

# 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, 2022.

The Company is a public limited company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The registered office of the Company is located at Indian Oil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai.

Indian Oil is India's flagship Maharatna national oil company with business interests straddling the entire hydrocarbon value chain - from refining, pipeline transportation & marketing, to exploration & production of crude oil & gas, petrochemicals, gas marketing, alternative energy sources and globalisation of downstream operations.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors passed in its meeting held on May 17, 2022.

#### II. Significant Accounting Policies

##### 1. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

- 1.1 The financial statements have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules thereunder, as amended from time to time.
- 1.2 The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:
  - Derivative financial instruments,
  - Certain financial assets and liabilities measured at fair value (refer serial no. 17 of accounting policies regarding financial instruments) and
  - Plan assets related to employee benefits (refer serial no. 12 of accounting policies regarding employee benefits)
- 1.3 The financial statements are presented in Indian Rupees (₹) which is Company's presentation and functional currency and all values are rounded to the nearest crore (up to two decimals) except when otherwise indicated.

##### 2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

###### 2.1 Property, Plant and Equipment (PPE)

- 2.1.1 Property, Plant & Equipment (PPE) comprises of tangible assets and capital work in progress. PPE are stated

in the Balance Sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any), except freehold land which are carried at historical cost. The cost of an item of PPE comprises its purchase price/construction cost including applicable taxes (net of credits) after deducting any discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. These costs are capitalized until the asset is ready for use and includes borrowing cost capitalized in accordance with the Company's accounting policy.

- 2.1.2 The cost of an item of PPE is recognized as an asset if, and only if:
  - (a) it is probable that future economic benefits associated with the item will flow to the entity; and
  - (b) the cost of the item can be measured reliably.

In accordance with the above criteria, subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate.

- 2.1.3 Technical know-how / license fee relating to plants/facilities and specific software that are integral part of the related hardware are capitalized 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 for a period exceeding 12 months.
- 2.1.5 The acquisition of some items of PPE although not directly increasing the future economic benefits of any particular existing item of PPE, may be necessary for the Company to obtain the future economic benefits from its other assets. Such items of PPE are recognized as assets.
- 2.1.6 Environment responsibility related obligations directly attributable to projects is recognized as project cost on the basis of progress of project or on actual incurrence, whichever is higher.
- 2.1.7 On transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognized as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

###### 2.2 Capital Work in Progress (CWIP)

###### A. Construction Period Expenses

- 2.2.1. Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities

## NOTES TO FINANCIAL STATEMENTS

### NOTE - 1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

being executed along with the production/operations simultaneously and where the expenses are not attributable exclusively are charged to revenue.

- 2.2.2 Borrowing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized on quarterly basis up to the date of capitalization.
- 2.2.3 Borrowing 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 weighted average cost. Specific provision is made for likely diminution in value, wherever required.

#### 2.3 Intangible Assets & Amortisation

- 2.3.1 Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets and amortised on a straight-line basis over the life of the underlying plant/ facility.
- 2.3.2 Expenditure incurred in research phase is charged to revenue and that in development phase, unless it is of capital nature, is also charged to revenue.
- 2.3.3 Cost incurred on computer software/licenses purchased/ developed resulting in future economic benefits, other than specific software that are integral part of the related hardware, are capitalized as Intangible Asset and amortised over a period of three years beginning from the month in which such software/ licenses are capitalized. However, where such computer software/ license is under development or is not yet ready for use, accumulated cost incurred on such items are accounted as "Intangible Assets Under Development".
- 2.3.4 Right of ways with indefinite useful lives are not amortised but tested for impairment annually at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.
- 2.3.5 Intangible Assets acquired separately are measured on initial recognition at cost. The cost of Intangible Assets acquired in a business combination is based on its fair value at the date of acquisition. Following initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and accumulated impairment losses. In case of internally generated intangibles, development cost is recognized as an asset

when all the recognition criteria are met. However, all other internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the statement of profit and loss in the period in which the expenditure is incurred.

- 2.3.6 The useful lives of Intangible Assets are assessed as either finite or indefinite. Intangible Assets with finite lives are amortised over the useful life on straight line basis and assessed for impairment whenever there is an indication that the Intangible Asset may be impaired. The amortisation period and the amortisation method for an Intangible Asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.
- 2.3.7 On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible Assets recognized as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.
- 2.3.8 Amortisation is charged pro-rata on monthly basis on assets, from/upto the month of capitalization/ sale, disposal/ or classified to Asset held for disposal.

#### 2.4 Depreciation

- 2.4.1 Cost of PPE (net of residual value) excluding freehold land is depreciated on straight-line method as per the useful life prescribed in Schedule II to the Act except in case of the following assets:
- a. Useful life based on technical assessment
- 15 years for Plant and Equipment relating to Retail Outlets (other than storage tanks and related equipment), LPG cylinders and pressure regulators
  - 25 years for solar power plant
  - Certain assets of R&D Centre (15-25 years)
  - Certain assets of CGD business, (Compressor / Booster Compressor and Dispenser - 10 years, Cascade – 20 years)
  - Moulds used for the manufacturing of the packaging material for Lubricants- 5 years
  - In other cases, like Spare Parts etc. (2-30 years)

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- b. In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II to the Act, whichever is lower and
- c. In case of immovable assets constructed on leasehold land, useful life as per Schedule-II to the Act or lease period of land (including renewable/likely renewable period), whichever is lower.

Depreciation is charged pro-rata on monthly basis on assets, from/upto the month of capitalization/ sale, disposal/ or classified to Asset held for disposal.

Residual value is determined considering past experience and generally the same is between 0 to 5% of cost of assets except

- a. In case of Steel LPG cylinder and pressure regulator, residual value is considered maximum at 15% and in case of fibre composite LPG cylinder, residual value is considered at 10% based on estimated realisable value
- b. in case of catalyst with noble metal content, residual value is considered based on the cost of metal content and
- c. In few cases residual value is considered based on transfer value agreed in respective agreement.

The Company depreciates components of the main asset that are significant in value and have different useful lives as compared to the main asset separately. The Company depreciates spares over the life of the spare from the date it is available for use.

- 2.4.2 PPE, other than LPG Cylinders and Pressure Regulators, costing upto ₹ 5,000/- per item are depreciated fully in the year of capitalization. Further, spares, components like catalyst excluding noble metal content and major overhaul/ inspection are also depreciated fully over their respective useful life.
- 2.4.3 The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

**2.5 Derecognition**

- 2.5.1 PPE and Intangible Assets are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE or Intangible Asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

**3. LEASES**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**3.1 Leases as Lessee (Assets taken on lease)**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**3.1.1 Lease Liabilities**

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, except for leases where the company has elected to use practical expedient not to separate non-lease payments from the calculation of the lease liability and ROU asset where the entire consideration is treated as lease component.

## NOTES TO FINANCIAL STATEMENTS

### NOTE - 1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

#### 3.1.2 Right-of-use Assets

The Company recognizes right-of-use (ROU) assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset as per 2.4 above. Perpetual Right of use (ROU) assets related to land are not depreciated but tested for Impairment loss, if any.

3.1.3 Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognized in the Statement of Profit and Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

#### 3.1.4 Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of Property, Plant and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value and is not intended for sublease. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

#### 3.2 Leases as Lessor (assets given on lease)

3.2.1 When the company acts as lessor, it determines at the commencement of the lease whether it is a finance lease or an operating lease.

3.2.2 Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.

3.2.3 All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts is adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment. If an arrangement contains lease and non-lease components, the Company applies principles enunciated in Ind AS 115 "Revenue from Contracts with Customers", to allocate the consideration in the contract.

3.2.4 When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the short-term lease exemption described above, then it classifies the sub-lease as an operating lease.

#### 4. IMPAIRMENT OF NON-FINANCIAL ASSETS (also refer para 14 for impairment of E&P Assets)

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE - 1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years.

#### 5. BORROWING COSTS

Borrowing cost consists of interest and other cost incurred in connection with the borrowing of funds. Borrowing costs that are attributable to the acquisition or construction of the qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Capitalization of borrowing costs is suspended when active development activity on the qualifying assets is interrupted other than on temporary basis and charged to the Statement of Profit and Loss during such extended periods. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which the same are incurred.

#### 6. FOREIGN CURRENCY TRANSACTIONS

- 6.1 The Company's financial statements are presented in Indian Rupee (₹), which is also its functional currency.
- 6.2 Transactions in foreign currency are initially recorded at spot exchange rates prevailing on the date of transactions.
- 6.3 Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the end of reporting period, are translated at exchange rates prevailing on that date.

- 6.4 Non-monetary items denominated in foreign currency, (such as PPE, intangible assets, equity investments, capital/revenue advances other than expected to be settled in cash etc.) are recorded at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income (OCI) or the Statement of Profit and Loss are also recognized in OCI or the Statement of Profit and Loss, respectively).

- 6.5 Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost to the extent regarded as an adjustment to borrowing costs as the case may be, except those relating to loans mentioned below.

Exchange differences on long-term foreign currency loans obtained or re-financed on or before March 31, 2016 relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets.

#### 7. INVENTORIES

##### 7.1 Raw Materials & Stock-in-Process

- 7.1.1 Raw materials including crude oil are valued at cost determined on weighted average basis or net realisable value, whichever is lower.
- 7.1.2 Stock in Process is valued at raw materials cost plus processing cost as applicable or net realisable value, whichever is lower.
- 7.1.3 Crude oil in Transit is valued at cost or net realisable value, whichever is lower.
- 7.1.4 Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognized in OCI, in respect of the purchases of raw materials.

##### 7.2 Finished Products and Stock-in-Trade

- 7.2.1 Finished Products and Stock in Trade, other than lubricants, are valued at cost determined on 'First in First Out' basis or net realisable value, whichever is lower. Cost of Finished Products internally produced is determined based on raw materials cost and processing cost.
- 7.2.2 Lubricants are valued at cost on weighted average basis or net realisable value, whichever is lower. Cost of



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### NOTE - 1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

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 Chemicals, packing Containers i.e. empty barrels, tins etc.) are valued at weighted average cost. Specific provision is made in respect of identified obsolete stores & spares and chemicals for likely diminution in value. Further, a provision @ 5% of cost is also made on the balance stores and spares (excluding barrels, tins, stores in transit, chemicals/catalysts, crude oil, and own products) towards likely diminution in the value.

- 7.3.2 Stores and Spares in transit are valued at cost.

## 8. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

### 8.1 Provisions

- 8.1.1 Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

- 8.1.2 When the Company expects some or all of a provision to be recovered from a third party, a receivable is recognized as a separate asset but only when it is virtually certain and amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of Profit and Loss net of reimbursement, if any.

- 8.1.3 If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### 8.1.4 Decommissioning Liability

Decommissioning costs are provided at the present value of expected cost to settle the obligation using estimated cash flows and are recognized 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 recognized in the Statement of Profit and Loss as a finance cost. The

estimated future cost of decommissioning is reviewed annually and adjusted as appropriate. Changes in the estimated future cost or in the discount rate applied are adjusted in the cost of the asset.

### 8.2 Contingent Liabilities and Contingent Assets

- 8.2.1 Show-cause notices issued by various Government Authorities are generally not considered as obligations.

- 8.2.2 When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.

- 8.2.3 The treatment in respect of disputed obligations are as under:

a) a provision is 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 towards capital expenditure are considered for disclosure.

- 8.2.6 A contingent asset is disclosed where an inflow of economic benefits is probable.

## 9. REVENUE

### 9.1 REVENUE FROM CONTRACTS WITH CUSTOMERS

- 9.1.1 The Company is in the business of oil and gas operations and it earns revenue primarily from sale of petroleum products and petrochemical products. In addition, the company also earns revenue from other businesses which comprises Gas, Exploration & Production and Others.

Revenue is recognized 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

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services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Company has generally concluded that it is the principal in its revenue arrangements, except a few agency services, because it typically controls the goods or services before transferring them to the customer.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., customer loyalty points). In determining the transaction price for the sale of products, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

- 9.1.2 Revenue from the sale of petroleum products, petrochemical products, Crude and gas are recognized 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 recognized by measuring the contract progress using input method by comparing the cost incurred and total contract cost. Contract modifications are accounted for as a part of existing contract or separate contract based on conditions prescribed in Ind AS 115.

- 9.1.3 The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, Sales Tax/ Goods and Services Tax (GST) and Value Added Tax (VAT) is not received by the company on its own account. Rather, it is tax collected on value added to the product by the seller on behalf of the government. Accordingly, it is excluded from revenue.

9.1.4 **Variable consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized 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.

9.1.5 **Loyalty Points**

The Company operates various loyalty point schemes. The transaction price allocated to customer loyalty points is based on their relative estimated standalone selling price and the same is reduced from revenue from sale of goods. While estimating standalone selling price of customer loyalty points, the likelihood of exercising the option is adjusted. Wherever the Company is acting as an agent in this arrangement, the Company recognize the revenue on net basis.

- 9.2 Other claims are recognized when there is a reasonable certainty of recovery.

## 10. EXCISE DUTY

Excise duty is accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in stock. Value of stock includes excise duty payable / paid on finished goods, wherever applicable.

## 11. TAXES ON INCOME

### 11.1 Current Income Tax

Provision for current tax is made as per the provisions of the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized 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.

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#### 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 recognized 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 recognized for all deductible temporary differences, and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences, and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

11.2.2 The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

11.2.4 Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 12. EMPLOYEE BENEFITS

#### 12.1 Short Term Benefits:

Short Term Employee Benefits are accounted for in the period during which the services have been rendered.

#### 12.2 Post-Employment Benefits and Other Long Term Employee Benefits:

- a) The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to the Statement of Profit and Loss/CWIP. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the Company and charged to the Statement of Profit and Loss/CWIP.
- b) The Company operates defined benefit plans for Gratuity, Post-Retirement Medical Benefits, Resettlement, Felicitation Scheme and Ex-gratia. 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 and Post-Retirement Medical Benefits 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.
- d) The Company also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust/ Corporate NPS.

#### 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 recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which it occurs. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements in respect of other long-term benefits are recognized in the Statement of Profit and Loss.

Past service cost is recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring cost



## NOTES TO FINANCIAL STATEMENTS

### NOTE - 1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes 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 recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

##### 13.2 Grant relating to Assets (Capital Grants)

In case of grants relating to depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Deferred income which are recognized as "Other Operating Revenues" usually in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

##### 13.3 Grant related to Income (Revenue Grants)

Revenue grants are recognized in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognizes as expenses the related cost for which the grants are intended to compensate.

Subsidy and budgetary support towards under recoveries are recognized 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 recognized in "Other Operating Revenues" in proportion of export obligations actually fulfilled during the accounting period. In case of post export EPCG Duty Credit Scrip Scheme, revenue grant is recognized in "Other Operating Revenues" equivalent to the amount of Custom duty remission in proportion to export obligations actually fulfilled during the accounting period.

Revenue grants are generally recorded under "Other Operating Revenues", except north east excise duty exemption which is 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 recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. Classification of the grant is made considering the terms and condition of the grant i.e. whether grants relates to assets or otherwise.

#### 14. OIL & GAS EXPLORATION ACTIVITIES

##### 14.1 Pre-acquisition Cost:

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

##### 14.2 Exploration Stage:

Acquisition cost relating to projects under exploration are initially accounted as "Intangible Assets under Development". The expenses on oil and gas assets that is classified as intangible include:

- acquired rights to explore
- exploratory drilling cost

Cost of Survey and prospecting activities conducted in the search of oil and gas are expensed as exploration cost in the year in which these are incurred

If the project is not viable based upon technical feasibility and commercial viability study, then all cost relating to Exploratory Wells are expensed in the year when determined to be dry.

If the project is proved to be viable, then all cost relating to drilling of Exploratory Wells shall be continued to be presented as "Intangible Assets under Development".

##### 14.3 Development Stage:

Acquisition cost relating to projects under development stage are presented as "Capital Work-in-Progress".

When a well is ready to commence commercial production, the capitalized cost corresponding to proved developed oil and gas reserves is reclassified as 'Completed wells/ Producing wells' from "Capital Work-in-Progress/ Intangible Assets under Development" to the gross block of assets. Examples of Oil and Gas assets that might be classified as Tangible Assets include development drilling cost, piping and pumps and producing wells.

##### 14.4 Production Phase

Production cost include pre-well head and post-well head expenses including depreciation and applicable operating cost of support equipment and facilities are expensed off.

## NOTES TO FINANCIAL STATEMENTS

### NOTE - 1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

Depletion is calculated using the Unit of Production method based upon proved and developed reserves.

#### 14.5 Abandonment Phase

In case of development / production phase, abandonment / decommissioning amount is recognized at the present value of the estimated future expenditure. Any change in the present value of the estimated decommissioning expenditure other than the unwinding of discount is adjusted to the decommissioning provision and the carrying value of the corresponding asset. The unwinding of discount on provision is charged in the Statement of Profit and Loss as finance costs.

#### 14.6 Impairment of E&P Assets

##### 14.6.1 Impairment testing in case of Development and producing assets

In case of E&P related development and producing assets, expected future cash flows are estimated using management's best estimate of future oil and natural gas prices, production volumes, proved & probable reserves volumes and discount rate. The expected future cash flows are estimated on the basis of value in use concept. The value in use is based on the cash flows expected to be generated by the projected oil or gas production profiles up to the expected dates of cessation of production of each producing field, based on current estimates of proved and probable reserves and on reasonable & supportable fiscal assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Management takes a long-term view of the range of economic conditions over the remaining useful life of the asset and, are not based on the relatively short-term changes in the economic conditions. However, impairment of exploration and evaluation assets is to be done in line with para 14.6.2

##### 14.6.2 Impairment in case of Exploration and Evaluation assets

Exploration and Evaluation assets are tested for impairment where an indicator for impairment exists. In such cases, while calculating recoverable amount, in addition to the factors mentioned in 14.6.1, management's best estimate of total current reserves and resources are considered (including possible and contingent reserve) after appropriately adjusting the associated inherent risks. Impairment loss is reversed subsequently, to the extent that conditions for impairment are no longer present.

##### 14.6.3 Cash generating unit

In case of E&P Assets, the Company generally considers a project as cash generating unit. However,

in case where the multiple fields are using common production/transportation facilities and are sufficiently economically interdependent the same are considered to constitute a single cash generating unit (CGU).

### 15. CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification as below.

#### 15.1 An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or Cash Equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

#### 15.2 A liability is treated as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

### 16. NON-CURRENT ASSETS HELD FOR SALE

**16.1** The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

**16.2** For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that

## NOTES TO FINANCIAL STATEMENTS

### NOTE - 1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

are usual and customary for sales (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

**16.3** Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less cost to sell. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

PPE and Intangible Assets once classified as held for sale are not depreciated or amortised.

## 17. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

### 17.1 Financial Assets

#### Initial recognition and measurement

All Financial Assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the Financial Asset. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

#### Subsequent measurement

For the purpose of subsequent measurement, Financial Assets are classified in four categories:

- Financial Assets at amortised cost
- Debt Instruments at fair value through Other Comprehensive Income (FVTOCI)

- Equity Instruments at fair value through Other Comprehensive Income (FVTOCI)
- Financial Assets and derivatives at fair value through profit or loss (FVTPL)

#### 17.1.1 Financial Assets at Amortised Cost

A Financial Asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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 recognized in the profit or loss. Apart from the same, any income or expense arising from remeasurement of financial assets measured at amortised cost, in accordance with Ind AS 109, is recognized in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

#### 17.1.2 Debt Instrument at FVTOCI

A 'Debt Instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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 recognized 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE - 1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

#### 17.1.3 Equity Instrument

##### A. Equity Investments at FVTOCI (Other than Subsidiaries, Joint Ventures and Associates)

All equity investments in scope of Ind AS 109 are measured at fair value. The Company has made an irrevocable election to present subsequent changes in the fair value in Other Comprehensive Income. The classification is made on initial recognition/transition and is irrevocable.

There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investments.

##### B. Equity Investments in Subsidiaries, Joint Ventures and Associates

Investments in Subsidiaries, Joint Ventures and Associates are accounted for at cost in the financial statements and the same are tested for impairment in case of any indication of impairment.

##### C. Dividend income is recognized in the Statement of Profit and Loss when the Company's right to receive dividend is established.

#### 17.1.4 Debt Instruments and Derivatives at FVTPL

FVTPL is a residual category for Debt Instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL.

This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Debt Instruments included within the FVTPL category are measured at fair value with all changes 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 derecognized (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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### 17.1.6 Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial Assets that are Debt Instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial guarantee contracts which are not subsequently measured as at FVTPL
- c) Lease Receivables under Ind AS 116

##### Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE - 1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

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.

#### General Approach

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing 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.

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 recognized initially at fair value and, in the case of liabilities subsequently measured at amortised cost, they are measured net of directly attributable transaction cost. In case of Financial Liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of financial liabilities are recognized immediately in the Statement of Profit and Loss.

The Company's Financial Liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

##### 17.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### A. Financial Liabilities at fair value through profit or loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the Statement of Profit and Loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

#### B. Financial Liabilities at amortised cost

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized 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



## NOTES TO FINANCIAL STATEMENTS

### NOTE - 1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction cost that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognized less cumulative income recognized in accordance with principles of Ind AS 115.

#### 17.2.3 Derecognition

A Financial Liability is derecognized 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 recognized 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 through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized 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 recognized 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 recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value of derivatives depends on the designation or non- designation of derivative as hedging instruments. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

#### 17.5.1 Derivative that are designated as Hedge Instrument

The Company undertakes foreign exchange forward contracts, commodity forward contracts and interest rates swap contracts for hedging foreign currency risks, commodity price risks and interest rate risks respectively. The Company generally designates the whole forward contract as hedging instrument. These hedges are accounted for as cash flow hedges. These hedging instruments are as per the policies approved by the Board of Directors.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that the hedge is actually have been highly effective throughout the financial reporting periods for which it was designated.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in Other Comprehensive Income and accumulated under the heading Cash Flow Hedge Reserve within Equity. The gain or loss relating to the ineffective portion is recognized immediately in the Statement of Profit and Loss and included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

Amounts previously recognized in OCI and accumulated in equity relating to effective portion are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line item as the recognized hedged item

## NOTES TO FINANCIAL STATEMENTS

### NOTE - 1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting.

#### 17.5.2 Derivatives that are not designated as hedge instrument

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through the Statement of Profit and Loss and are included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

#### 17.6 Commodity Contracts

Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

### 18. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdraft (negative balance in Account) is shown under short term borrowings under Financial Liabilities & Positive balance in that account is shown in Cash & Cash Equivalents.

### 19. TREASURY SHARES

Pursuant to the Scheme of Amalgamation, IOC Shares Trust has been set up by IOCL for holding treasury shares in relation to IBP and BRPL mergers. The shares held by IOC Shares Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized 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, maximizing the use of relevant observable inputs and minimizing 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation

## NOTES TO FINANCIAL STATEMENTS

### NOTE - 1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

(based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In case of Level 3 valuations, external valuers are also involved in some cases for valuation of assets and liabilities, such as unquoted financial assets, loans to related parties etc.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### 21. EARNINGS PER SHARE

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number

of equity shares outstanding during the year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. The Company did not have any potentially dilutive securities in the years presented.

#### III. New Standards/ amendments and other changes effective April 1,2021 or thereafter

Ministry of Corporate Affairs notified amendments to the existing standards vide notification G.S.R. 419(E) dated 18th July 2021. The effect of those amendments is not material.

#### IV. Standards issued but not yet effective

Ministry of Corporate Affairs notifies new standard or amendments to the existing standards. During the year, vide Notification G.S.R. 255(E) dated 23th March 2022, minor modifications in existing standards has been notified which will be applicable from April 1, 2022.

## 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.

#### A. JUDGEMENTS

In the process of applying the company's accounting policies, management has made the following judgements, which have the significant effect on the amounts recognised in the financial statements:

##### Materiality

Ind AS requires assessment of materiality by the Company for accounting and disclosure of various transactions in the financial statements. Accordingly, the Company assesses materiality limits for various items for accounting and disclosures and follows on a consistent basis. Overall materiality is also assessed based on various financial parameters such as Gross Block of assets, Net Block of Assets, Total Assets, Revenue and Profit Before Tax. The materiality limits are reviewed and approved by the Board.

##### Intangible Asset under Development

Acquisition costs and drilling of exploratory well costs are 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.

#### B. ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

##### Defined benefit plans/ Other Long term employee benefits

The cost of the defined benefit plans and other long term employee benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The management considers the interest rates of government securities based on expected settlement period of various plans.

Further details about various employee benefit obligations are given in Note 35.

##### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include

## NOTES TO FINANCIAL STATEMENTS

### NOTE - 1B: SIGNIFICANT ACCOUNTING ESTIMATES & JUDGEMENTS (Contd...)

considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer note 39 for further disclosures of estimates and assumptions.

#### Impairment of Financial Assets

The impairment provisions for trade receivables are made considering simplified approach based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the company's past history and other factors at the end of each reporting period. In case of other financial assets, the Company applies general approach for

recognition of impairment losses wherein the Company uses judgement in considering the probability of default upon initial recognition and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. Also refer Note-40 for impairment analysis and provision.

#### Income Taxes

The Company uses estimates and judgements based on the relevant facts, circumstances, present and past experience, rulings, and new pronouncements while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.



## NOTES TO FINANCIAL STATEMENTS

## NOTE - 2 “PROPERTY, PLANT AND EQUIPMENT”

## Current Year

(₹ in crore)

	Land - Freehold (Refer A&E)	Buildings, Roads etc. (Refer B&E)	Plant and Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	Producing Properties	Right of Use Assets (ROU) (Refer E)	Total
<b>GROSS BLOCK</b>											
Gross Block as at April 01, 2021	3,658.56	16,854.21	1,46,196.24	2,139.52	91.83	783.56	199.02	1,263.81	201.19	11,768.91	1,83,156.85
Additions during the year	61.56	214.78	3,535.89	193.02	5.75	30.35	1.24	11.84	-	2,387.82	6,442.25
Transfers from construction work-in-progress	7.10	2,258.00	5,753.08	178.40	3.29	84.88	7.40	0.14	1.15	-	8,293.44
Disposals/ Deductions/ Transfers/ Reclassifications	(7.63)	183.56	(271.78)	(92.35)	(1.15)	(14.12)	(4.43)	(0.26)	-	(1,368.84)	(1,577.00)
Gross Block as at March 31, 2022	3,719.59	19,510.55	1,55,213.43	2,418.59	99.72	884.67	203.23	1,275.53	202.34	12,787.89	1,96,315.54
<b>DEPRECIATION &amp; AMORTISATION</b>											
Depreciation & Amortisation as at April 01, 2021	-	3,809.43	34,042.86	1,185.84	38.43	381.25	63.60	255.35	44.05	2,419.90	42,240.71
Depreciation & Amortisation during the year (Refer C)	-	981.41	7,619.66	351.67	6.99	75.93	13.62	49.78	17.00	1,652.02	10,768.08
Disposals/ Deductions/ Transfers/ Reclassifications	-	(28.48)	(356.67)	(81.76)	(0.42)	(10.68)	(2.17)	-	-	(609.15)	(1,089.33)
Depreciation & Amortisation as at March 31, 2022	-	4,762.36	41,305.85	1,455.75	45.00	446.50	75.05	305.13	61.05	3,462.77	51,919.46
<b>IMPAIRMENT (Refer H)</b>											
Impairment Loss as at April 01, 2021	-	-	-	-	-	-	-	-	-	-	-
Impairment Loss during the year	-	-	82.55	-	-	-	-	-	-	-	82.55
Impairment Loss as at March 31, 2022	-	-	82.55	-	-	-	-	-	-	-	82.55
<b>Net Block as at March 31, 2022</b>	<b>3,719.59</b>	<b>14,748.19</b>	<b>1,13,825.03</b>	<b>962.84</b>	<b>54.72</b>	<b>438.17</b>	<b>128.18</b>	<b>970.40</b>	<b>141.29</b>	<b>9,325.12</b>	<b>1,44,313.53</b>

## Previous Year

(₹ in crore)

	Land - Freehold	Buildings, Roads etc.	Plant And Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	Producing Properties	Right of Use Assets (ROU)	Total
<b>GROSS BLOCK</b>											
Gross Block as at April 01, 2020	3,517.66	15,019.28	1,31,496.40	1,829.71	78.86	703.53	183.65	1,276.57	199.98	10,700.15	1,65,005.79
Additions during the year	206.82	135.60	3,085.62	241.07	10.34	30.61	14.60	-	-	1,547.33	5,271.99
Transfers from construction work-in-progress	4.37	1,838.71	12,485.31	171.41	2.67	62.51	1.33	-	1.21	-	14,567.52
Disposals/ Deductions/ Transfers/ Reclassifications	(70.29)	(139.38)	(871.09)	(102.67)	(0.04)	(13.09)	(0.56)	(12.76)	-	(478.57)	(1,688.45)
Gross Block as at March 31, 2021	3,658.56	16,854.21	1,46,196.24	2,139.52	91.83	783.56	199.02	1,263.81	201.19	11,768.91	1,83,156.85
<b>DEPRECIATION &amp; AMORTISATION</b>											
Depreciation & Amortisation as at April 01, 2020	-	3,028.10	27,069.56	938.88	30.81	314.46	48.91	205.90	26.68	1,589.73	33,253.03
Depreciation & Amortisation during the year (Refer C)	-	795.73	7,154.85	327.54	7.71	73.87	14.71	49.45	17.37	1,200.38	9,641.61
Disposals/ Deductions/ Transfers/ Reclassifications	-	(14.40)	(181.55)	(80.58)	(0.09)	(7.08)	(0.02)	-	-	(370.21)	(653.93)
Depreciation & Amortisation as at March 31, 2021	-	3,809.43	34,042.86	1,185.84	38.43	381.25	63.60	255.35	44.05	2,419.90	42,240.71
<b>Net Block as at March 31, 2021</b>	<b>3,658.56</b>	<b>13,044.78</b>	<b>1,12,153.38</b>	<b>953.68</b>	<b>53.40</b>	<b>402.31</b>	<b>135.42</b>	<b>1,008.46</b>	<b>157.14</b>	<b>9,349.01</b>	<b>1,40,916.14</b>

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 2 “PROPERTY, PLANT AND EQUIPMENT” (Contd...)

- A. i) Freehold Land includes ₹ **1.61 crore** (2021: ₹ 1.61 crore) lying vacant due to title disputes/ litigation.
- ii) Out of the Freehold land measuring 1364.01 acres at Mathura and Agra regions, land measuring 50 acres (approx) has been acquired by NHAI as a part of the NH2 widening project for which the determination of value of compensation is pending. Accordingly, the value of land amounting to ₹ 1.18 crore is continued to be included in Freehold land.
- iii) Freehold Land includes ₹ **41.75 crore** of compensation paid in respect of land at Panipat Refinery as per District and High court orders of earlier dates, which was later quashed by subsequent High Court order dated 18.12.2019. Since, the process of recovery, for compensation already paid, has been stayed by Honble Supreme Court vide order dated 21.09.2020, necessary adjustment shall be made in the cost of the land upon actual recovery, if any.
- B. i) Buildings include ₹ **0.01 crore** (2021: ₹ 0.01 crore) towards value of 1605 (2021: 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 ₹ **5122.57 crore** (2021: ₹ 4219.39 crore) and net block amounting to ₹ **2834.91 crore** (2021: ₹ 2390.91 crore).
- C. Depreciation and amortisation for the year includes ₹ **19.09 crore** (2021: ₹ 25.86 crore) relating to construction period expenses shown in Note-2.2
- D. Railways have claimed transfer of ownership in respect of certain assets provided by the Company at railway premises which has not been accepted by the Company and continue to be part of Property, Plant & Equipment of the Company, WDV of such asset is ₹ **47.97 crore** (2021: ₹ 49.28 crore). This includes WDV of assets worth ₹ **17.59 crore** (2021: ₹ 17.91 crore) which are being used by other oil companies based on award of tender by Railways. However, considering the right on the assets company, these assets are continued to be reflected as Property, Plant & Equipment.
- E. Land and Buildings (Including ROU Asset) include ₹ **733.5 crore** (2021: ₹ 1282.78 crore) in respect of which Title/ Lease Deeds are pending for execution or renewal.
- F. For details regarding hypothecation/ pledge of assets, refer Note-16. For details regarding ROU Assets, refer Note-36.
- G. In accordance with the requirements prescribed under Schedule II to Companies Act, 2013, the Company has adopted useful lives as prescribed in that schedule except in some cases as per point no. 2.4.1 of significant accounting policies (Note-1).
- H. During the year, Company has provided an impairment loss in the statement of Profit and Loss under the Head ‘Depreciation, Amortisation and Impairment on Tangible Assets’ on windmills in Rajasthan of ₹ **82.55 crore** (2021: NIL) considering uncertainty over availment of eligible Renewable Energy Certificates (REC) and retaining tariff of ₹ 3.14/Kwh as per RRECL order dated 05.03.2019.
- I. Hitherto, the depreciation was being charged pro-rata on quarterly basis on assets from/ upto the quarter of capitalisation/ disposal. As an improvement in present practice, the company has adopted a shorter time period of monthly grouping for pro-rata depreciation effective from April 01, 2021. The impact on account of above change is reduction in depreciation by ₹ **146.78 crore** in FY 2021-22. However, the overall impact over the useful life of asset will be nil.

## Details of assets given on operating lease included in the above:

Asset Particulars	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	(₹ in crore)	
				W.D.V. as at 31/03/22	W.D.V. as at 31/03/21
Land - Freehold	13.93	-	-	<b>13.93</b>	10.91
ROU Asset (Land - Leasehold)	78.80	7.61	-	<b>71.19</b>	64.42
Buildings	159.29	24.18	-	<b>135.11</b>	143.67
Plant and Equipment	283.95	30.26	-	<b>253.69</b>	267.94
Office Equipment	12.80	4.79	-	<b>8.01</b>	8.86
Furniture	1.46	0.37	-	<b>1.09</b>	1.12
Drainage, Sewage & Water Supply	-	-	-	-	1.55

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 2 “PROPERTY, PLANT AND EQUIPMENT” (Contd...)

