates	**(1,384.38)**		(911.15)	
	Depreciation and Amortisation	**8,507.38**		7,667.87	
	Loss/(Profit) on sale of Assets (net)	**169.40**		160.77	
	Loss/(Profit) on sale of Investments (net)	**1.60**		(15.27)	
	Amortisation of Capital Grants	**(99.99)**		(30.86)	
	Provision for Probable Contingencies (net)	**(1,492.97)**		(3,250.51)	
	MTM Loss/(gain) arising on financial assets/liabilities as at fair value through profit and loss	**(13.87)**		(459.51)	
	Unclaimed/Unspent liabilities written back	**(317.27)**		(89.40)	
	Fair value Gain on Investment/Provision on investment (net)	**(1.60)**		(18.45)	
	Bad Debts, Advances & Claims written off	**9.63**		10.50	
	Provision for Doubtful Debts, Advances, Claims and	**1,031.45**		313.62	
	Obsolescence of Stores (net)				
	MTM Loss/(Gain) on Derivatives	**66.82**		(130.42)	
	Foreign Currency Monetary Item Translation	**148.39**		111.13	
	Difference Account				
	Remeasurement of Defined Benefit Plans thru OCI	**(67.74)**		256.16	
	Interest Income	**(1,746.27)**		(1,827.52)	
	Dividend Income	**(863.30)**		(735.09)	
	Finance costs	**4,887.98**		3,844.78	
			8,835.26		4,896.65
3	Operating Profit before Working Capital Changes (1+2)		**34,762.16**		39,346.87
4	Change in Working Capital (excluding Cash & Cash Equivalents):				
	Trade & Other Receivables	**(15,239.61)**		(3,182.44)	
	Inventories	**(6,580.01)**		(4,870.47)	
	Trade and Other Payables	**6,761.49**		5,125.87	
	Change in Working Capital		**(15,058.13)**		(2,927.04)
5	Cash Generated From Operations (3+4)		**19,704.03**		36,419.83
6	Less : Taxes paid		**5,570.99**		7,304.54
7	**Net Cash Flow from Operating Activities (5-6)**		**14,133.04**		**29,115.29**
B	**Cash Flow from Investing Activities:**				
	Proceeds from sale of Property, plant and equipment/Transfer of Assets	**(3,463.84)**		4,415.29	
	Purchase of Property, Plant and Equipment	**(6,870.01)**		(10,526.65)	
	Expenditure on Construction Work in Progress	**(16,547.36)**		(11,918.19)	
	Proceeds from sale of financial instruments (other than working capital)	**500.00**		752.27	
	Purchase of Other Investments	**(182.14)**		(2,434.55)	
	Receipt of government grants (Capital Grant)	**7.74**		21.99	
	Interest Income received on Investments	**1,737.37**		1,836.05	
	Dividend Income on Investments	**863.30**		735.09	
	Net Cash Generated/(Used) in Investing Activities:		**(23,954.94)**		**(17,118.70)**

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

	Particulars	2018-19		2017-18	
C	**Net Cash Flow From Financing Activities:**				
	Proceeds from Long-Term Borrowings (Including finance lease)	**20,354.68**		2,709.59	
	Repayments of Long-Term Borrowings (Including finance lease)	**(3,856.61)**		(6,151.31)	
	Proceeds from/(Repayments of) Short-Term Borrowings	**14,478.31**		5,796.88	
	Interest paid	**(4,418.10)**		(2,891.55)	
	Dividend/Dividend Tax paid	**(11,679.03)**		(11,467.18)	
	Utilised for Issue of Bonus Shares/Buy Back (including expenses)	**(4,442.80)**		(3.79)	
	Net Cash Generated/(Used) from Financing Activities:		**10,436.45**		**(12,007.36)**
D	**Net Change in Cash & Cash Equivalents**		**614.55**		**(10.77)**
	(A+B+C)				
E1	**Cash & Cash Equivalents as at end of the year**		**933.28**		318.73
	Less:				
E2	**Cash & Cash Equivalents as at the beginning of year**		**318.73**		329.50
	NET CHANGE IN CASH & CASH EQUIVALENTS (E1 - E2)		**614.55**		**(10.77)**

Notes:

1. Net Cash Flow From Financing Activities includes following non-cash changes:

Particulars	2018-19	2017-18
(Gain)/Loss due to changes in exchange rate	**(384.78)**	370.46
Increase in Lease liabilities due to new leases	**55.11**	3.25
Interest Accrued and Due/not Due on borrowings	**55.49**	79.16
TOTAL	**(274.18)**	452.87

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/- **(Sanjiv Singh)** Chairman DIN - 05280701	Sd/- **(A. K. Sharma)** Director (Finance) DIN - 06665266	Sd/- **(Kamal Kumar Gwalani)** Company Secretary ACS - 13737

As per our attached Report of even date

For S.K. MEHTA & CO. Chartered Accountants (Firm Regn. No. 000478N)	**For V SANKAR AIYAR & CO.** Chartered Accountants (Firm Regn. No.109208W)	**For CK PRUSTY & ASSOCIATES** Chartered Accountants (Firm Regn. No. 323220E)	**For V. SINGHI & ASSOCIATES** Chartered Accountants (Firm Regn. No. 311017E)
Sd/- **(CA. ROHIT MEHTA)** Partner M. No. 091382	Sd/- **(CA. M.S. BALACHANDRAN)** Partner M. No. 024282	Sd/- **(CA. GV. JAYABAL)** Partner M. No. 015616	Sd/- **(CA. V. K. SINGHI)** Partner M. No. 050051

Place : New Delhi
Date : 17 May, 2019

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2019

A Equity Share Capital

(₹ in Crore)

	2018-19	2017-18
Balance at the beginning of the year	9,478.69	4,739.34
Changes in during the year		
Issue of Bonus Shares	-	4,739.35
Shares bought back	(297.65)	-
Balance at the end of the year	**9,181.04**	**9,478.69**

B Other Equity

	Reserves and Surplus					
	Retained Earnings	Bond Redemption Reserve	Capital Reserve/ Capital Redemption Reserve	Securities Premium	Insurance Reserve	Export Profit Reserve
Opening Balance as at April 1, 2017	**76,157.86**	**2,842.36**	**341.04**	**91.37**	**203.48**	**53.72**
Opening Balance Adjustment	(0.82)	-	-	-	-	-
Profit for the Year	22,189.45	-	-	-	-	-
Other Comprehensive Income	164.52	-	-	-	-	-
Total Comprehensive Income	**22,353.97**	**-**	**-**	**-**	**-**	**-**
Transfer from Bond Redemption Reserve	162.13	(162.13)	-	-	-	-
Utilized for Issue of Bonus Shares/Buy Back including expenses (net of tax)	(4,743.14)	-	-	-	-	-
Appropriation towards Interim Dividend	(9,004.90)	-	-	-	-	-
Appropriation towards Final Dividend	(474.06)	-	-	-	-	-
Appropriation towards Dividend Distribution Tax	(1,968.37)	-	-	-	-	-
Appropriation towards Insurance reserve (Net)	(20.00)	-	-	-	20.00	-
Appropriation towards Bond redemption reserve	(546.62)	546.62	-	-	-	-
Appropriation towards Corporate Social Responsibility Reserve (net)	6.55	-	-	-	-	-
Foreign Currency Exchange Gain/(Loss) on Long Term Monetary Items	-	-	-	-	-	-
FCMITDA amortised during the year	-	-	-	-	-	-
Transfer from fair Value of Equity Instruments	(222.00)	-	-	-	-	-
Transfer from fair Value of Debt Instruments (recycling)	-	-	-	-	-	-
Addition to Securities Premium During the year	-	-	-	(14.63)	-	-
Addition to Capital Reserve During the year	(74.32)	-	86.63	-	-	-
Transferred to Statement of Profit and Loss (recycling)	-	-	-	-	-	-
Closing Balance as at March 31, 2018	**81,626.28**	**3,226.85**	**427.67**	**76.74**	**223.48**	**53.72**

(₹ in Crore)

Reserves and Surplus			Items of Other Comprehensive Income			Attributable to Equity holders of the Parent	Non - Controlling Interest	TOTAL
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			
7.33	**-**	**(132.42)**	**18,203.37**	**3.95**	**(415.30)**	**97,356.76**	**1,904.56**	**99,261.32**
-	-	-	-	-	-	(0.82)	-	(0.82)
-	-	-	-	-	-	22,189.45	436.90	22,626.35
-	-	-	252.86	(169.45)	691.86	939.79	(1.63)	938.16
-	**-**	**-**	**252.86**	**(169.45)**	**691.86**	**23,129.24**	**435.27**	**23,564.51**
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(4,743.14)	-	(4,743.14)
-	-	-	-	-	-	(9,004.90)	(6.96)	(9,011.86)
-	-	-	-	-	-	(474.06)	(150.44)	(624.50)
-	-	-	-	-	-	(1,968.37)	(31.21)	(1,999.58)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(6.55)	-	-	-	-	-	-	-	-
-	-	(24.48)	-	-	-	(24.48)	-	(24.48)
-	-	111.13	-	-	-	111.13	-	111.13
-	-	-	222.00	-	-	-	-	-
-	-	-		16.09	-	16.09	-	16.09
-	-	-	-	-	-	(14.63)	-	(14.63)
-	-	-	-	-	-	12.31	-	12.31
-	-	-	-	-	-	-	-	-
0.78	**-**	**(45.77)**	**18,678.23**	**(149.41)**	**276.56**	**1,04,395.13**	**2,151.22**	**1,06,546.35**

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2019

	Reserves and Surplus					
	Retained Earnings	Bond Redemption Reserve	Capital Reserve/ Capital Redemption Reserve	Securities Premium	Insurance Reserve	Export Profit Reserve
Opening Balance as at April 1, 2018	**81,626.28**	**3,226.85**	**427.67**	**76.74**	**223.48**	**53.72**
Opening Balance Adjustment	-	-	-	-	-	-
Profit for the Year	17,376.70	-	-	-	-	-
Other Comprehensive Income	(43.10)	-	6.75	-	-	-
Total Comprehensive Income	**17,333.60**	**-**	**6.75**	**-**	**-**	**-**
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)	-	-	-	-	-
Share of JV Sold	-	-	-	-	-	-
Appropriation towards Interim Dividend	(7,775.62)	-	-	-	-	-
Appropriation towards Final Dividend	(1,895.88)	-	-	-	-	-
Appropriation towards Dividend Distribution Tax	(2,028.98)	-	-	-	-	-
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)	-	-	-	-	-
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	-	-	297.74	-	-	-
Transferred to Statement of Profit and Loss (recycling)	-	-	-	-	-	-
Closing Balance as at March 31, 2019	**82,854.41**	**3,171.39**	**732.16**	**76.74**	**241.09**	**53.72**

*Remesurement of Defined Benefit Plans

(₹ in Crore)

Reserves and Surplus			Items of Other Comprehensive Income			Attributable to Equity holders of the Parent	Non - Controlling Interest	TOTAL
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			
0.78	**-**	**(45.77)**	**18,678.23**	**(149.41)**	**276.56**	**1,04,395.13**	**2,151.22**	**1,06,546.35**
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	17,376.70	(102.85)	17,273.85
-	15.68	-	(2,461.05)	105.46	(278.18)	(2,654.44)	(6.96)	(2,661.40)
-	**15.68**	**-**	**(2,461.05)**	**105.46**	**(278.18)**	**14,722.26**	**(109.81)**	**14,612.45**
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(4,442.80)	-	(4,442.80)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(7,775.62)	-	(7,775.62)
-	-	-	-	-	-	(1,895.88)	(136.22)	(2,032.10)
-	-	-	-	-	-	(2,028.98)	(27.83)	(2,056.81)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
0.04	-	-	-	-	-	-	-	-
-	-	(138.40)	-	-	-	(138.40)	-	(138.40)
-	-	148.39	-	-	-	148.39	-	148.39
-	-	-	-	-	-	297.74	-	297.74
-	6.36	-	-	-	-	6.36	-	6.36
0.82	**22.04**	**(35.78)**	**16,217.18**	**(43.95)**	**(1.62)**	**1,03,288.20**	**1,877.36**	**1,05,165.56**

For and on Behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(Sanjiv Singh)	**(A. K. Sharma)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN - 05280701	DIN - 06665266	ACS - 13737

As per our attached Report of even date

For S.K. MEHTA & CO.	For V SANKAR AIYAR & CO.	For CK PRUSTY & ASSOCIATES	For V. SINGHI & ASSOCIATES
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 000478N)	(Firm Regn. No.109208W)	(Firm Regn. No. 323220E)	(Firm Regn. No. 311017E)
Sd/-	Sd/-	Sd/-	Sd/-
(CA. ROHIT MEHTA)	**(CA. M.S. BALACHANDRAN)**	**(CA. GV. JAYABAL)**	**(CA. V. K. SINGHI)**
Partner	Partner	Partner	Partner
M. No. 091382	M. No. 024282	M. No. 015616	M. No. 050051

Place : New Delhi
Date : 17 May, 2019

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, 2019.

IOCL is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the 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 consolidated financial statements have been approved for issue in accordance with a resolution of the Board of directors on May 17, 2019.

II. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION/CONSOLIDATION

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 ("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.

The consolidated 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 policy regarding financial instruments) and
- Contingent consideration

The consolidated financial statements are presented in Indian Rupees (₹) which is the presentation and functional currency of the Group and all values are rounded to the nearest Crores (up to two decimals) except when otherwise indicated.

1.2 Basis of Consolidation:

1.2.1 **Subsidiaries:**

The consolidated financial statements comprise the financial statements of the IOCL and its subsidiaries as at March 31, 2019. 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 consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated 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 consolidated 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.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

(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

1.2.2 **Investment in Associates and Joint Ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the Statement of Profit and Loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investments in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the Statement of Profit and Loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

1.2.3 **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. FIXED ASSETS

2.1 Property, Plant and Equipment (PPE) and Intangible Assets

2.1.1 The cost of an item of property, plant and equipment 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.

2.1.2 PPE are stated at acquisition cost less accumulated depreciation/amortization and cumulative impairment except freehold land which is stated at historical cost.

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 on Projects

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 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.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

2.3.3 Costs 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 is capitalised. However, where such computer software is still in development stage, costs incurred during the development stage of such software are accounted as "Intangible Assets Under Development".

2.3.4 Right of ways with indefinite useful lives are not amortised, but are 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 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. Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is reflected 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 economic 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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized

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 Companies Act, 2013 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, whichever is earlier

d) In case of certain assets of R&D Centre useful life is considered based on technical assessment

e) In case of immovable assets constructed on leasehold land, useful life as per Schedule-II or lease period of land (including renewable/likely renewable period), whichever is earlier and

f) In other cases Spare Parts etc. useful life 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 generally considered between 0 to 5% of cost of assets except in few cases where it is considered based on transfer value agreed in respective agreement. Further, in case of catalyst with noble metal content, residual value is considered based on the cost of metal content.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

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.

3. LEASES

3.1 A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

3.2 Operating Leases as a Lessee:

Lease rentals are recognized as expense pro rata on quarterly basis on a straight line basis with reference to lease terms and other considerations except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken on lease.; or

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

Contingent rentals are recognised as expenses in the periods in which it is incurred.

3.3 Operating Leases as a Lessor:

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.; or

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.4 Finance Leases as Lessee:

(i) Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless the same are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which it is incurred.

(ii) A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

3.5 Finance Leases as Lessor

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.

3.6 The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

4. IMPAIRMENT OF NON-FINANCIAL 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.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

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 assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. 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/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 foreign currency are initially recorded at 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 investments, fixed assets 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 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 accounted for in the Statement of Profit and Loss.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

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. 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, an adhoc 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, CONTINGENCIES & CONTIGENT 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, 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. Increase in carrying amount of provisions, where interest rate is specified, are accounted in finance cost to the extent of increase attributable to passage of time.

8.1.4 **Decommissioning Liability**

Decommissioning cost 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

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

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 FROM CONTRACTS WITH CUSTOMERS

9.1 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).

9.2 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.

9.3 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.

9.4 Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved

The Group provides volume rebates to certain customers once the quantity of products purchased during the

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

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.

9.5 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.

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 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 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 income 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

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

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.

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 costs

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.

15. CURRENT VERSUS NON-CURRENT CLASSIFICATION

15.1 The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

15.2 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.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

15.3 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.

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.

Subsequent measurement

For purposes 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 Assets 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 intere st 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.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

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, JVs 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 17

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

Simplified Approach

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

General Approach

For recognition of impairment loss on other Financial Assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Group estimates provision on trade receivables at the reporting date.

ECL impairment loss allowance (or reversal) 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 measured at amortised cost net of directly attributable transaction costs.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

17.2.3 **Derecognition**

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

17.3 Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

17.4 Offsetting of Financial Instruments

Financial Assets and Financial Liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

17.5 Derivative Instrument- Initial recognition/subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price 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.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

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.

19. TREASURY SHARES

Pursuant to 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.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

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 April 1, 2013. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The same first time adoption exemption is also used for associates and joint ventures.

22.2 Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- 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

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as Capital Reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

III. New Standards/amendments and other changes effective from April 1, 2018

(1) Ind AS 115, Revenue from Contract with Customers

The Group has adopted this Ind AS w.e.f April 1, 2018. The effect of this standard along with relevant disclosures are provided in Note-44.

(2) Amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

The Group has adopted the amendments w.e.f April 1, 2018. The effect of this amendment is not material.

(3) Ind AS-109 Hedge Accounting

The Group has adopted hedge accounting w.r.t. derivative transactions entered w.e.f April 1, 2018. The effect of this adoption along with relevant disclosures are provided in Note-41.

IV. Standards issued but not yet effective

The Ministry of Corporate Affairs vide its notifications dated March 30, 2019 has notified Ind AS-116 Leases and certain amendments to existing Ind AS. These amendments are applicable from April 1, 2019 to the Group. The Group's assessment of the impact of the new standards and amendments, to the extent applicable, is set out below.

(1) Ind AS-116 Leases

Ind AS 116 replaces Ind AS 17 Leases. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less).

Lessor accounting under Ind AS 116 is substantially unchanged from accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases. Ind AS 116, requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

Transition to Ind AS 116

The Group plans to adopt Ind AS 116 retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application i.e. April 1, 2019. The Group will not restate comparative amounts for the year prior to first adoption. The Group plans to elect for the following practical expedients:

1. Not applying the standard to contracts that were not previously identified as containing a lease applying Ind AS 17 and
2. Not applying the standard to lease contracts for which the lease terms ends within 12 months as of the date of initial application.
   As lessee, the impact of Ind AS 116 adoption is expected to be, as follows:

Impact on the Balance Sheet as at April 1, 2019:

Assets	₹ crore
Increase in non- current assets -right-of-use assets	4,222.22
Decrease in Prepaid Rentals	(1,938.57)
Liabilities	
Increase in lease obligations	2,283.65
Net impact on equity	-

Impact on the Statement of Profit and Loss (increase/(decrease) :

Assets	₹ crore
Increase in Depreciation and Amortization	322.33
Decrease in Other Expenses	(419.54)
Operating profit	**97.21**
Increase in Finance costs	197.31
Profit Before Tax	**(100.10)**

(2) Ind AS-12

Appendix C - Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The Group will apply the above change from its effective date. Based on the assessment done by the Group, impact of this appendix is likely to be insignificant on the financial statements.

Other Amendments

This amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. This amendment will not have any material effect on the financial statements.

(3) Amendment to Ind AS 19 –Employee Benefits relating to Plan amendment, curtailment or settlement

The amendments address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on

NOTES TO FINANCIAL STATEMENTS

NOTE - 1A : SIGNIFICANT ACCOUNTING POLICIES

settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company. This amendment will not have any material effect on the financial statements.

(4) Amendment to Ind AS 23, Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. This amendment will not have any material effect on the financial statements.

(5) Amendment of Ind AS 28, Investments of associates and joint ventures

An entity's net investment in joint venture and associates include investments in ordinary shares, other interests that are accounted for using equity method and other long-term interests such as long term loans the settlement of which is neither planned, nor likely to occur in foreseeable future. These long-term interests are not accounted for in accordance with Ind AS 28, instead, they are governed by the principles of Ind AS 109. It implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures. This amendment will not have any material effect on the financial statements.

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 acGrouping 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.

Lease classification in case of Leasehold Land

The Group has obtained various lands from the governments for purpose of plants, facilities and offices. These lands are having various tenures and at the end of lease term, the lease could be extended for another term or the land could be returned to the government authority. Since land has an indefinite economic life, the mangement has considered 99 years and above cases for finance lease if at the inception of the lease, the present value of minimum lease payments are substantialy equal to fair value of leased assets. Furthers cases between 90-99 are also evaluated for finance lease on the basis of principle that present value of the minimum lease payments are substantially equal to fair value of the leased asset. In addition, other indicators such as the lessee's ability to renew lease for another term at substantially below market rent, lessee's option to purchase at price significantly below fair value are also examined for classification of land lease. Leases not meeting the finance lease criteria are classified under operating leases.

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

NOTES TO FINANCIAL STATEMENTS

NOTE – 1B : SIGNIFICANT ACCOUNTING ESTIMATES & JUDGEMENTS

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 securties based on expected settlement period of various plans.

Further details about various employee benefit obligations are given in Note 36.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer note 40 for further disclosures of estimates and assumptions.

Impairment of financial assets

The impairment provisions for trade receivables are 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 Group's past history and other factors at the end of each reporting period. Also refer Note-41 for impairment analsysis 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.

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	Total
		(Refer A&F)	(Refer A&F)	(Refer B&F)								
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 (Refer C)	**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 (Refer D)	-	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	**Impairment Loss 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
	Impairment Loss 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...)

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	Total
		(Refer A&F)	(Refer A&F)	(Refer B&F)								
Gross Block	**Gross Block as at April 1, 2017**	**2,066.17**	**217.28**	**10,547.41**	**1,07,153.89**	**794.68**	**60.52**	**447.43**	**104.79**	**993.27**	**4,766.31**	**1,27,151.75**
	Additions during the year	931.00	53.48	230.49	8,325.19	221.73	7.62	44.89	8.93	16.78	36.51	9,876.62
	Transfers from construction work-in-progress	0.09	2.09	1,095.76	4,636.25	86.31	0.51	39.36	22.88	129.88	239.71	6,252.84
	Disposals/ Deductions/Transfers/ Reclassifications/FCTR	(23.20)	20.41	(83.83)	(711.95)	(13.49)	0.60	19.22	5.76	(0.67)	178.53	(608.62)
	Gross Block as at March 31, 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**
DEPRECIATION & AMORTISATION	**Depreciation & Amortisation as at April 1, 2017**	**-**	**3.62**	**1,210.01**	**9,559.96**	**332.46**	**12.18**	**94.06**	**13.10**	**71.75**	**624.50**	**11,921.64**
	Depreciation & Amortisation during the year	-	4.56	582.84	6,422.19	217.70	7.59	70.64	9.20	41.90	235.38	7,592.00
	Disposals/ Deductions/Transfers/ Reclassifications/FCTR	-	9.72	(53.97)	(115.67)	(10.45)	2.90	22.93	5.13	(0.08)	21.95	(117.54)
	Depreciation & Amortisation as at March 31, 2018	**-**	**17.90**	**1,738.88**	**15,866.48**	**539.71**	**22.67**	**187.63**	**27.43**	**113.57**	**881.83**	**19,396.10**
IMPAIRMENT	**Total Impairment as at April 1, 2017**	**-**	**-**	**14.70**	**27.53**	**-**	**-**	**-**	**-**	**0.19**	**214.71**	**257.13**
	Impairment Loss during the year	-	-	0.06	23.35	-	-	-	-	-	-	23.41
	Impairment Loss reversed during the year/FCTR	-	-	-	-	-	-	-	-	-	8.53	8.53
	Total Impairment as at March 31, 2018	**-**	**-**	**14.76**	**50.88**	**-**	**-**	**-**	**-**	**0.19**	**223.24**	**289.07**
	Net Block as at March 31, 2018	**2,974.06**	**275.36**	**10,036.19**	**1,03,486.02**	**549.52**	**46.58**	**363.27**	**114.93**	**1,025.50**	**4,115.99**	**1,22,987.42**

NOTES TO FINANCIAL STATEMENTS

NOTE - 2 : PROPERTY, PLANT AND EQUIPMENT (Contd...)

A. i) Freehold land includes ₹**22.13 crore** (2018: ₹21.26 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.

B. i) Buildings include ₹**0.01 crore** (2018: ₹0.01 crore) towards value of **1605** (2018: 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 ₹**2,945.52 crore** (2018: ₹2,040.91 crore) and net block amounting to ₹**1,809.30 crore** (2018: ₹1,271.68 crore).

C. The cost of assets are net of VAT CREDIT/CENVAT/GST ITC, wherever applicable.

D. Depreciation and amortisation for the year includes ₹**8.22 crore** (2018: ₹2.34 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 fixed assets of the Company, WDV of such assets is ₹**70.10** crores (2018: ₹70.63 crores). This includes WDV of assets worth ₹**7.09** crore (2018: ₹8.21 crore) which are not in operation at present. However, considering the right on the assets and future commercial interest of the company, these assets are continued to be reflected as PPE.

F. Land and Buildings include ₹**200.01 crore** (2018: ₹212.12 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.

Details of assets under lease included above (Other than Leasehold Land):

(₹ in Crore)

Asset Particulars	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at March 31, 2019	W.D.V. as at March 31, 2018
Taken on Finance Lease					
Buildings	9.90	0.94	-	**8.96**	9.19
Plant and Equipment	4,109.34	794.64	-	**3,314.70**	3,476.95
Transport Equipment	3.74	1.59	-	**2.15**	2.61
Given on Operating Lease					
Buildings	1.00	0.11	-	**0.89**	1.97
Plant and Equipment	1.47	0.37	-	**1.10**	0.70

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, 2019	W.D.V. as at March 31, 2018
Land - Freehold	HPC/BPC	3.27	-	-	**3.27**	3.27
Land - Leasehold	HPC/BPC/BALMER LAWRIE	0.05	-	-	**0.05**	-
Buildings	HPC/BPC/BALMER LAWRIE	41.11	7.57	-	**33.54**	26.89
Plant and Equipment	HPC/BPC/GSFC/IPCL/GNRE	62.46	11.97	-	**50.49**	42.46
Railway Sidings	HPC/BPC	12.76	3.98	-	**8.78**	7.68
Drainage,Sewage & Water Supply	GSFC	0.45	0.05	-	**0.40**	0.24
TOTAL		**120.10**	**23.57**	-	**96.53**	**80.54**

NOTES TO FINANCIAL STATEMENTS

NOTE - 2 : PROPERTY, PLANT AND EQUIPMENT (Contd...)

