



ANNUAL
REPORT
2007-08

Energising Rural India



Indian Oil Corporation Limited



Energising Rural India

As India's flagship national oil company in the downstream sector, IndianOil reaches precious petroleum products to every nook and corner of the nation...keeping the wheels of progress moving for everyone...bringing the assurance of a better life to people even in remote settlements. The Corporation's *Kisan Seva Kendras* are designed to make available fuels and many items of everyday use to the farmers and people in the rural areas. The cover theme reflects IndianOil's commitment to energising rural India.

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Indian Oil Corporation Limited

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

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

Notice

Indian Oil Corporation Limited
Regd. Office: IndianOil Bhavan,
G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai-400 051

NOTICE

NOTICE is hereby given that the **49th Annual General Meeting** of the Members of **INDIAN OIL CORPORATION LIMITED** will be held at **Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai-400 025** on **Friday, the 19th September, 2008** at **1030 hrs.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet as on that date together with Reports of the Directors and the Auditors thereon.
2. To declare the dividend for the year 2007-08.
3. To appoint a Director in place of Shri V.C.Agrawal, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri G.C.Daga, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri P.K.Sinha, who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

6. Appointment of Shri Anees Noorani as a Director of the Company.

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Anees Noorani, who was appointed as an Additional Director by the Board of Directors effective 1st June, 2008 and who holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. Appointment of Dr.(Smt.) Indu Shahani as a Director of the Company.

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Dr.(Smt.) Indu Shahani, who was appointed as an Additional Director by the Board of Directors effective 1st June, 2008 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. Appointment of Prof. Gautam Barua as a Director of the Company.

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Prof.Gautam Barua, who was appointed as an Additional Director by the Board of Directors effective 1st June, 2008 and who holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

9. Appointment of Shri Michael Bastian as a Director of the Company.

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Michael Bastian, who was appointed as an Additional Director by the Board of Directors effective 1st June, 2008 and who holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

10. Appointment of Shri N.K.Poddar as a Director of the Company.

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolutio:

"RESOLVED THAT Shri N.K.Poddar, who was appointed as an Additional Director by the Board of Directors effective 1st June, 2008 and who holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Registered Office:

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

By Order of the Board of Directors



(RAJU RANGANATHAN)
Company Secretary

14th August, 2008

NOTES

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) Explanatory Statement prepared in pursuance of Section 173 of the Companies Act, 1956 in respect of Special Business is annexed.
- (c) Members/Proxies should bring the attendance slip duly filled and signed for attending the meeting.
- (d) All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days, except Saturdays & Holidays, between 1030 hours to 1230 hours up to the date of Annual General Meeting.
- (e) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 11th September, 2008 to Friday, the 19th September, 2008 (both days inclusive) for the purpose of ascertaining the eligibility for payment of dividend.
- (f) The dividend payable on Equity Shares, if approved by the members, will be paid to those members whose names appear on the Company's Register of members and as per beneficial owners position received from NSDL & CDSL as at the close of 10th September, 2008.
- (g) Pursuant to the provisions of section 205(A) of the Companies Act, 1956, the Company has transferred all unpaid dividend declared up to the financial year 1999-2000 to Investor Education & Protection Fund (IEPF) set up by Central Government. The Company is in the process of transferring the unpaid dividend for the financial year 2000-01 in October, 2008. The dividend for the financial year 2001-02 and thereafter, which remains unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. The Shareholders who have not encashed their dividend warrant/s so far for the financial year 2001-02 to 2006-07 are requested to make their claims to the Registrar & Transfer Agent, M/s. Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company. **It may also be noted that once the unclaimed dividend is transferred to the IEPF, Central Government, as above, no claim shall lie in respect thereof.**
- Similarly, the dividend declared by erstwhile IBP Co.Ltd. (since merged with IndianOil) for the financial years 2001-02 to 2005-06 remaining unpaid will be transferred to IEPF on expiry of 7 year period. The Shareholders of erstwhile IBP Co.Ltd. who have not encashed their dividend warrants so far are requested to make their claims to the Registrar & Transfer Agents, M/s.Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company.**
- (h) Members are requested to bring their copy of Annual Report to the Meeting.
- (i) Shareholders holding shares in electronic form may kindly note that their Address and Bank Account details as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories. The Company will not entertain any direct request from such shareholders for change in Address / Bank Details. The shareholders who wish to change their Address / Bank Account details are therefore requested to advise their Depository Participants about such change.
- (j) Shareholders holding shares in physical form are requested to advise about any change of address/Bank Account Number to the Company or its Registrar.
- (k) The shares of IndianOil are compulsorily traded in dematerialised form and, therefore, the shareholders are requested to dematerialise their shares to facilitate trading in IndianOil shares.
- (l) As per the provisions of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them. In case of shares held in physical form, nomination form can be obtained from the registered office of the Company or from its Registrar & Transfer Agent, M/s.Karvy Computershare Private Limited. The shareholders holding shares in demat form may contact their Depository Participant for nomination.

Pursuant to the requirements of Corporate Governance, a brief resume of Directors who are retiring and are eligible for reappointment, is given below:-

Item Nos.

- (3) Shri V.C.Agrawal, aged 58 years and presently Director(HR) w.e.f. 1st August, 2005, is an alumnus of IIT, Roorkee and holds a Masters Degree in Electrical Power from M.S.University, Vadodara. Shri Agrawal has over three decades of rich and varied experience in the oil sector and has worked in different capacities in Technical and HR functions of the Company. Shri Agrawal has presented several papers on management related topics in national and international forums.

Details of other Directorships:

Name of the Company	Position held
Chennai Petroleum Corporation Limited	Director
Membership/Chairmanship in the Committees of other companies:	NIL
No. of Shares held in the Company:	1800
Relationship between directors inter-se	NIL

- (4) Shri G.C.Daga, aged 57 years, is a Chartered Accountant and has over three decades of rich and varied experience handling various key portfolios in IndianOil, like International Trade, Finance, Consumer Sales, LPG, Aviation, etc. Before taking over as Director (Marketing) effective 4th Sept. 2006, he had a two year stint in Steel Authority of India Ltd. as Director (Finance). Widely travelled, Shri Daga has presented several papers in national and international seminars and conferences.

Details of other Directorships:

Name of the Company	Position held
IndianOil (Mauritius) Ltd.	Chairman
IndianOil Petronas Pvt. Ltd.	Chairman
IndianOil Skytanking Ltd.	Chairman
Indian Oiltanking Ltd.	Director
Membership/Chairmanship in the Committees of other companies:	NIL
No. of Shares held in the Company:	1600
Relationship between directors inter-se	NIL

- (5) Shri P.K.Sinha, aged 53 years is a post graduate from Delhi School of Economics and an IAS officer of U.P. cadre. Shri Sinha also holds an M.Phil in Social Sciences and a Masters Diploma in Public Administration. Shri Sinha has served both in the Central and State Governments, including as District Magistrate of Jaunpur and Agra Districts. Shri Sinha has also served in the Ministry of Power, Department of Youth Affairs and Sports in the Central Government before joining the Ministry of Petroleum & Natural Gas. Presently, he is Addl. Secretary & Financial Advisor in the Ministry of Petroleum & Natural Gas.

Details of other Directorships:

Name of the Company	Position held
Bharat Petroleum Corporation Ltd.	Director
Hindustan Petroleum Corporation Ltd.	Director
Membership/Chairmanship in the Committees of other Companies:	NIL
No. of Shares held in the Company:	NIL
Relationship between directors inter-se	NIL

EXPLANATORY STATEMENT IN PURSUANCE OF SECTION 173 OF THE COMPANIES ACT, 1956.

Item No. 6

Shri Anees Noorani was appointed as an Additional Director w.e.f. 1st June, 2008 by the Board of Directors, pursuant to Article 94(l) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting.

Shri Anees Noorani, aged 57 years, is a Commerce Graduate and has completed the Advanced Business Programme from Harvard Business School, Boston, U.S.A. He joined the House of ZODIAC in 1969 and after successfully developing its export business and scaling up its overall operations became Managing Director of the organisation in 1980. Currently, he is responsible for overseeing the management of the organisation, Corporate Affairs and Finance functions.

Details of other Directorships:

Name of the Company	Position held
Zodiac Clothing Co.Ltd.	Vice Chairman & Managing Director
Multiplex Collapsible Tubes Ltd.	Director
Metropolitan Trading Co. (India) Ltd.	Director
Zodiac Pvt.Ltd.	Director



IndianOil

Director
Director
Director
Director
Director
Director
Director
Director

Zodiac Containers Pvt. Ltd.
Algilani Holdings Pvt. Ltd.
Miraj Marketing Co.Pvt. Ltd.
Elite Clothing Company Pvt. Ltd.
Techno Crest Pvt. Ltd.
Zodiac (UAE) LLC
Zodiac Clothing Co. (UAE) LLC
Euro Global Holdings Pte. Ltd.
Asia Tangible Investments Pte.Ltd.

Membership/Chairmanship in the Committees of other Companies:

Name of the Committee	Position held
Shareholders'/Investors' Grievance Committee of Zodiac Clothing Company Ltd.	Member
No. of Shares held in the Company:	NIL
Relationship between directors inter-se	NIL

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri Anees Noorani as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Shri Anees Noorani is interested or concerned in the resolution.

Item No. 7

Dr.(Smt.) Indu Shahani was appointed as an Additional Director w.e.f. 1st June, 2008 by the Board of Directors, pursuant to Article 94(l) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting.

Dr.(Smt.) Indu Shahani, aged 57 years, is a Ph.D. in Commerce. She is the Principal of the reputed H.R.College of Commerce & Economics in South Mumbai since 2000. She is also currently the Sheriff of Mumbai. She has a teaching experience of 31 years.

Details of other Directorships:

Name of the Company	Position held
Bajaj Electricals Ltd.	Director
Eureka Forbes Ltd.	Director

Membership/Chairmanship in the Committees of other Companies:

Name of the Committee	Position held
Audit Committee of Bajaj Electricals Ltd	Member
No. of Shares held in the Company:	NIL
Relationship between directors inter-se	NIL

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Dr.(Smt.) Indu Shahani as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Dr.(Smt.) Indu Shahani is interested or concerned in the resolution.

Item No. 8

Prof.Gautam Barua was appointed as an Additional Director w.e.f. 1st June, 2008 by the Board of Directors, pursuant to Article 94(l) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting.

Prof.Gautam Barua, aged 54 years, is a B.Tech and M.Tech from IIT Bombay and has a Ph.D. from the University of California, Santa Barbara, U.S.A. He is currently Director of IIT, Guwahati and also Heads the Deptt. of Computer Science & Engineering. Before joining IIT Guwahati in 1995, he was a faculty Member of the CSE Department of IIT Kanpur. He has many publications to his credit.

Details of other Directorships:

Name of the Company	Position held
North Eastern Electric Power Corpn.Ltd. (NEEPCO).	Director
Dredging Corporation of India Ltd.	Director
Assam Hospitals Ltd.	Director

Membership/Chairmanship in the Committees of other Companies:

No. of Shares held in the Company:	NIL
Relationship between directors inter-se	NIL

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Prof.Gautam Barua as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Prof. Gautam Barua is interested or concerned in the resolution.

Item No. 9

Shri Michael Bastian was appointed as an Additional Director w.e.f. 1st June, 2008 by the Board of Directors, pursuant to Article 94(l) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting.

Shri Michael Bastian, aged 63 years, is a Chartered Accountant by profession with over three decades of banking experience in various managerial capacities culminating as Chairman & Managing Director of Syndicate Bank from 2002 to 2004. Prior to heading Syndicate Bank, he was Executive Director, Vijaya Bank from Feb. 2000 to 2002 during which period, he officiated as CMD for a period of 7 months. He also held various key assignments, including International Operations, Treasury & Investment, Merchant Banking and HR Management.