## Details of Company's share of Jointly Owned Assets included in the above:

Asset Particulars	Name of Joint Owner*	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	(₹ in crore)	
					W.D.V. as at 31/03/22	W.D.V. as at 31/03/21
Land - Freehold	HPCL, BPCL	1.59	-	-	1.59	1.59
ROU Asset (Land - Leasehold)	BPCL	0.05	-	-	0.05	0.06
Buildings	HPCL, BPCL, Others	51.45	16.55	-	34.90	36.53
Plant and Equipment	HPCL, BPCL, RIL, Others	64.88	22.82	-	42.06	45.10
Office Equipments	BPCL	0.51	0.30	-	0.21	0.31
Railway Sidings	HPCL, BPCL	17.76	7.16	-	10.60	9.51
Drainage, Sewage & Water Supply	HPCL, BPCL, GSFC	0.45	0.09	-	0.36	0.37
<b>Total</b>		<b>136.69</b>	<b>46.92</b>	<b>-</b>	<b>89.77</b>	<b>93.47</b>

\* **HPCL:** Hindustan Petroleum Corporation Ltd., **BPCL:** Bharat Petroleum Corporation Ltd., **GSFC:** Gujarat State Fertilizers & Chemicals Ltd., **RIL:** Reliance Industries Limited

## Additions to Gross Block Includes:

Asset Particulars	(₹ in crore)			
	Exchange Fluctuation		Borrowing Cost	
	31/03/22	31/03/21	31/03/22	31/03/21
Buildings	5.07	(5.30)	23.65	3.11
Plant and Equipment	247.11	(252.84)	67.60	187.90
Office Equipments	0.06	(0.04)	0.04	-
Furniture & Fixtures	-	-	0.05	-
Drainage, Sewage & Water Supply	11.84	(12.64)	0.33	-
<b>Total</b>	<b>264.08</b>	<b>(270.82)</b>	<b>91.67</b>	<b>191.01</b>

## Carrying Value of temporarily idle assets/ assets retired from active use and not classified as held for sale/ immovable assets constructed on short-term leases included in the above:

Asset Particulars	(₹ in crore)					
	Temporarily Idle		Retired from Active Use and not classified as Held for Sale		Immovable Assets constructed on short-term leases *	
	31/03/22	31/03/21	31/03/22	31/03/21	31/03/22	31/03/21
Land - Freehold	0.47	-	0.46	0.01	-	-
Buildings	11.08	4.22	3.35	0.05	342.07	298.62
Plant and Equipment	213.42	213.48	75.28	30.65	0.27	0.27
Office Equipments	0.89	0.03	0.01	0.01	-	-
Furniture & Fixtures	0.28	0.29	0.01	-	-	-
Railway Sidings	-	-	0.76	-	-	-
<b>Total</b>	<b>226.14</b>	<b>218.02</b>	<b>79.87</b>	<b>30.72</b>	<b>342.34</b>	<b>298.89</b>

\* Includes leases for which agreement are yet to be entered or due for renewal.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 2.1: CAPITAL WORK IN PROGRESS

## Current Year

(₹ in crore)

Particulars	Construction Work in Progress - Tangible Assets	Capital Stores	Capital Goods in Transit	Construction Period Expenses pending allocation	Total
	Refer A	Refer B			
<b>Balance as at beginning of the year</b>	<b>24,652.63</b>	<b>4,371.71</b>	<b>717.56</b>	<b>2,062.70</b>	<b>31,804.60</b>
Additions during the year	15,999.01	3,269.33	572.59	-	19,840.93
Net expenditure during the year (Note - 2.2)	-	-	-	1,514.00	1,514.00
Transfer to Property, Plant and Equipment (Note 2)	(8,293.44)	-	-	-	(8,293.44)
Transfer to Property, Plant and Equipment - Direct Addition (Note 2)	-	-	(10.41)	-	(10.41)
Transfer to Statement of Profit and Loss	(5.57)	-	-	-	(5.57)
Other Allocation/ Adjustment during the year	1,309.89	(2,198.07)	(734.13)	(283.00)	(1,905.31)
	<b>33,662.52</b>	<b>5,442.97</b>	<b>545.61</b>	<b>3,293.70</b>	<b>42,944.80</b>
Provision for Capital Losses	(163.81)	(16.39)	-	-	(180.20)
<b>Closing Balance</b>	<b>33,498.71</b>	<b>5,426.58</b>	<b>545.61</b>	<b>3,293.70</b>	<b>42,764.60</b>

## Previous Year

(₹ in crore)

Particulars	Construction Work in Progress - Tangible Assets	Capital Stores	Capital Goods in Transit	Construction Period Expenses pending allocation	Total
	Refer A	Refer B			
<b>Balance as at beginning of the year</b>	<b>20,616.59</b>	<b>5,617.36</b>	<b>611.95</b>	<b>1,324.84</b>	<b>28,170.74</b>
Additions during the year	16,389.51	2,905.46	825.66	-	20,120.63
Net expenditure during the year (Note - 2.2)	-	-	-	1,345.89	1,345.89
Transfer to Property, Plant and Equipment (Note 2)	(14,567.52)	-	-	-	(14,567.52)
Transfer to Property, Plant and Equipment - Direct Addition (Note 2)	-	-	(26.73)	-	(26.73)
Transfer to Statement of Profit and Loss	(1.56)	(0.26)	-	-	(1.82)
Other Allocation/ Adjustment during the year	2,215.61	(4,150.85)	(693.32)	(608.03)	(3,236.59)
	<b>24,652.63</b>	<b>4,371.71</b>	<b>717.56</b>	<b>2,062.70</b>	<b>31,804.60</b>
Provision for Capital Losses	(183.42)	(20.57)	-	-	(203.99)
<b>Closing Balance</b>	<b>24,469.21</b>	<b>4,351.14</b>	<b>717.56</b>	<b>2,062.70</b>	<b>31,600.61</b>

A. Includes ₹ 329.65 crore (2021: ₹ 271.88 crore) towards Capital Expenditure relating to ongoing Oil & Gas Exploration & Production activities

B. Includes ₹ 392.84 crore (2021: ₹ 689 crore) towards Stock lying with Contractors

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 2.1: CAPITAL WORK IN PROGRESS (Contd...)

## Ageing of Capital Work in Progress

Particulars	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(₹ in crore)					
<b>Current Year</b>					
i) Projects in Progress	19,057.89	14,269.00	6,559.10	2,881.43	42,767.42
ii) Projects temporarily suspended	1.78	16.97	7.48	151.15	177.38
<b>Total</b>	<b>19,059.67</b>	<b>14,285.97</b>	<b>6,566.58</b>	<b>3,032.58</b>	<b>42,944.80</b>
<b>Previous Year</b>					
i) Projects in Progress	18,642.32	8,078.62	2,855.81	2,041.01	31,617.76
ii) Projects temporarily suspended	23.06	7.86	72.95	82.97	186.84
<b>Total</b>	<b>18,665.38</b>	<b>8,086.48</b>	<b>2,928.76</b>	<b>2,123.98</b>	<b>31,804.60</b>

## Completion Schedule of Capital Work in Progress for Projects where Completion is Overdue or Cost has Exceeded its Original Plan

## Current Year

Particulars	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
(₹ in crore)				
<b>i) Projects in Progress</b>				
- Fuel Quality Upgradation Project	3,404.73	-	-	-
- Indjet Unit at Barauni Refinery	128.32	-	-	-
- Infrastructure development to facilitate import of Grid power	420.22	-	-	-
- 2G Ethanol Plant at Panipat Refinery	548.44	-	-	-
- Ethanol production from PSA Off gas at Panipat Refinery	539.29	-	-	-
- Catalyst Manufacturing Unit at Panipat Refinery	162.87	-	-	-
- NCU Expansion at Panipat Refinery	878.11	-	-	-
- PX/PTA Expansion at Panipat Refinery	383.95	-	-	-
- Infrastructure at Dumad for (Koyali Ahmednagar Solapur Pipeline) KASPL	292.54	-	-	-
- Additional Tankages Project at Paradip Refinery	201.34	-	-	-
- MEG Project at Paradip Refinery	3,666.69	-	-	-
- CBR-Trichy Product Pipeline	108.26	-	-	-
- Paradip - Hyderabad Pipeline	2,783.26	-	-	-
- Augmentation of PHDPL and its extension upto Patna and Muzaffarpur	1,488.56	-	-	-
- Koyali - Ahmednagar-Sholapur Pipeline	1,542.71	-	-	-
- Ennore-Thiruvallur-Bengaluru-Puducherry-Nagapattinam-Madurai-Tuticorin Gas Pipeline	3,585.20	-	-	-
- Paradip-Somnathpur-Haldia Pipeline	818.51	-	-	-
- 30" OD Crude Oil Pipeline in H-B section of PHBPL and Conversion of existing 18" twin pipelines in H-B section from crude to Product & Gas service	2,224.08	-	-	-
- LPG Import Facility At Paradip	593.93	-	-	-
- Motihari LPG Bottling Plant	168.87	-	-	-
- POL Terminal at Motihari	196.40	-	-	-



## NOTES TO FINANCIAL STATEMENTS

## NOTE - 2.1: CAPITAL WORK IN PROGRESS (Contd...)

(₹ in crore)

Particulars	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
- Railhead depot at Silchar (Assam)	123.08	-	-	-
- TOP at Manmad Terminal	149.48	-	-	-
- TOP at Solapur Depot	231.92	-	-	-
- TOP at Ahmednagar Depot	167.44	-	-	-
- Augmentation of Ratlam Terminal Project	252.79	-	-	-
- POL Terminal at Atchutapuram	233.14	-	-	-
- Guntakal Railfed Depot	180.20	-	-	-
- TOP on PHPL at Vijayawada	152.86	-	-	-
- Cochin LPG Import facility	488.02	-	-	-
- Pipeline TOP at Asaur	216.81	-	-	-
- BK-CBM-2001/1	220.73	-	-	-
- NK-CBM-2001/1	-	109.31	-	-
- Others Projects *	1,885.05	9.84	0.02	-
<b>Total</b>	<b>28,437.80</b>	<b>119.15</b>	<b>0.02</b>	<b>-</b>
<b>ii) Projects temporarily suspended</b>				
- 80 TPH PETCOKE FIRED BOILER Project at Guwahati Refinery				120.38
- Others Projects *	16.07	0.30	0.47	39.92
<b>Total</b>	<b>16.07</b>	<b>0.30</b>	<b>0.47</b>	<b>160.30</b>

## Previous Year

(₹ in crore)

Particulars	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
<b>i) Projects in Progress</b>				
- 2G Ethanol Plant at Panipat Refinery	-	274.74	-	-
- Ethanol production from PSA Off gas at Panipat Refinery	-	291.74	-	-
- NCU Expansion at Panipat Refinery	-	602.47	-	-
- Fuel Quality Upgradation Project	284.23	1,702.88	-	-
- Additional Crude Tanks Project at Paradip Refinery	-	156.82	-	-
- MEG Project at Paradip Refinery	-	2,739.16	-	-
- Infrastructure at Dumad for (Koyali Ahmednagar Solapur Pipeline) KASPL	-	189.66	-	-
- Paradip - Hyderabad Pipeline	2,693.63	-	-	-
- Augmentation of PHDPL and its extension upto Patna and Muzaffarpur	1,205.24	-	-	-
- Koyali - Ahmednagar-Sholapur Pipeline	1,286.75	-	-	-
- Ennore-Thiruvallur-Bengaluru-Puducherry-Nagapattinam-Madurai-Tuticorin Gas Pipeline	3,004.12	-	-	-
- Augmentation of Chennai Trichy Madurai Pipeline	112.97	-	-	-
- LPG Import Facility At Paradip	554.19	-	-	-
- Motihari LPG Bottling Plant	127.87	-	-	-
- POL Terminal at Motihari	226.67	-	-	-
- Railhead depot at Silchar (Assam)	210.15	-	-	-

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 2.1: CAPITAL WORK IN PROGRESS (Contd...)

(₹ in crore)

Particulars	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
- Augmentation of Ratlam Terminal Project	168.91	-	-	-
- Modernisation of Lube Blending Plant, Trombay	109.89	-	-	-
- Guntakal Railfed Depot	232.00	-	-	-
- Revamping/Augmentation of Baitalpur Depot	143.29	-	-	-
- BK-CBM-2001/1	-	177.51	-	-
- Others Projects *	955.72	411.49	93.57	0.96
<b>Total</b>	<b>11,315.63</b>	<b>6,546.47</b>	<b>93.57</b>	<b>0.96</b>
<b>ii) Projects temporarily suspended</b>				
- 80 TPH PETCOKE FIRED BOILER Project at Guwahati Refinery				120.38
- Others Projects *	14.60	10.85	0.06	40.39
<b>Total</b>	<b>14.60</b>	<b>10.85</b>	<b>0.06</b>	<b>160.77</b>

\* Projects with actual expenditure less than ₹ 100 crore have been clubbed under Others Projects

## NOTE - 2.2: CONSTRUCTION PERIOD EXPENSES (NET) DURING THE YEAR

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021
Employee Benefit Expenses	438.84	421.12
Repairs and Maintenance	6.61	5.82
Consumption of Stores and Spares	0.16	0.20
Power & Fuel	7.24	57.88
Rent	13.21	11.47
Rates and Taxes	1.55	2.69
Travelling Expenses	47.53	49.91
Communication Expenses	1.75	1.78
Printing and Stationery	0.87	0.81
Electricity and Water Charges	3.64	6.76
Bank Charges	0.11	0.06
Technical Assistance Fees	3.89	2.40
Finance Costs <b>A</b>	937.45	697.88
<b>Depreciation, Amortisation and Impairment on:</b>		
Property, Plant and Equipment	19.09	25.86
Intangible Assets	0.11	0.30
Start Up/ Trial Run Expenses (net of revenue)	0.98	5.30
Others	55.03	70.36
Total Expenses	1,538.06	1,360.60
Less : Recoveries	24.06	14.71
<b>Net Expenditure during the year</b>	<b>1,514.00</b>	<b>1,345.89</b>

A. Rate of Specific borrowing eligible for capitalisation is **1.11% to 7.41%** (2021: 1.08% to 8.12%)

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 3: INTANGIBLE ASSETS

## Current Year

(₹ in crore)

	Right of Way	Licenses	Computer Software	Total
<b>GROSS BLOCK</b>				
<b>Gross Block as at April 01, 2021</b>	<b>1,270.03</b>	<b>1,443.41</b>	<b>371.95</b>	<b>3,085.39</b>
Additions during the year	110.14	13.21	22.22	145.57
Transfers from Intangible Assets under Development	-	86.68	42.44	129.12
Disposals/ Deductions / Transfers / Reclassifications	-	(9.06)	(12.09)	(21.15)
<b>Gross Block as at March 31, 2022</b>	<b>1,380.17</b>	<b>1,534.24</b>	<b>424.52</b>	<b>3,338.93</b>
<b>AMORTISATION</b>				
<b>Amortisation as at April 01, 2021</b>	<b>19.37</b>	<b>328.00</b>	<b>254.22</b>	<b>601.59</b>
Amortisation during the year	3.80	95.48	75.20	174.48
Disposals/ Deductions / Transfers / Reclassifications	-	(0.55)	(11.90)	(12.45)
<b>Amortisation as at March 31, 2022</b>	<b>23.17</b>	<b>422.93</b>	<b>317.52</b>	<b>763.62</b>
<b>Net Block as at March 31, 2022</b>	<b>1,357.00</b>	<b>1,111.31</b>	<b>107.00</b>	<b>2,575.31</b>

## Previous Year

(₹ in crore)

	Right of Way	Licenses	Computer Software	Total
<b>GROSS BLOCK</b>				
<b>Gross Block as at April 01, 2020</b>	<b>919.30</b>	<b>1,172.18</b>	<b>250.40</b>	<b>2,341.88</b>
Additions during the year	350.71	1.84	31.00	383.55
Transfers from Intangible Assets under Development	-	276.21	90.99	367.20
Deductions / Transfers / Reclassifications	0.02	(6.82)	(0.44)	(7.24)
<b>Gross Block as at March 31, 2021</b>	<b>1,270.03</b>	<b>1,443.41</b>	<b>371.95</b>	<b>3,085.39</b>
<b>AMORTISATION</b>				
<b>Amortisation as at April 01, 2020</b>	<b>14.37</b>	<b>230.47</b>	<b>168.00</b>	<b>412.84</b>
Amortisation during the year	5.01	97.74	86.10	188.85
Disposals/ Deductions / Transfers/ Reclassifications	(0.01)	(0.21)	0.12	(0.10)
<b>Amortisation as at March 31, 2021</b>	<b>19.37</b>	<b>328.00</b>	<b>254.22</b>	<b>601.59</b>
<b>Net Block as at March 31, 2021</b>	<b>1,250.66</b>	<b>1,115.41</b>	<b>117.73</b>	<b>2,483.80</b>

- A. Amortisation for the year includes ₹ 0.11 crore (2021: ₹ 0.30 crore) relating to construction period expenses shown in Note 2.2
- B. Hitherto, the amortisation was being charged pro-rata on quarterly basis on assets from/ upto the quarter of capitalisation/ disposal. As an improvement in present practice, the company has adopted a shorter time period of monthly grouping for pro-rata depreciation effective from April 01, 2021. The impact on account of above change is reduction in amortisation by ₹ 2.13 crore in FY 2021-22. However, the overall impact over the useful life of asset will be nil.

## C. Net Block of Intangible Assets with indefinite useful life

(₹ in crore)

Particulars	At March 31, 2022	At March 31, 2021
Right of Way	1,353.91	1,243.77

Right of way for laying pipelines are acquired on a perpetual basis.

## D. 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	W.D.V. as at March 31, 2022	W.D.V. as at March 31, 2021
Computer Software	HPCL, BPCL	0.95	0.93	0.02	0.07

\* HPCL: Hindustan Petroleum Corporation Ltd., BPCL: Bharat Petroleum Corporation Ltd.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 3.1: INTANGIBLE ASSETS UNDER DEVELOPMENT

## Current Year

Particulars	(₹ in crore)	
		Total
<b>Balance as at beginning of the year</b>		<b>1,798.01</b>
Net expenditure during the year		97.50
Transfer to Intangible Assets (Note 3)		(129.12)
Transfer to Statement of Profit and Loss		-
Other Allocation/ Adjustment during the year		368.24
		<b>2,134.63</b>
Provision for Loss		(453.16)
<b>Closing Balance</b>		<b>1,681.47</b>

## Previous Year

Particulars	(₹ in crore)	
		Total
<b>Balance as at beginning of the year</b>		<b>1,844.48</b>
Net expenditure during the year		199.13
Transfer to Intangible Assets (Note 3)		(367.20)
Transfer to Statement of Profit and Loss		(46.22)
Other Allocation/ Adjustment during the year		167.82
		<b>1,798.01</b>
Provision for Loss		(346.49)
<b>Closing Balance</b>		<b>1,451.52</b>

Intangible assets under development are mainly in the nature of Exploration & Production Blocks and Licences & Computer Softwares. Amount above includes ₹ 205.22 crore (2021: ₹ 204.91 crore) towards Capital Expenditure (Net) relating to ongoing Oil & Gas Exploration & Production activities

## Ageing of Intangible Assets under Development

Particulars	Amount of Intangible Assets under Development for a period of				Total
	(₹ in crore)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Current Year</b>					
i) Projects in Progress	89.52	523.69	333.17	709.31	1,655.69
ii) Projects temporarily suspended	0.28	11.35	60.82	406.49	478.94
<b>Total</b>	<b>89.80</b>	<b>535.04</b>	<b>393.99</b>	<b>1,115.80</b>	<b>2,134.63</b>
<b>Previous Year</b>					
i) Projects in Progress	178.93	526.21	294.55	426.06	1,425.75
ii) Projects temporarily suspended	-	-	-	372.26	372.26
<b>Total</b>	<b>178.93</b>	<b>526.21</b>	<b>294.55</b>	<b>798.32</b>	<b>1,798.01</b>

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 3.1: INTANGIBLE ASSETS UNDER DEVELOPMENT (Contd...)

Completion Schedule of Intangible Assets under Development for Projects where Completion is Overdue or Cost has Exceeded its Original Plan

(₹ in crore)

Particulars	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
<b>Current Year</b>				
<b>i) Projects in Progress</b>				
- NCU Expansion at Panipat Refinery	107.97			
- Acrylics/ OXO Alcohol project at Gujarat Refinery	-	204.70		
- Shakthi Gabon			148.77	
- Others	263.53	25.25	-	-
<b>Total</b>	<b>371.50</b>	<b>229.95</b>	<b>148.77</b>	<b>-</b>
<b>ii) Projects temporarily suspended</b>				
- Residue Upgradation Project at Mathura Refinery				132.21
- Farsi, Iran				126.26
- Others	-	-	0.28	220.19
<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.28</b>	<b>478.66</b>
<b>Previous Year</b>				
<b>i) Projects in Progress</b>				
- NCU Expansion at Panipat Refinery	-	107.97		
- Shakthi Gabon				148.78
- Others	14.02	132.71	25.25	0.01
<b>Total</b>	<b>14.02</b>	<b>240.68</b>	<b>25.25</b>	<b>148.79</b>
<b>ii) Projects temporarily suspended</b>				
- Residue Upgradation Project at Mathura Refinery				132.21
- Farsi, Iran				126.25
- Others				113.80
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>372.26</b>

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 4 : INVESTMENTS

Particulars	Investment Currency	Face Value/ Paid up Value	March 31,2022		
			Number	Paid Up Value	
<b>NON-CURRENT INVESTMENTS :</b>					
<b>I In Equity Shares</b>					
<b>A In Subsidiaries (At Cost):</b>					
<b>QUOTED:</b>					
Chennai Petroleum Corporation Limited	Indian Rupees	10	77265200	10	
Lanka IOC PLC (Quoted in Colombo Stock Exchange, Sri Lanka)	Sri Lankan Rupees	10	400000005	10	
<b>UNQUOTED:</b>					
Indian Oil Mauritius Limited	Mauritian Rupees	100	4882043	100	
IOC Middle East FZE	Arab Emirates Dirham	10,00,000	2	10,00,000	
IOC Sweden AB	Swedish Krona	100	5256111	100	
IOCL (USA) Inc.	USD	0.01	5763538921	0.01	
Indian Catalyst Private Limited (dissolved) (formely known as Indo Cat Private Limited)	Indian Rupees	-	-	-	
IndOil Global B.V.	Canadian Dollars	1	1131302435	1	
IOCL Singapore PTE Limited	USD	1	1329991988	1	
<b>Sub-total: (I)(A)</b>					
<b>B In Associates (At Cost):</b>					
<b>QUOTED:</b>					
Petronet LNG Limited	Indian Rupees	10	187500000	10	
<b>UNQUOTED:</b>					
Avi-Oil India Private Limited	Indian Rupees	10	4500000	10	
Petronet India Limited (under liquidation)	Indian Rupees	0.10	18000000	0.10	
Petronet VK Limited	Indian Rupees	10	50000000	10	
<b>Sub-total: (I)(B)</b>					
<b>C In Joint Ventures (At Cost):</b>					
<b>UNQUOTED:</b>					
Indian Oiltanking Limited	Indian Rupees	10	494828289	10	
Lubrizol India Private Limited	Indian Rupees	100	499200	100	
Indian Oil Petronas Private Limited	Indian Rupees	10	134000000	10	
Petronet CI Limited (under liquidation)	Indian Rupees	10	3744000	10	
Green Gas Limited	Indian Rupees	10	23047250	10	
IndianOil SkyTanking Private Limited	Indian Rupees	10	25950000	10	
Suntera Nigeria 205 Limited	Naira	1	2500000	1	
Delhi Aviation Fuel Facility Private Limited	Indian Rupees	10	60680000	10	
Indian Synthetic Rubbers Private Limited	Indian Rupees	10	222861375	10	
NPCIL-IndianOil Nuclear Energy Corporation Limited	Indian Rupees	10	260000	10	
GSPL India Gasnet Limited	Indian Rupees	10	491925030	10	
GSPL India Transco Limited	Indian Rupees	10	157820000	10	



March 31,2022				March 31,2021				
	Investment Value	Impairment Loss/Fair Value Adjustment	Carrying / Fair Value	Number	Paid Up Value	Investment Value	Impairment Loss/Fair Value Adjustment	Carrying / Fair Value
	(₹ in crore)	(₹ in crore)	(₹ in crore)			(₹ in crore)	(₹ in crore)	(₹ in crore)
	(1)	(2)	(1+2)			(1)	(2)	(1+2)
	509.33	-	509.33	77265200	10	509.33	-	509.33
	194.13	-	194.13	400000005	10	194.13	-	194.13
	75.67	-	75.67	4882043	100	75.67	-	75.67
	2.30	-	2.30	2	10,00,000	2.30	-	2.30
	388.47	(290.33)	98.14	5243808	100	387.26	-	387.26
	336.32	(154.54)	181.78	5763538921	0.01	336.32	(154.54)	181.78
	-	-	-	9483206	10	4.73	(4.73)	-
	7,840.35	(1,909.51)	5,930.84	1131302435	1	7,840.35	(1,909.51)	5,930.84
	9,005.34	-	9,005.34	1079991988	1	7,128.82	-	7,128.82
	18,351.91	(2,354.38)	15,997.53			16,478.91	(2,068.78)	14,410.13
	98.75	-	98.75	187500000	10	98.75	-	98.75
	4.50	-	4.50	4500000	10	4.50	-	4.50
	0.18	-	0.18	18000000	0.10	0.18	-	0.18
	26.02	(26.00)	0.02	50000000	10	26.02	(26.00)	0.02
	129.45	(26.00)	103.45			129.45	(26.00)	103.45
	723.98	-	723.98	494828289	10	723.98	-	723.98
	61.71	-	61.71	499200	100	61.71	-	61.71
	134.00	-	134.00	134000000	10	134.00	-	134.00
	3.83	(3.83)	-	3744000	10	3.83	(3.83)	-
	23.09	-	23.09	23042250	10	23.04	-	23.04
	73.28	-	73.28	25950000	10	73.28	-	73.28
	0.05	-	0.05	2500000	1	0.05	-	0.05
	60.68	-	60.68	60680000	10	60.68	-	60.68
	222.86	-	222.86	222861375	10	222.86	-	222.86
	0.26	-	0.26	260000	10	0.26	-	0.26
	491.93	-	491.93	413925030	10	413.93	-	413.93
	157.82	(33.29)	124.53	151320000	10	151.32	-	151.32

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 4 : INVESTMENTS (Contd...)

Particulars	Investment Currency	Face Value/ Paid up Value	March 31,2022		
			Number	Paid Up Value	
Indian Oil Adani Gas Private Limited	Indian Rupees	10	631190000	10	
Mumbai Aviation Fuel Farm Facility Private Limited	Indian Rupees	10	52918750	10	
Kochi Salem Pipeline Private Limited	Indian Rupees	10	275000000	10	
IndianOil LNG Private Limited <sup>a</sup> (Refer Note C.5)	Indian Rupees	10	4500	10	
Hindustan Urvarak and Rasayan Limited	Indian Rupees	10	1629415000	10	
Ratnagiri Refineries & Petrochemicals Limited	Indian Rupees	10	100000000	10	
Indradhanush Gas Grid Limited	Indian Rupees	10	85000000	10	
IHB Limited	Indian Rupees	10	1029000000	10	
IndianOil Total Private Limited	Indian Rupees	10	15000000	10	
IOC Phinergy Private Ltd	Indian Rupees	10	562500	10	
Paradeep Plastic Park Limited	Indian Rupees	10	32720000	10	
<b>Sub-total: (I)(C)</b>					
<b>Total Investments in Subsidiaries, Associates &amp; JVs [(I) (A)+(I)(B)+(I)(C)]</b>					
<b>D In Others</b>					
<b>Investments designated at fair value through OCI:</b>					
<b>QUOTED:</b>					
Oil and Natural Gas Corporation Limited	Indian Rupees	5	986885142	5	
GAIL (India) Limited	Indian Rupees	10	108905460	10	
Oil India Limited	Indian Rupees	10	53501100	10	
<b>UNQUOTED:</b>					
International Cooperative Petroleum Association, New York	USD	100	350	100	
Haldia Petrochemical Limited	Indian Rupees	10	150000000	10	
Indian Gas Exchange Limited	Indian Rupees	10	3693750	10	
Vadodara Enviro Channel Limited <sup>b</sup> (Formerly Effluent Channel Projects Limited)	Indian Rupees	10	7151	10	
Woodlands Multispeciality Hospital Limited (Refer Note C.2)	Indian Rupees	-	-	-	
Shama Forge Co. Limited <sup>c</sup> (under liquidation)	Indian Rupees	10	100000	10	
<b>In Consumer Cooperative Societies:</b>					
Barauni <sup>d</sup>	Indian Rupees	10	250	10	
Guwahati <sup>e</sup>	Indian Rupees	10	750	10	
Mathura <sup>f</sup>	Indian Rupees	10	200	10	
Haldia <sup>g</sup>	Indian Rupees	10	2190	10	
In Indian Oil Cooperative Consumer Stores Limited, Delhi <sup>h</sup>	Indian Rupees	10	375	10	
<b>Sub-total: (I)(D)</b>					
<b>Sub-total: (I) = [(I)(A)+(I)(B)+(I)(C)+(I)(D)]</b>					

March 31,2022				March 31,2021				
	Investment Value	Impairment Loss/Fair Value Adjustment	Carrying / Fair Value	Number	Paid Up Value	Investment Value	Impairment Loss/Fair Value Adjustment	Carrying / Fair Value
	(₹ in crore)	(₹ in crore)	(₹ in crore)			(₹ in crore)	(₹ in crore)	(₹ in crore)
	(1)	(2)	(1+2)			(1)	(2)	(1+2)
	631.19	-	631.19	432245000	10	432.25	-	432.25
	52.92	-	52.92	48288750	10	48.29	-	48.29
	275.00	-	275.00	202500000	10	202.50	-	202.50
	-	-	-	5000	10	0.01	-	0.01
	1,629.42	-	1,629.42	1131765000	10	1,131.77	-	1,131.77
	100.00	-	100.00	100000000	10	100.00	-	100.00
	85.00	-	85.00	61000000	10	61.00	-	61.00
	1,029.00	-	1,029.00	829000000	10	829.00	-	829.00
	15.00	-	15.00	7500000	10	7.50	-	7.50
	0.56	-	0.56	-	-	-	-	-
	32.72	-	32.72	-	-	-	-	-
	5,804.30	(37.12)	5,767.18			4,681.26	(3.83)	4,677.43
	24,285.66	(2,417.50)	21,868.16			21,289.62	(2,098.61)	19,191.01
	1,780.12	14,394.93	16,175.05	986885142	5	1,780.12	8,300.91	10,081.03
	122.52	1,572.59	1,695.11	108905460	10	122.52	1,353.15	1,475.67
	1,123.52	151.94	1,275.46	53501100	10	1,123.52	(466.53)	656.99
	0.02	-	0.02	350	100	0.02	-	0.02
	150.00	770.25	920.25	150000000	10	150.00	705.40	855.40
	3.69	2.16	5.85	-	-	-	-	-
	-	-	-	7151	10	-	-	-
	-	-	-	101095	10	0.10	-	0.10
	-	-	-	100000	10	-	-	-
	-	-	-	250	10	-	-	-
	-	-	-	750	10	-	-	-
	-	-	-	200	10	-	-	-
	-	-	-	2190	10	-	-	-
	-	-	-	375	10	-	-	-
	3,179.87	16,891.87	20,071.74			3,176.28	9,892.93	13,069.21
	27,465.53	14,474.37	41,939.90			24,465.90	7,794.32	32,260.22

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 4 : INVESTMENTS (Contd...)

Particulars	Investment Currency	Face Value/ Paid up Value	March 31,2022		
			Number	Paid Up Value	
<b>II In Preference Shares</b>					
<b>Investments at fair value through profit and loss</b>					
<b>A In Subsidiary Companies:</b>					
<b>UNQUOTED:</b>					
Chennai Petroleum Corporation Limited	Indian Rupees	10	500000000	10	
6.65% Cum. Redeemable Non Convertible Preference Shares					
<b>Sub-total: (II)(A)</b>					
<b>B In Others</b>					
<b>UNQUOTED:</b>					
Shama Forge Co. Limited <sup>1</sup> (under liquidation)	Indian Rupees	100	5000	100	
9.5% Cumulative Redeemable Preference Shares					
<b>Sub-total: (II)(B)</b>					
<b>III In Government Securities</b>					
<b>Investments at fair value through OCI</b>					
Quoted: (Note B and C)					
Oil Marketing Companies GOI Special Bonds	Indian Rupees	10,000	2977930	10,000	
9.15% Govt Stock 2024	Indian Rupees	10,000	6000	10,000	
7.35% Govt. Stock 2024	Indian Rupees	10,000	695000	10,000	
<b>Sub-total: (III)</b>					
<b>IV In Debentures or Bonds</b>					
<b>Investments at fair value through profit and loss</b>					
<b>Unquoted:</b>					
IndianOil LNG Private Limited	Indian Rupees	10,00,000	36650	10,00,000	
7.45% Fully and Compulsorily Convertible Debentures					
<b>Sub-total: (IV)</b>					
<b>Total Other Investments [(I)(D)+(II)+(III)+(IV)]</b>					
<b>Total Non Current Investments (I+II+III+IV)</b>					
<b>CURRENT INVESTMENTS:</b>					
<b>I In Government Securities (at fair value through OCI)</b>					
<b>Quoted: (Note B and C)</b>					
Oil Marketing Companies GOI Special Bonds	Indian Rupees	10,000	5205090	10,000	
9.15% Govt Stock 2024	Indian Rupees	10,000	1954000	10,000	
<b>Sub-total:</b>					
<b>Total Current Investments</b>					

March 31,2022			March 31,2021					
	Investment Value	Impairment Loss/Fair Value Adjustment	Carrying / Fair Value	Number	Paid Up Value	Investment Value	Impairment Loss/Fair Value Adjustment	Carrying / Fair Value
	(₹ in crore)	(₹ in crore)	(₹ in crore)			(₹ in crore)	(₹ in crore)	(₹ in crore)
	(1)	(2)	(1+2)			(1)	(2)	(1+2)
	500.00	99.33	599.33	500000000	10	500.00	100.00	600.00
	500.00	99.33	599.33			500.00	100.00	600.00
	-	-	-	5000	100	-	-	-
	-	-	-			-	-	-
	2,977.93	108.94	3,086.87	-	-	-	-	-
	6.84	(0.10)	6.74	1960000	10,000	2,242.91	20.84	2,263.75
	704.04	34.20	738.24	695000	10,000	704.04	48.45	752.49
	3,688.81	143.04	3,831.85			2,946.95	69.29	3,016.24
	3,665.00	(14.26)	3,650.74	36650	10,00,000	3,665.00	210.66	3,875.66
	3,665.00	(14.26)	3,650.74			3,665.00	210.66	3,875.66
	11,033.68	17119.98	28,153.66			10,288.23	10,272.88	20,561.11
	35,319.34	14,702.48	50,021.82			31,577.85	8,174.27	39,752.12
	5,205.09	365.89	5,570.98	8261020	10,000	8,261.02	606.27	8,867.29
	2,236.07	(42.23)	2,193.84	-	-	-	-	-
	7,441.16	323.66	7,764.82			8,261.02	606.27	8,867.29
	7,441.16	323.66	7,764.82			8,261.02	606.27	8,867.29

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 4 : INVESTMENTS (Contd...)

