CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE-1A: SIGNIFICANT ACCOUNTING POLICIES

I. CORPORATE INFORMATION

The Financial Statements comprise Financial Statements of "Indian Oil Corporation Limited" ("the Holding company" or "IOCL" or "Parent Company") and its subsidiaries (collectively, the Group) for the year ended March 31, 2023.

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

The Group has business interests straddling the entire hydrocarbon value chain - from refining, pipeline transportation & 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 16, 2023.

II. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation/Consolidation and Statement of Compliance

1.1 The financial statements have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules thereunder, as amended from time to time.

1.2 The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer serial no. 17 of accounting policies regarding financial instruments) and
- Plan assets related to employee benefits (refer serial no. 12 of accounting policies regarding employee benefits)

1.3 The financial statements are presented in Indian Rupees (₹) which is the presentation currency of the Group and all values are rounded to the nearest crore (up to two decimals) except when otherwise indicated.

1.4 Basis of Consolidation:

1.4.1 **Subsidiaries:**

The financial statements comprise the financial statements of the IOCL and its subsidiaries as at March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if it has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

The Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. Following consolidation procedure is followed:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent company's investment in each subsidiary and the parent company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Change in the Group's ownership interests in existing subsidiaries

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognizes the assets (including goodwill) and liabilities of the subsidiary
- De-recognizes the carrying amount of any non-controlling interests
- De-recognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent company's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

1.4.2 **Investment in Associates and Joint Ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equal or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the Statement of Profit and Loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investments in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as 'Share of profit of an associate and a joint venture' in the Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

1.4.3 **Interest in Joint operations:**

For the interest in joint operations, the Group recognizes:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

2. Property, Plant and Equipment and Intangible Assets

2.1 Property, Plant and Equipment (PPE)

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

2.1.2 The cost of an item of PPE is recognized as an asset if, and only if:

(a) it is probable that future economic benefits associated with the item will flow to the entity; and

(b) the cost of the item can be measured reliably.

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

2.1.3 Technical know-how / license fee relating to plants/facilities and specific software that are integral part of the related hardware are 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 Group intends to use these for a period exceeding 12 months.

2.1.5 The acquisition of some items of PPE although not directly increasing the future economic benefits of any particular existing item of PPE, may be necessary for the Company to obtain the future economic benefits from its other assets. Such items of PPE are 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 Group 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 property, plant and equipment.

2.2 Capital Work in Progress (CWIP)

A. Construction Period Expenses

2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously and where the expenses are not attributable exclusively are charged to revenue.

2.2.2 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

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

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 Group has elected to continue with the carrying value of all of its Intangible Assets recognized as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

2.3.8 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)

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.

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 and

d) In case where useful life is mandated as per other relevant statute or any of the regulation.

Depreciation is charged pro-rata on monthly basis on assets, from/up to 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 25% and in case of fibre composite LPG cylinder, residual value is considered at 10% based on estimated realisable value

b. In case of catalyst with noble metal content, residual value is considered based on the cost of metal content and

c. In few cases residual value is considered based on transfer value agreed in respective agreement.

The Group depreciates components of the main asset that are significant in value and have different useful lives

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

as compared to the main asset separately. The Group depreciates spares over the life of the spare from the date it is available for use.

2.4.2 PPE, other than LPG Cylinders and Pressure Regulators, costing up to ₹ 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 or disposal. Any gain or loss arising on the disposal or retirement of an item of PPE or Intangible Asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

3. Leases

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

3.1 Leases as Lessee (Assets taken on lease)

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group 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 Group 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 Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are 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 Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

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

3.1.2 **Right-of-use Assets**

The Group 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 Group 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 Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset as per 2.4 above. 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 Group applies the short-term lease recognition exemption to its short-term leases of Property, Plant and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not

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

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

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

4. Impairment of Non-Financial Assets (Also Refer Para 14 for Impairment of E&P Assets)

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

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 15 years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifteenth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously 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/Translation

6.1 The Group's financial statements are presented in Indian Rupee (₹) which is also functional currency of the Holding Company.

6.2 Transactions in currencies other than the respective group entities' functional currencies (foreign currencies) are initially

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

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.

6.6 Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognized in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognized initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

Any goodwill arising in the acquisition/business combination of a foreign operation on or after April 1, 2013, and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/acquisitions, which occurred before the April 1, 2013, are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent company and no further translation differences occur.

7. Inventories

7.1 Raw Materials & Stock-in-Process

7.1.1 Raw materials including crude oil are valued at cost determined on weighted average basis or net realisable value, whichever is lower.

7.1.2 Stock in Process is valued at raw material cost plus processing cost as applicable or net realisable value, whichever is lower.

7.1.3 Crude oil in Transit is valued at cost or net realisable value, whichever is lower.

7.1.4 Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, 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 produced internally is determined based on raw material cost and processing cost.

7.2.2 Lubricants are valued at cost on weighted average basis or net realisable value, whichever is lower. Cost of lubricants internally produced is determined based on cost of inputs and processing cost.

7.2.3 Imported products in transit are valued at cost or net realisable value whichever is lower.

7.3 Stores and Spares

7.3.1 Stores and Spares (including 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.

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

8. Provisions, Contingent Liabilities & Contingent Assets

8.1 Provisions

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

8.1.2 When the Group expects some or all of a provision to be recovered from a third party, a receivable is 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 Group, these are classified as disputed obligations.

8.2.3 The treatment in respect of disputed obligations is 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 Group is in the business of oil and gas operations, and it earns revenue primarily from sale of petroleum and petrochemical products. In addition, the Group 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 services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

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

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

9.1.2 Revenue from the sale of petroleum products, petrochemical products, Crude and gas are recognized at a point in time, generally upon delivery of the products. The Group recognizes revenue over time using input method (on the basis of time elapsed) in case of non-refundable deposits

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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 Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The volume rebates/ cash discount give rise to variable consideration. To estimate the variable consideration for the expected future rebates/ cash discount, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract and accordingly, the Group recognizes a refund liability for the expected future rebates.

9.1.5 **Loyalty Points**

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

The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items 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.

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:

(a) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

(b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits 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 the carry forward of unused tax credits and unused tax losses can be utilized, except:

(a) when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

(b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

11.2.2 The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future to allow all or part of the deferred tax 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 Group's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to the Statement of Profit and Loss/ CWIP. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the Group and charged to the Statement of Profit and Loss/CWIP.

b) The Group operates defined benefit plans for Gratuity, Post-Retirement Medical Benefits, Resettlement, Felicitation Scheme 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 Group 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 Group recognizes related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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 Group has treated waiver of duty under EPCG Scheme as revenue grant as the condition of meeting the export obligations is a primary condition of availing the grant as per the EPCG Scheme. The above grant is set up by recording the assets at gross value and corresponding grant amount as deferred income. Such grant is 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 northeast 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 relate 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 costs of support equipment and facilities are expensed off.

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

14.5 Abandonment Phase

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

14.6 Impairment of E&P Assets

14.6.1 Impairment testing in case of Development and producing assets

In case of E&P related development and producing assets, expected future cash flows are estimated using

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

14.6.2 Impairment in case of Exploration and Evaluation assets

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

14.6.3 Cash generating unit

In case of E&P assets, the Group generally considers a project as cash generating unit. However, in case where the multiple fields are using common production/ transportation facilities and are sufficiently economically interdependent the same are considered to constitute a single cash generating unit (CGU).

15. Current Versus Non-Current Classification

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

15.1 An asset is treated as current when it is:

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

All other assets are classified as non-current.

15.2 A liability is treated as current when:

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

All other liabilities are classified as non-current.

16. Non-Current Assets Held For Sale

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

16.2 For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset or disposal group to be highly probable when:

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

16.3 Non-current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

17. Financial Instruments

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

17.1 Financial Assets

Initial recognition and measurement

All Financial Assets are 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 assets. However, trade receivables that do not contain a significant financing component are measured at transaction price. 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:

- o Financial Assets at amortised cost
- o Debt Instruments at Fair Value Through Other Comprehensive Income (FVTOCI)
- o Equity Instruments at Fair Value Through Other Comprehensive Income (FVTOCI)
- o Financial Assets and derivatives at Fair Value Through Profit or Loss (FVTPL)

17.1.1 Financial Assets at Amortised Cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such Financial Assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are 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:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the Financial Assets, and

b) The asset's contractual cash flows represent solely payments of principal and interest (SPPI).

Debt Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair Value movements are recognized in the Other Comprehensive Income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously 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.

17.1.3 Equity Instrument at FVTOCI (Other than Subsidiaries, Joint Ventures, and Associates)

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

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

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

17.1.4 Debt Instruments and Derivatives at FVTPL

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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 Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group has retained.

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

17.1.6 Impairment of Financial Assets

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

a) Financial Assets that are Debt Instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Lease Receivables under Ind AS 116

Simplified Approach

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

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

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Group estimates provision on trade receivables at the reporting date.

General Approach

For recognition of impairment loss on other Financial Assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to 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 Group does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since Financial Assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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 Group's Financial Liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

17.2.2 **Subsequent measurement**

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

A. Financial Liabilities at Fair Value Through Profit or Loss

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

Gains or losses on liabilities held for trading are 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 costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

17.2.3 **Derecognition**

A Financial Liability is 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 Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

17.4 Offsetting of Financial Instruments

Financial Assets and Financial Liabilities are offset, and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the 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 Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially 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 designates certain foreign exchange forward contracts commodity forward contracts and interest rates swap contracts for hedging foreign currency risks, commodity price risks and interest rate risks respectively. The Company generally designates the whole forward contract as hedging instrument. These hedges are accounted for as cash flow hedges. These hedging instruments are as per the policies approved by the Board of Directors.

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

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

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

Amounts previously recognized in OCI and accumulated in equity relating to effective portion are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line item as the recognized hedged item or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of Profit and Loss.

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

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

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

17.6 Commodity Contracts

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

18. Cash and Cash Equivalents

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

19. Treasury Shares

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

Own equity instruments that are reacquired (treasury shares) are 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 Group's own equity instruments.

20. Fair Value Measurement

20.1 The Group measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

20.2 The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

20.3 The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

20.4 A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

20.5 The Group 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 Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

21. Earnings Per Share

The basic Earnings Per Share ("EPS") is computed by dividing the net profit/(loss) after tax for the year attributable to the Equity Shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. The holding company did not have any potentially dilutive securities in the years presented.

22. Business Combinations and Goodwill

22.1 In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2013. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The same first-time adoption exemption is also used for associates and joint ventures.

22.2 Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the Financial Assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

22.3 Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as Capital Reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

23. Non-Controlling Interest

Non-controlling interest represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's shareholders. Non-controlling interest is initially measured at the proportionate share of the recognized amounts of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

III. NEW STANDARDS/AMENDMENTS AND OTHER CHANGES EFFECTIVE APRIL 1,2022 OR THEREAFTER

Ministry of Corporate Affairs notifies new standard or amendments to the existing standards. During the year, no new standard or modifications in existing standards have been notified which will be applicable from April 1, 2022, or thereafter.

IV. STANDARDS/AMENDMENTS AND OTHER CHANGES ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs notifies new standard or amendments to the existing standards. On 31st March 2023, vide Notification G.S.R. 242(E) dated 31st March 2023, modifications in existing standards have been notified which will be applicable from April 1, 2023, as below:

a. **Ind AS 1 - Presentation of Financial Statements:**

The amendment proposes the company to disclose material accounting policy information rather than significant accounting policy. An accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The effective date for adoption of this amendment is reporting periods beginning on or after April 1, 2023. The effect of this amendment is expected to be insignificant.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

b. **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:**

The amendments propose new definition of "Accounting Estimates" which replaces the definition of "Change in Accounting Estimates". As per the new definition, "Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty". The effective date of this amendment is reporting periods beginning on or after April 1, 2023. The effect of this amendment is expected to be insignificant.

c. **Ind AS 12 - Income Taxes:**

The amendment narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences in context to leases and decommissioning liabilities. Subsequently, post this amendment, the company need to recognize deferred tax asset and liability on lease and decommissioning liability. The effective date of this amendment is reporting periods beginning on or after April 1, 2023. The effect of this amendment is expected to be insignificant.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 1B: SIGNIFICANT ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Group continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

A. JUDGEMENTS

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

Materiality

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

Oil & Gas Reserves

The determination of the group's estimated oil reserves requires significant judgements and estimates to be applied and these are regularly reviewed and updated. Reserves are estimated using independent reservoir engineering reports and factors such as the availability of geological and engineering data, reservoir performance data, acquisition, and divestment activity, drilling of new wells, and commodity prices all impact on the determination of the group's estimates of its oil reserves. Independent reservoir engineers perform evaluations of the Corporation's oil and natural gas reserves on an annual basis. The group determines its proved reserves estimates on the requirement of reasonable certainty with rigorous technical and commercial assessments based on conventional industry practice and regulatory requirements. Refer note-35 for related disclosure.

Intangible Asset under Development

Acquisition costs and drilling of exploratory well costs are capitalized as intangible asset under development and are reviewed at each reporting date to confirm that exploration drilling is still under way or work has been determined / under way to determine that the discovery is economically viable based on a range of technical & commercial considerations and for establishing development plans and timing, sufficient / reasonable progress is being made. If no future activity is planned on reasonable grounds / timeframes, Intangible asset under development and property acquisition costs is written off. Upon start of production from field and recognition of proved reserves, cost carried as intangible asset under development is transferred to producing properties. Also refer Note-35 for related disclosures.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. Refer Note-37 for the related disclosures.

B. ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Defined benefit plans/Other Long term employee benefits

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

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Further details about various employee benefit obligations are given in Note 36.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer Note 40 for further disclosures of estimates and assumptions.

Impairment of Financial Assets

The impairment provisions for trade receivables are made considering simplified approach based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the company's past history and other factors at the end of each reporting period. In case of other financial assets, the Group applies general approach for recognition of impairment losses wherein the Group uses judgement in considering the probability of default upon initial recognition and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. Also refer Note-41 for impairment analysis and provision.

Provision for decommissioning

At the end of the operating life of the Corporation's facilities and properties and upon retirement of its oil and natural gas assets, decommissioning costs will be incurred. Estimates of these costs are subject to uncertainty associated with the method, timing, and extent of future decommissioning activities. The liability, related asset and expense are impacted by estimates with respect to the costs and timing of decommissioning. Refer note-18 for the provisions in respect of decommissioning cost.

Income Taxes

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 2: PROPERTY PLANT AND EQUIPMENT

Current Year

(₹ in crore)

	Particulars	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
		(Refer A&D)	(Refer B&D)								(Refer D)	
GROSS BLOCK	Gross Block as at April 01, 2022	3,820.96	19,746.20	1,64,666.68	2,469.51	111.75	901.82	203.23	1,295.84	9,506.01	12,622.86	2,15,344.86
	Additions during the year	131.20	218.70	4,193.68	366.40	5.18	69.19	0.88	14.64	233.20	3,028.34	8,261.41
	Transfers from construction work-in-progress	–	2,338.33	21,572.27	170.99	1.88	218.05	112.23	19.90	664.41	–	25,098.06
	Disposals/Deductions /Transfers/ Reclassifications/FCTR	(22.75)	(248.97)	(2,247.71)	(212.36)	0.86	1,209.66	(0.17)	(0.48)	122.41	(1,185.99)	(2,585.50)
	Gross Block as at March 31, 2023	**3,929.41**	**22,054.26**	**1,88,184.92**	**2,794.54**	**119.67**	**2,398.72**	**316.17**	**1,329.90**	**10,526.03**	**14,465.21**	**2,46,118.83**
DEPRECIATION & AMORTISATION	Depreciation & Amortisation as at April 01, 2022	–	4,819.95	43,893.45	1,487.86	49.98	455.97	75.05	312.21	3,049.68	3,461.72	57,605.87
	Depreciation & Amortisation during the year (Refer C)	–	1,049.68	8,374.30	383.23	9.14	253.32	18.57	52.10	618.26	2,172.83	12,931.43
	Disposals/Deductions /Transfers/ Reclassifications/FCTR	–	(44.97)	(1,202.84)	(149.99)	0.04	683.42	0.44	(0.43)	105.32	(907.19)	(1,516.20)
	Depreciation & Amortisation as at March 31, 2023	**-**	**5,824.66**	**51,064.91**	**1,721.10**	**59.16**	**1,392.71**	**94.06**	**363.88**	**3,773.26**	**4,727.36**	**69,021.10**
IMPAIRMENT (Refer E)	Impairment Loss as at April 01, 2022	–	16.16	165.88	–	–	–	–	0.27	361.70	–	544.01
	Impairment Loss during the year	–	–	15.84	–	–	–	–	–	–	3.10	18.94
	Impairment Loss reversed during the year/ FCTR	–	(5.34)	(0.75)	–	–	–	–	–	8.82	–	2.73
	Impairment Loss as at March 31, 2023	**-**	**10.82**	**180.97**	**-**	**-**	**-**	**-**	**0.27**	**370.52**	**3.10**	**565.68**
	Net Block as at March 31, 2023	**3,929.41**	**16,218.78**	**1,36,939.04**	**1,073.44**	**60.51**	**1,006.01**	**222.11**	**965.75**	**6,382.25**	**9,734.75**	**1,76,532.05**

NOTE - 2: PROPERTY, PLANT AND EQUIPMENT (Contd..)

Previous Year

(₹ in crore)

	Particulars	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
Gross Block	Gross Block as at April 01, 2021	3,780.97	17,114.99	1,55,456.73	2,188.13	104.21	802.02	199.02	1,284.12	8,449.01	11,592.81	2,00,972.01
	Additions during the year	61.56	214.92	3,889.33	200.74	6.23	31.24	1.24	11.84	258.79	2,402.01	7,077.90
	Transfers from construction work-in-progress	7.10	2,260.49	5,759.27	178.41	3.29	87.68	7.40	0.14	457.15	–	8,760.93
	Disposals/ Deductions /Transfers/ Reclassifications/FCTR	(28.67)	155.80	(438.65)	(97.77)	(1.98)	(19.12)	(4.43)	(0.26)	341.06	(1,371.96)	(1,465.98)
	Gross Block as at March 31, 2022	**3,820.96**	**19,746.20**	**1,64,666.68**	**2,469.51**	**111.75**	**901.82**	**203.23**	**1,295.84**	**9,506.01**	**12,622.86**	**2,15,344.86**
Depreciation & Amortisation	Depreciation & Amortisation as at April 01, 2021	–	3,874.04	36,234.47	1,214.06	42.99	391.01	63.60	261.52	2,303.63	2,418.22	46,803.54
	Depreciation & Amortisation during the year (Refer C)	–	991.16	8,116.36	359.36	8.16	78.40	13.62	50.69	643.81	1,653.63	11,915.19
	Disposals/Deductions /Transfers/ Reclassifications/FCTR	–	(45.25)	(457.38)	(85.56)	(1.17)	(13.44)	(2.17)	–	102.24	(610.13)	(1,112.86)
	Depreciation & Amortisation as at March 31, 2022	**-**	**4,819.95**	**43,893.45**	**1,487.86**	**49.98**	**455.97**	**75.05**	**312.21**	**3,049.68**	**3,461.72**	**57,605.87**
Impairment (Refer E)	Total Impairment as at April 01, 2021	–	19.01	103.28	–	–	–	–	0.27	347.52	–	470.08
	Impairment Loss during the year	–	–	82.55	–	–	–	–	–	–	–	82.55
	Impairment Loss reversed during the year/ FCTR	–	(2.85)	(19.95)	–	–	–	–	–	14.18	–	(8.62)
	Total Impairment as at March 31, 2022	**-**	**16.16**	**165.88**	**-**	**-**	**-**	**-**	**0.27**	**361.70**	**-**	**544.01**
	Net Block as at March 31, 2022	**3,820.96**	**14,910.09**	**1,20,607.35**	**981.65**	**61.77**	**445.85**	**128.18**	**983.36**	**6,094.63**	**9,161.14**	**1,57,194.98**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 2: PROPERTY, PLANT AND EQUIPMENT (Contd..)

A. i) Freehold Land includes ₹1.61 crore (2022: ₹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 of 490 acres at Guwahati Refinery includes land parcel of approx. 32.39 acres (Costing ₹0.05 crore) on which public roads, drains etc. have been constructed by PWD, Govt. of Assam.

iv) 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 of compensation already paid, has been stayed by Hon'ble 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 (2022: ₹0.01 crore) towards 1605 (2022: 1605) nos. of 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 ₹6077.96 crore (2022: ₹5122.57 crore) and net block amounting to ₹3302.68 crore (2022: ₹2834.91 crore) .

C. Depreciation and amortisation for the year includes ₹61.48 crore (2022: ₹11.59 crore) relating to construction period expenses shown in Note-2.2

D. Land and Buildings (Including ROU Asset) include ₹899.55 crore (2022: ₹742.37 crore) in respect of which Title/ Lease Deeds are pending for execution or renewal.

E. During the year, Parent 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 ₹18.94 crore (2022: ₹82.55 crore) 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.

F. Hitherto, the estimated residual value of LPG cylinders (other than composite cylinders) and Pressure Regulators was considered as 15% of original cost. Based on realization of scrap value in recent past, the estimated residual value of those assets has been increased from 15% to 25% of original cost effective from April 01, 2022. The impact on account of above change is reduction in depreciation charge by ₹293.08 crore in FY 2022-23 which will be offset over future periods in the Statement of Profit & Loss.

G. During the year, classification of Retail Visual Identity (RVI) elements has been reviewed and some of the items having gross block of ₹1,213.06 crore classified under Buildings, Plant & Equipment and Office Equipments have been reclassified as 'Furniture and Fixtures'. The impact on account of this change is increase in depreciation charge by ₹ 61.31 crore during FY 2022-23 which will be offset over future periods in the Statement of Profit & Loss.

H. Railways had claimed transfer of ownership of certain assets provided by the Parent Company at Railway premises which was not accepted in prior years by the Parent Company and the said assets were continued to be part of Plant, Property & Equipment of the Parent Company. Railways, in its latest tender has asserted its position on ownership of these assets and has again maintained status quo in their earlier stand/position during FY 2022-23. Management has accepted Railways' contention in view of the continued business relation. Consequently, assets amounting to ₹81.26 crore (WDV as on 01.04.2022) has been derecognized and charged to loss on sale/disposal of assets during the year.

I. For further details regarding ROU Assets, refer 'Note - 37'.

J. In accordance with the requirements prescribed under Schedule II to Companies Act, 2013, the Group 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).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 2: PROPERTY, PLANT AND EQUIPMENT (Contd..)

Details of assets given on operating lease included in Property, Plant and Equipment:

(₹ in crore)

Asset Particulars	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31-03-2023	W.D.V. as at 31-03-2022
Land - Freehold	17.39	–	–	17.39	19.25
ROU Asset (Land - Leasehold)	78.31	9.96	–	68.35	71.19
Buildings	164.23	35.11	0.17	128.95	135.29
Plant and Equipment	286.06	45.43	–	240.63	256.25
Office Equipment	12.74	7.23	–	5.51	8.00
Furniture	1.47	0.53	–	0.94	1.09
Drainage, Sewage & Water Supply	1.54	0.11	–	1.43	–

Details of Group's share of Jointly Owned Assets included in Property, Plant and Equipment:

(₹ in crore)

Asset Particulars	Name of Joint Owner*	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31-03-2023	W.D.V. as at 31-03-2022
Land - Freehold	HPCL, BPCL	1.59	–	–	1.59	1.59
ROU Asset (Land - Leasehold)	BPCL	0.05	–	–	0.05	0.05
Buildings	HPCL, BPCL, Others	57.90	19.68	–	38.22	34.90
Plant and Equipment	HPCL, BPCL, RIL, Others	72.45	26.24	–	46.21	42.06
Office Equipments	BPCL	0.51	0.30	–	0.21	0.21
Railway Sidings	HPCL, BPCL	16.50	7.45	–	9.05	10.60
Drainage,Sewage & Water Supply	HPCL, BPCL, GSFC	0.45	0.09	–	0.36	0.36
Total		**149.45**	**53.76**	**-**	**95.69**	**89.77**

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

Additions to Gross Block Includes:

(₹ in crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	2022-23	2021-22	2022-23	2021-22
Buildings	6.37	5.07	32.41	23.65
Plant and Equipment	346.94	247.11	1,056.58	68.64
Office Equipments	0.14	0.06	0.24	0.04
Furniture & Fixtures	–	–	0.10	0.05
Railway Sidings	–	–	3.76	–
Drainage,Sewage & Water Supply	14.63	11.84	5.15	0.34
Total	**368.08**	**264.08**	**1,098.24**	**92.72**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 2.1: CAPITAL WORK IN PROGRESS

Current Year

(₹ in crore)

Particulars	Construction Work in Progress - Tangible Assets	Capital Stores	Capital Goods in Transit	Construction Period Expenses pending allocation	Total
	Refer A	Refer B			
Balance as at beginning of the year	34,872.55	5,456.92	545.82	3,359.54	44,234.83
Additions during the year	21,963.66	6,397.74	1,262.55	–	29,623.95
Net expenditure during the year (Note - 2.2)	–	–	–	2,404.51	2,404.51
Transfer to Property, Plant and Equipment (Note 2)	(25,098.06)	–	–	–	(25,098.06)
Transfer to Property, Plant and Equipment - Direct Addition (Note 2)	–	–	(4.12)	–	(4.12)
Transfer to Statement of Profit and Loss	(1.14)	(0.05)	–	–	(1.19)
Other Allocation/Adjustment during the year	3,037.68	(3,346.88)	(678.13)	(2,410.63)	(3,397.96)
	34,774.69	8,507.73	1,126.12	3,353.42	47,761.96
Provision for Capital Losses	(189.58)	(22.30)	–	–	(211.88)
Balance as at end of the year	**34,585.11**	**8,485.43**	**1,126.12**	**3,353.42**	**47,550.08**

Previous Year

(₹ in crore)

Particulars	Construction Work in Progress - Tangible Assets	Capital Stores	Capital Goods in Transit	Construction Period Expenses pending allocation	Total
	Refer A	Refer B			
Balance as at beginning of the year	25,832.42	4,406.37	754.28	2,169.11	33,162.18
Additions during the year	16,888.53	3,288.06	572.80	–	20,749.39
Net expenditure during the year (Note - 2.2)	–	–	–	1,593.02	1,593.02
Transfer to Property, Plant and Equipment (Note 2)	(8,760.93)	–	–	–	(8,760.93)
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	918.10	(2,237.51)	(770.85)	(402.59)	(2,492.85)
	34,872.55	**5,456.92**	**545.82**	**3,359.54**	**44,234.83**
Provision for Capital Losses	(165.32)	(19.69)	–	–	(185.01)
Balance as at end of the year	**34,707.23**	**5,437.23**	**545.82**	**3,359.54**	**44,049.82**

A. Includes ₹497.04 crore (2022:₹461.87 crore) towards Capital Expenditure relating to ongoing Oil & Gas Exploration & Production activities

B. Includes ₹260.05 crore (2022:₹392.84 crore) towards Stock lying with Contractors

Ageing of Capital Work in Progress

(₹ in crore)

Particulars	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Current Year					
i) Projects in Progress	27,279.18	11,919.66	5,159.84	3,224.82	47,583.50
ii) Projects temporarily suspended	0.60	2.35	16.88	158.63	178.46
Total	**27,279.78**	**11,922.01**	**5,176.72**	**3,383.45**	**47,761.96**
Previous Year					
i) Projects in Progress	19,333.86	14,543.44	7,043.21	3,136.94	44,057.45
ii) Projects temporarily suspended	1.78	16.97	7.48	151.15	177.38
Total	**19,335.64**	**14,560.41**	**7,050.69**	**3,288.09**	**44,234.83**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Completion schedule of Capital Work in Progress 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
Current Year				
i) Projects in Progress				
– Fuel Quality Upgradation Project	2,150.23	–	–	–
– Infrastructure development to facilitate import of Grid power	556.93	–	–	–
– 2G Ethanol Plant at Panipat Refinery	595.30	–	–	–
– Ethanol production from PSA Off gas at Panipat Refinery	157.37	–	–	–
– Catalyst Manufacturing Unit at Panipat Refinery	241.43	–	–	–
– NCU Expansion at Panipat Refinery	649.90	–	–	–
– PX/PTA Expansion at Panipat Refinery	628.52	–	–	–
– Infrastructure at Dumad for Koyali Ahmednagar Solapur Pipeline (KASPL)	207.85	–	–	–
– Additional Tankages Project at Paradip Refinery	375.10	–	–	–
– MEG Project at Paradip Refinery	177.34	–	–	–
– Acrylics / Oxo Alcohol Project	2,613.86	–	–	–
– Catalytic Dewaxing Unit	526.37	–	–	–
– Infrastructure for utilization of Natural Gas	129.43	–	–	–
– Installation of Standby SRU Train	171.24	–	–	–
– 30" Haldia-Barauni Crude oil pipeline and conversion of existing 18" Haldia-Barauni section to Product & Gas service	2,617.23	–	–	–
– Ennore Tuticorin Bengaluru Natural Gas Pipeline**	2,219.91	–	–	–
– Koyali Ahmednagar Solapur Pipeline	867.89	–	–	–
– Paradip-Hyderabad Pipeline	767.47	–	–	–
– Replacement of existing Twin 42" Offshore Pipelines at Vadinar along with two existing Pipeline end manifolds and one old Buoy	625.81	–	–	–
– Paradip-Somnathpur-Haldia Pipeline	497.73	–	–	–
– Augmentation of PHDPL and its extension upto Patna and Muzaffarpur	338.82	–	–	–
– Muzaffarpur-Motihari LPG Pipeline	188.75	–	–	–
– Cochin LPG Import facility	662.30	–	–	–
– LPG Import Facility at Paradip	615.00	–	–	–
– Augmentation of Kandla LPG Import Terminal	306.72	–	–	–
– POL Terminal at Atchutapuram	272.85	–	–	–
– TOP at Solapur Depot	256.52	–	–	–
– Vizag Terminal Revamping	50.00	101.48	–	–
– KASO Admin Building, Guest House,Quarters & Transit	124.24	–	–	–
– LPG BP at Kharagpur	103.54	–	–	–
– BK-CBM-2001/1	250.32	–	–	–
– NK-CBM-2001/1	–	–	124.42	–
– RESID-COKE Handling System	274.82	–	–	–
– Others Projects *	1,918.24	78.87	1.81	3.08
Total	**22,139.04**	**180.35**	**126.23**	**3.08**
ii) Projects temporarily suspended				
– 80 TPH Petcoke Fired Boiler Project at Guwahati Refinery	–	–	–	120.92
– Others Projects *	16.74	–	–	39.92
Total	**16.74**	**–**	**–**	**160.84**