Additions to Gross Block Includes:

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Buildings	11.18	1.40	-	5.47
Plant and Equipment	534.62	153.39	114.36	313.31
Office Equipments	0.07	-	-	0.04
Drainage,Sewage & Water Supply	24.90	18.65	-	8.78
TOTAL	570.77	173.44	114.36	327.60

NOTE - 2.1 : CAPITAL WORK IN PROGRESS

(₹ in Crore)

Particulars		March 31, 2019		March 31, 2018
Construction Work in Progress - Tangible Assets				
(Including unallocated capital expenditure, materials at site)				
Balance as at beginning of the year	A	11,158.82		9,750.51
Add: Additions during the year		13,593.44		9,682.99
Less: Allocated/Adjusted during the year		8,001.97		8,274.68
		16,750.29		11,158.82
Less: Provision for Capital Losses		35.97		33.17
			16,714.32	11,125.65
Capital Stores				
Balance as at beginning of the year		2,696.72		1,799.49
Add: Additions during the year		4,816.04		3,369.20
Less: Allocated/Adjusted during the year		2,773.60		2,471.97
		4,739.16		2,696.72
Less: Provision for Capital Losses		10.61		10.73
			4,728.55	2,685.99
Capital Goods in Transit			1,049.95	597.79
Construction Period Expenses pending allocation:				
Balance as at beginning of the year		675.89		1,135.14
Add: Net expenditure during the year (Note - 2.2)		566.96		573.64
		1,242.85		1,708.78
Less: Allocated/Adjusted during the year		334.66		1,032.89
			908.19	675.89
TOTAL			23,401.01	15,085.32
A. Includes Capital Expenditure relating to ongoing Oil & Gas Exploration & Production activities.			236.72	54.73
B. Specific borrowing eligible for capitalisation (Rate)			5.75% to 8.58%	1.80% to 9.27%

NOTES TO FINANCIAL STATEMENTS

NOTE - 2.2 : CONSTRUCTION PERIOD EXPENSES (NET) DURING THE YEAR

(₹ in Crore)

Particulars	2018-19	2017-18
Employee Benefit Expenses	**369.18**	328.47
Repairs and Maintenance	**5.28**	2.87
Consumption of Stores and Spares	**-**	1.89
Power & Fuel	**35.41**	25.56
Rent	**3.26**	8.58
Insurance	**7.44**	15.33
Rates and Taxes	**3.86**	2.61
Travelling Expenses	**40.54**	35.19
Communication Expenses	**1.22**	1.11
Printing and Stationery	**0.65**	0.72
Electricity and Water Charges	**8.53**	2.73
Bank Charges	**0.01**	0.11
Technical Assistance Fees	**2.31**	0.74
Exchange Fluctuation	**0.18**	(2.68)
Finance Costs	**44.71**	96.70
Depreciation and Amortization on:		
Tangible Assets	**8.22**	2.34
Intangible Assets	**0.01**	-
Others	**47.09**	54.03
Total Expenses	**577.90**	**576.30**
Less : Recoveries	**10.94**	2.66
Net Expenditure during the year	**566.96**	**573.64**

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, 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 (Refer C)	**613.18**	**2,479.53**	**196.75**	**3,289.46**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**Total 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)
	Total Amortisation as at March 31, 2019	**9.36**	**323.58**	**110.64**	**443.58**
	Total Impairment as at April 1, 2018	**0.27**	**-**	**0.01**	**0.28**
	Impairment Loss during the year	-	-	-	-
	Impairment Loss reversed during the year	-	-	-	-
	Total Impairment 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**

Previous Year

(₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
Gross Block	**Gross Block as at April 1, 2017**	**259.79**	**763.13**	**73.02**	**1,095.94**
	Additions during the year	41.46	47.18	26.55	115.19
	Transfers from Intangible Assets under Development	18.82	0.23	21.49	40.54
	Disposals/Deductions/Transfers/Reclassifications/FCTR	(0.25)	(0.38)	(0.52)	(1.15)
	Gross Block as at March 31, 2018	**319.82**	**810.16**	**120.54**	**1,250.52**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**Amortisation as at April 1, 2017**	**0.52**	**66.44**	**44.93**	**111.89**
	Amortisation during the year	2.47	42.12	29.29	73.88
	Disposals/Deductions/Transfers/Reclassifications/FCTR	-	0.27	(0.34)	(0.07)
	Amortisation as at March 31, 2018	**2.99**	**108.83**	**73.88**	**185.70**
	Impairment Losss as at April 1, 2017	**0.27**	**-**	**0.01**	**0.28**
	Impairment Loss during the year	-	-	-	-
	Impairment Loss reversed during the year	-	-	-	-
	Impairment Loss as at March 31, 2018	**0.27**	**-**	**0.01**	**0.28**
	Net Block as at March 31, 2018	**316.56**	**701.33**	**46.65**	**1,064.54**

A. Amortisation for the year includes **₹0.01 crore** (2018: NIL) relating to construction period expenses taken to Note 2.2

B. Additions to Gross Block includes:

Net Block of Intangible assets with indefinite useful life

	March 31, 2019	March 31, 2018
Right of Way	586.65	298.72

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, 2019		March 31, 2018
Work in Progress - Intangible Assets			
(Including Unallocated Capital Expenditure)			
Balance as at beginning of the year	**4,284.87**		4,000.81
Add: Net expenditure during the year	**979.15**		359.35
	5,264.02		**4,360.16**
Less: Allocated/Adjusted during the year	**144.48**		75.29
	5,119.54		**4,284.87**
Less: Provision for Loss	**239.81**		239.81
		4,879.73	4,045.06
TOTAL		**4,879.73**	**4,045.06**
A. Includes Capital Expenditure (Net) relating to ongoing Oil & Gas Exploration & Production activities.		**3,602.57**	3,553.53
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, 2019		March 31, 2018	
				Number	Carrying Value	Number	Carrying Value
			₹		(₹ in Crore)		(₹ in Crore)
NON-CURRENT INVESTMENTS :							
A	In Associates (Equity Method*):						
	QUOTED:						
	Petronet LNG Limited	Indian Rupees	10	187500000	1,278.82	187500000	1,226.41
	UNQUOTED:						
	Avi-Oil India Private Limited	Indian Rupees	10	4500000	15.87	4500000	14.62
	Petronet India Limited (under liquidation)	Indian Rupees	0.10	18000000	0.47	18000000	0.49
	Petronet VK Limited	Indian Rupees	10	50000000	0.02	50000000	0.02
	Sub-total: (I)(A)				1,295.18		1,241.54
B	In Joint Ventures (Equity Method*):						
	UNQUOTED:						
	Indian Oiltanking Limited (formerly known as IOT Infrastructure & Energy Services Limited)	Indian Rupees	10	494828289	561.41	494828289	500.53
	Indian Oil Panipat Power Consortium Limited	Indian Rupees	10	840000	-	840000	-
	Lubrizol India Private Limited	Indian Rupees	100	499200	154.09	499200	153.20
	Indian Oil Petronas Private Limited	Indian Rupees	10	134000000	605.74	134000000	509.74
	Petronet CI Limited (under liquidation)	Indian Rupees	10	3744000	-	3744000	-
	Green Gas Limited	Indian Rupees	10	23042250	104.69	23042250	81.64
	IndianOil SkyTanking Private Limited	Indian Rupees	10	25950000	87.01	25950000	71.80
	Suntera Nigeria 205 Limited	Naira rupees	1	2500000	-	2500000	-
	Delhi Aviation Fuel Facility Private Limited	Indian Rupees	10	60680000	91.04	60680000	75.85
	Indian Synthetic Rubbers Private Limited	Indian Rupees	10	222861375	105.21	222861375	72.03
	NPCIL-IndianOil Nuclear Energy Corporation Limited	Indian Rupees	10	260000	0.33	260000	0.32
	GSPL India Gasnet Limited	Indian Rupees	10	120125030	113.99	100625030	101.74
	GSPL India Transco Limited	Indian Rupees	10	99060000	100.65	99060000	100.39
	Indian Oil Adani Gas Private Limited	Indian Rupees	10	185500000	178.43	124000000	116.95
	Mumbai Aviation Fuel Farm Facility Private Limited	Indian Rupees	10	48288750	76.39	41888750	55.83
	Kochi Salem Pipeline Private Limited	Indian Rupees	10	96250000	90.47	75000000	71.31
	IndianOil LNG Private Limited	Indian Rupees	10	5000	-	5000	-
	Hindustan Urvarak and Rasayan Limited	Indian Rupees	10	440325000	443.22	333250000	332.16
	Ratnagiri Refineries & Petrochemicals Limited	Indian Rupees	10	50000000	32.54	50000000	40.59
	Indradhanush Gas Grid Limited	Indian Rupees	10	5000000	2.58	-	-
	Indian Oil Ruchi Biofuels LLP (Capital Fund) (under Insolvency Resolution Process)	Indian Rupees	-	-	-	-	-

About the Report
From the Chairman's Desk
About IndianOil
Description of Capitals
Board of Directors and others
Directors' Report
Management's Discussion & Analysis
Business Responsibility Report
Report on Corporate Governance
Consolidated financial statements

NOTES TO FINANCIAL STATEMENTS

NOTE - 4 : INVESTMENTS (Contd...)

	Particulars	Investment Currency	Face Value/ Paid up Value	March 31, 2019		March 31, 2018	
				Number	Carrying Value	Number	Carrying Value
			₹		(₹ in Crore)		(₹ in Crore)
	Indian Additives Ltd.	Indian Rupees	100	**1183401**	**158.98**	1183401	152.44
	National Aromatics and Petrochemical Corporation Limited	Indian Rupees	10	**25000**	**-**	25000	-
	VANKOR India Pte Ltd	USD	1	**568968589**	**4,700.36**	568968589	4,460.09
	TAAS India Pte Ltd	USD	1	**407941730**	**2,868.00**	407941730	2,899.11
	Urja Bharat Pte. Ltd.[a]	USD	1	**100**	**-**	-	-
	Falcon Oil & Gas BV	USD	1	**30**	**123.09**	30	11.25
	Sub-total: (I)(B)				**10,598.22**		**9,806.97**
	Total Investments in Associates & JVs [(I)(A)+(I)(B)]				**11,893.40**		**11,048.51**
C	**In Others**						
	Investments designated at fair value through OCI:						
	QUOTED:						
	Oil and Natural Gas Corporation Limited	Indian Rupees	5	**986885142**	**15,765.49**	986885142	17,546.82
	GAIL (India) Limited	Indian Rupees	10	**54452730**	**1,893.05**	54452730	1,789.05
	Oil India Limited	Indian Rupees	10	**53501100**	**992.17**	53501100	1,157.49
	UNQUOTED:						
	International Cooperative Petroleum Association, New York	USD	100	**350**	**0.02**	350	0.02
	Haldia Petrochemical Limited	Indian Rupees	10	**150000000**	**651.75**	150000000	726.75
	Vadodara Enviro Channel Limited[b] (Formerly Effluent Channel Projects Limited)	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**	**295.73**	250000000	319.20
	Lanzatech New Zealand Limited	USD	19.9294	**1204251**	**138.33**	-	-
	Carabobo Ingenieria Y Construcciones S.A.	USD		**12.1% of Capital Stock**	**6.10**	12.1% of Capital Stock	5.78
	Petrocarabobo S.A.	USD		**3.5% of Capital Stock**	**441.97**	3.5% of Capital Stock	467.50
	Mer Rouge Oil Storage Terminal Co Ltd ("MOST")	Mauritian Rupees	1000	**5000**	**6.27**	5000	2.66

NOTES TO FINANCIAL STATEMENTS

NOTE - 4 : INVESTMENTS (Contd...)

	Particulars	Investment Currency	Face Value/ Paid up Value	March 31, 2019		March 31, 2018	
				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	**1663**	-	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)				**20,191.09**		**22,015.48**
	Sub-total: (I)=[(I)(A)+(I)(B)+(I)(C)+(1)(D)]				**32,084.49**		**33,063.99**
II	**In Preference Shares**						
	Investments at fair value through profit or loss						
	UNQUOTED:						
	Shama Forge Co. Limited [i] (under liquidation)	Indian Rupees	100	**5000**	-	5000	-
	9.5% Cumulative Redeemable Preference Shares						
	Sub-total: (II)				-		-
III	**In Government Securities**						
	Investments at fair value through OCI						
	Quoted:						
	Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	-	-	460000	455.80
	9.15% Govt Stock 2024	Indian Rupees	10000	**1960000**	**2,141.31**	1960000	2,119.21
	7.35% Govt Stock 2024	Indian Rupees	10000	**695000**	**706.13**	695000	691.46
	Sub-total: (III)				**2,847.44**		**3,266.47**
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**	**578.83**	3265	**276.81**
	Sub-total: (IV)				**578.83**		**276.81**
	Total Other Investments [(I)(D)+(II)+(III)+(IV)]				**23,617.36**		**25,558.76**
	Total Non Current Investments (I+II+III+IV)				**35,510.76**		**36,607.27**

NOTES TO FINANCIAL STATEMENTS

NOTE - 4 : INVESTMENTS (Contd...)

	Particulars	Investment Currency	Face Value/ Paid up Value	March 31, 2019		March 31, 2018	
				Number	Carrying Value	Number	Carrying Value
			₹		(₹ in Crore)		(₹ in Crore)
CURRENT INVESTMENTS :							
	Unquoted: (at fair value through profit or loss)						
	Unit Trust Investment (NAV)				**1.10**		333.15
	In Government Securities (at fair value through OCI)						
	Quoted:						
	Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	**8366020**	**8,415.80**	7906020	7,865.63
					8,416.90		**8,198.78**

*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, 2019	March 31, 2018
Aggregate carrying value of quoted investments	**31,192.77**	32,851.87
Aggregate market value of quoted investments	**34,630.51**	35,955.77
Aggregate carrying value of unquoted investments	**12,734.89**	11,954.18
Aggregate amount of impairment in value of investments	**-**	-

Note: A

Investment in Oil Marketing Companies GOI Special Bonds consists of:

Nature of Bond	No. of Bonds	Face Value (₹ in Crore)	Fair value (₹ in Crore)
Current investment:			
8.13% GOI SPECIAL BONDS 2021	78000	78.00	79.83
7.95% GOI SPECIAL BONDS 2025	457250	457.25	466.78
8.20% GOI SPECIAL BONDS 2023	1453510	1,453.51	1,499.71
6.90% GOI SPECIAL BONDS 2026	3082930	3,082.93	2,969.50
8.00% GOI SPECIAL BONDS 2026	189270	189.27	193.40
8.20% GOI SPECIAL BONDS 2024	3105060	3,105.06	3,206.58
Total Current Investments	**8366020**	**8,366.02**	**8,415.80**

NOTES TO FINANCIAL STATEMENTS

NOTE - 4 : INVESTMENTS (Contd...)

Note: B - Other Disclosures

1 During the year, Oil Marketing Companies 6.90% and 8.20% GOI special Bonds of investment value of ₹200.00 crore and ₹260.00 crore respectively are 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 Bonds	March 31, 2019		March 31, 2018	
	Face Value	Carrying Value	Face Value	Carrying Value
6.90% Oil Marketing Companies GOI Special Bonds 2026	-	-	200.00	189.29
9.15% GOVT.STOCK 2024	**1,960.00**	**2,141.31**	1,960.00	2,119.21
7.35% GOVT.STOCK 2024	**695.00**	**706.13**	695.00	691.46

3. Out of Oil Marketing Companies GOI Special Bonds,the following has been earmarked in line with the requirement of Companies (Share Capital and Debentures) Rules, 2014.

(₹ in Crore)

Nature of Bonds	March 31, 2019		March 31, 2018	
	Face Value	Carrying Value	Face Value	Carrying Value
8.20% GOI SPECIAL BONDS 2023	-	-	258.27	264.74

4. Following are not reflecting above due to rounding off:

(Amount in ₹)

	Particulars	March 31, 2019	March 31, 2018
a	Investment Amount	**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, 2019		March 31, 2018	March 31, 2019		March 31, 2018
Security Deposits						
Secured, Considered Good	**0.06**		0.06	**-**		0.13
Unsecured, Considered Good	**138.25**		124.01	**179.81**		128.92
Unsecured, Considered Doubtful	**0.20**		0.20	**1.36**		1.38
	138.51		**124.27**	**181.17**		**130.43**
Less : Provision for Doubtful Deposits	**0.20**		0.20	**1.36**		1.38
		138.31	**124.07**		**179.81**	**129.05**
Loans						
To Related Parties						
Secured, Considered Good	**0.16**		0.13	**0.05**		0.06
Unsecured, Considered Good	**195.88**		209.08	**197.77**		270.78
Which have significant increase in Credit Risk	**-**		-	**-**		-
Credit Impaired	**-**		-	**2.25**		2.25
	196.04		**209.21**	**200.07**		**273.09**
Less : Provision for Doubtful Loans	**-**		-	**2.25**		2.25
	196.04		**209.21**	**197.82**		**270.84**
To Others						
Secured, Considered Good	**763.63**		677.71	**119.49**		109.27
Unsecured, Considered Good	**1,193.12**		1,147.72	**1,094.93**		125.97
Which have significant increase in Credit Risk	**-**		162.16	**1,141.71**		-
Credit Impaired	**-**		-	**1.38**		0.86
	1,956.75		**1,987.59**	**2,357.51**		**236.10**
Less : Provision for Doubtful Loans	**-**		162.16	**1,143.09**		0.86
	1,956.75		**1,825.43**	**1,214.42**		**235.24**
		2,152.79	**2,034.64**		**1,412.24**	**506.08**
TOTAL		**2,291.10**	**2,158.71**		**1,592.05**	**635.13**

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, 2019		March 31, 2018	March 31, 2019		March 31, 2018
Advances for Investments	A		**1,315.80**	1,186.55		**-**	-
Amount Recoverable from Central/ State Governments			**-**	-		**19,120.96**	9,438.97
Finance Lease Receivables			**41.47**	0.38		**18.50**	0.69
Deposits for Leave Encashment Fund			**76.63**	2,135.91		**-**	-
Interest Accrued on Investments/ Bank Deposits/Loans			**-**	-		**196.97**	188.07
Derivative instruments at fair value through profit or loss			**-**	-		**35.56**	2.93
Advance to Employee Benefits Trusts			**141.06**	147.42		**63.56**	121.96
Receivables on Agency Sales			**-**	-		**-**	-
Claims Recoverable:							
From Related Parties							
Unsecured, Considered Doubtful		**-**		-	**22.61**		21.59
		-		-	**22.61**		**21.59**
From Others							
Unsecured, Considered Good		**-**		-	**34.61**		24.51
Unsecured, Considered Doubtful		**-**		-	**7.03**		6.50
		-		-	**41.64**		**31.01**
Less : Provision for Doubtful Claims		**-**		-	**29.64**		28.09
			-	-		**34.61**	**24.51**
Others	B	**7.85**		12.99	**1,026.58**		1,516.14
Less: Provision for doubtful asset		**-**		-	**6.21**		6.22
			7.85	**12.99**		**1,020.37**	**1,509.92**
TOTAL			**1,582.81**	**3,483.25**		**20,490.53**	**11,287.05**
A. Advances for equity pending allotment							
B. Mainly includes:							
1. Amount held with bank for purchase of foreign currency for value date April 2, 2018.						**-**	907.92
2. Interest receivables from Air India Limited						**544.03**	465.04

NOTE - 7 : INCOME TAX/CURRENT TAX ASSET/(LIABILITY) - NET

(₹ in Crore)

Particulars	Non Current			Current		
	March 31, 2019		March 31, 2018	March 31, 2019		March 31, 2018
Income/Current Tax Asset/(Liability) - Net						
Advance payments for Current Tax	**21,821.98**		22,034.06	**486.60**		2.04
Less : Provisions	**20,428.65**		20,731.13	**4.68**		1.13
Income/Current Tax Asset/(Liability) - Net		**1,393.33**	**1,302.93**		**481.92**	**0.91**
TOTAL		**1,393.33**	**1,302.93**		**481.92**	**0.91**

NOTES TO FINANCIAL STATEMENTS

NOTE - 8 : OTHER ASSETS (NON FINANCIAL) (Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

Particulars	Non Current			Current		
	March 31, 2019		March 31, 2018	March 31, 2019		March 31, 2018
Advances for Capital Expenditure						
To Related Parties						
Unsecured, Considered Good	0.02		8.78	-		-
	0.02		8.78	-		-
To Others						
Secured, Considered Good	3.20		-	-		-
Unsecured, Considered Good	1,367.81		772.63	-		-
Unsecured, Considered Doubtful	0.09		0.09	-		-
	1,371.10		772.72	-		-
	1,371.12		781.50	-		-
Less: Provision for Doubtful Advances	0.09		0.09	-		-
		1,371.03	781.41		-	-
Advances Recoverable						
From Related Parties						
Unsecured, Considered Good	264.05		286.52	27.01		24.78
From Others						
Secured, Considered Good	-		-	-		0.16
Unsecured, Considered Good	-		219.51	2,785.83		1,843.08
Unsecured, Considered Doubtful	-		-	4.96		3.43
	-		219.51	2,790.79		1,846.67
Less : Provision for Doubtful Advances	-		-	4.96		3.43
	-		219.51	2,785.83		1,843.24
		264.05	506.03		2,812.84	1,868.02
Claims Recoverable:						
From Related Parties						
Unsecured, Considered Good	-		-	1.99		3.43
Unsecured, Considered Doubtful	-		-	2.61		2.61
	-		-	4.60		6.04
From Others						
Unsecured, Considered Good	-		-	993.15		878.64
Unsecured, Considered Doubtful	-		-	170.06		203.46
	-		-	1,163.21		1,082.10
Less : Provision for Doubtful Claims	-		-	172.67		206.07
		-	-		995.14	882.07
Balance/Deposits with Government Authorities						
Unsecured, Considered Good		-	-		478.32	469.07
Gold/Other Precious Metals	-		-	69.00		163.32
Less : Provision for Diminution in value	-		-	11.47		13.09
		-	-		57.53	150.23
Deferred Expenses		743.10	649.50		180.19	189.97
Prepaid Rentals		1,448.40	1,325.36		53.97	73.97
Others		-	-		0.36	0.29
TOTAL		3,826.58	3,262.30		4,578.35	3,633.62

NOTES TO FINANCIAL STATEMENTS

NOTE - 9 : INVENTORIES

(₹ in Crore)

Particulars	March 31, 2019		March 31, 2018
In Hand :			
Raw Materials		19,638.15	19,114.49
Stock in Process		6,366.96	5,442.23
Finished Products		25,015.10	23,493.25
Stock in Trade		8,144.61	7,755.08
Stores, Spares etc.	4,219.20		3,473.76
Less : Provision for Losses	205.69		184.26
		4,013.51	3,289.50
Barrels and Tins		74.84	41.66
		63,253.17	59,136.21
In Transit :			
Raw Materials		10,889.93	9,228.31
Finished Products		938.27	896.89
Stock in Trade		1,808.23	1,140.13
Stores, Spares etc.		236.88	166.36
		13,873.31	11,431.69
TOTAL		77,126.48	70,567.90
A. Amount of write down of inventories carried at NRV and recognised as expense.		460.99	743.44
B. Amount of reversal of write down of inventories recognised as income.		-	0.01
C. Valuation of inventories are done as per point no. 7 of significant accounting policies (Note - 1).			
D. For hypothecation details refer Note-21.			

NOTE - 10 : TRADE RECEIVABLES (At amortised cost)

(₹ in Crore)

Particulars	March 31, 2019		March 31, 2018
From Related Parties			
Secured Considered Good	-		-
Unsecured, Considered Good	171.39		91.98
Unsecured, Considered Doubtful	0.62		0.09
	172.01		92.07
From Others			
Secured Considered Good	149.65		150.00
Unsecured, Considered Good	15,478.05		10,454.50
Unsecured, Considered Doubtful	154.52		107.34
	15,782.22		10,711.84
TOTAL	15,954.23		10,803.91
Less : Provision for Impairment	156.51		107.43
		15,797.72	10,696.48
TOTAL		15,797.72	10,696.48

NOTES TO FINANCIAL STATEMENTS

NOTE - 11 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	March 31, 2019		March 31, 2018
Bank Balances with Scheduled Banks :			
In Current Account	**341.14**		245.04
In Fixed Deposit - Maturity within 3 months	**444.93**		0.37
		786.07	**245.41**
Bank Balances with Non-Scheduled Banks		**129.71**	47.90
Cheques, Drafts in hand		**15.16**	22.92
Cash Balances, Including Imprest		**2.34**	2.50
TOTAL		**933.28**	**318.73**

NOTE - 12 : BANK BALANCES OTHER THAN ABOVE

(₹ in Crore)

Particulars		March 31, 2019	March 31, 2018
Fixed Deposit	A	**86.13**	154.42
Earmarked Balances	B	**44.58**	22.51
Blocked Account	C	**0.68**	0.64
Other Bank Balances	D	**0.01**	0.01
TOTAL		**131.40**	**177.58**
A) Earmarked in favour of Statutory Authorities.		**11.52**	10.05
B) Pertains to			
- Unpaid Dividend		**44.56**	22.48
- Fractional Share Warrants		**0.02**	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.		**0.01**	0.01

NOTE-13 : ASSETS HELD FOR DISPOSAL

(₹ in Crore)

Particulars		March 31, 2019	March 31, 2018
Freehold land	A	**1.65**	2.21
Building	B	**0.32**	0.43
Plant and Equipment		**224.81**	158.28
Office Equipment		**0.52**	0.63
Transport Equipment		**0.08**	0.02
Furniture and Fixtures		**0.02**	0.11
TOTAL		**227.40**	**161.68**

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.

C. During the year, the Group has recognized impairment loss of **₹150.36 crore** (2018: ₹97.91 crore) on write-down of the asset to fair value less costs to sell and the same has been shown in Provision/loss on Other Assets sold 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, 2019	March 31, 2018
Authorized		
15,00,00,00,000 Equity Shares of ₹10 each	**15,000.00**	15,000.00
Issued Subscribed and Paid Up:		
9,41,41,58,922 (2018: 9,71,18,09,928)	**9,414.16**	9,711.81
Equity Shares of ₹10 each fully paid up		
Less: Equity Shares held under IOC Shares Trust	**233.12**	233.12
23,31,18,456 (2018: 23,31,18,456)		
Equity Shares of ₹10 each fully paid up		
TOTAL	**9,181.04**	**9,478.69**
A. Reconciliation of No. of Equity Shares		
Opening Balance	**9711809928**	4855904964
Shares Issued (Bonus Shares)	**-**	4855904964
Shares bought back	**297651006**	-
Closing Balance	**9414158922**	9711809928

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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the 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.