Particulars	(₹ in crore)	
	March 31,2022	March 31,2021
Aggregate carrying value of quoted investments	31,544.50	24,899.43
Aggregate market value of quoted investments	35,683.37	29,362.46
Aggregate carrying value of unquoted investments	26,242.14	23,719.98
Aggregate amount of impairment in value of investments	2,417.50	2,098.61

Followings are not reflected above due to rounding off:-

Particulars	(Amount in ₹)	
	March 31,2022	March 31,2021
a IndianOil LNG Private Limited	45,000	50,000
b Vadodara Enviro Channel Limited	10	10
c Shama Forge Co. Limited	100	100
d Barauni Consumer Cooperative Societies	2,500	2,500
e Guwahati Consumer Cooperative Societies	2,500	2,500
f Mathura Consumer Cooperative Societies	2,000	2,000
g Haldia Consumer Cooperative Societies	16,630	16,630
h Indian Oil Cooperative Consumer Stores Limited, Delhi	3,750	3,750
i Shama Forge Co. Limited	100	100

## Note: A

During the year New investments as well as additional investments were made, as per details below :

Name of the Entity	Number	(₹ in crore)
		Amount
<b>UNQUOTED INVESTMENT:</b>		
<b>Investment in Equity Shares:</b>		
IOC Sweden AB	12303	1.21
IOCL Singapore PTE Limited	250000000	1,876.52
Green Gas Limited	5000	0.05
GSPL India Gasnet Limited	78000000	78.00
GSPL India Transco Limited	6500000	6.50
Indian Oil Adani Gas Private Limited	198945000	198.95
Mumbai Aviation Fuel Farm Facility Private Limited	4630000	4.63
Kochi Salem Pipeline Private Limited	72500000	72.50
Hindustan Urvarak and Rasayan Limited	497650000	497.65
Indradhanush Gas Grid Limited	24000000	24.00
IHB Limited	200000000	200.00
IndianOil Total Private Limited	7500000	7.50
IOC Phinergy Private Limited	562500	0.56
Paradeep Plastic Park Limited	32720000	32.72
Indian Gas Exchange Limited	3693750	3.69

## Note: B

Investment in Oil Marketing Companies GOI Special Bonds consists of:

Nature of Bond	No. of Bonds	(₹ in crore)		
		Face Value Amount	Investment Value Amount	Carrying Value Amount
<b>1 Current investment:</b>				
7.95% GOI SPECIAL BONDS 2025	457250	457.25	457.25	491.18
8.20% GOI SPECIAL BONDS 2023	1453510	1,453.51	1,453.51	1,570.86
8.00% GOI SPECIAL BONDS 2026	189270	189.27	189.27	201.71
8.20% GOI SPECIAL BONDS 2024	3105060	3,105.06	3,105.06	3,307.23
<b>Total Current Investments</b>	<b>5205090</b>	<b>5,205.09</b>	<b>5,205.09</b>	<b>5,570.98</b>



## NOTES TO FINANCIAL STATEMENTS

## NOTE - 4 : INVESTMENTS (Contd...)

(₹ in crore)

Nature of Bond	No. of Bonds	Face Value	Investment Value	Carrying Value
		Amount	Amount	Amount
<b>2 Non Current investment:</b>				
6.90% GOI SPECIAL BONDS 2026	2977930	2,977.93	2,977.93	3,086.87
<b>Total Non Current Investments</b>	<b>2977930</b>	<b>2,977.93</b>	<b>2,977.93</b>	<b>3,086.87</b>

## Note: C - Other Disclosures

- During the year, Oil Marketing Companies 6.90% Special Bonds of investment value of ₹ 2,977.93 crore is reclassified from Current to Non Current investment and 9.15% Govt Stock 2024 of investment value of ₹ 2,236.07 crore is reclassified from Non Current to Current investment.
- During the year, the company has reclassified investment in 101095 Equity shares of Woodlands Multispecialty Hospital Limited with carrying value of ₹ **0.10 crore** (2021: ₹ 0.10 crore) as held for sale.
- Following, Government Securities pledged in favour of Clearing Corporation of India Ltd. (CCIL) for loans through Tri-party Repo Segment (TREPS) of CCIL have been classified as Non Current.

(₹ in crore)

Particulars	March 31, 2022			March 31, 2021		
	Face Value	Investment Value	Carrying Value	Face Value	Investment Value	Carrying Value
9.15% GOVT.STOCK 2024	6.00	6.84	6.74	1,960.00	2,242.91	2,263.75
7.35% GOVT.STOCK 2024	695.00	704.04	738.24	695.00	704.04	752.49
Oil Marketing Companies GOI Special Bonds	2,977.93	2,977.93	3,086.87	-	-	-

- Out of Oil Marketing Companies 8.20% GOI Special Bonds 2024 classified as Current Investment, bonds of investment value ₹ 2,336 crore (Carrying value ₹ 2,488.10 crore) has been used as collateral against avilment of overnight borrowings through CROMS platform of CCIL.
- During the current year, 500 equity shares of Indian Oil LNG Private Limited having face value and investment value of ₹ 5,000 has been sold to Tamil Nadu Industrial Development Corporation.

## NOTE - 5: LOANS

(At amortised cost unless otherwise stated)

(₹ in crore)

Particulars	Non Current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Loans</b> A				
<b>To Related Parties</b>				
Secured, Considered Good	0.05	0.02	0.02	104.67
Unsecured, Considered Good	156.07	15.00	0.46	122.23
Credit Impaired	110.90	-	0.60	0.60
	267.02	15.02	1.08	227.50
Less : Allowance for Doubtful Loans	110.90	-	0.60	0.60
	156.12	15.02	0.48	226.90
<b>To Others</b>				
Secured, Considered Good	844.76	894.59	114.28	110.60
Unsecured, Considered Good	1,405.24	1,736.62	354.99	313.38
Which have significant increase in Credit Risk	132.32	215.03	21.34	17.44
Credit Impaired	247.79	348.75	197.32	206.31
	2,630.11	3,194.99	687.93	647.73
Less: Allowance for Doubtful Loans	522.31	820.28	248.46	258.12
	2,107.80	2,374.71	439.47	389.61
<b>TOTAL</b>	<b>2,263.92</b>	<b>2,389.73</b>	<b>439.95</b>	<b>616.51</b>
A. Includes:				
1. Loans valued at Fair Value through Profit or Loss (FVTPL)	141.02	-	-	121.51
2. Due from Directors	0.10	0.02	0.11	0.01
3. Due from Other Officers	4.18	3.44	2.25	1.84

## 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Security Deposits</b>				
<b>To Others</b>				
Secured, Considered Good	0.10	0.09	-	-
Unsecured, Considered Good	190.51	166.35	277.44	296.64
Credit Impaired	-	-	1.42	1.40
	190.61	166.44	278.86	298.04
Less: Allowance for Doubtful Deposits	-	-	1.42	1.40
	190.61	166.44	277.44	296.64
<b>Advances for Investments</b> A				
Joint Ventures	778.00	22.63		
	778.00	22.63		
Amount Recoverable from Central/ State Government	-	-	414.11	680.35
Finance Lease Receivables	0.83	1.93	2.51	2.13
Interest Accrued on Investments/ Bank Deposits/ Loans	-	-	-	-
Derivative Instruments at Fair Value	-	-	76.72	45.13
Advance to Employee Benefits Trusts/Funds	-	-	151.83	870.53
Bank Deposits (with original maturity of more than 12 months) B	1.44	0.52	0.42	2.04
Receivables on Agency Sales	-	-	1,884.09	1,071.50
<b>Claims Recoverable:</b>				
<b>From Related Parties</b>				
Unsecured, Considered Good	-	-	54.67	55.70
Credit Impaired	-	-	4.26	4.26
	-	-	58.93	59.96
<b>From Others</b>				
Unsecured, Considered Good	-	-	151.53	244.87
Credit Impaired	-	-	194.10	181.72
	-	-	345.63	426.59
<b>Less : Provision for Doubtful Claims</b>	-	-	198.36	185.98
	-	-	206.20	300.57
<b>Others:</b>				
Unsecured, Considered Good	18.59	27.30	334.11	284.89
Which have significant increase in Credit Risk	-	-	-	402.54
Credit Impaired	-	-	14.92	3.04
	18.59	27.30	349.03	690.47
Less: Allowance for Doubtful Asset	-	-	14.92	74.60
	18.59	27.30	334.11	615.87
<b>TOTAL</b>	<b>989.47</b>	<b>218.82</b>	<b>3,347.43</b>	<b>3,884.76</b>

A. Represents equity share application money pending allotment. The allotment of equity shares is expected to be made as per Companies Act, 2013.

B. Earmarked in favour of Statutory Authorities/ provided as Security to participate in Tender.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 7: INCOME TAX/ CURRENT TAX ASSET/ (LIABILITY) - NET

(₹ in crore)

Particulars	Non Current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Income Tax/Current Tax Asset/ (Liability) - Net</b>				
Advance payments for Current Tax	8,031.90	20,635.18	6,164.97	4,703.28
Less : Provisions	5,283.84	18,206.33	6,776.36	5,501.13
<b>TOTAL</b>	<b>2,748.06</b>	<b>2,428.85</b>	<b>(611.39)</b>	<b>(797.85)</b>
Includes amount relating to Fringe Benefit Tax	3.39	3.39	2.04	2.04

## NOTE - 8: OTHER ASSETS (NON FINANCIAL)

(Unsecured, Considered Good unless otherwise stated)

(₹ in crore)

Particulars	Non Current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Advances for Capital Expenditure</b>				
<b>To Others</b>				
Secured, Considered Good	15.21	21.01		
Unsecured, Considered Good	1,337.02	1,114.08		
Unsecured, Considered Doubtful	9.33	9.36		
	<b>1,361.56</b>	<b>1,144.45</b>		
Less: Provision for Doubtful Advances	9.33	9.36		
	<b>1,352.23</b>	<b>1,135.09</b>		
<b>Advances Recoverable</b>				
<b>From Related Parties</b>				
Unsecured, Considered Good	1,024.35	721.90	22.61	22.61
<b>From Others</b>				
Secured, Considered Good	-	-	-	-
Unsecured, Considered Good	284.60	15.25	2,093.09	2,066.79
Unsecured, Considered Doubtful	-	-	4.57	292.62
	<b>284.60</b>	<b>15.25</b>	<b>2,097.66</b>	<b>2,359.41</b>
<b>Less: Provision for Doubtful Advances</b>	-	-	4.57	292.62
	<b>284.60</b>	<b>15.25</b>	<b>2,093.09</b>	<b>2,066.79</b>
	<b>1,308.95</b>	<b>737.15</b>	<b>2,115.70</b>	<b>2,089.40</b>
<b>Claims Recoverable:</b>				
<b>From Others</b>				
Unsecured, Considered Good	-	-	447.84	236.94
Unsecured, Considered Doubtful	-	-	34.27	29.98
	-	-	<b>482.11</b>	<b>266.92</b>
<b>Less : Provision for Doubtful Claims</b>	-	-	34.27	29.98
	-	-	<b>447.84</b>	<b>236.94</b>
<b>Balance/ Deposits with Government Authorities</b>				
Unsecured, Considered Good	-	-	488.46	502.56
Gold/ Other Precious Metals	-	-	98.41	62.21
Less: Provision for Diminution in value	-	-	5.67	-
	-	-	<b>92.74</b>	<b>62.21</b>

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 8: OTHER ASSETS (NON FINANCIAL) (Contd...)

(Unsecured, Considered Good unless otherwise stated)

Particulars	(₹ in crore)			
	Non Current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Deferred Expenses	975.68	921.01	115.45	114.06
Prepaid Rentals	22.24	35.34	19.63	62.96
Pre-Spent Corporate Social Responsibility Expenses (Refer Note - 45)	-	-	93.52	118.37
<b>TOTAL</b>	<b>3,659.10</b>	<b>2,828.59</b>	<b>3,373.34</b>	<b>3,186.50</b>
<b>A. Includes:</b>				
1. GST/ Customs/ Excise Duty/ DEP/ Duty Drawback Claims which are in the process of being claimed with the Department.	-	-	21.93	7.65
2. Claims recoverable from Customs Authorities pending for final assessment/ settlement.	-	-	26.20	31.31

## NOTE - 9: INVENTORIES

Particulars	(₹ in crore)	
	March 31, 2022	March 31, 2021
<b>In Hand :</b>		
Raw Materials	26,628.70	17,246.18
Stock in Process	9,746.98	5,964.42
Finished Products	36,457.94	29,540.73
Stock in Trade	7,596.60	6,345.74
Stores, Spares etc.	4,771.87	4,330.71
Less : Provision for Losses	214.28	189.12
	<b>4,557.59</b>	<b>4,141.59</b>
Barrels and Tins	122.45	106.30
	<b>85,110.26</b>	<b>63,344.96</b>
<b>In Transit :</b>		
Raw Materials	13,733.22	10,818.14
Finished Products	1,387.46	1,112.22
Stock in Trade	2,692.78	2,721.63
Stores, Spares etc.	283.22	191.06
	<b>18,096.68</b>	<b>14,843.05</b>
<b>TOTAL</b>	<b>1,03,206.94</b>	<b>78,188.01</b>
Stock in Hand includes stock lying with others-		
Raw Materials	3.02	4.07
Finished Products	2,314.13	1,932.12
Stock in Trade	1,389.94	1,117.38
Stores, Spares etc.	18.48	9.78
Barrels and Tins	1.42	0.46
Amount of write down of inventories carried at NRV and recognised as Expense.	1,364.42	422.68

Valuation of inventories are done as per point no. 7 of significant accounting policies (Note-1).

For hypothecation details refer Note-21.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 10: TRADE RECEIVABLES

(At amortised cost)

Particulars	₹ in crore	
	March 31, 2022	March 31, 2021
<b>From Related Parties</b>		
Unsecured, Considered Good	468.43	321.51
Credit Impaired	7.29	7.03
	<b>475.72</b>	<b>328.54</b>
<b>From Others</b>		
Secured, Considered Good	15.43	21.40
Unsecured, Considered Good	17,885.55	11,075.10
Which have significant increase in Credit Risk	-	2,399.55
Credit Impaired	155.67	162.02
	<b>18,056.65</b>	<b>13,658.07</b>
<b>Total</b>	<b>18,532.37</b>	<b>13,986.61</b>
Less : Allowance for Doubtful Debts	A	607.05
	<b>18,136.57</b>	<b>13,379.56</b>
<b>TOTAL</b>	<b>18,136.57</b>	<b>13,379.56</b>
A. Includes provision as per Expected Credit Loss method in line with accounting policy (Refer Note 40)	232.84	11.45

## Ageing of Trade Receivables

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
<b>Current Year</b>								
i) Undisputed Trade Receivables – considered good	75.76	10,860.58	5,174.01	1,390.33	280.04	271.31	37.86	18,089.89
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	0.61	0.13	55.48	56.22
iv) Disputed Trade Receivables – considered good	4.31	4.78	69.54	40.87	70.29	16.78	72.95	279.52
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	0.37	0.19	106.18	106.74
<b>Total</b>	<b>80.07</b>	<b>10,865.36</b>	<b>5,243.55</b>	<b>1,431.20</b>	<b>351.31</b>	<b>288.41</b>	<b>272.47</b>	<b>18,532.37</b>
<b>Previous Year</b>								
i) Undisputed Trade Receivables – considered good	61.13	7,514.80	2,096.90	575.43	781.46	136.82	30.42	11,196.96
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	541.87	419.45	134.81	1,226.78	38.97	-	2,361.88
iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.01	0.15	-	58.37	58.53
iv) Disputed Trade Receivables – considered good	1.18	8.32	39.99	59.42	28.67	14.39	69.08	221.05
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	37.67	-	-	37.67
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	110.52	110.52
<b>Total</b>	<b>62.31</b>	<b>8,064.99</b>	<b>2,556.34</b>	<b>769.67</b>	<b>2,074.73</b>	<b>190.18</b>	<b>268.39</b>	<b>13,986.61</b>

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 11: CASH AND CASH EQUIVALENTS

Particulars	(₹ in crore)	
	March 31, 2022	March 31, 2021
<b>Bank Balances with Scheduled Banks :</b>		
In Current Account	693.09	299.03
In Fixed Deposit - Maturity within 3 months	0.80	0.77
	<b>693.89</b>	<b>299.80</b>
Bank Balances with Non-Scheduled Banks	4.07	1.93
Cheques, Drafts in hand	11.46	11.54
Cash in Hand, Including Imprest	0.49	0.47
<b>TOTAL</b>	<b>709.91</b>	<b>313.74</b>

## NOTE - 12: BANK BALANCES OTHER THAN ABOVE

Particulars	(₹ in crore)	
	March 31, 2022	March 31, 2021
Fixed Deposits A	21.76	12.91
Earmarked Balances B	149.96	1,340.99
Blocked Account C	0.74	0.72
Other Bank Balances D	0.61	0.01
<b>TOTAL</b>	<b>173.07</b>	<b>1,354.63</b>
A) Includes Fixed Deposits earmarked in favour of Statutory Authorities	13.09	12.91
B) Pertains to		
- Unpaid Dividend	46.66	41.09
- Fractional Share Warrants	0.03	0.03
- Amount received from PM CARES Fund for procurement of Liquid Oxygen Equipments	103.27	
- Interim Dividend Declared but not Disbursed (including TDS)	-	1,299.87
C) There exists restrictions on banking transactions in Libya due to political unrest.		
D) There exists restrictions on repatriation/ utilisation of these balances.		

## NOTE-13: ASSETS HELD FOR SALE

Particulars	Note	(₹ in crore)	
		March 31, 2022	March 31, 2021
Freehold land	A	0.64	1.56
Building		0.07	0.17
Plant and Equipment		98.80	190.90
Office Equipment		0.19	0.23
Transport Equipment		0.00	0.02
Furniture and Fixtures		0.01	0.02
<b>Total</b>		<b>99.71</b>	<b>192.90</b>
<b>Disposal Group: Narimanam Marketing Terminal</b>	B		
Freehold land		4.96	0.00
Building		12.97	0.00
Plant and Equipment		52.00	0.00
Office Equipment		0.05	0.00
<b>Total</b>		<b>69.98</b>	<b>0.00</b>
<b>Investment in Equity Shares</b>	C	<b>0.10</b>	
<b>Total Asset held for sale</b>		<b>169.79</b>	<b>192.90</b>



## NOTES TO FINANCIAL STATEMENTS

### NOTE - 13: ASSETS HELD FOR SALE (Contd...)

- A. The Company has surplus land at various locations such as LPG Plant , Depots and ROs 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. A new joint venture is proposed to be formed between IOCL and CPCL with combined equity holding of 50% and balance by strategic / public investors, for construction of new 9 MMTPA refinery at Cauvery Basin Nagapattinam. During the year, NITI Aayog has given approval for formation of joint venture and accordingly, the land and other facilities held by the Company at Narimanam Marketing Terminal which are intended to be transferred to the new Joint Venture are classified under Disposal group.
- C. During the year the company has reclassified investment in 101095 Equity shares of Woodlands Multispeciality Hospital Limited with carrying value of ₹ **0.10 crore** (2021: ₹ 0.10 crore) as held for sale.

During the year the company has reclassified Assets Held for sale amounting to ₹ **72.99 crore** (2021: ₹ 0.09 crore) as Property, Plant and Equipment/ Other Assets based on the plan for disposal of assets.

During the year, the company has recognized impairment loss of ₹ **17.88 crore** (2021: ₹ 30.00 crore) on write-down of asset to fair value less costs to sell and the same has been shown in Provision/loss on Other Assets sold or written off under 'Other Expenses' in the Statement of Profit and Loss.

### NOTE - 14: EQUITY SHARE CAPITAL

	(₹ in crore)	
	March 31, 2022	March 31, 2021
<b>Authorized:</b>		
15,00,00,00,000 Equity Shares of ₹ 10 each	15,000.00	15,000.00
<b>Issued Subscribed and Paid Up:</b>		
9,41,41,58,922 (2021: 9,41,41,58,922) Equity Shares of ₹ 10 each fully paid up	9,414.16	9,414.16
<b>Less: Equity Shares held under IOC Shares Trust</b>		
23,31,18,456 (2021: 23,31,18,456) Equity Shares of ₹ 10 each fully paid up	233.12	233.12
<b>TOTAL</b>	<b>9,181.04</b>	<b>9,181.04</b>
<b>A. Reconciliation of No. of Equity Shares</b>		
Opening Balance	9,41,41,58,922	9,41,41,58,922
Closing Balance	9,41,41,58,922	9,41,41,58,922

#### B. Terms/ Rights attached to Equity Shares

The Company has only one class of equity shares having par value of ₹ 10 each and is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

IOC Shares Trust (Shareholder) has waived its right to receive the dividend w.e.f. 02.03.2020.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 14: EQUITY SHARE CAPITAL (Contd...)

## C. Details of shareholders holdings more than 5% shares

Name of Shareholder	March 31, 2022		March 31, 2021	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
THE PRESIDENT OF INDIA	4,84,81,33,178	51.50	4,84,81,33,178	51.50
OIL AND NATURAL GAS CORPORATION LIMITED	1,33,72,15,256	14.20	1,33,72,15,256	14.20
LIFE INSURANCE CORPORATION OF INDIA	74,92,64,496	7.96	72,26,80,547	7.68
OIL INDIA LIMITED	48,55,90,496	5.16	48,55,90,496	5.16

## D. For the period of preceding five years as on the Balance Sheet date, the:

(a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	Nil
(b) Aggregate number of shares allotted as fully paid up by way of bonus shares - During FY 2017-18 (March 2018) in ratio of 1:1	4,85,59,04,964
(c) Aggregate number and class of shares bought back - During FY 2018-19 (February 2019)	29,76,51,006

## E. Details regarding shareholding of Promoters as at March 31, 2022

Shares held by promoters	At the beginning of the year		At the end of the year		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
THE PRESIDENT OF INDIA	4,84,81,33,178	51.50	4,84,81,33,178	51.50	-

## NOTE - 15: OTHER EQUITY

Particulars	₹ in crore)	
	March 31, 2022	March 31, 2021
<b>Retained Earnings</b>		
<b>General Reserve:</b>		
Opening Balance	87,160.21	74,905.19
Add: Remeasurement of Defined Benefit Plans	(576.19)	16.78
Add: Transfer from Bond Redemption Reserve	1,370.85	-
Add: Transfer from Export profit Reserve	-	53.72
Add: Appropriation from Surplus	14,524.02	12,184.52
	<b>1,02,478.89</b>	<b>87,160.21</b>
<b>Surplus (Balance in Statement of Profit and Loss)</b>		
Profit for the Year	24,184.10	21,836.04
Less: Appropriations		
Interim Dividend	8,263.41	9,640.47
Final Dividend	1,377.39	-
Insurance Reserve (Net)	19.28	11.05
General Reserve	14,524.02	12,184.52
Balance carried forward to next year	-	-
<b>Other Reserves</b>		
<b>Bond Redemption Reserve</b>		
Opening Balance	3,152.64	3,152.64
Less: Transfer to General Reserve	1,370.85	-
	<b>1,781.79</b>	<b>3,152.64</b>

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 15 : OTHER EQUITY (Contd...)

Particulars	(₹ in crore)	
	March 31, 2022	March 31, 2021
<b>Capital Redemption Reserve Account</b>	<b>297.65</b>	297.65
<b>Capital Reserve</b>	<b>183.08</b>	183.08
<b>Insurance Reserve :</b>		
Opening Balance	272.14	261.09
Add: Appropriation from Surplus	20.00	20.00
Less : Recoupment of uninsured fire loss	0.72	8.95
	<b>291.42</b>	<b>272.14</b>
<b>Export Profit Reserve :</b>		
As per last Account	-	53.72
Less: Transfer to General Reserve	-	53.72
	-	-
<b>Fair Value Through Other Comprehensive Income :</b>		
<b>Fair value of Equity Instruments</b>		
Opening Balance	9,766.18	5,296.79
Add: Fair value during the year	6,933.71	4,469.39
	<b>16,699.89</b>	<b>9,766.18</b>
<b>Fair value of Debt Instruments</b>		
Opening Balance	470.30	391.67
Add: Fair value during the year	(125.02)	80.91
Less: Transferred to Statement of Profit and Loss	-	2.28
	<b>345.28</b>	<b>470.30</b>
<b>Cash Flow Hedge Reserve</b>		
Opening Balance	16.80	46.00
Add: Gain/(Loss) during the year	27.33	16.81
Less: Transferred during the year	16.81	46.01
	<b>27.32</b>	<b>16.80</b>
<b>TOTAL</b>	<b>1,22,105.32</b>	<b>1,01,319.00</b>

## Nature and Purpose of Reserves

## A. Retained Earnings

The retained earnings comprises of general reserve and surplus which is used from time to time to transfer profits by appropriations. Retained earnings is free reserve of the Company and is used for the purposes like issuing bonus shares, buy back of shares and other purposes (like declaring Dividend etc.) as per the approval of Board of Directors. It includes the re-measurement of defined benefit plan as per actuarial valuations which will not be re-classified to statement of profit and loss in subsequent periods.

## B. Bond Redemption Reserve

As per the Companies Act 2013, a Bond Redemption Reserve 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 and is transferred back to general reserve on repayment of bonds for which it is created. In 2019, this requirement was dispensed with in case of public issue/ private placement of debentures by listed companies to NBFCs, Housing Finance Companies and other listed companies.

## C. Capital Redemption Reserve

As per the Companies Act 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. Utilization of this reserve is governed by the provisions of the Companies Act 2013.

## D. Capital Reserve

Capital Reserve was created through business combinations and shall be utilised as per the provisions of the Companies Act 2013.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 15 : OTHER EQUITY (Contd...)

## E. Insurance Reserve

Insurance Reserve is created by the company with the approval of Board of Directors to mitigate risk of loss of assets not insured with external insurance agencies. ₹ 20.00 crore is appropriated by the company every year to this reserve. The reserve is utilised to mitigate actual losses by way of net appropriation in case any uninsured loss is incurred. Amount of ₹ 0.72 crore (2021: ₹ 8.95 crore) has been utilised for recoupment of uninsured losses.

## F. Export Profit Reserve

Amount set aside out of profit from exports for availing income tax benefits u/s 80HHC of the Income tax Act' 1961 for the Assessment Year 1986-87 to 1988-89. Creation of reserve for claiming deduction u/s 80HHC was dispensed from AY 1989-90 onwards. In view of settlement of tax dispute with respect to claim under section 80HHC, Export Profit Reserve created in earlier years was no longer required and therefore the balance lying was transferred to General Reserve in FY 2020-21.

## G. 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.

## H. Fair value of Debt Instruments

This reserve represents the cumulative effect of fair value fluctuations in debt investments made by the company to earn contractual cash flows and are available for sale. 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.

## I. Cash Flow Hedge Reserve

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on such changes are recognised through Other Comprehensive Income (OCI) and accumulated under this reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged item occurs/ affects the statement of profit and loss.

## NOTE - 16: LONG TERM BORROWINGS

(At Amortised Cost)

Particulars	Non Current		Current Maturities*	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
(₹ in crore)				
<b>SECURED LOANS</b>				
<b>Term Loans:</b>				
Oil Industry Development Board (OIDB)	-	531.59	-	37.50
<b>Total Secured Loans</b>	-	<b>531.59</b>	-	<b>37.50</b>
<b>UNSECURED LOANS</b>				
<b>Bonds/ Debentures:</b>				
Foreign Currency Bonds A	<b>8,232.81</b>	12,402.76	<b>4,772.86</b>	3,853.59
Rupee Bonds/ Debentures B	<b>14,408.49</b>	15,908.35	<b>3,385.92</b>	378.81
	<b>22,641.30</b>	<b>28,311.11</b>	<b>8,158.78</b>	<b>4,232.40</b>

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 16: LONG TERM BORROWINGS (Contd...)

(At Amortised Cost)

(₹ in crore)

Particulars	Non Current		Current Maturities*	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Term Loans:</b>				
From Banks/ Financial Institutions				
In Foreign Currency Loans C	20,817.46	17,331.83	4,558.46	2.15
In Rupees D	5,500.00	1,500.00	18.77	2.22
<b>From Government</b>				
In Rupees E	1,621.07	1,291.34	-	-
	27,938.53	20,123.17	4,577.23	4.37
<b>Total Unsecured Loans</b>	<b>50,579.83</b>	48,434.28	<b>12,736.01</b>	4,236.77
<b>TOTAL LONG-TERM BORROWINGS</b>	<b>50,579.83</b>	<b>48,965.87</b>	<b>12,736.01</b>	<b>4,274.27</b>

\* Current maturities are carried to Note - 21: Borrowings - Current

## Unsecured Loans:

## A. Repayment Schedule of Foreign Currency Bonds

Sl. No.	Particulars	Date of Issue	Date of Repayment
1	USD 900 Million Reg S Bonds	16 January 2019	Payable immediately after 5 years from the date of issue. Out of USD 900 million, USD 313.042 million has been bought back and payment made on 22 April 2022.
2	USD 500 million Reg S Bonds	1 August 2013	Payable immediately after 10 years from the date of issue
3	SGD 400 million Reg S Bonds	15 October 2012	On the same day, Cross Currency Swap amounting to USD 325.57 million entered. Payable immediately after 10 years from the date of issue.

## B. Repayment Schedule of Rupee Bonds/ Debentures

Sl. No.	Particulars	Date of Allotment	Coupon Rate	Date of Redemption
1	Indian Oil 2029 (Series XIV) 30000 debenture of Face Value ₹ 10,00,000 each	22 October 2019	7.41% p.a. payable annually on 22 October	10 years from the deemed date of allotment i.e. 22 October 2029.
2	Indian Oil 2023 (Series XV) 20000 debenture of Face Value ₹ 10,00,000 each	14 January 2020	6.44% p.a. payable annually on 14 January	3 years and 3 months from the deemed date of allotment i.e. 14 April 2023.
3	Indian Oil 2025 (Series XVI) 29950 debenture of Face Value ₹ 10,00,000 each	6 March 2020	6.39% p.a. payable annually on 6 March	5 years from the deemed date of allotment i.e. 6 March 2025.
4	Indian Oil 2022 (Series XVII) 30000 debenture of Face Value ₹ 10,00,000 each	27 May 2020	5.05% p.a. payable annually on 27 May	2 years and 6 months from the deemed date of allotment i.e. 25 November 2022.
5	Indian Oil 2025 (Series XVIII) 16250 debenture of Face Value ₹ 10,00,000 each	3 August 2020	5.40% p.a. payable annually on 03 August	4 years, 8 months and 8 days from the deemed date of allotment i.e. 11 April 2025.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 16: LONG TERM BORROWINGS (Contd...)

Sl. No.	Particulars	Date of Allotment	Coupon Rate	Date of Redemption
6	Indian Oil 2025 (Series XIX) 20000 debenture of Face Value ₹ 10,00,000 each	20 October 2020	5.50% p.a. payable annually on 20 October	5 years from the deemed date of allotment i.e. 20 October 2025.
7	Indian Oil 2026 (Series XX) 12902 debenture of Face Value ₹ 10,00,000 each	25 January 2021	5.60% p.a. payable annually on 25 January	4 years, 11 months and 29 days from the deemed date of allotment i.e. 23 January 2026.
8	Indian Oil-2027 (Series XXI) 15000 debenture of Face Value ₹ 10,00,000 each	18 February 2022	6.14% p.a. payable annually on 18 February	5 years from the deemed date of allotment i.e. 18 February 2027

## C. Repayment Schedule of Term loans from Banks/ Financial Institutions in Foreign Currency

Sl. No.	Particulars of Loans	Date of drawal	Date of Repayment
1	USD 300 Million Syndication loan	29 September 2017	Payable immediately after 5 years from the date of drawal
2	USD 300 Million Term Loan	19 June 2019	Payable immediately after 3 years from the date of drawal
3	USD 100 Million Term Loan	12 March 2021	Payable immediately after 3 years and 3 months from the date of drawal
4	USD 100 Million Term Loan - SBI	7 April 2021	
5	USD 100 Million Term Loan - SBI - GS	14 May 2021	
6	USD 500 Million Syndication loan	30 July 2021	Payable immediately after 5 years from the date of drawal
7	USD 125 Million Term Loan from BOB	3 November 2021	
8	USD 125 Million Term Loan from BOB	1 December 2021	
9	USD 330 Million ECB Loan from SBI London	30 December 2021	Payable immediately after 3 years from the date of drawal
10	USD 300 Million ECB Loan from SBI London	30 December 2021	Payable immediately after 4 years from the date of drawal
11	USD 250 Million ECB Loan from SBI London	30 December 2021	Payable immediately after 5 years from the date of drawal
12	USD 220 Million ECB Loan from SBI London	30 December 2021	Payable immediately after 5 years and 5 months from the date of drawal
13	USD 225 Million Syndication Loan from BOB NY	30 March 2022	Payable immediately after 1 year and 9 months from the date of drawal
14	USD 50 Million Syndication Loan from BOB NY	30 March 2022	Payable immediately after 1 year and 11 months from the date of drawal
15	USD 25 Million Syndication Loan from BOB NY	30 March 2022	Payable immediately after 1 year and 11 months from the date of drawal
16	USD 300 Million Syndication Loan from BOB NY	30 March 2022	Payable immediately after 2 years and 6 months from the date of drawal



## NOTES TO FINANCIAL STATEMENTS

## NOTE - 16: LONG TERM BORROWINGS (Contd...)

## D. Repayment Schedule of Term loans from Banks/ Financial Institutions in Rupees

Sl. No.	Particulars of Loans	Date of drawal	Date of Repayment
1	HDFC ₹ 1,500 crore Term Loan	20 March 2021	Payable immediately after 3 years from the date of drawal
2	HDFC ₹ 500 crore Term Loan	30 June 2021	
3	HDFC ₹ 500 crore Term Loan	22 July 2021	
4	HDFC ₹ 250 crore Term Loan	30 September 2021	
5	PNB ₹ 250 crore Term Loan	30 September 2021	Payable immediately after 35 months from drawal
6	PNB ₹ 750 crore Term Loan	6 November 2021	
7	HDFC ₹ 1,250 crore Term Loan	31 December 2021	Payable immediately after 3 years from the date of drawal
8	HDFC ₹ 500 crore Term Loan	31 March 2022	

## E. Repayment Schedule of Unsecured Interest Free Loans from Govt of Odisha

Interest free loan given by Odisha government for 15 years is disbursed in quarterly instalment of ₹ 175 crore starting from 1 April 2016 repayable after 15 years. Total loan disbursed till now is ₹ 4,200 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Liability for Capital Expenditure	-	-	7,128.09	5,782.32
Liability to Trusts and Other Funds	-	-	192.28	117.41
Employee Liabilities	-	-	3,040.23	2,484.00
Liability for Purchases on Agency Basis	-	-	4,745.32	2,277.29
Investor Education & Protection Fund to be credited on the due dates:				
- Unpaid Dividend	-	-	46.66	41.09
- Unpaid Matured Deposits	-	-	0.01	0.01
	-	-	46.67	41.10
Derivative Instruments at Fair Value	-	-	307.81	252.65
Security Deposits A	874.25	847.49	31,131.41	29,639.11
Liability for Dividend	-	-	-	1,260.79
Others B	39.54	-	1,459.69	1,783.78
<b>TOTAL</b>	<b>913.79</b>	<b>847.49</b>	<b>48,051.50</b>	<b>43,638.45</b>
A. LPG Deposits classified as current in line with industry practice and includes:				
1. Deposit received towards LPG connection issued under Pradhan Mantri Ujjawala Yojna (PMUY), Rajiv Gandhi Gramin LPG Vitruk Yojana (RGGLVY) and various other schemes of State Government/ Central Government of India. The deposits against these schemes have been funded from CSR fund and/or by State Government /Central Government of India	-	-	6,945.17	6,259.51
2. Deposit free LPG connections funded by Chennai Petroleum Corporation Limited.	-	-	0.52	0.52
B. The above includes liability towards Renewable Purchase Obligation amounting to ₹ 179.74 Crore (2021: ₹ 52.40 Crore), which is after adjustment of ₹ 471.77 Crore (2021: ₹ 248.20 Crore) towards Co-generation.				