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

** CBR-Trichy Product Pipeline reported during previous year is now considered and reported together as part of ETBPL projects

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Completion schedule of Capital Work in Progress 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
Previous Year				
i) Projects in Progress				
– 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	–	–	–
– Augmentation of Chennai Trichy Madurai Pipeline	80.25	–	–	–
– 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	–	–	–
– Cochin LPG Import facility	488.02	–	–	–
– Augmentation of Ratlam Terminal Project	252.79	–	–	–
– POL Terminal at Atchutapuram	233.14	–	–	–
– TOP at Solapur Depot	231.92	–	–	–
– Pipeline TOP at Asaur	216.81	–	–	–
– POL Terminal at Motihari	196.40	–	–	–
– Guntakal Railfed Depot	180.20	–	–	–
– Motihari LPG Bottling Plant	168.87	–	–	–
– TOP at Ahemdnagar Depot	167.44	–	–	–
– TOP on PHPL at Vijayawada	152.86	–	–	–
– TOP at Manmad Terminal	149.48	–	–	–
– Railhead depot at Silchar (Assam)	123.08	–	–	–
– BK-CBM-2001/1	220.73	–	–	–
– NK-CBM-2001/1	–	109.31	–	–
– BS VI Projects	921.45	–	–	–
– RESID-COKE Handling System	223.41	–	–	–
– Cooling Tower	42.90	–	–	–
– Others Projects *	1,815.38	9.84	0.02	–
Total	**29,636.15**	**119.15**	**0.02**	**-**
ii) Projects temporarily suspended				
– 80 TPH Petcoke Fired Boiler Project				120.38
– Others Projects *	16.07	0.30	0.47	39.92
Total	**16.07**	**0.30**	**0.47**	**160.30**

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

** CBR-Trichy Product Pipeline reported during previous year is now considered and reported together as part of ETBPL projects

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

(₹ in crore)

Particulars		March 31, 2023	March 31, 2022
Employee Benefit Expenses		445.26	477.68
Repairs and Maintenance		6.29	6.61
Consumption of Stores and Spares		0.02	0.16
Power & Fuel		97.05	8.34
Rent		31.80	13.21
Rates and Taxes		5.63	1.55
Travelling Expenses		60.48	63.27
Communication Expenses		1.69	1.75
Printing and Stationery		1.19	0.87
Electricity and Water Charges		9.97	3.64
Bank Charges		0.04	0.11
Technical Assistance Fees		0.79	3.89
Finance Costs	A	1,497.42	968.29
Depreciation, Amortisation and Impairment on :			
Property, Plant and Equipment		61.48	11.59
Intangible Assets		–	0.11
Start Up/ Trial Run Expenses (Net of revenue)		153.61	0.98
Others		86.57	55.03
Total Expenses		**2,459.29**	**1,617.08**
Less : Recoveries		54.78	24.06
Net Expenditure during the year		**2,404.51**	**1,593.02**

A. Rate of Specific borrowing eligible for capitalisation is 1.08% to 8.04% (2022: 1.11% to 7.41%)

NOTE - 3: INTANGIBLE ASSETS

Current Year

(₹ in crore)

		Right of Way	Licenses	Computer Software	Total
GROSS BLOCK	Gross Block as at April 01, 2022	1,380.44	3,346.37	427.21	5,154.02
	Additions during the year	76.85	0.30	33.49	110.64
	Transfers from Intangible Assets under Development	-	296.75	35.55	332.30
	Disposals/Deductions/Transfers/Reclassifications/FCTR	-	142.11	(0.94)	141.17
	Gross Block as at March 31, 2023	**1,457.29**	**3,785.53**	**495.31**	**5,738.13**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Total Amortisation as at April 01, 2022	23.17	1,102.05	319.68	1,444.90
	Amortisation during the year	0.47	214.29	77.40	292.16
	Disposals/Deductions/Transfers/Reclassifications/FCTR	-	60.45	2.49	62.94
	Total Amortisation as at March 31, 2023	**23.64**	**1,376.79**	**399.57**	**1,800.00**
	Total Impairment as at April 01, 2022	0.27	390.52	-	390.79
	Impairment Loss during the year	-	-	-	-
	Impairment Loss reversed during the year	-	32.86	-	32.86
	Total Impairment as at March 31, 2023	**0.27**	**423.38**	**-**	**423.65**
	Net Block as at March 31, 2023	**1,433.38**	**1,985.36**	**95.74**	**3,514.48**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 3: INTANGIBLE ASSETS (Contd..)

Previous Year

(₹ in crore)

		Right of Way	Licenses	Computer Software	Total
GROSS BLOCK	Gross Block as at April 01, 2021	1,270.30	3,193.31	374.36	4,837.97
	Additions during the year	110.14	13.21	22.53	145.88
	Transfers from Intangible Assets under Development	-	86.68	42.44	129.12
	Disposals/Deductions/Transfers/Reclassifications/FCTR	-	53.17	(12.12)	41.05
	Gross Block as at March 31, 2022	**1,380.44**	**3,346.37**	**427.21**	**5,154.02**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	Amortisation as at April 01, 2021	19.37	800.25	256.00	1,075.62
	Amortisation during the year	3.80	282.13	75.61	361.54
	Disposals/Deductions/Transfers/Reclassifications/FCTR	-	19.67	(11.93)	7.74
	Amortisation as at March 31, 2022	**23.17**	**1,102.05**	**319.68**	**1,444.90**
	Impairment Losss as at April 01, 2021	0.27	376.70	0.02	376.99
	Impairment Loss during the year	-	-	-	-
	Impairment Loss reversed during the year	-	13.82	(0.02)	13.80
	Impairment Loss as at March 31, 2022	**0.27**	**390.52**	**-**	**390.79**
	Net Block as at March 31, 2022	**1,357.00**	**1,853.80**	**107.53**	**3,318.33**

A. Amortisation for the year includes Nil (2022: ₹0.11 crore) relating to construction period expenses taken to Note 2.2

B. Net Block of Intangible assets with indefinite useful life:

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Right of Way	1,430.76	1,353.91

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

NOTE - 3.1: INTANGIBLE ASSETS UNDER DEVELOPMENT

Current Year

(₹ in crore)

Particulars	Total
Balance as at beginning of the year	6,261.34
Net expenditure during the year	1,143.70
Transfer to Intangible Assets (Note 3)	(332.30)
Other Allocation/Adjustment during the year	(640.27)
	6,432.47
Provision for Loss	(2,849.08)
Balance as at end of the year	**3,583.39**

Previous Year

(₹ in crore)

Particulars	Total
Balance as at beginning of the year	5,975.65
Net expenditure during the year	524.81
Transfer to Intangible Assets (Note 3)	(129.12)
Other Allocation/Adjustment during the year	(110.00)
	6,261.34
Provision for Loss	(2,841.89)
Balance as at end of the year	**3,419.45**

Intangible assets under development are mainly in the nature of Exploration & Production Blocks and Licences & Computer Softwares. Amount above Includes ₹2021.23 crore (2022:₹1953.03 crore) towards Capital Expenditure (Net) relating to ongoing Oil & Gas Exploration & Production activities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Ageing of Intangible Assets under Development

(₹ in crore)

Particulars	Amount of Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Current Year					
i) Projects in Progress	430.12	129.04	322.48	5,071.89	5,953.53
ii) Projects temporarily suspended	–	0.28	11.35	467.31	478.94
Total	**430.12**	**129.32**	**333.83**	**5,539.20**	**6,432.47**
Previous Year					
i) Projects in Progress	113.50	653.26	365.36	4,650.28	5,782.40
ii) Projects temporarily suspended	0.28	11.35	60.82	406.49	478.94
Total	**113.78**	**664.61**	**426.18**	**5,056.77**	**6,261.34**

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
Current Year				
i) Projects in Progress				
- NCU Expansion at Panipat Refinery	48.53			
- Acrlycs/ OXO Alcohol project at Gujarat Refinery	189.18			
- Fuel Quality Upgradation Project	45.96			
- PX/PTA Expansion at Panipat	97.11			
- Catalytic Dewaxing Unit	43.10			
- 2G Ethanol Plant at Panipat	10.14			
- BK-CBM-2001/1	30.86			
- NK-CBM-2001/1			25.25	
- Shakthi Gabon				161.44
- Others *	5.50	61.74	–	–
Total	**470.38**	**61.74**	**25.25**	**161.44**
ii) Projects temporarily suspended				
- Residue Upgradation Project at Mathura Refinery				132.21
- Farsi, Iran				126.26
- Others *	–	–	–	220.46
Total	**–**	**–**	**–**	**478.93**
Previous Year				
i) Projects in Progress				
- NCU Expansion at Panipat Refinery	107.97			
- Acrlycs/ OXO Alcohol project at Gujarat Refinery		204.70		
- Fuel Quality Upgradation Project	43.84			
- PX/PTA Expansion at Panipat	93.81			
- 2G Ethanol Plant at Panipat	9.84			
- Ethanol production from PSA Off gas at Panipat Refinery	11.99			
- MEG Project	67.20			
- Indjet Unit at Barauni Refinery	3.15			
- Shakthi Gabon			148.77	
- Others *	33.70	25.25	–	–
Total	**371.50**	**229.95**	**148.77**	**-**
ii) Projects temporarily suspended				
- Residue Upgradation Project at Mathura Refinery				132.21
- Farsi, Iran				126.26
- Others *	–	–	0.28	220.18
Total	**–**	**–**	**0.28**	**478.65**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 4: INVESTMENTS

Particulars	Investment Currency	Face Value/ Paid up Value	March 31, 2023		March 31, 2022	
			Number	Carrying Value (₹ in crore)	Number	Carrying Value (₹ in crore)
NON-CURRENT INVESTMENTS :						
I In Equity Shares						
A In Associates (Equity Method*):						
Quoted:						
Petronet LNG Limited	Indian Rupees	10	187500000	1,908.07	187500000	1,708.51
Unquoted:						
Avi-Oil India Private Limited	Indian Rupees	10	4500000	22.24	4500000	18.84
Petronet India Limited (under liquidation)	Indian Rupees	0.10	18000000	0.47	18000000	0.47
Petronet VK Limited	Indian Rupees	10	50000000	0.02	50000000	0.02
Sub-total: (I)(A)				**1,930.80**		**1,727.84**
B In Joint Ventures (Equity Method*):						
Unquoted:						
IndianOil Adani Ventures Limited (Formerly known as Indian Oiltanking Limited)	Indian Rupees	10	494828289	760.01	494828289	715.97
Lubrizol India Private Limited	Indian Rupees	100	499200	179.82	499200	178.28
Indian Oil Petronas Private Limited	Indian Rupees	10	134000000	691.53	134000000	607.18
Petronet CI Limited (under liquidation)	Indian Rupees	10	3744000	-	3744000	-
Green Gas Limited	Indian Rupees	10	23047250	201.53	23047250	195.06
IndianOil SkyTanking Private Limited	Indian Rupees	10	25950000	121.46	25950000	91.05
Suntera Nigeria 205 Limited	Naira	1	2500000	-	2500000	-
Delhi Aviation Fuel Facility Private Limited	Indian Rupees	10	60680000	95.96	60680000	90.00
Indian Synthetic Rubbers Private Limited	Indian Rupees	10	222861375	371.54	222861375	318.67
NPCIL-IndianOil Nuclear Energy Corporation Limited	Indian Rupees	10	260000	0.39	260000	0.38
GSPL India Gasnet Limited	Indian Rupees	10	491925030	458.29	491925030	499.76
GSPL India Transco Limited	Indian Rupees	10	157820000	87.67	157820000	90.76
Indian Oil Adani Gas Private Limited	Indian Rupees	10	653365000	660.06	631190000	619.82
Mumbai Aviation Fuel Farm Facility Private Limited	Indian Rupees	10	52918750	102.65	52918750	94.64
Kochi Salem Pipeline Private Limited	Indian Rupees	10	550000000	534.54	275000000	260.38
IndianOil LNG Private Limited[a]	Indian Rupees	10	4500	-	4500	-
Hindustan Urvarak and Rasayan Limited	Indian Rupees	10	2295955000	2,269.89	1629415000	1,621.43
Ratnagiri Refineries & Petrochemicals Limited	Indian Rupees	10	100000000	55.94	100000000	59.41
Indradhanush Gas Grid Limited	Indian Rupees	10	198000000	199.78	85000000	82.31
IHB Limited	Indian Rupees	10	1529000000	1,525.43	1029000000	1,027.92
IndianOil Total Private Limited	Indian Rupees	10	22500000	22.57	15000000	13.51
IOC Phinergy Private Limited	Indian Rupees	10	1717500	0.54	562500	0.34
Paradeep Plastic Park Limited	Indian Rupees	10	32720000	32.92	32720000	32.69
Indian Additives Limited	Indian Rupees	100	1183401	205.95	1183401	208.44
National Aromatics and Petrochemical Corporation Limited	Indian Rupees	10	25000	-	25000	-
VANKOR India Pte Limited	USD	1	568968589	4,157.19	568968589	4,335.88
TAAS India Pte Limited	USD	1	407941730	2,984.79	407941730	3,283.08

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 4: INVESTMENTS (Contd..)

Particulars	Investment Currency	Face Value/ Paid up Value	March 31, 2023		March 31, 2022	
			Number	Carrying Value (₹ in crore)	Number	Carrying Value (₹ in crore)
Urja Bharat Pte. Limited	USD	1	37500100	236.11	32500100	140.05
Bharat Energy Office LLC	RUB	1000000	1	0.54	-	0.76
Falcon Oil & Gas BV	USD	1	30	132.99	30	39.39
Beximco IOC Petroleum & Energy Limited	Bangladeshi Taka	10	1113250	0.45	50000	-
Mer Rouge Oil Storage Terminal Co Ltd ("MOST")	Mauritian Rupees	1000	16800	16.97	-	-
Sub-total: (I)(B)				**16,107.51**		**14,607.16**
Total Investments in Associates & JVs [(I)(A)+(I)(B)]				**18,038.31**		**16,335.00**

*Investment in Joint Ventures/Associates have been shown as per equity method of consolidation. Accordingly, carrying value of investments have been reduced by share of losses and wherever other long term interest in the entity exists, unadjusted losses, if any, have been set-off against such interest.

Particulars	Investment Currency	Face Value/ Paid up Value	March 31, 2023		March 31, 2022	
			Number	Fair Value (₹ in crore)	Number	Fair Value (₹ in crore)
C In Others						
Investments designated at fair value through OCI:						
Quoted:						
Oil and Natural Gas Corporation Limited	Indian Rupees	5	986885142	14,906.90	986885142	16,175.05
GAIL (India) Limited	Indian Rupees	10	163358190	1,717.71	108905460	1,695.11
Oil India Limited	Indian Rupees	10	53501100	1,346.35	53501100	1,275.46
Phinergy Limited	USD	148	82770	25.63	82770	70.47
Lanzatech Global Inc.	USD	10	6025762	192.12	-	-
Unquoted:						
International Cooperative Petroleum Association, New York	USD	100	350	0.02	350	0.02
Haldia Petrochemical Limited	Indian Rupees	10	150000000	968.85	150000000	920.25
Indian Gas Exchange Limited	Indian Rupees	10	3693750	12.50	3693750	5.85
Vasitars Private Limited	Indian Rupees	10	1470	0.77	-	-
Vadodara Enviro Channel Limited[b] (Formerly Effluent Channel Projects Limited)	Indian Rupees	10	7151	-	7151	-
Shama Forge Co. Limited[c] (under liquidation)	Indian Rupees	10	100000	-	100000	-
BioTech Consortium India Limited	Indian Rupees	10	100000	0.10	100000	0.10
Ceylon Petroleum Storage Terminal Limited	Sri Lankan Rupees	10	250000000	122.04	250000000	119.05
Trinco Petroleum Terminal Private Limited	Sri Lankan Rupees	10	4900	1.23	4900	1.28
Lanzatech New Zealand Limited	USD	10	-	-	1204251	410.23
Carabobo Ingenieria Y Construcciones S.A.	USD		12.1% of Capital Stock	-	12.1% of Capital Stock	-
Petrocarabobo S.A.	USD		3.5% of Capital Stock	43.15	3.5% of Capital Stock	39.79
Mer Rouge Oil Storage Terminal Co Ltd ("MOST")	Mauritian Rupees	1000	-	-	16800	14.57
In Consumer Cooperative Societies:						
Barauni[d]	Indian Rupees	10	250	-	250	-
Guwahati[e]	Indian Rupees	10	750	-	750	-
Mathura[f]	Indian Rupees	10	200	-	200	-
Haldia[g]	Indian Rupees	10	2190	-	2190	-
In Indian Oil Cooperative Consumer Stores Limited, Delhi[h]	Indian Rupees	10	375	-	375	-
MRL Industrial Cooperative Service Society Ltd	Indian Rupees	10	9000	0.01	9000	0.01
Sub-total: (I)(C)				**19,337.38**		**20,727.24**
Sub-total: (I)=[(I)(A)+(I)(B)+(I)(C)]				**37,375.69**		**37,062.24**
II In Preference Shares						
Investments at fair value through profit or loss						
Unquoted:						
Shama Forge Co. Limited[i] (under liquidation)	Indian Rupees	100	5000	-	5000	-
9.5% Cumulative Redeemable Preference Shares						
Sub-total: (II)				**-**		**-**
III In Government Securities						
Investments at fair value through OCI						
Quoted: (Note A and B)						
Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	-	-	2977930	3,086.87
9.15% Govt Stock 2024	Indian Rupees	10000	206000	219.19	6000	6.74
7.35% Govt Stock 2024	Indian Rupees	10000	695000	709.56	695000	738.24
Sub-total: (III)				**928.75**		**3,831.85**
IV In Debentures or Bonds						
(Investments in JV adjusted for equity method)						
Unquoted:						
IndianOil LNG Private Limited	Indian Rupees	1000000	36650	3,449.48	36650	3,444.67
(7.45% Fully and Compulsorily Convertible Debentures)						
Sub-total: (IV)				**3,449.48**		**3,444.67**
Total Other Investments [(I)(C)+(II)+(III)+(IV)]				**23,715.61**		**28,003.76**
Total Non Current Investments (I+II+III+IV)				**41,753.92**		**44,338.76**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 4: INVESTMENTS (Contd..)

Particulars	Investment Currency	Face Value/ Paid up Value	March 31, 2023		March 31, 2022	
			Number	Fair Value (₹ in crore)	Number	Fair Value (₹ in crore)
CURRENT INVESTMENTS :						
Unquoted: (at fair value through profit or loss)						
Unit Trust Investment (NAV)	Sri Lankan Rupees			66.76		63.95
Investment through portfolio management services	Sri Lankan Rupees			208.08		184.43
In Government Securities (at fair value through OCI)						
Quoted:						
Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	8183020	8,295.48	5205090	5,570.98
9.15% Govt Stock 2024	Indian Rupees	10000	1754000	1,866.22	1954000	2,193.84
				10,436.54		**8,013.20**

(₹ in crore)

Particulars	March 31,2023	March 31,2022
Aggregate carrying value of quoted investments	31,187.23	32,521.27
Aggregate market value of quoted investments	33,570.10	34,445.57
Aggregate carrying value of unquoted investments	21,003.23	19,830.69
Aggregate amount of impairment in value of investments	-	-

Note: A Investment in Oil Marketing Companies GOI Special Bonds consists of:

(₹ in crore)

Nature of Bond	March 31,2023			
	No. of Bonds	Face Value	Investment Value	Carrying Value
		Amount	Amount	Amount
1 Current investment:				
8.20% GOI Special Bonds 2023	1453510	1,453.51	1,453.51	1,509.05
8.20% GOI Special Bonds 2024	3105060	3,105.06	3,105.06	3,153.64
7.95% GOI Special Bonds 2025	457250	457.25	457.25	469.00
8.00% GOI Special Bonds 2026	189270	189.27	189.27	192.58
6.90% GOI Special Bonds 2026	2977930	2,977.93	2,977.93	2,971.21
Total Current Investments	**8183020**	**8,183.02**	**8,183.02**	**8,295.48**

Note: B - Other Disclosures

1 During the year, Oil Marketing Companies 6.90% Special Bonds of investment value of ₹ 2977.93 crore is reclassified from Non Current Investment to Current Investment and 9.15% Govt Stock of investment value of ₹ 227.86 crore is reclassified from Current Investment to Non Current investment.

2 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, 2023			March 31, 2022		
	Face Value	Investment Value	Carrying Value	Face Value	Investment Value	Carrying Value
9.15% Govt. Stock 2024	206.00	234.70	219.19	6.00	6.84	6.74
7.35% Govt. Stock 2024	695.00	704.04	709.56	695.00	704.04	738.24
Oil Marketing Companies GOI Special Bonds	-	-	-	2,977.93	2,977.93	3,086.87

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 4: INVESTMENTS (Contd..)

3 Out of Oil Marketing Companies 8.20% GOI Special Bonds 2024 classified as Current Investment, bonds of Investment value ₹ 1500 crore (Carrying value ₹ 1560.51 crore) has been used as collateral against availment of overnight borrowings through CROMS platform of CCIL.

4 Following are not reflecting above due to rounding off:-

(Amount in ₹)

	Particulars	March 31,2023	March 31,2022
a	IndianOil LNG Private Limited	45000	45000
b	Vadodara Enviro Channel Limited	10	10
c	Shama Forge Co. Limited	100	100
d	Barauni Consumer Cooperative Societies	2500	2500
e	Guwahati Consumer Cooperative Societies	2500	2500
f	Mathura Consumer Cooperative Societies	2000	2000
g	Haldia Consumer Cooperative Societies	16630	16630
h	Indian Oil Cooperative Consumer Stores Limited, Delhi	3750	3750
i	Shama Forge Co. Limited	100	100

5 The Group has acquired 20% voting rights in MOST during the year and therefore the investment in MOST has been reclassified from investments in others to investment in Joint Ventures. Accordingly, the same has been accounted using Equity method in the current year as against FVTOCI in the previous year.

6 The Group has investments in oil & gas fields in Russia through JVs and production in these fields are as per the Business Plan. The dividends declared from fields are in Commercial Indo Bank LLC, a wholly owned subsidiary of SBI in Russia due to restrictions imposed by Russian Government, but the amounts are available for use by the Group in Russia. The Group carried out impairment assessment of the investment and there is no impairment as on 31st March 2023.

NOTE - 5: LOANS

(At amortised cost unless otherwise stated)

(₹ in crore)

Particulars	Non Current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Loans				
To Related Parties				
Secured, Considered Good	0.27	0.34	0.05	0.06
Unsecured, Considered Good	15.14	120.90	0.51	0.49
Credit Impaired	224.66	110.90	–	0.60
	240.07	**232.14**	**0.56**	**1.15**
Less : Allowance for Doubtful Loans	224.66	110.90	–	0.60
	15.41	**121.24**	**0.56**	**0.55**
To Others				
Secured, Considered Good	1,088.40	898.94	129.82	119.77
Unsecured, Considered Good	1,378.74	1,414.98	274.06	360.40
Which have significant increase in Credit Risk	105.25	132.32	22.89	21.34
Credit Impaired	383.71	247.79	201.59	197.32
	2,956.10	**2,694.03**	**628.36**	**698.83**
Less : Allowance for Doubtful Loans A	686.40	522.31	249.19	248.46
	2,269.70	**2,171.72**	**379.17**	**450.37**
Total	**2,285.11**	**2,292.96**	**379.73**	**450.92**
A. Includes provision as per Expected Credit Loss model and applying experience factor on loans considered good and those which have significant increase in Credit Risk	302.69	274.52	47.60	51.14

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 6: OTHER FINANCIAL ASSETS

(Unsecured, Considered Good at amortised cost unless otherwise stated)

(₹ in crore)

Particulars		Non Current		Current	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Security Deposits					
To Related Parties					
Unsecured, Considered Good		–	–	4.10	–
To Others					
Secured, Considered Good		0.11	0.10	–	–
Unsecured, Considered Good		231.42	192.13	244.74	290.03
Credit Impaired		–	–	1.36	1.42
		231.53	**192.23**	**250.20**	**291.45**
Less: Allowance for Doubtful Deposits		–	–	1.36	1.42
		231.53	**192.23**	**248.84**	**290.03**
Advances for Investments	A	1,514.01	2,276.85		
Amount Recoverable from Central/State Governments		–	–	825.47	421.85
Finance Lease Receivables		0.01	0.83	0.73	2.51
Deposits for Leave Encashment Fund		–	128.06	–	–
Interest Accrued on Investments/Bank Deposits/Loans		–	–	0.35	0.03
Derivative Instruments at Fair Value		–	–	218.12	76.72
Advance to Employee Benefits Trusts/Funds		–	–	543.04	151.83
Bank Deposits (with original maturity of more than 12 months)	B	1.74	39.64	0.63	0.42
Claims Recoverable:					
From Related Parties					
Unsecured, Considered Good		–	–	55.01	54.99
Credit Impaired		–	–	26.90	26.92
		–	**–**	**81.91**	**81.91**
From Others					
Unsecured, Considered Good		–	–	404.07	189.84
Credit Impaired		–	–	186.50	200.13
		–	**–**	**590.57**	**389.97**
Less : Provision for Doubtful Claims		–	–	213.40	227.04
		–	**–**	**377.17**	**162.93**
		–	–	459.08	244.84
Others:					
Unsecured, Considered Good		1.07	1.67	364.53	349.49
Credit Impaired		–	–	18.21	14.92
		1.07	**1.67**	**382.74**	**364.41**
Less: Allowance for doubtful asset		–	–	18.21	14.92
		1.07	**1.67**	**364.53**	**349.49**
Total		**1,748.36**	**2,639.28**	**2,660.79**	**1,537.72**

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 CONSOLIDATED FINANCIAL STATEMENTS

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

(₹ in crore)

Particulars	Non Current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Income/Current Tax Asset/(Liability) - Net				
Advance payments for Current Tax	15,441.88	8,444.12	11.15	6,165.52
Less : Provisions	13,584.66	5,624.61	29.37	6,784.83
Total	**1,857.22**	**2,819.51**	**(18.22)**	**(619.31)**

NOTE - 8: OTHER ASSETS (NON FINANCIAL)

(Unsecured, Considered Good unless otherwise stated)

(₹ in crore)

Particulars	Non Current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Advances for Capital Expenditure				
To Others				
Secured, Considered Good	8.38	15.21		
Unsecured, Considered Good	1,625.49	1,337.53		
Unsecured, Considered Doubtful	9.32	9.33		
	1,643.19	**1,362.07**		
Less: Provision for Doubtful Advances	9.32	9.33		
	1,633.87	**1,352.74**		
Advances Recoverable				
From Related Parties				
Unsecured, Considered Good	1,229.82	1,022.29	22.24	23.94
From Others				
Unsecured, Considered Good	176.07	284.60	3,316.75	2,202.50
Unsecured, Considered Doubtful	–	–	4.88	4.57
	176.07	**284.60**	**3,321.63**	**2,207.07**
Less : Provision for Doubtful Advances	–	–	4.88	4.57
	176.07	**284.60**	**3,316.75**	**2,202.50**
	1,405.89	**1,306.89**	**3,338.99**	**2,226.44**
Claims Recoverable:				
From Others				
Unsecured, Considered Good	–	–	831.21	698.86
Unsecured, Considered Doubtful	–	–	25.13	34.13
	–	**–**	**856.34**	**732.99**
Less : Provision for Doubtful Claims	–	–	25.13	34.13
	–	**–**	**831.21**	**698.86**
Balance/Deposits with Government Authorities				
Unsecured, Considered Good	–	–	469.71	500.92
Gold/Other Precious Metals	–	–	104.60	118.08
Less : Provision for Diminution in value	–	–	9.68	5.67
	–	**–**	**94.92**	**112.41**
Deferred Expenses	1,000.93	1,013.53	99.86	118.74
Prepaid Rentals	30.26	16.87	80.18	20.14
Pre-Spent Corporate Social Responsibility Expenses	–	–	6.48	93.52
Others	–	–	8.22	42.50
Total	**4,070.95**	**3,690.03**	**4,929.57**	**3,813.53**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 9: INVENTORIES

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
In Hand :		
Raw Materials	30,279.39	29,978.62
Stock in Process	10,846.81	10,728.63
Finished Products	41,660.59	38,898.49
Stock in Trade	10,637.48	8,267.08
Stores, Spares etc.	6,316.94	5,464.36
Less : Provision for Losses	276.87	257.11
	6,040.07	**5,207.25**
Barrels and Tins	109.81	122.45
	99,574.15	**93,202.52**
In Transit :		
Raw Materials	16,086.41	14,139.83
Finished Products	1,298.75	1,387.46
Stock in Trade	3,878.69	2,710.95
Stores, Spares etc.	269.58	295.75
	21,533.43	**18,533.99**
Total	**121,107.58**	**111,736.51**
Amount of write down of inventories carried at NRV and recognised as expense.	248.21	1,364.42

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

For hypothecation details refer Note-21.