C. Details of shareholders holdings more than 5% shares

Name of Shareholder	March 31, 2019		March 31, 2018	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
THE PRESIDENT OF INDIA	**4912149459**	**52.18**	5533436444	56.98
OIL AND NATURAL GAS CORPORATION LIMITED	**1337215256**	**14.20**	1337215256	13.77
LIFE INSURANCE CORPORATION OF INDIA	**612921,292**	**6.51**	530228840	5.46
OIL INDIA LIMITED	**485590496**	**5.16**	485590496	5.00

D. For the period of preceeding 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*	297651006

*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 for an aggregate amount not exceeding ₹4,435 crores (Rupees Four Thousand Four Hundred Thirty Five Crore only) representing 3.06% of the total paid up equity share capital of the Company at a price of ₹149 (Rupees One Hundred and Forty Nine Only) per equity share. The process of buyback was duly completed on February 14, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE - 15 : OTHER EQUITY

(₹ in Crore)

Particulars	March 31, 2019		March 31, 2018
Retained Earnings			
General Reserve:			
As per last Account	**80,126.93**		75,206.44
Add: Remeasurement of Defined Benefit Plans	**(43.10)**		164.52
Add : Transfer from Bond Redemption Reserve	**680.46**		162.13
Less: Utilized for Issue of Bonus Shares/Buy Back of Shares [including expenses (net of tax)] [Includes ₹**297.65 crore** (2018: NIL) transferred to Capital Redemption Reserve]	**4,442.80**		4,743.14
Add : Transfer from Items not reclassified to Profit or Loss	**-**		(222.00)
Add: Appropriation from Surplus	**5,141.45**		9,558.98
		81,462.94	**80,126.93**
Surplus (Balance in Statement of Profit and Loss):			
Balance Brought Forward from Last Year's Account	**1,499.35**		951.42
Profit for the Year	**17,376.70**		22,189.45
Add: Opening Balance Adjustment	**-**		(0.82)
Less: Appropriations			
Interim Dividend	**7,775.62**		9,004.90
Final Dividend	**1,895.88**		474.06
Dividend Distribution Tax on:			
Interim Dividend	**1,589.11**		1,873.27
Final Dividend	**439.87**		95.10
Insurance Reserve (Net)	**17.61**		20.00
Bond Redemption Reserve	**625.00**		546.62
Capital Reserve	**-**		74.32
Corporate Social Responsibility Reserve (Net)	**0.04**		(6.55)
General Reserve	**5,141.45**		9,558.98
Balance carried forward to next year		**1,391.47**	1,499.35
		82,854.41	**81,626.28**
Other Reserves:			
Bond Redemption Reserve			
As per last Account	**3,226.85**		2,842.36
Add: Appropriation from Surplus	**625.00**		546.62
Less: Transfer to General Reserve	**680.46**		162.13
		3,171.39	**3,226.85**
Capital Redemption Reserve			
As per last Account	**0.41**		-
Add: Provision during the year/on consolidation	**297.65**		74.32
Less: Transfer to General Reserve	**-**		73.91
		298.06	**0.41**
Capital Reserve			
As per last Account	**427.26**		341.04
Add: On Consolidation	**6.84**		86.22
		434.10	**427.26**

NOTES TO FINANCIAL STATEMENTS

NOTE - 15 : OTHER EQUITY (Contd...)

(₹ in Crore)

Particulars	March 31, 2019		March 31, 2018
Securities Premium			
As per last Account	76.74		91.37
Addition during the year	-		(14.63)
		76.74	76.74
Insurance Reserve			
As per last Account	223.48		203.48
Add: Appropriation from Surplus	17.61		20.00
		241.09	223.48
Export Profit Reserve		53.72	53.72
Corporate Social Responsibility Reserve (refer Note - 45)			
As per Last Account	0.78		7.33
Add: Appropriation from Surplus	509.55		333.94
Less: Utilized during the year	509.51		340.49
		0.82	0.78
Foreign Currency Monetary Item Translation Difference Account			
As per Last Account	(45.77)		(132.42)
Add: Foreign Currency Exchange Gain/(Loss) on Long Term Monetary Items	(138.40)		(24.48)
Less: Amortized during the year	(148.39)		(111.13)
		(35.78)	(45.77)
Fair Value Through Other Comprehensive Income :			
Fair value of Equity Instruments			
As per Last Account	18,678.23		18,203.37
Add: Fair value during the year	(2,461.05)		252.86
Less: Transferred to General Reserve	-		(222.00)
		16,217.18	18,678.23
Fair value of Debt Instruments			
As per Last Account	(149.41)		3.95
Add: Fair value during the year	105.46		(169.45)
Less: Transferred to statement of profit and loss	-		(16.09)
		(43.95)	(149.41)
Cash Flow Hedge Reserve			
As per Last Account	-		-
Add: Fair value during the year	15.68		-
Less: Transferred during the year	(6.36)		-
		22.04	-
Translation Reserve on Consolidation			
As per last Account	276.56		(415.30)
Add : Translation difference	(278.18)		691.86
		(1.62)	276.56
TOTAL		1,03,288.20	1,04,395.13

NOTES TO FINANCIAL STATEMENTS

NOTE - 15 : OTHER EQUITY (Contd...)

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 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 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 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 Companies Act 2013.

D. Capital Reserve

Capital Reserve was created through business combinations and shall be utilised as per the provisions of 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 BOD 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 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 hedging 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 through 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, 2019		March 31, 2018	March 31, 2019		March 31, 2018
SECURED LOANS							
Bonds:							
Non-Convertible Redeemable Bonds-Series-VIII B	A & B		-	-		-	1,133.85
Non Convertible Debentures	C		-	-		-	1,000.00
Term Loans:	D						
From Banks		846.18		-	3.57		-
From Oil Industry Development Board (OIDB)		226.84		458.39	282.81		425.81
			1,073.02	458.39		286.38	425.81
Finance Lease Obligations	E		3,309.74	3,453.88		201.06	167.60
Total Secured Loans			4,382.76	3,912.27		487.44	2,727.26
UNSECURED LOANS							
Bonds:							
Foreign Currency Bonds	F	15,159.33		8,502.93	188.96		116.76
Senior Notes (Bank of America)	G&B	-		-	-		658.60
			15,159.33	8,502.93		188.96	775.36
Term Loans:							
From Banks/Financial Institutions							
In Foreign Currency Loans	H	18,903.03		10,166.45	3,376.90		6.15
From Government							
In Rupees	I	707.33		478.86	-		-
			19,610.36	10,645.31		3,376.90	6.15
Total Unsecured Loans			34,769.69	19,148.24		3,565.86	781.51
TOTAL LONG-TERM BORROWINGS			39,152.45	23,060.51		4,053.30	3,508.77

*Current maturities (including Finance Lease Obligations) are carried to Note - 17: Other Financial Liabilities.

NOTES TO FINANCIAL STATEMENTS

NOTE - 16 : LONG TERM BORROWINGS (At Amortised Cost) (Contd...)

Secured Loans (Bonds : A - C)

	Particulars	Allotment Date	Coupon Rate	Date of Redemption	Security Details
A	10,700 Bonds of face value of ₹ 10,00,000/- each	September 10, 2008	11.00 % p.a. payable annually on 15th September	After 10 years from the date of allotment. These bonds were redeemed during FY 2018-19	These were secured by way of registered mortgage over the immovable properties of the Company i.e. Flat no. 3/62 Nanik Niwas of Shyam Co-op. Housing Society Ltd. situated at Bhulabhai Desai Road at Mumbai, together with 5 shares of the said society and immovable properties of the Company at Panipat Refinery situated at Panipat in the state of Haryana.
B	In line with the requirement of the Companies (Share Capital and Debentures) Rules, 2014, the Company has earmarked 8.20% Oil Marketing Companies GOI Special Bonds 2023 of face value of **NIL** (2018: ₹258.27 Crore) for total bonds value of **NIL** (2018: ₹1,721.80 crore) maturing in the next financial year.				
C	10,000 Nos. of 9.65% secured Redeemable Non convertible debentures (Series-II) of ₹10 Lakh each	January 10, 2014	9.65 % p.a. payable annually on 10th January.	Principal replayable at the end of 5 years from date of allotment. These bonds were redeemed during FY 2018-19	First change on specific Plant & machinery alongwith the underlying land together with all building & structures standing on land to the extent of ₹1,000 crore.

D. 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 Butadiene Extraction Unit, Panipat, Haryana.
   c) First charge on the facilities at FCC Unit at Mathura Refinery, Uttar Pradesh.
   d) First charge on the facilities at Paradip-Raipur-Ranchi Pipeline
   e) First charge on the facilities at SMPL System
   f) First charge on the facilities at Paradip-Haldia-Durgapur LPG Pipeline

2. **Loan Repayment Schedule against loans from OIDB (Secured)-Term Loans**

(₹ in crore)

Sl. No.	Repayable During	Repayable Amount	Range of Interest Rate
1	2019-20	282.81	8.12% - 9.27%
2	2020-21	177.82	8.12% - 8.45%
	TOTAL	**460.63**	

3. **Repayment Schedule for Secured Rupee Term Loans**

Sl. No.	Particulars	Allotment Date	Coupon Rate	Date of Redemption	Security Details
1	Term Loan from State Bank of India	January 7, 2019	6 Months MCLR, reset at half yearly intervels	Principal repayable at the end of 5 years from January 7, 2019 being 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	March 18, 2019	7.72%	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	Allotment Date	Coupon Rate	Date of Redemption	Security Details
3	Foreign Currency Term Loan from South Indian Bank	December 13, 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 December 13, 2018 being date of availment	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 to be furnished.

E. Finance Lease Obligations

The Finanace Lease Obligations are against Assets aquired under finance lease. The carrying value of the same is **₹3,387.63 crores** (2018: ₹3,555.00 crore).

Unsecured Loans

F. Repayment Schedule of Foreign Currency Bonds

Sl. No.	Particulars of Bonds	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

G. Repayment Schedule of Senior Notes (Bank of America)

1 USD 300 Million US Private Placement bonds issued in four tranches of USD 75 Million dt. June 6, 2007, July 2, 2007, August 1, 2007 and September 4, 2007 are payable in three tranches of USD 100 Million each on August 1, 2016, August 1, 2017 and August 1, 2018

H. Repayment Schedule of loans from Banks and Financial Institutions

Sl. 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 250 Million syndication loan	January 29, 2016	
13	USD 650 Million now USD 350 syndication loan (USD 300 Million repaid on September 29, 2017)	June 27, 2014	

NOTES TO FINANCIAL STATEMENTS

NOTE - 16 : LONG TERM BORROWINGS (At Amortised Cost) (Contd...)

Sl. No.	Particulars of Loans	Date of Repayment
1	USD 50 Million Term Loan	September 18, 2019
2	CAD 415.58 Million Loan from SBI	5 year from the date of drawal or March 31, 2021 which ever is earlier
3	US$ 300 million	5 years from the date of drawal (March 31, 2017) i.e. March 31, 2022

I. Repayment Schedule of Unsecured Interest Free Loans from Govt of Odisha

Interest free loan given by Odisha Government for 15 years is to be disbursed quarterly instalment of ₹175 crore starting from April 1, 2016 repayble after 15 years. The first instalment of loan for the period April to December 2017 of Rs 1,225 crore has been received on January 15, 2018 and thereafter ₹175 crore will be received every quarter. Total loan disbursed till now is ₹2,100 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.

NOTE - 17 : OTHER FINANCIAL LIABILITIES (At Amortised Cost unless otherwise stated)

(₹ in Crore)

Particulars	Non Current			Current		
	March 31, 2019		March 31, 2018	March 31, 2019		March 31, 2018
Current maturities of long-term debt (Refer Note - 16)		-	-		**4,053.30**	3,508.77
Interest accrued but not due on borrowings		-	-		-	22.29
Liability for Capital Expenditure		-	-		**5,452.79**	3,949.81
Liability to Trusts and Other Funds		-	-		**245.96**	1,185.57
Employee Liabilities		-	-		**3,465.10**	3,465.83
Investor Education & Protection Fund to be credited on the due dates:						
- Unpaid Dividend	-		-	**40.62**		19.17
- Unpaid Matured Deposits	-		-	**0.01**		0.01
		-	-		**40.63**	**19.18**
Derivative instruments at fair value through profit and loss		-	-		**258.40**	224.33
Security Deposits		**615.20**	532.64		**27,162.01**	23,484.27
Liability for Dividend		-	-		**3.93**	3.30
Others		**0.83**	0.83		**2,633.92**	2,074.63
TOTAL		**616.03**	**533.47**		**43,316.04**	**37,937.98**

NOTES TO FINANCIAL STATEMENTS

NOTE - 18 : PROVISIONS

(₹ in Crore)

Particulars		Non Current			Current		
		March 31, 2019		March 31, 2018	March 31, 2019		March 31, 2018
Provision for Employee Benefits (refer Note - 48)			**1,134.11**	2,253.22		**147.20**	369.76
Decommissioning Liability	A		**1,077.88**	169.43		-	-
Contingencies for probable obligations	B	-		-	**11,538.50**		32,406.83
Less: Deposits		-		-	**1,511.65**		18,527.21
			-	-		**10,026.85**	**13,879.62**
Other Provisions			-	-		-	0.05
TOTAL			**2,211.99**	**2,422.65**		**10,174.05**	**14,249.43**

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	169.43	887.36	-	12.67	33.76	1,077.88
TOTAL	**169.43**	**887.36**	**-**	**12.67**	**33.76**	**1,077.88**
Previous Year Total	166.48	0.42	2.63	(1.08)	4.08	169.43

*** Includes gain on account of transalation amounting to* **₹6.99 crore** *(2018: Gain of ₹6.24 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	15.32	18.07	-	-	33.39
Sales Tax/GST	2,720.79	224.39	0.03	5.77	2,939.38
Entry Tax	27,735.95	67.26	20,654.17	1,414.39	5,734.65
Others	1,934.77	1,169.30	183.98	89.01	2,831.08
TOTAL	**32,406.83**	**1,479.02**	**20,838.18**	**1,509.17**	**11,538.50**
Previous Year Total	36,433.51	2,343.86	3,119.97	3,250.57	32,406.83

	Addition includes	Reversal includes
- capitalized	400.83	16.20
- included in Raw Material	107.97	
- included in Finance Cost	536.88	
- included in Other Expenses	422.79	
- Adjusted against Deposits/Paid	10.55	

**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, 2018	Effects of acquisition of subsidiary	Provided during the year in Statement of Profit and Loss *	Provided during the year in OCI (net)	Balance as on March 31, 2019
Deferred Tax Liability:					
Related to Fixed Assets	21,231.91	-	2,038.70	-	**23,270.61**
Foreign Currency gain on long term monetary item	15.99	-	(3.49)	-	**12.50**
Total Deferred Tax Liability (A)	**21,247.90**	**-**	**2,035.21**	**-**	**23,283.11**
Deferred Tax Assets:					
Provision on Inventories, Debtors, Loans and Advance, Investments	651.33	-	369.31	-	**1,020.64**
Compensation for Voluntary Retirement Scheme	14.03	-	(4.65)	-	**9.38**
43B/40 (a)(ia)/other Disallowances etc.	5,977.85	-	(2,218.36)	0.79	**3,760.28**
Carry Forward Business Losses/Unabsorbed Depreciation	5.47	-	299.20	-	**304.67**
Remeasurement of defined benefit plan	0.14	-	0.44	-	**0.58**
Fair valuation of Equity instruments	431.90	-	-	(486.01)	**(54.11)**
MTM on Hedging Instruments	-	-	-	(11.85)	**(11.85)**
Fair value of debt instruments	31.43	-	-	(25.67)	**5.76**
Others	(47.68)	(109.45)	(298.24)	-	**(455.37)**
Total Deferred Tax Assets (B)	**7,064.47**	**(109.45)**	**(1,852.30)**	**(522.74)**	**4,579.98**
MAT/ECS credit entitlement (C) - Net #	**1,815.58**	**-**	**377.84**	**-**	**2,193.42**
Deferred Tax Liability net of MAT Credit (A-B-C)	**12,367.85**	**109.45**	**3,509.67**	**522.74**	**16,509.71**

Includes utilisation of ₹**166.78 crore** during FY 2018-19

* Includes translation reserve of ₹0.10 crore 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 :

	2018-19 (%)	2017-18 (%)
Applicable tax rate	**34.944**	34.608
Tax effect of income that are not taxable in determining taxable profit	**(2.83)**	(1.80)
Tax effect of expenses that are not deductible in determining taxable profit	**1.08**	1.15
Tax effect on recognition of previously unrecognised allowance/disallowances	**1.57**	1.37
Tax effect of expenses on share buy back through Equity	**0.02**	-
Tax expenses/income related to prior years	**(1.84)**	(0.79)
Difference in tax due to income chargeable to tax at special rates	**(0.04)**	(0.02)
Tax impact on share of profit of JVs/Associates added net of tax in PBT of Group	**(0.11)**	(0.57)
Tax effect of different or NIL tax rates of Group Companies	**(0.90)**	(0.06)
Effect of Taxes in foreign jurisdiction	**1.55**	-
Difference due to change in Rate of Tax	**(0.04)**	0.41
Others	**(0.03)**	0.02
Average Effective Tax Rate	**33.37**	**34.32**

NOTES TO FINANCIAL STATEMENTS

NOTE - 20 : OTHER LIABILITIES (NON FINANCIAL)

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deferred Income	5.57	6.58	1.81	1.82
Government Grants (Refer Note 43)	1,570.27	1,354.63	120.57	84.99
Statutory Liabilities	-	-	7,681.39	7,755.29
Advances from Customers	23.61	-	3,799.28	3,415.22
Others	-	-	872.33	797.61
TOTAL	1,599.45	1,361.21	12,475.38	12,054.93

NOTE - 21 : BORROWINGS - CURRENT

(₹ in Crore)

Particulars		March 31, 2019		March 31, 2018
SECURED LOANS				
Loans Repayable on Demand				
From Banks:	A			
Working Capital Demand Loan		3,920.05		6,102.85
Cash Credit		4,225.66		2,411.09
Foreign Currency Loans		-		43.17
			8,145.71	8,557.11
From Others:				
Loans through Tri-Party Repo Segment (TREPS) of Clearing Corporation of India Ltd. (CCIL)	B		2,587.53	2,635.01
Other Loans	A		1,783.98	-
Total Secured Loans			12,517.22	11,192.12
UNSECURED LOANS				
Loans Repayable on Demand				
From Banks/Financial Institutions				
In Foreign Currency		14,157.68		20,981.53
In Rupee		3,466.88		3,907.68
			17,624.56	24,889.21
From Others				
Commercial Papers		23,417.51		2,999.65
			23,417.51	2,999.65
Total Unsecured Loans			41,042.07	27,888.86
TOTAL SHORT-TERM BORROWINGS			53,559.29	39,080.98

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 following to CCIL:

Government Securities	2,655.00	2,855.00
Bank Guarantees	1,650.00	1,650.00

NOTES TO FINANCIAL STATEMENTS

NOTE - 22 : TRADE PAYABLES

(₹ in Crore)

Particulars	March 31, 2019	March 31, 2018
Dues to Micro and Small Enterprises	**236.82**	253.87
Dues to Related Parties	**1,276.93**	527.30
Dues to Others	**39,680.37**	35,800.48
TOTAL	**41,194.12**	**36,581.65**

Includes amount related to Micro and Small Enterprises for which payment to be made to financial institutions in pursuance of bills discounted by them.

NOTE - 23 : REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	2018-19		2017-18
Sales (Net of Discounts)	**6,07,524.57**		5,06,476.10
Sale of Services	**115.86**		78.49
Other Operating Revenues (Note "23.1")	**5,031.57**		5,716.75
		6,12,672.00	**5,12,271.34**
Net Claim/(Surrender) of SSC		**310.66**	(6.90)
Subsidy From Central/State Government		**150.00**	81.11
Grant from Government of India		**4,110.18**	3,196.34
TOTAL		**6,17,242.84**	**5,15,541.89**
Particulars relating to Revenue Grants are given in Note - 43.			

NOTE - 23.1 : OTHER OPERATING REVENUES

(₹ in Crore)

Particulars	2018-19	2017-18
Sale of Power and Water	**430.66**	306.10
Revenue from Construction Contracts	**6.50**	5.78
Unclaimed/Unspent liabilities written back	**317.27**	89.40
Provision for Doubtful Debts, Advances, Claims, and Stores written back	**58.93**	53.69
Provision for Contingencies written back	**1,492.97**	3,250.51
Recoveries from Employees	**13.37**	18.79
Retail Outlet License Fees	**1,187.82**	849.08
Income from Non Fuel Business	**247.39**	188.17
Commission and Discount Received	**2.95**	4.98
Sale of Scrap	**246.16**	152.13
Income from Finance Leases	**2.48**	0.20
Amortization of Capital Grants	**99.99**	30.86
Revenue Grants	**215.74**	270.08
Commodity Hedging Gain (Net)	**27.58**	-
Terminalling Charges	**83.11**	72.61
Other Miscellaneous Income	**598.65**	424.37
TOTAL	**5,031.57**	**5,716.75**

NOTES TO FINANCIAL STATEMENTS

NOTE - 24 : OTHER INCOME

(₹ in Crore)

Particulars			2018-19	2017-18
Interest on:	A			
Financial items:				
Deposits with Banks		**44.47**		14.23
Customers Outstandings		**433.26**		330.80
Oil Companies GOI SPL Bonds/Other Investment		**907.41**		926.48
Other Financial Items		**261.79**		511.75
Total interest on Financial items			**1,646.93**	**1,783.26**
Non-Financial items			**99.34**	44.26
			1,746.27	**1,827.52**
Dividend:	B			
From Related Parties		**-**		-
From Other Companies		**863.30**		735.09
			863.30	**735.09**
Profit on Sale of Investments (Net)	C		**-**	31.36
Fair value Gain on Investment/Provision Written Back (Net)			**1.60**	18.38
Exchange Fluctuations (Net)			**-**	245.02
Gain on Derivatives			**0.32**	46.40
Fair value Gain on Financial instruments classified as FVTPL			**13.87**	459.51
Other Non Operating Income			**88.92**	56.60
TOTAL			**2,714.28**	**3,419.88**
A 1. Includes Tax Deducted at Source			**24.62**	13.55
A 2. Includes interest received under section 244A of the Income Tax Act.			**90.14**	22.96
A 3. Include interest on:				
Current Investments			**657.36**	652.86
Non-Current Investments			**250.05**	273.62
A 4.Total interest income (calculated using the effective interest method) for financial assets:				
In relation to Financial assets classified at amortised cost			**739.52**	856.78
In relation to Financial assets classified at FVOCI			**907.41**	926.48
B. Dividend Income consists of Dividend on:				
Current Investments			**17.44**	14.08
Non-Current Investments			**845.86**	721.01
C. Includes Gain/(Loss) reclassified from Fair Value of Debt Instruments Reserve			**-**	(24.60)

NOTES TO FINANCIAL STATEMENTS

NOTE - 25 : COST OF MATERIALS CONSUMED

(₹ in Crore)

Particulars	2018-19	2017-18
Opening Stock	**28,342.80**	22,264.65
Add: Purchases	**3,08,657.50**	2,23,345.79
	3,37,000.30	2,45,610.44
Less: Closing Stock	**30,528.08**	28,342.80
TOTAL	**3,06,472.22**	**2,17,267.64**
Particulars relating to Revenue Grants adjusted in purchases are given in Note - 43.		

NOTE - 26 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND STOCK IN PROCESS

(₹ in Crore)

Particulars	2018-19		2017-18
Closing 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**
Less:			
Opening Stock			
Finished Products	**24,390.14**		26,170.98
Stock in Process	**5,442.23**		5,509.93
Stock - in - Trade	**8,895.21**		8,509.02
		38,727.58	**40,189.93**
NET INCREASE/(DECREASE)		**3,545.59**	**(1,462.35)**

NOTE - 27 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars	2018-19	2017-18
Salaries, Wages, Bonus etc	**7,446.49**	7,980.69
Contribution to Provident & Other Funds	**2,425.70**	1,670.42
Voluntary Retirement Compensation	**1.49**	1.22
Staff Welfare Expenses	**1,722.60**	1,028.37
TOTAL	**11,596.28**	**10,680.70**

A. Includes ₹**11.62 crore** (2018: ₹16.74 crore) towards compensation to executives for working in shift duty in the plant/operation area on which the Holding Company has taken up the matter with MOP&NG/DPE. This allowance has been discontinued w.e.f. November 1, 2018.

B. Excludes ₹ **400.72 crore** (2018: ₹328.47 crore) included in capital work in progress (Note - 2.2)/intangible assets under development (Note - 3.1) and ₹**21.92 crore** (2018: ₹13.94 crore) included in CSR expenses (Note - 29.1). The amount included in capitral work in progress also includes ₹**0.28 crore** (2018: ₹0.54 crore) paid to executives as Project Allowance working in grass root projects till commercial production, where the Holding Company has taken up the matter with MOP&NG. The project allowance has been discontinued w.e.f. March 1, 2019.

C. Includes ₹**1,266.52 crore** towards SABF defined benefit contribution for the transition phase arising as on January 1, 2007 (refer Note - 36).