Details of other Directorships:

Name of the Company	Position held
Elder Pharmaceuticals Ltd.	Director
Orient Paper & Industries Ltd.	Director
Hindustan Copper Ltd.	Director
Artson Engineering Ltd.	Special Director
National Textiles Corpn.Ltd.	Special Director

Membership/Chairmanship in the Committees of other Companies:

Name of the Company	Position held
Audit Committee of Orient Paper & Industries Ltd.	Member
Audit Committee of Elder Pharmaceuticals Ltd.	Member
Audit Committee of Artson Engineering Ltd	Member
Audit Committee of Hindustan Copper Ltd.	Chairman

No. of Shares held in the Company:

NIL

Relationship between directors inter-se

NIL

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri Michael Bastian as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Shri Michael Bastian is interested or concerned in the resolution.

Item No. 10

Shri N.K.Poddar, was appointed as an Additional Director w.e.f. 1st June, 2008 by the Board of Directors, pursuant to Article 94(l) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting.

Shri N.K.Poddar, aged 61 years, is a Fellow Member of Institute of Chartered Accountants and Institute of Cost and Works Accountants of India. He is also a Law Graduate from the University of Calcutta. He is currently a Senior Advocate practicing in Kolkata and specializes on Direct Taxes, Corporate Laws and Foreign Exchange regulations.

Details of other Directorships:

NIL

Membership/Chairmanship in the Committees of other Companies:

NIL

No. of Shares held in the Company:

NIL

Relationship between directors inter-se

NIL

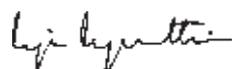
In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri N.K.Poddar as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Shri N.K.Poddar is interested or concerned in the resolution.

Registered Office:

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

By Order of the Board of Directors


(RAJU RANGANATHAN)
Company Secretary

14th August, 2008



Indian Oil Corporation Limited

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

ATTENDANCE CARD

Client ID No./Folio No.	
No. of Shares held	

I/We hereby record my/our presence at the **49th Annual General Meeting** of the Company on **Friday, the 19th September, 2008** at **1030 hrs.** at **Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai - 400 025.**

Name of the Shareholder _____

Signature of the Shareholder _____

Name of the Proxy _____

Signature of the Proxy _____

NOTES

1. You are requested to sign and hand this over at the entrance.
2. If you are attending the meeting in person or by proxy, your copy of the Annual Report may please be brought by you/your proxy for reference at the meeting.

----- TEAR HERE -----



Indian Oil Corporation Limited

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

FORM OF PROXY

Client ID No./Folio No.	
No. of Shares held	

I/We of in the district ofbeing a member/members of the abovenamed Company hereby appoint..... of in the district ofas my/our proxy to vote for me/us on my/our behalf at the **49th Annual General Meeting** of the Company to be held on **19th September, 2008** and at any adjournment thereof.

Signed this day of 2008.

Please Affix
Revenue
Stamp

Signature

NOTE: This Proxy Form duly filled in must be deposited at the Registered Office of the Company at IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai-400 051 not less than 48 hours before the commencement of the meeting.

Values

IndianOil nurtures the core values of *Care, Innovation, Passion & Trust* across the organisation in order to deliver value to its stakeholders.

Care stands for

- Concern
- Empathy
- Understanding
- Cooperation
- Empowerment

Innovation stands for

- Creativity
- Ability to learn
- Flexibility
- Change

Passion stands for

- Commitment
- Dedication
- Pride
- Inspiration
- Ownership
- Zeal & zest

Trust stands for

- Delivered promises
- Reliability
- Dependability
- Integrity
- Truthfulness
- Transparency



Pic courtesy Palashranjan Bhaumick, Business India.

Bringing energy to life... en route to Tanglangla Pass in Ladakh.



“India lives in its villages.”

– Mahatma Gandhi

Even today, over 70% of the Indian population lives in its 6.3 lakh villages. Clearly, no developmental effort is complete without a comprehensive coverage of this 'real India.'

Vision

A major, diversified, transnational, integrated energy company, with national leadership and a strong environment conscience, playing a national role in oil security & public distribution

Mission

- To achieve international standards of excellence in all aspects of energy and diversified business with focus on customer delight through value of products and services, and cost reduction
- To maximise creation of wealth, value and satisfaction for the stakeholders
- To attain leadership in developing, adopting and assimilating state-of-the-art technology for competitive advantage
- To provide technology and services through sustained Research and Development
- To foster a culture of participation and innovation for employee growth and contribution
- To cultivate high standards of business ethics and Total Quality Management for a strong corporate identity and brand equity
- To help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience



Reaching precious petroleum products to the doorstep of rural India.



Empowering rural India, spreading the seeds of inclusive growth

*Rural empowerment is the key
to balanced growth.*

Objectives and Obligations

Objectives

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

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

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

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

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

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

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

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

To earn a reasonable rate of return on investment.

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

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

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

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

Obligations

Towards customers and dealers

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

Towards suppliers

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

Towards employees

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

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

Towards community

To develop techno-economically viable and environment-friendly products.

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

Towards Defence Services

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

Financial Objectives

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

To ensure maximum economy in expenditure.

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

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

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

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



Kisan Seva Kendra – ushering in a new revolution in the hinterland of India.



In the **spirit** of a
national trust for economic prosperity

*Front row left to right: Shri Michael Bastian, Dr. (Smt.) Indu Shahani, Shri S. Sundareshan, Shri S. Behuria,
Shri P.K. Sinha, Prof. (Dr.) Indira J. Parikh and Shri N.K. Poddar.
Back row left to right: Shri V.C. Agrawal, Shri B.M. Bansal, Shri G. C. Daga, Shri S. V. Narasimhan, Shri P.K. Chakraborti,
Prof. Gautam Barua, Shri Anees Noorani, Shri B. N. Bankapur and Shri Anand Kumar*

Board of Directors

Sarthak Behuria

Chairman

Brij Mohan Bansal

Director (Planning & Business Development)

Serangulam Varadarajan Narasimhan

Director (Finance)

Vishan Chandra Agrawal

Director (Human Resources)

Gyan Chand Daga

Director (Marketing)

Basavaraj Ningappa Bankapur

Director (Refineries)

Anand Kumar

Director (Research & Development)

Pranab Kumar Chakraborti

Director (Pipelines)

Sthanunathan Sundareshan

Director

Pradeep Kumar Sinha

Director

Indira Parikh, Prof. (Dr.)

Director

Anees Yusuf Noorani

Director (w.e.f. 1st June, 2008)

Indu Shahani, Dr. (Smt.)

Director (w.e.f. 1st June, 2008)

Gautam Barua, Prof.

Director (w.e.f. 1st June, 2008)

Michael John Bastian

Director (w.e.f. 1st June, 2008)

Nirmal Kumar Poddar

Director (w.e.f. 1st June, 2008)

Vineet Nayyar

Director (up to 30th April, 2008)

Samir Kumar Barua, Prof.

Director (up to 31st May, 2008)

Vijai Kumar Agarwal

Director (up to 31st May, 2008)

Veeraraghava Ranganathan

Director (up to 31st May, 2008)

Priya Mohan Sinha

Director (up to 31st May, 2008)

Raju Ranganathan

Company Secretary



World-scale grassroots projects in greenfield areas – harbingers of prosperity.



The Core Team

*Front row left to right: Shri G. C. Daga, Shri B.M. Bansal, Shri S. Behuria, Shri S. V. Narasimhan, Shri V.C. Agrawal.
Back row left to right: Shri B. N. Bankapur, Shri P.K. Chakraborti and Shri Anand Kumar.*



IndianOil

Principal Executives

A.S.Lamba

Chief Vigilance Officer

Vipin Kumar

Advisor (Security)

C. Dasgupta

Executive Director (Gas)

V.P. Sharma

Executive Director (Finance), Pipelines

Rohit Bhardwaj

Executive Director
(Maintenance & Inspection), Refineries

S.S. Soni

Executive Director (Information Systems)

P.K. Goyal

Executive Director (Finance), Refineries

V.K. Sood

Executive Director (Internal Audit)

S.C. Jain

Executive Director (Corporate Finance)

J.P. Guharay

Executive Director, Mathura Refinery

R. Narayanan

Executive Director (Corporate Affairs)

A.K. Malhotra

Executive Director (Projects), Refineries

P.L. Barua

Executive Director, Assam Oil Division

A.K. Guha

Executive Director
(Business Development – R&PL)

K. Govindarajan

Executive Director (Petrochemicals)

K.K. Gupta

Executive Director,
Indian Institute of Petroleum
Management

T. Vasudevan

Executive Director (Finance),
Business Development

Gautam Datta

Executive Director (Finance), Marketing

S.K. Garg

Executive Director, Barauni Refinery

A.K. Roy

Executive Director, Haldia Refinery

Thomas Antony

Executive Director
(Human Resource Development)

K.K. Jha

Executive Director (Projects), Pipelines

A.M.K. Sinha

Executive Director (Retail Sales),
Marketing

A.K. Rauniar

Executive Director (Anti Adulteration Cell)

U.K. Basu

Executive Director, Gujarat Refinery

K. Rajaram

Executive Director (Finance),
R&D Centre

K.G. Gupta

Executive Director, Western Region
Pipelines

Satish Kumar

Executive Director (Human Resources)

G. Bhanumurthy

Executive Director, Guwahati Refinery

R.K. Puri

Executive Director (Co-ordination),
Marketing

D. Lilly (Ms.)

Executive Director (Pricing & Taxation)

H.V. Singh

Executive Director
(Paradip Refinery Project)

V.S. Okhde

Executive Director
(Exploration & Production)

R.K. Ghosh

Executive Director, Panipat Refinery

N.K. Bansal

Executive Director (Shipping), Refineries

N.K. Khosla

Executive Director
(Panipat Refineries Projects)

Sudhir Bhalla

Executive Director (Human Resources),
Refineries

Gautam Datta

Executive Director (Human Resources),
Marketing

R.K. Malhotra (Dr.)

Executive Director, R&D

Amitava Chatterjee

Executive Director (Lubes), Marketing

Ravinder Sareen

Executive Director (Aviation), Marketing

M. Nene

Executive Director (Supplies), Marketing

Mrinal Roy

Executive Director (LPG), Marketing

T.K. Chatterjee

Executive Director (Finance &
Explosives), IBP Division

A.P. Varghese

Executive Director (LNG)

A.S. Ujwal

Executive Director (International Trade)

T.V. Mohan

Executive Director, Northern Region
Pipelines

S. Ramasamy

Executive Director (Information Systems)

N. Srikumar

Executive Director
(Corporate Communications, Branding &
Planning), Marketing

Anil Tandon

Executive Director (Operations),
Pipelines

A.S. Basu

Executive Director, Gujarat Refinery

S.K. Gupta

Executive Director (Consumer Sales),
Marketing



State-of-the-art technologies – for sustainable energy flow and economic growth.

V.K. Jaychandran

Executive Director,
Tamil Nadu State Office

Satwant Singh

Executive Director (Engineering &
Projects), Marketing

M. Ramana

Executive Director, Andhra Pradesh State
Office

D. Sen

Executive Director,
West Bengal State Office

S.C. Meshram

Executive Director, Gujarat State Office



Strengthening the link between empowerment and growth

*For growth to translate into progress and development,
it must reach the 'bottom of the pyramid'.*

Main Offices & Major Units

Registered Office

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

Corporate Office

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

Refineries Division

Head Office

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

Barauni Refinery

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

Gujarat Refinery

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

Guwahati Refinery

P.O. Noonmati,
Guwahati - 781 020 (Assam)

Haldia Refinery

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

Mathura Refinery

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

Panipat Refinery

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

Pipelines Division

Head Office

A-1, Udyog Marg,
Sector-1, NOIDA - 201 301
(Uttar Pradesh)

Northern Region

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

Eastern Region

14, Lee Road,
Kolkata - 700 020

Western Region

P.O. Box 1007, Bedipara,
Morvi Road, Gauridad,
Rajkot - 360 003 (Gujarat)

Southern Region

IndianOil Bhavan,
139, Nungambakkam High Road,
Chennai - 600 034

Marketing Division

Head Office

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

Northern Region

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

Eastern Region

IndianOil Bhavan,
2, Gariahat Road (South), Dhakuria,
Kolkata - 700 068

Western Region

254-C, Dr. Annie Besant Road,
Worli Colony, Mumbai - 400 030

Southern Region

IndianOil Bhavan,
139, Nungambakkam High Road,
Chennai - 600 034

R&D Centre

Sector 13, Faridabad - 121 007
(Haryana)

Assam Oil Division

P.O. Digboi - 768 171 (Assam)

IBP Division

34 A, Nirmal Chandra Street
Kolkata 700 013



Energy radiates through over 34,000 marketing touch points.