NOTE - 10: TRADE RECEIVABLES

(At amortised cost)

(₹ in crore)

Particulars		March 31, 2023	March 31, 2022
From Related Parties			
Unsecured, Considered Good		558.79	434.65
Credit Impaired		9.55	7.29
		568.34	**441.94**
From Others			
Secured Considered Good		12.45	15.43
Unsecured, Considered Good		15,549.99	18,485.27
Which have significant increase in Credit Risk	B	506.74	–
Credit Impaired		155.19	170.14
		16,224.37	**18,670.84**
Total		**16,792.71**	**19,112.78**
Less : Allowance for Doubtful Debts	A	521.50	412.36
		16,271.21	**18,700.42**
Total		**16,271.21**	**18,700.42**
A. Includes provision as per Expected Credit Loss method in line with accounting policy on good and those which have significant increase in credit risk		356.76	234.93
B. The Group had an outstanding receivable of ₹506.74 crore as on 31st March 2023 from an airline company which has filed for corporate insolvency resolution process after the balance sheet date. Considering the bank guarantees furnished by them, which have subsequently been encashed, an amount of ₹48.20 crore has been provided as expected credit loss as on 31st March 2023.			

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 10: TRADE RECEIVABLES (Contd..)

Ageing of Trade Receivables

(₹ in crore)

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	
Current Year								
ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	506.74	–	–	–	–	–	506.74
iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	0.23	0.86	73.54	74.63
iv) Disputed Trade Receivables – considered good	2.96	16.34	14.21	21.30	45.05	41.47	108.44	249.77
v) Disputed Trade Receivables – credit impaired	–	–	–	–	0.02	0.43	89.65	90.10
Total	**169.33**	**7,917.49**	**6,930.04**	**851.06**	**488.00**	**120.91**	**315.88**	**16,792.71**
Previous Year								
i) Undisputed Trade Receivables – considered good	80.20	11,108.64	5,505.93	1,384.49	274.12	268.46	38.30	18,660.14
ii) Undisputed Trade Receivables – credit impaired	–	–	–	–	0.61	0.17	69.91	70.69
iii) Disputed Trade Receivables – considered good	4.31	4.78	69.54	40.87	67.65	15.11	72.95	275.21
iv) Disputed Trade Receivables – credit impaired	–	–	–	–	0.37	0.19	106.18	106.74
Total	**84.51**	**11,113.42**	**5,575.47**	**1,425.36**	**342.75**	**283.93**	**287.34**	**19,112.78**

NOTE - 11: CASH AND CASH EQUIVALENTS

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Bank Balances with Scheduled Banks :		
In Current Account	615.76	1,141.76
In Fixed Deposit - Maturity within 3 months	346.51	4.85
	962.27	**1,146.61**
Bank Balances with Non-Scheduled Banks	28.12	18.01
Cheques, Drafts in hand	5.41	11.46
Cash in Hand, Including Imprest	0.55	0.51
Total	**996.35**	**1,176.59**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 12: BANK BALANCES OTHER THAN ABOVE

(₹ in crore)

Particulars		March 31, 2023	March 31, 2022
Fixed Deposits	A	696.17	488.57
Earmarked Balances	B	403.51	153.63
Blocked Account	C	–	0.74
Other Bank Balances	D	0.61	0.61
Total		**1,100.29**	**643.55**
A) Includes Fixed Deposits earmarked in favour of Statutory Authorities.		12.98	13.09
B) Pertains to			
– Unpaid Dividend		50.01	50.33
– Fractional Share Warrants		0.03	0.03
– Amount received from PM CARES Fund for procurement of Liquid Oxygen Equipment (pending adjustment of claim amounting to ₹41.50 crore shown as receivable from Government authorities in Note 8).		98.62	103.27
– Grant received from Ministry of Heavy Industries for establishing EVCS at ROs (Including Interest of ₹0.05 crore (net of TDS) earned payable to government)		254.85	–
C) There existed 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

(₹ in crore)

Particulars		March 31, 2023	March 31, 2022
Freehold land	A	0.64	0.64
Building		0.07	0.07
Plant and Equipment		44.46	98.80
Office Equipment	B	0.08	0.19
Transport Equipment		0.31	–
Furniture and Fixtures		–	0.01
Total		**45.56**	**99.71**
Disposal Group: Cauvery Basin Refinery, Nagapattinam	C		
Freehold land		4.96	4.96
Building		12.97	12.97
Plant and Equipment		52.02	52.00
Office Equipment		0.05	0.05
Others		867.87	618.46
Total		**937.87**	**688.44**
Investment in Equity Shares	D	–	0.10
Total Asset held for sale		**983.43**	**788.25**
Total Liability directly associated with Asset held for sale		**11.06**	**25.06**

A. The Group 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. Includes non-current assets retired from active use earlier used in various segments and held for disposal through tendering process within a year.

C. Cauvery Basin Refinery and Petrochemicals Limited (CBRPL) has been incorporated on 6th January 2023 as a Joint Venture of Indian Oil (Parent Company) and Chennai Petroleum Corporation Limited (CPCL-Subsidiary) each holding 25% equity and balance by seed equity investors, for construction of new 9 MMTPA refinery at Cauvery Basin Nagapattinam. The JV would be operational upon receipt of approval by Cabinet Committee on Economic Affairs (CCEA) for equity investment in the CBR project by CPCL.Accordingly, the land, capital work in-progress, other facilities and directly associated total liabiliy held by the group which are to be transferred to the new Joint Venture, are classified under Disposal Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

D. During the year the Group has disposed of the investment in 101095 Equity shares of Woodlands Multispeciality Hospital Limited which was classified in the previous year as asset held for sale.

During the year the Group has reclassified Assets Held for sale amounting to ₹ 0.04 crore (2022: ₹ 72.99 crore) as Property, Plant and Equipment/ Other Assets based on the plan for disposal of assets.

During the year, the Group has recognized impairment loss of ₹ 10.28 crore (2022: ₹ 17.88 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)

Particulars	March 31, 2023	March 31, 2022
Authorized:		
15,00,00,00,000 Equity Shares of ₹ 10 each	**15,000.00**	**15,000.00**
Issued Subscribed and Paid Up:		
14,12,12,38,383 (2022: 9,41,41,58,922) Equity Shares of ₹ 10 each fully paid up	14,121.24	9,414.16
Less: Equity Shares held under IOC Shares Trust	349.68	233.12
34,96,77,684 (2022: 23,31,18,456) Equity Shares of ₹ 10 each fully paid up		
Total	**13,771.56**	**9,181.04**
A. Reconciliation of No. of Equity Shares		
Opening Balance	9,41,41,58,922	9,41,41,58,922
Shares Issued (Bonus Shares)	4,70,70,79,461	–
Closing Balance	**14,12,12,38,383**	**9,41,41,58,922**

B. Terms/Rights attached to Equity Shares

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

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

C. Details of shareholders holdings more than 5% shares

Name of Shareholder	March 31, 2023		March 31, 2022	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
The President of India	7,27,21,99,767	51.50	4,84,81,33,178	51.50
Oil and Natural Gas Corporation Limited	2,00,58,22,884	14.20	1,33,72,15,256	14.20
Life Insurance Corporation of India Limited	1,18,92,20,484	8.42	74,92,64,496	7.96
Oil India Limited	72,83,85,744	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 2022-23 (July 2022) in ratio of 1:2	4,70,70,79,461
(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, 2023

Promoter Name	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	7,27,21,99,767	51.50	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 15: OTHER EQUITY

(₹ in crore)

Particulars		March 31, 2023	March 31, 2022
Retained Earnings			
General Reserve:			
Opening Balance		1,01,233.23	86,292.79
Add: Remeasurement of Defined Benefit Plans		(75.38)	(564.84)
Add : Transfer from Bond Redemption Reserve		768.59	1,370.85
Less: Utilized for issue of bonus shares [including expenses (net of tax)]	A	4,295.45	–
Add : Transfer from Items not reclassified to Profit or Loss		9.88	–
Add: Other Adjustment in JVs/Adj in Opening Balance		0.47	(1.24)
Add: Appropriation from Surplus		(147.15)	14,135.67
		97,494.19	**101,233.23**
Surplus (Balance in Statement of Profit and Loss):			
Opening Balance		3,050.99	1,713.18
Profit for the Year		9,792.12	25,102.23
Add: Opening Balance Adjustment		0.11	5.83
Less: Appropriations			
Interim Dividend		–	8,263.41
Final Dividend		3,305.36	1,377.39
Insurance Reserve (Net)		27.78	19.28
Corporate Social Responsibility Reserve (Net)		(0.28)	(0.57)
Share of JV Sold		–	(24.93)
General Reserve		(147.15)	14,135.67
Balance carried forward to next year		**9,657.51**	**3,050.99**
		1,07,151.70	1,04,284.22
Other Reserves:			
Bond Redemption Reserve			
Opening Balance		1,800.54	3,171.39
Less: Transfer to General Reserve		768.59	1,370.85
		1,031.95	**1,800.54**
Capital Redemption Reserve			
Opening Balance		298.06	298.06
Less: Utilised for issue of Bonus Shares		(297.65)	–
		0.41	**298.06**
Capital Reserve			
Opening Balance		428.47	432.51
Add: On Consolidation		–	(4.04)
		428.47	**428.47**
Securities Premium		76.74	76.74
Insurance Reserve			
Opening Balance		291.42	272.14
Less : Recoupment of uninsured fire loss		–	0.72
Add: Appropriation from Surplus		27.78	20.00
		319.20	**291.42**
Corporate Social Responsibility Reserve			
Opening Balance		0.53	1.10
Add: Appropriation from Surplus		4.51	(0.47)
Less: Utilized during the year		4.79	0.10
		0.25	**0.53**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 15: OTHER EQUITY (Contd..)

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Fair Value Through Other Comprehensive Income :		
Fair value of Equity Instruments		
Opening Balance	16,557.37	9,815.71
Add: Fair value during the year	(1,478.26)	6,741.66
Less: Transferred to General Reserve	9.88	–
	15,069.23	**16,557.37**
Fair value of Debt Instruments		
Opening Balance	345.28	470.30
Add: Fair value during the year	(356.16)	(125.02)
	(10.88)	**345.28**
Cash Flow Hedge Reserve		
Opening Balance	27.32	16.80
Add: Gain/(Loss) during the year	135.80	27.33
Less: Transferred during the year	24.45	16.81
	138.67	**27.32**
Translation Reserve on Consolidation		
Opening Balance	244.19	96.29
Add : Translation difference	1,498.75	147.90
	1,742.94	**244.19**
Total	**1,25,948.68**	**1,24,354.14**

A. Adjusted for bonus shares pertaining to those held under IOC Shares Trust

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 reclassified 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 and accordingly the parent company has used its reserves in current financial year for issuing bonus shares.

D. Capital Reserve

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

E. Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note - 15: OTHER EQUITY (Contd..)

F. Insurance Reserve

Insurance Reserve is created by the company with the approval of Board of Directors to mitigate risk of loss of assets not insured with external insurance agencies. ₹20.00 crore is appropriated by the company every year to this reserve. On similar lines, one of the subsidiary (CPCL) has created an Insurance Reserve in the current year with the appropriation of ₹15.00 crore (including Non Controlling Interest). The reserve is utilised to mitigate actual losses by way of net appropriation in case any uninsured loss is incurred. No amount (2022: ₹0.72 crore) has been utilised for recoupment of uninsured losses.

G. Corporate Social Responsibility Reserve

Corporate Social Responsibility (CSR) Reserve is created for meeting expenses relating to CSR activities in line with CSR policy of respective group of companies.

H. 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.

I. 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 which 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 reclassified to the statement of profit and loss in subsequent periods on disposal of respective instruments.

J. 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.

K. Translation Reserve on Consolidation

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised thru Other Comprehensive Income (OCI) and is presented within equity in the foreign currency translation reserve.

NOTE - 16: LONG TERM BORROWINGS

(At Amortised Cost)

(₹ in crore)

Particulars		Non Current		Current Maturities*	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Secured Loans					
Term Loans:					
From Oil Industry Development Board (OIDB)	A	74.19	306.55	50.00	137.50
Total Secured Loans		**74.19**	**306.55**	**50.00**	**137.50**
Unsecured Loans					
Bonds/Debentures:					
Foreign Currency Bonds	B	–	8,232.81	9,020.60	4,772.86
Rupee Bonds/Debentures	C	22,407.72	14,408.49	2,721.04	3,385.92
		22,407.72	**22,641.30**	**11,741.64**	**8,158.78**
Debentures:					
Non-Convertible Debentures	D	1,585.00	1,585.00	65.66	1,217.12
		1,585.00	**1,585.00**	**65.66**	**1,217.12**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

(₹ in crore)

Particulars		Non Current		Current Maturities*	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Term Loans:					
From Banks/Financial Institutions					
In Foreign Currency Loans	E	28,525.73	24,290.62	2,532.08	4,558.46
In Rupees	F	8,750.00	5,500.00	1,553.15	18.77
From Government					
In Rupees	G	1,970.30	1,621.07	–	–
		39,246.03	**31,411.69**	**4,085.23**	**4,577.23**
Total Unsecured Loans		**63,238.75**	**55,637.99**	**15,892.53**	**13,953.13**
Total Long-Term Borrowings		**63,312.94**	**55,944.54**	**15,942.53**	**14,090.63**

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

Secured Loans:

A. Term Loan from OIDB

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Term Loan from Oil Industry Development Board - ₹ 100 crore	31st March 2020	6.16%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quaterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to BS-VI project to the extent of outstanding.
2	Term Loan from Oil Industry Development Board - ₹ 100 crore	30th June 2020	5.68%		

Unsecured Loans:

B. Repayment Schedule of Foreign Currency Bonds

Sl. No.	Particulars	Date of Issue	Date of Repayment
1	USD 586.96 Million Reg S Bonds	16 January 2019	Payable immediately after 5 years from the date of issue.
2	USD 500.00 Million Reg S Bonds	01 August 2013	Payable immediately after 10 years from the date of issue

C. Repayment Schedule of Rupee Bonds/ Debentures

Sl. No.	Particulars	Date of Allotment	Coupon Rate	Date of Redemption
1	Indian Oil 2029 (Series XIV) 30000 debenture of Face Value ₹10,00,000 each	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 & 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	06 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 2025 (Series XVIII) 16250 debenture of Face Value ₹10,00,000 each	03 August 2020	5.40% p.a. payable annually on 03 August	4 years, 8 months & 8 days from the deemed date of allotment i.e. 11 April 2025.
5	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.
6	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 & 29 days from the deemed date of allotment i.e. 23 January 2026.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Sl. No.	Particulars	Date of Allotment	Coupon Rate	Date of Redemption
7	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
8	Indian Oil 2024 (Series XXII) 25000 debenture of Face Value ₹10,00,000 each	21 April 2022	5.84% p.a. payable annually on 21 April	1 year, 11 months & 29 days from the deemed date of allotment i.e. 19 April 2024
9	Indian Oil 2032 (Series XXIII) 25000 debenture of Face Value ₹10,00,000 each	17 June 2022	7.79% p.a. payable annually on 17 June	9 years, 9 months & 26 days from the deemed date of allotment, i.e. 12 April 2032
10	Indian Oil 2027 (Series XXIV) 25000 debenture of Face Value ₹10,00,000 each	06 September 2022	7.14% p.a. payable annually on 6 September	5 years from the deemed date of allotment i.e. 6 September 2027
11	Indian Oil 2027 (Series XXV) 25000 debenture of Face Value ₹10,00,000 each	25 November 2022	7.44% p.a. payable annually on 25 November	5 years from the deemed date of allotment i.e. 25 November 2027

D. Repayment Schedule of Non-Convertible Debentures

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Redemption
1	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2021	17 July 2020	5.78%	Principal repayable at the end of 5 years from date of availment. Interest payable Annually
2	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -II-2022	23 June 2021	5.44%	Principal repayable at the end of 3 years from date of availment. Interest payable Annually
3	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2020	28 February 2020	6.43%	Principal repayable at the end of 3 years from date of availment. Interest payable Annually. Fully redeemed on 28 February 2023.

E. 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 100 Million Term Loan	12 March 2021	Payable immediately after 3 years & 3 months from the date of drawal
2	USD 100 Million Term Loan - SBI	07 April 2021	Payable immediately after 5 years from the date of drawal
3	USD 100 Million Term Loan - SBI - GS	14 May 2021	
4	USD 500 Million Syndication loan	30 July 2021	
5	USD 125 Million Term Loan from BOB	03 November 2021	
6	USD 125 Million Term Loan from BOB	01 December 2021	
7	USD 330 Million ECB Loan from SBI London	30 December 2021	Payable immediately after 3 years from the date of drawal
8	USD 300 Million ECB Loan from SBI London	30 December 2021	Payable immediately after 4 years from the date of drawal
9	USD 250 Million ECB Loan from SBI London	30 December 2021	Payable immediately after 5 years from the date of drawal
10	USD 220 Million ECB Loan from SBI London	30 December 2021	Payable immediately after 5 years & 5 months from the date of drawal
11	USD 225 Million Syndication Loan from BOB NY	30 March 2022	Payable immediately after 1 year & 9 months from the date of drawal

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Sl. No.	Particulars of Loans	Date of drawal	Date of Repayment
12	USD 50 Million Syndication Loan from BOB NY	30 March 2022	
13	USD 25 Million Syndication Loan from BOB NY	30 March 2022	Payable immediately after 1 year & 11 months from the date of drawal
14	USD 300 Million Syndication Loan from BOB NY	30 March 2022	Payable immediately after 2 years & 6 months from the date of drawal
15	USD 300 Million SBI HK	29 September 2022	Payable immediately after 5 years from the date of drawal
16	USD 300 Million Syndication Loan	13 October 2022	Payable immediately after 5 years from the date of drawal
17	USD 60 Million Term Loan from SMBC	17 February 2022	Payable immediately after 1 years & 6 months from the date of drawal
18	USD 580 Million Term Loan	16 December 2019	Payable immediately after 5 years from the date of drawal

F. 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	06 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	
9	HDFC ₹500 crore Term Loan	30 July 2022	
10	HDFC ₹1,000 crore Term Loan	01 August 2022	
11	EXIM Bank ₹750 crore Term Loan	30 September 2022	Payable immediately after 7 years from the date of drawal
12	HDFC ₹1,000 crore Term Loan	06 February 2023	Payable immediately after 3 years from the date of drawal
13	HDFC ₹1,000 crore Term Loan	31 March 2023	
14	UCO Bank ₹500 crore Term Loan	31 March 2023	Payable immediately after 5 years from the date of drawal

G. 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 repayble after 15 years. Total loan disbursed till now is ₹4,900 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Interest accrued but not due on borrowings	–	–	21.40	5.94
Liability for Capital Expenditure	–	–	8,421.09	7,560.87
Liability to Trusts and Other Funds	–	–	184.44	192.28
Employee Liabilities	–	–	1,827.85	3,197.09
Unpaid Dividend	–	–	50.01	50.33
Unpaid Matured Deposits	–	–	0.01	0.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 17: OTHER FINANCIAL LIABILITIES (Contd..)

(₹ in crore)

Particulars	Non Current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Derivative Instruments at Fair Value	–	–	235.97	307.81
Security Deposits	156.77	165.57	33,328.32	31,872.09
Others	38.04	39.54	1,331.77	1,544.04
Total	**194.81**	**205.11**	**45,400.86**	**44,730.46**

NOTE - 18: PROVISIONS

(₹ in crore)

Particulars		Non Current		Current	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Provision for Employee Benefits		911.03	1,010.68	111.10	141.45
Decommissioning Liability	A	485.41	574.67	4.41	3.58
Contingencies for probable obligations	B	–	–	12,552.06	11,935.18
Less: Deposits		–	–	2,511.29	2,330.38
		-	**–**	**10,040.77**	**9,604.80**
Total		**1,396.44**	**1,585.35**	**10,156.28**	**9,749.83**

A. In compliance of Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under :

(₹ in crore)

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year**	Unwinding of discount and changes in the discount rate	Closing Balance
Decommissioning Liability - E&P Blocks	578.25	4.44	–	121.48	28.60	489.81
Previous Year Total	554.12	9.35	–	(3.92)	10.86	578.25

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	0.05	–	–	15.55
Sales Tax / GST	2,270.22	407.58	52.47	9.57	2,615.76
Entry Tax	5,611.76	–	64.42	15.44	5,531.90
Others	4,037.70	958.00	140.67	466.18	4,388.85
Total	**11,935.18**	**1,365.63**	**257.56**	**491.19**	**12,552.06**
Previous Year Total	10,949.06	1,099.55	5.68	107.75	11,935.18

	Addition includes	Reversal includes
- capitalized	22.73	–
- included in Raw Material	74.31	–
- included in Finance Cost	451.75	12.02
- included in Employee Benefit Expenses	128.28	413.35
- included in Other Expenses	471.51	15.02

* Expected timing of outflow is not ascertainable at this stage as the matters are under dispute with respective authorities.

** Includes Gain on account of transalation amounting to ₹33.80 crore (2022: ₹20.91 crore)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 19: DEFERRED TAX LIABILITIES (NET)

(i) In compliance of Ind AS – 12 on "Income Taxes", the item wise details of Deferred Tax Liability (net) are as under:

(₹ in crore)

Particulars	As on 01.04.2022	Provided during the year in Statement of Profit and Loss *	Provided during the year in OCI (net)	Balance as on 31.03.2023
Deferred Tax Liability:				
Related to Fixed Assets	19,500.41	1,349.99	–	20,850.40
Others	142.77	8.20	–	150.97
Total Deferred Tax Liability (A)	**19,643.18**	**1,358.19**	**–**	**21,001.37**
Deferred Tax Assets:				
Provision on Inventories, Debtors, Loans and Advance, Investments	1,289.99	88.75	–	1,378.74
Compensation for Voluntary Retirement Scheme	1.24	(0.13)	–	1.11
43B/40 (a)(ia)/other Disallowances etc.	2,914.01	5.57	–	2,919.58
Carry Forward Business Losses/ Unabsorbed Depreciation	164.00	(162.49)	–	1.51
Remeasurement of defined benefit plan	(5.71)	(3.48)	4.83	(4.36)
Fair valuation of Equity instruments	(191.99)	–	(39.71)	(231.70)
MTM on Hedging Instruments	(9.19)	–	(37.45)	(46.64)
Fair value of debt instruments	(118.57)	–	107.96	(10.61)
Unused Tax Loss (Long Term Capital Loss)	17.52	–	(2.93)	14.59
Others	227.51	(48.78)	–	178.73
Total Deferred Tax Assets (B)	**4,288.81**	**(120.56)**	**32.70**	**4,200.95**
Deferred Tax Liability (net) (A-B)	**15,354.37**	**1,478.75**	**(32.70)**	**16,800.42**

* Includes translation reserve of ₹67.78 crore due to translation of Opening Balance at Closing Exchange Rate.

(₹ in crore)

Particulars	As on 01.04.2021	Provided during the year in Statement of Profit and Loss *	Provided during the year in OCI (net)	Balance as on 31.03.2022
Deferred Tax Liability:				
Related to Fixed Assets	18,485.00	1,015.41		19,500.41
Others	147.32	(4.55)		142.77
Total Deferred Tax Liability (A)	**18,632.32**	**1,010.86**	**–**	**19,643.18**
Deferred Tax Assets:				
Provision on Inventories, Debtors, Loans and Advance, Investments	1,298.40	(8.41)		1,289.99
Compensation for Voluntary Retirement Scheme	1.01	0.23		1.24
43B/40 (a)(ia)/other Disallowances etc.	2,794.26	119.75		2,914.01
Carry Forward Business Losses/Unabsorbed Depreciation	653.13	(489.13)		164.00
Remeasurement of defined benefit plan	12.37	(10.49)	(7.59)	(5.71)
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)
Unused Tax Loss (Long Term Capital Loss)	12.94	4.58		17.52
Others	188.83	38.68		227.51
Total Deferred Tax Assets (B)	**4,667.85**	**(344.79)**	**(34.25)**	**4,288.81**
Deferred Tax Liability (net) (A-B)	**13,964.47**	**1,355.65**	**34.25**	**15,354.37**

* Includes translation reserve of ₹ 28.29 crore due to translation of Opening Balance at Closing Exchange Rate.

NOTES TO CONSOLIDATED 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	2022-23 %	2022-23 (₹ in crore)	2021-22 %	2021-22 (₹ in crore)
Profit Before Tax		15,037.69		34,288.62
Tax as per applicable Tax Rate	25.168	3,784.69	25.168	8,629.76
Tax effect of:				
Income that are not taxable in determining taxable profit	(6.336)	(952.72)	(1.773)	(607.88)
Expenses that are not deductible in determining taxable profit	0.824	123.96	0.430	147.61
Variation in allowance/disallowances considered	(0.625)	(94.02)	(0.058)	(19.83)
Expenses/income related to prior years	0.017	2.51	0.264	90.63
Difference in tax due to income chargeable to tax at special rates	(0.056)	(8.42)	(0.011)	(3.67)
Share of profit of JVs/Associates added net of tax in PBT of Group	2.475	372.22	0.298	102.16
Different or nil tax rates of Group Companies	(1.113)	(167.41)	(0.061)	(20.88)
Effect of Taxes in foreign jurisdiction	1.718	258.31	0.726	248.15
Others	0.095	14.31	(0.012)	(4.03)
Average Effective Tax Rate/Income Tax Expenses	22.167	3,333.43	24.971	8,562.02

NOTE - 20: OTHER LIABILITIES (NON FINANCIAL)

(₹ in crore)

Particulars	Non Current March 31, 2023	Non Current March 31, 2022	Current March 31, 2023	Current March 31, 2022
Government Grants (Refer Note 43)	3,206.56	2,740.35	279.46	235.59
Statutory Liabilities	–	–	10,508.34	11,655.96
Advances from Customers	–	–	4,328.02	5,640.73
Others	501.34	440.24	2,034.76	1,434.40
Total	3,707.90	3,180.59	17,150.58	18,966.68

NOTE - 21: BORROWINGS - CURRENT

(₹ in crore)

Particulars		March 31, 2023	March 31, 2022
Secured Loans			
Loans Repayable on Demand			
From Banks/Financial Institutions			
In Foreign Currency		1,673.80	1,745.99
In Rupee	A		
Working Capital Demand Loan		8,021.44	8,020.44
Cash Credit		573.86	–
		10,269.10	9,766.43
From Others:			
Loans through Clearing Corporation of India Ltd. (CCIL)	B	1,522.67	4,172.06
Current maturities of long-term debt (refer note 16)		50.00	137.50
Total Secured Loans		11,841.77	14,075.99
Unsecured Loans			
Loans Repayable on Demand			
From Banks/Financial Institutions			
In Foreign Currency		39,769.91	13,874.21
In Rupee		9,297.67	10,962.05
		49,067.58	24,836.26
From Others			
Commercial Papers		–	14,740.18
Current maturities of long-term debt (refer note 16)		15,892.53	13,953.13
Total Unsecured Loans		64,960.11	53,529.57
Total Short-Term Borrowings		76,801.88	67,605.56
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 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)		2,401.00	6,014.93
Bank Guarantees		–	1,650.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 22: TRADE PAYABLES

(At amortised cost)

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Dues to Micro and Small Enterprises	1,024.97	806.63
Dues to Related Parties	1,203.79	852.63
Dues to Others	52,505.34	47,402.59
Total	54,734.10	49,061.85

Ageing of Trade Payables

(₹ in crore)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Current Year							
i) MSME*	323.80	325.64	375.03	0.05	–	–	1,024.52
ii) Others	2,445.98	45,840.08	4,739.58	42.47	9.32	26.68	53,104.11
iii) Disputed Dues - MSME*	0.13	0.31	–	–	–	–	0.44
iv) Disputed Dues - Others	274.55	92.25	26.80	52.17	21.39	137.87	605.03
Total	3,044.46	46,258.28	5,141.41	94.69	30.71	164.55	54,734.10
Previous Year							
i) MSME*	251.20	368.95	185.36	0.01	–	–	805.52
ii) Others	1,995.15	41,436.69	4,211.11	15.36	13.91	25.82	47,698.04
iii) Disputed Dues - MSME*	–	1.11	–	–	–	–	1.11
iv) Disputed Dues - Others	220.78	123.38	52.05	22.36	0.18	138.43	557.18
Total	2,467.13	41,930.13	4,448.52	37.73	14.09	164.25	49,061.85

*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.