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 18: PROVISIONS

(₹ in crore)

Particulars	Non Current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Provision for Employee Benefits	899.95	936.57	119.89	204.81
Decommissioning Liability A	7.86	7.36	2.31	2.31
Contingencies for probable obligations B	-	-	11,602.45	10,924.56
Less: Deposits	-	-	2,330.38	1,750.09
	-	-	9,272.07	9,174.47
<b>TOTAL</b>	<b>907.81</b>	<b>943.93</b>	<b>9,394.27</b>	<b>9,381.59</b>

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	9.67	0.47	-	-	0.03	10.17
Previous Year Total	7.71	3.20	-	1.40	0.16	9.67

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	15.50	-	-	-	15.5
Sales Tax/ GST	1,968.25	100.71	-	44.78	2,024.18
Entry Tax	5,611.76	-	-	-	5,611.76
Others	3,329.05	677.17	5.68	49.53	3,951.01
<b>TOTAL</b>	<b>10,924.56</b>	<b>777.88</b>	<b>5.68</b>	<b>94.31</b>	<b>11,602.45</b>
Previous Year Total	10,810.59	785.80	434.37	237.46	10,924.56

(₹ in crore)

Particulars	Addition includes	Reversal includes
- capitalized	2.51	-
- included in Raw Material	3.06	-
- included in Finance Cost	341.35	0.84
- included in Employee Benefit Expenses	250.39	-
- included in Other Expenses	161.81	1.33
- Amount transferred from Liabilities to Provisions	18.76	-

\* 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:

Particulars	(₹ in crore)			
	As on 01.04.2021	Provided during the year in the Statement of Profit and Loss	Provided during the year in OCI (net)	Balance as on 31.03.2022
<b>Deferred Tax Liability:</b>				
Related to Plant, Property & Equipment	16,935.60	861.36	-	17,796.96
<b>Total Deferred Tax Liability (A)</b>	<b>16,935.60</b>	<b>861.36</b>	<b>-</b>	<b>17,796.96</b>
<b>Deferred Tax Assets:</b>				
Provision on Inventories, Trade Receivable, Loans and Advance, Investments	1,288.17	(77.13)	-	1,211.04
Compensation for Voluntary Retirement Scheme	1.01	0.23	-	1.24
43B/40 (a)(ia)/other Disallowances etc.	2,794.28	119.75	-	2,914.03
Fair Valuation of Equity Instruments	(126.76)	-	(65.23)	(191.99)
MTM on Hedging Instruments	(5.66)	-	(3.53)	(9.19)
Fair Value of Debt Instruments	(160.67)	-	42.10	(118.57)
Others	180.50	182.54	-	363.04
<b>Total Deferred Tax Assets (B)</b>	<b>3,970.87</b>	<b>225.39</b>	<b>(26.66)</b>	<b>4,169.60</b>
<b>Deferred Tax Liability (net) (A-B)</b>	<b>12,964.73</b>	<b>635.97</b>	<b>26.66</b>	<b>13,627.36</b>

Particulars	(₹ in crore)			
	As on 01.04.2020	Provided during the year in the Statement of Profit and Loss	Provided during the year in OCI (net)	Balance as on 31.03.2021
<b>Deferred Tax Liability:</b>				
Related to Plant, Property & Equipment	16,685.78	249.82	-	16,935.60
<b>Total Deferred Tax Liability (A)</b>	<b>16,685.78</b>	<b>249.82</b>	<b>-</b>	<b>16,935.60</b>
<b>Deferred Tax Assets:</b>				
Provision on Inventories, Trade Receivable, Loans and Advance, Investments	845.10	443.07	-	1,288.17
Compensation for Voluntary Retirement Scheme	3.50	(2.49)	-	1.01
43B/40 (a)(ia)/other Disallowances etc.	2,590.81	203.47	-	2,794.28
Carry Forward Business Losses/ Unabsorbed Depreciation	1,828.80	(1,828.80)	-	-
Fair Valuation of Equity Instruments	72.36	-	(199.12)	(126.76)
MTM on Hedging Instruments	(15.48)	-	9.82	(5.66)
Fair Value of Debt Instruments	(145.11)	-	(15.56)	(160.67)
Others	92.66	87.84	-	180.50
<b>Total Deferred Tax Assets (B)</b>	<b>5,272.64</b>	<b>(1,096.91)</b>	<b>(204.86)</b>	<b>3,970.87</b>
<b>Deferred Tax Liability (net) (A-B)</b>	<b>11,413.14</b>	<b>1,346.73</b>	<b>204.86</b>	<b>12,964.73</b>

**Note:** During FY 2020-21, on account of change in the tax liabilities pertaining to the past periods, MAT credit amounting to ₹ 228.15 crore out of previously written off MAT balance was recognised and utilized against such increased tax liability.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 19: DEFERRED TAX LIABILITIES (NET) (Contd...)

(ii) Reconciliation between the average effective tax rate and the applicable tax rate is as below :

Particulars	2021-22		2020-21	
	%	(₹ in crore)	%	(₹ in crore)
<b>Profit Before Tax</b>		<b>31,733.07</b>		<b>29,715.65</b>
<b>Tax as per applicable Tax Rate</b>	<b>25.168</b>	<b>7,986.58</b>	<b>25.168</b>	<b>7,478.83</b>
<b>Tax effect of:</b>				
Income that are not taxable in determining taxable profit	(1.846)	(585.94)	(1.051)	(312.34)
Expenses that are not deductible in determining taxable profit	0.368	116.67	0.496	147.46
Recognition of previously unrecognised allowance/ disallowances	(0.025)	(7.78)	(3.433)	(1,020.09)
Expenses/income related to prior years	0.129	41.07	5.345	1,588.23
Difference in tax due to income chargeable to tax at special rates	(0.005)	(1.63)	(0.008)	(2.48)
<b>Average Effective Tax Rate/ Income Tax Expenses</b>	<b>23.789</b>	<b>7,548.97</b>	<b>26.517</b>	<b>7,879.61</b>

## NOTE - 20: OTHER LIABILITIES (NON FINANCIAL)

Particulars	(₹ in crore)			
	Non Current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Deferred Income	2.98	3.64	0.72	0.86
Government Grants (refer Note - 46)	2,728.76	2,265.19	233.90	201.21
Statutory Liabilities	-	-	11,176.06	10,745.81
Advances from Customers	436.76	306.74	5,639.04	4,404.71
Others A	0.50	0.53	1,395.74	1,133.13
<b>TOTAL</b>	<b>3,169.00</b>	<b>2,576.10</b>	<b>18,445.46</b>	<b>16,485.72</b>
A. Includes liability towards Fleet Customers			1,116.08	926.90

## NOTE - 21: BORROWINGS - CURRENT

Particulars	(₹ in crore)	
	March 31, 2022	March 31, 2021
<b>SECURED LOANS</b>		
<b>Loans Repayable on Demand</b>		
<b>From Banks/ Financial Institutions</b>		
In Foreign Currency	1,515.95	-
In Rupee A		
Working Capital Demand Loan	5,512.98	7,822.63
Cash Credit	-	113.34
	<b>7,028.93</b>	<b>7,935.97</b>
<b>From Others:</b>		
Loans through Clearing Corporation of India Ltd. (CCIL) B	4,172.06	319.97
<b>Current Maturities of Long-term Debt (Refer Note - 16)</b>	-	37.50
<b>Total Secured Loans</b>	<b>11,200.99</b>	<b>8,293.44</b>
<b>UNSECURED LOANS</b>		

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 21: BORROWINGS - CURRENT (Contd...)

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021
<b>Loans Repayable on Demand</b>		
<b>From Banks/ Financial Institutions</b>		
In Foreign Currency	13,639.61	11,080.47
In Rupee	8,001.71	8,905.58
	<b>21,641.32</b>	<b>19,986.05</b>
<b>From Others</b>		
Commercial Papers	14,640.35	12,930.87
<b>Current Maturities of Long-term Debt (Refer Note - 16)</b>	<b>12,736.01</b>	4,236.77
<b>Total Unsecured Loans</b>	<b>49,017.68</b>	<b>37,153.69</b>
<b>TOTAL SHORT-TERM BORROWINGS</b>	<b>60,218.67</b>	<b>45,447.13</b>
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. The quarterly returns of current assets filed by the company with banks or financial institutions are in agreement with the books of account.		
B. Against pledging of the following to CCIL:		
Government Securities including OMC GOI Special Bonds (Refer Note 4)	6,014.93	2,655.00
Bank Guarantees	1,650.00	1,650.00

## NOTE - 22: TRADE PAYABLES

(At amortised cost)

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021
Dues to Micro and Small Enterprises	799.84	547.01
Dues to Related Parties	1,038.72	1,014.06
Dues to Others	40,630.78	32,029.62
<b>TOTAL</b>	<b>42,469.34</b>	<b>33,590.69</b>
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	7.91	0.65

## Ageing of Trade Payables

(₹ in crore)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Current Year</b>							
i) MSME*	251.20	368.95	178.57	0.01	-	-	798.73
ii) Others	1,876.18	36,351.21	2,858.40	10.89	11.96	3.83	41,112.47
iii) Disputed Dues – MSME*	-	1.11	-	-	-	-	1.11
iv) Disputed Dues – Others	220.78	123.38	52.05	22.21	0.18	138.43	557.03
<b>Total</b>	<b>2,348.16</b>	<b>36,844.65</b>	<b>3,089.02</b>	<b>33.11</b>	<b>12.14</b>	<b>142.26</b>	<b>42,469.34</b>
<b>Previous Year</b>							
i) MSME*	131.10	181.07	234.11	0.01	-	-	546.29
ii) Others	2,375.36	28,214.23	1,898.96	56.69	10.69	7.43	32,563.36
iii) Disputed Dues – MSME*	-	0.72	-	-	-	-	0.72
iv) Disputed Dues – Others	179.41	55.41	96.02	10.73	14.55	124.20	480.32
<b>Total</b>	<b>2,685.87</b>	<b>28,451.43</b>	<b>2,229.09</b>	<b>67.43</b>	<b>25.24</b>	<b>131.63</b>	<b>33,590.69</b>

\* Micro and Small Enterprises in line with Note - 22: Trade Payables

**Note:** Generally, undisputed Trade Payables are settled on or before the due dates and amount outstanding beyond due dates are on account of pending compliance of Contractual/ Statutory requirement by Vendors.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 23: REVENUE FROM OPERATIONS

Particulars	₹ in crore)	
	2021-2022	2020-2021
Sale of Products and Crude	7,37,172.13	5,20,749.66
Less: Discounts	13,343.71	10,204.13
Sales (Net of Discounts)	7,23,828.42	5,10,545.53
Sale of Services	307.58	301.37
Other Operating Revenues (Note "23.1")	3,857.83	3,076.48
	<b>7,27,993.83</b>	<b>5,13,923.38</b>
Net Claim/(Surrender) of SSC and Other Claims	305.46	891.49
Subsidy From Central/ State Governments	160.65	75.60
<b>TOTAL</b>	<b>7,28,459.94</b>	<b>5,14,890.47</b>

A. The MoPNG, vide letter dated 30.04.2020 had conveyed to Oil Marketing Companies (OMCs) that a) In case, the Market Determined Price (MDP) is higher than the Effective Cost to Customer (ECC), the difference shall be transferred to consumers account via Direct Benefit Transfer of LPG (DBTL) Scheme and b) In case, where MDP is less the ECC, the OMCs will retain the difference in a separate buffer account for future adjustment. However, as on March 31, 2022, the company had a negative buffer of ₹ 5048.09 Crore (after adjustment of uncompensated cost of ₹ 1893.22 Crore) as the retail selling price was less than MDP and accordingly the revenue from sale of LPG was reduced by this amount.

## NOTE - 23.1: OTHER OPERATING REVENUES

Particulars	₹ in crore)	
	2021-2022	2020-2021
Sale of Power and Water	462.23	253.77
Revenue from Construction Contracts	7.49	3.91
Unclaimed / Unspent liabilities written back	127.56	371.70
Provision for Doubtful Advances, Claims and Stores written back	340.28	9.41
Provision for Contingencies written back	92.14	227.65
Recoveries from Employees	14.54	13.32
Retail Outlet License Fees	1,070.06	998.91
Income from Non Fuel Business	234.40	132.45
Commission and Discount Received	7.04	7.01
Sale of Scrap	397.94	251.68
Income from Finance Leases	0.28	0.13
Amortization of Capital Grants	25.96	25.29
Revenue Grants	188.92	190.86
Terminalling Charges	53.06	56.48
Other Miscellaneous Income	835.93	533.91
<b>TOTAL</b>	<b>3,857.83</b>	<b>3,076.48</b>

Particulars relating to Revenue Grants are given in Note - 46.

## NOTE - 24: OTHER INCOME

Particulars	₹ in crore)	
	2021-2022	2020-2021
<b>Interest on:</b>		
<b>Financial items:</b>		
Deposits with Banks	0.71	6.41
Customers Outstandings	416.37	341.72
Oil Companies GOI SPL Bonds/ Other Investments	1,098.84	912.69
Other Financial Items	338.33	459.74
Total interest on Financial items	1,854.25	1,720.56
Non-Financial items	14.42	39.56
	<b>1,868.67</b>	<b>1,760.12</b>

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 24 : OTHER INCOME (Contd...)

Particulars	(₹ in crore)	
	2021-2022	2020-2021
<b>Dividend:</b>	B	
From Related Parties	1,265.09	984.90
From Other Companies	1,053.59	256.13
	<b>2,318.68</b>	<b>1,241.03</b>
Profit on Sale of Investments (Net)	-	1.84
Profit on sale and disposal of Assets	23.15	-
Exchange Fluctuations (Net)	-	1,154.42
Gain on Derivatives	68.00	140.87
Fair value Gain on Financial instruments classified as FVTPL	-	205.56
Other Non Operating Income	45.76	46.88
<b>TOTAL</b>	<b>4,324.26</b>	<b>4,550.72</b>
A 1. Includes Tax Deducted at Source	42.87	8.55
A 2. Includes interest received under section 244A of the Income Tax Act.	2.33	24.15
A 3. Include interest on:		
Current Investments	705.18	638.32
Non-Current Investments	393.66	274.37
A 4. Total interest income (calculated using the effective interest method) for financial assets:		
In relation to Financial Assets classified at amortised cost	755.41	807.87
In relation to Financial Assets classified at FVOCI	825.80	832.42
In relation to Financial Assets classified at FVTPL	273.04	80.27
B.1 Dividend Income consists of Dividend on:		
Current Investments	-	1.69
Non-Current Investments	2,318.68	1,239.34
B.2. Dividend on Non Current Investments Includes Dividend from Subsidiaries	902.85	557.95
B.3. Includes Tax Deducted at Source	141.58	54.12

## NOTE - 25: COST OF MATERIALS CONSUMED

Particulars	(₹ in crore)	
	2021-2022	2020-2021
Opening Stock	28,064.32	19,350.20
Add: Purchases	3,06,799.08	1,65,362.08
	<b>3,34,863.40</b>	<b>1,84,712.28</b>
Less: Closing Stock	40,361.92	28,064.32
<b>TOTAL</b>	<b>2,94,501.48</b>	<b>1,56,647.96</b>

## NOTE - 26: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND STOCK IN PROCESS

Particulars	(₹ in crore)	
	2021-2022	2020-2021
<b>Closing Stock</b>		
Finished Products	37,845.40	30,652.95
Stock in Process	9,746.98	5,964.42
Stock- in - trade	10,289.38	9,067.37
	<b>57,881.76</b>	<b>45,684.74</b>
Less:		
<b>Opening Stock</b>		
Finished Products	30,652.95	27,074.48
Stock in Process	5,964.42	5,432.60
Stock - in - Trade	9,067.37	7,630.09
	<b>45,684.74</b>	<b>40,137.17</b>
<b>NET INCREASE / (DECREASE)</b>	<b>12,197.02</b>	<b>5,547.57</b>
	A	



## NOTES TO FINANCIAL STATEMENTS

## NOTE - 27: EMPLOYEE BENEFITS EXPENSE

Particulars	₹ in crore)	
	2021-2022	2020-2021
Salaries, Wages, Bonus etc	7,867.49	8,156.65
Contribution to Provident & Other Funds	1,674.12	1,426.95
Voluntary Retirement Compensation	2.90	2.60
Staff Welfare Expenses	1,447.19	1,125.84
<b>TOTAL</b>	<b>10,991.70</b>	<b>10,712.04</b>

- A. Excludes ₹ 438.84 crore (2021: ₹ 421.12 crore) included in capital work in progress (construction period expenses - Note-2.2) / intangible assets under development (Note - 3.1) and ₹ 14.11 crore (2021: ₹ 15.08 crore) included in CSR expenses (Note - 29.1).
- B. Contribution to Provident & Other Funds includes ₹ 350.10 crore (2021: ₹ 132.02 crore) towards Provident Fund contribution for interest shortfall/ losses on portfolio basis.
- C. Disclosure in compliance with Indian Accounting Standard-19 on "Employee Benefits" is given in Note - 35.

## NOTE - 28: FINANCE COSTS

Particulars	₹ in crore)	
	2021-2022	2020-2021
<b>Interest Payments on Financial items:</b>		
<b>Working Capital Loans:</b>		
Bank Borrowings	633.32	540.54
Bonds/ Debentures	513.58	434.03
Others	596.10	787.52
	<b>1,743.00</b>	<b>1,762.09</b>
<b>Other Loans:</b>		
Bank Borrowings	158.60	133.26
Bonds/Debentures	566.26	564.58
Lease Obligations	763.08	765.92
	<b>1,487.94</b>	<b>1,463.76</b>
Unwinding of Discount	113.54	88.61
Others	4.15	6.17
	<b>3,348.63</b>	<b>3,320.63</b>
<b>Interest Payments on Non Financial items:</b>		
Unwinding of Discount	0.10	0.14
Others	451.16	581.15
	<b>451.26</b>	<b>581.29</b>
	<b>3,799.89</b>	<b>3,901.92</b>
Other Borrowing Cost	16.44	19.08
Applicable Net (Gain) / Loss on Foreign Currency Transactions and Translation	1,012.77	(827.08)
<b>TOTAL</b>	<b>4,829.10</b>	<b>3,093.92</b>
A. Mainly includes:		
Interest expenses u/s 234B and 234C of Income Tax Act	88.75	135.19
Interest on Kandla Port Trust Rental Liability	159.88	131.61
B. Mainly pertains to franking charges, service charges & other indirect expenses on borrowings.		
C. In FY 2020-21, adjustment carried out for the year's exchange gain to the extent of unrealised exchange losses treated as finance cost in earlier years in line with Ind AS 23.		
Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss	<b>3,348.63</b>	3,320.63

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 29: OTHER EXPENSES

Particulars	₹ in crore)	
	2021-2022	2020-2021
<b>Consumption:</b>		
a) Stores, Spares and Consumables	2,086.37	1,717.88
b) Packages & Drum Sheets	558.23	421.30
	<b>2,644.60</b>	<b>2,139.18</b>
Power & Fuel	31,995.65	17,845.30
Less : Fuel from own production	24,450.94	13,485.22
	<b>7,544.71</b>	<b>4,360.08</b>
Throughput, Processing & Blending Fees, Royalty and Other Charges	1,162.27	1,020.26
Octroi, Other Levies and Irrecoverable taxes	1,918.60	1,566.81
Repairs and Maintenance		
i) Plant & Equipment	3,778.12	3,136.90
ii) Buildings	354.88	337.89
iii) Others	570.19	526.50
	<b>4,703.19</b>	<b>4,001.29</b>
Freight, Transportation Charges and Demurrage	14,750.90	14,459.14
Office Administration, Selling and Other Expenses (Note "29.1")	8,937.30	6,814.72
<b>TOTAL</b>	<b>41,661.57</b>	<b>34,361.48</b>
Less: Company's use of own Products and Crude	1,152.27	688.32
<b>TOTAL (Net)</b>	<b>40,509.30</b>	<b>33,673.16</b>

## NOTE - 29.1: OFFICE, ADMINISTRATION, SELLING AND OTHER EXPENSES

Particulars	₹ in crore)	
	2021-2022	2020-2021
Rent	646.81	600.32
Insurance	316.60	260.86
Rates & Taxes	171.94	144.19
Donation	2.00	1.00
<b>Payment to Auditors</b>		
As Auditors	2.87	2.18
For Taxation Matters	0.53	0.43
Other Services (for issuing other certificates etc.)	1.58	1.41
For reimbursement of expenses	0.13	0.14
	<b>5.11</b>	<b>4.16</b>
Travelling & Conveyance	630.86	470.71
Communication Expenses	66.32	59.00
Printing & Stationery	38.17	31.47
Electricity & Water	387.17	376.92
Bank Charges	27.54	30.06
Advance, Claims, CWIP, etc. written off	11.46	2.92
Provision/ Loss on Assets sold or written off (Net)	-	85.09
Technical Assistance Fees	80.94	103.45
Exchange Fluctuation (net)	1,433.97	-
Provision for Doubtful Advances, Claims, CWIP, Stores etc.	170.21	574.39

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 29.1 : OFFICE, ADMINISTRATION, SELLING AND OTHER EXPENSES (Contd...)

Particulars	₹ in crore)	
	2021-2022	2020-2021
Security Force Expenses	883.46	855.22
Sales Promotion Expenses (Including Commission)	1,279.92	339.07
Handling Expenses	687.01	611.52
Exploration & Production Cost	61.56	68.40
Fair value Loss on Financial instruments classified as FVTPL	205.71	-
Loss on Sale/ Write-off of Investments (Net)	4.73	-
Expenses on Construction Contracts	6.64	3.65
Expenses on CSR Activities (Refer Note - 45)	323.14	342.00
Training Expenses	76.65	59.15
Legal Expenses / Payment To Consultants	212.33	151.30
Notices and Announcement	10.74	9.73
Advertisement and Publicity	36.83	65.03
Pollution Control Expenses	85.74	108.60
Amortisation and Remeasurement of PMUY Assets	587.97	1,056.60
Miscellaneous Expenses	485.77	399.91
<b>TOTAL</b>	<b>8,937.30</b>	<b>6,814.72</b>

A. Includes ₹ 927.64 crore (2021: NIL) towards cost of free hot plates and first refill against LPG connections provided during FY 2021-22 under PMUY (Ujjwala 2) scheme.

## NOTE - 30: OTHER COMPREHENSIVE INCOME

Particulars	₹ in crore)	
	2021-2022	2020-2021
<b>Items that will not be reclassified to profit or loss:</b>		
Remeasurement of Defined Benefit Plans A	(769.98)	22.42
Fair value of Equity Instruments	6,998.94	4,668.51
	<b>6,228.96</b>	<b>4,690.93</b>
<b>Income Tax relating to items that will not be reclassified to profit or loss:</b>		
Remeasurement of Defined Benefit Plans	193.79	(5.64)
Fair value of Equity Instruments	(65.23)	(199.12)
	<b>128.56</b>	<b>(204.76)</b>
<b>Items that will be reclassified to profit or loss:</b>		
Fair value of Debt Instruments	(167.12)	97.24
Gain/(Loss) on Hedging Instruments	36.52	22.47
	<b>(130.60)</b>	<b>119.71</b>
<b>Income Tax relating to items that will be reclassified to profit or loss:</b>		
Fair value of Debt Instruments	42.10	(16.33)
Gain/(Loss) on Hedging Instruments	(9.19)	(5.66)
	<b>32.91</b>	<b>(21.99)</b>
<b>TOTAL</b>	<b>6,259.83</b>	<b>4,583.89</b>

A. Includes contribution in respect of services prior to 01.01.2007 of employees on-roll as on that date based on actuarial certificate (Refer Note 35).

## NOTES TO FINANCIAL STATEMENTS

## NOTE – 31: DISTRIBUTIONS MADE AND PROPOSED

Particulars	(₹ in crore)	
	March 31, 2022	March 31, 2021
<b>Cash Dividends on Equity Shares declared:</b>		
<b>Final Dividend</b>		
Final Dividend during the current year for previous financial year: ₹ 1.50 per share (2021: NIL per share for earlier financial year)	1,377.16	-
<b>Interim Dividend</b>		
Total Interim Dividend for current financial year: ₹ 9.00 per share (2021: ₹ 10.50 per share).	8,262.93	9,640.09
<b>Total</b>	<b>9,640.09</b>	<b>9,640.09</b>
<b>Proposed Dividend on Equity Shares</b>		
Final proposed Dividend for current financial year: ₹ 3.60 per share (2021: ₹ 1.50 per share)	3,305.17	1,377.16

## Notes

- 233118456 shares held under IOC Share Trust (Shareholder) of face value ₹ 233.12 crore (2021: ₹ 233.12 crore) have been netted off from paid up capital. IOC Share Trust have waived its right to receive the Dividend w.e.f. March 02, 2020 and therefore dividend on shares held by IOC Share Trust was neither proposed in the last year nor during the current financial year.
- The Company has also incurred expenses on distribution of final dividend amounting to ₹ 0.24 crore (2021: ₹ Nil) and on distribution of interim Dividend amounting to ₹ 0.48 crore (2021: ₹ 0.38 crore) which have been debited to equity.
- The Board of Directors recommended issue of bonus equity shares in the ratio of one equity share of ₹ 10 each for every two equity shares of ₹ 10 each held, subject to approval by the members of the Company. The bonus shares, upon approval, will also be eligible for the final dividend. The Board of Directors also recommended the final dividend of ₹ 3.60 per equity share having face value of ₹ 10/- (pre-bonus), which translates into final dividend of ₹ 2.40 per equity share having face value of ₹ 10/- (post-bonus) for FY 2021-22, subject to approval by the members of the Company.

## NOTE – 32: EARNINGS PER SHARE (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders by the weighted average number of Equity Shares outstanding during the year.

The following reflects the profit/ (loss) and number of shares used in the basic and diluted EPS computations:

Particulars	2021-22	2020-21
Profit/ (Loss) attributable to Equity holders (₹ in crore)	24,184.10	21,836.04
Weighted Average number of Equity Shares used for computing Earning Per Share (Basic)	9181040466	9181040466
Weighted Average number of Equity Shares used for computing Earning Per Share (Diluted)	9181040466	9181040466
Earnings Per Share (Basic) (₹)	26.34	23.78
Earnings Per Share (Diluted) (₹)	26.34	23.78
Face value per share (₹)	10.00	10.00

## Note

- 233118456 Equity Shares held under IOC Share Trust of face value ₹ 233.12 crore have been excluded from weighted average number of Equity Shares and EPS is computed accordingly.

## NOTES TO FINANCIAL STATEMENTS

## NOTE – 33A: INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The list of Investments in Subsidiaries, Joint Ventures and Associates are as under-

Name	Country of Incorporation/ Principal place of business	Equity Interest	
		March 31, 2022	March 31, 2021
<b>Subsidiaries</b>			
Chennai Petroleum Corporation Limited	India	51.89%	51.89%
IndianOil (Mauritius) Limited	Mauritius	100.00%	100.00%
Lanka IOC PLC	Sri Lanka	75.12%	75.12%
IOC Middle East FZE	UAE	100.00%	100.00%
IOC Sweden AB	Sweden	100.00%	100.00%
IOCL (USA) Inc.	USA	100.00%	100.00%
IndOil Global B.V.	Netherlands	100.00%	100.00%
IOCL Singapore Pte Limited	Singapore	100.00%	100.00%
<b>Associates</b>			
Petronet LNG Limited	India	12.50%	12.50%
AVI-OIL India Private Limited	India	25.00%	25.00%
Petronet India Limited @	India	18.00%	18.00%
Petronet VK Limited	India	50.00%	50.00%
<b>Joint Ventures</b>			
Indian Oiltanking Limited	India	49.38%	49.38%
Lubrizol India Private Limited	India	26.00%	26.00%
Indian Oil Petronas Private Limited	India	50.00%	50.00%
Green Gas Limited	India	49.98%	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	45.00%	50.00%
Petronet CI LTD @@	India	26.00%	26.00%
IndianOil Ruchi Bio Fuels LLP #	India	50.00%	50.00%
Hindustan Urvarak and Rasayan Limited	India	29.67%	29.67%
Ratnagiri Refinery & Petrochemicals Limited	India	50.00%	50.00%
Indradhanush Gas Grid Limited	India	20.00%	20.00%
IHB Limited	India	50.00%	50.00%

## NOTES TO FINANCIAL STATEMENTS

## NOTE – 33A : INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Contd...)

Name	Country of Incorporation/ Principal place of business	Equity Interest	
		March 31, 2022	March 31, 2021
IndianOil Total Private Limited	India	50.00%	50.00%
IOC Phinergy Private Limited	India	50.00%	50.00%
Paradeep Plastic Park Limited ##	India	49.00%	-

@ Petronet India Limited is a JV amongst Indian Oil, BPCL, HPCL, RIL, NEL, IL&FS, SBI and ICICI. The company is under winding up and the matter is pending with Official Liquidator since 2018.

@@ Petronet CI Ltd. is a JV amongst Indian Oil, PIL, RIL, NEL and BPCL. The company is under winding up and the matter is pending with Official Liquidator since 2006.

# Indian Oil has exited the Joint Venture, IndianOil Ruchi Biofuels LLP (M/s IORB) by giving notice of its exit from the LLP to the other JV partner viz. Ruchi Soya Industries Limited (M/s Ruchi) as well as to the LLP on December 26, 2018 stating that it will exit the LLP w.e.f. January 25, 2019. The time frame for completing exit formalities by M/s Ruchi by filing requisite forms with ROC was within 30 days of notice expiry period (i.e., by February 24, 2019) but the same is still pending and IndianOil name is appearing on ROC website as Partner in the said LLP. It has been informed that M/s Ruchi was under Corporate Insolvency Resolution Process and has been taken over by Patanjali Ayurveda Limited, and for the purpose of carrying out the process of liquidation, M/s. Sanatan has been inducted as the new partner in place of Indian Oil. All necessary documents have been provided to M/s Ruchi for completing formalities relating to exit of IndianOil from IORB LLP.

## IndianOil has made equity contribution towards acquisition of 49% stake in Paradeep Plastic Park Limited during the month of January 2022.

## Notes:

1. Ujjwala Plus Foundation is a joint venture of IOCL, BPCL and HPCL with fund contribution in the ratio of 50:25:25 which was incorporated as a company limited by guarantee (without share capital) under section 8 of Companies Act, 2013.
2. A subsidiary of the company, Indian Catalyst Private Limited has been dissolved and name has been struck off from the ROC's register on 25th October 2021.

## NOTE – 33B: INTEREST IN JOINT OPERATIONS

Name Particulars	Principle place of Business	Proportion of Ownership Interest		
		March 31, 2022	March 31, 2021	
<b>E&amp;P BLOCKS</b>				
1) AA-ONN-2001/2	A	India	20.00%	20.00%
2) GK-OSN-2009/1	B	India	25.00%	25.00%
3) AAP-ON-94/1		India	29.03%	29.03%
4) AA/ONDSF/UMATARA/2018		India	90.00%	90.00%
5) BK-CBM-2001/1		India	20.00%	20.00%
6) NK-CBM-2001/1		India	20.00%	20.00%
7) FARSI BLOCK IRAN	C	Iran	40.00%	40.00%
8) SHAKTHI GABON		Gabon	50.00%	50.00%
9) AREA 95-96	D	Libya	25.00%	25.00%
10) RJ-ONHP-2017/8		India	30.00%	30.00%
11) AA-ONHP-2017/12		India	20.00%	20.00%

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 33B : INTEREST IN JOINT OPERATIONS (Contd...)

- A. Exploration License expired on October 7, 2015. Consortium has requested Directorate General of Hydrocarbon (DGH) for Appraisal phase, however vide letter dated March 6, 2019, it was opined to carry out Exploration activity instead of Appraisal work. Accordingly, Operator requested DGH for extension of exploration period. Response from DGH is awaited.
- B. Appraisal period has expired on February 1, 2022. Consortium had requested Directorate General of Hydrocarbon (DGH) for extension. Response from DGH is awaited.
- C. The project's exploration period ended on 24 June 2009. The contractual arrangement with respect to development of the block could not be finalized so far with Iranian Authorities.
- D. Under Force Majeure since May 20, 2014

IOCL share of Financial position of Joint Operations are as under:

Particulars	(₹ in crore)	
	March 31, 2022	March 31, 2021
<b>Assets</b>	<b>717.91</b>	<b>650.24</b>
PPE ( including Producing Properties)	141.28	157.13
Capital Work in Progress	340.91	271.19
Intangible Asset under Development (Net of Provisions)	205.23	204.91
Other Assets (Net of Provisions)	30.49	17.01
<b>Liabilities &amp; Provisions</b>	<b>122.32</b>	<b>122.38</b>
Liabilities	112.15	112.71
Provisions	10.17	9.67
<b>Income</b>	<b>126.39</b>	<b>101.08</b>
Sale of Products (Net of Own Consumption)	126.68	100.58
Other Income	(0.29)	0.50
<b>Expenditure</b>	<b>59.80</b>	<b>67.78</b>
Expenditure written off (incl exploration related)	-	45.64
Other Costs (incl exploration related)	59.80	22.14
<b>Net Results</b>	<b>66.59</b>	<b>33.30</b>
<b>Commitments</b>	<b>715.14</b>	<b>766.60</b>
<b>Contingent Liabilities</b>	<b>-</b>	<b>-</b>

Note: Including financial position of relinquished blocks.

## NOTE - 34A: DISCLOSURE RELATING EXPLORATION AND PRODUCTION ACTIVITIES

In compliance of Ind-AS-106 on "Exploration and Evaluation of Mineral Resources", the disclosure of financial information relating to activity associated with the exploration for and evaluation of mineral resources (crude oil, natural gas etc.) are as under:

Name	(₹ in crore)	
	March 31, 2022	March 31, 2021
<b>(i) Assets</b>	<b>211.00</b>	<b>211.02</b>
- Intangible Assets under Development	205.23	204.91
- Capital Work in Progress	0.70	0.79
- Other Assets	5.07	5.32
<b>(ii) Liabilities</b>	<b>84.84</b>	<b>86.30</b>
- Provisions	2.31	2.31
- Other Liabilities	82.53	83.99
<b>(iii) Income</b>	<b>-</b>	<b>0.19</b>
- Other Income	-	0.19
<b>(iv) Expenses</b>	<b>27.89</b>	<b>68.71</b>
- Exploration expenditure written off	-	45.64
- Other exploration costs	27.89	23.07



## NOTES TO FINANCIAL STATEMENTS

## NOTE-34A: DISCLOSURE RELATING EXPLORATION AND PRODUCTION ACTIVITIES (Contd...)

Name	(₹ in crore)	
	March 31, 2022	March 31, 2021
<b>(v) Cash Flow</b>		
- Net Cash from/(used) in operating activities	(29.10)	(35.85)
- Net Cash from/(used) in investing activities	(0.52)	(2.47)

## NOTE - 34B: IN COMPLIANCE OF REVISED GUIDANCE NOTE ON ACCOUNTING FOR OIL AND GAS PRODUCING ACTIVITIES, THE REQUIRED DISCLOSURES IN RESPECT OF RESERVES ARE AS UNDER:

Dirok field of Pre-NELP block AAP-ON-94/1 commenced production of gas and condensate on August 26, 2017 having producing life cycle of 20 years. 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, 2022		March 31, 2021	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
		TMT	Million Cubic Meter	TMT	Million Cubic Meter
<b>A) Proved Reserves</b>					
Assam AAP-ON-94/1	Beginning	26.15	1030.54	35.81	1137.21
	Addition	-	-	-	-
	Deduction	-	-	-	-
	Production	8.42	100.64	9.66	106.67
	<b>Balance</b>	<b>17.73</b>	<b>929.90</b>	<b>26.15</b>	<b>1030.54</b>
<b>Total Proved Reserves</b>		<b>17.73</b>	<b>929.90</b>	<b>26.15</b>	<b>1030.54</b>
<b>B) Proved developed Reserves</b>					
Assam AAP-ON-94/1	Beginning	26.15	1030.54	35.81	1137.21
	Addition	-	-	-	-
	Deduction	-	-	-	-
	Production	8.42	100.64	9.66	106.67
	<b>Balance</b>	<b>17.73</b>	<b>929.90</b>	<b>26.15</b>	<b>1030.54</b>
<b>Total Proved developed Reserves</b>		<b>17.73</b>	<b>929.90</b>	<b>26.15</b>	<b>1030.54</b>

## Net Proved Reserves &amp; Proved developed Reserves of Crude Oil, Condensate, Natural Gas Liquids and Gas on geographical Basis:

Details		March 31, 2022		March 31, 2021	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
		TMT	Million Cubic Meter	TMT	Million Cubic Meter
<b>A) Proved Reserves</b>					
India		17.73	929.90	26.15	1030.54
<b>Total Proved Reserves</b>		<b>17.73</b>	<b>929.90</b>	<b>26.15</b>	<b>1030.54</b>

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 34B: IN COMPLIANCE OF REVISED GUIDANCE NOTE ON ACCOUNTING FOR OIL AND GAS PRODUCING ACTIVITIES, THE REQUIRED DISCLOSURES IN RESPECT OF RESERVES ARE AS UNDER: (Contd...)