Bankers, Auditors, Stock Exchanges and Registrar & Transfer Agents

Bankers

State Bank of India
HDFC Bank Ltd.
United Bank of India

Statutory Auditors

M/s. K K S & Co., Kolkata.
M/s. M.M. Nissim and Co., Mumbai.
M/s. V.K. Dhingra & Co., New Delhi.

Branch Auditors

M/s. Shah Merchant & Associates,
Ahmedabad.
M/s. Price Patt & Co., Chennai.
M/s. Saha Ganguli & Associates, Kolkata.
M/s. D.K. Chhajjer & Co., Kolkata.
M/s. Nandy Halder & Ganguli, Kolkata.
M/s. S.K. Kapoor & Co., Kanpur.
M/s. S. Mohan & Co., New Delhi.

Stock Exchanges

Bombay Stock Exchange Ltd. (BSE)

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

National Stock Exchange of India Ltd. (NSE)

Exchange Plaza, 5th floor,
Plot C/1, 'G' Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051.

It is confirmed that the Annual Listing Fee has been paid to each of the above stock exchanges.

Registrar & Transfer Agents

M/s. Karvy Computershare Pvt. Ltd.
Plot No. 17 - 24, Vittal Rao Nagar,
Madhapur,
Hyderabad - 500 081
Tel.: 040-23420815 - 828
Fax: 040-23420814



Fuelling the **growth** curve,
so that every Indian can **aim higher**

*India is emerging from the shadows of the past
and looking into the future.*

Performance at a Glance

	2007-08	2006-07	2007-08	2006-07	2005-06	2004-05	2003-04
	(US \$ Million)		(Rs. in Crore)				

I FINANCIAL

Turnover (Inclusive of Excise Duty)	61,700	50,777	247,479	220,779	183,172	150,729	130,203
Gross Profit *	3,575	3,363	14,339	14,622	9,931	8,722	12,013
Profit Before Interest & Tax	2,900	2,758	11,631	11,990	7,728	6,538	10,144
Profit Before Tax	2,513	2,412	10,080	10,485	6,706	5,955	9,691
Profit After Tax	1,736	1,725	6,963	7,499	4,915	4,891	7,005
Dividend	164	518	656	2,251	1,460	1,694	2,453
Dividend Tax	19	83	76	362	205	237	314
Retained Earnings	1,553	1,124	6,231	4,886	3,250	2,960	4,238
Value Added	6,156	5,684	24,693	24,716	17,132	16,611	18,659
Contribution To Central Exchequer (including Dividend paid to Central Govt.)	8,539	6,539	34,249	28,431	24,449	22,148	24,601
Cumulative Dividend	3,617	3,186	14,509	13,853	11,602	10,142	8,448

* Profit before Depreciation,
Interest Expenditure and Tax.

What Corporation Owns

Gross Fixed Assets	14,169	12,612	56,832	54,837	43,695	39,869	36,388
Depreciation & Amortisation	5,999	4,937	24,060	21,467	18,672	16,488	14,341
Net Fixed Assets	8,171	7,675	32,772	33,370	25,023	23,381	22,047
Capital Work In Progress	2,286	1,011	9,170	4,395	9,646	8,734	5,286
Investments	5,372	4,599	21,546	19,998	14,526	5,705	5,596
Finance Lease Receivables	8	11	31	49	71	95	119
Working Capital	4,575	2,151	18,350	9,351	10,806	9,662	6,388
Misc. Expenditure	31	36	125	157	58	33	73
Total	20,443	15,483	81,994	67,320	60,130	47,610	39,509

What Corporation Owes

Net Worth

- Share Capital	297	269	1,192	1,168	1,168	1,168	1,168
- Share Capital Suspense Account	-	5	-	24	-	-	-
- Reserves	9,946	7,743	39,894	33,665	28,135	24,817	21,879
- Total	10,243	8,017	41,086	34,857	29,303	25,985	23,047
Borrowings	8,857	6,229	35,523	27,083	26,404	17,320	12,178
Deferred Tax Liability	1,343	1,237	5,385	5,380	4,423	4,305	4,284
Total	20,443	15,483	81,994	67,320	60,130	47,610	39,509

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



Committed to providing quality products at competitive prices.



Pic courtesy Bikers for Integration & Conservation of Environment, Delhi.

Refining life, with customer-friendly products and services

*Resurgence of rural India
offers myriad opportunities to the marketers.*



IndianOil

Performance at a Glance (Cont'd...)

	2007-08 (US \$)	2006-07	2007-08	2006-07	2005-06	2004-05	2003-04
			(Rupees)				

Ratios

Debt Equity Ratio

- Total Debt To Equity	0.86:1	0.78:1	0.86:1	0.78:1	0.90:1	0.67:1	0.53:1
- Long Term Debt To Equity	0.28:1	0.31:1	0.28:1	0.31:1	0.39:1	0.27:1	0.31:1
Earnings Per Share*	1.46	1.45	58.39	62.90	42.08	41.88	59.97
Cash Earnings Per Share*	2.02	1.95	81.10	84.97	60.94	60.57	75.97
Profit After Tax To Average Networth (%)	18.34	23.38	18.34	23.38	17.78	19.95	33.38
Book Value Per Share	8.59	6.72	344.58	292.34	250.88	222.47	197.32

* Earnings Per Share and Cash Earnings Per Share for all the periods have been calculated after considering the Bonus Issue in line with AS-20- "Earnings Per Share".

Note:

Exchange rate used:

1 US \$ = Rs.40.11 as on 31.03.2008

1 US \$ = Rs.43.48 as on 31.03.2007

II OPERATIONS

	Million Metric Tonnes (MMT)				
	2007-08	2006-07	2005-06	2004-05	2003-04
Product Sales					
Domestic					
- Petroleum Products	57.55	53.36	46.22	48.17	46.80
- Gas	1.74	1.48	1.30	0.69	0.01
Total Domestic	59.29	54.84	47.52	48.86	46.81
Export	3.33	3.13	2.09	1.96	1.81
Total	62.62	57.97	49.61	50.82	48.62
Refineries Throughput	47.40	44.00	38.52	36.63	37.66
Pipelines Throughput	57.12	51.69	45.35	43.03	45.17

III MANPOWER Nos. 31,945* 29,862 30,048 30,430 30,801

* Includes employees of erstwhile IBP Co. Ltd., merged with IndianOil w.e.f. 2nd May, 2007.



Investments in green fuels – and a clean environment for future generations.



Education as a potent tool to transform rural India

*Catch them young and effect attitudinal changes
for respecting the value of energy.*

Chairman's Message

The year gone by was replete with challenges. Powerful winds of change left an indelible mark on economies the world over, and the India growth story grappled with the risk of losing momentum. As the super spike theory looked set to roll into an ultra spike and the crude oil prices touched US\$147 a barrel, the world gaped at the big question – what will power humanity's march into the future?

In India, the *juggernaut* of populist policies – cheap energy for everyone – rolled on. Faced with eroding profits and mounting borrowings, IndianOil took decisive action to initiate demand-side measures as well as scale up research into fuels of the future. While opportunities in expanding sources of additional fuel continued to be explored during the year, much still needs to be done in terms of liberalising energy markets and upgrading the overburdened infrastructure.

As a nation on the ascent, India does not have a choice in building and sustaining its competitive edge in a global marketplace where volatility in commodity prices is a fact of life. As a leader in the business of bringing energy to life, IndianOil has played a major role in driving the fundamentals of a resurgent India. We believe that our business is all about attitude, the attitude of making our customers succeed and through it, our nation to prosper. Aligning our aspirations with those of our countrymen, we strove during the year gone by to grow our business in tumultuous times to meet the energy needs and at the same time increase shareholder value. This was reflected in our spectacular performance in the past year.

In the year 2007-08, we posted earnings of Rs. 6,963 crore on an unprecedented turnover of Rs. 2,47,479 crore. Holding the price line for the four major products – petrol, diesel, PDS kerosene and LPG for domestic use – meant that our bottomline bore the brunt of under-recoveries. While improved margins resulting from high crude oil prices was the saving grace, the performance was also driven by strategies such as continually improving base operations and a disciplined approach to new investments to enhance growth. Thrust continued on implementation of value-addition projects such as Naphtha Cracker project at Panipat and residue upgradation project at Gujarat. Quest for energy security saw IndianOil's presence in over 20 oil & gas blocks in India and abroad. For the first time, our exploration & production efforts bore fruit and we struck gas in the Assam-Arunachal basin.

We are proud of the progress achieved during the year and deeply recognise that the confidence of our shareholders relies on our ability to deliver.

To foster inclusive growth, IndianOil has tweaked its business model to roll out over 2,000 customised, special-format retail outlets in the rural hinterland. By reaching precious energy and day-to-day essentials to the doorstep of consumers through the Kisan Seva Kendra (KSK), IndianOil has taken a step forward in improving the quality of life of the rural populace and powering the nation's prosperity. However, much more remains to be done in this area.

We believe that for India to sustain its growth momentum, it is important to reach out to the 'bottom of the pyramid' and empower rural India. With a belief that education just isn't about self-discovery but is a potent tool to transform



Sarthak Behuria
Chairman

India, we plan to augment our community development & empowerment programmes and set in motion a full-fledged countrywide programme to boost education and employability amongst the most vulnerable sections of our society.

Today, India is emerging out of the shadows of the past and looking at the future. However, it is clear that energy – scarcer, costlier and increasingly strategic in the current times - will be a binding constraint on India's growth. To meet the current rate of growth in demand, we need to build a new refinery the size of Mathura Refinery every two years!

Alongside the resurgence of rural India, the country's interesting demographics offers myriad opportunities to the marketers. Presently, India has the world's largest 'young population'. While this segment of population would drive the demand for energy in the country, it also provides us a unique opportunity to 'catch them young' and effect attitudinal changes as far as respecting the 'value of energy' goes. Notwithstanding widening the basket of energy supply sources or the healthy prospect of alternative fuels coming of age in the future, it is indeed important to understand as a nation that wasteful consumption is an anathema.

IndianOil continues to engage people at various levels and forums to press home the point of optimum utilisation of energy. The principle of the right price for the right product and targeting the right people can go a long way in bringing down the high energy intensity, skewed distribution and help check diversions. We believe that subsidies should be targeted and prices of transportation fuels should be aligned with the market. This would be a sole strong determinant of the destiny of the business of fuel retailing in India.



On the agenda – a countrywide programme to boost education and employability...

Directors' Review Refineries

IndianOil refineries registered robust growth and excellent performance in the year 2007-08. The seven refineries together clocked the highest-ever crude oil throughput of 47.4 million tonnes, a 7.7% growth over the previous year, and surpassed 100% capacity utilisation for the first time in the last eight years. The lowest-ever specific energy consumption of 67 MBN¹ for the year was yet another significant achievement. Innovative efforts by the group refineries in sharing feedstock and intermediates helped enhance throughputs, distillates yield and asset utilisation, leading to overall improvement in refinery margins. The Gross Refinery Margin for the year rose to a record US\$ 9.02 a barrel, from US\$ 4.19 in the previous year.

Many initiatives were taken during the year to further enlarge the basket of crude oils to help bring down input costs and widen supply sources. Fifteen new grades of crude oils – from the Mediterranean & Caspian Seas, West Africa, South Pacific Ocean and the Middle East Gulf – were processed during the year. The quantum of cheaper sour and heavy grades touched a record 70% of crude oil imports. Shipping costs were optimised through a mix mode of chartering.

The petrochemical plants too set new records during the year. The Linear Alkyl Benzene plant at Koyali Refinery achieved 110% capacity utilisation to match increased sales of the product. Production of Purified Terephthalic Acid (PTA) touched 386.2 thousand metric tonnes (TMT) in the first full-year operation of the PX (Paraxylene)/PTA plant at Panipat. In addition, 17.4 TMT of PX was exported. Work on the world-scale Naphtha Cracker with downstream polymer units at Panipat is on schedule to help realise IndianOil's goal of becoming a major player in the petrochemicals sector.