NOTE - 23: REVENUE FROM OPERATIONS

(₹ in crore)

Particulars		2022-2023	2021-2022
Sale of Products and Crude	A	9,55,038.27	7,45,733.49
Less: Discounts		18,945.85	13,609.74
Sales (Net of Discounts)		9,36,092.42	7,32,123.75
Sale of Services		315.49	289.46
Other Operating Revenues (Note "23.1")		3,991.02	3,836.98
		9,40,398.93	7,36,250.19
Net Claim/(Surrender) of SSC and other claims		5.44	305.46
Subsidy From Central/State Government		204.57	160.65
Grant from Government of India		10,801.00	–
Total		9,51,409.94	7,36,716.30

A. The MoPNG, vide letter dated 30.04.2020 had conveyed to Oil Marketing Companies (OMCs) that where Market Determined Price (MDP) of LPG cylinders is less than its Effective Cost to Customer (ECC), the OMCs will retain the difference in a separate buffer account for future adjustment. However, as on 31st March 2023, the Parent Company had a cumulative negative buffer of ₹2,220.00 crore as the retail selling price was less than MDP. This amount is after adjustment of one-time grant of ₹10,801.00 crore provided by Government of India against under-recoveries on sale of Domestic LPG during FY 2021-22 and FY 2022-23 and uncompensated cost of ₹4,166.00 crore.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 23.1: OTHER OPERATING REVENUES

(₹ in crore)

Particulars	2022-2023	2021-2022
Sale of Power and Water	481.57	464.21
Revenue from Construction Contracts	4.06	7.49
Unclaimed/Unspent liabilities written back	83.91	130.23
Provision for Doubtful Advances, Claims, and Stores written back	13.71	340.28
Provision for Contingencies written back	50.80	92.14
Recoveries from Employees	1.67	1.57
Retail Outlet License Fees	1,402.95	1,070.70
Income from Non Fuel Business	302.38	237.58
Commission and Discount Received	1.25	1.19
Sale of Scrap	380.30	418.96
Income from Finance Leases	0.10	0.28
Amortization of Capital Grants	27.89	27.63
Revenue Grants	221.69	188.92
Terminalling Charges	52.82	63.74
Other Miscellaneous Income	965.92	792.06
Total	**3,991.02**	**3,836.98**

Particulars relating to Revenue Grants are given in Note - 43.

NOTE - 24: OTHER INCOME

(₹ in crore)

Particulars		2022-2023	2021-2022
Interest on:	A		
Financial items:			
Deposits with Banks		99.41	52.06
Customers Outstandings		862.24	416.38
Oil Companies GOI SPL Bonds/ Other Investment		1,092.13	1,098.84
Other Financial Items		324.63	356.95
Total interest on Financial items		**2,378.41**	**1,924.23**
Non-Financial items		165.93	14.42
		2,544.34	**1,938.65**
Dividend	B	1,623.12	1,053.59
Profit on sale and disposal of Assets		–	11.97
Gain on Derivatives		–	68.00
Fair value Gain on Financial instruments classified as FVTPL		1.81	6.12
Other Non Operating Income		29.65	18.43
Total		**4,198.92**	**3,096.76**
A 1. Includes Tax Deducted at Source		78.47	42.87
A 2. Includes interest received under section 244A of the Income Tax Act.		137.59	2.33
A 3. Includes interest on:			
Current Investments		724.22	705.18
Non-Current Investments		367.91	393.66
A 4.Total interest income (calculated using the effective interest method) for financial assets:			
In relation to Financial assets classified at amortised cost		1,286.28	825.39
In relation to Financial assets classified at FVOCI		1,092.13	1,098.84
B Dividend Income consists of Dividend on:			
Current Investments		–	–
Non-Current Investments		1,623.12	1,053.59

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 25: COST OF MATERIALS CONSUMED

(₹ in crore)

Particulars	2022-2023	2021-2022
Opening Stock	44,118.45	30,024.74
Add: Purchases	5,06,004.63	3,44,766.09
	5,50,123.08	**3,74,790.83**
Less: Closing Stock	46,365.80	44,118.45
Total	**5,03,757.28**	**3,30,672.38**

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

(₹ in crore)

Particulars	2022-2023	2021-2022
Closing Stock		
Finished Products	42,959.34	40,285.95
Stock in Process	10,846.81	10,728.63
Stock-in-Trade	14,516.17	10,978.03
	68,322.32	**61,992.61**
Less: Opening Stock		
Finished Products	40,285.95	32,586.14
Stock in Process	10,728.63	6,263.12
Stock-in-Trade	10,978.03	9,432.37
	61,992.61	**48,281.63**
Net Increase/(Decrease)	**6,329.71**	**13,710.98**

NOTE - 27: EMPLOYEE BENEFITS EXPENSE

(₹ in crore)

Particulars	2022-2023	2021-2022
Salaries, Wages, Bonus etc	6,950.08	8,302.58
Contribution to Provident & Other Funds	962.14	1,764.66
Voluntary Retirement Compensation	1.54	2.90
Staff Welfare Expenses	1,445.38	1,512.78
Total	**9,359.14**	**11,582.92**

A. Excludes ₹ 445.26 crore (2022: ₹ 477.68 crore) included in capital work in progress (construction period expenses - Note-2.2)/intangible assets under development (Note - 3.1) and ₹ 12.26 crore (2022: ₹ 14.11 crore) included in CSR expenses (Note - 29.1).

B. Disclosure in compliance with Indian Accounting Standard-19 on "Employee Benefits" is given in Note - 36.

NOTE - 28: FINANCE COSTS

(₹ in crore)

Particulars	2022-2023	2021-2022
Interest Payments on Financial items:		
Working Capital Loans:		
Bank Borrowings	2,142.62	668.64
Bonds/Debentures	815.12	513.58
Others	529.84	596.10
	3,487.58	**1,778.32**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 28: FINANCE COSTS (Contd..)

(₹ in crore)

Particulars		2022-2023	2021-2022
Other Loans:			
Bank Borrowings		852.03	443.03
Bonds/Debentures		817.40	706.87
Lease Obligations		819.86	763.08
Others		–	2.10
		2,489.29	**1,915.08**
Unwinding of Discount		142.51	121.97
Others		11.60	4.15
		6,130.98	**3,819.52**
Interest Payments on Non Financial items:			
Unwinding of Discount		21.80	25.72
Others	A	494.42	451.53
		516.22	**477.25**
		6,647.20	**4,296.77**
Other Borrowing Cost	B	22.36	30.60
Applicable Net (Gain)/Loss on Foreign Currency Transactions and Translation		871.80	1,095.89
Total		**7,541.36**	**5,423.26**
A. Mainly includes Interest on Kandla Port Trust Rental Liability		285.07	159.88
B. Mainly pertains to franking charges, service charges & other indirect expenses on borrowings.			
Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss		6,130.98	3,819.52

NOTE - 29: OTHER EXPENSES

(₹ in crore)

Particulars	2022-2023	2021-2022
Consumption:		
a) Stores, Spares and Consumables	2,508.96	2,175.67
b) Packages & Drum Sheets	565.27	559.49
	3,074.23	**2,735.16**
Power & Fuel	39,792.46	34,480.85
Less : Fuel from own production	31,910.28	26,870.22
	7,882.18	**7,610.63**
Throughput, Processing & Blending Fees, Royalty and Other Charges	1,410.59	1,192.36
Octroi, Other Levies and Irrecoverable taxes	2,974.34	2,225.69
Repairs and Maintenance		
i) Plant & Equipment	4,682.95	3,965.98
ii) Buildings	426.06	358.05
iii) Others	703.74	642.81
	5,812.75	**4,966.84**
Freight, Transportation Charges and Demurrage	16,168.31	14,813.66
Office Administration, Selling and Other Expenses (Note "29.1")	17,822.58	10,939.50
Total	**55,144.98**	**44,483.84**
Less: Company's use of own Products and Crude	1,765.52	1,153.37
Total (Net)	**53,379.46**	**43,330.47**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

(₹ in crore)

Particulars	2022-2023	2021-2022
Rent	1,034.74	656.02
Insurance	418.15	346.52
Rates & Taxes	286.07	174.90
Donation	27.31	2.00
Payment to auditors		
As Auditors	4.99	4.85
For Taxation Matters	0.58	0.57
Other Services (for issuing other certificates etc.)	1.94	1.73
For reimbursement of expenses	0.26	0.13
	7.77	**7.28**
Travelling & Conveyance	888.37	649.30
Communication Expenses	71.28	68.63
Printing & Stationery	47.41	39.38
Electricity & Water	450.00	388.51
Bank Charges	46.49	30.81
Advances, Claims, CWIP, etc. written off	11.19	11.46
Provision/Loss on Assets sold or written off (Net)	66.12	–
Technical Assistance Fees	101.62	89.59
Exchange Fluctuation (net)	7,161.81	1,452.28
Provision for Doubtful Advances, Claims, CWIP, Stores etc.	60.61	185.64
Security Force Expenses	995.53	913.93
Sales Promotion Expenses (Including Commission)	1,146.90	1,287.61
Handling Expenses	766.41	715.03
Terminalling Charges	12.62	13.74
Provision for Probable Contingencies	217.06	234.86
Exploration & Production Cost	1,828.81	1,817.20
Loss on Derivatives	357.76	–
Expenses on Construction Contracts	3.69	6.64
Expenses on CSR Activities	355.86	323.24
Training Expenses	112.79	78.23
Legal Expenses/Payment To Consultants	204.05	223.33
Notices and Announcement	13.32	11.51
Advertisement and Publicity	81.67	37.32
Pollution Control Expenses	108.41	87.34
Amortisation and Remeasurement of PMUY Assets	69.04	587.97
Miscellaneous Expenses	869.72	499.23
Total	**17,822.58**	**10,939.50**

NOTE - 30: OTHER COMPREHENSIVE INCOME

(₹ in crore)

Particulars	2022-2023	2021-2022
Items that will not be reclassified to profit or loss:		
Remeasurement of Defined Benefit Plans	(111.47)	(739.29)
Fair value of Equity Instruments	(1,433.94)	6,783.55
Share of Joint Ventures and associates in Remeasurement of Defined Benefit Plans	1.39	(0.54)
	(1,544.02)	**6,043.72**
Income Tax relating to items that will not be reclassified to profit or loss:		
Remeasurement of Defined Benefit Plans	28.29	186.20
Fair value of Equity Instruments	(42.64)	(65.23)
Share of Joint Ventures and associates in Remeasurement of Defined Benefit Plans	(0.09)	0.06
	(14.44)	**121.03**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 30: OTHER COMPREHENSIVE INCOME (Contd..)

(₹ in crore)

Particulars	2022-2023	2021-2022
Items that will be reclassified to profit or loss:		
Fair value of Debt Instruments	(464.12)	(167.12)
Gain/(Loss) on Hedging Instruments	148.80	36.52
Translation Reserve on Consolidation	1,531.04	161.61
Share of Joint Ventures and associates in Translation Reserve on Consolidation	(16.13)	(6.34)
	1,199.59	**24.67**
Income Tax relating to items that will be reclassified to profit or loss:		
Fair value of Debt Instruments	107.96	42.10
Gain/(Loss) on Hedging Instruments	(37.45)	(9.19)
	70.51	**32.91**
Total	**(288.36)**	**6,222.33**

NOTE-31: DISTRIBUTIONS MADE AND PROPOSED

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Cash Dividends on Equity Shares declared:		
Final Dividend		
Total Final Dividend during the current year for previous financial year: ₹ 2.40 per share (2022: ₹ 1.00 per share after restatement of bonus shares for previous financial year)	3,305.17	1,377.16
Interim Dividend		
Total Interim Dividend for current financial year: NIL per share (2022: ₹ 6.00 per share after restatement of bonus shares)	–	8,262.93
Total	**3,305.17**	**9,640.09**
Proposed Dividend on Equity Shares		
Final proposed Dividend for current financial year: ₹ 3.00 per share (2022: ₹ 2.40 per share)	4,131.47	3,305.17

Notes

1. 349677684 (233118456 before issue of bonus shares) shares held under IOC Shares Trust (Shareholder) of face value ₹ 349.68 crore (₹ 233.12 crore before issue of bonus shares) (2022: ₹ 233.12 crore) have been netted off from paid up capital. IOC Shares Trust have waived its right to receive the Dividend w.e.f. March 02, 2020 and therefore Dividend on shares held by IOC Shares Trust was neither proposed in the last year nor during the current financial year.

2. The Parent Company has also incurred expenses on distribution of final dividend amounting to ₹ 0.19 crore (2022: ₹ 0.24 crore) and on distribution of interim dividend amounting to NIL (2022: ₹ 0.48 crore) which have been debited to equity.

3. The Board of Directors of the Parent Company in its meeting held on 17.05.2022 had recommended issue of bonus equity shares in the ratio of one equity share of ₹10 for every two equity shares of ₹10 each held and subsequently approved by the members of the Company in AGM. Pursuant to this the company has issued bonus shares in July 2022.

NOTE-32: EARNINGS PER SHARE (EPS)

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

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

Particulars	2022-23	2021-22
Profit/(loss) attributable to Equity holders (₹ in crore)	9,792.12	25,102.23
Weighted Average number of Equity Shares used for computing Earning Per Share (Basic)	13771560699	13771560699
Weighted Average number of Equity Shares used for computing Earning Per Share (Diluted)	13771560699	13771560699
Earnings Per Share (Basic) (₹)	7.11	18.23
Earnings Per Share (Diluted) (₹)	7.11	18.23
Face value per share (₹)	10.00	10.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE-32: EARNINGS PER SHARE (EPS) (Contd..)

Notes

1. 349677684 (233118456 before issue of bonus shares) Equity Shares held under IOC Share Trust of face value ₹ 349.68 crore (₹ 233.12 crore before issue of bonus shares) have been excluded from weighted average number of Equity Shares and EPS is computed accordingly.
2. Pursuant to the approval of the shareholders, the Parent Company has issued bonus shares in the ratio of one equity share of ₹10 for every two equity shares of ₹10 each held in July 2022. Accordingly, earnings per share (EPS) (basic and diluted) of FY 2021-22 have been adjusted on account of bonus shares.

NOTE – 33A: GROUP INFORMATION AND MATERIAL PARTLY OWNED SUBSIDIARIES

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Principal Activities	Country of Incorporation	Equity Interest	
			31-03-23	31-03-22
Chennai Petroleum Corporation Limited	Refining of petroleum products	India	51.89%	51.89%
IndianOil (Mauritius) Limited	Terminalling, Retailing & Aviation refuelling	Mauritius	100.00%	100.00%
Lanka IOC PLC	Retailing, Terminalling & Bunkering	Sri Lanka	75.12%	75.12%
IOC Middle East FZE	Lube blending & marketing of lubricants	UAE	100.00%	100.00%
IOC Sweden AB	Investment company for E&P Project in Venezuela & Israel	Sweden	100.00%	100.00%
IOCL (USA) Inc.	Participation in Shale Gas Asset Project	USA	100.00%	100.00%
IndOil Global B.V.	Investment company for E&P Project in Canada	Netherlands	100.00%	100.00%
IOCL Singapore PTE Limited	Investment company for E&P Project in Russia, Oman & Abu Dhabi	Singapore	100.00%	100.00%

The Holding Company

51.50% of total shares are held by President of India as at March 31,2023 (March 31,2022: 51.50%)

Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

1. **Proportion of equity interest held by non-controlling interests:**

Name	Country of incorporation	31-03-23	31-03-22
Chennai Petroleum Corporation Limited	India	48.11%	48.11%
Lanka IOC PLC	Sri Lanka	24.88%	24.88%

2. **Information regarding non-controlling interest:**

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Accumulated balances of material non-controlling interest:		
Chennai Petroleum Corporation Limited	3,115.16	1,436.91
Lanka IOC PLC	378.94	154.56
Profit/(loss) allocated to material non-controlling interest:		
Chennai Petroleum Corporation Limited	1,699.02	650.46
Lanka IOC PLC	213.12	(26.09)

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 33A: GROUP INFORMATION AND MATERIAL PARTLY OWNED SUBSIDIARIES (Contd..)

1. Summarised Balance Sheet:

(₹ in crore)

Particulars	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	31-03-23	31-03-22	31-03-23	31-03-22
Current assets	7,668.12	8,866.58	1,824.32	1,421.80
Current liabilities	6,583.06	11,505.94	512.42	1,054.27
Non-current assets	8,367.99	8,729.00	226.38	265.10
Non-current liabilities	2,977.97	3,102.91	15.24	11.44
Net assets	**6,475.08**	**2,986.73**	**1,523.04**	**621.19**
Accumulated Non-Controlling Interests	3,115.16	1,436.91	378.94	154.56

2. Summarised Statement of Profit and Loss:

(₹ in crore)

Particulars	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	2022-23	2021-22	2022-23	2021-22
Revenue From Operations	90,908.27	60,474.29	6,409.27	3,304.54
Other Income	7.19	17.74	135.83	119.22
Cost of Material Consumed	67,188.78	40,045.19	–	–
Excise Duty	14,173.57	17,098.91	–	–
Purchases of Stock in trade	375.89	47.72	5,418.61	3,623.71
Changes in inventories of finished goods, stock-in-trade and work in progress	978.65	(1,227.29)	(244.16)	(358.61)
Employee Benefits Expense	556.30	555.26	23.42	27.03
Finance Costs	330.18	412.44	124.08	110.88
Depreciation and amortization expense	573.46	503.89	10.33	16.65
Impairment Losses	–	(0.37)	0.47	–
Other Expenses	1,937.87	1,230.62	195.90	86.64
Profit before exceptional items and tax	4,800.76	1,825.66	1,016.45	(82.54)
Share of Profit of Joint Ventures/ Associates	5.66	15.59	–	–
Profit/(loss) before tax	4,806.42	1,841.25	1,016.45	(82.54)
Tax expense	1,274.89	489.22	159.85	22.32
Profit/(Loss) for the period	3,531.53	1,352.03	856.60	(104.86)
Other Comprehensive Income	(13.40)	23.50	71.48	(64.33)
Total comprehensive income	3,518.13	1,375.53	928.08	(169.19)
Profit Attributable to Non-Controlling Interests	1,699.02	650.46	213.12	(26.09)
Dividends paid to Non-Controlling Interests	14.33	–	6.52	4.16

3. Summarised Cash Flow Information:

(₹ in crore)

Particulars	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	2022-23	2021-22	2022-23	2021-22
Operating Activities	5,748.95	1,025.87	595.56	(132.93)
Investing Activities	(402.51)	(675.85)	(3.02)	75.24
Financing Activities	(5,353.55)	(342.84)	(513.64)	128.33
Currency Translation Difference	–	–	5.81	(26.69)
Net increase/(decrease) in Cash and Cash Equivalents	(7.10)	7.18	84.71	43.95

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 33B: INTEREST IN JOINT VENTURE & ASSOCIATES

A. Details of Interest in Joint Ventures & Associates is as under:

Name of entity	Place of Business	Equity Interest	
		March 31, 2023	March 31, 2022
Joint Ventures			
IndianOil Adani Ventures Limited (Formerly known as 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%	49.98%
Indian Oil 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%
Indian Oil Ruchi Biofuels LLP@	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%	45.00%
Petronet CI Limited @@	India	26.00%	26.00%
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%
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%	49.00%
Cauvery Basin Refinery and Petrochemicals Limited##	India	25.00%	–
Associates			
Avi-Oil India Private Limited	India	25.00%	25.00%
Petronet VK Limited	India	50.00%	50.00%
Petronet LNG Limited	India	12.50%	12.50%
Petronet India Limited@@@	India	18.00%	18.00%

@ 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's 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.

@@ Petronet CI Ltd. (PCIL) 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.

@@@ Petronet India Limited (PIL) 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.

The Board of IndianOil at its meeting held on 23.11.2022 has accorded in-principle approval for disinvestment of Hindustan Urvarak & Rasayan Limited.

Cauvery Basin Refinery and Petrochemicals Limited (CBRPL) has been incorporated on 6th January 2023 as a Joint Venture of Indian Oil and Chennai Petroleum Corporation Limited each holding 25% equity and balance by seed equity investors, for construction of new 9 MMTPA refinery at Cauvery Basin Nagapattinam. IndianOil has made equity contribution of 25% stake in Cauvery Basin Refinery and Petrochemicals Limited during the month of March 2023.

Note:

1. The financials of Joint Operations as mentioned in Note 34 have been included in the financial statements of Indian Oil Corporation Ltd & Subsidiary Companies and in respect of other Joint Ventures/Associates of Subsidiary Companies, the same has been included in the financial statements of respective subsidiary company.

2. Ujjwala Plus Foundation is a joint venture of IOCL, BPCL and HPCL with fund contribution in the ratio of 50:25:25 which was incorporated as a limited by guarantee Company (without share capital) under section 8 of Companies Act, 2013.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 33B: INTEREST IN JOINT VENTURE & ASSOCIATES (Contd..)

B. Summarised Financials of Material Associate / Joint Venture:

I.A. Summarised Balance Sheet of M/s Petronet LNG Limited:

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Current assets	11,846.97	8,715.35
Current liabilities	2,900.40	2,736.74
Non-current assets	10,905.52	12,646.43
Non-current liabilities	4,587.53	4,956.94
Net assets	**15,264.56**	**13,668.10**
Proportion of the Group's ownership	**1,908.07**	**1,708.51**
Carrying amount of the investment	**1,908.07**	**1,708.51**
The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	62.66	1,053.92
Current Financial Liabilities	2,044.40	2,048.39
Non-current financial liabilities	3,070.47	3,133.17

I.B. Summarised Statement of Profit and Loss of M/s Petronet LNG Limited:

(₹ in crore)

Particulars	2022-23	2021-22
Revenue From Operations	59,899.35	43,168.57
Other Income	523.07	297.73
Revenue From Operations	**60,422.42**	**43,466.30**
Cost of Material/Service Consumed	53,952.35	37,077.47
Employee Benefits Expense	169.10	177.92
Finance Costs	330.51	317.33
Depreciation and amortization expense	764.34	768.45
Other Expenses	785.92	565.84
Profit/(loss) Before tax	**4,420.20**	**4,559.29**
Tax expense:		
Current Tax	1,222.00	1,169.18
Deferred Tax	(127.62)	(48.01)
Profit/(Loss) for the year	**3,325.82**	**3,438.12**
Other Comprehensive Income	(4.36)	(1.92)
Total comprehensive income	**3,321.46**	**3,436.20**
Group's Share in above:		
Profit/(Loss) for the period	415.73	429.76
Other Comprehensive Income	(0.54)	(0.24)
Total comprehensive income	**415.19**	**429.52**
Dividend received	215.62	196.87

II.A. Summarised Balance Sheet of M/s Indian Oil Petronas Private Limited:

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Current assets	1,044.00	928.32
Current liabilities	116.72	213.11
Non-current assets	817.85	918.37
Non-current liabilities	217.29	274.38
Net assets	**1,527.84**	**1,359.20**
Proportion of the Group's ownership	**763.92**	**679.60**
Carrying amount of the investment	**691.53**	**607.18**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 33B: INTEREST IN JOINT VENTURE & ASSOCIATES (Contd..)

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	35.95	284.75
Current Financial Liabilities	89.46	193.36
Non-current financial liabilities	137.48	196.32

II.B. Summarised Statement of Profit and Loss of M/s Indian Oil Petronas Private Limited:

(₹ in crore)

Particulars	2022-23	2021-22
Revenue From Operations	3,354.57	2,956.66
Other Income	40.59	32.20
Revenue From Operations	**3,395.16**	**2,988.86**
Cost of Material/Service Consumed	2,719.65	2,393.93
Employee Benefits Expense	21.57	20.84
Finance Costs	16.85	24.71
Depreciation and amortization expense	75.93	77.78
Other Expenses	225.69	216.66
Profit/(loss) Before tax	**335.47**	**254.94**
Tax expense:		
Current Tax	84.47	66.62
Deferred Tax	1.75	(1.45)
Profit/(Loss) for the year	**249.25**	**189.77**
Other Comprehensive Income	**(0.21)**	0.04
Total comprehensive income	**249.04**	**189.81**
Group's Share in above:		
Profit/(Loss) for the period	124.62	94.88
Other Comprehensive Income	(0.10)	0.02
Total comprehensive income	**124.52**	**94.90**
Dividend received	40.20	120.60

C. Details in respect of other Joint Venture & Associates:

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Carrying Amount of Investments		
Joint Ventures	11,130.47	9,437.05
Associates	22.73	19.33
Aggregate amounts of the group's share of other Joint Ventures:		
Share of Profits After Tax	134.41	164.24
Other comprehensive income	(14.07)	(6.85)
Total comprehensive income	**120.34**	**157.39**
Aggregate amounts of the group's share of other Associates:		
Share of Profits After Tax	4.04	1.61
Other comprehensive income	(0.01)	(0.01)
Total comprehensive income	**4.03**	**1.60**

D. Group's share in Capital Commitments and Contingent Liabilities in respect of Joint Venture & Associates is as under:

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Capital Commitments	3,323.36	3,692.61
Contingent Liabilities	1,071.41	864.02

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE-34: INTEREST IN JOINT OPERATIONS

A. The Group's interest in Joint Operations are as under:

Name		Principle place of business	Proportion of Ownership Interest March 31, 2023	Proportion of Ownership Interest March 31, 2022
E&P Blocks				
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%
12) MB/OSDSF/WO5/2021	E	India	30.00%	-
13) KG/OSDSF/CHANDRIKA/2021		India	30.00%	-
14) North Montney Joint Venture		Canada	10.00%	10.00%
15) Niobrara Shale Project		USA	10.00%	10.00%
16) Mukhaizna Oil Field		Oman	17.00%	17.00%
Others				
17) INDOIL Netherlands B.V.	F	Netherlands	50.00%	50.00%

A. Exploration License expired on October 7, 2015. Consortium has requested Directorate General of Hydrocarbon (DGH) for Appraisal phase, however vide letter dated March 6, 2019, it was opined to carry out Exploration activity instead of Appraisal work. Accordingly, Operator requested DGH for extension of exploration period. Response from DGH is awaited.

B. 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

E. Blocks awarded under Discovered Small Field (DSF) Bid Round-III

F. IOC Sweden AB through its JV INDOIL Netherlends B.V has invested in Petrocarabobo project, the outcome of this investment may get delayed due to the political and economic situation in Venezuela.

B. The Group share of Financial position of Joint Operations are as under:

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Assets	**9,677.40**	**9,172.63**
PPE (including Producing Properties)	6,495.65	6,226.82
Capital Work in Progress	395.02	340.91
Intangible Asset under Development (Net of Provisions)	2,021.23	1,953.03
Other Assets (Net of Provisions)	765.50	651.87
Liabilities & Provisions	**5,469.78**	**5,130.42**
Liabilities	4,968.45	4,552.18
Provisions	501.33	578.24
Income	**3,460.34**	**3,188.18**
Sale of Products (Net of Own Consumption)	3,457.19	3,188.05
Other Income	3.15	0.13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE-34: INTEREST IN JOINT OPERATIONS (Contd..)

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Expenditure	**2,976.24**	**2,890.20**
Expenditure written off (incl exploration related)	2.14	–
Other Costs (incl exploration related)	2,974.10	2,890.20
Net Results	**484.10**	**297.98**
Commitments	**2,432.02**	**715.14**
Contingent Liabilities	**–**	**–**

Note: Including financial position of relinquished blocks.