D. Includes ₹**555.18 crore** (2018: NIL) [Including acturial liability of ₹**475.90** (2018: NIL)] for felicitation award to retired employees (refer Note - 36)

E. 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	2018-19		2017-18
Interest Payments on Financial items:			
Working Capital Loans:			
Bank Borrowings	**1,035.21**		432.76
Bonds/Debentures	**65.77**		-
Others	**472.98**		40.12
	1,573.96		**472.88**
Other Loans:			
Bank Borrowings	**801.07**		700.71
Bonds/Debentures	**645.04**		618.24
Others	**462.72**		451.43
	1,908.83		**1,770.38**
Unwinding of Discount	**44.85**		9.84
Others	**17.43**		128.53
	3,545.07		**2,381.63**
Interest Payments on Non Financial items:			
Unwinding of Discount	**17.11**		4.08
Others	**449.79**		1,143.86
	466.90		**1,147.94**
		4,011.97	**3,529.57**
Other Borrowing Cost		**38.81**	24.38
Applicable Net (Gain)/Loss on Foreign Currency Transactions and Translation		**837.20**	290.83
TOTAL		**4,887.98**	**3,844.78**
Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss		**3,545.07**	2,381.63

NOTE - 29 : OTHER EXPENSES

(₹ in Crore)

Particulars	2018-19		2017-18
Consumption:			
a) Stores, Spares and Consumables	**1,750.20**		1,573.06
b) Packages & Drum Sheets	**513.76**		406.03
		2,263.96	**1,979.09**
Power & Fuel	**30,042.33**		20,420.51
Less : Fuel from own production	**23,688.77**		15,589.54
		6,353.56	**4,830.97**
Throughput, Processing & Blending Fees, Royalty and Other Charges		**1,600.92**	1,491.35
Octroi, Other Levies and Irrecoverable taxes		**1,885.18**	1,621.60
Repairs and Maintenance			
i) Plant & Equipment	**3,295.78**		3,050.18
ii) Buildings	**362.26**		295.97
iii) Others	**546.99**		513.94
		4,205.03	**3,860.09**
Freight, Transportation Charges and Demurrage		**13,417.59**	12,818.86
Office Administration, Selling and Other Expenses (Note "29.1")		**10,307.83**	6,368.03
TOTAL		**40,034.07**	**32,969.99**
Less: Company's use of own Products and Crude		**805.07**	645.07
		39,229.00	**32,324.92**
TOTAL (Net)		**39,229.00**	**32,324.92**

NOTES TO FINANCIAL STATEMENTS

NOTE - 29.1: OFFICE, ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in Crore)

Particulars	2018-19		2017-18
Rent		**1,138.38**	1,092.11
Insurance		**169.17**	120.30
Rates & Taxes		**204.50**	124.33
Donation		**5.71**	10.91
Payment to auditors			
As Auditors	**4.78**		2.77
For Taxation Matters	**0.51**		0.52
Other Services(for issuing other certificates etc.)	**1.65**		0.70
For reimbursement of expenses	**0.32**		0.38
		7.26	4.37
Travelling & Conveyance		**745.43**	676.10
Communication Expenses		**60.22**	65.58
Printing & Stationery		**43.01**	41.33
Electricity & Water		**388.65**	353.83
Bank Charges		**37.43**	30.45
Advances & Claims written off		**6.34**	2.54
Provision/Loss on Assets sold or written off (Net)		**169.40**	160.77
Technical Assistance Fees		**42.29**	30.26
Exchange Fluctuation (net)		**1,740.94**	-
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.		**1,090.38**	367.31
Security Force Expenses		**802.83**	750.76
Sales Promotion Expenses (Including Commission)		**476.94**	341.45
Handling Expenses		**580.52**	515.71
Commodity Hedging Losses (Net)		**-**	31.79
Terminalling Charges		**11.66**	21.34
Exploration & Production Cost		**988.25**	265.56
Amortisation of FC Monetary Item Translation		**148.39**	111.13
Loss on Sale of Investments (Net)		**1.60**	-
Expenses on Construction Contracts		**6.37**	5.25
Expenses on CSR Activities		**509.51**	340.49
Training Expenses		**95.53**	63.01
Legal Expenses/Payment To Consultants		**184.05**	167.60
Notices and Announcement		**39.77**	99.55
Advertisement and Publicity		**82.87**	72.88
Pollution Control Expenses		**82.90**	59.59
Miscellaneous Expenses		**447.53**	441.73
TOTAL		**10,307.83**	**6,368.03**

NOTES TO FINANCIAL STATEMENTS

NOTE - 30 : OTHER COMPREHENSIVE INCOME

(₹ in Crore)

Particulars	2018-19		2017-18
Items that will not be reclassified to profit and loss:			
Remeasurement of Defined Benefit Plans	**(66.65)**		255.51
Fair value of Equity Instruments	**(1,976.37)**		(191.73)
Share of Joint Ventures and associates in Remeasurement of Defined Benefit Plans	**(1.09)**		0.65
		(2,044.11)	**64.43**
Income Tax relating to items that will not be reclassified to profit and loss:			
Remeasurement of Defined Benefit Plans	**23.29**		(88.57)
Fair value of Equity Instruments	**(486.01)**		444.02
Share of Joint Ventures and associates in Remeasurement of Defined Benefit Plans	**0.50**		(0.24)
		(462.22)	**355.21**
Items that will be reclassified to profit and loss:			
Fair value of Debt Instruments	**131.13**		(232.42)
Gain/(Loss) on Hedging Instruments	**24.12**		-
Translation Reserve on Consolidation	**(276.52)**		721.18
Share of Joint Ventures and associates in Translation Reserve on Consolidation	**(6.44)**		(33.21)
Share of Joint Ventures and associates in Gain on Business Combinations	**6.75**		-
		(120.96)	**455.55**
Income Tax relating to items that will be reclassified to profit and loss:			
Fair value of Debt Instruments	**(25.67)**		62.97
Gain/(Loss) on Hedging Instruments	**(8.44)**		-
		(34.11)	**62.97**
TOTAL		**(2,661.40)**	**938.16**

NOTES TO FINANCIAL STATEMENTS

NOTE–31 : DISTRIBUTIONS MADE AND PROPOSED

(₹ in Crore)

	March 31, 2019	March 31, 2018
Cash dividends on Equity Shares declared:		
Final dividend		
Total Final dividend during the current year for March 31, 2018: ₹2.00 per share (March 31, 2017: ₹0.50 per share after restatement for bonus shares)	**1,942.36**	485.59
Less: Final Dividend pertaining to IOC Share trust (Refer Note-2)	**46.62**	11.66
Final dividend net of IOC share trust	**1,895.74**	**473.93**
DDT on final dividend	**396.18**	47.90
Interim dividend		
Total Interim dividend for March 31, 2019: **₹8.25 per share** (March 31, 2018: ₹9.50 per share after restatement of bonus shares). (Refer Note 4)	**7,967.60**	9,226.22
Less: Interim Dividend pertaining to IOC Share trust (Refer Note-2)	**192.32**	221.46
Interim dividend net of IOC share trust	**7,775.28**	**9,004.76**
DDT on interim dividend	**1,589.11**	1,873.27
TOTAL	**11,656.31**	**11,399.86**
Proposed dividends on Equity shares		
Final proposed dividend for March 31, 2019: **₹1.00 per share** (March 31, 2018: ₹2.00 per share)	**941.42**	1,942.36
Less: Proposed Dividend pertaining to IOC Share trust (Refer Note-2)	**23.31**	46.62
Final proposed dividend net of IOC share trust	**918.11**	**1,895.74**
DDT on proposed dividend	**193.51**	399.26
	1,111.62	**2,295.00**

Notes:

1. Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at March 31, 2019.
2. Shares held under IOC Share Trust of face value **₹233.12 crore** (2018: ₹233.12 crore) has been netted off from paid up capital.
3. The Company has also incurred expenses on distribution of final dividend amounting to **₹0.14 crore** (2018: ₹0.13 crore) and on distribution of interim dividend amounting to **₹0.34 crore** (2018: ₹0.14 crore) which has been debited to equity.
4. 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 for the year attributable to equity holders by the weighted average number of Equity Shares outstanding during the year.

The following reflects the profit and number of shares used in the basic and diluted EPS computations:

(₹ in Crore)

Particulars	2018-19	2017-18
Profit attributable to equity holders (₹ in Crore)	**17,376.70**	22,189.45
Weighted Average number of equity shares used for computing Earning Per Share (Basic) (Refer note-1 and 2)	**9441179290**	9478691472
Weighted Average number of equity shares used for computing Earning Per Share (Diluted) (Refer note-1 and 2)	**9441179290**	9478691472
Earning Per Share (Basic) (₹)	**18.41**	23.41
Earning Per Share (Diluted) (₹)	**18.41**	23.41
Face value per share (₹)	**10.00**	10.00

Notes

1. Equity Shares held under IOC Share Trust of face value ₹**233.12 crore** has 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, 2019	March 31, 2018
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	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	Singapore	**100.00%**	100.00%

The Holding Company

52.18% of total shares are held by President of India as at March 31, 2019 (March 31, 2018: 56.98%)

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, 2019	March 31, 2018
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)

	March 31, 2019	March 31, 2018
Accumulated balances of material non-controlling interest:		
Chennai Petroleum Corporation Limited	**1,662.91**	1,922.93
Lanka IOC PLC	**214.45**	228.29
Profit/(loss) allocated to material non-controlling interest:		
Chennai Petroleum Corporation Limited	**(98.80)**	446.07
Lanka IOC PLC	**(4.05)**	(9.17)

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)

	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current assets	**6,849.52**	6,687.88	**731.44**	965.18
Current liabilities	**10,121.90**	9,038.26	**347.41**	567.76
Non-current assets	**8,549.21**	7,618.14	**478.15**	520.98
Non-current liabilities	**1,820.29**	1,270.77	**0.26**	0.83
Net assets	**3,456.54**	**3,996.99**	**861.92**	**917.57**
Accumulated Non-Controlling Interests	**1,662.91**	**1,922.93**	**214.45**	**228.29**

2. Summarised Statement of Profit and Loss:

(₹ in Crore)

	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue From Operations	**52,201.22**	44,189.18	**3,592.21**	3,849.40
Other Income	**37.20**	30.78	**21.07**	53.91
Cost of Material Consumed	**38,468.11**	29,313.45	**-**	-
Excise Duty	**10,862.83**	11,661.19	**-**	-
Purchases of Stock in trade	**1,139.51**	400.62	**3,577.28**	3,988.59
Changes in inventories of finished goods, stock-in-trade and work in progress	**(409.89)**	(606.67)	**(128.88)**	(216.82)
Employee Benefits Expense	**460.52**	581.75	**24.38**	21.04
Finance Costs	**419.76**	320.86	**40.32**	9.79
Depreciation and amortization expense	**452.53**	340.20	**17.58**	15.14
Impairment Losses	**0.93**	4.33	**-**	-
Other Expenses	**1,148.09**	751.24	**101.48**	123.79
Profit before exceptional items and tax	**(303.97)**	1,452.98	**(18.88)**	(38.22)
Share of Profit of Joint Ventures/Associates	**13.96**	19.54	**-**	-
Profit/(loss) before tax	**(290.01)**	1,472.53	**(18.88)**	(38.22)
Tax expense	**(84.66)**	545.31	**(2.59)**	(1.31)
Profit (Loss) for the period	**(205.35)**	927.22	**(16.29)**	(36.91)
Other Comprehensive Income	**(1.78)**	6.26	**(24.53)**	(18.33)
Total comprehensive income	**(207.13)**	933.48	**(40.82)**	(55.24)
Profit Attributable to Non-Controlling Interests	**(98.80)**	446.07	**(4.05)**	(9.17)
Dividends paid to Non-Controlling Interests	**132.54**	150.44	**3.68**	6.95

3. Summarised Cash Flow Information:

(₹ in Crore)

	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Operating Activities	**(143.71)**	2,756.69	**(186.27)**	(115.12)
Investing Activities	**(1,273.27)**	(969.20)	**304.76**	(35.82)
Financing Activities	**1,417.11**	(1,787.71)	**(125.67)**	145.79
Currency Translation Difference	**-**	-	**(0.71)**	(0.49)
Net increase/(decrease) in Cash and Cash Equivalents	**0.13**	(0.22)	**(7.89)**	(5.64)

NOTES TO FINANCIAL STATEMENTS

NOTE - 33 B : INTEREST IN JOINT VENTURE & ASSOCIATES

A. Details of Interest in Joint Venture & Associates is as under:

Name of entity	Place of Business	% of Ownership Interest	Carrying Amount (₹ in crore)
Joint Venture			
Indian Oiltanking Limited (formerly known as IOT Infrastructure & Energy Services Limited)	India	49.38%	561.41
Lubrizol India Private Limited	India	26.00%	154.09
Indian Oil Petronas Private Limited	India	50.00%	605.74
Green Gas Limited	India	49.97%	104.69
Indian Oil Skytanking Private Limited	India	50.00%	87.01
Suntera Nigeria 205 Ltd.	Nigeria	25.00%	-
Delhi Aviation Fuel Facility Private Limited	India	37.00%	91.04
Indian Synthetic Rubber Private Limited	India	50.00%	105.21
Indian Oil Ruchi Biofuels LLP (under Insolvency Resolution process)	India	50.00%	-
NPCIL - IndianOil Nuclear Energy Corporation Limited	India	26.00%	0.33
GSPL India Transco Limited	India	26.00%	100.65
GSPL India Gasnet Limited	India	26.00%	113.99
IndianOil Adani Gas Private Limited	India	50.00%	178.43
Mumbai Aviation Fuel Farm Facility Private Limited	India	25.00%	76.39
Kochi Salem Pipelines Private Limited	India	50.00%	90.47
IndianOil LNG Private Limited	India	50.00%	578.83
IndianOil Panipat Power Consortium Limited	India	50.00%	-
Petronet CI Limited (under liquidation)	India	26.00%	-
Hindustan Urvarak and Rasayan Limited	India	29.67%	443.22
Ratnagiri Refinery & Petrochemicals Limited	India	50.00%	32.54
Indradhanush Gas Grid Limited	India	20.00%	2.58
Associates			
Avi-Oil India Private Limited	India	25.00%	15.87
Petronet VK Limited	India	50.00%	0.02
Petronet LNG Limited	India	12.50%	1,278.82
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.

NOTES TO FINANCIAL STATEMENTS

NOTE - 33 B : INTEREST IN JOINT VENTURE & ASSOCIATES (Contd...)

B. Summarised Financials of Material Joint Venture:

I.A. Summarised Balance Sheet of M/s Indian Oiltanking Limited:

(₹ in Crore)

Particulars	March 31, 2019	March 31, 2018
Current assets	998.88	949.05
Current liabilities	720.32	784.90
Non-current assets	3,196.78	3,319.46
Non-current liabilities	2,340.26	2,471.83
Net assets	**1,135.08**	**1,011.78**
Proportion of the Group's ownership	**560.55**	**499.65**
Carrying amount of the investment	**561.41**	**500.53**

The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	57.15	50.54
Current Financial Liabilities	563.57	562.44
Non-current financial liabilities	2,268.73	2,392.41

I.B. Summarised Statement of Profit and Loss of M/s Indian Oiltanking Limited:

(₹ in Crore)

Particulars	March 31, 2019	March 31, 2018
Revenue From Operations	598.62	605.50
Other Income	72.31	130.41
Revenue From Operations	**670.93**	**735.91**
Cost of Material/Service Consumed	29.45	29.32
Employee Benefits Expense	48.21	80.47
Finance Costs	235.54	265.27
Depreciation and amortization expense	29.73	30.70
Other Expenses	224.85	181.35
Profit/(loss) Before tax	**103.15**	**148.80**
Tax expense:		
Current Tax	2.24	13.63
Deferred Tax	(29.73)	(21.24)
Profit (Loss) for the year	**130.66**	**156.41**
Other Comprehensive Income	15.63	(65.67)
Total Comprehensive Income	**146.29**	**90.74**
Group's Share in above:		
Profit (Loss) for the period	64.53	77.24
Other Comprehensive Income	7.79	(32.40)
Total Comprehensive Income	72.32	44.84
Dividend received	9.90	-

II.A. Summarised Balance Sheet of M/s Indian Oil Petronas Private Limited:

(₹ in Crore)

Particulars	March 31, 2019	March 31, 2018
Current assets	865.93	664.47
Current liabilities	156.56	152.07
Non-current assets	804.16	807.32
Non-current liabilities	157.57	155.73
Net assets	**1,355.96**	**1,163.99**
Proportion of the Group's ownership	**677.99**	**582.00**
Carrying amount of the investment	**605.74**	**509.74**

NOTES TO FINANCIAL STATEMENTS

NOTE - 33 B : INTEREST IN JOINT VENTURE & ASSOCIATES (Contd...)

The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	**15.99**	14.72
Current Financial Liabilities	**131.04**	126.82
Non-current financial liabilities	**50.08**	53.18

II.B. Summarised Statement of Profit and Loss of M/s Indian Oil Petronas Private Limited:

(₹ in Crore)

Particulars	March 31, 2019	March 31, 2018
Revenue From Operations	**1,884.28**	**1,405.58**
Other Income	**46.54**	20.34
Revenue From Operations	**1,930.82**	**1,425.92**
Cost of Material/Service Consumed	**1,301.77**	824.34
Employee Benefits Expense	**14.50**	14.32
Finance Costs	**11.73**	12.65
Depreciation and amortization expense	**40.58**	40.81
Other Expenses	**165.71**	152.62
Profit/(loss) Before tax	**396.53**	**381.18**
Tax expense:		
Current Tax	**135.02**	123.79
Deferred Tax	**4.89**	10.22
Profit (Loss) for the year	**256.62**	**247.17**
Other Comprehensive Income	**(0.02)**	(0.06)
Total Comprehensive Income	**256.60**	**247.11**
Group's Share in above:		
Profit (Loss) for the period	**128.31**	123.59
Other Comprehensive Income	**(0.01)**	(0.03)
Total Comprehensive Income	**128.30**	123.56
Dividend received	**26.80**	26.80

B1. Summarised Financials of Material Associates:
I. Summarised Balance Sheet of M/s Petronet LNG Limited:

(₹ in Crore)

Particulars	March 31, 2019	March 31, 2018
Current assets	**5,961.80**	7,027.10
Current liabilities	**2,484.36**	2,860.22
Non-current assets	**9,287.54**	8,717.43
Non-current liabilities	**2,534.40**	3,073.02
Net assets	**10,230.58**	**9,811.29**
Proportion of the Group's ownership	**1,278.82**	**1,226.41**
Carrying amount of the investment	**1,278.82**	**1,226.41**

The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	**226.58**	855.30
Current Financial Liabilities	**1,980.60**	2,401.34
Non-current financial liabilities	**101.20**	733.41

NOTES TO FINANCIAL STATEMENTS

NOTE - 33 B : INTEREST IN JOINT VENTURE & ASSOCIATES (Contd...)

II. Summarised Statement of Profit and Loss of M/s Petronet LNG Limited:

(₹ in Crore)

Particulars	March 31, 2019	March 31, 2018
Revenue From Operations	38,395.43	30,598.62
Other Income	445.79	317.40
Revenue From Operations	**38,841.22**	**30,916.02**
Cost of Material/Service Consumed	34,416.95	26,690.19
Employee Benefits Expense	125.87	91.20
Finance Costs	98.92	162.99
Depreciation and amortization expense	411.24	411.65
Other Expenses	479.53	472.29
Profit/(loss) Before tax	**3,308.71**	**3,087.70**
Tax expense:		
Current Tax	789.49	659.31
Deferred Tax	288.66	317.95
Profit (Loss) for the year	**2,230.56**	**2,110.44**
Other Comprehensive Income	(2.03)	(0.52)
Total Comprehensive Income	**2,228.53**	**2,110.96**
Group's Share in above:		
Profit (Loss) for the period	278.82	263.81
Other Comprehensive Income	(0.25)	(0.07)
Total Comprehensive Income	278.57	263.88
Dividend received	187.50	46.88

C. Details in respect of Immaterial Joint Venture & Associates:

(₹ in Crore)

Particulars	March 31, 2019	March 31, 2018
Carrying Amount of Investments		
Joint Ventures	2,159.47	1,550.62
Associates	16.36	15.13
Aggregate amounts of the group's share of immaterial Joint Ventures:		
Share of Profits After Tax	111.26	80.80
Other Comprehensive income	(7.46)	(0.07)
Total Comprehensive income	103.80	80.73
Aggregate amounts of the group's share of immaterial Associates:		
Share of Profits After Tax	2.10	3.08
Other Comprehensive income	(0.06)	0.01
Total Comprehensive income	2.04	3.09

D. Group's share in Capital Commitments and Contingent Liabilities in respect of Joint Venture & Associates is as under:

(₹ in Crore)

Particulars	March 31, 2019	March 31, 2018
Capital Commitments	5,565.25	1,036.02
Contingent Liabilities	702.82	645.22

NOTES TO FINANCIAL STATEMENTS

NOTE - 34 : INTEREST IN JOINT OPERATIONS

Name	Principle place of business	Proportion of Ownership Interest	
A. The Group's interest in Joint Operations is as under:		March 31, 2019	March 31, 2018
E&P BLOCKS			
1) MN-OSN-2000/2#	India	**20.00%**	20.00%
2) AA-ONN-2001/2@	India	**20.00%**	20.00%
3) GK-OSN-2009/1	India	**25.00%**	25.00%
4) GK-OSN-2009/2	India	**30.00%**	30.00%
5) CB-ONN-2010/6#	India	**20.00%**	20.00%
6) AAP-ON-94/1	India	**29.03%**	29.03%
7) AA-ONDSF-UMATARA-2018*	India	**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^	Iran	**40.00%**	40.00%
11) LIBYA BLOCK 86#	Libya	**50.00%**	50.00%
12) LIBYA BLOCK 102/4#	Libya	**50.00%**	50.00%
13) SHAKTHI GABON	Gabon	**50.00%**	50.00%
14) AREA 95-96~	Libya	**25.00%**	25.00%
15) North Montney Joint Venture	Canada	**10.00%**	10.00%
16) Niobrara Shale Project	USA	**10.00%**	10.00%
17) Mukhaizna Oil Field	Oman	**17.00%**	-
OTHERS			
18) INDOIL Netherlands B.V. ##	Netherlands	**50.00%**	50.00%
19) Petroleum India International	India	**36.36%**	36.36%

* The Revenue Sharing Contract (RSC) for block AA-ONDSF-UMATARA-2018 under Discovered Small Fields (DSF) Round II, has been signed on March 7, 2019 with Govt of India.

^ The project 's exploration period ended on June 24, 2009. Negotiations with Iranian Authorities are in progress for development of the Block

Blocks are under relinquishment.

~ Under Force Majeure since May 20, 2014

@ 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.

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 above Joint Operations is as under:

(₹ in Crore)

Particulars	March 31, 2019	March 31, 2018
Assets	**10,667.16**	**8,337.67**
PPE (including Producing Properties)	**5,385.55**	4,119.17
Capital Work in Progress	**121.60**	54.73
Intangible Asset under Development (Net of Provisions)	**3,601.81**	3,553.53
Other Assets (Net of Provisions)	**1,558.20**	610.24
Liabilities & Provisions	**3,864.54**	**2,434.49**
Liabilities	**2,786.67**	2,265.06
Provisions	**1,077.87**	169.43
Incomes	**2,356.72**	**740.93**
Sale of Products (Net of Own Consumption)	**2,346.22**	286.29
Other Income	**10.50**	454.64
Expenditure	**2,156.17**	**578.72**
Expenditure written off (incl exploration related)	**0.53**	6.57
Other Costs (incl exploration related)	**2,155.64**	572.15
Commitments	**797.28**	**782.45**
Contingent Liabilities	**-**	**-**

Note – 35 : DISCLOSURE RELATING EXPLORATION AND PRODUCTION ACTIVITIES

A. 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.) is as under:

(₹ in Crore)

	Name	March 31, 2019	March 31, 2018
(i)	**Assets**	**242.73**	**204.92**
	- Property, Plant and Equipment	**-**	-
	- Intangible Assets	**-**	-
	- Intangible Assets under Development	**239.27**	196.68
	- Capital Work in Progress	**0.79**	0.73
	- Other Assets	**2.67**	7.51
(ii)	**Liabilities**	**115.70**	**98.58**
	- Trade Payables	**-**	-
	- Provisions	**2.31**	2.31
	- Other Liabilities	**113.39**	96.27
(iii)	**Income**	**-**	**0.39**
	- Other Income	**-**	0.39
(iv)	**Expenses**	**71.56**	**39.74**
	- Exploration expenditure written off	**0.09**	1.44
	- Other exploration costs	**71.47**	38.30
(v)	**Cash Flow**		
	- Net Cash from/(used) in operating activities	**(49.51)**	**(24.52)**
	- Net Cash from/(used) in investing activities	**(42.73)**	**82.63**

NOTES TO FINANCIAL STATEMENTS

NOTE – 35 : DISCLOSURE RELATING EXPLORATION AND PRODUCTION ACTIVITIES (Contd...)

B: In compliance of revsied Guidance Note on Accounting for Oil and Gas Producing Activities, the required disclosures in respect of Reserves are as under:

Net Proved Reserves of Crude Oil, Condensate, Natural Gas Liquids and Gas:

Assets		March 31, 2019		March 31, 2018	
		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	106.41	19.54	92.63	15.12
	Addition	156.29	62.54	32.48	12.79
	Deduction	-	-	-	-
	Production	17.45	9.76	18.70	8.37
	Balance	245.25	72.32	**106.41**	**19.54**
Pacific Northwest LNG, Canada	Begining	682.96	8163.29	1467.77	20461.76
	Addition	331.14	597.44	(754.75)	(11815.81)
	Deduction	-	-	-	-
	Production	26.13	460.09	30.06	482.66
	Balance	987.97	8300.64	**682.96**	**8163.29**
Oman	Begining	-	-	-	-
	Addition	9092.01	-	-	-
	Deduction	126.22	-	-	-
	Production	987.14	-	-	-
	Balance	7978.65	-	-	-
Assam AAP-ON-94/1	Begining	47.42	1715.26	48.34	1730.51
	Addition	32.04	-	-	-
	Deduction	-	-	-	-
	Production	10.00	94.21	0.92	15.25
	Balance	69.46	1621.05	**47.42**	**1715.26**
Total Proved Reserves		9281.33	9994.01	**836.79**	**9898.09**
B) Proved developed Reserves					
Niobrara Shale Project, USA	Begining	69.79	13.71	61.94	11.41
	Addition	18.05	20.74	26.55	10.67
	Deduction	-	-	-	-
	Production	17.45	9.76	18.70	8.37
	Balance	70.39	24.69	**69.79**	**13.71**
Pacific Northwest LNG, Canada	Begining	232.80	3388.44	283.71	3753.95
	Addition	(19.11)	(113.09)	(20.85)	117.15
	Deduction	-	-	-	-
	Production	26.13	460.09	30.06	482.66
	Balance	187.56	2815.26	**232.80**	**3388.44**
Oman	Begining	-	-	-	-
	Addition	8335.55	-	-	-
	Deduction	-	-	-	-
	Production	987.14	-	-	-
	Balance	7348.41	-	-	-
Assam AAP-ON-94/1	Begining	47.42	1369.16	48.34	1384.41
	Addition	32.04	346.10	-	-
	Deduction	-	-	-	-
	Production	10.00	94.21	0.92	15.25
	Balance	69.46	1621.05	**47.42**	**1369.16**
Total Proved developed Reserves		7675.82	4461.00	**350.01**	**4771.31**

NOTES TO FINANCIAL STATEMENTS

NOTE – 35 : DISCLOSURE RELATING EXPLORATION AND PRODUCTION ACTIVITIES (Contd...)