While meeting the country's increasing energy need poses many challenges, it also offers an opportunity in making investments in the refining sector highly attractive. To derive full advantage of the emerging scenario, IndianOil is implementing ambitious projects envisaging investments of over Rs. 45,000 crore in its refining business during the XI Plan. Major among them are the Naphtha Cracker at Panipat; residue upgradation & fuel quality improvement project at Koyali Refinery; diesel quality & distillates yield improvement project (Hydrocracker) at Haldia Refinery; and petrol quality improvement projects at Panipat, Mathura, Barauni, Guwahati and Digboi refineries. Also, capacity augmentation projects, 3 million metric tonnes per annum (MMTPA) at Panipat and 1.5 MMTPA at Haldia, are under



B.N. Bankapur
Director (Refineries)

implementation and are scheduled to be completed by the year 2009.

In addition, IndianOil is setting up a 15 MMTPA state-of-the-art grassroots refinery at Paradip in Orissa at a cost of about Rs. 30,000 crore. The refinery is conceived to process 100% heavy, high-sulphur cheaper crude oil. Various other projects such as a PX plant at Koyali, a delayed coking unit at Haldia, and enhancement of high-sulphur crude processing capabilities at Barauni Refinery for improving refinery margins and competitiveness are on the anvil. To excel in project management in the current overheated market, IndianOil has initiated new strategies such as risk identification & mitigation plan, world-class project implementation plan, strict milestone-based monitoring and flawless start-up plans. These strategies have helped us meet the target milestones in all major projects.

The sharp growth in demand for petroleum products has brought in its wake rising concerns over emissions and their adverse effects on environment and public health. While fully complying with the current statutory requirements on fuel quality, IndianOil is preparing for the future as well by implementing auto fuel quality improvement projects at its various refineries to comply with Euro-III and Euro-IV norms to be introduced by April 2010.

As part of the worldwide efforts to reverse the effects of global warming, IndianOil has adopted several state-of-the-art clean technologies to reduce CO₂ emissions by minimising energy consumption in its refinery operations. Several schemes have been identified under Clean Development Mechanism (CDM), of which six have already been approved by the host country and are currently under validation by DNV of The Netherlands. IndianOil hopes to register its first CDM project with UNFCCC (UN Framework Convention on Climate Change) soon and the estimated CER (certified emission reductions) earnings would be around 150,000.

The thrust on safety in operations continued at all refineries and project sites, which helped improved safety performance with reduced major/minor incidents.

To fuel the country's growing energy needs, IndianOil refineries are fully geared to continue their robust growth and performance, with focus on optimised operations, capacity augmentation and timely execution of projects. We plan to take the group refining capacity from the current 60.2 MMTPA to 80 MMTPA by the year 2011-12.



Realising the goal of becoming a major petrochemicals player...

¹ Mbtu/Bbl/NRGF or Million British Thermal Units per Barrel – Energy Factor

Directors' Review

Pipelines

Cross-country pipelines are globally recognised as the safest, cost-effective, energy-efficient and environment-friendly mode for transportation of crude oil and petroleum products. With such inherent advantages, IndianOil's 9,273 km long cross-country pipelines network has been serving as the backbone of its refining and marketing operations, adding to their overall efficiency and productivity. IndianOil will add about 4,000 km of new pipelines by the end of the XI Plan period (2007-12). Of these, about 1,150 km length of pipeline will be commissioned in the current fiscal.

IndianOil's crude oil pipelines set a new record for the year 2007-08 by registering the highest ever throughput of 35.85 million metric tonnes. During the year, the Corporation's largest crude oil handling facility at Vadinar handled 150 tankers, including 70 Very Large Crude Carriers (VLCCs), at its two offshore Single Point Mooring (SPM) systems, to feed Koyali, Mathura and Panipat refineries. The Mundra terminal handled 63 tankers for supplying crude oil to Panipat Refinery, while the Haldia port handled 226 tankers for crude oil supplies to Haldia, Barauni and Bongaigaon refineries.

In April 2007, the Mundra terminal commenced operation of new facilities for handling heavy crude oil, imported at low cost, and blending it with normal grades. This strategic initiative of sourcing heavier but cheaper crude oils has begun yielding dividends in terms of enhanced refining margins.

IndianOil is laying a 330 km pipeline from Paradip to Haldia to bring down the cost of transportation of crude oil for both Haldia and Barauni refineries, currently being fed from Haldia port in small parcels. This pipeline will facilitate further expansion of refinery capacities in the eastern sector. On the west coast, the Mundra-Panipat pipeline is being augmented to transport an additional 3 million metric tonnes per annum (MMTPA) of crude oil to Panipat Refinery, by December this year. Additional requirement of crude oil for Koyali, Mathura and Panipat refineries is planned to be met by de-bottlenecking and augmenting the existing Salaya-Mathura pipeline system.

IndianOil's 5,300 km network of product pipelines, connecting its refineries directly to the high-consumption centres, achieved a 10.50% increase in throughput at 21.27 million metric tonnes during 2007-08.

Major product pipelines currently under execution are Chennai-Bangalore and Koyali-Ratlam pipelines. A dedicated 94 km pipeline is underway to transport aviation fuel from Chennai Petroleum Corporation's refinery at Manali to the Chennai Airport. A similar 36 km pipeline is also on track from Devanagonthi terminal to the new Bengaluru International Airport. A spur line from Mathura to Bharatpur and a branch line to Hazira on the Koyali-Dahej pipeline are also under implementation. A grassroots terminal facility is being set up at Ratlam to feed the local markets. This terminal will receive products from Koyali Refinery through the Koyali-Ratlam product pipeline. A 118 km pipeline is being laid from Bijwasan to Panipat for transporting Naphtha from Mathura Refinery to the upcoming Naphtha Cracker unit at Panipat.



P.K. Chakraborti
Director (Pipelines)

Several innovations in pipeline operations during the year have enabled the Corporation reap rich dividends. Also the inter-connectivity offered by the pipelines network is enabling IndianOil group refineries to share intermediate streams for capacity optimisation and value addition in finished products.

IndianOil sees gas pipelines as a major growth area in the future. The gas market in India is expanding fast, thanks to enhanced availability of gas from indigenous sources and through imports. The Corporation will commission its first natural gas pipeline from Dadri to Panipat (130 km) as also its first LPG pipeline from Panipat to Jalandhar (275 km) in the current fiscal.

IndianOil has translated the expertise of its personnel in pipeline operations into a business opportunity, by offering training and consultancy to several Indian and overseas companies. Currently, the Corporation is imparting training for the personnel of the Greater Nile Petroleum Company, Sudan, besides preparing manuals on pipeline operations, maintenance & inspection for them.

For the coming years, the Pipelines Division shall remain fully focussed on supplementing the efforts of its sister Divisions of Refineries and Marketing, even as the Corporation charts new strategies to meet the rising demand for petroleum products in the face of a turbulent and challenging business environment.



Pursuing gas pipelines as a major growth area...

Directors' Review Marketing

It is perhaps the toughest of times for attempting a forward-looking prognosis on oil marketing in India. The dichotomy that exists between the cost and the retail selling price of fuels does not lend itself to much optimism. While the jury is still not out on whether the high crude oil prices in the international market are as a result of peaking demand or pure trading positions, one thing is for sure: the days of cheap oil are well and truly over.

What is all the more worrying is our continued dependence on oil for our energy needs. The real cause of concern is that we need more and more of it in the coming years to fuel the economic transformation of our nation, and we surely don't seem to have other viable options, at least in the near term. Again, the artificial low prices of more than

65% of our product portfolio is actually fuelling a demand of another kind. Misuse. While diversion of domestic LPG to commercial use continues to be a matter of great worry, use of other fuels in unauthorised applications is also resulting in less than optimum use of precious energy resources. Diesel is a classic example. Subsidised, being a transportation fuel, diesel now finds its way into applications like gen-sets and even boilers in industries. Probably the best way to face these challenges is to look at new and innovative ways of managing our existing resources. And IndianOil is doing precisely that!

Despite negative cash flows and significant deterioration in our financial fundamentals brought on by under-recoveries in all frontline products, we achieved a spectacular sales growth of 8.7% during the year. This growth was backed by a range of pioneering initiatives, including forging a seamless

brand portfolio and fast-tracking infrastructure projects. The various branding initiatives and added thrust on branded fuel sales enabled us to emerge as leaders across the entire branded auto-fuel landscape. Today we are proud leaders in branded diesel, branded petrol and branded LPG.

We have also ramped up our XTRACARE offerings, ensuring the highest levels of quality and quantity assurance, supported by enhanced forecourt service. By transplanting the benefits of modern fuel retailing to rural areas, IndianOil's user-friendly, convenient and custom-built Kisan Seva Kendra are ushering in a new revolution in rural India. Volumetric increase in aviation fuelling business and commissioning of IndianOil Skytanking facilities at the new Bengaluru International Airport during the year marked another new high in our service and ground support standards.



G.C. Daga
Director (Marketing)

What motivates us in these trying times? It is definitely the loyalty and trust reposed in us by millions of our customers. At IndianOil, the DNA of a marketing person is built not to just notch up sales records but, most importantly, to look at what difference he or she can make in maintaining the supply line, in enhancing customer delight and earning all-round trust. The basic premise of our business is that the customers' choice is driven by the promise of 'quality experience' in product, service and hygiene standards. What is also vital to success is the personal touch with customers at the point of sale or delivery of service that we have assiduously built over the years. Not to forget the support of our strong dealer fraternity who have stood by us through thick and thin for over four decades now.

There has also been no dearth of accolades during the year. For the second consecutive year, IndianOil emerged as 'The Most Trusted Fuel Pump Brand' in the country in a survey conducted by *Reader's Digest* and AC Nielsen. It also retained its 7th position in the Service Brands category in *The Economic Times Brand Equity* survey. These achievements would not have been possible without the continued loyalty and patronage of our customers.

As we gear ourselves to provide wholesome service that borders on 'pit-stop' efficiency, new challenges come by, like waves in the ocean. With proven, unstinted commitment to fuelling the nation's progress for four decades, our single-minded focus will continue to be creation of more and more value for our stakeholders. The road ahead is steep and arduous. But we have the goodwill and support of a billion Indians to carry us through these trying times.



Aiming at the highest levels of quality and quantity assurance...

Directors' Review Research & Development

Today's competitive and challenging business environment demands continuous differentiation of products, processes and services for sustained growth. The only enabler of differentiation is continuous innovation and, therefore, the *mantra* for success is the ability to successfully innovate and put those innovations to commercial use. IndianOil R&D has, therefore, been striving to continuously develop and commercialise novel technologies, products and processes, with focus on customer benefit and satisfaction.

The contributions of IndianOil's R&D Centre during the year 2007-08 have been primarily in providing technical services support to the Corporation's business domain and in meeting the varied needs and aspirations of its valued customers. This has helped the Corporation in bringing down costs, improving efficiency, increasing the yield of value-added products and offering customised products and solutions.

Leveraging IndianOil's intellectual horsepower, its scientists earned 12 patents during the year, taking the effective portfolio of patents to 200, including 50 international patents. On the technology licencing front, the Corporation entered the select group of global licensors of the highly guarded Needle Coke technology for production of high-value needle coke. This technology, which has proven successful in two IndianOil refineries, was licenced to Numaligarh Refinery Ltd. this year. The work on installation of INDMAX, DHDT & ISOM technologies, also developed by IndianOil and licenced to Bongaigaon Refinery last year, has progressed as per plan and all these technologies will be on stream in phases by the year 2012. Continuing with the success of the development of intelligent 'pig', used in pipeline operations, IndianOil became the first Indian company to put caliper pigs for commercial trials.

IndianOil developed 186 new lubricant formulations during the year, of which 160 formulations were commercialised. The year was marked with 46 approvals from original equipment manufacturers and other industries.

As an initiative towards future readiness, IndianOil has been actively involved in the country's efforts for commercialisation of Hydrogen as a 'fuel of the future.' With the experience gained from India's first pilot Hydrogen-Compressed Natural Gas (H-CNG) dispensing station at the R&D campus in Faridabad, work is now in full swing on setting up a commercial H-CNG dispensing station at Dwarka, New Delhi, to be commissioned by end of this year.