NOTE-35A: DISCLOSURE RELATING EXPLORATION AND PRODUCTION ACTIVITIES

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

(₹ in crore)

Name	March 31, 2023	March 31, 2022
(i) Assets	**220.76**	**211.00**
- Intangible Assets under Development	217.58	205.23
- Capital Work in Progress	–	0.70
- Other Assets	3.18	5.07
(ii) Liabilities	**128.46**	**84.84**
- Provisions	12.48	2.31
- Other Liabilities	115.98	82.53
(iii) Income	**–**	**–**
(iv) Expenses	**39.05**	**27.89**
- Exploration expenditure written off	2.14	–
- Other exploration costs	36.91	27.89
(v) Cash Flow		
- Net Cash from/(used) in operating activities	2.73	(29.10)
- Net Cash from/(used) in investing activities	(7.91)	(0.52)

NOTE-35B: IN COMPLIANCE OF REVISED GUIDANCE NOTE ON ACCOUNTING FOR OIL AND GAS PRODUCING ACTIVITIES, THE REQUIRED DISCLOSURES IN RESPECT OF RESERVES ARE AS UNDER:

Net Proved Reserves of Crude Oil, Condensate, Natural Gas Liquids and Gas:

Assets		March 31, 2023 Crude Oil, Condensate, NGLs (TMT)	March 31, 2023 Natural Gas (Million Cubic Meter)	March 31, 2022 Crude Oil, Condensate, NGLs (TMT)	March 31, 2022 Natural Gas (Million Cubic Meter)
A) Proved Reserves					
Niobrara Shale Project, USA	Begining	125.21	39.67	166.54	48.79
	Addition	117.03	39.46	–	–
	Deduction	–	–	32.57	5.66
	Production	5.68	2.43	8.76	3.46
	Balance	**236.56**	**76.70**	**125.21**	**39.67**
Pacific Northwest LNG, Canada	Begining	1,641.38	12,629.16	1,384.97	10,372.70
	Addition	368.89	2,877.47	325.22	2,861.07
	Deduction	–	–	–	–
	Production	105.82	712.97	68.81	604.62
	Balance	**1,904.45**	**14,793.66**	**1,641.38**	**12,629.16**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE-35B: IN COMPLIANCE OF REVISED GUIDANCE NOTE ON ACCOUNTING FOR OIL AND GAS PRODUCING ACTIVITIES, THE REQUIRED DISCLOSURES IN RESPECT OF RESERVES ARE AS UNDER: (Contd..)

Assets		March 31, 2023		March 31, 2022	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
		TMT	Million Cubic Meter	TMT	Million Cubic Meter
Oman	Begining	5,332.96	–	5,154.18	–
	Addition	793.97	–	995.66	–
	Deduction	–	–	–	–
	Production	764.41	–	816.88	–
	Balance	**5,362.52**	**–**	**5,332.96**	**–**
Assam AAP-ON-94/1	Begining	17.73	929.90	26.15	1,030.54
	Addition	–	–	–	–
	Deduction	–	–	–	–
	Production	7.30	91.64	8.42	100.64
	Balance	**10.43**	**838.26**	**17.73**	**929.90**
Total Proved Reserves		**7,513.96**	**15,708.62**	**7,117.28**	**13,598.73**
B) Proved Developed Reserves					
Niobrara Shale Project, USA	Begining	59.64	23.75	56.06	19.91
	Addition	10.56	3.59	12.34	7.30
	Deduction	–	–	–	–
	Production	5.68	2.43	8.76	3.46
	Balance	**64.52**	**24.91**	**59.64**	**23.75**
Pacific Northwest LNG, Canada	Begining	516.52	3,911.89	326.58	2,830.77
	Addition	191.51	1,607.13	258.75	1,685.73
	Deduction	–	–	–	–
	Production	105.83	712.97	68.81	604.62
	Balance	**602.20**	**4,806.05**	**516.52**	**3,911.88**
Oman	Begining	4,476.55	–	4,453.09	–
	Addition	863.25	–	840.34	–
	Deduction	–	–	–	–
	Production	764.41	–	816.88	–
	Balance	**4,575.39**	**–**	**4,476.55**	**–**
Assam AAP-ON-94/1	Begining	17.73	929.90	26.15	1,030.54
	Addition	–	–	–	–
	Deduction	–	–	–	–
	Production	7.30	91.64	8.42	100.64
	Balance	10.43	838.26	**17.73**	**929.90**
Total Proved Developed Reserves		**5,252.54**	**5,669.22**	**5,070.44**	**4,865.53**

Net Proved Reserves & Proved Developed Reserves of Crude Oil, Condensate, Natural Gas Liquids and Gas on Geographical Basis:

Details	March 31, 2023		March 31, 2022	
	Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
	TMT	Million Cubic Meter	TMT	Million Cubic Meter
A) Proved Reserves				
U.S.	236.56	76.70	125.21	39.67
Canada	1,904.45	14,793.66	1,641.38	12,629.16
Oman	5,362.52	–	5,332.96	–
India	10.43	838.26	17.73	929.90
Total Proved Reserves	**7,513.96**	**15,708.62**	**7,117.28**	**13,598.73**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE-35B: 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, 2023		March 31, 2022	
	Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
	TMT	Million Cubic Meter	TMT	Million Cubic Meter
B) Proved Developed Reserves				
U.S.	64.52	24.91	59.64	23.75
Canada	602.20	4,806.05	516.52	3,911.88
Oman	4,575.39	–	4,476.55	–
India	10.43	838.26	17.73	929.90
Total Proved Developed Reserves	**5,252.54**	**5,669.22**	**5,070.44**	**4,865.53**

Frequency

The Group uses in house study as well as third party agency each year for reserves certification who adapt latest industry practices for reserve evaluation. For the purpose of estimation of Proved and Proved developed reserves, deterministic method is used by the company. The annual revision of estimates is based on the yearly exploratory and development activities and results thereof.

NOTE – 36: 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 Group has recognised ₹29.54 crore (2022: ₹32.08 crore) as contribution to EPS-95 in the Statement of Profit and Loss/CWIP (included in Contribution to Provident and Other Funds in Note - 27/Construction period expenses in Note-2.2) .

Pension Scheme

During the year, the Group has recognised ₹463.06 crore (2022: ₹538.81 crore) towards Defined Contributory Employees Pension Scheme (including contribution in corporate National Pension Scheme) in the Statement of Profit and Loss/CWIP (included in Contribution to Provident and Other Funds in Note - 27/Construction period expenses in Note-2.2).

B. Defined Benefit Plans- General Description

Provident Fund:

The Group's contribution to the Provident Fund are remitted to the 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 Group.

In line with the EAC opinion dated 12.05.2022, provision towards distress investment amounting to ₹406.45 crore has been reversed during the year (2022: additional provision of ₹355.01 crore) by the company. Additionally, ₹128.28 crore has been provided as loss due to Remeasurement of Defined Benefit Plans under Other Comprehensive Income as per Actuarial Report.

Gratuity:

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

Post Retirement Medical Benefit Facility (PRMBF):

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 36: 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 Parent Company has a scheme to felicitate retired employees on attaining different age milestones with a token lumpsum amount.

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 (MoPNG) 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 parent 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 parent company.

Long Service Award:

On completion of specified period of service with the Group and also at the time of retirement, employees are rewarded with amounts based on the length of service completed. It is a mode of 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 Parent Company has been clarifying its position to MoPNG 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 MoPNG for resolution. Pending this the provision is in line with Board approved policy.

Leave Fare Allowance (LFA) / Leave Travel Concession (LTC):

LTC is allowed once in a period of two calendar years (viz. two yearly block). An employee has, in any given block period of two years, an option of availing LTC or encashing the entilements of LFA.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 36: EMPLOYEE BENEFITS (Contd..)

D. The summarised position of various Defined Benefit Plans recognised in the Statement of Profit & Loss, Balance Sheet and Other Comprehensive Income are as under:

(Figures given in Unbold & Italic Font in the table are for previous year)

(i) Reconciliation of balance of Defined Benefit Plans

(₹ in crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Defined Obligation at the beginning of the year	**18,699.86**	**2,811.77**	**7,299.79**	**118.90**	**255.36**	**467.25**
	18,124.08	*2,907.22*	*6,785.75*	*127.26*	*236.23*	*486.39*
Opening Balance Adjustment	**(1.32)**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*
Current Service Cost	**536.82**	**58.09**	**291.97**	**16.86**	**-**	**1.73**
	513.75	*51.28*	*277.28*	*18.37*	*-*	*2.02*
Past Service Cost	**-**	**-**	**-**	**-**	**-**	**-**
	(262.26)	*-*	*-*	*-*	*-*	*-*
Interest Cost	**1,535.20**	**205.46**	**540.18**	**8.69**	**17.77**	**34.58**
	1,438.72	*200.63*	*468.90*	*8.78*	*14.95*	*33.61*
Contribution by employees	**1,036.46**	**-**	**-**	**-**	**-**	**-**
	1,112.53	*-*	*-*	*-*	*-*	*-*
Net Liability transferred In/(Out)	**222.17**	**-**	**-**	**-**	**-**	**-**
	187.37	*-*	*-*	*-*	*-*	*-*
Benefits paid	**(2,418.03)**	**(302.51)**	**(309.02)**	**(8.69)**	**(35.73)**	**(17.54)**
	(2,414.60)	*(319.28)*	*(281.54)*	*(8.33)*	*(36.40)*	*(16.63)*
Actuarial (gain)/loss on obligations	**129.99**	**(49.37)**	**94.36**	**(22.68)**	**20.79**	**(15.17)**
	0.27	*(28.08)*	*49.40*	*(27.18)*	*40.58*	*(38.14)*
Defined Benefit Obligation at the end of the year	**19,741.15**	**2,723.44**	**7,917.28**	**113.08**	**258.19**	**470.85**
	18,699.86	*2,811.77*	*7,299.79*	*118.90*	*255.36*	*467.25*

(ii) Reconciliation of balance of Fair Value of Plan Assets

(₹ in crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the beginning of the year	**18,992.42**	**2,822.14**	**7,201.68**	**-**	**-**	**-**
	17,994.59	*2,884.03*	*6,533.15*	*-*	*-*	*-*
Opening Balance Adjustment	**(5.81)**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*
Interest Income	**1,534.84**	**206.22**	**532.92**	**-**	**-**	**-**
	1,438.44	*199.05*	*451.44*	*-*	*-*	*-*
Contribution by employer	**536.82**	**70.13**	**252.50**	**-**	**-**	**-**
	513.75	*20.29*	*409.71*	*-*	*-*	*-*
Contribution by employees	**1,036.46**	**-**	**1.18**	**-**	**-**	**-**
	1,112.53	*-*	*1.24*	*-*	*-*	*-*
Net Liability transferred In/(Out)	**222.24**	**-**	**-**	**-**	**-**	**-**
	187.37	*-*	*-*	*-*	*-*	*-*
Benefit paid	**(2,418.03)**	**(286.61)**	**(301.28)**	**-**	**-**	**-**
	(2,414.60)	*(301.69)*	*(275.53)*	*-*	*-*	*-*
Provision for NPA	**-**	**-**	**-**	**-**	**-**	**-**
	(612.36)	*-*	*-*	*-*	*-*	*-*
Expected Contribution for NPA	**-**	**-**	**-**	**-**	**-**	**-**
	612.36	*-*	*-*	*-*	*-*	*-*
Re-measurement (Return on plan assets excluding Interest Income)	**9.79**	**5.33**	**41.12**	**-**	**-**	**-**
	160.34	*20.46*	*81.67*	*-*	*-*	*-*
Fair value of plan assets at the end of the year	**19,908.73**	**2,817.21**	**7,728.12**	**-**	**-**	**-**
	18,992.42	*2,822.14*	*7,201.68*	*-*	*-*	*-*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 36: EMPLOYEE BENEFITS (Contd..)

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

(₹ in crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the end of the year	**19,908.73**	**2,817.21**	**7,728.12**	**-**	**-**	**-**
	18,992.42	*2,822.14*	*7,201.68*	*-*	*-*	*-*
Defined Benefit Obligation at the end of the year (Net of Interest Shortfall)	**19,741.15**	**2,723.44**	**7,917.28**	**113.08**	**258.19**	**470.85**
	18,699.86	*2,811.77*	*7,299.79*	*118.90*	*255.36*	*467.25*
Amount not recognised in the Balance Sheet (as per para 64 of Ind-As 19)	**302.76**	**-**	**-**	**-**	**-**	**-**
	297.46	*-*	*-*	*-*	*-*	*-*
Net Liability/(Assets) recognised in the Balance Sheet	**135.18**	**(93.77)**	**189.16**	**113.08**	**258.19**	**470.85**
	4.90	*(10.37)*	*98.11*	*118.90*	*255.36*	*467.25*

(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	**536.82**	**58.09**	**291.97**	**16.86**	**-**	**1.73**
	513.75	*51.28*	*277.28*	*18.37*	*-*	*2.02*
Past Service Cost	**-**	**-**	**-**	**-**	**-**	**-**
	(262.26)	*-*	*-*	*-*	*-*	*-*
Net Interest Cost	**0.36**	**(0.76)**	**7.26**	**8.69**	**17.77**	**34.58**
	0.28	*1.58*	*17.46*	*8.78*	*14.95*	*33.61*
Contribution by Employees	**-**	**-**	**(1.18)**	**-**	**-**	**-**
	-	*-*	*(1.36)*	*-*	*-*	*-*
Expected Contribution for NPA	**-**	**-**	**-**	**-**	**-**	**-**
	612.36	*-*	*-*	*-*	*-*	*-*
Actuarial (gain)/loss on obligations due to Future Interest Shortfall	**-**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*
Expenses for the year	**537.18**	**57.33**	**298.05**	**25.55**	**17.77**	**36.31**
	864.13	*52.86*	*293.38*	*27.15*	*14.95*	*35.63*

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

(₹ in crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Actuarial (gain)/loss on Obligations - Due to change in Demographic assumptions	**-**	**(0.16)**	**-**	**-**	**-**	**-**
	-	*(4.62)*	*(1.79)*	*1.71*	*-*	*(11.82)*
Actuarial (gain)/loss on Obligations - Due to change in Financial assumptions	**1.71**	**(35.31)**	**(32.80)**	**(3.00)**	**(4.84)**	**19.29**
	0.27	*(93.05)*	*(581.55)*	*(7.28)*	*(6.39)*	*(24.09)*
Actuarial (gain)/loss on Obligations - Due to Experience	**128.28**	**(13.90)**	**127.16**	**(19.68)**	**25.63**	**(34.46)**
	-	*69.59*	*632.74*	*(21.61)*	*46.97*	*(2.23)*
Re-measurement (Return on plan assets excluding Interest Income)	**-**	**5.33**	**41.12**	**-**	**-**	**-**
	-	*20.46*	*81.67*	*-*	*-*	*-*
Amount recoverable from employee adjusted in OCI	**-**	**-**	**-**	**-**	**-**	**-**
	-	*(200.56)*	*(643.89)*	*-*	*-*	*-*
Net Loss/(Gain) recognized in OCI #	**129.99**	**(54.70)**	**53.24**	**(22.68)**	**20.79**	**(15.17)**
	0.27	*152.02*	*611.62*	*(27.18)*	*40.58*	*(38.14)*

Net of Translation difference loss/ (gain) amounting to ₹0.12 crore (2022: ₹0.05 crore)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 36: EMPLOYEE BENEFITS (Contd..)

(vi) Major Actuarial Assumptions*

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Discount rate	**7.49%**	**7.49%**	**7.53%**	**7.49%**	**7.46%**	**7.53%**
	7.27%	*7.31%*	*7.40%*	*7.31%*	*6.96%*	*7.40%*
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**
	-	*17*	*30*	*17*	*9*	*30*
Mortality rate during employment		**Indian Assured Lives Mortality (2012-14) Urban**				
	-	*Indian Assured Lives Mortality (2012-14) Urban*				

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.

* Assumptions considered in actuarial valuation of defined benefit obligations of the Parent Company.

(vii) Sensitivity on Actuarial Assumptions:

(₹ in crore)

Loss/(Gain) for:	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Change in Discounting Rate						
Increase by 1%	**-**	**(256.48)**	**(364.41)**	**(14.59)**	**(9.10)**	**(67.02)**
	-	*(260.03)*	*(331.16)*	*(15.11)*	*(9.45)*	*(42.61)*
Decrease by 1%	**281.59**	**171.08**	**439.59**	**18.42**	**9.90**	**25.27**
	-	*175.32*	*399.14*	*19.08*	*10.32*	*51.84*
Change in Salary Escalation						
Increase by 1%	**-**	**(9.87)**	**-**	**-**	**-**	**-**
	-	*(1.64)*	*-*	*-*	*-*	*-*
Decrease by 1%	**-**	**(117.66)**	**-**	**-**	**-**	**-**
	-	*(125.47)*	*-*	*-*	*-*	*-*
Change in Inflation Rate						
Increase by 1%	**-**	**-**	**962.31**	**-**	**-**	**-**
	-	*-*	*875.03*	*-*	*-*	*-*
Decrease by 1%	**-**	**-**	**(788.46)**	**-**	**-**	**-**
	-	*-*	*(716.24)*	*-*	*-*	*-*

(viii) Investment details:

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Investment with Insurer	**-**	**99.62%**	**88.82%**
	-	*99.62%*	*86.07%*
Self managed investments	**100.00%**	**0.38%**	**11.18%**
	100.00%	*0.38%*	*13.93%*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 36: EMPLOYEE BENEFITS (Contd..)

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)	**54.08%**	**85.56%**	**13.17%**
	51.10%	*53.99%*	*18.38%*
Investment in Equity/Mutual Funds	**7.50%**	**0.80%**	**30.42%**
	8.04%	*1.91%*	*16.34%*
Investment in Debentures/Securities	**36.77%**	**10.42%**	**56.39%**
	38.24%	*41.85%*	*65.26%*
Other approved investments (incl. Cash)	**1.65%**	**3.21%**	**0.02%**
	2.62%	*2.25%*	*0.02%*

* In case of Parent Company, pending receipt of investment pattern from LIC, pattern above pertains to self managed funds & funds managed by other insurers and the actual investment pattern after considering the details from LIC shall vary.

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

(₹ in crore)

Cash Flow Projection from the Fund/Employer	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Within next 12 Months	**327.30**	**305.58**	**8.01**	**49.21**	**25.32**
	341.71	*283.37*	*8.32*	*30.21*	*25.35*
Between 1 to 5 Years	**966.45**	**1,327.73**	**22.96**	**149.83**	**117.52**
	1,007.51	*1,225.00*	*26.19*	*94.49*	*109.88*
Between 6 to 10 Years	**1,087.02**	**1,885.89**	**30.92**	**102.90**	**172.01**
	1,122.57	*1,726.50*	*32.45*	*68.49*	*166.28*

NOTE-37: COMMITMENTS AND CONTINGENCIES

A. Leases

(a) As Lessee

The Group has entered into various material lease arrangements (including in substance lease arrangements) such as lands and buildings for the purpose of its plants, facilities, offices, retail outlet etc., storage tankages facility for storing petroleum products, time charter arrangements for 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, way leave licences and port facilities among others.

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

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

1. BOOT Agreement in respect of Tankages facility at Paradip for a period of 15 years. Lessor will transfer ownership to IOCL after 15 years at Nil value.
2. BOOT Agreement in respect of Water Intake facility at Paradip for a period of 25 years. Lessor will transfer ownership to IOCL after 25 years at ₹ 0.01 crore.
3. Leasehold lands from government for the purpose of plants, facilities and offices for the period 30 to 90 years.
4. Agreements with vessel owners for hiring of dedicated time charter vessels for transportation of Company's crude and petroleum products, these are classified as Transport Equipments.
5. BOO Agreement for supply of oxygen and nitrogen at Panipat Refinery. The land is owned by IOCL and the plant is being operated by contractor for supply of oxygen and nitrogen to IOCL.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE-37: COMMITMENTS AND CONTINGENCIES (Contd..)

6. BOO Agreement for leasing of Nitrogen & Hydrogen Plant at Paradip for 15 years .
7. BOOT Agreement for leasing of Quality Control Lab at Paradip for 10 years. Lessor will transfer the Assets after 10 years at ₹ 0.01 crore.
8. BOO Agreement for supply of Oxygen and Nitrogen Gas to IOCL Ethylene Glycol project at Paradip Refinery for a period of 20 years.
9. Arrangements with Adani Ports and Special Economic Zone Limited related to port facilities at Mundra for a period of 25 years and 11 months.
10. Arrangements with Adani Ports and Special Economic Zone Limited related to land for a period of 8 years and 2 months for setting up tank farm at Mundra Port, Gujarat for storing crude oil.
11. 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.
12. CFA handling arrangement with CFAs for providing dedicated storage facility for handling lubes.
13. Arrangements with Tank truck operators for providing dedicated tank trucks for transportation of Group's petroleum products.
14. Arrangement for dedicated storage tanks for storing Group's petroleum products at various locations.
15. Employee Township at Cauvery Basin Refinery of CPCL (Subsidiary) has been constructed on land area of thirty four acres and forty nine cents leased from a trust on five year renewable basis.

Amount Recognized in the Statement of Profit and Loss or Carrying Amount of Another Asset

(₹ in crore)

Particulars	2022-23		2021-22	
Depreciation recognized		2,175.93		1,653.63
Interest on lease liabilities		831.99		776.05
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)*		1,366.65		1,601.51
Expenses relating to leases of low-value assets, excluding short-term leases of Low-value assets		32.68		29.11
Variable lease payments not included in the measurement of lease liabilities		10,355.04		9,784.12
Income from sub-leasing right-of-use assets				
- As Rental income from Operating Lease	25.31		23.29	
- As Finance income from Finance Lease of RoU Asset	0.10	25.41	0.28	23.57
Total cash outflow for leases		4,275.11		3,072.06
Additions to ROU during the year		2,747.73		1,642.32
Gain or losses arising from sale and leaseback transactions		–		–
Net Carrying Amount of ROU at the end the year		9,734.76		9,161.14
Others including Disputed, Leave & License, Reversal of excess liability of previous year, exchange fluctuation on lease liability etc.		666.05		275.55

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE-37: COMMITMENTS AND CONTINGENCIES (Contd..)

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

2022-23 (₹ in crore)

Asset Class	Net Carrying value as at April 01, 2022	Additions to RoU Asset during the Year**	Depreciation Recognized During the Year**	Net Carrying value as at March 31, 2023
Leasehold Land	3,748.69	798.42	330.37	4216.74
Buildings Roads etc.	341.77	20.36	37.77	324.36
Plant & Equipment	3,370.49	316.34	266.29	3420.54
Transport Equipments	1,700.15	1,614.67	1,541.72	1773.10
Railway Sidings	0.04	–	0.03	0.01
Total	**9,161.14**	**2,749.79**	**2,176.18**	**9,734.75**

2021-22 (₹ in crore)

Asset Class	Items Added to RoU Asset as on April 1, 2021	Additions to RoU Asset during the Year**	Depreciation Recognized During the Year**	Net Carrying value as at March 31, 2022
Leasehold Land	4,171.61	(161.39)	265.03	3745.19
Buildings Roads etc.	350.84	27.17	32.74	345.27
Plant & Equipment	3,637.19	0.91	267.61	3370.49
Transport Equipments	1,014.85	1,772.50	1,087.20	1700.15
Railway Sidings	0.10	0.01	0.07	0.04
Total	**9,174.59**	**1,639.20**	**1,652.65**	**9,161.14**

** Additions to RoU Asset during the year is net of RoU Assets given on Sublease or modifications and cancellations during the year, if any.

**Includes ₹ 2.07 crore (2022: ₹ (3.12) crore) on account of FCTR difference in Additions and ₹ 0.25 crore (2022: ₹ (0.98) crore) under Depreciation.

As per requirement of the standard, maturity analysis of Lease Liabilities have been shown separately from the maturity analysis of other financial liabilities under Liquidity Risk-Note 41: Financial Instruments & Risk Factors.

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

(i) Variable Lease Payments

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

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

(ii) Extension and Termination Options

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE-37: COMMITMENTS AND CONTINGENCIES (Contd..)

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

(iii) Residual Value Guarantees

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

(iv) Committed leases which are yet to commence

1. Parent Company has entered into lease agreement on BOO basis for supply of 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.
2. Parent Company has paid Advance Upfront Premium of ₹ 72.56 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.
3. Parent 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. Out of this the agreement is yet to be executed for 1 RO with upfront premium of ₹ 4.33 crore and therefore the amount is lying as Capital Advance and shall form part of ROU Assets once lease is commenced.
4. Parent 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 ₹ 1200-1400/month and for 1 vendor ₹ 2450/month. As at March 31, 2023, 3022 no's are yet to be supplied. However, the same are low value items.
5. Parent 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.
6. Parent Company has entered into centralised lease agreement with M/s Trimble for rent payment of ₹373/month for VTS software for POL trucks customised to IOCL requirement for a period of 5 years. As at March 31, 2023 total 3354 Nos are yet to be installed. However, payment is in the nature of variable lease payment.
7. Parent Company has entered into lease agreement with various vendors for VTS software of LPG trucks for a period of 5 years at a rental ranging from ₹ 108-256/month. As at March 31, 2023 a total of 1976 nos. of VTS are yet to be installed. However, payment is in the nature of variable lease payment.
8. Parent Company has entered into lease agreement with M/s Fox Solutions Pvt Ltd for IoT software & equipments for Swagat RO's for a period of 3 years at a rental of ₹4950/month. As at March 31, 2023 a total of 109 nos. of equipments are yet to be installed. However, the same are low value items.
9. Parent Company has entered into lease agreement with M/s Seven Islands Shipping Ltd for hiring time chartered vessels for the period of 2 years to be commenced from the month of Apr'2023.
10. Parent company has entered into lease agreement for Supply, Installation and Maintenance of Dual Network Connectivity Solution (SD-WAN Solutions) with Managed Services on rental basis for ROs for a period of 5 years on OPEX Model with monthly rental of ₹2113/-. Out of selected RO's, commissioning is pending in 5204 RO's. However, payment is in the nature of variable lease payment.
11. The Parent Company has entered into lease agreement with NHAI for lease agreements of 12 sites to set up retail outlets in Delhi/Haryana Region for a period of 15 years with monthly rentals of ₹1.43 crore for each RO out of which 8 sites are pending for hand over, hence not capitalized as ROU assets & shown as committed leases. The Company has entered into lease agreement with NHAI for lease agreements of 4 sites to set up retail outlets in Rajasthan Region for a period of 15 years with monthly rentals of ₹ 0.68 crore for each RO out of which 2 sites are pending for hand over, hence not capitalized as ROU assets & shown as committed leases.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE-37: COMMITMENTS AND CONTINGENCIES (Contd..)

(b) As Lessor

(i) Operating Lease

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

(₹ in crore)

Particulars	2022-23	2021-22
Lease rentals recognized as income during the year	121.24	131.23
– Variable Lease	41.48	56.16
– Others	79.76	72.17

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

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

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Less than one year	54.70	58.85
One to two years	47.19	46.43
Two to three year	18.94	43.52
Three to four years	2.20	16.59
Four to five years	0.41	2.18
More than five years	0.16	0.44
Total	**123.60**	**168.01**

(ii) Finance Lease

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

(i) Parent 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.

(ii) Parent Company has entered into sublease arrangement of Office Space to PCRA for a period of 3 years. The same has been classified as finance lease as the sub-lease is for the whole of the remaining term of the head lease.

(iii) Parent Company has entered into a lease agreement with Indian Synthetic Rubber Private Limited in which the Company has leased out land for one time upfront payment of ₹ 16.65 crore

(iv) Parent Company has subleased certain Office Premises to IHB Limited.

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

(₹ in crore)

Particulars	2022-23	2021-22
Selling Profit and Loss	(0.01)	0.58
Finance income on the net investment in the lease	0.10	0.28

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Gross Investments in Finance Lease	24.95	123.96
Less: Unearned Finance Income	0.01	0.12
Less: Finance Income received	0.47	40.68
Less: Minimum Lease payment received	23.54	79.82
Less: Adjustment during the year	0.19	–
Net Investment in Finance Lease as on Date	**0.74**	**3.34**
Opening Net Investment in Finance Lease	3.34	4.06
Add: New Leases added during the year	0.02	3.08
Less: PV of Minimum Lease payment received during the year	2.43	3.80
Less: Adjustments during the year	0.19	–
Closing Net Investment in Finance Lease	**0.74**	**3.34**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE-37: COMMITMENTS AND CONTINGENCIES (Contd..)

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

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Less than one year	0.74	2.61
One to two years	0.01	0.85
Two to three year	–	–
Three to four years	–	–
Four to five years	–	–
More than five years	–	–
Total Undiscounted Lease Payment	**0.75**	**3.46**
Less: Unearned finance Income	0.01	0.12
Net Investment in Finance Lease as on date	**0.74**	**3.34**

B. Contingent Liabilities

B.1 Claims against the Group not acknowledged as debt

Claims against the Group not acknowledged as debt amounting to ₹ 9688.87 crore (2022: ₹8695.07 crore) are as under:

B.1.1 ₹649.23 crore (2022: ₹51.69 crore) being the demands raised by the Central Excise/Customs/Service Tax/GST Authorities including interest of ₹222.56 crore (2022: ₹18.93 crore.)

B.1.2 ₹38.36 crore (2022: ₹40.21 crore) in respect of demands for Entry Tax from State Governments including interest of ₹8.62 crore (2022: ₹8.62 crore).

B.1.3 ₹1296.74 crore (2022: ₹1985.23 crore) being the demands raised by the VAT/Sales Tax Authorities including interest of ₹534.91 crore (2022: ₹786.26 crore).

B.1.4 ₹2276.11 crore (2022: ₹2318.42 crore) in respect of Income Tax demands including interest of ₹127.82 crore (2022: ₹113.34 crore).