Net Proved Reserves & Proved developed Reserves of Crude Oil, Condensate, Natural Gas Liquids and Gas on Geographical Basis:

Details	March 31, 2019		March 31, 2018	
	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.	**245.25**	**72.32**	106.41	19.54
Canada	**987.97**	**8300.64**	682.96	8163.29
Oman	**7978.65**	**-**	-	-
India	**69.46**	**1621.05**	47.42	1715.26
Total Proved Reserves	**9281.33**	**9994.01**	**836.79**	**9898.09**
B) Proved developed Reserves				
U.S.	**70.39**	**24.69**	69.79	13.71
Canada	**187.56**	**2815.26**	232.80	3388.44
Oman	**7348.41**	**-**	-	-
India	**69.46**	**1621.05**	47.42	1369.16
Total Proved developed Reserves	**7675.82**	**4461.00**	**350.01**	**4771.31**

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 **₹39.56 crore** (2018: ₹42.00 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 **₹496.73 crore** (2018: ₹538.83 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).

Further, during the year an amount of **₹1,266.52 crore** has been contributed by parent company on one time basis towards Defined Benefit contribution for the transition phase arising as on January 1, 2007 i.e. at the time of commencement of Defined Contribution pension scheme.

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 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 three Provident Funds maintained by respective PF Trusts in respect of which actuarial valuation is carried out and all three trusts do not have any deficit as on March 31, 2019.

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 introduced a scheme to pay specified amount as felicitation award to its retired employees on achieving specific age milestones. **₹555.18 crore** has been regognised as expenses (including acturial liability of ₹475.90 crore) during the year on this account.

NOTES TO FINANCIAL STATEMENTS

NOTE – 36 : EMPLOYEE BENEFITS (Contd...)

C. Other Long-Term Employee Benefits - General Description

Leave Encashment:

Each employee is entitled to get 8 earned leaves for each completed quarter of service. Encashment of earned leaves is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation of 300 days. In addition, each employee is entitled to get 5 sick leaves (in lieu of 10 HPL) at the end of every six months. The entire accumulation is permitted for encashment only at the time of retirement. DPE had clarified 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. However, keeping in view operational complications and service agreements the company has continued with the present practice and requested concerned authorities to reconsider the matter.

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 12.12.2018 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 27.03.2019 and 25.04.2019 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 14.02.1983. 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 2018-19 on this account is ₹**21.21 crores** (2018: ₹20.65 Crore) and the payments made to employees during 2018-19 is ₹**32.36 Crores** (2018: ₹35.48 Crores). The actuarial liability of ₹**200.76 Crores** in this respect as on 31.03.2019 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	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded
Defined Obligation at the beginning	**13,317.81**	**2,799.06**	**4,561.94**	**1.23**	**164.31**	**122.34**	**190.55**	**3.68**
	11,756.18	*1,523.45*	*4,322.03*	*2.85*	*59.67*	*87.58*	*198.42*	*2.82*
Current Service Cost	**439.01**	**40.59**	**208.16**	**-**	**3.58**	**19.71**	**-**	**0.19**
	420.95	*21.66*	*197.94*	*0.06*	*3.32*	*13.96*	*-*	*0.15*
Past Service Cost	-	-	-	-	-	-	-	-
	-	*1,354.35*	*-*	*-*	*103.77*	*40.78*	*-*	*-*
Interest Cost	**1,161.37**	**217.91**	**354.01**	**0.01**	**12.75**	**9.52**	**14.90**	**0.42**
	1,159.20	*111.04*	*321.99*	*0.12*	*4.44*	*6.38*	*14.90*	*0.36*
Contribution by employees	**1,204.47**	-	-	-	-	-	-	-
	1,014.48	-	-	-	-	-	-	-
Net Liability transferred In/(Out)	**84.11**	-	-	-	-	-	-	-
	68.01	-	-	-	-	-	-	-
Benefits paid	**(1,335.83)**	**(383.06)**	**(203.04)**	**(1.24)**	**(3.98)**	**(8.18)**	**(27.60)**	**(0.14)**
	(1,101.01)	*(155.83)*	*(180.16)*	*(1.82)*	*(3.49)*	*(6.16)*	*(27.32)*	*(0.14)*
Actuarial (gain)/loss on obligations	**-**	**132.48**	**(12.13)**	**-**	**(1.12)**	**(22.56)**	**31.07**	**(0.26)**
	-	*(55.61)*	*(99.86)*	*0.02*	*(3.40)*	*(20.20)*	*4.55*	*0.49*
Defined Benefit Obligation at the end of the year	**14,870.94**	**2,806.98**	**4,908.94**	**-**	**175.54**	**120.83**	**208.92**	**3.89**
	13,317.81	*2,799.06*	*4,561.94*	*1.23*	*164.31*	*122.34*	*190.55*	*3.68*

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	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the beginning of the year	**13,584.65**	**1,919.39**	**4,642.23**	**1.24**	-	-	-	-
	12,122.31	*1,923.12*	*3,702.41*	*2.87*	-	-	-	-
Interest Income	**1,161.37**	**153.42**	**360.24**	-	-	-	-	-
	1,159.20	*140.17*	*275.83*	*0.12*	-	-	-	-
Contribution by employer	**439.01**	**968.90**	**160.94**	-	-	-	-	-
	420.95	-	*772.23*	-	-	-	-	-
Contribution by employees	**1,204.47**	-	**1.27**	-	-	-	-	-
	1,014.47	-	*1.18*	-	-	-	-	-
Net Liability transferred In/ (Out)	**84.11**	-	-	-	-	-	-	-
	68.01	-	-	-	-	-	-	-
Benefit paid	**(1,335.83)**	**(383.02)**	**(203.04)**	**(1.24)**	-	-	-	-
	(1,101.00)	*(154.66)*	*(180.16)*	*(1.82)*	-	-	-	-
Re-measurement (Return on plan assets excluding Interest Income)	**54.80**	**29.09**	**31.95**	-	-	-	-	-
	(99.29)	*10.76*	*70.74*	*0.07*	-	-	-	-
Fair value of plan assets at the end of the year	**15,192.58**	**2,687.78**	**4,993.59**	-	-	-	-	-
	13,584.65	*1,919.39*	*4,642.23*	*1.24*	-	-	-	-

(iii) Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the end of the year	**15,192.58**	**2,687.78**	**4,993.59**	-	-	-	-	-
	13,584.65	*1,919.39*	*4,642.23*	*1.24*	-	-	-	-
Defined Benefit Obligation at the end of the year	**14,870.94**	**2,806.98**	**4,908.94**	-	**175.54**	**120.83**	**208.92**	**3.89**
	13,317.81	*2,799.06*	*4,561.94*	*1.23*	*164.31*	*122.34*	*190.55*	*3.68*
Amount not recognised in the Balance Sheet (as per para 64 of Ind-As 19)	**(321.64)**	-	-	-	-	-	-	-
	(266.84)	-	-	-	-	-	-	-
Amount recognised in the Balance Sheet	-	**119.20**	**(84.65)**	-	**175.54**	**120.83**	**208.92**	**3.89**
		879.67	*(80.29)*	*(0.01)*	*164.31*	*122.34*	*190.55*	*3.68*

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	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded
Current Service Cost	**439.01**	**40.59**	**208.16**	**-**	**3.58**	**19.71**	**-**	**0.19**
	420.95	*21.66*	*197.94*	*0.06*	*3.32*	*13.96*	*-*	*0.15*
Past Service Cost	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	*1,354.35*	*-*	*-*	*103.77*	*40.78*	*-*	*-*
Net Interest Cost	**-**	**64.49**	**(6.23)**	**0.01**	**12.75**	**9.52**	**14.90**	**0.42**
	-	*(29.13)*	*46.16*	*-*	*4.44*	*6.38*	*14.90*	*0.36*
Contribution by Employees	**-**	**-**	**(1.27)**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*(1.18)*	*-*	*-*	*-*	*-*	*-*
Expenses for the year	**439.01**	**105.08**	**200.66**	**0.01**	**16.33**	**29.23**	**14.90**	**0.61**
	420.95	*1,346.88*	*242.92*	*0.06*	*111.53*	*61.12*	*14.90*	*0.51*

(v) Amount recognised in Other Comprehensive Income (OCI)

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded
Actuarial (gain)/loss on Obligations - Due to change in assumptions	**-**	**1.79**	**(14.86)**	**-**	**(1.12)**	**(0.15)**	**2.30**	**0.31**
	-	*(86.61)*	*192.00*	*-*	*(3.40)*	*(7.62)*	*4.55*	*(0.20)*
Actuarial (gain)/loss on Obligations - Due to Experience	**-**	**130.69**	**2.73**	**-**	**-**	**(22.41)**	**28.77**	**(0.57)**
	-	*31.00*	*(291.86)*	*0.02*	*-*	*(12.58)*	*-*	*0.69*
Re-measurement (Return on plan assets excluding Interest Income)	**1.34**	**29.09**	**31.95**	**-**	**-**	**-**	**-**	**-**
	0.48	*10.76*	*70.74*	*0.07*	*-*	*-*	*-*	*-*
Net Loss/(Gain) recognized in OCI	**(1.34)**	**103.39**	**(44.08)**	**-**	**(1.12)**	**(22.56)**	**31.07**	**(0.26)**
	(0.48)	*(66.37)*	*(170.60)*	*(0.05)*	*(3.40)*	*(20.20)*	*4.55*	*0.49*

NOTES TO FINANCIAL STATEMENTS

NOTE – 36 : EMPLOYEE BENEFITS (Contd...)

(vi) Major Actuarial Assumptions

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded*	Funded*	Funded*	Funded*	Non-Funded	Non-Funded*	Non-Funded*	Non-Funded
Discount rate	**7.78%**	**7.79%**	**7.78%**	-	**7.78%**	**7.79%**	**7.54%**	**11.50%**
	7.78%	7.78%	7.76%	6.60%	7.76%	7.78%	7.82%	11.50%
Salary escalation	-	**8.00%**	-	-	-	-	-	**1-7%**
	-	8.00%	-	8.00%	-	-	-	1-6%
Inflation	-	-	**8.00%**	-	**7.00%**	**6.00%**	-	-
	-	-	8.00%	-	7.00%	6.00%	-	-
Average Expected Future Service/ Obligation (Years)	-	**16**	**30**	-	-	**16**	**11**	**11**
	-	15	30	2	-	15	9	10

*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	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded
Change in Discounting Rate								
Increase by 1%	-	**(157.68)**	**(652.78)**	-	**(26.02)**	**(13.68)**	**(7.96)**	**(0.18)**
	-	*(156.54)*	*(607.15)*	*(0.01)*	*(24.68)*	*(13.34)*	*(7.34)*	*(0.15)*
Decrease by 1%	-	**181.99**	**851.89**	-	**29.52**	**17.14**	**8.71**	**0.20**
	-	*179.64*	*790.46*	*0.01*	*27.98*	*16.66*	*8.04*	*0.17*
Change in Salary Escalation								
Increase by 1%	-	**38.17**	-	-	-	-	-	**0.22**
	-	*40.69*	-	*0.01*	-	-	-	*0.18*
Decrease by 1%	-	**(41.71)**	-	-	-	-	-	**(0.20)**
	-	*(45.42)*	-	*(0.01)*	-	-	-	*(0.17)*
Change in Inflation Rate								
Increase by 1%	-	-	**505.49**	-	**29.80**	-	-	-
	-	-	*467.36*	-	*28.26*	-	-	-
Decrease by 1%	-	-	**(414.91)**	-	**(26.48)**	-	-	-
	-	-	*(383.10)*	-	*(25.10)*	-	-	-

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	-	**99.67%**	**94.29%**	-
	-	*98.54%*	*93.95%*	*97.27%*
Self managed investments	**100.00%**	**0.33%**	**5.71%**	-
	100.00%	*1.46%*	*6.05%*	*2.73%*

Details of the investment pattern for the above mentioned funded obligations is as under:

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Government Securities (Central & State)	**49.72%**	**69.08%**	**69.68%**	-
	44.12%	*68.24%*	*65.19%*	*2.73%*
Investment in Equity/Mutual Funds	**6.81%**	**5.16%**	**5.20%**	-
	4.68%	*5.40%*	*5.18%*	*-*
Investment in Debentures/ Securities	**39.33%**	**16.35%**	**22.67%**	-
	41.23%	*22.69%*	*25.57%*	*-*
Other approved investments (incl. Cash)	**4.15%**	**9.41%**	**2.45%**	-
	9.96%	*3.66%*	*4.06%*	*97.27%*

(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	PRMS	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Within next 12 Months	**433.23**	**209.61**	-	**4.63**	**8.78**	**36.67**
	507.04	*183.81*	*0.02*	*4.19*	*9.01*	*33.03*
Between 2 to 5 Years	**1,147.31**	**904.46**	-	**26.28**	**32.33**	**117.07**
	1,142.29	*780.53*	*1.36*	*23.20*	*33.17*	*106.74*
Between 6 to 10 Years	**1,133.45**	**1,245.33**	-	**51.30**	**40.38**	**88.61**
	1,168.56	*1,098.67*	*-*	*47.12*	*43.84*	*82.83*

Note : General Description of the defined benefit plans applicable to holding company.

NOTES TO FINANCIAL STATEMENTS

NOTE – 37 : COMMITMENTS AND CONTINGENCIES

A. Leases

(a) Operating lease — as Lessee

(i) Lease Rentals charged to the Statement of profit and loss and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements/arrangements

(₹ in Crore)

	2018-19	2017-18
Lease Rentals for Non-Cancellable operating leases		
(a) Lease rentals recognized during the year (incl. applicable cases as per (iv) below)	**9,402.17**	8,480.28
(b) Lease Obligations		
- Within one year	**8,356.04**	7,024.56
- After one year but not more than five years	**18,743.58**	10,103.75
- More than five years	**547.60**	637.25

These relate to storage tankage facilities for petroleum products, BOO contract for Nitrogen and Hydrogen Plant, QC labarotary at Paradip Refinery, land leases and various other leases in substance as mentioned in (iv) below.

(ii) The 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 the year. Group has not taken the physical possession of property as stay is imposed by Hon'ble Delhi High Court for handing over of the office premises. Pending taking over of possession, amount paid to contractor is continued as advances under Note 8 and no amortization of lease rental is being done.

(iii) The Group has taken certain assets (including lands,office/residential premises) on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements incl. applicable cases as per (iv) below. During the current year, **₹1,006.91 crore** (2018: ₹1,051.84 crore) has been paid towards cancellable Operating Lease. Also refer Note 1B for more details on judgements made for lease classification in case of lands.

(iv) **Leases in substance (Operating lease: Group as lessee)**

The Group has entered into some contracts which are in substance operating lease contracts. Currently, the Group has booked payment made under these contracts as expenses in the statement of profit and loss. The details in respect of material operating lease arrangements are as under:

(a) The Group has entered into various agreements with transporters for the movement of petroleum products for different tenures. Under these agreements, specific trucks are identified that are used exclusively for the transport operations of the Group only.

(b) The Group has entered into agreements with vessel owners for hiring of vessels for different tenures. Specified vessels are identified in the agreement with reference to the name and description of vessel, which can only be used. Such vessels are dedicated for the Group's use only for the entire period of arrangement. Further, during the lease period, the owner can let out the specific vessel to any third party only after obtaining the Group's permission. Hence this arrangement is classified as lease as per Appendix C to Ind AS 17.

(c) BOO agreement with Air Liquide Industries is for supply of oxygen and nitrogen at Panipat Refinery for a period of 18 years. The land is owned by the Group and the plant is being operated by contractor for supply of oxygen and nitrogen to the Group. There is a commitment to pay monthly minimum amount as per the agreement. The Group shall always have first right of use of Nitrogen & Oxygen manufactured at the plant. Nitrogen gas manufactured by the contractor is mainly supplied to the Group. Hence this arrangement is classified as lease as per Appendix C to Ind AS 17.

NOTES TO FINANCIAL STATEMENTS

NOTE – 37 : COMMITMENTS AND CONTINGENCIES (Contd...)

Details of expenses booked under various arrangements are as under:

(₹ in Crore)

Operating Lease cases under Appendix C of Ind AS-17	2018-19	2017-18
Processing Fee under the head "Other expenses" in relation to lubricants filling arrangement	-	0.19
Handling expense under the head "Other expenses" in relation to CFA arrangement	**28.20**	38.48
Freight and transportation charges under the head "Other Expenses" in relation to arrangement with transporters	**8,441.82**	7,505.79
Processing Fee and other charges under the head "Other expenses" in relation to terminalling arrangement with GCPTCL	**21.13**	9.12
Transportation charges under the head "Other expenses" in relation to Prime Mover Agreement	**7.65**	6.83
Purchase of nitrogen & oxygen for supply of oxygen and nitrogen at Panipat Refinery under " Cost of materials consumed"	**122.25**	77.25
Freight charges under the head "Cost of Materials Consumed"/"Other expenses" in relation to Time Charter Arrangement	**796.55**	803.74

(b) Operating lease — as Lessor

The lease rentals recognized as income in these statements as per the rentals stated in the respective agreements:

(₹ in Crore)

	2018-19	2017-18
A. Lease rentals recognized as income during the year	**2.21**	2.86
B. Value of assets given on lease included in Property, Plant and Equipments		
- Gross Carrying Amount	**1.44**	3.10
- Accumulated Depreciation	**0.26**	0.43
- Depreciation recognized in the Statement of Profit and Loss	**0.04**	0.08

These relate building and plant and equipment given on lease.

(c) Finance lease — as Lessee

The Group has entered into following material finance lease arrangements:

(i) BOOT agreement with IOT Utkal Energy Services Ltd. in respect of Tankages facility for a period of 15 years. Lessor will transfer ownership to The Group after 15 Years at NIL value.

(ii) BOOT agreement with IL&FS in respect of Water Intake facility for a period of 25 years. Lessor will transfer ownership to The Group after 25 Years at **₹0.01 crore.**

(iii) The Group has entered into finance lease arrangements with Gujarat Adani Port Limited related to Port facilities at Gujarat for a period of 25 years and 11 months.

(iv) The Group has obtained various lands from the governments for purpose of plants, facilities and offices. Lease cases where at the inception of the lease, the present value of minimum lease payments is substatitally equal to the fair value of leased assets are considered under finance leases. Also refer Note 1B for more details on judgements made for lease classification.

NOTES TO FINANCIAL STATEMENTS

NOTE – 37 : COMMITMENTS AND CONTINGENCIES (Contd...)

Disclosure under Finance Lease as Lessee:

(₹ in Crore)

	March 31, 2019	March 31, 2018
(i) Minimum lease payments		
- Within one year	**581.20**	562.06
- After one year but not more than five years	**2,263.77**	2,229.72
- More than five years	**3,892.30**	4,279.84
TOTAL	**6,737.27**	**7,071.62**
(ii) Present value of minimum lease payments		
- Within one year	**201.06**	167.60
- After one year but not more than five years	**982.70**	856.53
- More than five years	**2,327.04**	2,597.35
TOTAL	**3,510.80**	**3,621.48**
Add: Future finance charges	**3,226.47**	**3,450.14**
TOTAL	**6,737.27**	**7,071.62**

(d) Finance lease — as lessor

The Group has entered into following material finance lease arrangements:

(i) The Group 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 Group has entered into a lease agreement with Indian Synthetic Rubber Private Limited in which the compay has leased out land for one time upfront payment of **₹16.65 crores.**

(₹ in Crore)

	March 31, 2019	March 31, 2018
A. Gross Investments in Finance Lease	**510.17**	**432.28**
Less: Unearned Finance Income	**7.72**	0.16
Less: Finance Income Received	**173.48**	170.98
Less: Minimum Lease payment received	**269.00**	260.07
Net Investment in Finance Lease as on Date	**59.97**	**1.07**
B. Unearned finance Income	**7.72**	**0.16**
C. Present Value of Minimum Lease Payments Receivable		
- Within one year	**18.50**	0.69
- After one year but not more than five years	**41.47**	0.38
- More than five years	**-**	-
TOTAL	**59.97**	**1.07**
D. Break-up of un-earned income		
- Within one year	**4.04**	0.11
- After one year but not more than five years	**3.68**	0.05
- More than five years	**-**	-
TOTAL	**7.72**	**0.16**

NOTES TO FINANCIAL STATEMENTS

NOTE – 37 : COMMITMENTS AND CONTINGENCIES (Contd...)

B. Contingent Liabilities

B.1 Claims against the Group not acknowledged as debt

Claims against the Group not acknowledged as debt amounting to ₹**10,830.43 crore** (2018: ₹8,775.01 crore) are as under:

B.1.1 ₹**589.62 crore** (2018: ₹398.56 crore) being the demands raised by the Central Excise/Customs/Service Tax Authorities including interest of ₹**180.03 crore** (2018: ₹121.32 crore).

B.1.2 ₹**52.39 crore** (2018: ₹31.23 crore) in respect of demands for Entry Tax from State Governments including interest of ₹**11.69 crore** (2018: ₹3.07 crore).

B.1.3 ₹**3,150.92 crore** (2018: ₹3,303.86 crore) being the demands raised by the VAT/Sales Tax Authorities including interest of ₹**1,195.85 crore** (2018: ₹1,332.72 crore).

B.1.4 ₹**3,418.73 crore** (2018: ₹1,990.52 crore) in respect of Income Tax demands including interest of ₹**466.31 crore** (2018: ₹662.08 crore).

B.1.5 ₹**2,433.26** crore (2018: ₹2,043.49 crore) including ₹**1,713.4 crore** (2018: ₹1,647.84 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹**196.3 crore** (2018: ₹164.54 crore).

B.1.6 ₹**1,185.51** crore (2018: ₹1,007.35 crore) in respect of other claims including interest of ₹**513.66 crore** (2018: ₹405.84 crore).

The Group has not considered those disputed demands/claims as contingent liabilities, for which, the outflow of resources has been considered as remote.

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 ₹**24,492.45 crore** (2018: ₹15,919.84 crore). Capital Commitments in respect of Joint Operations are disclosed in Note 34.

C.2 Other Commitments

C.2.1 The Group has an export obligation to the extent of ₹**816.91 crore** (2018: ₹2,923.89 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 To meet the direction of Honourable High court of Orissa, the Group has a commitment to pay ₹**280.10 crore** (2018: ₹280.10 crore) towards providing high tech ambulances, removal of old anicut and construction of water treatment plant in the state of Orissa. In addition, the Group has to incur cost towards dredging through Orissa Construction Co, a state government agency estimate for which yet to be finalised.

C.2.3 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 option to sell Compulsory Convertible Debenture (CCD) to the Company (IOCL) before the expiry date. In addition to this, the Company, at the sole discretion, has right to acquire CCD from ICICI on or before the expiry date. The Group's (IOCL) share of such obligation is ₹**808.44 Crore** (2018: ₹949.05 Crore).

C.2.4 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 and Axis bank'. The Company's share of such obligation is estimated at ₹**3,533.46 crore** (2018: ₹3,280.94 crore).

NOTES TO FINANCIAL STATEMENTS

NOTE – 37 : COMMITMENTS AND CONTINGENCIES (Contd...)

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** (2018: ₹11.40 crore).

C.2.6 The Group has entered into Signature Bonus Agreement with Republic of Venezuela payable on achievement of various project milestones. The estimated amount of such obligation is at ₹**393.69 crore** (2018: 373.18 crore).