The technical and technological prowess of IndianOilPeople gained further acceptance at the international level when IndianOil Technologies Ltd., a wholly-owned subsidiary of IndianOil, was awarded a job by the Kuwait National Petroleum Company for turnaround of their FCC (Fluidised Catalytic Cracking) unit. This challenging job was completed well in time.

In order to leverage the power of cooperation, IndianOil entered into a number of Memoranda of Understanding (MoU) and Memoranda of Collaboration (MoC) during the year. Significant among them were MoUs with IIT-Madras for development of specialised alumina for hydroprocessing applications; with SudChemie (India) for production of DHDT (diesel hydrotreater) catalyst based on IndianOil



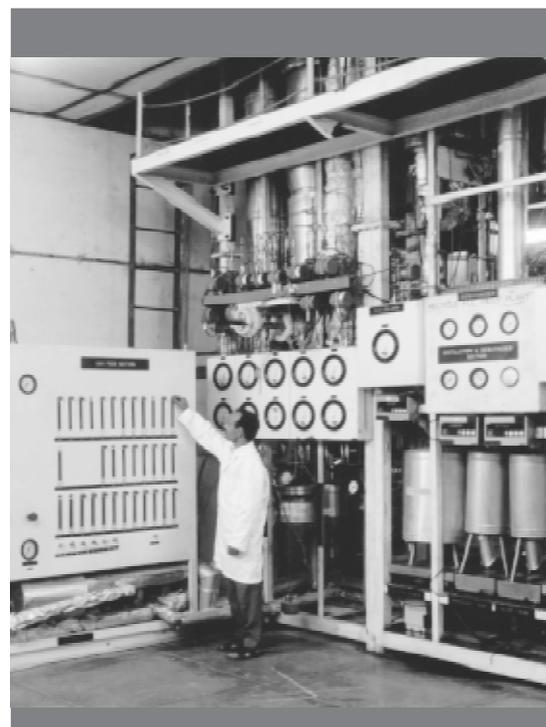
Anand Kumar
Director (Research & Development)

formulations; with IISc-Bangalore for pursuing a project on boundary lubrication and development of nano-additives; with Bhabha Atomic Research Centre and Electronics Corporation of India Ltd. for further improvements in i-pig and c-pig and development of higher sizes of pigs; and with National Renewable Energy Lab-USA for carrying out life-cycle analysis of bio-diesel from *Jatropha* plant seeds.

The year also brought many prestigious recognitions for IndianOil R&D. The major ones were Frost & Sullivan Award for Industry Innovation & Advancement in Indian Bio-fuel industry; PetroFed Oil & Gas Industry Team Award for Innovation of the Year, for developing marine oil technology; and the World Intellectual Property Organisation Award for the novel treating technology.

IndianOil has in place ambitious plans that shall be nurtured with great care in the coming years so that the Corporation always remains the leading energy provider. Some of the futuristic technology areas identified for focussed R&D are: petrochemicals and polymers; bio-fuels from ligno-cellulosic and algal materials; bio-treatment of high-sulphur fuels and intermediates, value-added liquid & gaseous products from petroleum coke; eco-friendly long-drain lubricants; additives for greater fuel and engine efficiency; nanotechnology for improving operating efficiencies; super cracking process for heavier crude oil.

The possibilities are endless and the R&D team at IndianOil, which derives its strength from the 'power of possibilities', remains committed to maintaining the Corporation's technological leadership, resulting in enhanced value for all stakeholders.



Focus on novel technologies, products and processes...

Directors' Review

Planning & Business Development

At a time when IndianOil's marketing margins in 2007-08 took a hit on account of soaring prices of crude oil in the international market and incomplete pass-through of product prices to the customers, its new businesses assume even greater significance for its growth plans for the future. Initiatives in some of these high-margin businesses have already begun paying dividends.

With efforts for upstream integration apace, IndianOil further expanded its portfolio of E&P (exploration & production) assets in India and abroad during the year by bagging a block in Libya in consortium with Sonatrach (operator) of Algeria and Oil India Ltd. (OIL). The year also marked gas discovery in the Assam-Arunachal Pradesh block and two oil & gas discoveries, one each in India (Mahanadi Block)

and Iran (Farsi Block), awarded to IndianOil as a consortium partner. IndianOil and OIL have incorporated a special purpose vehicle, Ind-OIL Overseas Ltd., at Port Louis, Mauritius, to jointly undertake activities related to the acquisition of overseas E&P assets.

The petrochemicals sector is a major driver of industrial growth. IndianOil is focussing on strengthening its petrochemicals business chain through integration with core competencies and has emerged as a major player in the market in the past few years. It is already the most preferred supplier of Linear Alkyl Benzene (LAB, used for manufacture of detergents) in the domestic market, with two of the biggest buyers committing a major portion of their sourcing to the Corporation. The response from buyers, both within and outside the country, for our new product offering, Purified Terephthalic Acid (PTA, used in polyester industry), has also been encouraging. Implementation of the world-scale Naphtha Cracker project at Panipat with downstream units is progressing well, to serve as a mother unit for the polymer industry.

With gas being promoted as the fuel of the future, IndianOil is actively pursuing opportunities in all facets of the gas value chain, viz., sourcing, setting up of Liquefied Natural Gas (LNG) terminals, city gas distribution, and cross-country pipelines. IndianOil marketed 1.91 million tonnes of re-gassified LNG (R-LNG) during the year, including for internal consumption. It plans to set up an LNG import terminal at Ennore near Chennai and accordingly has signed an MoU with Petronet LNG Ltd. for developing the terminal jointly. Concerted efforts are on to source LNG for the same.



B. M. Bansal
Director (Planning & Business Development)

In addition, IndianOil has tied up with several partners for sourcing gas indigenously. It has signed an MoU with Deep Industries Ltd. who have three marginal fields in Jaisalmer district of Rajasthan and two Coal Bed Methane (CBM) blocks (in Godavari in Andhra Pradesh and Singrauli in Madhya Pradesh) for joint development and monetisation of gas produced therein. IndianOil has city gas distribution facilities in Lucknow and Agra through Green Gas Ltd., its joint venture with GAIL (India) Ltd. Plans are in place for expanding to other cities, for which MoUs were signed during the year with GAIL and Great Eastern Energy Corporation Ltd.

Our customer base for gas marketing has expanded and efforts are on to expand it further through a variety of modes. Towards this end, IndianOil successfully commissioned a technology innovation project 'LNG at the doorstep' for distributing LNG to the consumers located away from gas pipelines through cryogenic tankers.

IndianOil's business plan for entry into the bio-diesel value chain was finalised during the year. Unlike diversion of food crops into bio-fuel production, which has come under criticism across the globe, IndianOil's business model for bio-diesel is based on cultivation of non-edible plants (*Jatropha* and *Pongamia*) on arid/wastelands. An MoU was signed with the Government of Chhattisgarh for formation of a joint venture company to carry out plantation of bio-crops and other related activities in the State. In Madhya Pradesh, IndianOil has been offered 2,000 hectares of non-forest wasteland. Efforts are on to roll out bio-diesel plantations in Rajasthan and Orissa also.

In the context of spiraling crude oil prices, alternative energy sources like wind energy and solar energy are being looked at as commercially viable options. IndianOil is exploring the possibility of including these in its business model. The wealth of experience and carefully thought-out strategies give us the confidence of overcoming every challenge in encashing these growth opportunities.



*Encashing new growth opportunities
in India and abroad...*

Directors' Review Finance

It wasn't all that long ago that people took cheap oil for granted. In the face of continued enforcement of cap on prices and fears of price rise of petroleum products stoking inflation, wasteful consumption of this precious resource continued unabated. The global geo-political landscape changed dramatically during the year. Coupled with surplus money entering the lucrative oil futures, the crude oil prices touched stratospheric highs.

In fact, oil on the international scene has never witnessed volatility of the magnitude as seen in the current times. The price of the Indian basket of crude oil had jumped by over 46% during the last six months of the year 2007-08, from US\$ 71 to US\$ 104 per barrel in March '08. As if that was not enough, the price has recorded successive highs during the current fiscal, reaching a high of \$ 142 per barrel on 3rd July '08. Products like diesel and kerosene have reached an alarming high of over \$ 175 per barrel when the selling price equivalent has been \$ 86 per barrel for diesel and \$ 23 per barrel for kerosene. While the prices have started declining from the second fortnight of July '08, the comfortable zone would be only when the crude oil price stabilises at about \$ 90 per barrel.

Countries the world over, except a few, have been finding it difficult to pass on such huge increase to customers. In India too, the selling price for LPG, Kerosene, Petrol and Diesel, is not aligned to international prices; consequently the burden in the first instance is to be borne by the oil marketing companies (OMCs). The implications are two-fold: it hits the profitability and crunches the liquidity. Considering the magnitude of the under-recoveries, the Government has been evolving a mechanism periodically to minimise the losses of OMCs by way of burden sharing by upstream companies, passing on the price increase to the consumers, reduction in duties and refining margins of refineries and issuance of Special Oil Bonds.

While such mechanisms ensure that OMCs post reasonable profits, it is not a long-term solution as the borrowings increase due to lag in receipt and disposal of oil bonds. Our borrowings had increased from Rs. 27,000 crore in March '07 to over Rs. 35,000 crore in March '08.

While the relationship of energy consumption and economic growth is apparent, the fundamental issues that the oil industry has, a long lead time and capital intensive, must be addressed upfront. Realising the alarming levels of borrowings and under-recoveries in the current financial, drastic measures were taken to contain them. This called for a review of all expenses, capital and revenue, planned during the year. Consequently, it was decided to take up new projects selectively, taking into consideration the strategic business needs of the organisation. Non-plan expenditure was pruned and the maximum possible reduction in revenue expenditure has been targeted. It is in this context that the Board had decided to limit the dividend outgo for the year 2007-08 to 55%, as a higher dividend would entail large cash outgo, further aggravating the borrowings position. The profit would have justified higher dividend but the liquidity position did not.

The year 2008-09 would be crucial in many respects: Reserve Bank of India's (RBI) measure to tackle inflation has resulted in hardening of interest rates; higher oil prices,



S. V. Narasimhan
Director (Finance)

coupled with the crash of the capital market, led to rupee depreciation. These would impact IndianOil as our domestic borrowings as also our foreign currency borrowings continue to be high.

Several ongoing projects are in an advanced stage of execution and we have to ensure their completion on schedule to be able to earn revenues from these projects. While the working capital needs are increasing due to high oil prices, there is also a need for adequate funds for the ongoing projects. International fund flow is not as good as it used to be due to the financial crisis arising out of the sub-prime issue and also restrictions of RBI on bringing foreign currency loans to the Indian market. It will be a real challenge and a tough task indeed to meet our large financial appetite.

But then, when the going gets tough, the tough get going, isn't it?



IT-enabled business processes and work environment...

Directors' Review

Human Resources

From a Human Resources perspective, the year 2007-08 was significant for IndianOil in many ways. Chief among them was a major exercise of restructuring in the form of seamless merger of the marketing subsidiary, IBP Co. Ltd., with IndianOil, and absorption of the 2,000-strong IBP manpower in the parent company within three months of the formal merger date. Swift integration of the countrywide assets and operations of both the companies led to a larger and more formidable marketing network of over 17,600 petrol/diesel stations by the end of the year. The 49 Divisional Offices (DOs) of IndianOil and 30 of IBP were replaced by a full complement of 66 DOs covering 450 sales areas. The two smaller businesses of erstwhile IBP – Explosives and Cryogenics – are continuing as usual.

The Corporation also undertook integration of the parallel marketing set-up of its Marketing Division and Assam Oil Division (AOD) in the North-Eastern States with effect from 1st April, 2008 to avoid duplication of costs and efforts, enhance operational synergy and to emerge as the least cost supplier with the ultimate objective of providing better and more efficient services to the people of Assam and other States in the North-East. Post-integration, the treasured 'charging rhino' logo will continue to retain its proud place in the North-East milieu.