B.1.5 ₹5060.27 crore (2022: ₹3914.06 crore) including ₹4122.62 crore (2022: ₹3327.03 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹221.51 crore (2022: ₹95 crore).

B.1.6 ₹368.16 crore (2022: ₹385.46 crore) in respect of other claims including interest of ₹29.11 crore (2022: ₹42.71 crore).

The Group has not considered those disputed demands/claims as contingent liabilities, for which, the outflow of resources has been considered as remote. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. Contingent liabilities in respect of joint operations are disclosed in Note 34.

B.2 Other money for which the Group is Contingently Liable

B.2.1 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.2.2 As on 31.03.2023, Parent Company has contingent liability of ₹ 479.08 crore (2022: ₹ 236.85 crore) 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 ₹ 1437.24 crore (2022: ₹ 710.54 crore) 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. In case the Parent Company decides to export such capital goods, the associated costs shall not be significant.

C. Commitments

C.1 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account and thus not provided for ₹ 74728.35 crore (2022: ₹ 53302.04 crore) inclusive of taxes.

C.2 Other Commitments

C.2.1 The Group has an export obligation to the extent of ₹ 219.05 crore (2022: ₹ 147.02 crore) on account of concessional rate of duty availed under EPCG license scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.

C.2.2 Estimated amount of commitments in respect of CY-ONHP-2018/1 block is ₹ 159.19 crore (2022: ₹ 146.83 crore). Commitments in respect of Joint Operations are disclosed in Note 34B.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE-37: COMMITMENTS AND CONTINGENCIES (Contd..)

C.2.3 The Group has issued Corporate Guarantee, on behalf of IndianOil Adani Gas Private Limited (IOAGPL), to the extent of obligations of later company under Performance Bank Guarantee facility provided to IOAGPL by State Bank of India, Canara Bank, Bank of Baroda, Indian Bank, IndusInd Bank, Jammu and Kashmir Bank, Axis Bank and ICICI Bank. The Company's share of such obligation is estimated at ₹ 3,533.46 crore (2022: ₹ 3533.46 crore).

C.2.4 The Group has issued Parent Company Guarantee in favour of Abu Dhabi National Oil Company, on behalf of Urja Bharat Pte. Ltd., Singapore (a joint venture company of Company's subsidiary i.e. IOCL Singapore Pte Ltd) to fulfill the joint venture Company's future obligations of payment and performance of Minimum Work Programme. The total amount sanctioned by the Board of Directors is USD 89.7 million. The estimated amount of such obligation (net of amount paid) is ₹239.95 crore - USD 29.20 million (2022: ₹ 395.66 crore - USD 52.20 million).

C.2.5 The Group has entered into Signature Bonus Agreement with Republic of Venezuela payable on achievement of various project timelines. The estimated amount of such obligation is at ₹ 467.51 crore (2022: ₹ 431.01 crore).

D. Contingent assets

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
In respect of interest claim	-	19.50
Total	**-**	**19.50**

NOTE – 38: RELATED PARTY DISCLOSURES

As required by Ind-AS -24 "Related Party Disclosures", are given below :

1. Joint Ventures (JVs)/Associate of IOCL & their subsidiaries and JVs of Subsidiaries of IOCL:

A) Details of Joint Ventures (JVs)/Associate Entities to IOCL & its Subsidiaries:

1)	IndianOil Adani Ventures Limited (formerly known as 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
19)	IndianOil - Adani Gas Private Limited	40)	Trinco Petroleum Terminal (Private) Limited
20)	Mumbai Aviation Fuel Farm Facility Private Limited	41)	Mer Rouge Oil Storage Terminal Limited
21)	Kochi Salem Pipeline Private Limited	42)	Cauvery Basin Refinery and Petrochemicals Limited (Incorporated on 06.01.23)@@

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 38: RELATED PARTY DISCLOSURES (Contd..)

B) Details of Subsidiaries to JVs of IOCL:

1)	IOT Engineering & Construction Services Ltd.	10)	IndianOil Skytanking Delhi Private Limited
2)	Stewarts and Lloyds of India Limited	11)	IOT Biogas Private Limited
3)	IOT Infrastructures Private Limited	12)	Petronet LNG Foundation
4)	IOT Utkal Energy Services Limited	13)	Petronet Energy Limited
5)	PT IOT EPC Indonesia	14)	KazakhstanCaspishelf India Private Limited
6)	IOT Engineering Projects Limited	15)	Petronet LNG Singapore PTE. Ltd.
7)	JSC KazakhstanCaspishelf	16)	IOSL Noida Private Limited
8)	Indian Oiltanking Engineering & Construction Services LLC Oman	17)	IOT Utkarsh Limited (Incorporated on 23.08.2022)
9)	IOT Vito Muhendislik Insaat Ve Taahut A.S.		

* 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 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's 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.

$ The Board of IndianOil at its meeting held on 23.11.2022 has accorded in-principle approval for disinvestment of Hindustan Urvarak & Rasayan Limited.

^^ The Board of IndianOil at its meeting held on 14.03.2023 has accorded in-principle approval for closure of Ujjwala Plus Foundation.

@@ Cauvery Basin Refinery and Petrochemicals Limited (CBRPL) has been incorporated on 6th January 2023 as a Joint Venture of Indian Oil and Chennai Petroleum Corporation Limited each holding 25% equity and balance by seed equity investors, for construction of new 9 MMTPA refinery at Cauvery Basin Nagapattinam. IndianOil has made equity contribution of 25% stake in Cauvery Basin Refinery and Petrochemicals Limited during the month of March 2023.

C) The following transactions were carried out with Joint Ventures (JVs)/Associate of IOCL & their subsidiaries, JVs of Subsidiaries of IOCL and Subsidiaries of IOCL and their related parties in the ordinary course of business:

(₹ in crore)

	Particulars	March 31, 2023	March 31, 2022
1	**Sales of Products/Services***	**4,705.67**	**3,632.63**
	[Includes sales to IndianOil Petronas Private Limited ₹ 2,751.39 crore (2022: ₹ 2,422.77 crore), Indian Synthetic Rubber Private Limited ₹ 537.52 crore (2022: ₹ 698.88 crore) and Hindustan Urvarak and Rasayan Limited ₹ 496.90 crore (2022: ₹ 7.97 crore)]		
2	**Interest received**	**274.32**	**280.97**
	[Includes interest received from IndianOil LNG Private Limited ₹ 273.04 crore (2022: ₹ 273.04 crore)]		
3	**Other Operating Revenue/Dividend/Other Income**	**2,116.05**	**890.33**
	[Includes Other Operating Revenue/Dividend/Other Income from Taas India PTE Limited ₹ 862.07 crore (2022: ₹ 244.63 crore), Vankor India PTE Limited ₹ 806.57 crore (2022: ₹ 324.51 crore) and Falcon Oil & Gas B V ₹ 214.09 crore (2022: ₹ 111.75 crore)]		
4	**Purchase of Products**	**14,488.26**	**8,177.66**
	[Includes Purchase of Products from Petronet LNG Limited ₹ 12,312.45 crore (2022: ₹ 7,344.38 crore)]		
5	**Purchase of Raw Materials/Others**	**8,301.35**	**7,325.55**
	[Includes Purchase of Raw Materials/Others from Petronet LNG Limited ₹ 5,487.55 crore (2022: ₹ 4,755.41 crore) and Falcon Oil & Gas B.V. ₹ 2,229.70 crore (2022: ₹ 2,156.52 crore)]		
6	**Interest paid**	**206.97**	**229.62**
	[Includes Interest paid to IOT Utkal Energy Services Limited ₹ 206.97 crore (2022: ₹ 229.62 crore)]		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 38: RELATED PARTY DISCLOSURES (Contd..)

(₹ in crore)

	Particulars	March 31, 2023	March 31, 2022
7	**Expenses Paid/(Recovered) (Net)**	1,308.71	796.05
	[Includes Expenses Paid to/ (Recovered) from IndianOil Petronas Private Limited ₹ 371.14 crore (2022: ₹ 379.21 crore), Petronet LNG Limited ₹ 227.08 crore (2022:Nil), IndianOil Adani Gas Private Limited ₹ 215.17 crore (2022: ₹ 0.14 crore) and IndianOil Sky Tanking Private Limited ₹ 191.30 crore (2022: ₹ 162.86 crore)]		
8	**Investments made/(sold) during the year (Incl. Advance for Investment)**	1,008.05	1,902.33
	[Includes Investment made in Hindustan Urvarak and Rasayan Limited ₹ 666.54 crore (2022: ₹ 497.65 crore), Kochi Salem Pipelines Private Limited ₹ 90.64 crore (2022: ₹ 267.50 crore), IndianOil Adani Gas Private Limited ₹ 22.18 crore (2022: ₹ 198.94 crore) and IHB Limited- Nil (2022: ₹ 700.00 crore)]		
9	**Purchase/(Sale)/Acquisition of Fixed Assets (Incl. CWIP/Leases)**	1.01	(2.05)
	[Includes Purchase/ (Sale)/ Acquisition/ (Recovered) of Fixed Assets incl. CWIP/ Leases from GSPL India Transco Limited ₹ 0.95 crore (2022:Nil) and IHB Limited- Nil (2022: ₹ (2.06) crore)]		
10	**Provisions made/(write back) during the year**	0.05	144.19
	[Includes Provision made / (written back) in Suntera Nigeria 205 Limited ₹ 0.05 crore (2022:Nil), Petronet VK Limited- Nil (2022: ₹ 110.90 crore) and GSPL India Transco Limited- Nil (2022: ₹ 33.29 crore)]		
11	**Outstanding Receivables/Loans**	2,178.47	1,847.29
	[Includes Outstanding Receivables/ Loans from IndianOil LNG Private Limited ₹ 1,056.12 crore (2022: ₹ 826.53 crore) and Petronet LNG Limited ₹ 257.48 crore (2022: ₹ 273.62 crore)]		
12	**Outstanding Payables (Incl. Lease Obligation)**	3,087.10	2,943.85
	[Includes Outstanding payable to IOT Utkal Energy Services Limited ₹ 1,913.89 crore (2022: ₹ 2,137.88 crore) and Petronet LNG Limited ₹ 930.69 crore (2022: ₹ 612.67 crore)]		
13	**Investments in JV/Associates as on date**	20,021.47	17,623.62
14	**Guarantees**		
	Financial Guarantees	165.86	134.54
	[Includes Financial Guarantees given to Indian Synthetic Rubber Private Limited ₹ 145.86 crore (2022: ₹ 134.54 crore) and Indradhanush Gas Grid Limited ₹ 20.00 crore (2022:Nil)]		

* Revenue from Operations includes ₹ 60.68 crore on provisional basis on account of Manpower Deployment and other associated costs under EPMC services rendered to IHB Limited (JV of IOCL), which is not confirmed by the party and is pending for reconciliation. However, the management is confident of recovery of the amount as per the terms of the contract.

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.

2. Government related entities where significant transactions carried out

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

Name of Government:	Government of India (Central and State Government)
Nature of Transactions:	• Sale of Products and Services
	• Purchase of Products
	• Purchase of Raw Materials
	• Handling and Freight Charges, etc.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 38: RELATED PARTY DISCLOSURES (Contd..)

3) Key Managerial Personnel

A. Whole Time Directors/Company Secretary/CFO	B. Independent Directors	C. Government Nominee Directors
1) Shri S. M. Vaidya	1) Ms. Lata Usendi (up to 05.11.2022)	1) Dr. Navneet Mohan Kothari (up to 24.03.2023)
2) Dr S. S. V. Ramakumar	2) Shri Dilip Gogoi Lalung	2) Shri Sunil Kumar (w.e.f. 28.12.2022)
3) Shri Ranjan Kumar Mohapatra	3) Dr. Ashutosh Pant	
4) Shri S. K. Gupta (up to 03.10.2022)	4) Dr. Dattatreya Rao Sirpurker	
5) Shri V. Satish Kumar	5) Shri Prasenjit Biswas	
6) Shri D.S. Nanaware	6) Shri Sudipta Kumar Ray	
7) Ms. Sukla Mistry	7) Shri Krishnan Sadagopan	
8) Shri Sujoy Choudhury	8) Dr. (Prof.) Ram Naresh Singh {w.e.f. 08.04.2022}	
9) Shri Sanjay Kaushal (w.e.f. 03.10.2022)		
10) Shri Kamal Kumar Gwalani		

D) Details relating to the personnel referred to in Item No. 3A & 3B above:

March 31, 2023 (₹ in crore)

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remu-neration	Sitting Fees	Outstanding Loans (Gross)/ Advance Receivables
A. Whole Time Directors/Company Secretary/CFO						
1) Shri S. M. Vaidya	0.76	0.09	0.09	0.94	–	0.01
2) Dr S. S. V. Ramakumar	0.75	0.09	0.10	0.94	–	–
3) Shri Ranjan Kumar Mohapatra	0.84	0.09	–	0.93	–	0.01
4) Shri S. K. Gupta	0.49	0.05	0.18	0.72	–	–
5) Shri V. Satish Kumar	0.93	0.09	–	1.02	–	–
6) Shri D.S. Nanaware	0.60	0.09	0.09	0.78	–	–
7) Ms. Sukla Mistry	0.72	0.09	0.09	0.90	–	–
8) Shri Sujoy Choudhury	0.73	0.09	0.10	0.92	–	–
9) Shri Sanjay Kaushal	0.29	0.04	–	0.33	–	–
10) Shri Kamal Kumar Gwalani	0.71	0.08	0.07	0.86	–	0.24
B. Independent Directors						
1) Ms. Lata Usendi	–	–	–	–	0.07	–
2) Shri Dilip Gogoi Lalung	–	–	–	–	0.06	–
3) Dr. Ashutosh Pant	–	–	–	–	0.09	–
4) Dr. Dattatreya Rao Sirpurker	–	–	–	–	0.09	–
5) Shri Prasenjit Biswas	–	–	–	–	0.08	–
6) Shri Sudipta Kumar Ray	–	–	–	–	0.09	–
7) Shri Krishnan Sadagopan	–	–	–	–	0.09	–
8) Dr. (Prof.) Ram Naresh Singh	–	–	–	–	0.04	–
Total	**6.82**	**0.80**	**0.72**	**8.34**	**0.61**	**0.26**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 38: RELATED PARTY DISCLOSURES (Contd..)

March 31, 2022 (₹ in crore)

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remune-ration	Sitting Fees	Outstanding Loans (Gross)/ Advance Receivables
A. Whole Time Directors/ Company Secretary/CFO						
1) Shri S. M. Vaidya	0.61	0.08	0.01	0.70	–	0.01
2) Dr S. S. V. Ramakumar	0.71	0.08	–	0.79	–	0.01
3) Shri Ranjan Kumar Mohapatra	0.70	0.08	0.10	0.88	–	0.01
4) Shri S. K. Gupta	0.64	0.08	–	0.72	–	–
5) Shri V. Satish Kumar	0.19	0.03	–	0.22	–	0.06
6) Shri D.S. Nanaware	0.13	0.02	–	0.15	–	0.02
7) Ms. Sukla Mistry	0.07	0.01	0.01	0.09	–	0.09
8) Shri Sujoy Choudhury	0.05	0.01	–	0.06	–	0.13
9) Shri Kamal Kumar Gwalani	0.62	0.07	–	0.69	–	0.18
B. Independent Directors						
1) Ms. Lata Usendi	–	–	–	–	0.10	–
2) Shri Dilip Gogoi Lalung	–	–	–	–	0.02	–
3) Dr. Ashutosh Pant	–	–	–	–	0.02	–
4) Dr. Dattatreya Rao Sirpurker	–	–	–	–	0.03	–
5) Shri Prasenjit Biswas	–	–	–	–	0.03	–
6) Shri Sudipta Kumar Ray	–	–	–	–	0.03	–
7) Shri Krishnan Sadagopan	–	–	–	–	0.03	–
Total	**3.72**	**0.46**	**0.12**	**4.30**	**0.27**	**0.51**

Notes :

1) This does not include the impact of provision made on actuarial valuation of retirement benefit/ long term Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors.

2) There were no Share Based Employee Benefits given to KMPs during the period.

3) In addition, whole-time Directors are also allowed the use of Corporation's car for private purposes up to 12,000 kms. per annum on a payment of ₹ 2,000/- per mensem.

4) Remuneration and Loan balances for KMP is reported for the period of tenure as KMP.

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

1) Shri Siddharth Shrikant Vaidya (Assistant Manager (Production), Indian Oil Corporation Limited): Son of Key Managerial Personnel

2) Shri Vinayak Shrikant Vaidya (Production Engineer, Indian Oil Corporation Limited): Son of Key Managerial Personnel

(₹ in crore)

Details relating to the parties referred above:	March 31, 2023	March 31, 2022
1 Remuneration ^		
Shri Siddharth Shrikant Vaidya	0.25	0.20
Shri Vinayak Shrikant Vaidya	0.04	–
2 Outstanding Receivables/ Loans ^		
Shri Siddharth Shrikant Vaidya	–	–
Shri Vinayak Shrikant Vaidya	–	–

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 38: RELATED PARTY DISCLOSURES (Contd..)

5) Employee Benefit Trusts

Transactions with Post Employment Benefit Plans managed through separate trust:

(₹ in crore)

Name of the Trust	Post Employment Benefit Plan	March 31, 2023		March 31, 2022	
		Contribution by employer	Outstanding Receivable/ (Payable)	Contribution by employer	Outstanding Receivable/ (Payable)
1 IOCL (Refinery Division) Employees Provident Fund	Provident Fund	249.51	228.94	232.59	111.08
2 Indian Oil Corporation Limited (Assam Oil Division) Employees Provident Fund	Provident Fund	17.44	4.25	18.16	(17.12)
3 Provident Fund for the Employees of Indian Oil Corporation Limited (Marketing Division)	Provident Fund	246.25	(1.73)	239.42	95.47
4 IOCL Employees Superannuation Benefit Fund	Pension Scheme	127.71	34.58	191.13	(50.64)
5 IOCL Employees Post Retirement Medical Benefit Fund	Post Retirement Medical Scheme	252.50	(241.01)	401.42	(43.14)
6 IOCL Employees Group Gratuity Trust	Gratuity	69.89	63.14	(3.77)	115.16
7 CPCL Employees Provident Fund	Provident Fund	24.20	2.11	24.05	2.00
8 CPCL Employees Superannuation Benefit Fund	Pension Scheme	6.47	–	11.52	–
9 CPCL Employees Group Gratuity Trust	Gratuity	–	–	23.59	–
10 CPCL Post Retirement Medical Benefit Trust	PRMB	–	–	8.17	–

NOTE - 39: SEGMENT INFORMATION

Operating Segment Reporting as per Ind-AS 108 for the period ended March 31, 2023 is as under:

(₹ in crore)

Particulars	2022-2023					2021-2022				
	Petroleum Products	Petro-chemicals	Other Business	Elimina-tions	Total	Petroleum Products	Petro-chemicals	Other Business	Elimina-tions	Total
Revenue										
External Revenue	8,92,496.24	22,259.11	36,654.59	–	9,51,409.94	6,84,621.40	28,091.27	24,003.63	–	736,716.30
Inter-segment Revenue	15,859.74	38.07	74.32	(15,972.13)	–	17,573.65	38.02	79.61	(17,691.28)	–
Total Revenue	**9,08,355.98**	**22,297.18**	**36,728.91**	**(15,972.13)**	**9,51,409.94**	**7,02,195.05**	**28,129.29**	**24,083.24**	**(17,691.28)**	**736,716.30**
Result										
Segment Results excluding Exchange Gain/(Loss)	23,028.44	(241.23)	2,431.75	–	25,218.96	30,403.15	4,666.52	1,767.72	–	36,837.39
Segmental Exchange Gain/(Loss)	(4,589.38)	59.83	(0.57)	–	(4,530.12)	(1,241.82)	18.94	26.51	–	(1,196.37)
Segment Results	**18,439.06**	**(181.40)**	**2,431.18**	**-**	**20,688.84**	**29,161.33**	**4,685.46**	**1,794.23**	**-**	**35,641.02**
Less: Unallocable Expenditure										
- Finance Cost					7,541.36					5,423.26
- Impairment Loss on Financial Assets - Pertaining to Investment					115.33					5.55
- Loss on sale and disposal of Assets					66.12					–
- Exchange Loss - (Net)					2,631.69					255.91
- Loss on Derivatives					357.76					–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 39: SEGMENT INFORMATION (Contd..)

(₹ in crore)

Particulars	2022-2023					2021-2022				
	Petroleum Products	Petro-chemicals	Other Business	Elimina-tions	Total	Petroleum Products	Petro-chemicals	Other Business	Elimina-tions	Total
Add: Unallocable Income										
- Interest and Dividend Income					4,167.46					2,992.24
- Profit on sale and disposal of Assets					-					11.97
- Gain on Derivatives					-					68.00
- Fair value gain on Financial instruments classified as FVTPL					1.81					6.12
- Other non operating income					29.65					18.43
- Share of Profit in Joint Venture and Associates					862.19					1,235.56
Profit Before Tax					**15,037.69**					**34,288.62**
Less: Income Tax (including deferred tax)					3,333.43					8,562.02
Profit After Tax					**11,704.26**					**25,726.60**

1. The Company is engaged in the following business segments:
   a) Sale of Petroleum Products
   b) Sale of Petrochemicals
   c) Other operating segment of the Corporation comprises; Gas, Oil & Gas Exploration Activities, Explosives & Cryogenic Business and Wind Mill & Solar Power Generation.

   Segments have been identified and reported taking into account, the nature of products and services and differing risks and returns.
2. Segment Revenue comprises of the following:
   a) Turnover (Inclusive of Excise Duties)
   b) Net Claim/(Surrender) of SSC
   c) Subsidy/Grants received from Governments
   d) Other Operating Revenue
3. Inter segment pricing are at Arm's length basis
4. There are no reportable geographical segments.

(₹ in crore)

Particulars	March 31, 2023				March 31, 2022			
	Petroleum Products	Petro-chemicals	Other Business	Total	Petroleum Products	Petro-chemicals	Other Business	Total
Other Information								
Segment Assets	3,24,468.09	33,557.97	25,289.25	3,83,315.31	3,01,551.76	26,330.35	22,469.41	3,50,351.52
Corporate Assets								
Investments (Current and Non Current)				52,190.46				52,351.96
Advances For Investments				1,514.01				2,276.85
Advance Tax				1,857.22				2,819.51
Interest Accrued On Investments/ Bank Deposits				0.35				0.03
Loans				2,664.84				2,743.88
Derivative Asset				218.12				76.72
Finance Lease Receivables				0.74				3.34
Total Assets				**4,41,761.05**				**4,10,623.81**
Segment Liabilities	1,26,795.28	1,299.11	4,400.27	1,32,494.66	1,22,827.62	945.22	3,418.34	1,27,191.18
Corporate Liabilities								
Provision For Taxation				18.22				619.31
Borrowings (Short Term and Long Term)				1,40,114.82				1,23,550.10
Lease Obligations (Short Term and Long Term)				8,862.26				8,469.49
Deferred Tax Liability				16,800.42				15,354.37
Interest Accrued But Not Due On Borrowings				21.40				5.94
Derivative Liabiliies				235.97				307.81
Total Liabilities				**2,98,547.75**				**2,75,498.20**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 39: SEGMENT INFORMATION (Contd..)

(₹ in crore)

Particulars	March 31, 2023				March 31, 2022			
	Petroleum Products	Petro-chemicals	Other Business	Total	Petroleum Products	Petro-chemicals	Other Business	Total
Capital Employed								
Segment Wise	1,97,672.80	32,258.86	20,888.99	2,50,820.65	1,78,724.14	25,385.13	19,051.07	2,23,160.34
Corporate				(107,607.35)				(88,034.73)
Total Capital Employed				**143,213.30**				**1,35,125.61**
Capital Expenditure	27,741.38	6,173.56	2,594.66	36,509.60	23,166.40	1,695.91	2,609.86	27,472.17
Depreciation and Amortization	11,241.92	957.36	981.77	13,181.05	10,428.91	883.72	1,034.95	12,347.58

Geographical information

(₹ in crore)

Asset Particulars	Revenue from external customers		Non-current assets	
	2022-23	2021-22	March 31, 2023	March 31, 2022
India	9,00,884.74	6,95,983.74	2,36,446.73	2,11,188.39
Outside India	50,525.20	40,732.56	16,843.57	16,820.26
Total	**9,51,409.94**	**7,36,716.30**	**2,53,290.30**	**2,28,008.65**

Revenue from major products and services

(₹ in crore)

Particulars	2022-2023	2021-2022
Motor Spirit (MS)	1,97,690.50	1,60,005.24
High Speed Diesel (HSD)	4,37,898.23	3,43,864.73
Superior Kerosene Oil (SKO)	3,855.23	6,962.64
Liquified Petroleum Gas (LPG)	1,23,130.44	93,492.18
Aviation Turbine Fuel (ATF)	49,118.92	22,586.32
Others	1,39,716.62	1,09,805.19
Total External Revenue	**9,51,409.94**	**7,36,716.30**

NOTE - 40: FAIR VALUE MEASUREMENT

I. Set out below, is a comparison by class of the carrying value and fair value of the Group's financial instruments, along with the fair value measurement hierarchy:

(₹ in crore)

	Carrying Value		Fair Value		Fair Value measure-ment hierarchy level
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
Financial Assets					
A. Fair Value through Other Comprehensive Income (FVTOCI):					
Quoted Equity Shares	18,188.71	19,216.09	18,188.71	19,216.09	Level 1
Unquoted Equity Instruments	1,148.67	1,511.25	1,148.67	1,511.25	Level 3
Quoted Government Securities	11,090.45	11,596.67	11,090.45	11,596.67	Level 1
Hedging derivatives					
Foreign exchange forward contracts- Loans	32.80	–	32.80	–	Level 2
Commodity forward contracts- Margin Hedging	130.97	2.97	130.97	2.97	Level 2
Interest Rate Swap	54.35	53.15	54.35	53.15	Level 2

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 40: FAIR VALUE MEASUREMENT (Contd..)

(₹ in crore)

	Carrying Value		Fair Value		Fair Value measurement hierarchy level
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
B. Fair Value through Profit and Loss (FVTPL):					
Derivative Instruments at fair value through profit or loss	–	20.60	–	20.60	Level 2
Unit Trust Investments	66.76	63.95	66.76	63.95	Level 1
Investment through PMS	208.08	184.43	208.08	184.43	Level 1
C. Amortised Cost:					
Loans to employees	1,742.60	1,473.16	1,623.04	1,569.71	Level 2
PMUY Loan (Refer point 1 of Note-49 for more details)	513.62	791.56	522.37	845.64	Level 3
Financial Liabilities					
A. Amortised Cost:					
Non-Convertible Debentures	23,992.72	15,993.49	24,627.77	16,265.13	Level 2
Term Loans from Oil Industry Development Board (OIDB)	74.19	306.55	75.63	315.16	Level 2
Foreign Currency Bonds - US Dollars	–	8,232.81	–	8,450.17	Level 1
Loan from Odisha Government	1,970.30	1,621.07	1,837.53	1,511.85	Level 2
Term Loan (USD 100 Mn)	822.51	757.98	781.87	725.96	Level 2
B. Fair Value through Profit and Loss (FVTPL):					
Derivative Instruments at fair value through profit or loss	235.97	245.95	235.97	245.95	Level 2
C. Fair Value through Other Comprehensive Income (FVTOCI):					
Hedging Derivatives					
Foreign exchange forward contracts- Loans	–	42.26	–	42.26	Level 2
Commodity forward contracts- Margin Hedging	–	19.60	–	19.60	Level 2

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, Tel Aviv Stock Exchange, Israel and NASDAQ, New York

(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

(iv) Unit Trust Investment/PMS: Closing NAV for the specific investment available in Trust Bulletin/Newspaper/PMS

B. Level 2 Hierarchy:

(i) Derivative Instruments at FVTPL: Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.

(ii) Hedging Derivatives at FVTOCI: Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.

(iii) Loans to employees : Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities, adjusted for insignificant unobservable inputs specific to such loan like principal and interest repayments are such that employee get more flexibility in repayment as per the respective loan schemes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 40: FAIR VALUE MEASUREMENT (Contd..)

(iv) Non-Convertible Debentures, Loan from Odisha Government and USD 100 Mn Term Loan: Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities (Excluding floating rate borrowings).

(v) Term Loans from Oil Industry Development Board (OIDB): Discounting future cash flows using rates currently available for similar type of borrowings (OIDB Borrowing Rate) using exit model as per Ind AS 113.

C. Level 3 Hierarchy:

(i) Unquoted Equity Instruments: Fair values of the unquoted equity shares have been estimated using Market Approach & Income Approach of valuation techniques. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

(ii) PMUY Loan: Fair value of PMUY loans is estimated by discounting future cash flows using approximate interest rates applicable on loans given by Banks duly adjusted for significant use of unobservable inputs in estimating the cash flows comprising of specific qualitative and quantitative factors like consumption pattern, assumption of subsidy rate etc.