D. Contingent assets

(₹ in Crore)

		March 31, 2019	March 31, 2018
a.	A customer had lodged a claim against the Group challenging the pricing mechanism of utilities provided. The matter was referred to arbitration and award was given in favour of the Group. customer has approached Honourable High court challenging the award of arbitration and Honourable High court vide its interim orders dated August 28, 2017 and April 19, 2018 has directed the customer to deposit the principal amount and interest amount respectively in the Registry of the court. Court has also directed that the amount deposited by the customer shall be released to the Group upon furnishing an unconditional Bank Guarantee of the equivalent amount. Based on the direction of the Court, the Group has furnished unconditional Bank Gurantee during current year. Pending receipt of money the management had treated a portion of the amount recoverable as contingent asset pending adjudication of matter with Honourable High Court in the previous year.	-	112.98
b.	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 IOCL.	**3.61**	3.48
c.	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 Group.	**5.36**	-
d.	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 the Group.	**31.02**	-
	TOTAL	**39.99**	**116.46**

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 (Formerly known as IOT Infrastructure & Enery Services Ltd.)	17) NPCIL- IndianOil Nuclear Energy Corporation Limited
	18) GSPL India Transco Limited
2) Lubrizol India Private Limited	19) GSPL India Gasnet Limited
3) Petronet VK Limited	20) IndianOil - Adani Gas Private Limited
4) IndianOil Petronas Private Limited	21) Mumbai Aviation Fuel Farm Facility Private Limited
5) Avi-Oil India Private Limited	22) Kochi Salem Pipeline Private Limited
6) Petronet India Limited *	23) Hindustan Urvarak & Rasayan Limited
7) Petronet LNG Limited	24) Ratnagiri Refinery & Petrochemicals Limited
8) Green Gas Limited	25) Indradhanush Gas Grid Limited (Incorporated on 10.08.18)
9) IndianOil Panipat Power Consortium Limited @	26) Indian Additives Limited
10) Petronet CI Limited @	27) National Aromatics & Petrochemicals Corporation Limited
11) IndianOil LNG Private Limited	28) INDOIL Netherlands B.V.
12) IndianOil SkyTanking Private Limited	29) Taas India PTE Limited
13) Suntera Nigeria 205 Limited	30) Vankor India PTE Limited
14) Delhi Aviation Fuel Facility Private Limited	31) Ceylon Petroleum Storage Terminals Limited
15) Indian Synthetic Rubber Private Limited	32) Falcon Oil & Gas B.V.
16) Indian Oil Ruchi Biofuels LLP #	33) Urja Bharat PTE Ltd (Incorporated on 12.02.19)

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	(Formerly known as IOT Mabagas Private Limited)

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, 2019	March 31, 2018
1	Sales of Products/Services	**1,159.73**	857.40
	[Includes sales to IndianOil Petronas Private Limited ₹**548.21 crore** (2018: ₹273.56 crore) and Indian Synthetic Rubber Private Limited ₹**460.33 crore** (2018: ₹ 484.07 crore)]		
2	Interest received	**52.19**	45.63
	[Includes interest received from IndianOil LNG Private Limited ₹**39.25 crore** (2018: ₹39.24 crore) and Petronet VK Limited ₹**11.21 crore** (2018:NIL)]		
3	Other Operating Revenue/Other Income	**185.91**	108.23
	[Includes Other Operating Revenue/Other Income from Indian Synthetic Rubber Private Limited ₹**95.79 crore** (2018: ₹75.30 crore) and Falcon Oil & Gas B V ₹**64.04 crore** (2018: NIL)]		
4	Purchase of Products	**7,870.11**	5,950.04
	[Includes Purchase of Products from Petronet LNG Limited ₹**5,768.06 crore** (2018: ₹5,820.32 crore)]		
5	Purchase of Raw Materials/Others	**5,527.95**	3,485.52
	[Includes Purchase of Raw Materials/Others from Petronet LNG Limited ₹**5,083.97 crore** (2018: ₹3,080.47 crore)]		
6	Interest paid	**284.69**	299.64
	[Includes Interest paid to IOT Utkal Energy Services Limited ₹**284.69 crore** (2018: ₹299.64 crore)]		
7	Handling/Other Expenses	**996.23**	945.11
	[Includes Handling/Other Expenses to IndianOil Sky Tanking Private Limited ₹**432.75 crore** (2018: ₹351.20 crore) and IndianOil Petronas Private Limited ₹**298.93 crore** (2018: ₹290.44 crore)]		
8	Reimbursement of Expenses	**1.71**	4.09
	[Includes Reimbursement of Expenses pertaining to Indian Oiltanking Ltd ₹**1.26 crore** (2018: ₹0.99 crore) and Green Gas Limited ₹**0.29 crore** (2018:NIL)]		
9	Investments made/(sold) during the year incl. Advance for Investment	**547.23**	440.43
	[Includes Investment made/(sold) in IndianOil LNG Private Limited ₹**326.50 crore** (2018: NIL), Hindustan Urvarak and Rasayan Limited ₹**107.08 crore** (2018: ₹328.23 crore) and IndianOil Adani Gas Private Limited ₹**61.50 crore** (2018: ₹39.00 crore)]		
10	Purchase/(Sale)/Acquisition of Fixed Assets including CWIP	**166.54**	26.91
	[Includes Purchase/Acquisition of Fixed Assets incl. CWIP from IOT Utkal Energy Services Limited ₹**147.72 crore** (2018: ₹6.04 crore)]		
11	Provisions made/(write back) during the year	**0.03**	-
	[Includes Provision made GSPL India Gasnet Limited ₹**0.03 crore** (2018:NIL)]		
12	Outstanding Receivables/Loans	**917.01**	954.91
	[Includes Outstanding Receivables/Loans & Advances from Petronet LNG Limited ₹**286.96 crore** (2018: ₹307.61 crore), Taas India PTE Limited ₹**151.22 crore** (2018: ₹136.30 crore), Suntera Nigeria 205 Limited ₹**139.31 crore** (2018: ₹113.58 crore) and Vankor India PTE Limited ₹**43.47 crore** (2018: ₹189.45 crore)]		
13	Outstanding Payables	**3,521.65**	3,396.82
	[Includes Outstanding payable to IOT Utkal Energy Services Limited ₹**2,665.02 crore** (2018: ₹2,817.97 crore)]		
14	Investments in JV/Associates as on date	**9,775.09**	8,808.51

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

Details relating to the parties referred to in Item No.2 above:

(₹ in Crore)

		March 31, 2019	March 31, 2018
1	Remuneration		
	Shri B V Raghav Raju	**0.24**	0.06
2	Outstanding Receivables/Loans		
	Shri B V Raghav Raju	-	-

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.

IndianOil has decided to exit the Joint Venture and has given notice of its exit from the LLP to the other JV partner viz. Ruchi Soya Industries as well as to the LLP on December 26, 2018 stating that it will exit the LLP w.e.f. January 25, 2019.

4) Key Managerial Personnel

A. Whole Time Directors/Company Secretary	B. Independent Directors	C. Government Nominee Directors
1) Shri Sanjiv Singh	1) Shri Sanjay Kapoor (Upto December 1, 2018)	1) Shri Ashutosh Jindal
2) Shri A.K.Sharma (Upto January 31, 2019 and w.e.f February 18, 2019)	2) Shri Parindu K. Bhagat	2) Smt. Urvashi Sadhwani (Upto May 10, 2018)
3) Shri G. K. Satish	3) Shri Vinoo Mathur	3) Smt. Sushma Taishete Rath (Upto July 5, 2018)
4) Dr S. S. V. Ramakumar	4) Shri Samirendra Chatterjee	4) Smt Indrani Kaushal (Upto March 11, 2019)

NOTES TO FINANCIAL STATEMENTS

NOTE – 38 : RELATED PARTY DISCLOSURES (Contd...)

A. Whole Time Directors/Company Secretary	B. Independent Directors	C. Government Nominee Directors
5) Shri B V Rama Gopal	5) Shri Vivek Rae (Upto June 3, 2018)	5) Smt Sushmita Dasgupta (w.e.f March 20, 2019)
6) Shri Ranjan Kumar Mohapatra	6) Shri Chitta Ranjan Biswal	
7) Shri Gurmeet Singh (w.e.f. July 26, 2018)	7) Dr. Jagdish Kishwan	
8) Shri Akshay Kumar Singh (w.e.f. August 14, 2018)	8) Shri Sankar Chakraborti	
9) Shri Kamal Kumar Gwalani	9) Shri Dharmendra S. Shekhawat	

D) Details relating to the parties referred to in Item No. 4A & 4B above:

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 Sanjay Kapoor	-	-	-	-	0.06	-
2) Shri Parindu K. Bhagat	-	-	-	-	0.11	-
3) Shri Vinoo Mathur	-	-	-	-	0.09	-
4) Shri Samirendra Chatterjee	-	-	-	-	0.06	-
5) Shri Vivek Rae	-	-	-	-	0.01	-
6) Shri Chitta Ranjan Biswal	-	-	-	-	0.07	-
7) Dr Jagdish Kishwan	-	-	-	-	0.10	-
8) Shri Sankar Chakraborti	-	-	-	-	0.08	-
9) Shri Dharmendra S. Shekhawat	-	-	-	-	0.09	-
TOTAL	**5.71**	**0.75**	**0.96**	**7.42**	**0.67**	**0.43**

NOTES TO FINANCIAL STATEMENTS

NOTE – 38 : RELATED PARTY DISCLOSURES (Contd...)

March 31, 2018

(₹ 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	0.57	0.07	0.27	0.91	-	0.02
2) Shri A.K.Sharma	0.64	0.07	0.16	0.87	-	0.07
3) Shri G. K. Satish	0.53	0.07	0.12	0.72	-	0.01
4) Dr S. S. V. Ramakumar	0.53	0.07	0.05	0.65	-	0.03
5) Shri B V Rama Gopal	0.09	0.01	-	0.10	-	0.01
6) Shri Ranjan Kumar Mohapatra	0.08	0.01	-	0.09	-	0.23
7) Shri Gurmeet Singh	-	-	-	-	-	-
8) Shri Akshay Kumar Singh	-	-	-	-	-	-
9) Shri Kamal Kumar Gwalani	0.34	0.04	0.18	0.56	-	0.22
B. Independent Directors						
1) Shri Sanjay Kapoor	-	-	-	-	0.16	-
2) Shri Parindu K. Bhagat	-	-	-	-	0.15	-
3) Shri Vinoo Mathur	-	-	-	-	0.05	-
4) Shri Samirendra Chatterjee	-	-	-	-	0.04	-
5) Shri Vivek Rae	-	-	-	-	0.04	-
6) Shri Chitta Ranjan Biswal	-	-	-	-	0.04	-
7) Dr Jagdish Kishwan	-	-	-	-	0.05	-
8) Shri Sankar Chakraborti	-	-	-	-	0.05	-
9) Shri Dharmendra S. Shekhawat	-	-	-	-	0.05	-
TOTAL	**2.78**	**0.34**	**0.78**	**3.90**	**0.63**	**0.59**

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 12,000 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, 2019		March 31, 2018	
			Contribution by employer	Outstanding Receivable/ (Payable)	Contribution by employer	Outstanding Receivable/ (Payable)
1	IOCL (Refinery Division) Employees Provident Fund	Provident Fund	**190.95**	**(18.72)**	181.28	(19.79)
2	Indian Oil Corporation Limited (Assam Oil Division) Employees Provident Fund	Provident Fund	**19.17**	**(6.98)**	20.31	(7.21)
3	Provident Fund for the Employees of Indian Oil Corporation Limited (Marketing Division)	Provident Fund	**208.00**	**(52.98)**	199.44	(5.81)
4	IOCL Employees Superannuation Benefit Fund	Pension Scheme	**1,740.72**	**19.76**	592.22	(0.13)
5	IOCL Employees Post Retirement Medical Benefit Fund	Post Retirement Medical Scheme	**160.94**	**84.65**	772.23	80.29
6	IOCL Employees Group Gratuity Trust	Gratuity	**909.31**	**(113.63)**	-	(820.06)
7	Indian Oil Corporation Limited (Assam Oil Division) Staff Pension Fund	Pension Scheme	**-**	**-**	-	0.01
8	CPCL Employees Provident Fund	Provident Fund	**20.97**	**5.00**	20.12	4.37
9	CPCL Employees Superannuation Benefit Fund	Pension Scheme	**22.53**	**-**	21.13	2.17
10	CPCL Employees Group Gratuity Trust	Gratuity	**59.59**	**-**	-	-

Transactions with CPCL Educational Trust

(₹ in Crore)

	Type of Transactions	March 31, 2019	March 31, 2018
1	CSR Expenses	**0.70**	0.62

NOTES TO FINANCIAL STATEMENTS

NOTE - 39 : SEGMENT INFORMATION

Primary Segment Reporting as per Ind AS 108 for the year ended March 31, 2019 is as under

(₹ in Crore)

	2018-19					2017-18				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
Revenue										
External Revenue	**585,134.10**	**21,146.91**	**10,961.83**	**-**	**617,242.84**	490,016.56	18,033.84	7,491.49	-	515,541.89
Inter-segment Revenue	**11,651.29**	**35.91**	**95.89**	**(11,783.09)**	**-**	8,413.76	25.32	53.94	(8,493.02)	-
Total Revenue	**5,96,785.39**	**21,182.82**	**11,057.72**	**(11,783.09)**	**6,17,242.84**	**4,98,430.32**	**18,059.16**	**7,545.43**	**(8,493.02)**	**5,15,541.89**
Result										
Segment Results excluding Exchange Gain/(Loss)	**23,765.12**	**4,246.56**	**764.87**	**-**	**28,776.55**	29,086.47	5,255.84	(106.44)	-	34,235.87
Segmental Exchange Gain/(Loss)	**(1,549.66)**	**(48.86)**	**3.82**	**-**	**(1,594.70)**	223.59	(29.62)	6.60	-	200.57
Segment Results	**22,215.46**	**4,197.70**	**768.69**	**-**	**27,181.85**	**29,310.06**	**5,226.22**	**(99.84)**	**-**	**34,436.44**
Less: Unallocable Expenditure										
- Finance Cost					**4,887.98**					3,844.78
- Loss on Sale of Investments (Net)					**1.60**					-
- Provision for diminution in Investments (Net)					**-**					-
- Loss on sale and disposal of Assets					**169.40**					160.77
- Exchange Loss - (Net)					**146.24**					-
- Loss on Derivatives					**-**					-
- Fair value Loss on Financial instruments classified as FVTPL					**-**					-
- Amortisation of FC Monetary Item Translation					**148.39**					111.13
Add: Unallocable Income										
- Interest/Dividend Income					**2,609.57**					2,562.61
- Profit on Sale of Investments (Net)					**-**					31.36
- Provision for diminution in Investments written back (Net)					**1.60**					18.38
- Exchange Gain - (Net)					**-**					44.45
- Gain on Derivatives					**0.32**					46.40
- Fair value gain on Financial instruments classified as FVTPL					**13.87**					459.51
- Other non operating income					**88.92**					56.60
- Share of Profit in Joint Venture and Associates					**1,384.38**					911.15
Profit Before Tax					**25,926.90**					**34,450.22**
Less: Income Tax (including deferred tax)					**8,653.05**					11,823.87
Profit After Tax					**17,273.85**					**22,626.35**

1. **The Company is engaged in the following business segments:**
   a) Sale of Petroleum Products
   b) Sale of Petrochemicals
   c) Other Businesses, which comprises Sale of Gas, Explosives & Cryogenics, Wind Mill & Solar Power Generation and Oil & Gas Exploration Activities.
   Segments have been identified and reported taking into account, the nature of products and services and differing risks and returns.

2. **Segment Revenue comprises of the following:**
   a) Turnover (Inclusive of Excise Duties)
   b) Net Claim/(Surrender) of SSC
   c) Subsidy/Grants received from Governments
   d) Other Operating Revenue

3. **Inter segment pricing are at Arm's length basis**

4. **There are no reportable geographical segments.**

NOTES TO FINANCIAL STATEMENTS

NOTE - 39 : SEGMENT INFORMATION (Contd...)

Primary Segment Reporting as per Ind AS 108 for the year ended March 31, 2019 is as under

Other Information

(₹ in Crore)

	2018-19				2017-18			
	Petroleum Products	Petro-chemicals	Other Business	Total	Petroleum Products	Petro-chemicals	Other Business	Total
Segment Assets	2,52,882.70	16,847.70	17,698.70	2,87,429.10	2,18,784.29	14,665.15	12,402.44	2,45,851.88
Corporate Assets								
Investments (Current and Non Current)				43,927.66				44,806.05
Advances For Investments				1,315.80				1,186.55
Advance Tax				1,875.25				1,303.84
Interest Accrued On Investments/Bank Deposits				196.97				188.07
Loans to JV included in Loans and Receivables				237.13				198.36
Deposits For Leave Encasement Fund				76.63				2,135.91
Derivative Asset				35.56				2.93
Finance Lease Receivables				59.97				1.07
Total Assets				3,35,154.07				2,95,674.66
Segment Liabilities	1,03,118.10	807.51	3,345.82	1,07,271.43	99,008.27	557.05	1,817.31	1,01,382.63
Corporate Liabilities								
Liability for Dividend				3.93				3.30
Provision For Taxation				-				-
Borrowings (Short Term and Long Term)				92,711.74				62,141.49
Current Maturities of Long-Term Debt				4,053.30				3,508.77
Deferred Tax Liability				16,509.71				12,367.85
Interest Accrued But Not Due on Borrowings				-				22.29
Derivative Liabilities				258.40				224.33
Total Liabilities				2,20,808.51				1,79,650.66
Capital Employed								
Segment Wise	1,49,764.60	16,040.19	14,352.88	1,80,157.67	1,19,776.02	14,108.10	10,585.13	1,44,469.25
Corporate				(65,812.11)				(28,445.25)
Total Capital Employed				1,14,345.56				1,16,024.00
Capital Expenditure	26,274.58	2,111.97	3,402.60	31,789.15	23,551.43	1,257.75	181.59	24,990.77
Depreciation and Amortization	6,951.28	958.26	596.91	8,506.45	6,517.61	851.02	294.91	7,663.54

NOTES TO FINANCIAL STATEMENTS

NOTE - 39 : SEGMENT INFORMATION (Contd...)

Primary Segment Reporting as per Ind AS 108 for the year ended March 31, 2019 is as under

Geographical information

(₹ in Crore)

	Revenue from external customers		Non-current assets	
	2018-19	2017-18	2018-19	2017-18
India	**5,76,819.86**	4,83,836.14	**1,58,323.60**	1,42,400.10
Outside India	**40,422.98**	31,705.75	**18,170.88**	15,094.09
TOTAL	**6,17,242.84**	**5,15,541.89**	**1,76,494.48**	**1,57,494.19**

Revenue from major products and services

(₹ in Crore)

	2018-19	2017-18
Motor Spirit (MS)	**1,16,709.14**	1,00,126.69
High Speed Diesel (HSD)	**3,06,006.65**	2,56,206.89
Superior Kerosene Oil (SKO)	**13,311.40**	11,191.11
Liquified Petroleum Gas (LPG)	**66,097.60**	53,101.38
Aviation Turbine Fuel (ATF)	**32,666.09**	24,165.31
Others	**82,451.96**	70,750.51
Total External Revenue	**6,17,242.84**	**5,15,541.89**

NOTES TO FINANCIAL STATEMENTS

NOTE - 40 : FAIR VALUES

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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
Financial Assets					
A. FVOCI financial instruments:					
Quoted Equity Shares	**18,650.71**	20,493.36	**18,650.71**	20,493.36	Level 1
Unquoted Equity Instrument in Lanzatech New Zealand Ltd.	**138.33**	-	**138.33**	-	Level 2
Other Unquoted Equity Instrument	**1,402.05**	1,522.12	**1,402.05**	1,522.12	Level 3
Quoted Government Securities	**11,263.24**	11,132.10	**11,263.24**	11,132.10	Level 1
Hedging derivatives					
Commodity forward contracts- Margin Hedging	**35.56**	-	**35.56**	-	Level 2
B. FVPL financial instruments:					
Derivative Instruments at fair value through profit or loss	-	2.93	-	2.93	Level 2
Unit Trust Investments	**1.10**	333.15	**1.10**	333.15	Level 1
C. Amortised Cost:					
Loans to employees	**1,335.01**	1,211.41	**1,331.75**	1,208.01	Level 2
PMUY Loan	**1,729.76**	754.75	**1,725.37**	764.91	Level 2
Financial Liabilities					
A. Borrowings:					
Amortised Cost:					
Term Loans from Oil Industry Development Board (OIDB)	**509.65**	884.20	**512.31**	896.18	Level 2
Finance lease obligation	**3,510.80**	3,621.48	**3,983.20**	4,281.39	Level 2
Foreign Currency Bonds - US Dollars	**13,256.62**	6,578.88	**14,015.75**	6,994.10	Level 1
Foreign Currency Bonds - Singapore Dollars	**2,091.67**	2,040.81	**2,125.42**	2,008.20	Level 2
Loan from Odisha Government	**707.33**	478.86	**637.29**	469.46	Level 2
B. Other financial liabilities:					
Fair value through profit and loss (FVPL):					
Derivative Instruments at fair value through profit or loss	**249.07**	224.33	**249.07**	224.33	Level 2
C. Other financial liabilities:					
Fair value through OCI (FVOCI):					
Hedging Derivatives					
Foreign exchange forward contracts- Loans	**9.33**	-	**9.33**	-	Level 2

Notes:

1. The management assessed that fair value of Trade Receivables, Cash and Cash Equivalents, Bank Balances, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Finance Lease Receivable, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE - 40 : FAIR VALUES (Contd...)

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:** Closing NAV for the specific investment available in Trust Bulletin/Newspaper

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) **Unquoted Equity Instrument in Lanzatech New Zealand Ltd. at fair value through OCI :** Fair value approximates their carrying amount and included in Level 2 as there was comparable transaction with a third party for the same price during the Financial year.

(iii) **Hedging Derivatives at fair value through OCI :** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.

(iv) **Loans to employees/PMUY Loan:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities.

(v) **Finance Lease Obligation:** For obligation arrived based on IRR, implicit rate applicable on the reporting date and for obligation arrived based on incremental borrowing rate, applicable rate for remaining maturity.

(vi) **Non-Convertible Redeemable Bonds, Foreign Currency Bonds - Singapore Dollars 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).

(vii) **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 except those covered in Level 2 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.

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 March 31, 2019 and March 31, 2018 are shown below:

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	31.03.2019: 0.80x - 0.84x (0.82x) 31.03.18: 0.85x - 0.89x (0.87x)	0.01x increase/(decrease) in Revenue Multiple would result in increase/ (decrease) in fair value by: 31.03.19: **₹4.50 crore/₹(4.40) crore** 31.03.18: ₹5.50 crore/₹(5.40) crore
			EBITDA multiple	31.03.2019: 5.5x - 5.9x (5.7x) 31.03.2018: 6.5x - 6.9x (6.7x)	0.1x increase/(decrease) in EBITDA Multiple would result in increase/ (decrease) in fair value by: 31.03.19: **₹7.50 crore/₹(7.40) crore** 31.03.18: ₹6.80 crore/₹(6.70) crore

NOTES TO FINANCIAL STATEMENTS

NOTE - 40 : FAIR VALUES (Contd...)

Description		Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
II	Ceylon Petroleum Storage Terminals Limited (included under FVTOCI assets in unquoted equity instruments)	Market Approach	Revenue Multiple	31.03.2019: 0.9x - 1.3x (1.1x) 31.03.2018: 2.0x - 2.4x (2.2x)	0.1x increase (decrease) in Revenue Multiple would result in increase (decrease) in fair value by: 31.03.19: **₹11.10 crore/₹(11.00) crore** 31.03.18: ₹2.70 crore/₹(2.60) crore
			EBITDA multiple	31.03.2019: 4.5x - 6.5x (5.5x) 31.03.2019: 6.5x - 8.5x (7.5x)	0.5x increase (decrease) in EBITDA Multiple would result in increase (decrease) in fair value by: 31.03.19: **₹13.40 crore/₹(13.50) crore** 31.03.18: ₹50.20 crore/₹(41.90) crore
III	Petrocarababo S.A. and Carabobo Ingenieria Y Construcciones S.A. (included under FVTOCI assets in unquoted equity instruments)	DCF method	Discount Rate	31.03.2019: 33.0% - 37.0% (35.0%) 31.03.2018: 21.0% -25.0% (23.0%)	1% increase (decrease) in the Discount Rate would result in (decrease) increase in fair value by: 31.03.19: **₹(8.70) crore/₹8.70 crore** 31.03.18: ₹(5.90) crore/₹6.20 crore

Unquoted Equity Instruments carried at FVOCI includes following investments for which sensitivity disclosure are not disclosed:

	Carrying Value (₹in Crore)	
	March 31, 2019	March 31, 2018
Mer Rouge Oil Storage Terminal Company Limited	**6.27**	2.66
BioTech Consortium India Limited	**0.10**	0.10
MRL Industrial Cooperative Service Society	**0.01**	0.01
Woodlands Multispeciality Hospital Limited	**0.10**	0.10
International Cooperative Petroleum Association, New York	**0.02**	0.02

Reconciliation of fair value measurement of Assets and Liabilities under Level 3 hierarchy of Fair Value measurement:

Description	FVTOCI Assets
	Unquoted Equity Shares
Balance as at March 31, 2018	**1,522.12**
Addition	-
Redemption/Sales	-
Fair Value Changes	(148.21)
Exchange Difference	28.14
Balance as at March 31, 2019	**1,402.05**

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 finance 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 Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial 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 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, 2019 and March 31, 2018.

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 possibility that changes in interest 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 maintain 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, 2019, approximately **57%** of the Group's borrowings are at a fixed rate of interest (March 31, 2018: 49%).

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:

NOTES TO FINANCIAL STATEMENTS

NOTE – 41 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

Currency of Borrowings	Increase/Decrease in basis points	Effect on profit before tax (₹ in Crore)	Increase/Decrease in basis points	Effect on profit before tax (₹ in Crore)
	March 31, 2019		March 31, 2018	
INR	**+50**	(24.78)	+50	(15.00)
US Dollar	**+50**	(173.14)	+50	(144.53)
INR	**-50**	24.78	-50	15.00
US Dollar	**-50**	173.14	-50	144.53

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 occurrence of pre-determined triggers. The hedging is mostly undertaken through forward contracts.

The Group has outstanding forward contract of **₹2,873.43 crore** as at March 31, 2019 (March 31, 2018: ₹4,210.75 crore) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

The sensitivity to a reasonably possible change in USD/INR exchange rates, with all other variables held constant, the impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Group's exposure to foreign currency changes for all other currencies other than below is not material.

Currency	Increase/Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/Decrease in %	Effect on profit before tax (₹ in Crore)
	March 31, 2019		March 31, 2018	
Forward Contract - US Dollar	**+5%**	**143.67**	+5%	210.54
	-5%	**(143.67)**	-5%	(210.54)
Other Exposures - US Dollar	**+5%**	**(3,745.04)**	+5%	(2,997.17)
	-5%	**3,745.04**	-5%	2,997.17
Other Exposures - SGD	**+5%**	**(104.58)**	+5%	(102.04)
	-5%	**104.58**	-5%	102.04
Cross Currency - USD vs. SGD	**+5%**	**(112.59)**	+5%	(106.11)
	-5%	**112.59**	-5%	106.11

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 inventory valuation fluctuation and crude oil imports etc. As per approved risk management policy, the Holding 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.

Category-wise quantitative data about commodity derivative transactions that are outsanding is given below:

Quantity (in lakh bbls)

Particulars	March 31, 2019	March 31, 2018
Margin Hedging	**15.75**	94.25

The sensitivity to a reasonably possible change in price of crude oil/refinery margin on the outstanding commodity hedging position as on March-2019:

NOTES TO FINANCIAL STATEMENTS

NOTE – 41 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

Particulars	Increase/Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/Decrease in %	Effect on profit before tax (₹ in Crore)
	March 31, 2019		March 31, 2018	
Margin Hedging	**+10%**	(16.49)	+10%	(96.20)
Margin Hedging	**-10%**	16.49	-10%	96.20

4. Equity Price Risk

The Group's investment in listed and non-listed equity securities, other than its investment 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 **₹1,540.37 crore.** Sensitivity analysis of these investments have been provided in Note 40.

The exposure to listed equity securities valued at fair value was ₹18,650.71 crore. An increase/decrease of 5% on the NSE market index could have an impact of approximately ₹932.54 crore on the OCI and equity attributable to the Group. These changes would not have an effect on profit or loss.

5. Derivatives and Hedging

(i) Classification of derivatives

The Group is exposed to certain market risks relating to its ongoing business operations as explained above. The Group has applied hedge accounting for designated derivative contracts w.e.f April 1, 2018 as per Ind AS 109 "Financial Instruments". Due to this, gain amounting to ₹22.04 crore (net of tax) has been accounted in Other Comprehensive income which will be recycled to Statement of Profit and Loss in subsequent periods on settlement of respective contracts.

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, 2019	March 31, 2018
Derivatives not designated as hedging instruments		
Foreign exchange forward contracts- Loans- Other financial Liabilities	**(13.05)**	(59.66)
Foreign exchange forward contracts- Loans -Other financial Assets	-	2.93
Foreign exchange forward contracts- Crude/Product Liabilities	-	(1.01)
Foreign Exchange currency swap	**(236.02)**	(124.52)
Commodity Forward Contracts	-	(39.14)
Derivatives designated as hedging instruments		
Foreign exchange forward contracts- Loans	**(9.33)**	-
Commodity Forward Contracts - Margin Hedging	**35.56**	-

(ii) Hedging activities

The primary risks managed using derivative instruments are foreign currency risk and commodity price risk.