Details	March 31, 2022		March 31, 2021	
	Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
	TMT	Million Cubic Meter	TMT	Million Cubic Meter
<b>B) Proved developed Reserves</b>				
India	17.73	929.90	26.15	1030.54
<b>Total Proved developed Reserves</b>	<b>17.73</b>	<b>929.90</b>	<b>26.15</b>	<b>1030.54</b>

## Frequency

The Proved and Proved & Developed reserves mentioned above are the provisional numbers based on the estimate provided by the operator. For the purpose of estimation of Proved and Proved Developed reserves, Deterministic method has been used by the operator. The annual revision of Reserve Estimates is based on the yearly exploratory and development activities and results thereof.

## NOTE - 35 : EMPLOYEE BENEFITS

## Disclosures in compliance with Ind-As 19 on "Employee Benefits" is as under:

## A. Defined Contribution Plans- General Description

**Employee Pension Scheme (EPS-95) \***

During the year, the company has recognised ₹ 30.27 crore (2021: ₹ 32.68 crore) as contribution to EPS-95 in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 27/ Construction period expenses in Note-2.2).

**Pension Scheme \***

During the year, the company has recognised ₹ 514.19 crore (2021: ₹ 449.83 crore) towards Defined Contributory Employees Pension Scheme (including contribution in corporate National Pension System) in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 27/ Construction period expenses in Note-2.2).

## B. Defined Benefit Plans- General Description

**Provident Fund: \***

The Company's contribution to the Provident Fund are remitted to the three separate provident fund trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to the Statement of Profit and Loss. Shortfall of net income of trust below Government specified minimum rate of return, if any, and loss to the trust due to its investments turning stressed are being made good by the Company. Actuarial valuation was carried out in this regard and ₹ 350.10 crore (2021: ₹ 132.02 crore) has been provided by the company towards interest shortfall/ losses of PF trusts.

**Gratuity: \***

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount based on completed tenure of service subject to maximum of ₹ 0.20 crore at the time of separation from the company. Besides, the ceiling of gratuity increases by 25% whenever IDA rises by 50% with reference to January 01, 2017.

**Post Retirement Medical Benefit Facility (PRMBF): \***

PRMBF provides medical coverage to retired employees and their eligible dependant family members.

During the year, the Company has contributed ₹ 767.13 crore in respect of services prior to 01.01.2007 for employees on-roll as on that date based on actuarial certificate and as approved by Board. The contribution to the extent of ₹ 643.89 crore has been adjusted in Other Comprehensive Income against amount shown as recoverable advance towards PRMB trust in earlier years.

## NOTES TO FINANCIAL STATEMENTS

### NOTE - 35 : EMPLOYEE BENEFITS (Contd...)

#### Resettlement Benefit:

Resettlement benefit is allowed to employees to facilitate them to settle down upon retirement.

#### Ex gratia Scheme:

Ex-gratia is payable to those employees who have retired before January 01, 2007 and either not drawing pension from superannuation benefit fund (as they superannuated prior to January 01, 1987, i.e. introduction of superannuation benefit fund scheme in IndianOil) or are drawing a pension lower than the ex gratia fixed for a Grade (in such case differential amount between pension and ex gratia is paid).

#### Employees Compensation for injuries arising out of or during the course of employment:

Employees covered under the Employees' Compensation Act, 1923 who meet with accidents, while on duty, are eligible for compensation under the said Act. Besides, a lumpsum monetary compensation equivalent to 100 months' Pay (BP+DA) is paid in the event of an employee suffering death or permanent total disablement due to an accident arising out of and in the course of his employment.

#### Felicitation of Retired Employees:

The company has a scheme to felicitate retired employees on attaining different age milestones with a token lumpsum amount.

\* As per the Guidelines of Department of Public Enterprises (DPE) on Pay Revision, the Company can contribute upto 30% of Basic Pay plus Dearness Allowance of its employees towards superannuation schemes comprising of Provident Fund, Gratuity, Post-Retirement Medical Benefits (PRMBF) and Pension. In this regard, the total charge to Statement of Profit and Loss/ Other Comprehensive Income (OCI) was earlier limited to 30% of Basic pay plus Dearness Allowance and balance amount funded was shown as recoverable advance from the company's contribution towards superannuation benefits including pension schemes. During the current year, these recoverable advances have been adjusted against the contribution for the year including additional contribution to PRMBF towards services prior to 01.01.2007.

### 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 Half Pay Leave) at the end of every six months. The entire accumulation of sick leave is permitted for encashment only at the time of retirement. DPE had clarified earlier that sick leave cannot be encashed, though Earned Leave (EL) and Half Pay Leave (HPL) could be considered for encashment on retirement subject to the overall limit of 300 days. Ministry of Petroleum and Natural Gas (MOP&NG) has advised the company to comply with the said DPE Guidelines. However, in compliance to the DPE guidelines of 1987 which had allowed framing of own leave rules within broad parameters laid down by the Government and keeping in view operational complications and service agreements the company had requested concerned authorities to reconsider the matter. Subsequently, based on the recommendation of the 3rd Pay Revision Committee, DPE in its guidelines on pay revision, effective from January 01, 2017 has inter-alia allowed CPSEs to frame their own leave rules considering operational necessities and subject to conditions set therein. The requisite conditions are fully met by the company.

#### Long Service Award:

On completion of specified period of service with the company and also at the time of retirement, employees are rewarded with amounts based on the length of service completed. It is a mode of recognizing long years of loyalty and faithful service in line with Bureau of Public Enterprises (currently DPE) advice vide its DO No. 7(3)/79-BPE (GM.I) dated February 14, 1983. On receipt of communication from MoPNG advising us that the issue of Long Service Award has been made into an audit para in the Annual Report of CAG of 2019, the Corporation has been clarifying its position to MoP&NG individually as well as on industry basis as to how Long Service Awards are not in the nature of Bonus or Ex-gratia or honorarium and is emanating from a settlement with the unions under the Industrial Dispute Act as well as with the approval of the Board in line with the DPE's advice of 1983. The matter is being pursued with MOP&NG for resolution. Pending this the provision is in line with Board approved policy.

The amount provided during the year on this account is ₹ 17.37 crore (2021: ₹ 18.49 crore) and the payments made to employees during the year is ₹ 26.58 crore (2021: ₹ 25.33 crore). The actuarial liability of ₹ 173.16 crore in this respect as on March 31, 2022 is included under "Provision for Employees Benefit" in "Note 18 – Provisions".



## NOTES TO FINANCIAL STATEMENTS

## NOTE - 35 : EMPLOYEE BENEFITS (Contd...)

	(₹ in crore)					
	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Expected Contribution for NPA	<b>612.36</b>	-	-	-	-	-
	-	-	-	-	-	-
Re-measurement (Return on plan assets excluding Interest Income)	<b>160.34</b>	<b>19.27</b>	<b>77.56</b>	-	-	-
	87.06	13.77	50.49	-	-	-
Fair value of plan assets at the end of the year	<b>18,367.42</b>	<b>2,648.57</b>	<b>6,925.80</b>	-	-	-
	17,381.66	2,742.90	6,286.70	-	-	-

## (iii) Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation

	(₹ in crore)					
	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the end of the year	<b>18,367.42</b>	<b>2,648.57</b>	<b>6,925.80</b>	-	-	-
	17,381.66	2,742.90	6,286.70	-	-	-
Defined Benefit Obligation at the end of the year (Net of Interest Shortfall)	<b>18,069.96</b>	<b>2,655.33</b>	<b>7,045.20</b>	<b>118.90</b>	<b>255.36</b>	<b>467.25</b>
	17,244.54	2,739.16	6,527.75	127.26	236.23	486.39
Amount not recognised in the Balance Sheet (as per para 64 of Ind-As 19)	<b>297.46</b>	-	-	-	-	-
	137.12	-	-	-	-	-
Net Liability/ (Assets) recognised in the Balance Sheet	-	<b>6.76</b>	<b>119.40</b>	<b>118.90</b>	<b>255.36</b>	<b>467.25</b>
	262.26	(3.74)	241.05	127.26	236.23	486.39

## (iv) Amount recognised in Statement of Profit and Loss/ Construction Period Expenses

	(₹ in crore)					
	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Current Service Cost	<b>490.17</b>	<b>47.72</b>	<b>273.35</b>	<b>18.37</b>	-	<b>2.02</b>
	505.09	51.44	252.04	19.22	-	1.74
Past Service Cost	<b>(262.26)</b>	-	-	-	-	-
	-	-	-	-	-	-
Net Interest Cost	-	<b>(0.26)</b>	<b>16.66</b>	<b>8.78</b>	<b>14.95</b>	<b>33.61</b>
	-	29.66	37.09	9.17	14.90	30.37
Contribution by Employees	-	-	<b>(1.24)</b>	-	-	-
	-	-	(1.22)	-	-	-
Expected Contribution for NPA	<b>612.36</b>	-	-	-	-	-
	-	-	-	-	-	-
Actuarial (gain)/ loss on obligations due to Future Interest Shortfall	-	-	-	-	-	-
	132.02	-	-	-	-	-
Expenses for the year	<b>840.27</b>	<b>47.46</b>	<b>288.77</b>	<b>27.15</b>	<b>14.95</b>	<b>35.63</b>
	637.11	81.10	287.91	28.39	14.90	32.11

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 35 : EMPLOYEE BENEFITS (Contd...)

## (v) Amount recognised in Other Comprehensive Income (OCI)

	(₹ in crore)					
	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Actuarial (gain)/ loss on Obligations	-	(3.40)	(1.79)	1.71	-	(11.82)
- Due to change in Demographic assumptions	-	-	653.45	-	5.05	69.18
Actuarial (gain)/ loss on Obligations	-	(87.52)	(562.39)	(7.28)	(6.39)	(24.09)
- Due to change in Financial assumptions	-	(8.82)	(115.06)	(0.73)	(2.81)	(4.18)
Actuarial (gain)/ loss on Obligations	-	69.46	632.74	(21.61)	46.97	(2.23)
- Due to Experience	-	34.30	(332.83)	(27.14)	8.77	(41.69)
Re-measurement (Return on plan assets excluding Interest Income)	-	19.27	77.56	-	-	-
	-	13.77	50.49	-	-	-
Amount recoverable from employee adjusted in OCI	-	(200.56)	(643.89)	-	-	-
	-	(13.68)	209.33	-	-	-
Net Loss / (Gain) recognized in OCI	-	159.83	634.89	(27.18)	40.58	(38.14)
	-	25.39	(54.26)	(27.87)	11.01	23.31

## (vi) Major Actuarial Assumptions

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Discount rate	7.27%	7.31%	7.40%	7.31%	6.96%	7.40%
	6.90%	6.90%	6.91%	6.90%	6.33%	6.91%
Salary escalation	-	8.00%	-	-	-	-
	-	8.00%	-	-	-	-
Inflation	-	-	8.00%	6.00%		
	-	-	8.00%	6.00%		
Average Expected Future Service/ Obligation (Years)	-	17	30	17	9	30
	-	16	30	16	9	30
Mortality rate during employment	-	<b>Indian Assured Lives Mortality (2012-14) Urban</b>				
	-	<i>Indian Assured Lives Mortality (2006-08) Ult</i>				

In case of funded schemes above, expected return on plan assets is same as that of respective discount rate.

The estimate of future salary increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 35 : EMPLOYEE BENEFITS (Contd...)

## (vii) Sensitivity on Actuarial Assumptions:

(₹ in crore)

Loss / (Gain) for:	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
<b>Change in Discounting Rate</b>						
Increase by 1%	-	<b>(250.30)</b>	<b>(292.72)</b>	<b>(15.11)</b>	<b>(9.45)</b>	<b>(42.61)</b>
	-	(202.94)	(986.91)	(16.16)	(9.17)	(47.09)
Decrease by 1%	-	<b>164.66</b>	<b>355.38</b>	<b>19.08</b>	<b>10.32</b>	<b>51.84</b>
	-	239.79	1,322.26	20.45	10.03	57.68
<b>Change in Salary Escalation</b>						
Increase by 1%	-	<b>(9.92)</b>	-	-	-	-
	-	57.41	-	-	-	-
Decrease by 1%	-	<b>(117.43)</b>	-	-	-	-
	-	(64.02)	-	-	-	-
<b>Change in Inflation Rate</b>						
Increase by 1%	-	-	<b>831.05</b>	-	-	-
	-	-	790.95	-	-	-
Decrease by 1%	-	-	<b>(677.28)</b>	-	-	-
	-	-	(640.81)	-	-	-

## (viii) Investment details:

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Investment with Insurer	-	<b>99.60%</b>	<b>85.51%</b>
	-	99.54%	88.07%
Self managed investments	<b>100.00%</b>	<b>0.40%</b>	<b>14.49%</b>
	100.00%	0.46%	11.93%

Details of the investment pattern for the above mentioned funded obligations are as under:

	Provident Fund	Gratuity*	PRMS*
	Funded	Funded	Funded
Government Securities (Central & State)	<b>51.19%</b>	<b>55.57%</b>	<b>15.85%</b>
	50.77%	42.84%	21.22%
Investment in Equity / Mutual Funds	<b>7.97%</b>	<b>1.09%</b>	<b>16.66%</b>
	7.84%	2.83%	0.00%
Investment in Debentures / Securities	<b>38.30%</b>	<b>41.29%</b>	<b>67.49%</b>
	39.32%	52.12%	78.20%
Other approved investments (incl. Cash)	<b>2.54%</b>	<b>2.05%</b>	<b>0.00%</b>
	2.06%	2.21%	0.58%

\* Pending receipt of investment pattern from LIC for current year, pattern above pertains to self managed funds & funds managed by other insurers and the actual investment pattern after considering the details from LIC shall vary.



## NOTES TO FINANCIAL STATEMENTS

NOTE - 35 : EMPLOYEE BENEFITS FOR THE YEAR ENDED ON MARCH 31, 2022  
(Contd...)

(ix) The following payments are expected projections to the defined benefit plan in future years:

Cash Flow Projection from the Fund/ Employer	(₹ in crore)				
	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
Within next 12 Months	<b>321.16</b>	<b>275.84</b>	<b>8.32</b>	<b>30.21</b>	<b>25.35</b>
	188.83	235.73	8.38	36.74	22.89
Between 1 to 5 Years	<b>943.21</b>	<b>1,186.18</b>	<b>26.19</b>	<b>94.49</b>	<b>109.88</b>
	1,117.71	1,010.80	28.69	109.65	106.51
Between 6 to 10 Years	<b>1,046.90</b>	<b>1,656.40</b>	<b>32.45</b>	<b>68.49</b>	<b>166.28</b>
	1,110.33	1,391.30	34.38	72.48	162.23

## NOTE - 36: COMMITMENTS AND CONTINGENCIES

## A. Leases

## (a) As Lessee

The Company has entered into various material lease arrangements (including in substance lease arrangements) such as lands and buildings for the purpose of its plants, facilities, offices, retail outlet etc., storage tankages facility for storing petroleum products, time charter arrangements for coastal transportation of crude and petroleum products, transportation agreement for dedicated tank trucks for road transportation of petroleum products, handling arrangement with CFA for providing dedicated storage facility and handling lubes, supply of utilities like Hydrogen, Oxygen, Nitrogen and Water, and port facilities among others.

There are no significant sale and lease back transactions and lease agreements entered by the Company do not contain any material restrictions or covenants imposed by the lessor upto the current reporting period.

Details of significant leases entered by the Company (including in substance leases) are as under;

- BOOT Agreement in respect of Tankages facility at Paradip for a period of 15 years. Lessor will transfer ownership to IOCL after 15 years at Nil value.
- BOOT Agreement in respect of Water Intake facility at Paradip for a period of 25 years. Lessor will transfer ownership to IOCL after 25 years at ₹ 0.01 crore.
- Leasehold lands from government for the purpose of plants, facilities and offices for the period 30 to 90 years.
- Agreements with vessel owners for hiring of vessels for various tenures, these are classified as Transport Equipments.
- BOO Agreement for supply of oxygen and nitrogen at Panipat Refinery. The land is owned by IOCL and the plant is being operated by contractor for supply of oxygen and nitrogen to IOCL.
- BOO Agreement for leasing of Nitrogen & Hydrogen Plant at Paradip for 15 years.
- BOOT Agreement for leasing of Quality Control Lab at Paradip for 10 years. Lessor will transfer the Assets after 10 years at ₹ 0.01 crore.
- Arrangements with Adani Ports and Special Economic Zone Limited related to port facilities at Mundra for a period of 25 years and 11 months.
- Arrangement for lease of land for operating Retail Outlets for sale of Petroleum products, setting up terminals/Bottling plant/Lube Blending plant for storing petroleum products/bottling LPG/Manufacturing Lubes respectively.
- CFA handling arrangement with CFAs for providing dedicated storage facility for handling lubes.
- Arrangements with Tank truck operators for providing dedicated tank trucks for transportation of company's petroleum products.
- Arrangements for dedicated time charter vessels for coastal transportation of Company's petroleum products.
- Arrangement for dedicated storage tanks for storing Company's petroleum products at various locations.
- Arrangement for using hookup facilities for supply of gas to its city gas station in Rewa District with Reliance Gas Pipeline Limited for a period of 15 years.

## NOTES TO FINANCIAL STATEMENTS

## NOTE – 36: COMMITMENTS AND CONTINGENCIES (Contd...)

Amount Recognized in the Statement of Profit and Loss or Carrying Amount of another asset

(₹ in crore)

Particulars	2021-22		2020-21	
Depreciation recognized		1,133.01		1,200.38
Interest on lease liabilities		792.79		794.35
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)*		1,597.90		1,829.44
Expenses relating to leases of low-value assets, excluding short-term leases of Low-value assets		29.11		13.56
Variable lease payments not included in the measurement of lease liabilities		9,781.93		8,955.04
Income from sub-leasing right-of-use assets				
- As Rental income from Operating Lease	23.29		22.64	
- As Finance income from Finance Lease of RoU Asset	0.28	23.57	0.13	22.77
Total cash outflow for leases		3,056.14		2,333.56
Additions to ROU during the year		1,109.12		1,438.97
Net Carrying Amount of ROU at the end the year		9,325.12		9,349.01
Others including Disputed, Leave & License, Reversal of excess liability of previous year, exchange fluctuation on lease liability etc.		279.80		172.92

\*Includes Leases for which agreement are yet to be entered or due for renewal.

The details of ROU Asset included in PPE (Note 2) held as lessee by class of underlying asset (excluding those covered in Investment property) are presented below :-

## 2021-22

(₹ in crore)

Asset Class	Net Carrying value as at April 01, 2021	Net Additions to RoU Asset during the Year**	Depreciation Recognized During the Year	Net Carrying value as at March 31, 2022
Leasehold Land	4,358.89	(354.56)	83.94	3,920.39
Buildings Roads etc.	346.38	16.11	23.12	339.37
Plant & Equipment	3,636.08	(46.30)	219.29	3,370.49
Transport Equipments	1,007.56	1,493.84	806.57	1,694.83
Railway Sidings	0.10	0.03	0.09	0.04
<b>Total</b>	<b>9,349.01</b>	<b>1,109.12</b>	<b>1,133.01</b>	<b>9,325.12</b>

## 2020-21

(₹ in crore)

Asset Class	Net Carrying value as at April 1, 2020	Net Additions to RoU Asset during the Year**	Depreciation Recognized During the Year	Net Carrying value as at March 31, 2021
Leasehold Land	4,182.54	478.28	301.93	4,358.89
Buildings Roads etc.	94.62	281.77	30.01	346.38
Plant & Equipment	3,887.62	16.91	268.45	3,636.08
Transport Equipments	945.53	662.01	599.98	1,007.56
Railway Sidings	0.11	-	0.01	0.10
<b>Total</b>	<b>9,110.42</b>	<b>1,438.97</b>	<b>1,200.38</b>	<b>9,349.01</b>

\*\* Additions to RoU Asset during the year is net of RoU Assets given on Sublease or modifications and cancellations during the year, if any. Further, it includes the impact of reclassification of site preparation cost to Building, Plant &amp; Equipment etc in line with the EAC opinion (Refer Note-49). Its asset class wise details have been shown under Note 2: Property, Plant and Equipment.

## NOTES TO FINANCIAL STATEMENTS

### NOTE - 36 : COMMITMENTS AND CONTINGENCIES (Contd...)

As per requirement of the standard, maturity analysis of Lease Liabilities have been shown separately from the maturity analysis of other financial liabilities under **Liquidity Risk-Note 40: Financial Instruments & Risk Factors**.

**Details of items of future cash outflows which the Company is exposed as lessee but are not reflected in the measurement of lease liabilities are as under;**

#### (i) Variable Lease Payments

Variable lease payments that depend on an index or a rate are to be included in the measurement of lease liability although not paid at the commencement date. As per general industry practice, the Company incurs various variable lease payments which are not based any index or rate (variable based on kms covered or % of sales etc..) and are recognized in profit or loss and not included in the measurement of lease liability. Details of some of the arrangements entered by the Company which contain variable lease payments are as under;

1. Transportation arrangement based on number of kms covered for dedicated tank trucks with different operators for road transportation of petroleum, petrochemical and gas products.
2. Leases of Land of Retail Outlets based on Sales volume.
3. Rent for storage tanks for petroleum products on per day basis.
4. Payment of VTS software and VSAT equipment based on performance of equipment.

#### (ii) Extension and Termination Options

The Company lease arrangements includes extension options only to provide operational flexibility. Company assesses at every lease commencement whether it is reasonably certain to exercise the extension options and further reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. However, where Company has the sole discretion to extend the contract such lease term is included for the purpose of calculation of lease liabilities.

The Company has the sole discretion to terminate the lease in case of lease agreement for Retail Outlets. However, Company is reasonably certain not to exercise the option in view of significant improvement and prominent importance of Retail to the entity's operations. Accordingly, such lease term without any effect of termination is considered for the purpose of calculation of lease liabilities.

#### (iii) Residual Value Guarantees

The Company have entered into various BOOT agreements wherein at the end of lease term the leased assets will be transferred to the company at Nominal value which has no significant impact on measurement of lease liabilities.

#### (iv) Committed leases which are yet to commence

1. The Company has entered into lease agreement on BOO basis for supply of oxygen and nitrogen gas to IOCL Ethylene Glycol Project at Paradip Refinery for a period of 20 years. IOCL has sub leased the land for the construction of the plant. Lease will commence once plant is commissioned.
2. The Company has entered into lease agreement for hiring of one time charter vessels for a period of 2 years to be commenced in the month of April 2022.
3. The Company has entered into lease agreement on BOO basis for supply of Hydrogen and Nitrogen gas to Barauni Refinery for a period of 20 years. IOCL has sub leased the land for the construction of the plant. Lease will commence once plant is commissioned.
4. The Company has paid Advance Upfront Premium of ₹ 71.89 crore to CIDCO for land for 3 Retail outlets at Mumbai for the period of 60 years. The agreement is yet to be executed and therefore the amount is lying as Capital Advance and shall form part of ROU Assets once lease is commenced.
5. The Company has paid Advance Upfront Premium of ₹ 13.42 crore to MSRDC for land for 6 Retail outlets at Aurangabad and Nagpur for the period of 30 years. The agreement is yet to be executed and therefore the amount is lying as Capital Advance and shall form part of ROU Assets once lease is commenced.

## NOTES TO FINANCIAL STATEMENTS

### NOTE-36: COMMITMENTS AND CONTINGENCIES (Contd...)

6. The Company has entered into lease agreement for sourcing e-locks from various vendors for a period of 3 years (with an option to extend at the option of IOCL) at rate ranging from ₹ 1050-1300/month and for 1 vendor ₹ 2450/month. As at March 31, 2022, 6215 no's are yet to be supplied. However, the same are low value items.
7. The Company has entered into lease agreement with Andhra Pradesh State Civil Supplies for land for 1 Retail Outlet at Vizag for a period of 20 years at an monthly rental of ₹ 20000/- with an increment of 10% in every 3 years. The possession of land is not given and the matter is pending in the court.
8. The Company has entered into centralised lease agreement with M/s Trimble for rent payment of ₹ 373/month for VTS software for POL trucks customised to IOCL requirement for a period of 5 years. As at March 31, 2022 total 601 Nos are yet to be installed. However, payment is in the nature of variable lease payment.
9. The Company has entered into lease agreement with M/s Geovista, M/s Rosevmertha for VTS software of LPG trucks for a period of 5 years at a rental ranging from ₹ 103-300/month. As at March 31, 2022 lease a total of 5392 nos. of VTS are yet to be installed. However, payment is in the nature of variable lease payment.
10. The Company has amended the lease agreement entered with Adani Ports and Special Economic Zone Limited, for leasing 120 acres of additional developed land at Mundra Port, up to February 16, 2031, for storage facility. Lease will commence when the land is developed by the provider and the rights for same is transferred to IOCL.

#### (b) As Lessor

##### (i) Operating Lease

The lease rentals recognized as income in these statements as per the rentals stated in the respective agreements:

Particulars	₹ in crore)	
	2021-22	2020-21
Lease rentals recognized as income during the year	157.59	105.33
- Variable Lease	59.06	48.52
- Others	98.53	56.81

These relate to Land/Buildings subleased for non fuel business, storage tankage facilities for petroleum products, Leave and License model, machinery and office equipments given on lease. Asset class wise details have been presented under Note 2: Property, Plant and Equipments.

#### Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date

Particulars	₹ in crore)	
	March 31, 2022	March 31, 2021
Less than one year	84.67	61.53
One to two years	73.86	56.38
Two to three year	70.96	45.23
Three to four years	44.03	40.61
Four to five years	2.86	13.78
More than five years	0.44	1.22
<b>Total</b>	<b>276.82</b>	<b>218.75</b>

## NOTES TO FINANCIAL STATEMENTS

## NOTE-36: COMMITMENTS AND CONTINGENCIES (Contd...)

## (ii) Finance Lease

The Company has entered into the following material finance lease arrangements:

- (i) The Company has entered into Lease Agreement with Indian Railways in respect of BTPN Tank Wagons for a minimum period of 20 years. The lease rentals from the date of formation of rake are @ 16% for the first 10 years and thereafter at the nominal rate of 1% of the cost.
- (ii) The Company has subleased Telematics Equipments to its Fleet Customers. IOCL has classified the sub lease as a finance lease, because the sub-lease is for the whole of the remaining term of the head lease.
- (iii) The Company has entered into sublease arrangement of Office Space to PCRA for a period of 3 years. The same has been classified as finance lease as the sub-lease is for the whole of the remaining term of the head lease.
- (iv) The Company has entered into arrangement with Chandigarh administration for subleasing LPG Godowns to LPG Distributors for a period of 15 years. The same has been classified as finance lease as the sub-lease is for the whole of the remaining term of the head lease.
- (v) The Company has entered into a lease agreement with Indian Synthetic Rubber Private Limited in which the Company has leased out land for one time upfront payment of ₹ 16.65 crore
- (vi) The Company has subleased certain Office Premises to IHB Limited.

Lease income from lease contracts in which the Company acts as a lessor is as below:-

Particulars	(₹ in crore)	
	2021-22	2020-21
Selling Profit & Loss	0.58	0.13
Finance income on the net investment in the lease	0.28	0.13

Particulars	(₹ in crore)	
	March 31, 2022	March 31, 2021
<b>Gross Investments in Finance Lease</b>	<b>123.96</b>	120.51
Less: Unearned Finance Income	0.12	0.27
Less: Finance Income Received	40.68	40.36
Less: Minimum Lease payment received	79.82	75.82
<b>Net Investment in Finance Lease as on Date</b>	<b>3.34</b>	<b>4.06</b>
<b>Opening Net Investment in Finance Lease</b>	<b>4.06</b>	65.77
Add: New Leases added during the year	3.08	4.44
Less: PV of Minimum Lease payment received during the year	3.80	1.41
Less: Adjustment during the year	-	64.74
<b>Closing Net Investment in Finance Lease</b>	<b>3.34</b>	<b>4.06</b>

Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date

Particulars	(₹ in crore)	
	March 31, 2022	March 31, 2021
Less than one year	2.61	2.30
One to two years	0.85	1.55
Two to three year	-	0.48
Three to four years	-	-
Four to five years	-	-
More than five years	-	-
<b>Total Undiscounted Lease Payment</b>	<b>3.46</b>	<b>4.33</b>
Less: Unearned finance Income	0.12	0.27
<b>Net Investment in Finance Lease as on date</b>	<b>3.34</b>	<b>4.06</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE-36: COMMITMENTS AND CONTINGENCIES (Contd...)

#### B. Contingent Liabilities

##### B.1 Claims against the Company not acknowledged as debt

Claims against the Company not acknowledged as debt amounting to **₹ 8,441.64 crore** (2021: ₹ 8,069.65 crore) are as under:

B.1.1 **₹ 23.66 crore** (2021: ₹ 49.15 crore) being the demands raised by the Central Excise /Customs/ Service Tax Authorities including interest of **₹ 6.67 crore** (2021: ₹ 22.43 crore.)

B.1.2 **₹ 40.21 crore** (2021: ₹ 42.81 crore) in respect of demands for Entry Tax from State Governments including interest of **₹ 8.62 crore** (2021: ₹ 8.61 crore).

B.1.3 **₹ 1,839.5 crore** (2021: ₹ 2,033.87 crore) being the demands raised by the VAT/ Sales Tax Authorities including interest of **₹ 7,86.26 crore** (2021: ₹ 848.96 crore).

B.1.4 **₹ 2,266.47 crore** (2021: ₹ 1,812.86 crore) in respect of Income Tax demands including interest of **₹ 113.34 crore** (2021: ₹ 80.15 crore).

B.1.5 **₹ 3,893.39 crore** (2021: ₹ 3,837.68 crore) including **₹ 3,306.36 crore** (2021: ₹ 3,150.9 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of **₹ 86.59 crore** (2021: ₹ 110.53 crore).

B.1.6 **₹ 378.41 crore** (2021: ₹ 293.28 crore) in respect of other claims including interest of **₹ 41.44 crore** (2021: ₹ 25.22 crore).

The Company has not considered those disputed demands/claims as contingent liabilities, for which, the outflow of resources has been considered as remote. Contingent liabilities in respect of joint operations are disclosed in Note 33B.

##### B.2 Guarantees excluding Financial Guarantees

B.2.1 The Company has issued Corporate Guarantee in favour of three beneficiaries i.e. Bolivarian Republic of Venezuela (Republic), The Corporation Venezolana del Petroleo S.A. and PeTroCarabobo S.A., on behalf of Indoil Netherlands B.V., Netherlands (an associate Company) to fulfill the associate Company's future obligations of payment of signature bonus / equity contribution / loan to the beneficiaries. The total amount sanctioned by the Board of Directors is USD 424 million. The estimated amount of such obligation (net of amount paid) is **₹ 2,776.77 crore - USD 366.34 million** (2021: ₹ 2,678.71 crore - USD 366.37 million).

B.2.2 The Company has entered into Master Guarantee Agreement, on behalf of its subsidiaries viz. Indoil Global B.V. and Indoil Montney Ltd. for all of its payments and performance obligations under the various Project Agreements entered by the subsidiaries with PETRONAS Carigali Canada B.V. and Progress Energy Canada Ltd. (now renamed as Petronas Energy Canada Ltd.). The total amount sanctioned by the Board of Directors is CAD 3,924.76 million. The estimated amount of such obligation (net of amount paid) is **₹ 4,336.93 crore - CAD 716.83 million** (2021: ₹ 4,332.44 crore - CAD 746.55 million). The sanctioned amount was reduced by CAD 1,462.00 million due to winding down of LNG Plant during 2017.

B.2.3 The Company has issued Corporate Guarantee, on behalf of IndianOil Adani Gas Private Limited (IOAGPL), to the extent of obligations of later company under Performance Bank Guarantee facility provided to IOAGPL by State Bank of India, Canara Bank, Bank of Baroda, Indian Bank, IndusInd Bank, Jammu and Kashmir Bank, Axis Bank and ICICI Bank. The Company's share of such obligation is estimated at **₹ 3,533.46 crore** (2021: ₹ 3,533.46 crore).

B.2.4 The Company has issued Parent Company Guarantee in favor of Abu Dabhi National Oil Company, on behalf of Urja Bharat Pte. Ltd., Singapore (a joint venture company of Company's subsidiary i.e. IOCL Singapore Pte Ltd) to fulfill the joint venture Company's future obligations of payment and performance of Minimum Work Programme. The total amount sanctioned by the Board of Directors is USD 89.7 Million. The estimated amount of such obligation (net of amount paid) is **₹ 395.66 crore - USD 52.20 million** (2021: ₹ 418.22 crore - USD 57.20 million).

## NOTES TO FINANCIAL STATEMENTS

## NOTE-36: COMMITMENTS AND CONTINGENCIES (Contd...)

## B.3 Other money for which the Company is Contingently Liabile

B.3.1 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.

B.3.2 As on 31.03.2022 company has contingent liability of ₹ 236.85 crore (2021: Nil) towards custom duty for capital goods imported under Manufacturing & Other operation in Warehouse Regulation (MOOWR) scheme against which company has executed and utilised bond amounting to ₹ 710.54 crore (2021: Nil) which represents three times of the custom duty. The firm liability towards such custom duty shall be contingent upon conditions (Rate of custom duty/decision of company to export, etc) at the time of filing of ex-bond bill of entry at the time of disposal.

## C. Commitments

## C.1 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account and thus not provided for is ₹ 53,030.96 crore (2021: ₹ 30,538.25 crore) inclusive of taxes.

## C.2 Other Commitments

Estimated amount of commitments in respect of CY-ONHP-2018/1 block is ₹ 146.83 crore (2021: ₹ 141.64 crore). Commitments in respect of Joint Operations are disclosed in Note 33B.

## D. Contingent assets

Particulars	₹ in crore)	
	March 31, 2022	March 31, 2021
a In respect of M/s Khazana Projects and Industries (P) Ltd. for the amount of risk & cost claim along with 15% supervision charges admitted by the Arbitrator in favour of the Company.	-	3.85
b In respect of M/s Metro Builders for the amount of risk & cost claim along with 15% supervision charges, price discount and interest admitted by the Arbitrator in favour of the Company.	-	7.16
c In respect of interest claim	19.50	-
<b>Total</b>	<b>19.50</b>	<b>11.01</b>

A. The disclosure as a contingent asset has been discontinued, based on reassessment of the realisability of this claim in the current year.