The significant unobservable inputs used in fair value assessment categorised within Level 3 of the Fair Value Hierarchy together with a quantitative sensitivity analysis as on March 31, 2023 and March 31, 2022 are shown below:

	Description	Valuation technique	Significant unobservable Input	Range (weighted average)	Sensitivity of the Input to Fair Value
I	**Unquoted Equity Instrument** - Haldia Petrochemicals Limited (Refer Note-4 for Carrying Value)	Market Approach -EBITDA Multiple	EBITDA multiple	31.03.23: 7.3x - 7.7x (7.5x) 31.03.22: 5.8x - 6.2x (6.0x)	0.1x increase/(decrease) in EBITDA Multiple would result in increase/(decrease) in fair value by: 31.03.23: ₹12.7 crore/ ₹(12.7) crore 31.03.22: ₹6.6 crore/ ₹(6.5) crore
II	**Unquoted Equity Instrument -** Ceylon Petroleum Storage Terminals Limited (Refer Note-4 for Carrying Value)	Market Approach -Revenue Multiple	Revenue Multiple	31.03.23: 0.8x - 1.2x (1.0x) 31.03.22: 0.7x - 1.1x (0.9x)	0.1x increase/(decrease) in Revenue Multiple would result in increase/(decrease) in fair value by: 31.03.23: ₹11.5 crore/ ₹(11.6) crore 31.03.22: ₹6.0 crore/ ₹(6.0) crore
III	**Unquoted Equity Instrument -** Petrocarababo S.A. and Carabobo Ingenieria Y Construcciones S.A. (Refer Note-4 for Carrying Value)	Income Approach - Present Value Measurement	Discount Rate	31.03.23: 33.0% - 37.0% (35.0%) 31.03.22: 29.0% - 33.0% (31.0%)	1% increase/(decrease) in Discount Rate would result in (decrease)/increase in fair value by: 31.03.23: ₹(2.1) crore/ ₹1.7 crore 31.03.22: ₹(1.9) crore/ ₹1.9 crore

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

(₹ in crore)

	Carrying Value	
	As at March 31, 2023	As at March 31, 2022
Mer Rouge Oil Storage Terminal Company Limited	–	14.57
Indian Gas Exchange Limited	12.50	5.85
Trinco Petroleum Terminal Private Limited	1.23	1.28
Vasitars Private Limited	0.77	–
Woodlands Multispeciality Hospital Limited	–	0.10
BioTech Consortium India Limited	0.10	0.10
International Cooperative Petroleum Association, New York	0.02	0.02
MRL Industrial Cooperative Service Society	0.01	0.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 40: 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 Unquoted Equity Shares
Balance as at March 31 2022	**1,511.25**
Addition	0.77
Redemption/Sales	(0.10)
Fair Value Changes	61.96
Exchange Difference	(0.41)
Transfer out (refer notes 1 & 2 below)	(424.80)
Balance as at March 31 2023	**1,148.67**

Notes:

1. During the year, Mer Rouge Oil Storage Terminal Company Limited (MOST) has been designated as a Joint Venture of the Group. Hence the investment in Unquoted Equity Instruments of MOST ceases to be a FVTOCI instrument and accordingly amount of ₹14.57 crore has been transferred out from Level 3 hierarchy.
2. During the year, Equity shares of Lanzatech New Zealand Limited were listed on NASDAQ, New York as Lanzatech Global Inc. post its business combination with AMCI Acquisition Corp. on 08.02.2023. Hence, the quoted prices (unadjusted) in active markets are available for fair valuation. Accordingly, the fair value hierarchy level has been changed for these equity shares from Level 3 to Level 1 in current year. Fair value of the instrument as on 31.03.2023 is ₹192.12 crore (2022: ₹410.23 crore). Last year figure has not been reclassified into Quoted Equity Shares (Level 1) and continues to be part of Unquoted Equity Instruments (Level 3).

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

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

Financial Assets

1. **Loan to Employees**

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

2. **PMUY loan**

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

3. **Security Deposits**

   The security deposit is paid to landlord in relation to lease of land. The security deposit is interest free and therefore transaction price is not fair value.The difference between fair value and transaction price is accumulated in Deferred expenses and amortized over the loan period on straight line basis in the statement of Profit and loss till March 31, 2019 prior to introduction of IND AS 116.

Financial Liabilities

1. **Security Deposits**

   In case certain deposits payable to deceased employees under one of the superannuation benefit scheme (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 CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 40: FAIR VALUE MEASUREMENT (Contd..)

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

(₹ in crore)

Particulars	Opening Balance	Addition During the Year	Amortized During the Year	Adjusted During the Year	Closing Balance
2022-23					
Deferred Expenses					
Loan to employees	857.97	90.06	83.70	–	864.33
PMUY Loan	273.21	–	27.53	9.44	236.24
Security Deposits	1.09	–	–	1.09	–
Deferred Income					
Security Deposits	3.70	0.13	0.75	–	3.08
2021-22					
Deferred Expenses					
Loan to employees	687.95	222.50	52.48	–	857.97
PMUY Loan	376.50	–	98.97	4.32	273.21
Security Deposits	1.31	–	0.22	–	1.09
Deferred Income					
Security Deposits	4.52	–	0.82	–	3.70

NOTE – 41: FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial Risk Factors

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

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

The Risk Management Commitee comprised of senior management oversees the management of these risks. The Group's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Group. The Risk Management Committee provides assurance to the Board that the Group's risks are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Group's policies, risk objectives and risk appetite.

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

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

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The major components of market risk are interest rate risk, foreign currency risk, commodity price risk and other price risk viz. equity shares etc. Financial instruments affected by market risk include Borrowings, Deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 41: FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

1. **Interest Rate Risk**

The Group is exposed to interest rate risk from the possibility that changes in interest rates will affect future cash flows of a financial instrument, principally financial debt. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages to maintain a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market/regulatory constraints etc. The Group also use interest rate swap contracts for managing the interest rate risk of floating interest rate debt. As at March 31, 2023, approximately 39% of the Group's borrowings are at a fixed rate of interest (March 31, 2022: 57%).

As the publication of USD LIBOR benchmark will be phased out by the end of June 2023, the Company has adopted various strategies like pre-payment and refinancing of existing instruments during the past couple of years for smooth transitioning from USD LIBOR benchmark. For pending loan instruments, the Company has already commenced discussion with the existing lenders for transition to alternate reference rate, viz., SOFR. However, 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 table below gives information about financial instruments that are to be transited to an alternative benchmark rate as at :

(₹ in crore)

Particulars	Balances subject to USD LIBOR
1. Non-derivative Financial Assets	Nil
2. Non-derivative Financial Liabilities (Foreign Currency Loans)	15,217.56
3. Derivatives (Interest Rate Swap*)	1,643.50

*Nominal Amount

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

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on INR and USD floating rate borrowings is as per table below. The Group's exposure to interest rate changes for all other currency borrowings is not material.

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, 2023		March 31, 2022	
INR	+50	(70.09)	+50	(52.61)
US Dollar	+50	(340.21)	+50	(199.00)
INR	-50	70.09	-50	52.61
US Dollar	-50	340.21	-50	199.00

2. **Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and Borrowings.

The Group manages its foreign currency risk through combination of natural hedge, mandatory hedging and hedging undertaken on occurence of pre-determined triggers. The hedging is mostly undertaken through forward contracts.

The Group has outstanding forward contract of ₹ 2,473.89 crore as at March 31, 2023 (March 31, 2022: ₹ 3,610.54 crore) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

The sensitivity to a reasonably possible change in USD/INR exchange rates, with all other variables held constant, the impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 41: FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

currency derivatives. The Group's exposure to foreign currency changes for all other currencies other than below is not material.

Currency	Increase/ Decrease in %	Effect on profit before tax (₹ in crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in crore)
	March 31, 2023		March 31, 2022	
Forward Contract - US Dollar	+5%	123.69	+5%	180.53
	-5%	(123.69)	-5%	(180.53)
Other Exposures - US Dollar	+5%	(5,925.45)	+5%	(4,355.03)
	-5%	5,925.45	-5%	4,355.03
Other Exposures - SGD	+5%	–	+5%	(114.73)
	-5%	–	-5%	114.73
Cross Currency - USD vs. SGD	+5%	–	+5%	(123.40)
	-5%	–	-5%	123.40
Cross Currency - USD vs. INR	+5%	(328.25)	+5%	(66.32)
	-5%	328.25	-5%	66.32

The effects of most exchange rate fluctuations are absorbed in business operating results which are offset by changing cost competitiveness, lags in market adjustments to movements in rates to its other non-financial assets like inventory etc. For this reason, the total effect of exchange rate fluctuations is not identifiable separately in the Group's reported results.

3. **Commodity Price Risk**

The Group is exposed to various commodity price related risk such as Refinery Margins i.e. Differential between the prices of petroleum products & crude oil, Crude Oil Price fluctuation on accounts of inventory valuation fluctuation and crude oil imports, etc. As per approved risk management policy, the Group can undertake refinery margin hedging, inventory hedging and crude oil price hedging through swaps, options and futures in the OTC market as well as domestic exchanges to mitigate the risk within the approved limits.

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

Quantity (in lakh bbls)

Particulars	March 31, 2023	March 31, 2022
Margin Hedging Forward contracts	20.25	26.25

The sensitivity to a reasonably possible change in Crude benchmark price difference/refinery margin on the outstanding commodity hedging position as on March 31, 2023:

Particulars	Increase/ Decrease in %	Effect on profit before tax (₹ in crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in crore)
	March 31, 2023		March 31, 2022	
Margin Hedging	+10%	(32.78)	+10%	(30.27)
	-10%	32.78	-10%	30.27

4. **Equity Price Risk**

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

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 1,148.67 crore. Sensitivity analysis of these investments have been provided in Note 40.

The exposure to listed equity securities valued at fair value was ₹ 18,188.71 crore. An increase/decrease of 5% on the market index could have an impact of approximately ₹909.44 crore on the OCI and equity attributable to the Group. These changes would not have an effect on profit or loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 41: FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

5. Derivatives and Hedging

(i) Classification of derivatives

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

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are accounted for at fair value through profit or loss.

Information about the derivatives used by the Group and outstanding as at the end of the financial year is provided below:

(₹ in crore)

	March 31, 2023		March 31, 2022	
	Other Financial Assets	Other Financial Liabilities	Other Financial Assets	Other Financial Liabilities
Derivatives not designated as hedging instruments				
Foreign exchange forward contracts- Loans	–	–	–	–
Foreign Exchange currency swap	–	235.97	20.60	245.95
Derivatives designated as hedging instruments				
Foreign exchange forward contracts- Loans	32.80	–	–	42.26
Foreign exchange forward contracts- Crude/Product Liabilities	–	–	–	–
Interest Rate Swap	54.35	–	53.15	–
Commodity Forward Contracts - Margin Hedging	130.97	–	2.97	19.60

(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 Group wants to protect the realization of margins and therefore to mitigate this risk, the Group is taking these forward contracts to hedge the margin on highly probable forecast sale in future. Risk management activities are undertaken in OTC market i.e. these are the bilateral contracts with registered counterparties.

All these hedges are accounted for as cash flow hedges.

Foreign Currency Risk

The Group is exposed to various foreign currency risks as explained in A.2 above. As per Group's Foreign Currency & Interest Rate Risk Management Policy, the Group is required to fully hedge the short term foreign currency loans (other than revolving lines and PCFC loans) and at least 50% of the long term foreign currency loans based on market conditions.

Apart from mandatory hedging of loans, the Group also undertakes foreign currency forward contracts for the management of currency purchase for repayment of crude/product liabilities based on market conditions and requirements. The above hedgings are undertaken through delivery based forward contracts.

All these hedges are accounted for as cash flow hedges.

Interest Rate Risk

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

All these hedges are accounted for as cash flow hedges.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 41: 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 Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange, interest rate and commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. In case of interest rate swaps, as the critical terms of the interest rate swap contracts and their corresponding hedged items are similar, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates.

Source of Hedge ineffectiveness

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

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

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

Disclosures of effects of Cash Flow Hedge Accounting

Hedging instruments

The Group is holding the following hedging instruments:

(₹ in crore)

As at March 31, 2023	Maturity					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 12 Months	Total
Foreign exchange forward contracts- Loans						
Nominal amount	–	–	–	2,473.89	–	2,473.89
Average forward rate (₹)	–	–	–	82.46	–	
Foreign exchange forward contracts- Crude/ Product Liabilities						
Nominal amount	–	–	–	–	–	–
Average forward rate (₹)	–	–	–	–	–	
Interest Rate Swaps						
Nominal amount	–	–	–	–	1,643.50	1,643.50
Commodity forward contracts- Margin Hedging						
Nominal volume (Quantity in lakh bbls)	–	4.50	6.75	9.00	–	20.25
Nominal amount	–	101.95	152.92	203.89	–	458.76
Average forward rate ($/bbl)	–	27.57	27.57	27.57	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 41: FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

(₹ in crore)

As at March 31, 2022	Maturity					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 12 Months	Total
Foreign exchange forward contracts- Loans						
Nominal amount	–	1,136.65	–	–	2,473.89	3,610.54
Average forward rate	–	75.78	–	–	82.46	
Foreign exchange forward contracts- Crude/ Product Liabilities						
Nominal amount	–	–	–	–	–	–
Average forward rate	–	–	–	–	–	
Interest Rate Swaps						
Nominal amount	–	–	–	–	1,515.53	1515.53
Commodity forward contracts- Margin Hedging						
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	–	

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

(₹ in crore)

	Foreign exchange forward contracts- Loans		Foreign exchange forward contracts- Crude/Product Liablities		Interest Rate Swaps		Commodity forward contracts- Margin Hedging	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Nominal amount	2,473.89	3610.54	–	–	1,643.50	1,515.53	458.76	286.09
Carrying amount	32.80	(42.26)	–	–	54.35	53.15	130.97	(16.63)
Line item in the Balance Sheet that includes Hedging Instruments	Other Current Financial Assets/Other Current Financial Liabilities							
Change in fair value used for measuring ineffectiveness for the period - Gain (Loss)	32.80	(42.26)	17.91	3.35	54.35	53.15	11.96	(15.19)

Hedge Items

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

(₹ in crore)

	Foreign exchange forward contracts- Loans		Foreign exchange forward contracts- Crude/Product Liablities		Interest Rate Swaps		Commodity forward contracts- Margin Hedging	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax)	–	–	–	–	41.14	40.24	97.53	(12.92)
Change in value of the hedged items used for measuring ineffectiveness for the period	(32.80)	42.26	(17.91)	(3.35)	(54.35)	(53.15)	(11.96)	15.19

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 41: FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

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

(₹ in crore)

	Foreign exchange forward contracts- Loans		Foreign exchange forward contracts- Crude/ Product Liablities		Interest Rate Swaps		Commodity forward contracts- Margin Hedging	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Cash flow Hedge Reserve at the beginning of the year	–	–	–	–	40.24	4.00	(12.92)	12.80
Total hedging gain/(loss) recognised in OCI	89.84	(42.26)	17.91	3.35	45.11	47.80	28.61	(32.31)
Income tax on above	(22.61)	10.22	(4.51)	(0.81)	(11.35)	(11.56)	(7.20)	7.81
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	89.84	(42.26)	17.91	3.35	43.91	0.00	(118.99)	1.44
Income tax on above	(22.61)	10.22	(4.51)	(0.81)	(11.05)	0.00	29.95	(0.22)
Cash flow Hedge Reserve at the end of the year	–	–	–	–	41.14	40.24	97.53	(12.92)
Line item in the statement of profit or loss that includes the reclassification adjustments		Other Expenses		Other Expenses		NA		Revenue from Operations

B. Credit risk

Trade Receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by Letters of Credit, Bank Guarantees or other forms of credit insurance, wherever required.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Group applies Simplified approach for providing the expected credit losses on Trade Receivables as per the accounting policy of the Group. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(₹ in crore)

	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
Year ended March 31, 2023								
Gross Carrying amount	169.34	7,917.48	6,930.04	851.06	488.00	120.91	315.88	16,792.71
Expected credit losses	(0.54)	(31.57)	(221.88)	(26.72)	(17.66)	(3.54)	(6.65)	(308.56)
Specific Provision	–	(48.20)	–	–	(0.25)	(1.29)	(163.20)	(212.94)
Carrying amount	**168.80**	**7,837.71**	**6,708.16**	**824.34**	**470.09**	**116.08**	**146.03**	**16,271.21**
Year ended March 31, 2022								
Gross Carrying amount	84.51	11,113.41	5,575.47	1,425.36	342.76	283.93	287.34	19,112.78
Expected credit losses	(0.23)	(30.79)	(138.88)	(37.82)	(11.21)	(11.75)	(4.25)	(234.93)
Specific Provision	–	–	–	–	(0.98)	(0.36)	(176.09)	(177.43)
Carrying amount	**84.28**	**11,082.62**	**5,436.59**	**1,387.54**	**330.57**	**271.82**	**107.00**	**18,700.42**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 41: FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

Other Financial instruments and cash deposits

The Group's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2023 and March 31, 2022 is the carrying amounts as provided in Note 4, 5, 6, 11 & 12. The Group applies General approach for providing the expected credit losses on these items as per the accounting policy of the Group.

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

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

In case of certain PMUY loans, the 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% (2022: @ 80%) in case of time gap since last refill is more than 12 months but not exceeding 18 months, @ 90% (2022: @ 90%) in case of time gap is more than 18 months but not exceeding 24 months and @ 100% (2022: @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 (2022: 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)

(2022-23)	Opening Balance A	ECL created during the year B	ECL write Back C	ECL written off/ Reclassifications* D	Closing Balance (A+B+C+D)
Trade Receivables					
Expected credit losses	234.93	74.16	(0.53)	–	308.56
Specific Provision	177.43	53.59	(18.02)	(0.06)	212.94
Total	**412.36**	**127.75**	**(18.55)**	**(0.06)**	**521.50**
Loans					
12 Months ECL	196.91	44.62	–	–	241.53
Life Time ECL- not credit impaired	128.76	–	(20.01)	–	108.75
Life Time ECL- credit impaired	556.60	254.22	(0.85)	–	809.97
Total	**882.27**	**298.84**	**(20.86)**	**–**	**1,160.25**
Security Deposits					
12 Months ECL	–	–	–	–	–
Life Time ECL- not credit impaired	–	–	–	–	–
Life Time ECL- credit impaired	1.42	–	(0.06)	–	1.36
Total	**1.42**	**–**	**(0.06)**	**–**	**1.36**
Other Financial assets					
12 Months ECL	–	–	–	–	–
Life Time ECL- not credit impaired	–	–	–	–	–
Life Time ECL- credit impaired	241.83	6.62	(16.81)	(0.03)	231.61
Total	**241.83**	**6.62**	**(16.81)**	**(0.03)**	**231.61**

* Net of translation difference amounting to NIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 41: FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

(₹ in crore)

2021-22	Opening Balance A	ECL created during the year B	ECL write Back C	ECL written off/ Reclassifications* D	Closing Balance (A+B+C+D)
Trade Receivables					
Expected Credit Loss	13.78	221.66	(0.51)	–	234.93
Specific Provision	598.23	17.60	(431.95)	(6.45)	177.43
Total	**612.01**	**239.26**	**(432.46)**	**(6.45)**	**412.36**
Loans					
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	562.53	105.49	(111.42)	–	556.60
Total	**1,085.88**	**105.49**	**(309.10)**	**–**	**882.27**
Security Deposits					
12 Months ECL	–	–	–	–	–
Life Time ECL- not credit impaired	–	–	–	–	–
Life Time ECL- credit impaired	1.40	0.02	–	–	1.42
Total	**1.40**	**0.02**	**–**	**–**	**1.42**
Other Financial assets					
12 Months ECL	–	–	–	–	–
Life Time ECL- not credit impaired	71.56	–	(71.56)	–	–
Life Time ECL- credit impaired	217.57	35.32	(10.98)	(0.08)	241.83
Total	**289.13**	**35.32**	**(82.54)**	**(0.08)**	**241.83**

* Net of translation difference amounting to NIL.

C. Liquidity risk

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

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

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

(₹ in crore)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2023						
Borrowings	10,517.35	18,448.60	47,835.93	55,093.22	8,219.72	1,40,114.82
Lease Obligations	–	1,043.45	1,341.90	2,978.58	3,498.33	8,862.26
Trade payables	2,556.46	52,177.64	–	–	–	54,734.10
Other financial liabilities	30,415.22	13,672.18	1,058.48	165.49	29.32	45,340.69
Derivatives	–	235.97	–	–	–	235.97
	43,489.03	**85,577.84**	**50,236.31**	**58,237.29**	**11,747.37**	**2,49,287.84**
Year ended March 31, 2022						
Borrowings	10,816.32	32,073.84	24,715.40	50,161.78	5,782.76	1,23,550.10
Lease Obligations	–	853.48	1,252.39	2,777.06	3,586.56	8,469.49
Trade payables	1,659.53	47,402.32	–	–	–	49,061.85
Other financial liabilities	27,106.90	13,053.34	4,234.32	189.79	15.32	44,599.67
Derivatives	–	307.81	–	–	–	307.81
	39,582.75	**93,690.79**	**30,202.11**	**53,128.63**	**9,384.64**	**2,25,988.92**

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE – 41: FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

E. Collateral

As Group has been rated investment grade by various domestic and international rating agencies, there has been no requirement of submitting any collateral for booking of derivative contracts. Group undertakes derivatives contract only with those counterparties that have credit rating above the internally approved threshold rating. Accordingly, Group does not seek any collaterals from its counterparties.

NOTE–42: CAPITAL MANAGEMENT

The primary objective of the Group'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 Group's capital management.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and requirements. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares to maintain or adjust the capital structure. The Group monitors capital using debt equity ratio, which is borrowings divided by Equity. The Group's endeavour is to keep the debt equity ratio around 1:1.

(₹ in crore)

Particulars	31-03-2023	31-03-2022
Borrowings	**1,40,114.82**	**1,23,550.10**
Equity Share Capital	13,771.56	9,181.04
Reserves and Surplus	1,29,442.78	1,25,945.61
Equity	**1,43,214.34**	**1,35,126.65**
Debt Equity Ratio	**0.98 : 1**	**0.91 : 1**

No changes were made in the objectives, policies or processes for managing capital during the financial year ended 31 March 2023 and 31 March 2022.

NOTE–43: DISCLOSURE ON GOVERNMENT GRANTS

A. Revenue Grants

1 Subsidies on sales of SKO (PDS) and LPG (Domestic)

Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ₹ 197.84 crore (2022: ₹ 154.21 crore) and subsidies on sales of SKO and LPG to customers in Bhutan amounting to ₹ 6.73 crore (2022: ₹ 6.44 crore) have been reckoned as per the schemes notified by Governments.

2 Export of Notified Goods under MEIS Claims/RoDTEP scheme

The Group has recognised ₹ 0.03 crore (2022: ₹ 3.64 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, 50% of the cost of stipend for apprentices which are paid under National Apprenticeship Training Scheme (NATS) will be reimbursed to employer from Government subject to prescribed threshhold limit. The Group has recognised grant in respect of stipend paid to apprentices appointed under National Apprenticeship Training Scheme (NATS) amounting to ₹ 9.49 crore (2022: ₹ 5.92 crore) as Revenue Grant.

4 Grant in respect of revenue expenditure for research projects

During the year, the Group has received revenue grant of ₹ 2.05 crore (2022: ₹ 1.62 crore) in respect of meeting out revenue expenditure such as Manpower, Consumables, Travel & Contingency etc for research projects undertaken with various agencies.

5 Incentive on sale of power

The Group is getting incentive from Department of Renewable Energy, GOI for wind power generation of Electricity at the rate of ₹ 0.50 paise for per unit of power generated. The Group has received grant of ₹ 2.19 crore during the current year (2022: ₹ 2.37 crore).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE–43: DISCLOSURE ON GOVERNMENT GRANTS (Contd..)

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, 2023 is ₹ 12.54 crore (2022: ₹ 8.29 crore) . During the year, the Group has recognised NIL (2022: NIL) in the Statement of Profit and Loss as amortisation of revenue grant. The Group expects to meet the export obligations and therefore equivalent deferred grant has not been treated as liability.

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 ₹ 3886.45 crore (2022: ₹ 5426.43 crore).

8 Viability Gap Funding (VGF)

The Group 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, 2023 is ₹ 2654.75 crore (2022: ₹ 2372.48 crore). During the year, the Group has recognised ₹ 208.56 crore (2022: ₹ 176.05 crore) in the Statement of Profit and Loss as amortisation of grants.

9 Grant for under-recoveries in Domestic LPG

The Parent Company has received one-time grant of ₹10,801.00 crore (2022: Nil) from Government of India for under-recoveries incurred on sale of Domestic LPG during FY 2021-22 and FY 2022-23 which is recognised as Revenue from Operations in the statement of Profit & Loss (Refer Note 23).

B. Capital Grants

1 OIDB Government Grant for strengthening distribution of SKO (PDS)

The Group has received government grant from OIDB (Oil Industry Development Board) for strengthening distribution of PDS Kerosene as per the directions of MoPNG to be used in construction of 20KL underground Tank, Mechanical Dispensing Units and Barrel Shed. The unamortized capital grant amount as at March 31, 2023 is ₹ 0.46 crore (2022: ₹ 0.59 crore). During the year, the Group has recognised ₹ 0.13 crore (2022: ₹ 0.17 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 Group has received grant in respect of Custom duty waiver on import on capital goods,Excise duty waiver and GST waiver on purchase of goods from local manufacturer in India under the certificate issued by Department of Scientific and Industrial Research (DSIR). The unamortized capital grant amount as at March 31, 2023 is ₹ 61.63 crore (2022: ₹ 75.59 crore) The goods so imported or procured from local manufacturer shall not be transferred or sold for a period of five years from date of installation. During the year, the Group has recognised ₹ 12.82 crore (2022: ₹ 11.70 crore) in the Statement of Profit and Loss as amortisation of capital grants. However, the scheme of GST concession on purchase of goods from local manufacturer under certificate issued by DSIR has been discontinued from 18.07.2022 and accordingly no new grant has been recognised thereafter in this regard.

3 Capital Grant in respect of Research projects

The Group has received capital grant from various agencies in respect of procurement/setting up of Capital assets for research projects undertaken. The unamortized capital grant amount as at March 31, 2023 is ₹ 7.45 crore (2022: ₹ 9.01 crore). During the year, the Group has recognised ₹ 2.14 crore (2022: ₹ 2.70 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, 2023 is ₹ 94.88 crore (2022: ₹ 100.22 crore). During the year, the Group has recognised ₹ 5.34 crore (2022: ₹ 5.34 crore) in the Statement of Profit and Loss as amortisation of capital grants.

5 Capital Grant in respect of demonstration unit

Grant received from OIDB/CHT/USTDA for setting up units for Ethanol production from Refinery off gases/Ligncoellulosic Biomass at Panipat Refinery. The unamortized capital grant amount as at March 31, 2023 is ₹ 311.92 crore (2022: ₹ 312.46 crore). During the year, the Group has recognised ₹ 0.54 crore (2022: NIL) in the Statement of Profit and Loss as amortisation of capital grants.

6 Capital Grant in respect of construction of units using Indigenous Technology

Grant received from OIDB for setting up of demonstration unit at Guwahati refinery with the Parent Company's R&D developed INDAdeptG technology . The unamortized capital grant amount as at March 31, 2023 is ₹ 61.30 crore (2022: ₹ 65.51 crore). During the year, the Group has recognised ₹4.21 crore (2022: ₹4.38 crore) in the Statement of Profit and Loss as amortisation of capital grants.

7 Capital Grant in respect of interest subsidy

The Group has received capital grant in respect of interest subsidy on loans taken from OIDB. The unamortized capital grant amount as at March 31, 2023 is ₹ 12.13 crore (2022: ₹ 16.31 crore). During the year, the Group has recognised ₹ 1.38 crore (2022: ₹ 2.03 crore) in the Statement of Profit and Loss as amortisation of capital grants.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE-43: DISCLOSURE ON GOVERNMENT GRANTS (Contd..)

8 Capital Grant in respect of Solar Power Generation

The Group has received capital financial assistance from Ministry of New and Renewable Energy in respect of procurement and installation of Solar Panels for Power Generation. The unamortized capital grant amount as at March 31, 2023 is ₹ 3.59 crore (2022: ₹ 3.78 crore). During the year, the Group has recognised ₹ 0.19 crore (2022: ₹ 0.19 crore) in the Statement of Profit and Loss as amortisation of capital grants.

9 Capital Grant from Nepal Government

The Group has received grant from Nepal Government by way of waiver of Local taxes on goods/services procured locally in Nepal and Import Duty for goods/services imported into Nepal. The Group has recognised ₹ 1.14 crore (2022: ₹ 1.12 crore) in Statement of Profit & Loss. The unamortized balance is ₹ 10.55 crore (2022: ₹ 11.69 crore).