Commodity Price Risk

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 crack spreads i.e. decrease in the difference between the price of a refined product and the price of crude.

The risk of fall in crack spreads of certain 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, the Group is taking the crack spread 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 – 41 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

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, 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

Disclosures of effects of Cash Flow Hedge Accounting

The Group has applied the hedge accounting prospectively from the April 1, 2018. The related disclosures are made for the current year only.

Hedging instruments

The Group is holding the following foreign exchange and commodity forward contracts:

(₹ in Crore)

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	-	-	-
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)

March 31, 2019	Foreign exchange forward contracts- Loans	Foreign exchange forward contracts- Crude/Product Liablities	Commodity forward contracts- Margin Hedging
Nominal amount	713.35	-	200.46
Carrying amount	(9.33)	-	35.56
Line item in the Balance Sheet that's includes Hedging Instruments	Other Current Financial Liabilities	NA	Other Current Financial Assets
Change in fair value used for measuring ineffectiveness for the period (FY 2018-19)- Gain (Loss)	(39.94)	4.14	59.92

NOTES TO FINANCIAL STATEMENTS

NOTE – 41 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

Hedge Items

The impact of the Hedged Items on the Balance Sheet is, as follows:

(₹ in Crore)

March 31, 2019	Loans	Crude/Product Liablities	Margin Hedging
Balance in Cash flow hedge reserve as at the end of the year for continuing hedges	(1.08)	-	23.12
Change in value of the hedged items used for measuring ineffectiveness for the period (FY 2018-19)- Gain (Loss)	39.94	(4.14)	(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)

FY 2018-19	Foreign exchange forward contracts-Loans	Foreign exchange forward contracts- Crude/ Product Liablities	Highly probable forecast sales
Total hedging gain/(loss) recognised in OCI	(39.94)	4.14	59.92
Income tax on above	13.96	(1.45)	(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
Amount reclassified from OCI to profit or loss	(38.28)	4.14	24.36
Income tax on above	13.38	(1.45)	(8.51)
Line item in the statement of profit or loss that includes the reclassification adjustments	Other Expenses	Other Expenses	Revenue from Operations

B. Credit risk

Trade Receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by Letters of Credit, Bank Guarantees or other forms of credit insurance, wherever required.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The 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, 2019						
Gross Carrying amount	12,655.94	1,841.43	1,065.29	161.01	230.56	15,954.23
Expected credit losses	(18.38)	(1.83)	(1.06)	(0.16)	(0.10)	(21.53)
Specific Provision	-	-	-	(0.01)	(134.97)	(134.98)
Carrying amount	**12,637.56**	**1,839.60**	**1,064.23**	**160.84**	**95.49**	**15,797.72**
Year ended March 31, 2018						
Gross Carrying amount	8,824.59	1,020.16	630.93	87.45	240.78	10,803.91
Expected credit losses	(11.25)	(1.02)	(0.63)	(0.09)	(0.16)	(13.15)
Specific Provision	-	-	-	-	(94.28)	(94.28)
Carrying amount	**8,813.34**	**1,019.14**	**630.30**	**87.36**	**146.34**	**10,696.48**

NOTES TO FINANCIAL STATEMENTS

NOTE – 41 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Group's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2019 and March 31, 2018 is the carrying amounts as provided in Note 4, 5, 6, 11 & 12.

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, Group has committed credit facilities from banks.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, commercial papers, bank loans, debentures, and finance 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, 2019						
Borrowings	10,628.55	29,963.82	17,020.22	36,138.71	3,013.74	96,765.04
Trade payables	1,492.95	36,512.99	3,188.18	-	-	41,194.12
Other financial liabilities	23,029.55	6,403.75	9,538.36	431.49	184.54	39,587.69
Derivatives	-	258.40	-	-	-	258.40
	35,151.05	**73,138.96**	**29,746.76**	**36,570.20**	**3,198.28**	**177,805.25**
Year ended March 31, 2018						
Borrowings	8,523.03	17,514.74	16,551.98	16,744.28	6,316.23	65,650.26
Trade payables	1,213.15	34,327.93	1,040.57	-	-	36,581.65
Other financial liabilities	25,202.01	5,927.30	3,029.67	485.93	47.54	34,692.45
Derivatives	-	224.33	-	-	-	224.33
	34,938.19	**57,994.30**	**20,622.22**	**17,230.21**	**6,363.77**	**137,148.69**

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)

	March 31, 2019	March 31, 2018
Borrowings	**96,765.04**	65,650.26
Equity Share Capital	**9,181.04**	9,478.69
Reserves and Surplus	**1,03,288.20**	1,04,395.13
Equity	**1,12,469.24**	1,13,873.82
Debt Equity Ratio	**0.86 : 1**	0.58 : 1

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

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 ₹**128.21 crore** (2018: ₹63.65 crore) and subsidies on sales of SKO and LPG to customers in Bhutan amounting to ₹**21.79 crore** (2018: ₹17.46 crore) have been reckoned as per the schemes notified by Governments.

2 Compensation against under recoveries

The Group has accounted for Budgetary Support of ₹**4,110.18 crore** (2018: ₹3,196.34 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 ₹**6.32 crore** (2018: NIL) 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

The Group has received grant of ₹**8.57 crore** (2018: NIL) in respect of stipend paid to apprentices registered under National Apprenticeship Training Scheme (NATS) and the same has been accounted on net basis against training expenses.

5 Grant in respect of revenue expenditure for research projects

During the year, the Group has received revenue grant of ₹**0.95 crore** (2018: ₹1.53 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 ₹**3.08 crore** during the current year (2018: ₹2.51 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 on March 31, 2019 is ₹**58.92 crore** (2018: ₹247.47 crore). During the year, the Group has recognised ₹**205.39 crore** (2018: ₹266.04 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 ₹**2,831.40 crore** (2018: ₹3,050.90 crore).

9 Entry Tax exemption

The Group has recognised grant on net basis in respect of entry tax exemption of crude/Naptha purchased in Panipat Refinery, Panipat Naptha Cracker Complex and Paradip Refinery in cost of materials consumed/Purchase of Stock-in Trade. Entry tax exemption on crude/Naptha procured in the state of Haryana and Odisha has been received amounting to **NIL** (2018: ₹162.32 crore).

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 on March 31, 2019 is ₹**1.28 crore** (2018: ₹1.56 crore). During the year, the Group has recognised ₹**0.28 crore** (2018: ₹0.27 crore) in statement of profit and loss as amortisation of capital grants.

NOTES TO FINANCIAL STATEMENTS

NOTE – 43 : DISCLOSURE ON GOVERNMENT GRANTS (Contd...)

2 DBTL Capital Grant

The Group has received Government grant for roll out of DBTL scheme launched by MOPNG towards development, acquisition of software/licenses & data processing equipment for effective implementation of platform for dispesning of subsidy to customers purchasing LPG under DBTL scheme. The unamortized capital grant amount as on March 31, 2019 is **NIL** (2018: NIL). During the year, the Group has recognised **NIL** (2018: ₹0.47 crore) in the statement of profit and loss as amortisation of capital grants.

3 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 on March 31, 2019 is **₹52.52 crore** (2018: ₹44.75 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 **₹7.41 crore** (2018: ₹5.20 crore) in the statement of profit and loss as amortisation of capital grants.

4 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 on March 31, 2019 is **₹13.61 crore** (2018: ₹15.33 crore). During the year, the Group has recognised **₹3.64 crore** (2018: ₹2.82 crore) in the statement of profit and loss as amortisation of capital grants.

5 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 on March 31, 2019 is **₹116.31 crore** (2018: ₹121.62 crore). During the year, the Group has recognised **₹5.29 crore** (2018: ₹5.28 crore) in the statement of profit and loss as amortisation of capital grants.

6 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 on March 31, 2019 is **₹78.65 crore** (2018: ₹83.04 crore). During the year, the Group has recognised **₹4.38 crore** (2018: ₹4.38 crore) in the statement of profit and loss as amortisation of capital grants.

7 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 on March 31, 2019 is **₹6.21 crore** (2018: ₹6.40 crore). During the year, the Group has recognised **₹0.27 crore** (2018: ₹0.27 crore) in the statement of profit and loss as amortisation of capital grants.

8 Capital Grant in form of Interest Free Loan

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 on March 31, 2019 is **₹1,352.98 crore** (2018: ₹915.94 crore). During the year, the Group has recognised **₹78.56 crore** (2018: ₹11.96 crore) in the statement of profit and loss account as amortisation of capital grants.

9 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 on March 31, 2019 is **₹4.34 crore** (2018: ₹3.51 crore). During the year, the Group has recognised **₹0.16 crore** (2018: ₹0.21 crore) in the statement of profit and loss as amortisation of capital grants.

10 Capital Grant in respect of Hydrogen blended Natural Gas project at Rajghat DTC

The Group has received capital grant of **₹6.00 crore** (2018: NIL) 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 not amortized any amount in statement of Profit & Loss account as the project is under execution.

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 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, 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 construction contracts on deposit basis. Revenue is recognised for these contracts on input based on cost incurred. Similarly non-refundable deposits received from Retail Outlets (ROs) are recognised as revenue over time.

Bifurcation of Total Revenue into Revenue from contract with customers and other sources of revenue as per requirement of Ind AS is given below;

₹ in Crore

	March 31, 2019	March 31, 2018
Total Revenue (A+E)	**6,17,242.84**	5,15,541.89
Revenue from contract with customers (A)	**6,09,708.88**	5,08,085.25
Recognised from contract liability balance of previous year (B)	**2,896.82**	2,498.22
Recognised from performance obligation satisfied in previous years (C)	**-**	-
Recognised from contracts initiated in current year (D)	**6,06,812.06**	5,05,587.03
Revenue from other contracts/from others (E)	**7,533.96**	7,456.64

An amount of ₹**58.67 crore** (2018: ₹25.30 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 39 - Segmental Information. An amount of ₹**108.82 crore** is recognised over time under Revenue from contract with customers.

	Receivables	Contract Asset	Contract Liability
Opening Balance	11,351.57	-	4,253.22
Closing Balance	16,575.70	-	4,729.56

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 construction 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 construction contracts/deposit works are recognised over time using input based on cost incurred. Revenue in case of Non Refundable RO Deposit is recognised on time proportion basis.

Indian Accounting Standard (Ind AS)-115 "Revenue from Contracts with Customers" became effective from April 1, 2018 and the Group has adopted the same using cumulative catch-up transition method. This adoption has reduced Revenue from Operation for the current year by ₹**25.37 crore.**

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, 2019	-	-	1.9894	0.3943	18.8240	80.7900	77.7200	51.5259	77.7200
Average Rate 2018-19	-	-	2.0414	0.4156	19.0401	75.5205	80.9529	53.3055	80.9529
Share Capital	148.91	15.93	75.67	250.54	2.30	294.03	336.32	6,185.26	7,128.82
Other Equity	3,307.63	(9.48)	242.33	611.38	37.81	153.76	(121.16)	90.32	1,274.39
Liabilities	11,942.19	0.01	212.37	347.67	11.41	11.74	5.31	2,854.04	4,121.87
Total Liabilities	15,398.73	6.46	530.37	1,209.59	51.52	459.53	220.47	9,129.62	12,525.08
Total Assets	15,398.73	6.46	530.37	1,209.59	51.52	459.53	220.47	9,129.62	12,525.08
Investments	159.09	-	6.27	296.83	-	448.07	-	123.09	7,706.69
Turnover	52,177.43	-	1,749.23	3,587.53	51.23	1.05	60.69	2,129.80	8,592.86
Profit Before Taxation	(290.01)	(0.01)	49.28	(18.88)	3.92	(1.09)	2.47	(184.15)	1,250.81
Provision for Taxation	(84.66)	-	3.92	(2.59)	-	-	-	0.02	534.01
Profit After Taxation	(205.35)	(0.01)	45.36	(16.29)	3.92	(1.09)	2.47	(184.17)	716.80
Proposed Dividend	-	-	-	15.75	-	-	-	-	-
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 PART - "B" : STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (FORM AOC - I)

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, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
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	560.55	145.43	677.99	168.36	86.76
8	Profit/(Loss) for the year (After Tax)	130.66	88.90	256.62	46.11	58.78
	i. Considered in Consolidation	64.53	23.11	128.31	23.04	29.39
	ii. Not Considered in Consolidation	66.13	65.79	128.31	23.07	29.39

(₹ in Crore)

	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
	December 31, 2018	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
	May 9, 2006	March 28, 2010	July 6, 2010	May 28, 2010	April 6, 2011	March 29, 2013	August 10, 2018
	2500000	60680000	222861375	Capital Fund	260000	99060000	5000000
	0.05	60.68	222.86	-	0.26	99.06	5.00
	25.00%	37.00%	50.00%	50.00%	26.00%	26.00%	20.00%
	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control
	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
	(134.54)	91.04	104.25	-	0.33	101.15	2.58
	(46.59)	50.96	65.53	-	0.06	0.99	(12.12)
	(11.65)	18.86	32.77	-	0.02	0.26	(2.42)
	(34.94)	32.10	32.76	-	0.04	0.73	(9.70)

NOTES TO FINANCIAL STATEMENTS

NOTE - 45 PART - "B" : STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (FORM AOC - I) (Contd...)

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, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
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.	120125030	185500000	48288750	96250000	5000
	ii. Amount of Investment in Associates/Joint Venture	120.13	185.50	48.29	96.25	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	114.59	175.97	76.83	90.47	(3.58)
8	Profit/(Loss) for the year (After Tax)	(27.80)	(0.03)	54.51	(4.19)	(4.69)
	i. Considered in Consolidation	(7.23)	(0.01)	13.63	(2.09)	(2.35)
	ii. Not Considered in Consolidation	(20.57)	(0.02)	40.88	(2.10)	(2.34)

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

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.

(₹ in Crore)

	Hinduatan Urvarak and Rasayan Limited	Ratnagiri Refinery & Petrochemicals Limited	Avi-Oil India Private Limited	Petronet VK Limited	Petronet LNG Limited	Petronet India Limited
	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
	June 15, 2016	September 22, 2017	November 4, 1993	May 21, 1998	April 2, 1998	May 26, 1997
	440325000	50000000	4500000	50000000	187500000	18000000
	440.33	50.00	4.50	26.02	98.75	0.18
	29.67%	50.00%	25.00%	50.00%	12.50%	18.00%
	Joint Control	Joint Control	Associate	Associate	Associate	Associate
	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
	443.22	32.54	15.92	-	1,278.82	0.47
	13.41	(16.11)	8.50	(10.23)	2,230.56	(0.11)
	3.98	(8.05)	2.12	-	278.82	(0.02)
	9.43	(8.06)	6.38	(10.23)	1,951.74	(0.09)

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	96.61%	1,08,657.51	97.22%	16,894.15	87.57%	(2,324.42)	98.96%	14,569.73
Subsidiaries								
Indian								
Chennai Petroleum Corporation Limited	3.07%	3,456.54	(1.18%)	(205.35)	0.07%	(1.78)	(1.41%)	(207.13)
Indian Catalyst Private Limited	0.01%	6.45	-	(0.01)	-	-	-	(0.01)
Foreign							-	-
IndianOil (Mauritius) Limited	0.28%	318.00	0.26%	45.36	(0.03%)	0.91	0.31%	46.27
Lanka IOC PLC	0.77%	861.92	(0.09%)	(16.29)	0.92%	(24.53)	(0.28%)	(40.82)
IOC Middle East FZE	0.04%	40.11	0.02%	3.92	(0.09%)	2.32	0.04%	6.24
IOC Sweeden AB	0.40%	447.79	(0.01%)	(1.09)	0.95%	(25.32)	(0.18%)	(26.41)
IOCL (USA) Inc.	0.19%	215.16	0.01%	2.47	(0.46%)	12.22	0.10%	14.69
IndOil Global BV.	5.58%	6,275.58	(1.06%)	(184.17)	(5.23%)	138.94	(0.31%)	(45.23)
IOCL Singapore PTE Limited	7.47%	8,403.21	4.13%	716.80	16.59%	(440.24)	1.88%	276.56
Less: Minority Interests in all subsidiaries	1.67%	1,877.36	(0.59%)	(102.85)	0.26%	(6.96)	(0.75%)	(109.81)
Joint Venture								
Indian								
Indian Oiltanking Limited	0.50%	560.55	0.37%	64.53	(0.29%)	7.79	0.49%	72.32
Lubrizol India Private Limited	0.13%	145.43	0.13%	23.11	0.01%	(0.21)	0.16%	22.90
Indian Oil Petronas Private Limited	0.60%	677.99	0.74%	128.31	-	(0.01)	0.87%	128.30
Green Gas Limited	0.15%	168.36	0.13%	23.04	-	-	0.16%	23.04
Indian Oil Skytanking Private Limited	0.08%	86.76	0.17%	29.39	-	(0.10)	0.20%	29.29
Delhi Aviation Fuel Facility Private Limited	0.08%	91.04	0.11%	18.86	-	-	0.13%	18.86
Indian Synthetic Rubber Private Limited	0.09%	104.25	0.19%	32.77	0.01%	(0.16)	0.22%	32.61
Indian Oil Ruchi Biofuels LLP	-	-	-	-	-	-	-	-
NPCIL - IndianOil Nuclear Energy Corporation Limited	-	0.33	-	0.02	-	-	-	0.02
GSPL India Transco Limited	0.09%	101.15	-	0.26	-	-	-	0.26

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)
GSPL India Gasnet Limited	0.10%	114.59	(0.04%)	(7.23)	-	(0.02)	(0.05%)	(7.25)
IndianOil Adani Gas Private Limited	0.16%	175.97	-	(0.01)	-	(0.01)	-	(0.02)
Mumbai Aviation Fuel Farm Facility Private Limited	0.07%	76.83	0.08%	13.63	-	-	0.09%	13.63
Kochi Salem Pipelines Private Limited	0.08%	90.47	(0.01%)	(2.09	-	-	(0.01%)	(2.09)
IndianOil LNG Private Limited	-	(3.58)	(0.01%)	(2.35)	-	-	(0.02%)	(2.35)
Hinduatan Urvarak and Rasayan Limited	0.39%	443.22	0.02%	3.98	-	-	0.03%	3.98
Ratnagiri Refinery & Petrochemicals Limited	0.03%	32.54	(0.05%)	(8.05)	-	-	(0.05%)	(8.05)
Indradhanush Gas Grid Limited	-	2.58	(0.01%)	(2.42)	-	-	(0.02%)	(2.42)
Foreign								
Suntera Nigeria 205 Ltd.	(0.12%)	(134.54)	(0.07%)	(11.65)	0.26%	(6.96)	(0.13%)	(18.61)
Associates								
Indian								
Avi-Oil India Private Limited	0.01%	15.92	0.01%	2.12	-	(0.06)	0.01%	2.06
Petronet VK Limited	-	-	-	-	-	-	-	-
Petronet LNG Limited	1.14%	1,278.82	1.60%	278.82	0.01%	(0.25)	1.89%	278.57
Petronet India Limited	-	0.47	-	(0.02)	-	-	-	(0.02)
Intra Group Eliminations	(16.33%)	(18,364.82)	(3.25%)	(566.96)	(0.03%)	0.50	(3.83%)	(566.47)
TOTAL	**100.00%**	**1,12,469.24**	**100.00%**	**17,376.70**	**100.00%**	**(2,654.43)**	**100.00%**	**14,722.26**

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)
3. Group's share of loss in Petronet VK Limited amounting to **₹5.12 crore** (2018: profit of ₹39.43 crore) has not been recognised as the company has accumulated losses as on March 31, 2019. The Groups's share of unaccounted accumulated losses as on March 31, 2019 stands at **₹47.79 crore** (2018: ₹42.67 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 hence the value in use is negative. Accordingly, in line with the requirements of Ind AS 36, an amount of **₹0.93 Crore** (2018: ₹4.33 Crore) has been accounted as impairment loss during the year, being the difference between the carrying value of additions (including Capital Work in Progress) during the year and the recoverable value of the assets. This impairment loss has been recognised in the statement of profit and loss as the carrying value of the assets is lower than the value in use/estimated recoverable amount of this CGU. Total impairment loss recognized as on March 31, 2019 - **₹67.04 Crore** (2018: ₹66.11 Crore). Further the operations of the CBR unit have been stopped from April 1, 2019. In estimating the value in use, the approximate weighted average capital cost of CPCL has been considered as the discount rate used to calculate the net present value of the estimated future cash flows, which are subject to changes in the external environment. The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are classified as level 3 fair value measurements, as the estimated recoverable amounts are not based on observable market data, rather, management's best estimates. The results of impairment test are 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 Acquisition of 17% participating interest in the Mukhaizna Oil Field, Oman

IOCL Singapore Pte Ltd (Subsidiary) has acquired 17% participating interest in the Mukhaizna Oil Field, Oman by acquiring 100% of the share capital in Shell Exploration & Production Oman Ltd (SEPOL), the subsidiary of Shell Overseas Holding Ltd. The acquisition of SEPOL was completed on April 5, 2018.

NOTES TO FINANCIAL STATEMENTS

NOTE – 48 : OTHER DISCLOSURES

1 In the matter of U.P Entry Tax, consequent upon Hon'ble Allahabad High Court order dtd May 4, 2018, Parent Company has paid total outstanding principal amount of entry tax and challenged the interest amount. As per the latest status in the matter, Hon'ble Supreme Court under its order dated April 22, 2019 remanded the matter back to Hon'ble Allahabad High Court to decide the interest afresh on merit. Accordingly, Parent Company filed stay application in Hon'ble Allahabad High Court on April 24, 2019 for stay of interest demand raised by commercial tax department. The interest liability in this regard has been fully provided for in the books of account.

2 During the year, Parent Company has settled its liability for entry tax in the State of Bihar consequent to the order of Commercial Tax Tribunal, Patna (on direction by Hon'ble Supreme Court) and accordingly, an amount of **₹1,155.02 crore**, being provision no more required, has been written back and included in provision for contingencies written back in Other Operating Revenue.

3 The revision of Employees Pay and Allowances was due w.e.f January 1, 2017. Based on presidential directive issued on October 13, 2017 dues in respect of executives have been settled. However, the revision of pay and allowances for workmen is under finalisation where liabilities have been ascertained on similar lines. An amount of **₹1,719.00 Crore** has been carried as liability as on March 31, 2019 towards dues on this account by the Group.

4 Goods and Services Tax (GST) has been implemented w.e.f July 1, 2017 wherein some of the petroleum products are still outside its ambit. Accordingly, GST is being levied on some products as against Excise Duty applicable hitherto. Since, excise duty is included in revenue and GST is not included in revenue. Thus to ensure comparability on applicable products, sales excluding excise duty is **₹6,07,524.57 Crore** and ₹5,04,515.65 Crore for the year ended March 31, 2019 and March 31, 2018 respectively.

5 During the year, the Parent Company has considered the deposits against its liability for leave encashment fund as qualifying insurance policy as per Ind AS 19. Accordingly, it has netted off liability for leave encashment against deposits for leave encashment fund and the amount deposited in excess of leave encashment liability is shown under Advance to Employee Benefit Trust/Fund. (Refer Note 8)

6 During the year, the Parent Company has reviewed its impairment policy for Property, Plant and Equipment (PPE) and has changed its estimate for cash flow projections to 15 years as against 10 years earlier. This being the first year of change, the Parent Company also tested for impairment considering cash flow projection of 10 years, where the recoverable amount exceeded the carrying value as on March 31, 2019. Accordingly there was no impact of this change in the value of impairment and PPE during the year.

7 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. During the year, the scheme was also extended for males where there is no women in the family. 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 benefeciaries. 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 4 refills in a year and average subsidy of ₹180 per cylinder as loan recovery.

The amount of outstanding as on March 31, 2019 towards PMUY claim from Central Government is **₹1,495.63 Crore** (₹446.35 Crore as on March 31, 2018) and loan from PMUY consumers is **₹3,111.32 Crore** (₹1,099.70 Crore as on March 31, 2018) (net of recovery through subsidy). Against the above loan, a provision for doubtful amounting to **₹1,141.71 Crore** (2018; ₹162.06 Crore) has been created as on March 31, 2019 against the beneficiaries who have not taken any refill during past six months.

8 Parent Company has decided to exit the Joint Venture with Indian Oil Ruchi Biofuels LLP and has given notice of its exit from the Limited Liability Partnership (LLP) to the other JV partner viz. Ruchi Soya Industries as well as to the LLP on December 26, 2018 stating that it will exit the LLP w.e.f. Junary 25, 2019. The entire investment of ₹1.60 Crore has been written off. Accordingly, provision made for dimunition in value of investment in past of ₹1.60 Crore in earlier year is written back in other income. (Refer Note 24)

NOTES TO FINANCIAL STATEMENTS

Note – 48 : OTHER DISCLOSURES (Contd...)

9 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), consent of Niti Ayog was initially received for formation of the JV by letter dated April 27, 2018. However, the formation of the JV is still pending in view of deliberations at NITI Ayog in the matter. Accordingly, the explosive business continues to be in operation as on March 31, 2019.

10 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.

11 Transactions with other Oil Marketing Companies are jointly reconciled on an ongoing basis.

12 There are no significant subsequent events that would require adjustments or disclosures in the Financial Statements as on the Balance Sheet date.

13 Previous year's comparative figures have been regrouped wherever necessary. Figures in brackets indicate deductions.

Sd/- **(Sanjiv Singh)** Chairman DIN - 05280701	Sd/- **(A. K. Sharma)** Director (Finance) DIN - 06665266	Sd/- **(Kamal Kumar Gwalani)** Company Secretary ACS - 13737

As per our attached Report of even date

For S.K. MEHTA & CO. Chartered Accountants (Firm Regn. No. 000478N)	**For V SANKAR AIYAR & CO.** Chartered Accountants (Firm Regn. No.109208W)	**For CK PRUSTY & ASSOCIATES** Chartered Accountants (Firm Regn. No. 323220E)	**For V. SINGHI & ASSOCIATES** Chartered Accountants (Firm Regn. No. 311017E)
Sd/- **(CA. ROHIT MEHTA)** Partner M. No. 091382	Sd/- **(CA. M.S. BALACHANDRAN)** Partner M. No. 024282	Sd/- **(CA. GV. JAYABAL)** Partner M. No. 015616	Sd/- **(CA. V. K. SINGHI)** Partner M. No. 050051

Place : New Delhi
Date : 17 May, 2019

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 2019

The preparation of financial statements of Indian Oil Corporation Limited for the year ended 31 March 2019 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 17 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Indian Oil Corporation Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-

(Nandana Munshi)
Director General of Commercial Audit
& Ex-officio Member, Audit Board-II
New Delhi

Place : New Delhi
Date : July 8, 2019

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 2019

The preparation of consolidated financial statements of Indian Oil Corporation Limited for the year ended 31 March 2019 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 17 May 2019.