IndianOil has been proactive to the increasing competition for trained manpower being fuelled by robust economic growth and continuing boom in the services sector. Even though the rate of attrition of professional manpower in the Corporation remained at the same levels in the past two years, its Human Resources group took a number of

initiatives to not only recruit quality manpower but also retain and train them to be future leaders. During the year 2007-08, IndianOil recruited over 500 officers, about 150 from campuses and the balance through open advertisement. It also undertook direct recruitment of experienced talent at middle-level management positions in new business areas such as Bio-fuels, Oil Exploration & Production and Petrochemicals. For the year 2008-09, the Corporation plans to recruit over 800 officers, half of whom have already been selected through campus interviews.

In spite of fairly high levels of employee engagement, as brought out by an organisation-wide employee engagement survey covering both executives and non-executives during the year, an action plan has been initiated in some areas at the unit level needing further improvement.



V.C. Agrawal
Director (Human Resources)

At the same time, the competencies and key result areas of pivotal roles in the organisation are being reviewed and reframed in the current business context. With focus on building capabilities and core competencies, the Corporation's apex learning centre, IndianOil Institute of Petroleum Management (IIPM), conducted a series of long-duration training & development programmes such as *Cutting Edge, Threshold* as well as specialised functional programmes focussing on enhancing business perspective, leadership and strategising skills. A series of programmes on *Value Addition Through HR* exposed senior management personnel to the practical side of the Human Resources function to prepare them as effective leaders. As a follow-up to the Development Centres conducted through Ernst & Young earlier, competency building programmes were conducted in the areas of Leadership, Impact & Influence, Finance and Customer Focus with faculty assistance from TWP-Singapore, MDI-Gurgaon and IIM-Ahmedabad. A hybrid certificate programme in *Project Management* in association with Universitas-21 Global of Singapore, of which the second batch passed out during the year, helped blend online learning and face-to-face interaction with faculty, thereby creating a virtual classroom on the participant's desktop.

With firm belief in business strategies and robust HRD systems as the foundations for sustained growth, IndianOil shall continue its endeavour to align individual aspirations of its employees with the corporate goals and objectives. In pursuit of this endeavour, IndianOilPeople have undertaken an organisation-wide exercise – *V2 Confluence (Vision with Values)* – to re-visit their Corporate Vision, formulated in the year 1999, and give themselves a new and revitalised Vision. A Vision that is in line with the changing business environment and one that truly reflects IndianOil's new goals and aspirations, and its core values in particular.



Aligning individual aspirations with corporate goals...

Directors' Report

To
The IndianOil Family of Shareowners

Dear Members

On behalf of the Board of Directors, I have great pleasure in presenting the 49th Annual Report on the business and operations of the Corporation for the financial year ended 31st March, 2008 along with the Audited Statement of Accounts, Auditors' Report and the report on the Accounts by the Comptroller & Auditor General of India conveying 'nil' comments.

PERFORMANCE OVERVIEW

FINANCIAL

	2007-08		2006-07	
	US\$ Million	Rs. in Crore	US\$ Million	Rs. in Crore
Turnover (inclusive of Excise Duty)	61,700	247,479	50,777	220,779
Gross Profit (before Depreciation, Interest Expenditure and Tax)	3,575	14,339	3,363	14,622
Interest Payment	387	1,551	346	1,505
Depreciation	675	2,708	605	2,632
Profit Before Tax	2,513	10,080	2,412	10,485
Tax Provision	777	3,117	687	2,986
Profit After Tax	1,736	6,963	1,725	7,499
Appropriations				
Interim Dividend	–	–	161	701
Proposed Dividend	164	656	357	1,550
Corporate Dividend Tax	19	76	83	362
Insurance Reserve	2	10	2	10
Bond Redemption Reserve	55	219	(40)	(175)
General Reserve	174	697	1,162	5,051
Balance carried to Balance Sheet	1,322	5,305	–	–

PHYSICAL

Million Metric Tonnes (MMT)

	2007-08	2006-07
Product Sales (including Exports)	62.62	57.97
Refineries Throughput	47.40	44.00
Pipelines Throughput	57.12	51.69

SHARE VALUE

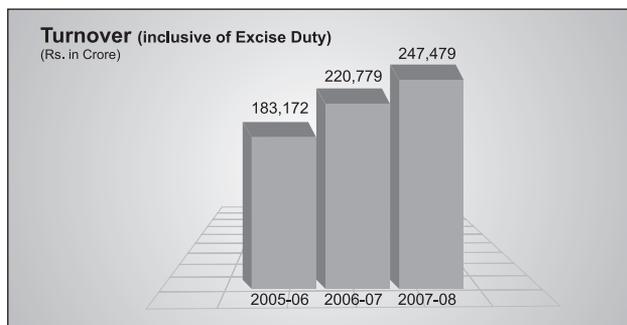
	2007-08		2006-07	
	US\$	Rupees	US\$	Rupees
Cash Earnings Per Share	2.02	81.10	1.95	84.97
Earnings Per Share	1.46	58.39	1.45	62.90
Book Value Per Share	8.59	344.58	6.72	292.34

Notes:

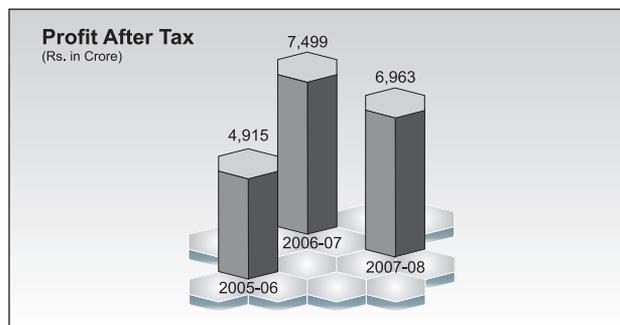
- Exchange rates used:
One US\$ = Rs.40.11 as on 31.3.2008
One US\$ = Rs.43.48 as on 31.3.2007
- Figures for the previous year have been regrouped, wherever necessary.



Focus on fast-tracking infrastructure projects...



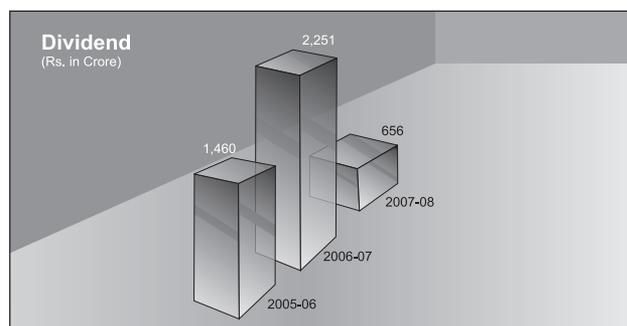
(Year ending March)



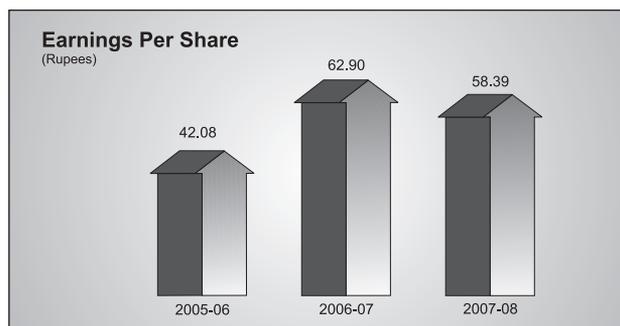
(Year ending March)

DIVIDEND

The Board of Directors of your Corporation has recommended a dividend of 55% on the paid-up share capital. This is the 42nd consecutive year of dividend declaration by your Corporation. So far, your Corporation has paid a cumulative dividend of Rs. 13,853 crore, excluding a dividend of Rs. 655.81 crore payable for the current year after approval by shareholders.



(Year ending March)



(Year ending March)

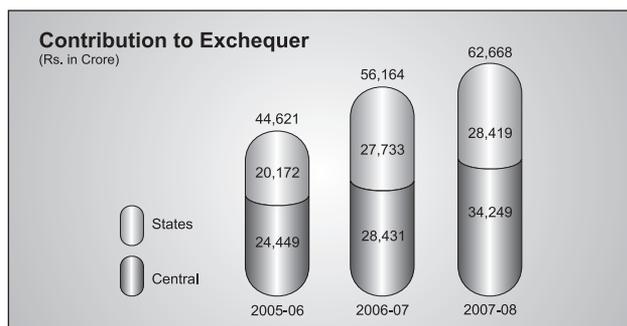
CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, your Corporation has prepared the Consolidated Financial Statements of its subsidiaries and joint venture entities. The highlights of the Consolidated Financial Results are as follows:

	(Rs. in Crore)	
	2007-08	2006-07
Turnover (inclusive of Excise Duty)	235,980	211,171
Profit Before Tax	12,489	11,612
Profit for the Group (After Tax)	7,913	7,867

CONTRIBUTION TO EXCHEQUER

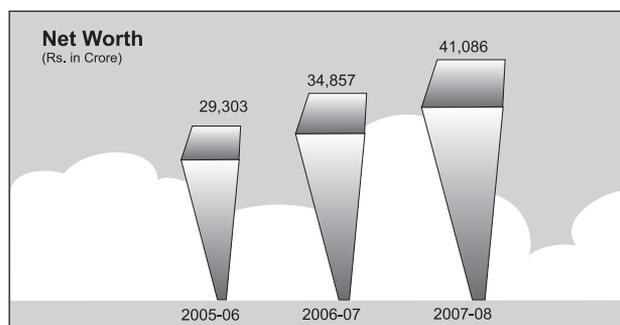
IndianOil makes enormous contribution to the Exchequer in the form of duties and taxes. During the year, Rs. 62,668 crore was paid to the Exchequer as against Rs. 56,164 crore in the previous year. Out of this, Rs.34,249 crore was paid to the Central Exchequer and Rs.28,419 crore to the States Exchequer.



(Year ending March)

PUBLIC DEPOSIT SCHEMES

The Public Deposit Scheme, which is open only for employees and ex-employees of the Corporation, had outstanding deposits amounting to Rs. 1.54 crore as on 31st March, 2008. The rate of interest is 6% per annum.



(As on 31st March)



IndianOil

INDIANOIL GROUP REFINERIES AND PIPELINES NETWORK



Refineries

Installed Capacities

● **IndianOil Refineries**

Koyali	13.7
Panipat	12.0
Mathura	8.0
Barauni	6.0
Haldia	6.0
Guwahati	1.0
Digboi	0.65

◎ **Subsidiaries' Refineries**

CPCL, Chennai	9.5
CPCL, Narimanam	1.0
BRPL, Bongaigaon	2.35

○ **Group Total**

60.20	
Paradip (upcoming)	15.0

(Figures in million metric tonnes per annum, equivalent to 20,000 barrels per day)

Pipelines

- Crude Oil Pipeline
- Product Pipeline
- - -●- - - Crude Oil Pipeline (under construction)
- - -●- - - Product Pipeline (under construction/proposed)
- R-LNG Pipeline – Dadri-Panipat (under construction)
- LPG Pipeline – Panipat-Jalandhar (under construction)

Operating Pipelines

	Length (km)	Capacity (MMTPA)
Product Pipelines	5,286	25.42
Crude Oil Pipelines	3,987	34.50
Total	9,273	59.92

(As on 31st March, 2008)

CORPORATE GOVERNANCE

The Management's Discussion & Analysis Report and the Corporate Governance Report have been incorporated as separate sections forming part of the Annual Report as stipulated under Clause-49 of the Listing Agreement with Stock Exchanges. The Company also complies with the Corporate Governance guidelines enunciated by the Department of Public Enterprises, Government of India, for Government Companies, which has been duly certified.

The Board has enunciated a code of conduct for the Directors and senior management personnel of the Corporation, which has been circulated to all concerned and has also been hosted on the website of the Corporation. The Directors and senior management personnel have affirmed compliance with the code of conduct.

IndianOil believes in total transparency, integrity and accountability in its functioning, and values its business ties with its numerous vendors and contractors. It has entered into a memorandum of understanding with Transparency International India in January 2008 for implementing an integrity pact programme for enhanced transparency in its business transactions, contracts and procurement processes.

OPERATIONS

Refineries

IndianOil refineries achieved a record crude oil throughput of 47.40 MMT during the year, surpassing the previous best of 44 MMT during 2006-07. The seven refineries together achieved a capacity utilisation of over 100% and an overall distillate yield of 73.8% wt. They also achieved record overall production of LPG, petrol, aviation turbine fuel, kerosene, diesel, linear alkyl benzene (LAB) and bitumen during the year.