## 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

# Company dissolved and name of the company has been struck off from the ROC's Register on 25th October 2021

## Company dissolved on 14th December 2020 and name of the company has been struck off on 22nd July 2021



## NOTES TO FINANCIAL STATEMENTS

## NOTE – 37: RELATED PARTY DISCLOSURES (Contd...)

B. The following transactions were carried out with Subsidiary Companies/Entities in the ordinary course of business:

	(₹ in crore)	
	March 31, 2022	March 31, 2021
<b>1 Sales of Products/ Services</b>	<b>2,471.97</b>	1,660.29
[Includes sales to Chennai Petroleum Corporation Limited ₹ <b>2,318.72 crore</b> (2021: ₹ 1,447.50 crore) ]		
<b>2 Interest received</b>	<b>0.01</b>	-
[Includes interest received from Lanka IOC PLC ₹ <b>0.01 crore</b> (2021: Nil )]		
<b>3 Other Operating Revenue / Other Income</b>	<b>1,012.20</b>	606.08
[Includes Other Operating Revenue / Other Income from IOCL Singapore Pte. Limited ₹ <b>757.99 crore</b> (2021: ₹ 297.69 crore) and IndOil Global B.V., Netherlands ₹ <b>109.50 crore</b> (2021: ₹ 234.12 crore)]		
<b>4 Purchase of Products</b>	<b>55,665.94</b>	38,964.08
[Includes Purchase of Products from Chennai Petroleum Corporation Limited ₹ <b>55,665.94 crore</b> (2021: ₹ 38,964.08 crore)]		
<b>5 Purchase of Raw Materials/ Others</b>	<b>1,538.01</b>	1,556.66
[Includes Purchase of Raw Materials/Others from Chennai Petroleum Corporation Limited ₹ <b>1,537.65 crore</b> (2021: ₹ 859.58 crore) and IndOil Global B.V., Netherlands ₹ <b>0.36 crore</b> (2021: ₹ 694.57 crore)]		
<b>6 Expenses Paid/ (Recovered) (Net)</b>	<b>(9.44)</b>	(12.22)
[Includes Expenses Paid to/(Recovered) from Chennai Petroleum Corporation Limited ₹ <b>(10.11) crore</b> (2021: ₹ (15.46) crore) and Lanka IOC PLC ₹ <b>0.56 crore</b> (2021: ₹ 2.09 crore)]		
<b>7 Investments made/ (sold) during the year (Incl Advance for Investment)</b>	<b>1,877.73</b>	(5.32)
[Includes Investment made/ (reduction in share capital) in Indian Catalyst Private Limited- <b>Nil</b> (2021: ₹ (6.45) crore), IOCL Singapore Pte. Limited ₹ <b>1,876.52 crore</b> (2021: Nil ) and IOC Sweden AB ₹ <b>1.21 crore</b> (2021: ₹ 1.13 crore)]		
<b>8 Purchase/ (Sale)/ Acquisition of Fixed Assets (Incl. CWIP/ Leases)</b>	<b>20.55</b>	19.96
[Includes Purchase/ (Sale)/ Acquisition of Fixed Assets incl. CWIP/ Leases from Chennai Petroleum Corporation Limited ₹ <b>20.55 crore</b> (2021: ₹ 19.96 crore)]		
<b>9 Provisions made/ (write back) during the year</b>	<b>285.60</b>	68.13
[Includes Provision made/ (written back) in IOC Sweden AB ₹ <b>290.33 crore</b> (2021: Nil ) and IOCL (USA) INC.- <b>Nil</b> (2021: ₹ 68.12 crore)]		
<b>10 Outstanding Receivables/ Loans</b>	<b>1,955.04</b>	1,169.88
[Includes Outstanding Receivables from Chennai Petroleum Corporation Limited ₹ <b>1,893.58 crore</b> (2021: ₹ 1,083.35 crore)]		
<b>11 Outstanding Payables (Incl Lease Obligation)</b>	<b>445.97</b>	386.74
[Includes Outstanding payable to Chennai Petroleum Corporation Limited ₹ <b>420.01 crore</b> (2021: ₹ 348.51 crore)]		
<b>12 Investments in Subsidiaries as on date</b>	<b>16,596.86</b>	15,010.13
<b>13 Guarantees</b>		
<b>Financial Guarantees</b>	<b>3,536.19</b>	5,270.99
[Includes Financial Guarantees given to IndOil Montney Limited ₹ <b>3,536.19 crore</b> (2021: ₹ 3,369.92 crore) and IOCL Singapore Pte. Limited- <b>Nil</b> (2021: ₹ 1,901.07 crore)]		
<b>Other than Financial Guarantees</b>	<b>4,336.93</b>	4,332.44
[Includes Parent Company Guarantees for other than debt obligation given to IndOil Montney Limited ₹ <b>4,336.93 crore</b> (2021: ₹ 4,332.44 crore)]		

## Notes:

- 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.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 37 : RELATED PARTY DISCLOSURES (Contd...)

## 2. Relationship with Entities

## A) Details of Joint Ventures (JV) / Associate Entities to IOCL &amp; its subsidiaries

- |   |  |
|---|--|
| 1) Indian Oiltanking Limited                            | 22) Hindustan Urvarak & Rasayan Limited                                      |
| 2) Lubrizol India Private Limited                       | 23) Ratnagiri Refinery & Petrochemicals Limited                              |
| 3) Petronet VK Limited                                  | 24) Indradhanush Gas Grid Limited  |
| 4) IndianOil Petronas Private Limited                   | 25) Ujjwala Plus Foundation  |
| 5) Avi-Oil India Private Limited                        | 26) IHB Limited  |
| 6) Petronet India Limited *                             | 27) IndianOil Total Private Limited  |
| 7) Petronet LNG Limited                                 | 28) IOC Phinergy Private Limited   |
| 8) Green Gas Limited                                    | 29) Paradeep Plastic Park Limited ##   |
| 9) Petronet CI Limited @                                | 30) Indian Additives Limited   |
| 10) IndianOil LNG Private Limited                       | 31) National Aromatics & Petrochemicals Corporation Limited                  |
| 11) IndianOil SkyTanking Private Limited                | 32) Taas India PTE Limited   |
| 12) Suntera Nigeria 205 Limited                         | 33) Vankor India PTE Limited   |
| 13) Delhi Aviation Fuel Facility Private Limited        | 34) Ceylon Petroleum Storage Terminals Limited                               |
| 14) Indian Synthetic Rubber Private Limited             | 35) Falcon Oil & Gas B.V.  |
| 15) Indian Oil Ruchi Biofuels LLP #                     | 36) Urja Bharat PTE Limited  |
| 16) NPCIL- IndianOil Nuclear Energy Corporation Limited | 37) Beximco IOC Petroleum and Energy Limited                                 |
| 17) GSPL India Transco Limited                          | 38) INDOIL Netherlands B.V.  |
| 18) GSPL India Gasnet Limited                           | 39) LLC Bharat Energy Office (Incorporated on 18.10.2021)                    |
| 19) IndianOil - Adani Gas Private Limited               | 40) Trinco Petroleum Terminal (Private) Limited (Incorporated on 24.12.2021) |
| 20) Mumbai Aviation Fuel Farm Facility Private Limited  | 41) Mer Rouge Oil Storage Terminal Limited                                   |
| 21) Kochi Salem Pipeline Private Limited                |  |

## B) Details of Subsidiaries to JV's of IOCL

- |   |  |
|---|--|
| 1) IOT Engineering & Construction Services Limited                | 9) IOT VITO MUHENDISLIK INSAAT VE TAAHUT A.S.                        |
| 2) Stewarts and Lloyds of India Limited                           | 10) IndianOil Skytanking Delhi Private Limited                       |
| 3) IOT Infrastructures Private Limited                            | 11) IOT Biogas Private Limited                                       |
| 4) IOT Utkal Energy Services Limited                              | 12) Petronet LNG Foundation  |
| 5) PT IOT EPC Indonesia   | 13) Petronet Energy Limited  |
| 6) IOT Engineering Projects Limited                               | 14) KazakhstanCaspishelf India Private Limited                       |
| 7) JSC KazakhstanCaspishelf                                       | 15) Petronet LNG Singapore PTE. Limited (Incorporated on 07.03.2022) |
| 8) Indian Oiltanking Engineering & Construction Services LLC Oman |  |

\* Petronet India Limited is a JV amongst Indian Oil, BPCL, HPCL, RIL, NEL, IL&FS, SBI and ICICI. The company is under winding up and the matter is pending with Official Liquidator since 2018.

@ Petronet CI Ltd. is a JV amongst Indian Oil, PIL, RIL, NEL and BPCL. The company is under winding up and the matter is pending with Official Liquidator since 2006.

# IndianOil has exited the Joint Venture, IndianOil Ruchi Biofuels LLP (M/s IORB) by giving notice of its exit from the LLP to the

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 37 : RELATED PARTY DISCLOSURES (Contd...)

other JV partner viz. Ruchi Soya Industries Limited (M/s Ruchi) as well as to the LLP on December 26, 2018 stating that it will exit the LLP w.e.f. January 25, 2019. The time frame for completing exit formalities by M/s Ruchi by filing requisite forms with ROC was within 30 days of notice expiry period (i.e., by February 24, 2019) but the same is still pending and IndianOil name is appearing on ROC website as Partner in the said LLP. It has been informed that M/s Ruchi was under Corporate Insolvency Resolution Process and has been taken over by Patanjali Ayurveda Limited, and for the purpose of carrying out the process of liquidation, M/s Sanatan has been inducted as the new partner in place of Indian Oil. All necessary documents have been provided to M/s Ruchi for completing formalities relating to exit of IndianOil from IORB LLP.

## IndianOil has made equity contribution towards acquisition of 49% stake in Paradeep Plastic Park Limited during the month of January 2022.

## C) The following transactions were carried out with the related parties in the ordinary course of business:

	(₹ in crore)	
	March 31, 2022	March 31, 2021
<b>1 Sales of Products / Services</b>	<b>3,602.87</b>	1,992.70
[Includes sales to IndianOil Petronas Private Limited ₹ <b>2,422.77 crore</b> (2021: ₹ 1,325.16 crore) and Indian Synthetic Rubber Private Limited ₹ <b>698.88 crore</b> (2021: ₹ 322.55 crore)]		
<b>2 Interest received</b>	<b>280.97</b>	93.17
[Includes interest received from IndianOil LNG Private Limited ₹ <b>273.04 crore</b> (2021: ₹ 81.88 crore) and Petronet VK Limited ₹ <b>6.94 crore</b> (2021: ₹ 9.64 crore)]		
<b>3 Other Operating Revenue/ Other Income</b>	<b>565.19</b>	528.79
[Includes Other Operating Revenue / Other Income from Petronet LNG Limited ₹ <b>202.61 crore</b> (2021: ₹ 287.33 crore), IndianOil Petronas Private Limited ₹ <b>148.15 crore</b> (2021: ₹ 141.52 crore) and Indian Synthetic Rubber Private Limited ₹ <b>145.32 crore</b> (2021: ₹ 57.19 crore)]		
<b>4 Purchase of Products</b>	<b>8,177.66</b>	4,474.71
[Includes Purchase of Products from Petronet LNG Limited ₹ <b>7,344.38 crore</b> (2021: ₹ 3,963.39 crore)]		
<b>5 Purchase of Raw Materials/ Others</b>	<b>7,325.55</b>	3,980.99
[Includes Purchase of Raw Materials/Others from Petronet LNG Limited ₹ <b>4,755.41 crore</b> (2021: ₹ 3,638.75 crore) and Falcon Oil & Gas B.V. ₹ <b>2,156.52 crore</b> (2021: Nil )]		
<b>6 Interest paid</b>	<b>229.62</b>	249.97
[Includes Interest paid to IOT Utkal Energy Services Limited ₹ <b>229.62 crore</b> (2021: ₹ 249.97 crore)]		
<b>7 Expenses Paid/ (Recovered) (Net)</b>	<b>774.29</b>	686.22
[Includes Expenses Paid to/ (Recovered) from IndianOil Petronas Private Limited ₹ <b>379.21 crore</b> (2021: ₹ 355.17 crore), IndianOil Sky Tanking Private Limited ₹ <b>162.86 crore</b> (2021: ₹ 141.42 crore) and Indian Oiltanking Ltd ₹ <b>106.61 crore</b> (2021: ₹ 110.15 crore)]		
<b>8 Investments made/ (sold) during the year (Incl. Advance for Investment)</b>	<b>1,901.05</b>	4,629.97
[Includes Investment made in IndianOil LNG Private Limited <b>Nil</b> (2021: ₹ 3,012.00 crore), IHB Limited ₹ <b>700.00 crore</b> (2021: ₹ 776.50 crore), Hindustan Urvarak and Rasayan Limited ₹ <b>497.65 crore</b> (2021: ₹ 380.68 crore), Kochi Salem Pipelines Private Limited ₹ <b>267.50 crore</b> (2021: ₹ 50.00 crore) and Indian Oil Adani Gas Private Limited ₹ <b>198.94 crore</b> (2021: ₹ 163.88 crore)]		
<b>9 Purchase/(Sale)/Acquisition of Fixed Assets (Incl. CWIP/ Leases)</b>	<b>(2.05)</b>	(1.56)
[Includes Purchase/ (Sale)/ Acquisition/ (Recovered) of Fixed Assets incl. CWIP/ Leases from IHB Limited ₹ <b>(2.06) crore</b> (2021: ₹ (1.34) crore) and IOT Engineering & Construction Services Limited- <b>Nil</b> (2021: ₹ (0.28) crore)]		
<b>10 Provisions made/ (write back) during the year</b>	<b>144.19</b>	5.93
[Includes Provision made / (written back) in INDOIL Netherlands B.V.- <b>Nil</b> (2021: ₹ 7.03 crore), Petronet VK Limited ₹ <b>110.90 crore</b> (2021: Nil ) and GSPL India Transco Limited ₹ <b>33.29 crore</b> (2021: Nil )]		

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 37 : RELATED PARTY DISCLOSURES (Contd...)

	(₹ in crore)	
	March 31, 2022	March 31, 2021
<b>11 Outstanding Receivables/ Loans</b>	<b>1,846.50</b>	1,381.09
[Includes Outstanding Receivables/ Loans from IndianOil LNG Private Limited ₹ 826.53 crore (2021: ₹ 500.66 crore), Petronet LNG Limited ₹ 273.62 crore (2021: ₹ 297.15 crore), Suntera Nigeria 205 Limited ₹ 164.04 crore (2021: ₹ 158.23 crore) and Indian Synthetic Rubber Private Limited ₹ 207.63 crore (2021: ₹ 99.19 crore)]		
<b>12 Outstanding Payables (Incl. Lease Obligation)</b>	<b>2,930.74</b>	3,149.20
[Includes Outstanding payable to IOT Utkal Energy Services Limited ₹ 2,137.88 crore (2021: ₹ 2,321.57 crore) and Petronet LNG Limited ₹ 612.67 crore (2021: ₹ 533.88 crore)]		
<b>13 Investments in JV/ Associates as on date</b>	<b>9,521.37</b>	8,656.54
<b>14 Guarantees</b>		
<b>Financial Guarantees</b>	<b>134.54</b>	217.51
[Includes Financial Guarantees given to Indian Synthetic Rubber Private Limited ₹ 134.54 crore (2021: ₹ 217.51 crore)]		
<b>Other than Financial Guarantees</b>	<b>6,705.89</b>	6,630.39
[Includes Parent Company Guarantees for other than debt obligation given to IndianOil Adani Gas Private Limited ₹ 3,533.46 crore (2021: ₹ 3,533.46 crore) and INDOIL Netherlands B.V. ₹ 2,776.77 crore (2021: ₹ 2,678.71 crore)]		

## Notes:

- 1) Transactions in excess of 10% of the total related party transactions for each type has been disclosed above.
- 2) In case of Joint Venture/ Subsidiary Companies constituted/acquired during the period, transactions w.e.f. date of constitution / acquisition is disclosed.
- 3) In case of Joint Venture / Subsidiary Companies which have been closed/divested during the period, transactions up to the date of closure / disinvestment only are disclosed.

## 3. Government related entities where significant transactions carried out

Apart from transactions reported above, the Company has transactions with other Government related entities, which includes but not limited to the following:

**Name of Government:** Government of India (Central and State Government)

**Nature of Transactions:**

- Sale of Products and Services
- Purchase of Products
- Purchase of Raw Materials
- Handling and Freight Charges, etc.

These transactions are conducted in the ordinary course of the Company's business on terms comparable to those with other entities that are not Government-related.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 37 : RELATED PARTY DISCLOSURES (Contd...)

## 4) Key Managerial Personnel

A. Whole Time Directors/ Company Secretary	B. Independent Directors	C. Government Nominee Directors
1) Shri S. M. Vaidya	1) Shri Rajendra Arlekar (upto 10.07.2021)	1) Smt Indrani Kaushal (upto 24.09.2021)
2) Shri G. K. Satish (upto 31.08.2021)	2) Ms. Lata Usendi	2) Dr. Navneet Mohan Kothari
3) Dr S. S. V. Ramakumar	3) Shri Dilip Gogoi Lalung (w.e.f. 24.11.2021)	
4) Shri Ranjan Kumar Mohapatra	4) Dr. Ashutosh Pant (w.e.f. 24.11.2021)	
5) Shri S. K. Gupta	5) Dr. Dattatreya Rao Sirpurker (w.e.f. 24.11.2021)	
6) Shri V. Satish Kumar (w.e.f. 28.10.2021)	6) Shri Prasenjit Biswas (w.e.f. 24.11.2021)	
7) Shri D.S. Nanaware (w.e.f. 28.12.2021)	7) Shri Sudipta Kumar Ray (w.e.f. 24.11.2021)	
8) Ms. Sukla Mistry (w.e.f. 07.02.2022)	8) Shri Krishnan Sadagopan (w.e.f. 24.11.2021)	
9) Shri Sujoy Choudhury (w.e.f. 23.02.2022)		
10) Shri Kamal Kumar Gwalani		

## D) Details relating to the personnel referred to in Item No. 4A &amp; 4B above:

March 31, 2022

(₹ 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
<b>A. Whole Time Directors/ Company Secretary</b>						
1) Shri S. M. Vaidya	0.61	0.08	0.01	0.70	-	0.01
2) Shri G. K. Satish	0.38	0.73	0.10	1.21	-	-
3) Dr S. S. V. Ramakumar	0.71	0.08	-	0.79	-	0.01
4) Shri Ranjan Kumar Mohapatra	0.70	0.08	0.10	0.88	-	0.01
5) Shri S. K. Gupta	0.64	0.08	-	0.72	-	-
6) Shri V. Satish Kumar	0.19	0.03	-	0.22	-	0.06
7) Shri D.S. Nanaware	0.13	0.02	-	0.15	-	0.02
8) Ms. Sukla Mistry	0.07	0.01	0.01	0.09	-	0.09
9) Shri Sujoy Choudhury	0.05	0.01	-	0.06	-	0.13
10) Shri Kamal Kumar Gwalani	0.62	0.07	-	0.69	-	0.18
<b>B. Independent Directors</b>						
1) Shri Rajendra Arlekar	-	-	-	-	0.03	-
2) Ms Lata Usendi	-	-	-	-	0.10	-
3) Shri Dilip Gogoi Lalung	-	-	-	-	0.02	-
4) Dr. Ashutosh Pant	-	-	-	-	0.02	-
5) Dr. Dattatreya Rao Sirpurker	-	-	-	-	0.03	-
6) Shri Prasenjit Biswas	-	-	-	-	0.03	-
7) Shri Sudipta Kumar Ray	-	-	-	-	0.03	-
8) Shri Krishnan Sadagopan	-	-	-	-	0.03	-
<b>TOTAL</b>	<b>4.10</b>	<b>1.19</b>	<b>0.22</b>	<b>5.51</b>	<b>0.30</b>	<b>0.51</b>

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 37 : RELATED PARTY DISCLOSURES (Contd...)

March 31, 2021

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remuneration	Sitting Fees	(₹ in crore)
						Outstanding Loans (Gross)/ Advance Receivables
<b>A. Whole Time Directors/ Company Secretary</b>						
1) Shri S. M. Vaidya	0.45	0.09	0.08	0.62	-	0.01
2) Shri G. K. Satish	0.47	0.09	0.16	0.72	-	-
3) Dr S. S. V. Ramakumar	0.55	0.09	0.08	0.72	-	0.01
4) Shri Ranjan Kumar Mohapatra	0.46	0.08	0.08	0.62	-	0.02
5) Shri S. K. Gupta	0.47	0.08	0.08	0.63	-	-
6) Shri Kamal Kumar Gwalani	0.47	0.08	0.06	0.61	-	0.19
<b>B. Independent Directors</b>						
1) Shri Rajendra Arlekar	-	-	-	-	0.10	-
2) Ms Lata Usendi	-	-	-	-	0.07	-
<b>TOTAL</b>	<b>2.87</b>	<b>0.51</b>	<b>0.54</b>	<b>3.92</b>	<b>0.17</b>	<b>0.23</b>

## Notes:

- 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.
- There were no Share Based Employee Benefits given to KMPs during the period.
- In addition, whole-time Directors are also allowed the use of Corporation's car for private purposes up to 12,000 kms. per annum on a payment of ₹ 2,000/- per mensem.

## 5) Relatives of Key Managerial Personnel and nature of relation with whom transactions are undertaken during the year:

- Shri Siddharth Vaidya (Senior Production Engineer, Indian Oil Corporation Limited): Son of Key Managerial Personnel

## Details relating to the parties referred above:

	(₹ in crore)	
	March 31, 2022	March 31, 2021
<b>1 Remuneration</b>		
Shri Siddharth Shrikant Vaidya ^	0.20	0.15
<b>2 Outstanding Receivables/ Loans</b>		
Shri Siddharth Shrikant Vaidya ^	-	-

^ Remuneration and Loan balances for relative of KMP is reported for the period of tenure of KMP.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 37 : RELATED PARTY DISCLOSURES (Contd...)

## 6) Trusts

## Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in crore)

Name of the Trust	Post Employment Benefit Plan	March 31, 2022		March 31, 2021	
		Contribution by employer	Outstanding Receivable/ (Payable)	Contribution by employer	Outstanding Receivable/ (Payable)
1 IOCL (Refinery Division) Employees Provident Fund*	Provident Fund	232.59	111.08	237.27	82.50
2 Indian Oil Corporation Limited (Assam Oil Division) Employees Provident Fund	Provident Fund	18.16	(17.12)	21.35	38.10
3 Provident Fund for the Employees of Indian Oil Corporation Limited (Marketing Division)*	Provident Fund	239.42	95.47	246.47	168.24
4 IOCL Employees Superannuation Benefit Fund	Pension Scheme	191.13	(50.64)	164.06	33.42
5 IOCL Employees Post Retirement Medical Benefit Fund	Post Retirement Medical Scheme	401.42	(43.14)	746.56	(241.05)
6 IOCL Employees Group Gratuity Trust	Gratuity	(3.77)	115.16	528.93	3.74

\*Includes ₹ 254.21 crore (2021: ₹ 335.00 crore) advance given to PF Trust in FY 2020-21 as per actuarial valuation towards interest shortfall/losses against which provision for probable contingencies to the tune of ₹ 363.10 crore (2021: ₹ 262.26 crore) has been provided for in books (Refer Note 35).

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 38: SEGMENT INFORMATION

Operating Segment Reporting as per Ind-AS 108 for the year ended March 31, 2022 is as under:

(₹ in crore)

Particulars	2021-2022					2020-2021				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
<b>Revenue</b>										
External Revenue	6,79,426.12	28,091.37	20,942.45	-	7,28,459.94	4,84,610.57	19,149.78	11,130.12	-	5,14,890.47
Inter-segment Revenue	17,573.65	38.02	79.61	(17,691.28)	-	8,516.35	19.31	68.19	(8,603.85)	-
<b>Total Revenue</b>	<b>6,96,999.77</b>	<b>28,129.39</b>	<b>21,022.06</b>	<b>(17,691.28)</b>	<b>7,28,459.94</b>	<b>4,93,126.92</b>	<b>19,169.09</b>	<b>11,198.31</b>	<b>(8,603.85)</b>	<b>5,14,890.47</b>
<b>Result</b>										
Segment Results excluding Exchange Gain/ (Loss)	28,232.73	4,666.52	1,301.96	-	34,201.21	23,337.30	5,218.82	(146.03)	-	28,410.09
Segmental Exchange Gain/ (Loss)	(1,299.06)	18.94	26.51	-	(1,253.61)	516.51	(0.56)	23.09	-	539.04
<b>Segment Results (Before Exceptional Items)</b>	<b>26,933.67</b>	<b>4,685.46</b>	<b>1,328.47</b>	<b>-</b>	<b>32,947.60</b>	<b>23,853.81</b>	<b>5,218.26</b>	<b>(122.94)</b>	<b>-</b>	<b>28,949.13</b>
<b>Less: Unallocable Expenditure</b>										
- Finance Cost					4,829.10					3,093.92
- Loss on Sale of Investments (Net)					4.73					-
- Impairment Loss on Financial Assets Pertaining to Investment					318.89					66.15
- Loss on sale and disposal of Assets					-					85.09
- Exchange Loss - (Net)					180.36					-
- Fair value Loss on Financial instruments classified as FVTPL					205.71					-
<b>Add: Unallocable Income</b>										
- Interest and Dividend Income					4,187.35					3,001.15
- Profit on Sale of Investments (Net)					-					1.84
- Profit on sale and disposal of Assets					23.15					-
- Exchange Gain - (Net)					-					615.38
- Gain on Derivatives					68.00					140.87
- Fair value gain on Financial instruments classified as FVTPL					-					205.56
- Other non operating income					45.76					46.88
<b>Profit / (Loss) Before Tax</b>					<b>31,733.07</b>					<b>29,715.65</b>
Less: Income Tax (including deferred tax)					7,548.97					7,879.61
<b>Profit / (Loss) After Tax</b>					<b>24,184.10</b>					<b>21,836.04</b>

1. The Company is engaged in the following operating segments:

- Sale of Petroleum Products
- Sale of Petrochemicals
- Other operating segment of the Corporation comprises; Gas, Oil & Gas Exploration Activities, Explosives & Cryogenic Business and Wind Mill & Solar Power Generation.

Segments have been identified and reported taking into account, the nature of products and services and differing risks and returns.

2. Segment Revenue comprises of the following:

- Turnover (Inclusive of Excise Duties)
- Net Claim/(Surrender) of SSC
- Subsidy / Grants received from Governments
- 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)

Particulars	March 31, 2022				March 31, 2021			
	Petroleum Products	Petro-chemicals	Other Business	Total	Petroleum Products	Petro-chemicals	Other Business	Total
<b>Segment Assets</b>	<b>2,85,134.91</b>	<b>26,330.35</b>	<b>12,777.21</b>	<b>3,24,242.47</b>	<b>2,48,983.84</b>	<b>21,734.13</b>	<b>9,209.79</b>	<b>2,79,927.76</b>
<b>Corporate Assets</b>								
Investments (Current and Non Current)				57,786.64				48,619.41
Advances For Investments				778.00				22.63
Advance Tax				2,748.06				2,428.85
Loans				2,703.87				3,006.24
Derivative Asset				76.72				45.13
Finance Lease Receivables				3.34				4.06
<b>Total Assets</b>				<b>3,88,339.10</b>				<b>3,34,054.08</b>
<b>Segment Liabilities</b>	<b>1,19,629.58</b>	<b>945.22</b>	<b>2,468.56</b>	<b>1,23,043.36</b>	<b>1,03,058.05</b>	<b>847.13</b>	<b>2,045.35</b>	<b>1,05,950.53</b>
<b>Corporate Liabilities</b>								
Liability for Dividend				-				1,260.79
Provision For Taxation				611.39				797.85
Borrowings (Short Term and Long Term)				1,10,798.50				94,413.00
Lease Obligations (Short Term and Long Term)				8,664.32				7,914.49
Deferred Tax Liability				13,627.36				12,964.73
Derivative Liabilities				307.81				252.65
<b>Total Liabilities</b>				<b>2,57,052.74</b>				<b>2,23,554.04</b>
<b>Capital Employed</b>								
Segment Wise	<b>1,65,505.33</b>	<b>25,385.13</b>	<b>10,308.65</b>	<b>2,01,199.11</b>	1,45,925.79	20,887.00	7,164.44	1,73,977.23
Corporate				(69,912.75)				(63,477.19)
<b>Total Capital Employed</b>				<b>1,31,286.36</b>				<b>1,10,500.04</b>
Capital Expenditure	23,149.28	1,695.91	1,642.01	26,487.20	19,875.26	2,071.48	2,230.91	24,177.65
Depreciation and Amortization	9,899.40	883.72	222.79	11,005.91	8,777.27	918.02	109.01	9,804.30

## Geographical information

(₹ in crore)

	Revenue from external customers		Non-current assets	
	2021-2022	2020-2021	2021-2022	2020-2021
India	6,95,290.11	4,98,109.51	1,94,758.83	1,79,040.95
Outside India	33,169.83	16,780.96	235.18	239.71
<b>Total</b>	<b>7,28,459.94</b>	<b>5,14,890.47</b>	<b>1,94,994.01</b>	<b>1,79,280.66</b>

## Revenue from major products and services

(₹ in crore)

	2021-2022	2020-2021
Motor Spirit (MS)	1,58,548.80	1,11,485.89
High Speed Diesel (HSD)	3,42,032.40	2,58,141.00
Superior Kerosene Oil (SKO)	6,669.75	4,376.53
Liquified Petroleum Gas (LPG)	93,492.18	64,124.29
Aviation Turbine Fuel (ATF)	21,608.49	9,201.40
Others	1,06,108.32	67,561.36
<b>Total External Revenue</b>	<b>7,28,459.94</b>	<b>5,14,890.47</b>

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 39: FAIR VALUE MEASUREMENT

I. Set out below, is a comparison by class of the carrying value 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
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	
<b>FINANCIAL ASSETS</b>					
<b>A. Fair Value through Other Comprehensive Income (FVTOCI):</b>					
Quoted Equity Shares	19,145.62	12,213.69	19,145.62	12,213.69	Level 1
Unquoted Equity Instruments	926.22	855.52	926.22	855.52	Level 3
Quoted Government Securities	11,596.67	11,883.53	11,596.67	11,883.53	Level 1
<b>Hedging Derivatives</b>					
Commodity forward contracts- Margin Hedging	2.97	17.12	2.97	17.12	Level 2
Interest Rate Swap	53.15	5.35	53.15	5.35	Level 2
<b>B. Fair Value through Profit and Loss (FVTPL):</b>					
Non Convertible Redeemable Preference Shares	599.33	600.00	599.33	600.00	Level 3
Compulsorily Convertible Debentures	3,650.74	3,875.66	3,650.74	3,875.66	Level 3
Loan to Related Party - Suntera Nigeria 205 Limited	141.02	121.51	141.02	121.51	Level 3
Derivative Instruments at fair value through profit or loss	20.60	22.66	20.60	22.66	Level 2
<b>C. Amortised Cost:</b>					
Loans to employees	1,397.91	1,467.62	1,513.09	1,644.69	Level 2
PMUY Loan (Refer point 1 of Note-49 for more details)	791.56	1,058.43	845.64	1,108.88	Level 3
<b>FINANCIAL LIABILITIES</b>					
<b>A. Amortised Cost:</b>					
Non-Convertible Debentures	14,408.49	15,908.35	14,663.62	15,922.52	Level 2
Term Loans from Oil Industry Development Board (OIDB)	-	434.99	-	429.32	Level 2
Foreign Currency Bonds - US Dollars	8,232.81	10,228.00	8,450.17	11,349.88	Level 1
Foreign Currency Bonds - Singapore Dollars	-	2,174.76	-	2,268.32	Level 2
Loan from Odisha Government	1,621.07	1,291.34	1,511.85	1,303.89	Level 2
Fixed Rate Term Loan (USD 100 Mn)	757.98	731.15	725.96	731.06	Level 2
<b>B. Fair Value through Profit and Loss (FVTPL):</b>					
Derivative Instruments at fair value through profit or loss	245.95	252.65	245.95	252.65	Level 2
<b>C. Fair Value through Other Comprehensive Income (FVTOCI):</b>					
<b>Hedging Derivatives</b>					
Foreign exchange forward contracts- Loans	42.26	-	42.26	-	Level 2
Commodity forward contracts- Margin Hedging	19.60	-	19.60	-	Level 2

## NOTES TO FINANCIAL STATEMENTS

### NOTE - 39 : FAIR VALUE MEASUREMENT (Contd...)

#### Note:

The management has assessed that fair values of Trade Receivables, Trade Payables, Cash and Cash Equivalents, Bank Balances & Bank Deposits, Loans (incl. Security Deposits) other than mentioned above, Short Term Borrowings (incl. Current Maturities of Long Term Borrowings), Floating Rate Borrowings, Lease Liabilities, Other Non-Derivative Current/ Non-Current Financial Assets & Other Non-Derivative Current/ Non-Current Financial Liabilities approximate their carrying amounts.

#### METHODS AND ASSUMPTIONS

The following methods and assumptions were used to estimate the fair values at the reporting date:

##### A. Level 1 Hierarchy:

- (i) **Quoted Equity Shares:** Closing quoted price (unadjusted) in National Stock Exchange of India Limited
- (ii) **Quoted Government Securities:** Closing published price (unadjusted) in Clearing Corporation of India Limited
- (iii) **Foreign Currency Bonds - US Dollars:** Closing price (unadjusted) for the specific bond collected from active market

##### B. Level 2 Hierarchy:

- (i) **Derivative Instruments at FVTPL:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.
- (ii) **Hedging Derivatives at FVTOCI:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.
- (iii) **Loans to employees:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities, adjusted for insignificant unobservable inputs specific to such loan like principal and interest repayments are such that employee get more flexibility in repayment as per the respective loan schemes.
- (iv) **Non-Convertible Debentures, Foreign Currency Bonds - Singapore Dollars , Loan from Odisha Government and USD 100 Mn Term Loan:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities (Excluding floating rate borrowings).
- (v) **Term Loans from Oil Industry Development Board (OIDB):** Discounting future cash flows using rates currently available for similar type of borrowings (OIDB Borrowing Rate) using exit model as per Ind AS 113.

##### C. Level 3 Hierarchy:

- (i) **Unquoted Equity Instruments:** Fair values of the unquoted equity shares have been estimated using Market Approach of valuation techniques with the help of external valuer. Valuation as per this technique is determined by comparing the company's accounting ratios with another company's of the same nature and size which are considered to be significant to valuation, such as earnings, cash flow, book value, or sales of various business of the same nature. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- (ii) **Non Convertible Redeemable Preference Shares, Compulsorily Convertible Debentures (CCDs) and Loan to Related parties - Suntera:** Fair value of Preference shares, CCDs and Loan to Suntera is estimated with the help of external valuer by discounting future cash flows. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- (iii) **PMUY Loan:** Fair value of PMUY loans is estimated by discounting future cash flows using approximate interest rates applicable on loans given by Banks duly adjusted for significant use of unobservable inputs in estimating the cash flows comprising of specific qualitative and quantitative factors like consumption pattern, assumption of subsidy rate etc.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 39 : FAIR VALUE MEASUREMENT (Contd...)