10 Capital Grant for establishing EV Charging Station (EVCS) at Retail Outlets

The Parent Company has received grant from Ministry of Heavy Industries for establishing EV Charging stations (EVCS) at ROs under Faster Adoption and Manufacturing of Electric Vehicles (FAME) India Scheme Phase-II in March 2023. Out of total sanctioned amount of ₹ 364.00 crore, ₹ 254.80 crore is received in advance and balance amount will be received on commissioning of all EVCS and limited to actual cost incurred. Since the work has not started as on 31.03.2023, no amount is recognised in the statement of Profit and loss during the year. The unamortized balance as at March 31, 2023 is ₹ 254.8 crore (2022: NIL).

NOTE-44: REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group is in the business of oil and gas and it earns revenue primarily from sale of petroleum products, petrochemicals, Gas, E&P and Others. Revenue is recognized when control of the goods and services is transferred to the customer.

Generally, Group 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 Group'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 Group against which orders for purchase of products are placed by the customers. Based on these orders, supply is maintained by the Group and revenue is 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 Group 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. Group also runs loyalty programmes and incentive schemes for its retail and bulk customers. Loyalty points are generated and accumulated by the customers on doing transactions at Company's outlet which can be redeemed subsequently for fuel purchases from Group outlets. Revenue is recognized net of these loyalty points and incentive schemes.

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

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)

Particulars	2022-23	2021-22
Total Revenue (A+D)	**9,51,409.94**	**7,36,716.30**
Revenue from contract with customers (A)	9,41,676.06	7,34,635.37
Recognised from contract liability balance of previous year (B)	4,379.37	3,714.04
Recognised from contracts initiated in current year (C)	9,37,296.69	7,30,921.33
Revenue from other contracts/from others (D)	9,733.88	2,080.93

An amount of ₹ 126.10 crore (2022: ₹226.45 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE-44: REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd..)

The Group discloses information on reportable segment as per Ind AS 108 under Note 39 - Segmental Information. An amount of ₹ 628.94 crore (2022: ₹689.76 crore) is recognised over time under Revenue from contract with customers.

(₹ in crore)

Particulars	Receivables	Contract Asset	Contract Liability
Opening Balance	18,785.63	–	7,142.23
Closing Balance	16,345.03	–	6,512.81

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

NOTE 45: STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (FORM AOC - I)

Part "A": SUBSIDIARIES

(₹ in crore)

Sl. No.	1	2	3	4	5	6	7	8
Name of the Subsidiary	Chennai Petroleum Corporation Limited	IndianOil (Mauritius) Limited	Lanka IOC PLC	IOC Middle East FZE	IOC Sweden AB	IOCL (USA) Inc.	IndOil Global BV.	IOCL Singapore PTE Limited
Date since when subsidiary was acquired	29.03.2001	24.10.2001	29.08.2002	19.04.2006	26.02.2010	01.10.2012	25.02.2014	13.05.2016
Reporting Currency	INR	MUR	LKR	AED	EURO	USD	CAD	USD
Exchange Rate (INR):								
Closing Rate as on 31.03.2023	-	1.8128	0.2515	22.3730	89.3919	82.1750	60.6562	82.1750
Average Rate 2022-23	-	1.8083	0.2276	21.8785	83.7408	80.4166	60.7463	80.4166
Share Capital	148.91	75.67	250.54	3.33	79.16	336.32	6,185.26	9,005.34
Other Equity	6,326.17	285.24	1,272.54	37.30	(24.13)	(195.44)	(1,885.21)	584.74
Liabilities	9,561.03	366.53	527.66	9.63	13.97	23.11	3,942.23	1,684.43
Total Liabilities	16,036.11	727.44	2,050.74	50.26	69.00	163.99	8,242.28	11,274.51
Total Assets	16,036.11	727.44	2,050.74	50.26	69.00	163.99	8,242.28	11,274.51
Investments	206.07	16.97	398.11	0.45	68.78	0.00	132.99	7,570.75
Turnover	90,801.11	2,393.00	6,406.66	272.03	0.00	31.86	946.13	2,205.64
Profit Before Taxation	4,806.42	16.19	1,016.45	(3.96)	(0.55)	15.44	215.61	521.04
Provision for Taxation	1,274.89	0.49	159.85	-	-	-	0.02	342.05
Profit After Taxation	3,531.53	15.70	856.60	(3.96)	(0.55)	15.44	215.59	178.99
Proposed Dividend	402.06	-	-	-	-	-	-	-
Percentage of shareholding	51.89%	100.00%	75.12%	100.00%	100.00%	100.00%	100.00%	100.00%

Abbreviations:

INR	Indian Rupees
MUR	Mauritian rupees
LKR	Srilankan Rupees
AED	United Arab Emirates Dirham
USD	United States Dollars
CAD	Canadian Dollars

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 45: STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (FORM AOC - I) (Contd..)

PART - "B" : JOINT VENTURES AND ASSOCIATES

(₹ in crore)

1	Name of the Associates/Joint Ventures	IndianOil Adani Ventures Limited (Formerly known as Indian Oiltanking Limited)	Lubrizol India Private Limited	Indian Oil Petronas Private Limited	Green Gas Limited	Indian Oil Skytanking Private Limited	Suntera Nigeria 205 Limited	Delhi Aviation Fuel Facility Private Limited	Indian Synthetic Rubber Private Limited	NPCIL - IndianOil Nuclear Energy Corporation Limited	GSPL India Transco Limited	GSPL India Gasnet Limited	Indradhanush Gas Grid Limited	IndianOil Total Private Limited
2	Latest Audited Balance Sheet Date	31.03.2023	31.03.2023	31.03.2023	31.03.2022	31.03.2023	31.12.2021	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023
3	Date of which Associate or Joint Venture was associated or acquired	28.08.1996	01.04.2000	03.12.1998	07.10.2005	21.08.2006	09.05.2006	28.03.2010	06.07.2010	06.04.2011	29.03.2013	29.03.2013	10.08.2018	07.10.2020
4	Shares of Associate/Joint Ventures held by the company on the year end													
	i. No.	494828289	499200	134000000	23047250	25950000	2500000	60680000	222861375	260000	157820000	491925030	198000000	22500000
	ii. Amount of Investment in Associates/Joint Venture	723.98	61.71	134.00	23.09	73.28	0.05	60.68	222.86	0.26	157.82	491.93	201.00	22.50
	iii. Extent of Holding %	49.38%	26.00%	50.00%	49.98%	50.00%	25.00%	37.00%	50.00%	26.00%	26.00%	26.00%	20.00%	50.00%
5	Description of how there is significant influence	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control
6	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Networth attributable to Shareholding as per latest audited Balance Sheet	759.15	172.50	763.92	265.16	121.21	(225.59)	95.96	370.33	0.39	88.17	458.89	197.48	22.57
8	Profit/(Loss) for the year (After Tax)	108.78	52.07	249.25	17.53	78.17	(67.23)	23.09	133.04	0.05	(11.85)	(158.36)	7.35	3.13
	i. Considered in Consolidation	53.72	13.54	124.62	8.76	39.09	(16.81)	8.54	66.52	0.01	(3.08)	(41.17)	1.47	1.57
	ii. Not Considered in Consolidation	55.06	38.53	124.63	8.77	39.08	(50.42)	14.55	66.52	0.04	(8.77)	(117.19)	5.88	1.56

(₹ in crore)

1	Name of the Associates/Joint Ventures	IndianOil Adani Gas Private Limited	Mumbai Aviation Fuel Farm Facility Private Limited	Kochi Salem Pipelines Private Limited	Indian Oil LNG Private Limited #	Hindustan Urvarak and Rasayan Limited	Ratnagiri Refinery & Petrochemicals Limited	IHB Limited	IOC Phinergy Private Limited	Paradeep Plastic Park Limited	Avi-Oil India Private Limited	Petronet VK Limited	Petronet LNG Limited	Petronet India Limited
2	Latest Audited Balance Sheet Date	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2022	31.03.2023	31.03.2023	31.03.2023	31.03.2022	31.03.2023	31.03.2023	31.03.2023	31.03.2023
3	Date of which Associate or Joint Venture was associated or acquired	04.10.2013	09.10.2014	22.01.2015	29.05.2015	15.06.2016	22.09.2017	09.07.2019	19.02.2021	09.03.2021	04.11.1993	21.05.1998	02.04.1998	26.05.1997
4	Shares of Associate/Joint Ventures held by the company on the year end													
	i. No.	653365000	52918750	550000000	4500	2295955000	100000000	1529000000	1717500	32720000	4500000	50000000	187500000	18000000
	ii. Amount of Investment in Associates/Joint Venture	653.37	52.92	550.00	0.00	2295.96	100.00	1529.00	1.72	32.72	4.50	26.02	98.75	0.18
	iii. Extent of Holding %	50.00%	25.00%	50.00%	45.00%	29.67%	50.00%	50.00%	50.00%	49.00%	25.00%	50.00%	12.50%	18.00%
5	Description of how there is significant influence	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Associate	Associate	Associate	Associate
6	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Networth attributable to Shareholding as per latest audited Balance Sheet	657.59	102.26	534.54	(156.21)	2269.88	55.94	1525.43	0.53	57.54	22.29	–	1908.07	0.47
8	Profit/(Loss) for the year (After Tax)	36.09	32.01	(1.68)	4.38	(61.04)	(6.94)	(4.99)	(1.93)	0.24	16.14	(8.98)	3325.82	–
	i. Considered in Consolidation	18.05	8.00	(0.84)	1.97	(18.11)	(3.47)	(2.50)	(0.97)	0.12	4.04	–	415.73	–
	ii. Not Considered in Consolidation	18.04	24.01	(0.84)	2.41	(42.93)	(3.47)	(2.49)	(0.96)	0.12	12.10	(8.98)	2910.09	–

Value of Investment in Indian Oil LNG Private Limited is ₹45000.

Following associates or joint ventures are yet to commence operations:

i) NPCIL - IndianOil Nuclear Energy Corporation Limited
ii) Ratnagiri Refinery and Petro-chemicals Limited
iii) Indradhanush Gas Grid Limited
iv) IHB Limited
v) IOC Phinergy Private Limited
vi) Paradeep Plastic Park Limited
vii) Cauvery Basin Refinery and Petrochemicals Limited

Equity Consolidation in respect of following Jointly Controlled Entities have not been consolidated as the Management has decided to exit from these companies and provided for full dimunition in the value of investment:

i) Petronet CI Limited.
ii) Indian Oil Ruchi Biofuels LLP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 46: ADDITIONAL INFORMATION FOR CONSOLIDATED FINANCIAL STATEMENTS AS PER SCHEDULE - III TO COMPANIES ACT, 2013

Name of the Enity	Net Assets		Share in Profit/(loss) after Tax		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Total	Amount (₹ in crore)	As % of Total	Amount (₹ in crore)	As % of Total	Amount (₹ in crore)	As % of Total	Amount (₹ in crore)
Indian Oil Corporation Limited	96.45%	1,34,757.54	84.17%	8,241.82	488.40%	(1,463.73)	71.41%	6,778.09
Subsidiaries:								
Indian								
Chennai Petroleum Corporation Limited	4.63%	6,475.08	36.07%	3,531.53	4.47%	(13.40)	37.06%	3,518.13
Foreign								
IndianOil (Mauritius) Limited	0.26%	360.91	0.16%	15.70	(5.95%)	17.83	0.35%	33.53
Lanka IOC PLC	1.09%	1,523.08	8.75%	856.60	(23.85%)	71.48	9.78%	928.08
IOC Middle East FZE	0.03%	40.63	(0.04%)	(3.96)	(1.13%)	3.39	(0.01%)	(0.57)
IOC Sweeden AB	0.04%	55.03	(0.01%)	(0.55)	14.20%	(42.56)	(0.45%)	(43.11)
IOCL (USA) Inc.	0.10%	140.88	0.16%	15.44	(3.35%)	10.05	0.27%	25.49
IndOil Global BV.	3.08%	4,300.05	2.20%	215.59	(45.18%)	135.41	3.70%	351.00
IOCL Singapore PTE Limited	6.86%	9,590.08	1.83%	178.97	(332.45%)	996.35	12.38%	1,175.32
Less: Minority Interests in all subsidiaries	2.50%	3,494.10	19.53%	1,912.14	(3.78%)	11.34	20.26%	1,923.48
Joint Ventures:								
Indian								
IndianOil Adani Ventures Limited (Formerly known as Indian Oiltanking Limited)	0.54%	759.15	0.55%	53.72	(0.07%)	0.21	0.57%	53.93
Lubrizol India Private Limited	0.12%	172.50	0.14%	13.54	(0.82%)	2.47	0.17%	16.01
Indian Oil Petronas Private Limited	0.55%	763.92	1.27%	124.62	0.03%	(0.10)	1.31%	124.52
Green Gas Limited	0.19%	265.16	0.09%	8.76	-	0.01	0.09%	8.77
Indian Oil Skytanking Private Limited	0.09%	121.21	0.40%	39.09	(0.13%)	0.40	0.42%	39.49
Delhi Aviation Fuel Facility Private Limited	0.07%	95.96	0.09%	8.54	-	–	0.09%	8.54
Indian Synthetic Rubber Private Limited	0.27%	370.33	0.68%	66.52	0.13%	(0.38)	0.70%	66.14
Indian Oil Ruchi Biofuels LLP	–	–	–	–	–	–	–	–
NPCIL - IndianOil Nuclear Energy Corporation Limited	–	0.39	–	0.01	–	–	–	0.01
GSPL India Transco Limited	0.06%	88.17	(0.03%)	(3.08)	-	(0.01)	(0.03%)	(3.09)
GSPL India Gasnet Limited	0.33%	458.89	(0.42%)	(41.17)	0.10%	(0.29)	(0.44%)	(41.46)
IndianOil Adani Gas Private Limited	0.47%	657.59	0.18%	18.05	-	0.01	0.19%	18.06
Mumbai Aviation Fuel Farm Facility Private Limited	0.07%	102.26	0.08%	8.00	-	–	0.08%	8.00
Kochi Salem Pipelines Private Limited	0.38%	534.54	0.01%)	(0.84)	-	0.01	(0.01%)	(0.83)
IndianOil LNG Private Limited	(0.11%)	(156.21)	0.02%	1.97	(0.01%)	0.02	0.02%	1.99
Hinduatan Urvarak and Rasayan Limited	1.62%	2,269.88	(0.18%)	(18.11)	(0.01%)	0.03	(0.19%)	(18.08)
Ratnagiri Refinery & Petrochemicals Limited	0.04%	55.94	(0.04%)	(3.47)	–	–	(0.04%)	(3.47)
Indradhanush Gas Grid Limited	0.14%	197.48	0.02%	1.47	–	–	0.02%	1.47
IHB Limited	1.09%	1,525.43	(0.03%)	(2.50)	–	–	(0.03%)	(2.50)
IndianOil Total Private Limited	0.02%	22.57	0.02%	1.57	–	(0.01)	0.02%	1.56
IOC Phinergy Private Limited	–	0.53	(0.01%)	(0.97)	–	–	(0.01%)	(0.97)
Paradeep Plastic Park Limited	0.04%	57.54	–	0.12	–	–	-	0.12

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE - 46: ADDITIONAL INFORMATION FOR CONSOLIDATED FINANCIAL STATEMENTS AS PER SCHEDULE - III TO COMPANIES ACT, 2013 (Contd..)

Name of the Enity	Net Assets		Share in Profit/(loss) after Tax		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Total	Amount (₹ in crore)	As % of Total	Amount (₹ in crore)	As % of Total	Amount (₹ in crore)	As % of Total	Amount (₹ in crore)
Foreign								
Suntera Nigeria 205 Limited	(0.16%)	(225.59)	(0.17%)	(16.81)	5.52%	(16.54)	(0.35%)	(33.35)
Associates:								
Indian								
Avi-Oil India Private Limited	0.02%	22.29	0.04%	4.04	-	(0.01)	0.04%	4.03
Petronet VK Limited	-	–	-	–	-	–	-	–
Petronet LNG Limited	1.37%	1,908.07	4.25%	415.73	0.18%	(0.54)	4.37%	415.19
Petronet India Limited	-	0.47	-	–	-	–	-	–
Intra Group Eliminations	(17.25%)	(24,097.41)	(20.69%)	(2,025.68)	(3.86%)	11.54	(21.22%)	(2,014.14)
Total	100.00%	1,39,720.24	100.00%	9,792.12	100.00%	(299.70)	100.00%	9,492.42

Notes:

1. Figures in respect of Joint Operations as mentioned in Note 34 have been included in the financial statements of Indian Oil Corporation Ltd & Subsidiary Companies and in respect of other Joint Ventures/Associates of Subsidiary Companies, the same has been included in the financial statements of respective subsidiary company.
2. Following Companies have not been consolidated in the consolidated financial statements as the Management has decided to exit from these Entities and provided for full dimunition in value of investment:
   a) Petronet CI Limited
   b) Indian Oil Ruchi Biofuels LLP
3. Group's share of loss in Petronet VK Limited amounting to ₹4.49 crore (2022: loss of ₹4.35 crore) has not been recognised as the company has accumulated losses as on 31.03.2023. The Groups's share of unaccounted accumulated losses as on 31st March 2023 stands at ₹64.91 crore (2022: ₹60.42 crore).

NOTE-47: SCHEDULE III ADDITIONAL REGULATORY INFORMATION

Relationship with Struck off Companies

(Amount in ₹)

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding	
		March 31, 2023	March 31, 2022
3i Computers Private Limited	Payables	11,300	11,300
Adiansh Engineers Private Limited	Payables	4,737	–
Aditya Inkjet Technologies Private Limited	Payables	1,892	1,892
Airborne Aero Services Private Limited	Payables	–	42,026
Amstar Infrastructure India Private Limited	Payables	1,690	1,98,270
Aoa Energy International Private Limited	Payables	52,900	52,900
Argus Media	Payables	–	–
Arvind Singh Consultants Private Limited	Payables	–	–
Bharati Instrumentation Private Limited	Payables	52	52
Cape Valour Services Private Limited	Payables	31,81,569	31,66,383
Chauhan Transport Private Limited	Payables	1,81,296	1,87,500
CIG Softtech India Limited	Payables	(40,500)	–
DLS Enterprises Private Limited	Payables	–	–
Elite Octane Motoring Private Limited	Payables	–	–
First Office Solutions India Private Limited	Payables	14,100	14,100
Gmplus Engineering Private Limited	Payables	–	–
Grand Marshall Engineers Private Limited	Payables	12,537	12,537
Hotel Dynasty	Payables	7,680	52,573

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE-47: SCHEDULE III ADDITIONAL REGULATORY INFORMATION (Contd..)

(Amount in ₹)

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding March 31, 2023	Balance outstanding March 31, 2022
Informatics E-Tech India Limited	Payables	12,790	–
Kamrupinyae Infrastructures Private Limited	Payables	(6,57,101)	3,22,156
Kingpin Infratech Private Limited	Payables	15,056	–
Linear Point Surveys Private Limited	Payables	(1,440)	–
Maurya Software Private Limited	Payables	–	–
Maypri Foods Private Limited	Payables	–	–
Microsys Technoware Solutions Private Limited	Payables	–	–
Murthy Electronics (P) Limited	Payables	2,541	2,541
Padavi Engineers & Pressure Vessels Limited	Payables	34,545	34,545
Paonta Technologies & Solutions Private Limited	Payables	5,520	5,520
Parihat Ventures Private Limited	Payables	–	–
Risknowlogy Solutions Private Limited	Payables	6,900	6,900
Shree Sai IP Consultant Private Limited	Payables	–	–
Shree Salasar Rent A Car Private Limited	Payables	35,871	35,871
Shubhgayatri Ventures(OPC) Private Limited	Payables	4,86,365	1,50,700
Singh Satyam Private Limited	Payables	–	14,800
Sirius Transtech Private Limited	Payables	28,570	66,220
SKPEI Engineerng Works Private Limited	Payables	25,497	26,154
Spacescape Design Consultants Private Limited	Payables	1,08,550	1,08,550
Spectacular Advertising & Events Private Limited	Payables	10,931	10,931
Techtrix Controls Chennai Private Limited	Payables	2,01,143	1,30,902
Unique Energies Private Limited	Payables	8,175	8,175
Vidhoo Industrial Service Private Limited	Payables	2,107	2,107
Waaree Mm Petro Tech Private Limited	Payables	2,74,634	2,74,634
ASPEN Technology INC.	Payables	–	–
Arun Services Private Limited	Payables	–	48,402
Polycab Wires and Cables Private Limited	Payables	–	–
Alliance Aviation Private Limited	Payables	–	–
MCOG Engineering And Fabrication Private Limited	Payables	–	–
The National Sugar Mills Limited	Receivables	92,621	35,280
Sri Anjaneya Agro Tech Private Limited	Receivables	–	–
Amaan Enterprises Private Limited	Receivables	–	–
Aprajeeta Infra Developers Private Limited	Receivables	(1,395)	(1,395)
Birendra Nag Construction Private Limited	Receivables	(900)	(900)
Brijwasi Shine Chem Private Limited	Receivables	–	–
Chenari Construction Private Limited	Receivables	–	–
Dalhousie Jute Co Limited	Receivables	(3,07,022)	(3,26,345)
Dant Kali Construction Private Limited	Receivables	–	–
Deo Narayan Pawan Construction Private Limited	Receivables	–	–
Dharamveer Construction & Infra Private Limited	Receivables	(12,073)	(12,073)
Durga Materials & Const Private Limited	Receivables	–	–
Eco E Waste Recyclers India Private Limited	Receivables	–	–
Ekta Enterprises Private Limited	Receivables	–	(73,780)
Emanar Enterprise Private Limited	Receivables	–	–
Gabharu Infracon Private Limited	Receivables	–	(56,804)
Idha E Tail Arks Private Limited	Receivables	65	65
Kamaljeet Singh Ahluwalia Private Limited	Receivables	(12,83,348)	(14,84,166)
KDC Infra Projects Private Limited	Receivables	–	1,08,500

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE-47: SCHEDULE III ADDITIONAL REGULATORY INFORMATION (Contd..)

(Amount in ₹)

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding March 31, 2023	Balance outstanding March 31, 2022
Khazina Digital Private Limited	Receivables	(5,07,000)	(5,07,000)
Kumar Engicon & Agency Private Limited.	Receivables	–	–
Palamu & Shivam Construction Private Limited	Receivables	–	–
R & S Construction Private Limited	Receivables	–	–
R K Mishra And Co Private Limited	Receivables	(32,84,982)	(33,31,327)
R.K.Exports Private Limited	Receivables	(1,14,478)	(2,01,188)
RC Residency Private Limited	Receivables	–	–
Reliance Cements Private Limited	Receivables	(10,90,094)	(21,22,338)
Rotoline Tanks Private Limited	Receivables	(4,954)	(163)
Rudra Parwati Engineering Private Limited	Receivables	(2,523)	–
Salai Energy Solutions Private Limited	Receivables	(4,23,767)	(3,86,890)
Singh Brothers Construction Private Limited	Receivables	(1,111)	(1,111)
Singh Leading Engicons Private Limited	Receivables	–	–
Sri Ram Technocrate Private Limited	Receivables	–	–
Srivaru Exim Private Limited	Receivables	–	–
The Barnagore Jute Fcty Plc.	Receivables	(1,29,776)	(1,75,043)
Trishul & Om Construction Private Limited	Receivables	–	–
Vacha Energy Ventures Private Limited	Receivables	–	–
Yumiko Global Infratech Private Limited	Receivables	(5,000)	(5,000)
Zeba Construction & Dev Private Limited	Receivables	–	–
Shares Held By Investors*	Investment	0	0

***Details of Struck-off investors holding equity shares in the Parent Company:**

Name of the struck off company	31.03.2023 No. of shares held	31.03.2023 Paid up Share Capital (In ₹)	31.03.2022 No. of shares held	31.03.2022 Paid up Share Capital (In ₹)
Kothari Intergroup Ltd.	42	420.00	28	280.00
Jsk Finvest Pvt. Ltd.	648	6,480.00	432	4,320.00
Market Probe India Private Limited	30	300.00	20	200.00
Raghukul Shares India Pvt Ltd	3	30.00	2	20.00
Haresh Extrusion Company Private Limited	1,188	11,880.00	792	7,920.00
Hermoine Financial Solutions Private Limited	600	6,000.00	400	4,000.00
Aakil Leasing Ltd	120	1,200.00	80	800.00
Redhill Iron & Steel Private Limited	150	1,500.00	100	1,000.00

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

NOTE-48: ADDITIONAL DISCLOSURES BY GROUP COMPANIES

1 **Impairment loss in respect of Cauvery Basin Refinery**

The CPCL (Subsidiary) has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery – CBR). The operations of the CBR unit have been stopped from 01.04.2019. Accordingly, the value in use was negative and, the recoverable value of the asset was reviewed and it was estimated that there would not be any recoverable value for the same and impairment loss was recognised.

Some of the Assets to the extent of gross block of ₹ 17.09 crore and accumulated depreciation of ₹ 11.00 crore in respect of which impairment to the extent of ₹ 6.09 crore was provided, has been dismantled and scrapped during the year. Impairment provision of ₹ 93.66 crore is continued in respect of the balance assets.

NOTES TO CONSOLIDATED 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 average refills in a year and average subsidy rate per cylinder under respective range of subsidy buckets.

The amount of outstanding as at March 31, 2023 towards PMUY claim from Central Government is ₹ 46.30 crore (2022: ₹ 8.63 crore) and loan to PMUY consumers is ₹ 2567.27 crore (2022: ₹ 2770.67 crore) (net of recovery through subsidy). Against the above loan, a provision for doubtful loans amounting to ₹ 766.38 crore (2022: ₹ 601.46 crore) has been created as at March 31, 2023 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 Group 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 ₹ 41.51 crore (2022: ₹ 489.00 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 (Parent Company) and Coal India Ltd for transfer of explosives business to the said venture Company on slump sale basis at a value of ₹ 311.00 crore (Net Assets WDV of ₹ 132.00 crore as at March 31, 2022), 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, 2023. The Net Asset WDV of the business as at March 31, 2023 is ₹ 79.70 crore.

3 During the FY 2022-23, the Parent Company has recognised an arbitration award in its favour in a case between the Parent Company & Nayara Energy Limited ("NEL", formerly known as Essar Oil Ltd.). NEL has paid Take or Pay ("ToP") liability amounting to ₹288.62 crore and interest thereon amounting to ₹483.81 crore. Additionally, the Parent Company had already encashed bank guarantee amounting to ₹186.00 crore. As per the award NEL has make-up gas right for ToP payments and accordingly ₹474.62 crore has been accounted for as "Advance from Customers" under Current Non- Financial liability. The Parent Company has accounted ₹483.81 crore under the head interest income.

4 During the FY 2022-23, the Parent Company was not able to utilise the committed capacity booked for calendar year 2022 as per regasification agreement dated January 29, 2014 with Petronet LNG Limited (PLL). Hence, PLL has raised invoice for such unused capacity as "Pay for, if not used obligation" amounting to ₹227.08 crore for Contract Year 2022 as per terms and conditions of the Contract. The Parent Company has provided for such regasification charges under the head miscellaneous expenses in Note-29.1.

5 During certain periods of Financial Year 2019-20, retail selling prices of domestic LPG cylinders were lower than desired rates, resulting in reduced sales realisation. This difference in realisation relating to DBTL customers amounting to ₹305.40 crore was claimed from Government of India, along with subsidy under PAHAL (DBTL) Scheme 2014. As the claim has not yet been approved, the Parent Company has derecognised the same during Financial Year 2022-23 and shown under "Net Loss on de-recognition of Financial Assets at Amortised Cost.

6 A Memorandum of Understanding (MoU) entered between the Parent Company and the Government of India, setting various performance parameters for the Parent Company including capital expenditure (Capex) by the group. In this regard, the amount of Capex on major capital projects and creation of additional facilities by the Parent Company, subsidiary and its proportionate share of similar Capex by its Joint Ventures and Associates during the financial year 2022-23 are given below:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE-49: OTHER DISCLOSURES (Contd..)

(₹ in crore)

Name of the Company/ Subsidiary	Total Capex	IOCL Share (%)	IOCL Share
Indian Oil Corporation Limited	36,440.60		36,440.60
Chennai Petroleum Corporation Limited	654.06	51.89	339.39
Indian Oil (Mauritius) Limited	15.56	100.00	15.56
Lanka IOC PLC	11.17	75.12	8.39
IOC Middle East FZE	0.05	100.00	0.05
IOCL (USA) Inc	16.47	100.00	16.47
Ind Oil Global BV	712.14	100.00	712.14
IOC Singapore Pte Limited	916.10	100.00	916.10
Proportionate Capex by Joint Ventures & Associates listed in Note 33B	3,617.28		3,617.28
Total Capex by IOCL and its Subsidiaries and proportionate share of Joint Ventures & Associates	**42,383.43**		**42,065.98**

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 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.

9 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/- (V Satish Kumar) Director (Marketing) DIN- 09322002	Sd/- (Sanjay Kaushal) Chief Financial Officer	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 LLP Chartered Accountants (Firm Regn. No. 106237W / W100829)	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/- (Pradeep Kumar Singhi) Partner M. No. 050773	Sd/- (Rajib Sekhar Sahoo) Partner M. No. 053960

Place: New Delhi
Dated: 16th May 2023