Pipelines

The Pipelines Division continued to 'better the best' performance by registering the highest ever operational throughput of 57.12 MMT of crude oil and petroleum products and commissioning new facilities.

During the year, the crude oil blending facility at Mundra as well as the product dockline from the Narimanam terminal to the Chennai Petroleum Corporation Ltd. (CPCL) jetty at Nagapattinam were commissioned. The augmentation of the Bongaigaon-Siliguri section of the Guwahati-Siliguri pipeline also went online during the year with the erection and commissioning of new mainline pumping units at Bongaigaon and Madarihat.

Marketing

IndianOil's Marketing Division maintained its dominant status in the downstream sector, registering a growth of 8.3% in sales during the year as against industry growth of 6.3%. Your Corporation sold 57.55 MMT of petroleum products as against 53.36 MMT in the previous year. In addition, sale of natural gas has increased to 1.74 MMT from 1.48 MMT in the previous year and exports went up to 3.33 MMT as against 3.13 MMT in the previous year.

Your Corporation maintained its market leadership in terms of volumes for branded fuels with a cumulative conversion rate of 24.5% and market share of 45.5% for Xtra Premium petrol and a conversion rate of 15.8% and market share of 58% for Xtra Mile diesel. With its customer-centric approach, your Corporation upgraded 942 retail outlets to XtraCare standards, taking the total XtraCare network of retail outlets to 1,994. The XtraPower fleet card continued its dominance with its usage increasing by 26%.

PROJECTS

Project implementation without time and cost overruns is accorded the highest priority by your Corporation. The status of the projects, as on date, is as under:

Completed Projects

- LPG treatment facilities at Barauni Refinery based on technology developed jointly by IndianOil R&D and Engineers India Ltd.
- Yield and energy optimisation in atmospheric & vacuum distillation units (AVU-I & AVU-II) at Barauni Refinery
- Air preheater in Visbreaker unit at Mathura Refinery
- Revamp of continuous catalytic reforming Unit (CCRU) at Panipat Refinery
- LPG and Gasoline yield improvement in RFCC unit at Panipat Refinery
- Provision of six mounded bullets at Koyali Refinery
- Modernisation of first tank-wagon gantry at Haldia Refinery
- Recovery of Hydrogen from CCRU off gases at Gujarat Refinery
- Augmentation of Bongaigaon-Siliguri section of Guwahati-Siliguri Pipeline
- Crumb rubber modified bitumen (CRMB) plant at Mathura
- Automation of 1038 retail outlets

On going Projects

- Capacity expansion of Panipat Refinery from 12 to 15 MMTPA
- Naphtha cracker with downstream polymer units at Panipat
- Hydrocracker for improvement in diesel quality and distillates yield at Haldia Refinery
- Residue upgradation and petrol/diesel quality improvement project at Gujarat Refinery
- Petrol quality upgradation projects at Panipat, Mathura, Barauni, Guwahati and Digboi refineries
- Paradip-Haldia crude oil pipeline
- Koyali-Ratlam product pipeline
- Augmentation of Mundra-Panipat crude oil pipeline from 6 to 9 MMTPA
- Dadri-Panipat R-LNG spur pipeline
- Panipat-Jalandhar LPG pipeline
- New depot at Haldwani
- Automation of retail outlets

New Projects

- 15 MMTPA refinery project at Paradip
- High-sulphur crude maximisation project at Barauni Refinery
- Paraxylene project at Gujarat & Haldia refineries
- Coker project at Haldia & Mathura refineries
- Chennai-Bangalore product pipeline
- LPG import facilities at Ennore
- Tap-off point on Koyali-Ratlam pipeline at Bangrod

Six XtraPower service centres were opened near transport hubs to reach customers more efficiently.

The retail network was expanded with the commissioning of 1,196 new retail outlets, including 727 Kisan Seva Kendra (KSK) during the year, taking their total to 17,574, including 2,125 KSKs. To further consolidate its leadership in the bulk consumers segment, your Corporation commissioned 352 new consumer pumps during the year, taking their total to 7,140.

During the year, your Corporation enrolled 33 lakh Indane (LPG) customers, and the cumulative Indane population reached 503 lakhs. Thirty-six new Indane distributorships were commissioned, raising their total number to 4,996. The Corporation's LPG bottling capacity increased to 4,131 thousand metric tonnes (TMT) per annum with addition of 59 TMT capacity during the year. To provide value-added products and services to Indane customers, new tie-ups were signed with various manufacturers and service providers. A new LPG bottling plant was commissioned at Raipur during the year.

Your Corporation achieved a growth of 4.4% in finished lube sales and 29% in base oil sales as well as 58% growth in lube exports.

IndianOil continues to lead the aviation fuelling business, with a market share of 62.6%, meeting the aviation fuel requirements of the defence services, national carriers, scheduled private airlines and international airlines. During the year, it met the entire aviation fuel requirements of the Army, Navy and over 88% of the Indian Air Force.

ASSAM OIL DIVISION

The Digboi Refinery of Assam Oil Division (AOD) processed 0.56 MMT of crude oil during the year. The Division sold about 1.013 MMT of products and retained its position as market leader in the Northeast. AOD's marketing network comprises 426 retail outlets, 400 Kerosene/LDO dealerships and 276 Indane distributorships. AOD reaches Indane gas to 18.7 lakh customers in 186 towns.

RESEARCH & DEVELOPMENT

IndianOil's Research & Development Centre developed 186 new lubricant formulations during the year, out of which 160 were commercialised. The Centre filed 18 patents during the year, of which 12 were approved, including one US patent. The year was marked with 46 approvals from original equipment manufacturers (OEMs). The in-house developed Needle Coke technology was licenced to Numaligarh Refinery Ltd., for the first time to a company outside the IndianOil Group. INDMAX, DHDT & ISOM technologies, developed by the R&D Centre, were licenced to Bongaigaon Refinery & Petrochemicals Ltd. for improving its refining margins. IndianOil became the first Indian company to develop Intelligent and caliper 'pigs' for gauging the health of cross-country pipelines and put them to maiden commercial trial in association with BARC.

IBP DIVISION

The IBP Division, which comprises Explosives and Cryogenics Business Groups, sold 42,472 MT of explosives from its 16 plants. The Cryogenics Business Group achieved all time high production of cryo containers during the year.

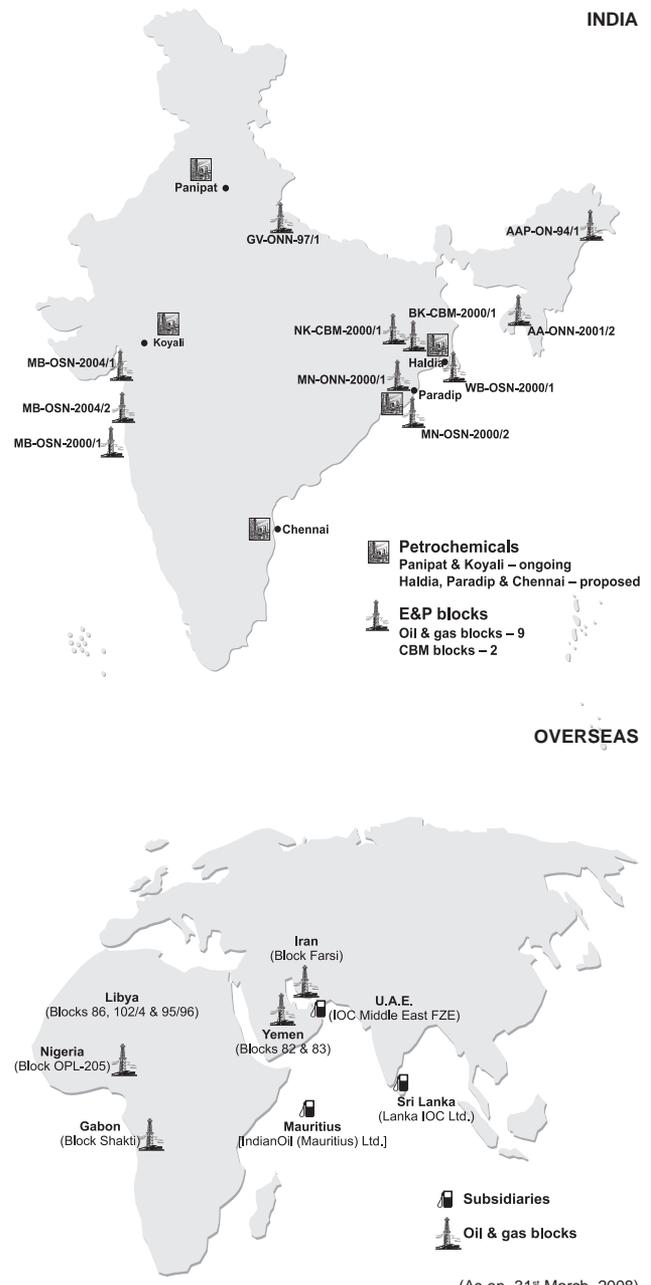
BUSINESS DEVELOPMENT

During the year, business development opportunities continued to receive focussed attention and thrust across the entire value chain of the hydrocarbon sector. The strategic initiatives were guided by IndianOil's long-term vision. The year 2007-08 witnessed some major achievements.

Exploration & Production

During the year, your Corporation was associated with successful gas discovery in the Assam-Arunachal Pradesh block in domestic exploration. IndianOil was also involved in the successful discovery of gas in the Mahanadi offshore. Subsequently, a detailed evaluation of the available data has been carried out to identify the extent of the discovery in the block.

NEW BUSINESSES FOR SUSTAINED GROWTH



(As on 31st March, 2008)

IndianOil was associated last year in major oil & gas discoveries in Farsi offshore exploration block in Iran. Presently, the commerciality report for the find in the block is under preparation. The consortium comprising Sonatrach (operator), IndianOil and Oil India Ltd. (OIL) were awarded Area 95-96 in December 2007 in the fourth round of bidding in Libya.

IndianOil, along with OIL, has formed a joint venture company "Ind-OIL Overseas Ltd." for acquisition of overseas E&P assets. The company has been incorporated at Port Louis, Mauritius.

Petrochemicals

IndianOil, with its continuous focus on strengthening its petrochemicals business chain through integration with its core competencies, has since emerged as a major player in the market.

Your Corporation has emerged as the most preferred Linear Alkyl Benzene (LAB) supplier in the domestic market with two of the biggest buyers committing a major portion of their sourcing to the Corporation. IndianOil is already the second biggest supplier to Unilever. Globally, IndianOil's LAB has set its footprint in China, Pakistan and The Philippines too during the year, taking its presence to nine countries. The entire sale of Purified Terephthalic Acid (PTA) during the year was made to domestic customers. Paraxylene produced at Panipat Refinery was exported for the first time to Indonesia, Thailand and Malaysia. During the year, the Naphtha cracker project with downstream polymer units at Panipat achieved significant progress and is expected to be commissioned in phases by the end of 2009. In addition, activities related to marketing of polymer products have also been geared up. Your Corporation is also examining various proposals for production of niche high-value speciality petrochemicals.

Bio-fuels

A business plan for entry into the bio-diesel value chain has been finalised during the year. In this direction, a major milestone was achieved by signing an MoU with the Government of Chhattisgarh for the formation of a joint venture company to facilitate bio-diesel production on commercial scale. The State Government would be allocating a minimum of 30,000 hectares of land to this JV for this purpose. Efforts are being made to acquire more arid and waste lands from other States.



IndianOil's business model for bio-diesel production is based on cultivation of non-edible plants like Jatropha on arid/wastelands.

Natural Gas

During the year, IndianOil commenced supply of regassified LNG (R-LNG) to Ratnagiri Gas & Power Pvt. Ltd. and a Gas Sale Agreement has been entered into with Pragati Power Corporation Ltd. for supply of 2 mmscmd of R-LNG. IndianOil continues to actively pursue city gas distribution and is in discussion with various companies for setting up city gas distribution networks in various parts of India. To cater to customers located away from the gas pipelines, the Corporation has successfully commissioned a technology innovation project, viz., "LNG at the Doorstep" for distributing LNG directly to the consumers for industrial / captive power applications. The Iran-Pakistan-India gas pipeline project is progressing steadily.