The significant unobservable inputs used in fair value assessment categorised within Level 3 of the Fair Value Hierarchy together with a quantitative sensitivity analysis as on March 31, 2022 and March 31, 2021 are shown below:

Description	Valuation technique	Significant unobservable Input	Range (weighted average)	Sensitivity of the Input to Fair Value
I <b>Unquoted Equity Instrument - Haldia Petrochemicals Limited</b> (Refer Note-4 for Carrying Value)	Market Approach with equal weights to Revenue Multiple and EBITDA Multiple	Revenue Multiple	31.03.22: 0.78x - 0.82x (0.80x) 31.03.21: 1.02x - 1.06x (1.04x)	0.01x increase/(decrease) in Revenue Multiple would result in increase/(decrease) in fair value by: 31.03.22: ₹ 5.2 crore/ ₹ (5.2) crore 31.03.21: ₹ 4.5 crore/ ₹ (4.5) crore
		EBITDA Multiple	31.03.22: 5.8x - 6.2x (6.0x) 31.03.21: 4.8x - 5.2x (5.0x)	0.1x increase/(decrease) in EBITDA Multiple would result in increase/(decrease) in fair value by: 31.03.22: ₹ 6.6 crore/ ₹ (6.5) crore 31.03.21: ₹ 10.0 crore/ ₹ (10.0) crore
II <b>Non Convertible Redeemable Preference Shares - Chennai Petroleum Corporation Limited</b>	Income Approach - Present Value Measurement	Discount Rate	31.03.22: 7.44% - 9.44% (8.44%) 31.03.21: 4.63% - 6.63% (5.63%)	0.5% increase/(decrease) in Discount Rate would result in (decrease)/increase in fair value by: 31.03.22: ₹ (6.8) crore/ ₹ 7.2 crore 31.03.21: ₹ (10.0) crore/ ₹ 10.0 crore
III <b>Compulsorily Convertible Debentures - IndianOil LNG Private Limited</b>	Income Approach - Present Value Measurement		CCDs - 31.03.22: 7.00% - 9.00% (8.00%) CCD - 1&2: 31.03.21: 4.54% - 6.54% (5.54%)	0.5% increase/(decrease) in Discount Rate would result in (decrease)/increase in fair value by: 31.03.22: ₹ (30.31) crore/ ₹ 30.72 crore 31.03.21: ₹ (8.42) crore/ ₹ 8.57 crore
			Discount Rate	CCD-3: 31.03.22: N/A 31.03.21: 4.54% - 6.54% (5.54%)
			CCD-4: 31.03.22: N/A 31.03.21: 4.66% - 6.66% (5.66%)	0.5% increase/(decrease) in Discount Rate would result in (decrease)/increase in fair value by: 31.03.22: N/A 31.03.21: ₹ (30.12) crore/ ₹ 30.69 crore"
IV <b>Loan to Related Party - Suntera Nigeria 205 Limited</b>	Income Approach - Present Value Measurement	Discount Rate	31.03.22: 15.5% - 19.5% (17.5%) 31.03.21: 15.0% - 19.0% (17.0%)	1% increase/(decrease) in Discount Rate would result in (decrease)/increase in fair value by: 31.03.22: ₹ (4.5) crore/ ₹ 4.5 crore 31.03.21: ₹ (5.1) crore/ ₹ 5.1 crore

**Unquoted Equity Instruments carried at FVTOCI includes following investments for which sensitivity disclosure is not disclosed:**

	Carrying Value (₹ in crore)	
	As at March 31, 2022	As at March 31, 2021
Indian Gas Exchange Limited	5.85	-
Woodlands Multispeciality Hospital Limited	0.10	0.10
International Cooperative Petroleum Association, New York	0.02	0.02

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 39 : FAIR VALUE MEASUREMENT (Contd...)

Reconciliation of fair value measurement of Assets and Liabilities under Level 3 hierarchy of Fair Value measurement:

(₹ in crore)

Description	FVTOCI Assets	FVTPL Assets		
	Unquoted Equity Shares	Non Convertible Redeemable Preference Shares	Compulsorily Convertible Debentures	Loan to Suntera Nigeria 205 Ltd.
<b>Balance as at March 31 2021</b>	<b>855.52</b>	<b>600.00</b>	<b>3,875.66</b>	<b>121.51</b>
Addition	3.69	-	-	-
Fair Value Changes	67.01	(0.67)	(224.92)	15.06
Exchange Difference	-	-	-	4.45
<b>Balance as at March 31 2022</b>	<b>926.22</b>	<b>599.33</b>	<b>3,650.74</b>	<b>141.02</b>

## II. Disclosures relating to recognition of differences between the fair value at initial recognition and the transaction price

In the following cases, the Company has not recognized gains/losses in profit or loss on initial recognition of financial assets/ financial liability, instead, such gains/losses are deferred and recognized as per the accounting policy mentioned below.

### Financial Assets

#### 1. Loan to Employees

As per the terms of service, the Company has given long term loan to its employees at concessional interest rate. Transaction price is not fair value because loans are not extended at market rates applicable to employees. Since implied benefit is on the basis of the services rendered by the employee, it is deferred and recognised as employee benefit expense over the loan period.

#### 2. PMUY loan

The PMUY loan is the interest free loan given to PMUY beneficiaries towards cost of burner and 1st refill. The loan is interest free and therefore transaction price is not at fair value. The difference between fair value and transaction price is accumulated in Deferred expenses and amortized over the loan period on straight line basis in the Statement of Profit and Loss.

### Financial Liabilities

#### 1. Security Deposits

In case certain deposits payable to deceased employees under R2 option and security deposits received in relation to some revenue expenses contracts, transaction price is not considered as fair value because deposits are interest free. The difference between fair value and transaction price is accumulated in Deferred income and amortized over the tenure of security deposit on straight line basis in the Statement of Profit and Loss.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 39 : FAIR VALUE MEASUREMENT (Contd...)

Reconciliation of deferred gains/losses yet to be recognized in the Statement of Profit and Loss are as under:

Particulars	(₹ in crore)				
	Opening Balance	Addition During the Year	Amortized During the Year	Adjusted During the Year	Closing Balance
<b>2021-22</b>					
<b>Deferred Expenses (Refer Note 8)</b>					
Loan to employees	658.57	210.60	51.25	-	817.92
PMUY Loan	376.50		98.97	4.32	273.21
<b>Deferred Income (Refer Note 20)</b>					
Security Deposits	4.50	-	0.80	-	3.70
<b>2020-21</b>					
<b>Deferred Expenses (Refer Note 8)</b>					
Loan to employees	678.89	26.36	46.68	-	658.57
PMUY Loan	647.55	-	209.52	61.53	376.50
<b>Deferred Income (Refer Note 20)</b>					
Security Deposits	5.61	-	1.11	-	4.50

## NOTE - 40 FINANCIAL INSTRUMENTS AND RISK FACTORS

## Financial Risk Factors

The Company's principal financial liabilities, other than derivatives, comprise Borrowings, trade and other payables, security deposits, employee liabilities and lease obligation. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans & advances, trade and other receivables, short-term deposits and cash / cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risk relating to interest rate, commodity prices, foreign currency exchange rates and equity price, credit risk and liquidity risk.

The Risk Management 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 Board that the Company's risks are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies, risk objectives and risk appetite.

The Company's requirement of crude oil are managed through integrated function handled through its international trade and optimization department. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. As per the Company's policy, derivatives contracts are taken only to hedge the various risks that the Company is exposed to and not for speculation purpose.

The Board of Directors oversee the risk management activities for managing each of these risks, which are summarised below:

## A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The major components of market risk are interest rate risk, foreign currency risk, commodity price risk and

## NOTES TO FINANCIAL STATEMENTS

### NOTE – 40 FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

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, 2022 and March 31, 2021.

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. The Company also use interest rate swap contracts for managing the interest rate risk of floating interest rate debt. As at March 31, 2022, approximately 55% of the Company's borrowings are at a fixed rate of interest (March 31, 2021: 63%).

In 2017 Financial Conduct Authority ("FCA") of UK, the regulator of the LIBOR rates, announced LIBOR benchmark will be phased out after end of December 2021. Subsequently, on 5th March 2021 ICE Benchmark Administrator (IBA), the administrator of the LIBOR rates and FCA formally announced the extension of the last date of publication of USD LIBOR for overnight, one, three, six and twelve month tenors from end of December 2021 to end of June 2023 to accommodate easy transition of existing USD LIBOR based contracts to alternate benchmark. However, the liquidity of SOFR loans in ECB loan market started to develop only towards the fag end of the Year 2021. The Company is not expecting any material financial impact of transition from USD LIBOR to SOFR on its floating rate loans linked to USD LIBOR and associated derivative contracts which are maturing beyond 30th June 2023.

The company's exposure to LIBOR transition is only in respect of USD LIBOR as IndianOil's entire foreign currency borrowing is US Dollar denominated. IndianOil has been exploring various strategies of transitioning its existing USD LIBOR benchmarked loans into the alternate reference rate, viz., SOFR. IndianOil is the first Corporate in India to tie-up long term USD loan using SOFR as benchmark. Further, IndianOil also went ahead of the curve and transitioned part of existing LIBOR linked loan to SOFR benchmark during FY 2021-22 by refinancing the existing loan. The Company has initiated the process of discussion with the existing lenders of the loans for transition.

The table below gives information about financial instruments that have yet to transition to an alternative benchmark rate as at March 31, 2022 :

Particulars	Balances subject to USD LIBOR (in ₹ crore)
<b>1. Non-derivative Financial Assets</b>	Nil
<b>2. Non-derivative Financial Liabilities</b>	
a) Foreign Currency Loans	14,010.41
<b>3. Derivatives</b>	
a) Interest Rate Swap*	1,515.53

\*Nominal Amount

The management is likely to complete the transition exercise of the existing USD LIBOR linked loans before 30th June 2023.

## NOTES TO FINANCIAL STATEMENTS

## NOTE – 40 FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

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, 2022		March 31, 2021	
INR	+50	(50.11)	+50	(37.74)
US Dollar	+50	(196.78)	+50	(136.59)
INR	-50	50.11	-50	37.74
US Dollar	-50	196.78	-50	136.59

## 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 ₹ 3,610.54 crore as at March 31, 2022 (March 31, 2021: ₹ Nil) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

The sensitivity to a reasonably possible change in USD/INR exchange rates, with all other variables held constant, the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies other than below is not material.

Currency	Increase/ Decrease in %	Effect on profit before tax (₹ in crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in crore)
	March 31, 2022		March 31, 2021	
Forward Contract - US Dollar	+5%	180.53	+5%	-
	-5%	(180.53)	-5%	-
Other Exposures - US Dollar	+5%	(4,119.05)	+5%	(3,274.30)
	-5%	4,119.05	-5%	3,274.30
Other Exposures - SGD	+5%	(114.73)	+5%	(111.40)
	-5%	114.73	-5%	111.40
Cross Currency - USD vs. SGD	+5%	(123.40)	+5%	(119.03)
	-5%	123.40	-5%	119.03
Cross Currency - USD vs. INR	+5%	(66.32)	+5%	(63.98)
	-5%	66.32	-5%	63.98

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 inventory valuation fluctuation and crude oil imports etc. As per approved risk management policy, the Company can undertake refinery margin hedging,



## NOTES TO FINANCIAL STATEMENTS

## NOTE – 40 FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

inventory hedging and crude oil price hedging through swaps, options and futures in the OTC market as well as domestic exchanges to mitigate the risk within the approved limits.

The Company's exposure of various inventories as at the end of the financial year is provided below:

Inventory	In MMT	
	March 31, 2022	March 31, 2021
- Raw Materials	7.045	8.084
- Stock in Process	1.765	1.662
- Finished Products	5.048	4.947
- Stock in Trade	1.407	1.694

Due to variation in prices, the Company incurred total inventory gain/ (Loss) of ₹ 31,007.36 crore during the current year (2021: ₹ 20,503.03 crore).

Category-wise quantitative data about commodity derivative transactions that are outstanding as at the end of the financial year is given below:

Particulars	Quantity (in Lakhs bbls)	
	March 31, 2022	March 31, 2021
Margin Hedging Forward contracts	26.25	14.25

The sensitivity to a reasonably possible change in Crude benchmark price difference/ refinery margin on the outstanding commodity hedging position as on March 31, 2022:

Particulars	(₹ in crore)			
	Increase/ Decrease in %	Effect on profit before tax (₹ in crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in crore)
	March 31, 2022		March 31, 2021	
Margin Hedging	+10%	(30.27)	+10%	(2.88)
Margin Hedging	-10%	30.27	-10%	2.88

## 4. Equity Price Risk

The Company's investment in listed and non-listed equity securities, other than its investments in Joint Ventures/ Associates and Subsidiaries, are susceptible to market price risk arising from uncertainties about future values of the investment securities.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 926.22 crore. Sensitivity analysis of these investments have been provided in Note 39.

The exposure to listed equity securities valued at fair value was ₹ 19,145.62 crore. An increase / decrease of 5% on the NSE market index could have an impact of approximately ₹ 957.28 crore on the OCI and equity attributable to the Company. These changes would not have an effect on profit or loss.

## 5. Derivatives and Hedging

## (i) Classification of derivatives

The Company is exposed to certain market risks relating to its ongoing business operations as explained above.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are accounted for at fair value through profit or loss. Information about the derivatives used by the Company and outstanding as at the end of the financial year is provided below:

## NOTES TO FINANCIAL STATEMENTS

## NOTE – 40 FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

Particulars	(₹ in crore)			
	March 31, 2022		March 31, 2021	
	Other Financial Assets	Other Financial Liabilities	Other Financial Assets	Other Financial Liabilities
<b>Derivatives not designated as hedging instruments</b>				
Foreign exchange forward contracts-Loans	-	-	-	-
Foreign Exchange currency swap	20.60	245.95	22.66	252.65
<b>Derivatives designated as hedging instruments</b>				
Foreign exchange forward contracts-Loans	-	42.26	-	-
Foreign exchange forward contracts-Crude/ Product Liabilities	-	-	-	-
Interest Rate Swap	53.15	-	5.35	-
Commodity Forward Contracts - Margin Hedging	2.97	19.60	17.12	-

## (ii) Hedging activities

The primary risks managed using derivative instruments are commodity price risk, foreign currency risk and interest rate 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 refining margins which is managed by margin hedging.

The risk of fall in refining margins of petroleum products in highly probable forecast sale transactions is hedged by undertaking crack spread forward contracts. The Company wants to protect the realization of margins and therefore to mitigate this risk, the Company is taking these forward contracts to hedge the margin on highly probable forecast sale in future. Risk management activities are undertaken in OTC market i.e. these are the bilateral contracts with registered counterparties.

All these hedges are accounted for as cash flow hedges.

**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 hedges are undertaken through delivery based forward contracts.

All these hedges are accounted for as cash flow hedges.

**Interest Rate Risk**

The Company is exposed to interest rate risks on floating rate borrowings as explained in A.1 above. Company hedges interest rate risk by taking interest rate swaps as per company's Interest Rate Risk Management Policy based on market conditions. The Company uses interest rate derivatives to hedge exposure to interest payments for floating rate borrowings denominated in foreign currencies.

All these hedges are accounted for as cash flow hedges.

## NOTES TO FINANCIAL STATEMENTS

## NOTE – 40 FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

## Hedge Effectiveness

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity forward contracts match the terms of hedge items. The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange, interest rate and commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Company compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. In case of interest rate swaps, as the critical terms of the interest rate swap contracts and their corresponding hedged items are similar, the company performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates.

## Source of Hedge ineffectiveness

In case of commodity price risk, the Company has identified the following sources of ineffectiveness, which are not expected to be material:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

In case of foreign currency risk and interest rate risk, the main source of hedge ineffectiveness is the effect of the counterparty and the company's own credit risk on the fair value of hedge contracts, which is not reflected in the fair value of the hedged items. The effect of this is not expected to be material.

## Disclosures of effects of Cash Flow Hedge Accounting

## Hedging instruments

The Company is holding the following hedging instruments:

(₹ in crore)

As at March 31,2022	Maturity					Total
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 12 Months	
<b>Foreign exchange forward contracts- Loans</b>						
Nominal amount	-	1136.65	-	-	2473.89	3610.54
Average forward rate (₹)	-	75.78	-	-	82.46	
<b>Foreign exchange forward contracts- Crude/ Product Liabilities</b>						
Nominal amount	-	-	-	-	-	-
Average forward rate (₹)	-	-	-	-	-	
<b>Interest Rate Swaps</b>						
Nominal amount	-	-	-	-	1515.53	1515.53
<b>Commodity forward contracts- Margin Hedging</b>						
Nominal volume (Quantity in lakh bbls)	-	8.50	11.00	6.75	-	26.25
Nominal amount	-	130.32	110.42	45.35	-	286.09
Average forward rate (\$ /bbl)	-	20.23	13.24	8.86	-	-

## NOTES TO FINANCIAL STATEMENTS

## NOTE – 40 FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

(₹ in crore)

As at March 31, 2021	Maturity					Total
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 12 Months	
<b>Foreign exchange forward contracts- Loans</b>						
Nominal amount	-	-	-	-	-	-
Average forward rate (₹)	-	-	-	-	-	-
<b>Foreign exchange forward contracts- Crude/ Product Liabilities</b>						
Nominal amount	-	-	-	-	-	-
Average forward rate (₹)	-	-	-	-	-	-
<b>Interest Rate Swaps</b>						
Nominal amount	-	-	-	-	1,438.43	1438.43
<b>Commodity forward contracts- Margin Hedging</b>						
Nominal volume (Quantity in lakh bbls)	0.75	1.50	6.00	6.00	-	14.25
Nominal amount	(0.91)	(1.82)	37.48	11.17	-	45.92
Average forward rate (\$ /bbl)	(1.66)	(1.66)	8.55	2.55	-	-

The impact of the hedging instruments on the Balance Sheet is as under:

(₹ in crore)

	Foreign exchange forward contracts- Loans		Foreign exchange forward contracts- Crude/ Product Liabilities		Interest Rate Swaps		Commodity forward contracts- Margin Hedging	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Nominal amount	3610.54	-	-	-	1515.53	1438.43	286.09	45.92
Carrying amount	(42.26)	-	-	-	53.15	5.35	(16.63)	17.12
Line item in the Balance Sheet that's includes Hedging Instruments	Other Current Financial Assets / Other Current Financial Liabilities*							
Change in fair value used for measuring ineffectiveness for the period - Gain (Loss)	(42.26)	(14.14)	3.35	(6.30)	53.15	5.35	(15.19)	136.67

## NOTES TO FINANCIAL STATEMENTS

## NOTE – 40 FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

## Hedge Items

The impact of the Hedged Items on the Balance Sheet is as follows:

(₹ in crore)

	Foreign exchange forward contracts- Loans		Foreign exchange forward contracts- Crude/ Product Liabilities		Interest Rate Swaps		Commodity forward contracts- Margin Hedging	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax)	(10.19)	-	0.80	-	70.56	4.00	(33.86)	12.80
Change in value of the hedged items used for measuring ineffectiveness for the period	42.26	14.14	(3.35)	6.30	(53.15)	(5.35)	15.19	(136.67)

The effect of the cash flow hedge in the Statement of Profit and Loss and Other Comprehensive Income is as follows:

(₹ in crore)

	Foreign exchange forward contracts- Loans		Foreign exchange forward contracts- Crude/ Product Liabilities		Interest Rate Swaps		Commodity forward contracts- Margin Hedging	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Cash flow Hedge Reserve at the beginning of the year	-	-	-	-	4.00	-	12.80	46.00
Total hedging gain/(loss) recognised in OCI	(42.26)	(14.14)	3.35	(6.30)	47.80	5.35	(32.31)	75.18
Income tax on above	(16.58)	3.56	1.31	1.59	18.76	(1.35)	(12.68)	(18.92)
Ineffectiveness recognised in profit or loss	-	-	-	-	-	-	-	-
Line item in the statement of profit or loss that includes the recognized ineffectiveness	NA	NA	NA	NA	NA	NA	NA	NA
Amount reclassified from OCI to profit or loss	(42.26)	(14.14)	3.35	(6.30)	-	-	1.45	119.55
Income tax on above	(6.39)	3.56	0.51	1.59	-	-	0.22	(30.09)
Cash flow Hedge Reserve at the end of the year	(10.19)	-	0.80	-	70.56	4.00	(33.86)	12.80
Line item in the statement of profit or loss that includes the reclassification adjustments	Other Expenses	Other Income	Other Expenses	Other Income	NA	NA	Revenue from Operations	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 Company applies Simplified approach for providing the expected credit losses on Trade Receivables as per the accounting policy of the company. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

	(₹ in crore)							
	Unbilled	Not Due	Less than 6 months	Above 6 months to 1 year	Above 1 year to 2 years	Above 2 years to 3 years	> 3 years	Total
<b>Year ended March 31, 2022</b>								
Gross Carrying amount	80.07	10,865.36	5,243.55	1,431.20	351.31	288.41	272.47	18,532.37
Expected loss rate	0.29%	0.28%	2.63%	2.64%	3.19%	4.07%	1.37%	
Expected credit losses	(0.23)	(30.05)	(138.07)	(37.80)	(11.22)	(11.75)	(3.72)	(232.84)
Specific Provision	-	-	-	-	(0.98)	(0.32)	(161.66)	(162.96)
<b>Carrying amount</b>	<b>79.84</b>	<b>10,835.31</b>	<b>5,105.48</b>	<b>1,393.40</b>	<b>339.11</b>	<b>276.34</b>	<b>107.09</b>	<b>18,136.57</b>
<b>Year ended March 31, 2021</b>								
Gross Carrying amount	62.31	8,064.99	2,556.34	769.67	2,074.73	190.18	268.39	13,986.61
Expected loss rate	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	
Expected credit losses	(0.08)	(7.55)	(2.13)	(0.64)	(0.81)	(0.15)	(0.09)	(11.45)
Specific Provision	-	(96.33)	(74.56)	(23.97)	(224.93)	(6.93)	(168.88)	(595.60)
<b>Carrying amount</b>	<b>62.23</b>	<b>7,961.11</b>	<b>2,479.65</b>	<b>745.06</b>	<b>1,848.99</b>	<b>183.10</b>	<b>99.42</b>	<b>13,379.56</b>

The ECL matrix has been reviewed during the year and accordingly expected credit losses have been computed using historical credit loss experience for different groups of trade receivables.

## Other Financial instruments and cash deposits

The Company's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2022 and March 31, 2021 is the carrying amounts as provided in Note 4, 5, 6, 11 & 12.

The Company applies General approach for providing the expected credit losses on these items as per the accounting policy of the company.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

## NOTES TO FINANCIAL STATEMENTS

## NOTE – 40 FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

The Company has given loans to PMUY (Pradhan Mantri Ujjwala Yojana) customers which are shown under Loans in Note-5. PMUY loans are given to provide clean cooking fuel to BPL families as per GOI scheme wherein free LPG connections are issued by Oil Marketing Companies (OMCs) to the women belonging to the Below Poverty Line (BPL) households. As per the scheme, OMCs are providing an option for interest free loan towards cost of burner and 1st refill to PMUY consumers which is to be recovered from the subsidy amount payable to customer when such customers book refill.

In case of certain PMUY loans, the Company has determined that there is significant increase in the credit risk. The Company considers the probability of default upon initial recognition of the loan and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers past experience and time elapsed since the last refill for determining probability of default on collective basis. The Company has categorized the PMUY loans wherein credit risk has increased significantly under various categories considering the likelihood of default based on time gap since last refill. ECL is provided @80% (2021: @80%) in case of time gap since last refill is more than 12 months but not exceeding 18 months, @90% (2021: @90%) in case of time gap is more than 18 months but not exceeding 24 months and @100% (2021: @100%) for those consumers who have not taken any refill more than 24 months. ECL is provided for the loans where the refill is taken within last 12 months based on experience ratio of more than 12 months as above.

The PMUY loans are classified as credit impaired as on reporting date considering significant financial difficulty in case the customer has not taken any refill from past 24 months (2021: 24 months).

In case of other financial assets, there are certain credit impaired cases mainly due to breach of contract arising due to default or bankruptcy proceedings.

The movement in the loss allowance for impairment of financial assets at amortised cost during the year was as follows:  
(₹ in crore)

2021-22	Opening Balance	ECL created during the year	ECL write Back	ECL written off/ Reclassifications	Closing Balance
	A	B	C	D	(A+B+C+D)
<b>Trade Receivables</b>					
Expected credit losses	11.45	221.40	-	-	232.85
Specific Provision	595.60	5.05	(431.25)	(6.45)	162.95
<b>Total</b>	<b>607.05</b>	<b>226.45</b>	<b>(431.25)</b>	<b>(6.45)</b>	<b>395.80</b>
<b>Loans</b>					
12 Months ECL	327.04	-	(130.13)	-	196.91
Life Time ECL- not credit impaired	196.31	-	(67.55)	-	128.76
Life Time ECL- credit impaired	555.66	112.36	(111.42)	-	556.60
<b>Total</b>	<b>1,079.01</b>	<b>112.36</b>	<b>(309.10)</b>	<b>-</b>	<b>882.27</b>
<b>Security Deposits</b>					
12 Months ECL	-	-	-	-	-
Life Time ECL- not credit impaired	-	-	-	-	-
Life Time ECL- credit impaired	1.40	0.02	-	-	1.42
<b>Total</b>	<b>1.40</b>	<b>0.02</b>	<b>-</b>	<b>-</b>	<b>1.42</b>
<b>Other Financial assets</b>					
12 Months ECL	-	-	-	-	-
Life Time ECL- not credit impaired	71.56	-	(71.56)	-	-
Life Time ECL- credit impaired	189.02	35.32	(10.98)	(0.08)	213.28
<b>Total</b>	<b>260.58</b>	<b>35.32</b>	<b>(82.54)</b>	<b>(0.08)</b>	<b>213.28</b>

## NOTES TO FINANCIAL STATEMENTS

## NOTE – 40 FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

(₹ in crore)

2020-21	Opening Balance	ECL created during the year	ECL write Back	ECL written off/ Reclassifications	Closing Balance
	A	B	C	D	(A+B+C+D)
<b>Trade Receivables</b>					
Expected Credit Loss	12.87	0.62	(2.04)	-	11.45
Specific Provision	114.98	482.71	(2.14)	0.05	595.60
<b>Total</b>	<b>127.85</b>	<b>483.33</b>	<b>(4.18)</b>	<b>0.05</b>	<b>607.05</b>
<b>Loans</b>					
12 Months ECL	69.98	257.06	-	-	327.04
Life Time ECL- not credit impaired	126.39	69.92	-	-	196.31
Life Time ECL- credit impaired	360.29	197.26	(0.14)	(1.75)	555.66
<b>Total</b>	<b>556.66</b>	<b>524.24</b>	<b>(0.14)</b>	<b>(1.75)</b>	<b>1,079.01</b>
<b>Security Deposits</b>					
12 Months ECL	-	-	-	-	-
Life Time ECL- not credit impaired	-	-	-	-	-
Life Time ECL- credit impaired	1.50	-	(0.10)	-	1.40
<b>Total</b>	<b>1.50</b>	<b>-</b>	<b>(0.10)</b>	<b>-</b>	<b>1.40</b>
<b>Other Financial assets</b>					
12 Months ECL	-	-	-	-	-
Life Time ECL- not credit impaired	-	71.56	-	-	71.56
Life Time ECL- credit impaired	132.76	58.53	(3.85)	1.58	189.02
<b>Total</b>	<b>132.76</b>	<b>130.09</b>	<b>(3.85)</b>	<b>1.58</b>	<b>260.58</b>

## C. Liquidity risk

The Company monitors its risk of shortage of funds using a liquidity planning tool. The Company seeks to manage its liquidity requirement by maintaining access to both short term and long term debt markets. In addition, Company has committed credit facilities from banks.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, commercial papers, bank loans, debentures, and leases. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual payments.

(₹ in crore)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
<b>Year ended March 31, 2022</b>						
Borrowings	5,512.96	31,401.95	23,303.76	44,297.07	6,282.76	1,10,798.50
Lease Obligations	-	852.02	1,255.14	2,994.64	3,562.52	8,664.32
Trade payables	3,063.66	39,405.68	-	-	-	42,469.34
Other financial liabilities	30,427.27	13,054.01	4,234.32	462.13	451.66	48,629.39
Financial guarantee contracts*	3,670.73	-	-	-	-	3,670.73
Derivatives	-	307.81	-	-	-	307.81
	<b>42,674.62</b>	<b>85,021.47</b>	<b>28,793.22</b>	<b>47,753.84</b>	<b>10,296.94</b>	<b>2,14,540.09</b>
<b>Year ended March 31, 2021</b>						
Borrowings	16,394.51	21,065.37	7,987.25	44,674.87	4,291.00	94,413.00
Lease Obligations	-	312.27	1,160.14	2,458.54	3,983.54	7,914.48
Trade payables	2,207.89	31,382.80	-	-	-	33,590.69
Other financial liabilities	29,310.76	9,686.36	4,347.09	517.68	329.81	44,191.70
Financial guarantee contracts*	5,488.50	-	-	-	-	5,488.50
Derivatives	-	252.65	-	-	-	252.65
	<b>53,401.66</b>	<b>62,699.45</b>	<b>13,494.48</b>	<b>47,651.09</b>	<b>8,604.35</b>	<b>1,85,851.02</b>

\* Based on the maximum amount that can be called for under the financial guarantee contract.



## NOTES TO FINANCIAL STATEMENTS

### NOTE – 40 FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

#### 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

The primary objective of the company's capital management is to maximise the shareholder value. Capital includes issued equity capital, share premium and all other equity reserves, attributable to the equity shareholders, for the purpose of the Company's capital management.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirements. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares to maintain or adjust the capital structure. 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.

Particulars	(₹ in crore)	
	March 31, 2022	March 31, 2021
<b>Borrowings</b>	<b>1,10,798.50</b>	94,413.00
Equity Share Capital	9,181.04	9,181.04
Reserves and Surplus	1,22,105.32	1,01,319.00
<b>Equity</b>	<b>1,31,286.36</b>	<b>1,10,500.04</b>
<b>Debt Equity Ratio</b>	<b>0.84 : 1</b>	<b>0.85 : 1</b>

No changes were made in the objectives, policies or processes for managing capital during the financial year ended March 31, 2022 and March 31, 2021.

### 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:

	Amount as at		Maximum Amount outstanding during the year ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(₹ in crore)			
<b>I. Loans and Advances in the nature of loans:</b>				
<b>A) To Subsidiary Companies</b>	-	-	-	-
<b>B) To Associates /Joint Venture</b>				
(i) Petronet V. K. Limited (Refer Note-1)	113.29	107.05	113.29	107.05
(ii) Suntera Nigeria 205 Limited. (Refer Note-2)	162.52	156.77	162.52	161.90
(iii) IndianOil LNG Private Limited	-	-	-	135.00
(iv) Indian Oiltanking Limited	15.00	15.00	15.00	15.00

## NOTES TO FINANCIAL STATEMENTS

## NOTE-42: DISCLOSURES AS REQUIRED BY REGULATION 34(3) OF SEBI(LODR) REGULATIONS, 2015 (Contd...)

(₹ in crore)

	Amount as at		Maximum Amount outstanding during the year ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
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	-	-	-	-

## Notes:

- During the period, an amount of ₹ 110.90 crore has been provided for against loan provided to Petronet VK Limited as Impairment Loss on financial asset.
- As per the applicable provisions of Indian Accounting Standards, the loan given to Suntera Nigeria 205 Ltd. is measured at fair value through the Statement of Profit and Loss in the financial statements and fair value of the loan is ₹ 141.02 crore as at March 31, 2022 (2021: ₹ 121.51 crore). Refer Note -39 for further details regarding fair valuation.

## NOTE - 43: DUES TO MICRO AND SMALL ENTERPRISES

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

Particulars	(₹ in crore)	
	March 31, 2022	March 31, 2021
<b>Amount due and Payable at the year end</b>		
- Principal *	1,398.32	971.05
- Interest on above Principal	-	-
<b>Payments made during the year after the due date</b>		
- Principal	-	-
- Interest	-	-
Interest due and payable for principals already paid	-	-
Total Interest accrued and remained unpaid at year end	-	-
Further Interest remaining due and payable in succeeding year	-	-

\*Amount of ₹ 598.48 crore (2021: ₹ 424.04 crore) included in Note 17: Other Financial Liabilities.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 44 RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹ 259.68 crore (2021: ₹ 226.16 crore) have been capitalized and ₹ 316.87 crore (2021 : ₹ 282.79 crore) have been accounted for in the Statement of Profit and Loss during the year. Detailed break up of total expenditure are as under:

## A. CAPITAL EXPENSES (Property, Plant and Equipment)

(₹ in crore)											
S. No.	Asset Block	Gross Block as at April 1, 2021	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at March 31, 2022	Work-in-Progress as at April 1, 2021	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at March 31, 2022	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)
<b>(a) Property, Plant and Equipment</b>											
1	Land - Free Hold	373.43	-	-	-	373.43	-	-	-	-	-
2	Building, Roads etc	106.94	0.37	1.93	1.48	107.76	58.01	95.59	1.93	151.67	95.96
3	Plant & Equipment	807.44	44.38	64.09	14.48	901.43	133.08	105.29	64.09	174.28	149.67
4	Office Equipment	39.11	3.76	1.03	2.56	41.34	0.08	0.98	1.03	0.03	4.74
5	Transport Equipment	0.06	-	-	-	0.06	-	-	-	-	-
6	Furniture & Fixtures	16.62	0.58	0.66	0.49	17.37	-	1.62	0.66	0.96	2.20
7	Drainage & Sewage	1.42	-	-	-	1.42	-	-	-	-	-
8	ROU Asset	0.38	-	-	-	0.38	-	-	-	-	-
	<b>Sub Total</b>	<b>1,345.40</b>	<b>49.09</b>	<b>67.71</b>	<b>19.01</b>	<b>1,443.19</b>	<b>191.17</b>	<b>203.48</b>	<b>67.71</b>	<b>326.94</b>	<b>252.57</b>
<b>(b) Intangible Assets</b>											
1	Right of way	-	-	-	-	-	-	-	-	-	-
2	Licenses / Technical Know-how	0.11	-	-	-	0.11	-	-	-	-	-
3	Computer Software	31.51	7.11	-	0.56	38.06	1.13	-	-	1.13	7.11
	<b>Sub Total</b>	<b>31.62</b>	<b>7.11</b>	<b>-</b>	<b>0.56</b>	<b>38.17</b>	<b>1.13</b>	<b>-</b>	<b>-</b>	<b>1.13</b>	<b>7.11</b>
	<b>Total</b>	<b>1,377.02</b>	<b>56.20</b>	<b>67.71</b>	<b>19.57</b>	<b>1,481.36</b>	<b>192.30</b>	<b>203.48</b>	<b>67.71</b>	<b>328.07</b>	<b>259.68</b>

(₹ in crore)											
S. No.	Asset Block	Gross Block as at April 1, 2020	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at March 31, 2021	Work-in-Progress as at April 1, 2020	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at March 31, 2021	Total Capital Expenditure
1	2	3	4	5	6	7 = (3+4+5-6)	8	9	10	11 = (8+9-10)	12=(4+5+11-8)
<b>(a) Property, Plant and Equipment</b>											
1	Land - Free Hold	377.26	-	-	3.83	373.43	-	-	-	-	-
2	Building, Roads etc	104.45	0.78	2.13	0.42	106.94	36.14	24.00	2.13	58.01	24.78
3	Plant & Equipment	688.47	43.39	75.22	(0.36)	807.44	67.63	140.67	75.22	133.08	184.06
4	Office Equipment	29.52	7.85	3.92	2.18	39.11	0.60	3.40	3.92	0.08	11.25
5	Transport Equipment	0.06	-	-	-	0.06	-	-	-	-	-
6	Furniture & Fixtures	16.25	0.57	0.03	0.23	16.62	-	0.03	0.03	-	0.60
7	Drainage & Sewage	1.42	-	-	-	1.42	-	-	-	-	-
8	ROU Asset	0.38	-	-	-	0.38	-	-	-	-	-
	<b>Sub Total</b>	<b>1,217.81</b>	<b>52.59</b>	<b>81.30</b>	<b>6.30</b>	<b>1,345.40</b>	<b>104.37</b>	<b>168.10</b>	<b>81.30</b>	<b>191.17</b>	<b>220.69</b>
<b>(b) Intangible Assets</b>											
1	Right of way	-	-	-	-	-	-	-	-	-	-
2	Licenses / Technical Know-how	0.11	-	-	-	0.11	-	-	-	-	-
3	Computer Software	20.69	2.96	7.86	-	31.51	6.48	2.51	7.86	1.13	5.47
	<b>Sub Total</b>	<b>20.80</b>	<b>2.96</b>	<b>7.86</b>	<b>-</b>	<b>31.62</b>	<b>6.48</b>	<b>2.51</b>	<b>7.86</b>	<b>1.13</b>	<b>5.47</b>
	<b>Total</b>	<b>1,238.61</b>	<b>55.55</b>	<b>89.16</b>	<b>6.30</b>	<b>1,377.02</b>	<b>110.85</b>	<b>170.61</b>	<b>89.16</b>	<b>192.30</b>	<b>226.16</b>

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 44 : RESEARCH AND DEVELOPMENT COSTS (Contd...)