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 2019 under section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of financial statements of companies mentioned in Annexure A, but did not conduct supplementary audit of financial statements of companies mentioned in Annexure B for the year ended on that date. Further, Section 139(5) and Section 143(6) (a) of the Act are not applicable to the companies mentioned in Annexure - C being private entities/ entities incorporated in foreign countries under the respective laws, for appointment of their statutory auditors and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing signification has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6) (b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-

(Nandana Munshi)
Director General of Commercial Audit
& Ex-officio Member, Audit Board-II
New Delhi

Place : New Delhi
Date : July 11, 2019

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.	Indian Catalyst Pvt. Limited (Formerly Indo Cat Private Ltd.)	Subsidiary
4.	Green Gas Limited	Joint venture
5.	Mumbai Aviation Fuel Facility Private Limited	Joint venture
6.	GSPL India Transco Limited	Joint venture
7.	GSPL India Gasnet Limited	Joint venture
8.	Delhi Aviation Fuel Facility Private Limited	Joint venture
9.	Hindustan Urvarak and Rasayan Limited	Joint venture
10.	Petronet VK Limited	Associate

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.	NPCIL-Indian Oil Nuclear Energy Corporation Limited	Joint venture
2.	Kochi Selam Pipelines Private Limited	Joint venture
3.	Indradhanush Gas Grid Limited	Joint Venture
4.	Ratnagiri Refinery and Petrochemicals Limited	Joint venture

Annexure-C

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.

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: 022-26447616, Fax: 022-26447961, Email Id: investors@indianoil.in, Website: www.iocl.com.

NOTICE

NOTICE is hereby given that the **60th Annual General Meeting** of the members of **INDIAN OIL CORPORATION LIMITED** will be held at **Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai – 400018** on **Wednesday**, the **August 28, 2019** at **10:00 a.m.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Standalone as well as Consolidated Financial Statement of the Company for the financial year ended March 31, 2019 together with Reports of the Directors and the Auditors thereon.

2. To declare the Final Dividend of ₹1/- per equity share for the year 2018-19 and to confirm the Interim Dividend of ₹8.25 per equity share paid during the financial year 2018-19.

3. To appoint a Director in place of Dr. S.S.V. Ramakumar (DIN: 07626484), who retires by rotation and is eligible for reappointment.

4. To appoint a Director in place of Shri Ranjan Kumar Mohapatra (DIN: 08006199), who retires by rotation and is eligible for reappointment.

SPECIAL BUSINESS

5. To re-appoint Shri Parindu K. Bhagat (DIN : 01934627) as an Independent Director for a period of one year.

   To consider and if thought fit to pass, with or without modifications, the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Pardindu K. Bhagat (DIN: 01934627), who was appointed as an Independent Director for a period of 3 years and held office up to December 1, 2018 be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation for a second term of 1 (One) year w.e.f. December 2, 2018."

6. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2020.

   To consider and if thought fit to pass, with or without modifications, the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, the aggregate remuneration of ₹20.20 Lakhs plus applicable taxes and out of pocket expenses payable to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the various units of the Company for the financial year ending March 31, 2020, be and is hereby ratified."

7. To provide Corporate Guarantees to banks on behalf of IndianOil-Adani Gas Pvt. Ltd., a Joint Venture Company, for obtaining Performance Bank Guarantees in favour of Petroleum & Natural Gas Regulatory Board for City Gas Distribution Projects in various Geographical Areas.

   To consider and if thought fit to pass, with or without modifications, the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013, including amendments thereof, governing provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Articles of Association of the Company, all other provisions of applicable laws, rules and regulations and subject to such approvals, consents, sanctions and permissions, as may be necessary, approval of the Members of the Company be and is hereby accorded to authorize the Board of Directors of the Company (which expression shall be deemed to include a Committee thereof) to provide Corporate Guarantee(s) in favour of banks on behalf of IndianOil-Adani Gas Pvt. Ltd. (IOAGPL), a JV Company, for issuance of Performance Bank Guarantees in favour of Petroleum and Natural Gas Regulatory Board for City Gas Distribution Projects in various Geographical Areas, for an amount not exceeding in aggregate ₹100 crore (Rupees One Hundred crore only)."

"**RESOLVED FURTHER THAT** approval of the Members of the Company be accorded authorizing the Board of Directors of the Company or a Committee thereof or any of their delegates, to do or cause to be done all such acts, matters, deeds and things including signing and executing such deeds, agreements, documents and writings and to make such filings, deemed necessary to give effect to the above resolution."

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

Date: 15th July 2019

By **Order of the Board of Directors**

Sd/-

(Kamal Kumar Gwalani)

Company Secretary

NOTES

(a) **A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself. Such a proxy need not be a member of the Company. Proxies, in order to be valid and effective, must be delivered at the registered office of the Company as per attached format, duly filled, stamped & signed not later than 48 hours before the commencement of the meeting.**

As per the provisions of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

(b) A statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

(c) Members/Proxies/Authorised Representatives are requested to bring the attendance slip duly filled and signed along with copy of Annual Report to the meeting.

(d) The Annual Report duly circulated to the members of the Company, is also available on the Company's website at www.iocl.com.and also on the websites of Stock Exchanges and e-voting agency.

(e) Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered Office of the Company on all working days i.e. Monday to Friday, between 10:30 a.m. and 12:30 p.m. upto the date of the AGM.

(f) **The Register of members and Share Transfer Books of the Company will remain closed from Friday, August 23, 2019 to Wednesday, August 28, 2019 (both days inclusive) for the purpose of ascertaining the eligibility of members for payment of final dividend.** The final dividend payable on Equity Shares, if approved by the members, will be paid to those members whose names appear on the Company's Register of members and as per beneficial owner's position received from NSDL & CDSL as at the close of working hours on August 22, 2019.

(g) 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 RTA, Karvy Fintech Pvt. Ltd., Karvy 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@karvy.com;

(h) 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 given at (g) above or at the registered office of the Company.

(i) Non-Resident Indian members are requested to inform the RTA at the address given at (g) 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.

(j) 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 given at (g) above.

(k) SEBI vide circular dated December 5, 2018 has directed that no transfer of shares in physical form would be permitted w.e.f. April 1, 2019. Accordingly members holding shares in physical form are requested to dematerialise their share certificates.

(l) As per the provisions of section 124(5) of the Companies Act, 2013, 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 2010-11 to IEPF on the respective dates.

Further, section 124(6) of the Companies Act, 2013 read with rules made thereunder provide that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in 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. 2010-11 to 2017-18, 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 29.11.18. The details of such shares are hosted on the website of the Company www.iocl.com.

It may please be noted upon completion of 7 years, the Company would transfer the unpaid/unclaimed dividend for the financial year 2011-12 in November, 2019. Further, the shares in respect of which dividend for financial year 2011-12 has remained unpaid/ unclaimed for a consecutive period of 7 years i.e. from 2011-12 to 2018-19, would also be transferred to the demat account of IEPF Authority in the month of November, 2019. 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 given at (g) above or at the registered office of the Company for claiming the unpaid/unclaimed dividend.

Further, Section 125 of the Companies Act, 2013 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 following link: http://www.iepf.gov.in/IEPF/refund.html

(m) Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, Annual Report of the Company has been sent through email to those members whose email ID is registered with the Company/ Depository. Those members who have not registered their email ID are requested to write to the RTA/their Depository Participant for registering the same. In case any member wants a physical copy of the Annual Report, he may send a request to the Company Secretary at the Registered office of the Company or to the RTA at the address given at point (g) above.

(n) Company is facilitating live webcast of the proceedings of the AGM. The members can watch the webcast on the AGM day i.e. on Wednesday, 28th August 2019 from 10 a.m by logging on to the page https://evoting.karvy.com using the e-voting credentials

(o) In terms of Section 108 of Companies, Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is providing the facility to its members to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice.

The cut-off date to be eligible to vote by electronic means is Thursday, August 22, 2019.

(p) **Facility for E-Voting**

(1) Details of the process and manner of e-voting along with the User ID and Password has been sent/are being sent to the members along with the notice:

- by email to those members whose email ID is registered with the Company/Depository Participant.
- by post to those members whose email ID is not registered with the Company/Depository Participant.

(2) The instructions and other information relating to e-voting are as under:

i. Launch internet browser by typing the URL: https://evoting.karvy.com

- For first time users:
  - Enter the login credentials i.e. User ID and Password mentioned in the notice.
  - After entering these details appropriately, Click on "LOGIN".
  - You will now reach password change Menu wherein you are required to mandatorily change your password with a password of your choice that meets the criteria stated on the webpage.
  - You need to login again with the new password.
- For existing users already registered with Karvy for e-voting: Please use your existing User ID and password for logging in.

It is strongly recommended that you do not share your password with any other person and that you take utmost care

to keep your password confidential.

ii. On successful login, the system will prompt you to select the "EVEN" i.e. Indian Oil Corporation Limited.

iii. On the voting page, enter the number of shares (which represents the number of votes as on the Cut Off date) under "FOR/ AGAINST" or alternatively, you may partially enter any number of votes in "FOR" and partially in "AGAINST" such that the total number of votes cast "FOR/AGAINST" taken together should not exceed your total shareholding.

iv. Voting has to be done for each item of the Notice separately.

v. Members holding multiple demat accounts/folios shall choose the voting process separately for each demat account/folio.

vi. You may then cast your vote by selecting an appropriate option and click on "Submit".

vii. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).

viii. Corporate/Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., to the Scrutinizer at email ID: **ioclevoting2019@dholakia-associates.com** with a copy marked to evoting@karvy.com. They may also upload the same in the e-voting module after login. The scanned image of the above mentioned documents should be in the naming format **"IOCL 60 AGM".**

(3) The e-voting would commence on Saturday, August 24, 2019 at 9:30 A.M. (IST) and end on Tuesday, August 27, 2019 at 05.00 P.M. (IST). During this period, the eligible members of the Company may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter.

(4) Facility for voting would also be made available at the AGM venue. Members who cast their votes electronically should not vote at the AGM. However, in case a member votes electronically as well as at the AGM, the vote cast at the AGM will be ignored.

(5) In case of any query pertaining to e-voting, please visit Help & FAQ's section of https://evoting.karvy.com

(6) The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company, as on the cut-off date.

(7) 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 e-voting and poll process in a fair and transparent manner.

(8) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and submit not later than two days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company or such other officer authorized by the Chairman.

(9) The Results on resolutions shall be declared within two days of the conclusion of the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.

(10) The results of voting along with the Scrutinizer's Report(s) thereon would be available on the website of the Company (www.iocl.com) and on Service Provider's website (https://evoting.karvy.com) immediately after the declaration of the results and would also be communicated simultaneously to the BSE Limited and the National Stock Exchange of India Limited.

A BRIEF RESUME OF DIRECTORS PROPOSED TO BE REAPPOINTED IS GIVEN BELOW:-

Item No. 3 - To appoint a Director in place of Dr. S.S.V. Ramakumar (DIN: 07626484), who retires by rotation and is eligible for reappointment.

Dr. S. S. V. Ramakumar, Director (R&D), aged 56 years was inducted on the Board of the Company on 01.02.2017 for a period of 5 years or till the date of his superannuation, whichever is earlier. He is a Ph.D in Chemistry from the University of Roorkee (currently IIT Roorkee). He joined IndianOil, R&D Centre in 1988 and has over 30 years of experience in research and development and downstream hydrocarbon sector notably in the areas of Refinery process research streams, Automotive Lubricants, Nano-technology Research, Technology promotion & forecasting, Tribology etc. He has authored IndianOil R&D journey book 'Inventing the Future' and has over 95 research publications in national and international journals.

Number of Board Meetings attended during 2018-19	12
Details of Directorships in other companies	1
Membership/Chairmanship in the Committees of other companies	NIL
No. of Shares held in the Company as on date	8800
Relationship between Directors and Key Managerial Personnel	None

Item no. 4 - To appoint a Director in place of Shri Ranjan Kumar Mohapatra (DIN: 08006199), who retires by rotation and is eligible for reappointment.

Shri Ranjan Kumar Mohapatra, Director (Human Resources), aged 55 years was inducted on the Board of the Company on 19.02.2018 for a period of 5 years or till the date of his superannuation, whichever is earlier. He is a Mechanical Engineer from BITS, Pilani and a Post-Graduate in Management from Xavier Institute of Management, Bhubaneswar. Shri Mohapatra has over three decades of experience in the petroleum industry and has handled various assignments in the Marketing Division of the Company including Terminal Operations, Supply Chain Management & Logistics. Shri Mohapatra was also one of the chief architects of the auto-fuel quality (BS-III/BS-IV) upgradation programmes of Oil Companies in India.

Number of Board Meetings attended during 2018-19	12
Details of Directorships in other companies	1
Membership/Chairmanship in the Committees of other companies	NIL
No. of Shares held in the Company as on date	9600
Relationship between Directors and Key Managerial Personnel	None

STATEMENT SETTING OUT THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS IN PURSUANCE OF SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 5 - To re-appoint Shri Parindu K. Bhagat (DIN : 01934627) as an Independent Director for a period of one year.

Shri Parindu K. Bhagat (DIN: 01934627), aged 66 years, was appointed as an Independent Director of the Company for a period of 3 years w.e.f. December 2, 2015 and he held office up to December 1, 2018 ("first term").

IndianOil, being a Government Company, the appointment of Directors (including Independent Directors) is made by Government of India. The Ministry of Petroleum and Natural Gas vide its letter dated November 20, 2018 had re-appointed Shri Parindu K. Bhagat as Non-official Independent Director for a period of one year from the date of completion of his existing tenure i.e. upto December 1, 2019.

Shri Parindu K. Bhagat, a Chemical Engineer and a law graduate, is a legal practitioner in taxation and financial services. Shri Bhagat has vast experience in understanding financial, social and economic aspects of governance and its administration. His expertise in technical domain gives him an insight to evaluate things with broader perspectives. He was a member of the Board of Directors of Kandla Port Trust, where he played a vital role in technological reforms. With a solution-centric approach, his work has been acknowledged in various private and public firms and government bodies where he was appointed in advisory position. He has been involved in CSR activities, through various NGOs, trusts and religious institutions for the benefit of society at large.

Number of Board Meetings attended during 2018-19	12
Details of Directorships in other 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 and Key Managerial Personnel	None

The Company has received a declaration from Shri Parindu K. Bhagat that he meets the criteria of independence as prescribed under Section 149(6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Shri Parindu K. Bhagat is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of Director by virtue of any order of SEBI/any other authority.

In the opinion of the Board, Shri Parindu Bhagat fulfils the criteria of independence as specified in the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and is independent of the Management.

None of the Directors/Key Managerial Personnel of the Company except Shri Parindu K. Bhagat is interested or concerned in the resolution.

As required under section Section 149(10) of the Companies Act, 2013 and rules notified thereunder, the re-appointment of Independent Director for second term requires approval of members by special resolution.

The Board, therefore, recommends the Special Resolution for approval by the members.

Item No. 6 - To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2020.

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 Lakhs plus applicable taxes and out of pocket expenses to conduct the audit of the cost records of the various units of the Company for the financial year ending March 31, 2020:

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.	Vivekanandan Unni & Associates, Chennai	1,65,000/-
	TOTAL	**20,20,000/-**

In accordance with the provisions of Section 148 of the Companies Act, 2013 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, 2020, as approved by the Board. None of the Directors/Key Managerial Personnel of the Company is interested or concerned in the resolution.

The Board, therefore, recommends the Ordinary Resolution for approval by members.

Item No. 7 - To provide Corporate Guarantees to banks on behalf of IndianOil-Adani Gas Pvt. Ltd., a Joint Venture Company, for obtaining Performance Bank Guarantees in favour of Petroleum & Natural Gas Regulatory Board for City Gas Distribution Projects in various Geographical Areas

IndianOil-Adani Gas Pvt. Ltd. (IOAGPL) was incorporated in 2013 as a 50:50 Joint Venture Company (JVC) with Adani Gas Ltd. (AGL) for implementation of City Gas Distribution (CGD) Projects in various cities in India. Over the years, IOAGPL has been participating in various rounds of bidding conducted by Petroleum & Natural Gas Regulatory Board (PNGRB), and as on date it is operating/implementing CGD Projects in 19 Geographical Areas (GAs). In line with PNGRB regulations, authorization to the successful entity is issued by PNGRB only after the entity submits Performance Bank Guarantee (PBG) from any scheduled bank for a pre-determined amount for specific GA.

CGD Projects are typically long duration projects wherein demand build-up is gradual and revenue generation becomes appreciable only in the later years. IOAGPL is still in process of development of CGD Projects in its authorized GAs. Currently, projects in 8 GAs have been commissioned (viz. Chandigarh, Allahabad, Panipat, Daman, Udhamsingh Nagar, Ernakulam, Dharwad and Bulandshahr) and South Goa GA will be commissioned shortly. During 2018-19, IOAGPL won 10 more GAs and development of CGD Project in these GAs would require capital expenditure of ₹9,600 crore (approx.) to meet the committed bid numbers. The funding required for capital expenditure has to be met from Equity contribution/Debt financing.

The revenue from the commissioned GAs is currently insufficient to handle huge financial commitment in the form of Capex to achieve committed targets. IOAGPL would continue to participate in bidding for CGD Projects in the future, and in the event of emerging successful, it may seek Promoters' assistance to provide required Corporate Guarantees (CGs) in favour of banks for issuance of PBGs to PNGRB on behalf IOAGPL.

Considering an estimated average value of ₹25 crore for PBG per GA, IOAGPL may require Promoters' support for issuance of CGs worth ₹200 crore. IOAGPL being a 50:50 JV, IndianOil's share for extending such CGs would be ₹100 crore.

Considering the anticipated growth in activities of IOAGPL, it is proposed to appoint one of the whole-time Director of IndianOil as a part-time nominee director on the Board of IOAGPL.

As per provisions of Section 185 of the Companies Act, 2013 and Rules thereunder, if a Director on IndianOil Board is also a Director on Board of IOAGPL, which is a Private Limited Company, then IndianOil can provide loans or issue CGs in favour of banks on behalf of IOAGPL only upon approval by the Members of IndianOil through a Special Resolution passed at a General Meeting.

Accordingly, as required under section 185 of the Companies Act 2013, approval of Members is sought through Special Resolution to provide CGs in future in favour of banks on behalf of IOAGPL for issuance of PBGs in favor of PNGRB for CGD Projects in various GAs, upto a limit of ₹100 crore.

Except the Director who would be appointed on the Board of IOAGPL as a nominee Director, none of the other Directors/Key Managerial Personnel of the Company and their relatives would, in anyway, be interested or concerned in the resolution set out at item no. 7 of the notice.

The Board, therefore, recommends the Special Resolution for approval by members.

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

Date: 15th July 2019

By **Order of the Board of Directors**

Sd/-

(Kamal Kumar Gwalani)
Company Secretary

Indian Oil Corporation Limited

[CIN – L23201MH1959GOI011388]

Regd. Office: 'IndianOil Bhavan', G-9, Ali Yavar Jung Marg, Bandra (E), Mumbai - 400051

Tel: 022-26447616, Fax: 022-26447961, Email Id: investors@indianoil.in, Website: www.iocl.com.

ATTENDANCE SLIP

DP ID. *	CLIENT ID *	FOLIO NO.	NO. OF SHARE(S)

* Applicable for members who are holding shares in dematerialized form.

I/We hereby record my/our presence at the 60th Annual General Meeting of the Company, being held on Wednesday, August 28, 2019 at 10:00 a.m. at **Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai – 400018**

Name of the Member

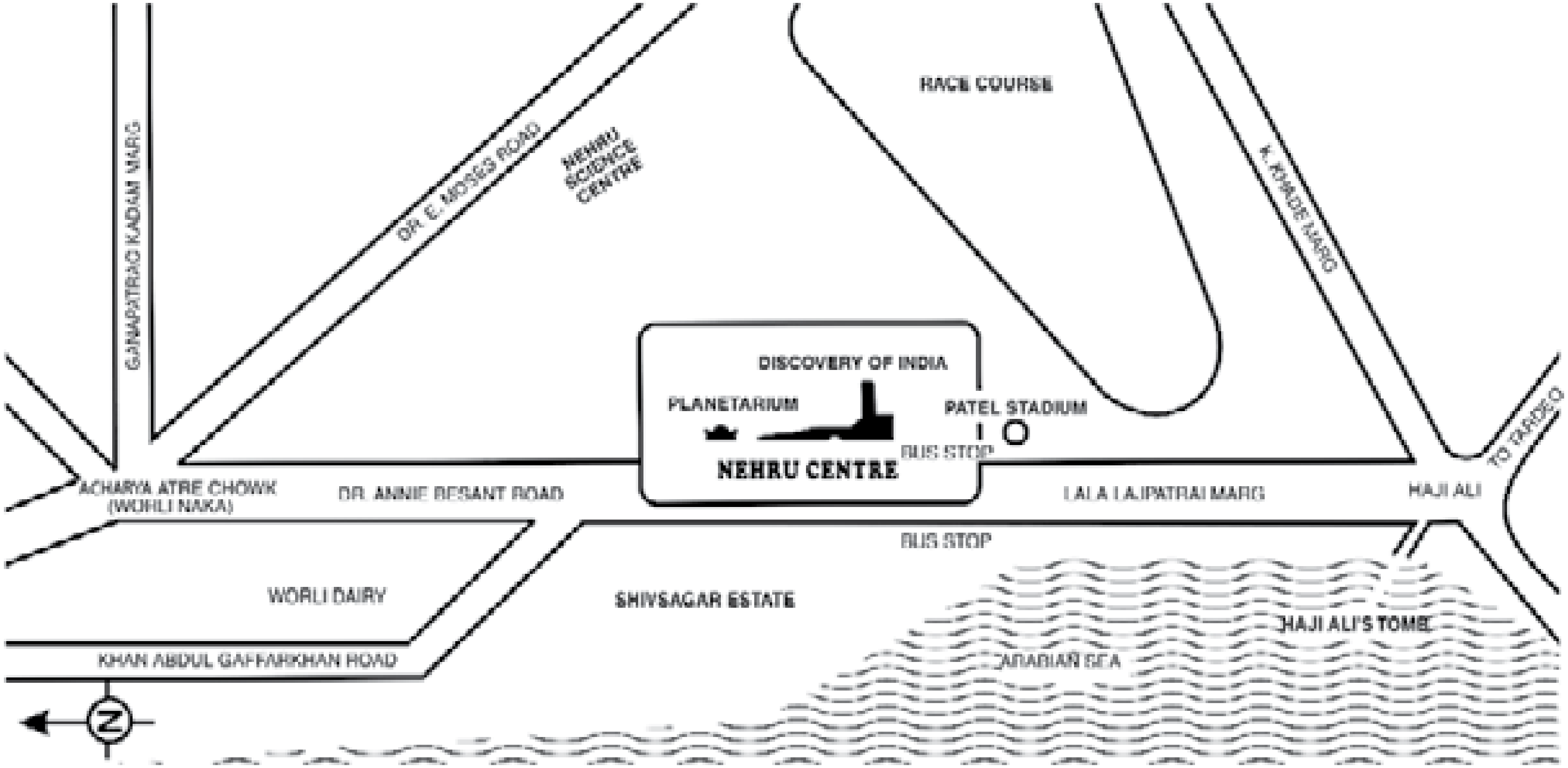
Signature of the Member

Name of the Proxy

Signature of the Proxy

NOTES:

1. Kindly sign and handover the attendance slip at the entrance of the meeting hall.
2. Members/Proxy holders are requested to bring their copy of the Annual Report for reference at the meeting.



Location Map of Nehru Centre

Indian Oil Corporation Limited

[CIN – L23201MH1959GOI011388]

Regd. Office: 'IndianOil Bhavan', G-9, Ali Yavar Jung Marg, Bandra (E), Mumbai - 400051

Tel: 022-26447616, Fax: 022-26447961, Email Id: investors@indianoil.in, Website: www.iocl.com.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)	
Registered Address	
Email id	
Folio No./Client Id *	
DP ID *	

* Applicable for members who are holding shares in dematerialized form.

I/We, being the member(s) of .... shares of the above named company, hereby appoint

1) .... of .... having email id .... or failing him

2) .... of .... having email id .... or failing him

3) .... of .... having email id ....

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 60th Annual General Meeting of the Company, to be held on Wednesday, August 28, 2019 at 10:00 a.m. at **Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai – 400018** and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	RESOLUTIONS
	ORDINARY BUSINESS
1	To receive, consider and adopt the audited Standalone as well as Consolidated Financial Statement of the Company for the financial year ended March 31, 2019 together with Reports of the Directors and the Auditors thereon.
2	To declare the Final Dividend of ₹1 per equity share for the year 2018-19 and to confirm the Interim Dividend of ₹8.25 per equity share paid during the year 2018-19.
3	To appoint a Director in place of Dr. S.S.V. Ramakumar (DIN: 07626484), who retires by rotation and is eligible for reappointment
4	To appoint a Director in place of Shri Ranjan Kumar Mohapatra (DIN: 08006199), who retires by rotation and is eligible for reappointment.
	SPECIAL BUSINESS
5	To re-appoint Shri Parindu K. Bhagat (DIN : 01934627) as an Independent Director for a period of one year. **(Special Resolution)**
6	To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2020.
7	To provide Corporate Guarantees to banks on behalf of IndianOil-Adani Gas Pvt. Ltd., a Joint Venture Company, for obtaining Performance Bank Guarantees in favour of Petroleum & Natural Gas Regulatory Board for City Gas Distribution Projects in various Geographical Areas. **(Special Resolution)**

Signed this .... day of .... 2019.

....
Signature of Member

Affix Revenue Stamp

.... Signature of first proxy holder

.... Signature of second proxy holder

.... Signature of third proxy holder

NOTE: This Proxy Form duly filled in must be deposited at the Registered Office of the Company at IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai - 400051 not less than 48 hours before the commencement of the Annual General Meeting.

NOTES

NOTES

NOTES

NOTES

NOTES

NOTES

NOTES