## B. RECURRING EXPENSES

Particulars	(₹ in crore)	
	2021-22	2020-21
1 Consumption of Stores, Spares & Consumables	12.13	9.78
2 Repairs & Maintenance		
(a) Plant & Machinery	12.95	11.74
(b) Building	7.59	7.95
(c) Others	2.36	2.33
3 Freight, Transportation Charges & demurrage	0.06	0.09
4 Payment to and Provisions for employees	179.69	178.36
5 Office Administration, Selling and Other Expenses	102.05	72.51
6 Interest	0.04	0.03
<b>Total</b>	<b>316.87</b>	<b>282.79</b>

## C. TOTAL RESEARCH EXPENSES

Particulars	(₹ in crore)	
	2021-22	2020-21
Capital Expenditure	259.68	226.16
Recurring Expenditure	316.87	282.79
<b>Total</b>	<b>576.55</b>	<b>508.95</b>

## NOTE - 45: DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

The disclosure in respect of CSR Expenditure is as under:

Particulars	(₹ in crore)	
	March 31, 2022	March 31, 2021
Gross amount required to be spent by the Company during the year (2% of Avg Net Profit as per Section 135(5))	323.14	342.00
Surplus arising out of CSR Project	-	-
Set Off Available from Previous Years	118.37	-
<b>Total CSR Obligation for the year</b>	<b>204.77</b>	<b>342.00</b>
Amount approved by the Board to be spent during the year	455.05	460.37
Amount Spent during the Year	298.29	460.37
Set Off available for succeeding years	93.52	118.37
Amount Unspent during the year	-	-

## NOTES TO FINANCIAL STATEMENTS

## NOTE-45: DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE (Contd...)

Amount spent during the year on:

(₹ in crore)

Particulars	2021-22			2020-21		
	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	68.65	1.48	70.13	28.48	1.06	29.54
Contribution towards PMUY	7.00	-	7.00	-	-	-
Flagship Projects-CSR	13.42	0.35	13.77	12.27	0.42	12.69
Educational Scholarship	2.26	-	2.26	1.21	-	1.21
Swachh Bharat	11.34	0.59	11.93	9.85	6.53	16.38
Education/employment vocational skills	56.55	0.62	57.17	82.31	2.68	84.99
Drinking Water	4.62	0.21	4.83	10.15	0.80	10.95
Promotion of National Heritage, Art and Culture	0.31	-	0.31	11.94	0.01	11.95
COVID 19	91.01	1.23	92.24	251.17	1.31	252.48
Administration Expenses, training etc.	14.20	-	14.20	15.37	-	15.37
Impact Assessment	0.04	0.01	0.05	-	-	-
Other expenses	24.03	0.37	24.40	23.15	1.66	24.81
<b>Total Expenses (ii)</b>	<b>293.43</b>	<b>4.86</b>	<b>298.29</b>	<b>445.90</b>	<b>14.47</b>	<b>460.37</b>
<b>Grand Total (i) and (ii)</b>	<b>293.43</b>	<b>4.86</b>	<b>298.29</b>	<b>445.90</b>	<b>14.47</b>	<b>460.37</b>

\*\*Provisions made for liabilities incurred

## 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) in India amounting to ₹ 154.21 crore (2021: ₹ 72.46 crore) and subsidies on sales of LPG (Domestic) to customers in Bhutan amounting to ₹ 6.44 crore (2021: ₹ 3.13 crore) have been reckoned as per the schemes notified by Governments.

## 2 Export of Notified Goods under MEIS Claims/RoDTEP scheme

The Company has recognised ₹ 3.64 crore (2021: ₹ 0.02 crore) on export of notified goods under Merchandise Exports from India Scheme (MEIS)/ Remission of Duties and Taxes on Exported Products (RoDTEP) scheme in the Statement of Profit and Loss as Revenue Grant.

## 3 Stipend to apprentices under NATS/NAPS scheme

As per Ministry of HRD & Skill development and Entrepreneurship, a portion of stipend and basic training cost for apprentices will be reimbursed to employer by Government under National Apprenticeship Training Scheme (NATS) and National Apprenticeship Promotion Scheme (NAPS), subject to prescribed threshold limit. The Company has recognised grant in respect of stipend paid to apprentices & Basic training cost under NATS & NAPS amounting to ₹ 5.24 crore (2021: ₹ 2.43 crore) as Revenue Grant.

## 4 Grant in respect of revenue expenditure for research projects

During the year, the Company has received revenue grant of ₹ 1.62 crore (2021: ₹ 1.59 crore) in respect of meeting out revenue expenditure such as Manpower, Consumables, Travel & Contingency etc for research projects undertaken with various agencies.

## NOTES TO FINANCIAL STATEMENTS

### NOTE-46: DISCLOSURE ON GOVERNMENT GRANTS (Contd...)

#### 5 Incentive on sale of power

Company is getting incentive from Department of Renewable Energy, GOI for wind power generation of Electricity at the rate of ₹ 0.50 paise for per unit of power generated. The Company has received grant of ₹ **2.37 crore** during the current year (2021: ₹ 2.08 crore).

#### 6 EPCG Grant

Grant recognized in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Govt. which allows procurement of capital goods including spares for pre production and post production at zero duty subject to an export obligation of 6 times of the duty saved on capital goods procured. The unamortized grant amount as at March 31, 2022 is **Nil** (2021: Nil) . During the year, the Company has recognised **Nil** (2021: ₹ 39.89 crore) in the Statement of Profit and Loss as amortisation of revenue grant.

#### 7 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 ₹ **5426.43 crore** (2021: ₹ 5655.21 crore).

#### 8 Viability Gap Funding (VGF)

The Company has received grant in the form of interest free loans from Orissa Government for a period of 15 years. The unamortized grant amount as at March 31, 2022 is ₹ **2372.48 crore** (2021: ₹ 2065.16 crore). During the year, the Company has recognised ₹ **176.05 crore** (2021: ₹ 144.86 crore) in the Statement of Profit and Loss as amortisation of grants.

## B. Capital Grants

#### 1 OIIB Government Grant for strengthening distribution of SKO (PDS)

The Company has received government grant from OIIB (Oil Industry Development Board) for strengthening distribution of PDS Kerosene as per the directions of MoP&NG to be used in construction of 20KL underground Tank, Mechanical Dispensing Units and Barrel Shed. The unamortized capital grant amount as at March 31, 2022 is ₹ **0.59 crore** (2021: ₹ 0.76 crore). During the year, the Company has recognised ₹ **0.17 crore** (2021: ₹ 0.25 crore) in Statement of Profit and Loss as amortisation of capital grants.

#### 2 Capital Grant in respect of Excise duty, Custom duty and GST waiver

The Company has received grant in respect of Custom duty waiver on import on capital goods, Excise duty waiver and GST waiver on purchase of goods from local manufacturer in India under the certificate issued by Department of Scientific and Industrial Research (DSIR). The unamortized capital grant amount as at March 31, 2022 is ₹ **75.59 crore** (2021: ₹ 67.77 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 ₹ **11.70 crore** (2021: ₹ 10.85 crore) in the Statement of Profit and Loss as amortisation of capital grants.

#### 3 Capital Grant in respect of Research projects

The Company has received capital grant from various agencies in respect of procurement/ setting up of Capital assets for research projects undertaken. The unamortized capital grant amount as at March 31, 2022 is ₹ **9.01 crore** (2021: ₹ 11.19 crore). During the year, the Company has recognised ₹ **2.70 crore** (2021: ₹ 2.60 crore) in the Statement of Profit and Loss as amortisation of capital grants.

#### 4 Capital Grant in respect of Entry Tax Exemption from Odisha Govt.

Entry Tax exemption received from Odisha Government for Paradip Refinery Project has been recognized as Capital Grant and grossed up with the concerned Assets. The unamortized capital grant amount as at March 31, 2022 is ₹ **100.22 crore** (2021: ₹ 105.55 crore). During the year, the Company has recognised ₹ **5.34 crore** (2021: ₹ 5.47 crore) in the Statement of Profit and Loss as amortisation of capital grants.

## NOTES TO FINANCIAL STATEMENTS

### NOTE-46: DISCLOSURE ON GOVERNMENT GRANTS (Contd...)

#### 5 Capital Grant in respect of demonstration unit

Grant received from OADB for setting up of demonstration unit at Guwahati refinery with the company's R&D developed IndaDeptG technology and also for Ethanol production from Refinery off gases at Panipat Refinery. The unamortized capital grant amount as at March 31, 2022 is ₹ **377.97 crore** (2021: ₹ 173.27 crore). During the year, the Company has recognised ₹ **4.38 crore** (2021: ₹ 4.38 crore) in the Statement of Profit and Loss as amortisation of capital grants.

#### 6 Capital Grant in respect of interest subsidy

The Company has received capital grant in respect of interest subsidy on loans taken from OADB. The unamortized capital grant amount as at March 31, 2022 is ₹ **11.33 crore** (2021: ₹ 26.32 crore). During the year, the Company has recognised ₹ **0.36 crore** (2021: ₹ 0.51 crore) in the Statement of Profit and Loss as amortisation of capital grants.

#### 7 Capital Grant in respect of Solar Power Generation

The Company has received capital financial assistance from Ministry of New and Renewable Energy in respect of procurement and installation of Solar Panels for Power Generation. The unamortized capital grant amount as at March 31, 2022 is ₹ **3.78 crore** (2021: ₹ 3.96 crore). During the year, the Company has recognised ₹ **0.19 crore** (2021: ₹ 0.18 crore) in the Statement of Profit and Loss as amortisation of capital grants.

#### 8 Capital Grant from Nepal Government

The Company has received grant from Nepal Government by way of waiver of Local taxes on goods/services procured locally in Nepal and Import Duty for goods/services imported into Nepal. The Company has recognised ₹ **1.12 crore** (2021: ₹ 1.05 crore) in Statement of Profit & Loss. The unamortized balance is ₹ **11.69 crore** (2021: ₹ 12.42 crore)

### 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, Gas, E&P and Others. Revenue are recognized when control of the goods and services are transferred to the customer.

Generally, Company enters into contract with customers:

- a. On delivered basis in case of Retail Sales, LPG and Aviation.
- b. On Ex-Marketing Installation 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 recognized when the goods are delivered to the customer by adjusting the advance from customers. Revenue in cases of performance obligation related to delivered sales are recognized in time based on delivery of identified and actual goods and no significant judgement is involved.

The Company also extends 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 recognized net of these loyalty points and incentive schemes.

Besides this, though not significant, the Company also undertakes construction contracts on deposit basis. Revenue is recognized for these contracts overtime using input based on cost incurred. Similarly non-refundable deposits received from Retail Outlets (ROs) are recognized as revenue over time on proportionate basis.

## NOTES TO FINANCIAL STATEMENTS

## NOTE-47: REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd...)

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)	
	2021-22	2021-22
<b>Total Revenue (A+D)</b>	<b>7,28,459.94</b>	<b>5,14,890.47</b>
Revenue from contract with customers (A)	7,26,449.95	5,12,435.71
Recognized from contract liability balance of previous year (B)	3,714.04	4,290.55
Recognized from contracts initiated in current year (C)	7,22,735.92	5,08,145.16
Revenue from other contracts/from others (D)	2,009.99	2,454.76

An amount of ₹ 226.45 crore (2021: ₹ 483.48 crore) on account of impairment losses on receivables is recognised under the head Impairment Loss on Financial Assets on the face of Statement of Profit and Loss.

The Company discloses information on reportable segment as per Ind AS 108 under Note 38 - Segmental Information. An amount of ₹ 689.76 crore (2021: ₹ 572.84 crore) is recognised over time under Revenue from contract with customers.

	(₹ in crore)		
	Receivables	Contract Asset	Contract Liability
Opening Balance	13,427.62	-	5,648.19
Closing Balance	18,221.78	-	7,157.53

The Company has applied practical expedient as per IndAS 115 in case of delivered sales, advance from customers where the performance obligation is part of the contract and the original expected duration is one year or less and in case of construction contracts/deposit works wherein the company has a right to consideration from customer that correspond directly with the value of the entity's performance completed for the customer.

## NOTE - 48: ADDITIONAL REGULATORY INFORMATION AS PER SCHEDULE III OF COMPANIES ACT 2013

## 1. Ratios

	Numerator	Denominator	2021-2022	2020-2021	% Variance	Reason for Variance
<b>Current Ratio (Times) *</b>	Current Assets	Current Liabilities	0.76	0.73	4%	
<b>Debt Equity Ratio (Times)</b>	Total Debt (i.e. Non-Current Borrowings + Current Borrowings)	Total Equity	0.84:1	0.85:1	-1%	
<b>Debt Service Coverage Ratio (Times)</b>	Profit after Tax + Finance Cost in P&L + Depreciation	Finance Cost (P&L + Capitalised) + Lease & Principal Repayments (Long-term)	4.93	5.00	-1%	
<b>Return on Equity (%)</b>	Profit after Tax	Average Total Equity	20.00%	21.38%	-6%	
<b>Inventory Turnover (Times)</b>	Sales (Net of Discounts)	Average Inventory	7.98	7.20	11%	
<b>Trade Payables Turnover (Times)</b>	Purchase of Raw Material + Purchase of Stock-in-Trade + Other Expenses	Average Trade Payables	14.95	11.64	28%	Variation majorly on account of increase in purchase value due to rise in prices of Raw Material in the international market as compared to previous year.



## NOTES TO FINANCIAL STATEMENTS

## NOTE - 48: ADDITIONAL REGULATORY INFORMATION AS PER SCHEDULE III OF COMPANIES ACT 2013 (Contd...)

	Numerator	Denominator	2021-2022	2020-2021	% Variance	Reason for Variance
<b>Trade Receivables Turnover (Times)</b>	Sales (Net of Discounts)	Average Trade Receivables	45.95	38.96	18%	Variation majorly on account of increase in sales due to rise in prices of Products as compared to previous year.
<b>Net Capital Turnover (Times) *</b>	Sales (Net of Discounts)	Average Working Capital (i.e. Current Assets - Current Liabilities)	(17.00)	(11.61)	46%	
<b>Net Profit Ratio (%)</b>	Profit after Tax	Revenue from Operation	3.32%	4.24%	-22%	
<b>Return on Capital Employed (%)</b>	Profit before Tax + Finance Cost	Average of (Total Equity + Total Debt + Deferred Tax Liabilities)	15.44%	15.20%	2%	
<b>Return on Investment (%)</b>						
- Equity in Subsidiary/ Associates & JVs	Closing Value of Investment + Dividend during the year - (Opening Value of Investment + Additional Investment during the year)/2	Opening Value of Investment + (Additional Investment during the year - Dividend during the year)/2	4.69%	5.08%	-8%	
- Equity in Others			64.19%	59.50%	8%	
- Preference Shares			-0.11%	7.99%	-101%	Variation majorly on account of change in fair value of investment as at 31.03.2022.
- Govt. Securities (Non-current+Current)			4.70%	6.81%	-31%	
- Debentures or Bonds			1.29%	12.71%	-90%	

\* In line with EAC opinion received in FY 2018-19, Security Deposits amounting to ₹ 29,442.61 crore (2021: ₹ 28,029.44 crore) obtained from LPG consumers are consistently treated as current liabilities as the Company does not have unconditional right to defer settlement of the same upon demand from consumers. However, based on past experience, it is observed that there is net increase in security deposits and refund claim from consumers is insignificant.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 48 : ADDITIONAL REGULATORY INFORMATION AS PER SCHEDULE III OF COMPANIES ACT 2013 (Contd...)

## 2 Title deeds of Immovable Property not held in the name of the Company

## A Cases continuing from previous year:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value		Title deeds held in the name of
		31.03.2022	31.03.2021	
PPE	<b>Land</b>			
	Land allotted by Govt. of Assam	0.16	0.16	Government of Assam
	Freehold Land-Refinery	0.20	0.20	Government of Bihar
	Land at Mathura Refinery	10.18	10.18	Government of Uttar Pradesh
	Land of Calico Mill, Baroda	31.99	31.99	Gujarat Industrial Development Corporataion
	Leased land at Paradip	0.04	0.04	Government of Orissa
	Land at Jobra Barrage Water Intake Facility	27.54	27.54	Government of Orissa
	Leased land at Paradip	4.83	4.83	Government of Orissa
	CTMPL RCP land at Reddimangudii*	0.00	0.00	Nalluswamy Ramar
	Land	0.01	0.01	Not available
	Land	0.02	0.02	RAMAVATHI/ LEGAL HEIRS
	Land*	0.00	0.00	RAMAVATHI/ LEGAL HEIRS
	Land	51.90	51.90	Govt. of Assam
	Land	0.10	0.10	BPCL
	Land	0.52	0.52	Kerala state Government (GCDA)
	Land	5.77	5.77	Indian Railways
	ROU - Leasehold Land	0.01	0.01	Not available
ROU - Leasehold Land (3 cases)	0.08	0.08	TISCO	
ROU - Leasehold Land	0.01	0.01	TISCO	
ROU - Leasehold Land	0.05	0.05	TISCO	

(₹ in crore)

Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Under Dispute (Yes/ No)	Reason for not being held in the name of the company
No	1962	No	Land measuring 60.50 Acre not registered in the name of IOCL, GR for which follow is being made with the government
No	1959	Yes	The matter related to the claim of District Authorities, for additional cost of Registration charges, is pending with the Hon'ble High Court, Patna.
No	1977	No	Approval for lease deed & execution is pending at the level of Department of Industries, UP Govt., Lucknow.
No	2006	Yes	Case is pending in High Court
No	2019	No	Transfer of land in name of IOCL is under process
No	2010	No	Transfer of land in name of IOCL is under process
No	2010	No	Transfer of land in name of IOCL is under process
No	30.05.05	No	Purchase process for the private land portion shall be completed after receiving demand from Government.
No	07.11.95	No	The title deed is not available either with the functional department or with the law department. Action has been taken to retrieve the documents.
No	20.03.95	Yes	Title Appeal has been filed before Jharkhand High Court. Approval for the same is accorded.
No	28.04.95	Yes	Title Appeal has been filed before Jharkhand High Court. Approval for the same is accorded.
No	18.02.17	No	Entry of the name of IOCL in Jamabandi/Mutation record is pending.
No	01.10.90	No	The land has been registered in the name of BPCL. BPCL has demarcated 77,540.00 Sqm of land in the name of IOCL.
No	31.03.03	No	Retail sales dept is following up with Govt. Secretary and GCDA for registration.
No	31.03.94	Yes	The said land had been exchanged with railways for construction of railway siding and the same had not been registered. However a person had disputed the title in the court claiming that they have registered documents to portion of the land (400 Sq.Yards) . Pending the decision of the Railways and the legal case, IOC is unable to go ahead with the registration of land.
No	31.12.93	No	The title deed is not available either with the functional department or with the law department. Action has been taken to retrieve the documents.
No	14.11.96	No	The Land has been awarded to TISCO during British Govt. Embargo from State Govt. over Subleasing to IOCL.
No	14.12.96	No	The Land has been awarded to TISCO during British Govt. Embargo from State Govt. over Subleasing to IOCL.
No	19.11.96	No	The Land has been awarded to TISCO during British Govt. Embargo from State Govt. over Subleasing to IOCL.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 48 : ADDITIONAL REGULATORY INFORMATION AS PER SCHEDULE III OF COMPANIES ACT 2013 (Contd...)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value		Title deeds held in the name of
		31.03.2022	31.03.2021	
PPE	ROU - Leasehold Land (37 cases)	321.04	326.39	IAF
	ROU - Leasehold Land	1.94	1.94	Mumbai Port Trust
	ROU - Leasehold Land	1.84	1.92	Indian Railways
	ROU - Leasehold Land (2 cases)	0.48	0.48	MP Government
	ROU - Leasehold Land*	0.00	0.00	Northern Coalfields Limited
	ROU - Leasehold Land	0.10	0.10	Tuticorn Port Trust
PPE	<b>Building</b>			
	NBCC_Type VI Flats & Parking_ Kidwai Nagar	20.42	20.42	NBCC
	NBCC Commercial Space	231.02	231.02	NBCC
	NBCC_Building_Type V Flats	17.67	17.67	NBCC
	Building	5.42	5.42	Govt. of West Bengal
	Building	0.01	0.01	M/s Bonny Enterprise
	Building	0.04	0.04	M/s Bonny Enterprise
	Building (3 cases)	0.05	0.05	M/s Bonny Enterprise
Building	0.06	0.06	Mukund Constructions	

## B Cases added during the year:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value		Title deeds held in the name of
		31.03.2022	31.03.2021	
PPE	Land*	0.00		Govt. of Assam
	Land	0.01		Govt. of Assam
	Land*	0.00		Not available

(₹ in crore)

Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Under Dispute (Yes/ No)	Reason for not being held in the name of the company
No	30.08.11	No	AFS Umbrella Agreement/MOU, but no individual Agreement
No	01.04.98	No	A letter was submitted to MbPT Chairman office requesting waiving of interest on arrear and renewal of expired lease. The concerned location is following up with MbPT .
No	01.04.18	No	Draft lease deed has been submitted to Railway. Awaiting confirmation from them.
No	01.04.94	No	Title deed is pending for execution with MP Government Revenue land office, lease rent payment is being made as per negotiated rate.
No	17.07.92	No	Lease deed with NCL for Jayant Depot land is not available with IOCL and NCL. In view of the fact, that IOCL is supplying product to other Retail Outlet and Kerosene agency from Jayant Depot, the lease agreement might not have been concluded.
No	31.07.98	Yes	The lease agreement not yet signed due to dispute with Tuticorin Port Trust on incorporation of MGT clause
No	28.12.18	No	Under process to be registered through L&DO Office, MHA
No	31.03.21	No	Under process to be registered through L&DO Office, MHA
No	20.07.20	No	Under process to be registered through L&DO Office, MHA
No	26.07.89	No	The executed deed was not registered after taking over the building. Mutation of this plot of Land & Building is not available.
No	01.04.84	No	No one from Bonny Enterprise is traceable. Probably Bonny enterprise is closed. Therefore, Title Deed cannot be executed
No	16.05.83	No	No one from Bonny Enterprise is traceable. Probably Bonny enterprise is closed. Therefore, Title Deed cannot be executed
No	29.04.85	No	No one from Bonny Enterprise is traceable. Probably Bonny enterprise is closed. Therefore, Title Deed cannot be executed
No	29.02.84	Yes	Matter under Litigation for execution of sale deed

(₹ in crore)

Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Under Dispute (Yes/ No)	Reason for not being held in the name of the company
No	31.03.82	No	Mutation is pending.
No	14.03.85	No	Mutation is pending.
No	01.01.59	No	Title Deed is not available or found. Re-generation of title deed is in process for making an application to Sub registrar.

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 48 : ADDITIONAL REGULATORY INFORMATION AS PER SCHEDULE III OF COMPANIES ACT 2013 (Contd...)

## C Cases settled during the year:

(₹ in crore)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value		Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Under Dispute (Yes/No)	Reason for not being held in the name of the company
		31.03.2022	31.03.2021					
PPE	Land		320.43	Indian Oil Corporation Limited	No	01.09.19	No	Not Applicable
	Land		1.82	Government	No	31.03.21	No	Final allotment letter was awaited from Government
	Land		35.37	Government	No	03.02.17	No	Final allotment letter was awaited from Government
	ROU ASSETS - Land*		0.00	Not available	No	04.09.73	No	Reconciliation of the property has been concluded with the Functional Department wherein it has been found that the title deed is not available either with the functional department or with the law department. Action has been taken to retrieve the documents.
	ROU ASSETS - Land (46 cases)		173.97	AAI	No	01.11.86	No	AFS Umbrella Agreement, but no individual Agreement
	ROU ASSETS - Land		0.18	SAIL	No	12.07.15	No	Registration pending.
	Land		12.08	PUDA	No	22.03.21	No	Payment pending for land procurement

\*Following's carrying value is not reflected above due to rounding off:

Description of item of property	Title deeds held in the name of	Gross carrying value (In ₹)	
		31.03.2022	31.03.2021
CTMPL RCP land at Reddimangudii	Nalluswamy Ramar	30,000	30,000
Land	Ramavathi / Legal heirs	25,540	25,540
ROU - Leasehold Land	Northern Coalfields Limited	1	1
Land	Govt. of Assam	45,000	
Land	Not available	24,416	
ROU ASSETS - Land	Not available		5,096

## NOTES TO FINANCIAL STATEMENTS

## NOTE - 48 : ADDITIONAL REGULATORY INFORMATION AS PER SCHEDULE III OF COMPANIES ACT 2013 (Contd...)

## 3 Relationship with Struck off Companies

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding (in ₹)	
		March 31, 2022	March 31, 2021
Hotel Dynasty	Payables	52,573	-
Grand Marshall Engineers Private Limited	Payables	12,537	-
Skpei Engineering Works Private Limited	Payables	-	-
Vidhoo Industrial Service Private Limited	Payables	2,107	2,107
Paonta Technologies & Solutions Private Limited	Payables	5,520	5,520
Bharati Instrumentation Private Limited	Payables	52	52
Spectacular Advertising & Events Private Limited	Payables	10,931	10,931
3I Computers Private Limited	Payables	11,300	11,300
Unique Energies Private Limited	Payables	8,175	8,175
Promises Medical Equipments Private Limited	Payables	-	8,395
DLS Enterprises Private Limited	Payables	-	352
Kamrupinyae Infrastructures Private Limited	Payables	-	3,45,030
Amstar Infrastructure India Private.Limited	Payables	-	1,18,542
Shree Sai Ip Consultant Private Limited	Payables	-	-
Arvind Singh Consultants Private Limited	Payables	-	-
Maypri Foods Private Limited	Payables	-	-
Aditya Inkjet Technologies Private Limited	Payables	1,892	41,653
Murthy Electronics Private Limited	Payables	2,541	1,56,936
Linear Point Surveys Private Limited	Payables	-	-
First Office Solutions India Private Limited	Payables	14,100	-
Kdc Infra Projects Private Limited	Receivables	1,08,500	6,39,163
Khazina Digital Private Limited	Receivables	(5,07,000)	(5,07,000)
Salai Energy Solutions Private Limited	Receivables	(3,86,890)	(7,53,237)
Emanar Enterprise Private Limited	Receivables	-	14,720
Zeba Construction & Dev P Limited	Receivables	-	(1,551)
Yumiko Global Infratech Private Limited	Receivables	(5,000)	-
Rc Residency Private Limited	Receivables	-	(2,866)
Deonarayan Pawan Construction Private Limited	Receivables	-	(8,069)
Vacha Energy Ventures Private.Limited	Receivables	-	(2,201)
Gabharu Infracon Private Limited	Receivables	(56,804)	(56,804)
Idha E Tail Arks Private Limited	Receivables	65	65
Dalhousie Jute Co Limited	Receivables	(3,26,345)	(2,51,556)
Chenari Construction Private Limited	Receivables	-	(921)
Eco E Waste Recyclers India Private Limited	Receivables	-	-
Barnagore Jute Factory Co.Limited	Receivables	(27,223)	(8,774)
Singh Brothers Construction Private Limited	Receivables	(1,111)	(1,111)
Fairwinds Aviation Private Limited	Receivables	(4,441)	(3,193)
Kumar Engicon & Agency Private Limited	Receivables	-	(621)
Birendra Nag Constuction Private Limited	Receivables	(900)	-
R & S Construction Private Limited	Receivables	-	(6,815)
Palamu And Shivam Construction Private Limited	Receivables	-	(78,139)
Sri Ram Technocrate Private Limited	Receivables	-	(17,523)
Rs - Srivaru Exim Private Limited	Receivables	-	-

Note: The Company does not have any relationship with the above mentioned struck-off companies.

## NOTES TO FINANCIAL STATEMENTS

### NOTE – 49: OTHER DISCLOSURES

- 1 In order to provide clean cooking fuel to BPL families, Government has approved "Pradhan Mantri Ujjwala Yojana (PMUY)" scheme where free LPG connections are issued by Oil Marketing Companies (OMCs) to the women belonging to the Below Poverty Line (BPL) households as per SECC -2011 (Rural) database. The scheme was launched on May 1, 2016. As per the scheme, the initial cost towards connection charges (Refundable deposit) would be borne by the Central Government for each card holder. Few State Governments have also extended this scheme to other beneficiaries. As per the scheme, OMCs would provide an option for EMI/Loans towards cost of burner and 1st refill to the PMUY consumers. The loan amount is to be recovered from the subsidy amount payable by the government to the customers on each refill sale. During the year, discounting of the loan has been done based on assumption of 4 refills in a year and respective average subsidy rate per cylinder under different range of subsidy buckets.

The amount of outstanding as at March 31, 2022 towards PMUY claim from Central Government is ₹ **8.63 crore** (2021: ₹ 6.38 crore) and loan to PMUY consumers is ₹ **2770.67 crore** (2021: ₹ 3022.58 crore) (net of recovery through subsidy). Against the above loan, a provision for doubtful loans amounting to ₹ **601.46 crore** (2021: ₹ 910.45 crore) has been created as at March 31, 2022 against the beneficiaries who have not taken any refill for more than 12 months based on expected credit loss (ECL) model and applying experience factor based on experience ratio of doubtful provision on more than 12 months to the loans in less than 12 month category. (Also refer Credit Risk under Note 40)

The Company has remeasured the gross carrying amount of PMUY loan as at Balance Sheet date based on revised estimated future contractual cash flows resulting in reduction in PMUY loans by ₹ **489.00 crore** (2021: ₹ 847.08 crore) which has been charged to Statement of Profit and Loss in NOTE - 29.1 under the head "Amortisation and Remeasurement of PMUY Assets".

- 2 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 ₹ 77.49 crore as at March 31, 2021), consent of Niti Ayog was initially received for formation of the JV vide letter dated April 27, 2018. However, the formation of the JV is not carried forward on account of subsequent communication dated July 11, 2018 from MoPNG. The matter is under deliberation and accordingly, the explosive business continues to be in operation as at March 31, 2022. The Net Asset WDV of the business as at March 31, 2022 is ₹ **132.00 crore**.
- 3 During the year company has received an opinion of the Expert Advisory Committee of the Institute of Chartered Accountant of India on the treatment of cost incurred towards land filling, reclamation and dredging on the land allotted on lease for Paradip Refinery including township. The said cost was capitalized prior to implementation of Ind AS as "Leasehold Land" under Tangible Fixed Asset Schedule and was depreciated accordingly. Pursuant to implementation of Ind AS w.e.f. 1st April 2016 the unamortized portion of the cost was accounted under erstwhile Ind AS 17 as "Prepaid Rentals" and was amortized as "Rent Expenses" upto 31st March 2019. Subsequently, the unamortized portion as on 1st April 2019 was accounted as "Right of Use Assets" as per the provision of Ind AS 116. Based on the opinion, the said cost amounting to ₹ 741.00 crore has been capitalized in books of accounts in respective assets class such as Building, Plant & Equipment etc. by corresponding reduction in gross block of "Right of Use Assets". This has resulted in additional depreciation amounting to ₹ 116.00 crore and reduction in rent expenses amounting to ₹ 40.00 crore.

In line with the opinion, cost of land filling jobs amounting to ₹ 36.27 crore, incurred on land taken on lease from Government of Himachal Pradesh, for Una Terminal, earlier treated as cost Right of Use Asset has now been capitalized in books of accounts in respective assets class such as Building, Plant & Equipment etc. The additional charged to P&L on account of depreciation is ₹ 3.46 crore.



## NOTES TO FINANCIAL STATEMENTS

## NOTE-49: OTHER DISCLOSURES (Contd...)

- 4 In FY 2021-22, the Company has signed amendment side letter to LNG Sales and Purchase Agreement (SPA) with Diamond Gas International (DGI) for including make up right in SPA against Monthly Reservation Fees paid for the FOB LNG Cargoes not received due to Force Majeure event during 2020-21 from Cameron LNG Project in USA. Resulting to this amendment, the provision created in FY 2020-21 for ₹ 288.38 crore against advance paid to DGI and for ₹ 19.36 crore on account of additional expenses under LNG SPA have been written back and included in the Revenue from Operations.
- 5 The Company has reached a settlement against one of its long pending receivables, with full principal amount and interest at a reduced rate. "Net Loss on de-recognition of Financial Assets at Amortised Cost" shown on the face of the Statement of Profit and Loss, mainly comprises of interest so waived amounting to ₹ 167.47 Crore as a part of the settlement.
- 6 Due to Outbreak of COVID-19 pandemic and consequent national lockdown, the operations of the company during FY 2020-21 were considerably affected due to demand reduction. The demand for the petroleum products resumed to near normal levels from second half of that year and impact of the pandemic in current financial year is minimal.
- 7 Purchase of crude oil from Panna Mukta and some other small oilfields has been accounted for provisionally pending finalisation of agreements with respective parties. The management estimates that no significant adjustments will arise upon finalisation of these agreements.
- 8 Transactions with other Oil Marketing Companies are jointly reconciled on an ongoing basis.
- 9 There are no other significant subsequent events that would require adjustments or disclosures in the Financial Statements as at Balance Sheet date, other than those disclosed above.
- 10 Previous year's comparative figures have been regrouped wherever necessary. Figures in brackets indicate deductions/losses.

## For and on Behalf of Board of Directors

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

Sd/-  
**(S. K. Gupta)**  
Director (Finance)  
DIN- 07570165

Sd/-  
**(Kamal Kumar Gwalani)**  
Company Secretary  
ACS-13737

## As per our attached Report of even date

**For G.S.MATHUR & CO.**  
Chartered Accountants  
(Firm Regn. No. 008744N)

**For K.C.MEHTA & CO.**  
Chartered Accountants  
(Firm Regn. No. 106237W)

**For SINGHI & CO.**  
Chartered Accountants  
(Firm Regn. No. 302049E)

**For S R B & ASSOCIATES**  
Chartered Accountants  
(Firm Regn. No. 310009E)

Sd/-  
**(Rajiv Kumar Wadhawan)**  
Partner  
M.No. 091007

Sd/-  
**(Vishal P. Doshi)**  
Partner  
M.No. 101533

Sd/-  
**(Shrenik Mehta)**  
Partner  
M. No. 063769

Sd/-  
**(R. S. Sahoo)**  
Partner  
M. No. 053960

Place: New Delhi  
Dated: 17th May 2022