"LNG at the Doorstep" through cryogenic tankers for consumers located away from gas pipelines.

Consultancy

During the year, the technical services agreement with Emirates National Oil Company, Dubai, was renewed for the 11th consecutive year and the manpower secondment agreement for the 10th consecutive year.

INTERNATIONAL TRADE

During the year 2007-08, your Corporation imported crude oil, fuel products and lubricants through a carefully selected diversified mix of supply sources and also exported petroleum products as detailed hereunder:

	Quantity (Million Tonnes)	Value (Rs. in Crore)
Imports		
- Crude Oil	45.73	106261
- Petroleum Products	4.52	13602
Exports	3.33	11422

OPTIMISATION & INFORMATION SYSTEMS

IndianOil's ambitious SAP R/3 Enterprise Resource Planning package is the largest in Southeast Asia, connecting 690 locations and 5,000 concurrent users to a common IT platform for online, concurrent business transactions. It offers an integrated environment for transaction processing across all business functional areas to



IndianOil

facilitate integration and optimisation of the complex business functions across the organisation.

SAFETY, HEALTH & ENVIRONMENT

Your Corporation is committed to conducting business with a strong environment conscience for sustainable development, safe workplaces and enrichment of quality of life of the employees, customers and the community at large. Best procedures and practices of the industry are in place at all operating units and installations of the Corporation to take care of safety, occupational health and environmental hazards. These facilities are periodically reviewed, audited and upgraded for continuous excellence. The environment management systems at the refineries, pipelines and major marketing installations are certified to ISO-14001 standards.

ENERGY CONSERVATION

Your Corporation continued to maintain its thrust on oil conservation at all its seven operating refineries through continuous in-house process monitoring and keeping abreast of latest technological developments. As a result of various energy conservation measures undertaken, the energy index in terms of Million British Thermal Units/Barrel/Energy Factor of IndianOil refineries during the year improved to 67.0 as against 70.6 in the previous year. Similarly, energy conservation schemes implemented during the year resulted in fuel savings to the tune of about 27,000 MT/year valued at about Rs.35 crore.

HUMAN RESOURCES

Employee Profile

The Corporation's employee strength as on 31st March, 2008 was 31,945, including 12,243 officers. There are 2,469 women employees, constituting 7.73% of the total manpower.

Industrial relations and employees' participation in management

The industrial relations climate in the Corporation remained harmonious and peaceful during the year. Cordial relationship and continued information sharing with collectives helped in resolving several major issues and in obtaining their co-operation for the various initiatives taken by the management to optimise manpower positioning and other productivity improvement measures, including technological upgradation.

Your Corporation's efforts to promote employees' participation in various activities like Suggestion Scheme, quality circles, welfare, safety, total productive maintenance, etc., were continued during the year. Quality circles functioning in various units are actively engaged in problem-solving activities to improve quality, productivity, cost effectiveness and system improvement.

IndianOil has embarked on a long-term programme to institutionalise mentoring as a strategy for employee retention and development. As a HR initiative, mentoring helps employees in their personal and professional advancements through exposure, visibility, coaching and challenging work assignments. The process of weaving mentoring into the cultural fabric of your Corporation has commenced taking into consideration feedback from mentors and mentees.

Human Resource Development

Your Corporation's Human Resources function took a number of initiatives during the year in response to the intensifying competition

for trained manpower. The campus recruitment process was reviewed and revamped in line with the changing trends in the job market and to suit the new skill sets needed in the changing business scenario. Experienced talent was recruited directly at middle level management positions in bio-fuels, oil exploration & production and petrochemicals to fill skill gaps in new business areas. On the talent management side, a comprehensive action plan was drawn up and implemented based on the findings of an Employee Engagement Survey. To nurture and develop the existing manpower, a series of long-duration training & development interventions – both functional and developmental – were carried out with focus on building leadership capabilities, strategic orientation and skills to suit new businesses.

Faced with the emerging dynamic competitive scenario, IndianOil felt the need to revisit its Vision statement so that it truly reflects the new goals, aspirations and core values of its people. Keeping this in view, it launched a unique re-visioning exercise titled *V2 Confluence (Vision with Values)* to arrive at a new Vision statement.

Presidential Directives regarding representations of SCs and STs

Your Corporation has been meticulously following the Presidential Directives and other guidelines issued by the Ministry of Petroleum & Natural Gas and the Department of Public Enterprises from time to time regarding reservation in services for Scheduled Castes, Scheduled Tribes etc.

Liaison officers were carefully chosen and appointed at various units all over the country to ensure implementation of Government directives. Officials dealing with the subject were provided necessary training to enable them to update their knowledge on the subject and perform their job effectively.

In accordance with para-29 of the Draft Presidential Directive, a note about the Corporation's activities which have direct relevance to the advancement of SC/ST category of employees along with the statistics relating to representation of SCs/STs in the prescribed proforma – SC/ST/OBC Report-I and SC/ST/OBC Report-II is annexed at Annexure-II.

Status on implementation of Disabilities Act, 1995

Your Corporation has been implementing the provision of 3% reservation for physically handicapped and disabled persons diligently.

Welfare of weaker sections

The Presidential Directives and various instructions / guidelines issued by the Government of India regarding reservation in services for various categories of personnel were scrupulously followed.

It has been the endeavour of your Corporation to utilise 25% of community development funds towards the Special Component Plan (SCP) and Tribal Sub Plan (TSP) for meeting the needs of the weaker sections.

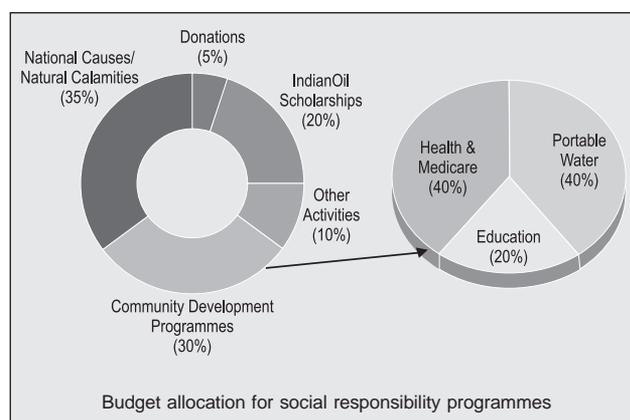
Sports

Your Corporation continued the Sports Scholarships Scheme launched last year for promising young sportspersons with a view to encourage talent and create a pool of sportspersons. It also continued its policy of nurturing internal talent in sports. Three players of IndianOil, viz., Wasim Jaffer, Rohit Sharma and Rajesh Pawar

represented India in international test cricket and one-day cricket series. Nine hockey players of IndianOil were selected to represent India in the International tournaments and were also members of the Indian team which won the Asia Cup. Yogesh Pardeshi became the national world carrom champion. Sharat Kamal, the national table tennis champion, has been selected to represent India in the forthcoming Olympics. Rohan Bopanna represented India in the Davis Cup and Hopman Cup tennis tournaments. S.S.Ganguly won the National Chess Championship for the fifth time.

Corporate Social Responsibility (CSR)

IndianOil believes in fostering and strengthening corporate-civil society partnerships. With its nation-wide presence, it actively seeks to network and forge partnerships with NGOs, government bodies, district authorities, village panchayats, etc., in and around its major installations to improve the quality of life of the local communities. The wide range of CSR initiatives include provision of potable water, health & medicare and education.



As a founder member, your corporation continued its support to the United Nations' Global Compact programme in implementing the 10 guiding principles of the agenda on human rights, labour standards, environment and anti-corruption.

Based on the recommendations of the CSR Committee of the Board, it is proposed to constitute a separate trust for implementing IndianOil's CSR activities in focussed areas of skill development and education.



IndianOil donated 15 vans for ISKCON Midday Meal Program for children of MCD schools in Delhi.

IndianOil Scholarships



During the year, scholarships were awarded to 450 meritorious students from economically weaker sections of society pursuing 10+ /ITI and professional courses in Engineering, Medicine and Business Administration/Management disciplines. 50% of the scholarships are reserved for SC/ST/OBC students and 25% of the scholarships in each category are earmarked for girl students and 10% for physically handicapped students.

Hindi Implementation

In compliance of the Official Language Act, 1963, Official Language Rules, 1976 and orders issued by the Government of India from time to time, efforts were continued during the year for increasing the progressive use of Hindi in official work. Official Language Implementation Committees functioning at IndianOil units regularly review the progress of implementation of official language policies and the annual programme as circulated by the Department of Official Language, Ministry of Home Affairs.

Foreign Tours

IndianOil officers undertook a total of 669 foreign tours during 2007-08 for business purposes and for attending conferences, seminars and training programmes. The total expenditure on foreign tours was Rs.10.53 crore.

VIGILANCE

During the year, IndianOil's Vigilance Group conducted a number of training courses, workshops and awareness programmes for the benefit of the employees. A Vigilance Awareness Week was celebrated throughout the Corporation in November 2007. As a part of preventive vigilance, special emphasis was laid on system studies aimed at making the system transparent.

REMUNERATION TO THE AUDITORS

The Auditors' remuneration for the year 2007-08 was fixed at Rs. 60 lakh plus applicable service tax. In addition to this, reasonable out-of-pocket expenses actually incurred are also reimbursable.

ENTERTAINMENT EXPENSES

The entertainment expenses for the year 2007-08 were Rs.1.80 crore.

MERGER

Bongaigaon Refinery & Petrochemicals Ltd. (BRPL)

The Shareholders and Creditors of both IndianOil and BRPL have accorded approval to the Scheme of Amalgamation, including the swap ratio of 4:37, i.e., 4 fully paid equity shares of Rs.10/- each of IndianOil for every 37 fully paid equity shares of Rs.10/- each of BRPL. As per the guidelines applicable to Government companies, the Scheme of Amalgamation has been submitted to the Ministry of Corporate Affairs, and its approval is awaited.

SUBSIDIARIES

The Corporation has the following subsidiaries, whose financial performance for 2007-08 is as under:

(Rs. in Crore)

Subsidiary	Total Turnover	Net Profit	Dividend (%)
Chennai Petroleum Corporation Ltd.	32889	1123	170
Bongaigaon Refinery & Petrochemicals Ltd.	6645	294	50
IndianOil (Mauritius) Ltd.	535	14	–
Lanka IOC Ltd.	1720	90	–
IndianOil Technologies Ltd.	2.06	0.97	50
IOC Middle East FZE	40.73	2.08	–



Tanktrucks lined up at a Lanka IOC terminal.

REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS

In accordance with the Companies' (Disclosure of Particulars in the Report of the Board of Directors) Rule, 1988, a report on Energy Conservation, Technology Absorption and Foreign Exchange earnings is annexed at Annexure-I.

PARTICULARS OF EMPLOYEES

The particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 and rules framed thereunder, are annexed hereto.

BOARD OF DIRECTORS

Shri Vineet Nayyar, Independent Director, ceased to be a Director of IndianOil on 30th April, 2008. Prof. S.K. Barua, Shri V.K. Agarwal, Shri V. Ranganathan and Shri P.M. Sinha, all Independent Directors, ceased to be Directors of IndianOil on 31st May, 2008.

Shri Anees Noorani, Dr. (Smt.) Indu Shahani, Prof. Gautam Barua, Shri Michael Bastian and Shri N.K. Poddar were appointed as Independent Directors of the Corporation with effect from 1st June, 2008.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- that in the preparation of the annual accounts for the financial year ended 31st March, 2008, all applicable accounting standards had been followed along with proper explanations relating to material departures;
- that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation at the end of the financial year and of the profit or loss of the Corporation for the year under review;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities;
- that the Directors had prepared the accounts for the financial year ended 31st March, 2008 on a 'going concern' basis.

ACKNOWLEDGEMENTS

The Board of Directors hereby records its deep appreciation of the valuable services and dedicated efforts of the members of the IndianOil family in the Corporation's achievements during the year 2007-08. The Board also wishes to thank the Government of India, particularly the Ministry of Petroleum & Natural Gas, and the various State Governments, regulatory and statutory authorities for their valuable guidance and support. The Board is also grateful to the Corporation's bankers, investors, customers and vendors for their continued support and confidence reposed in the Corporation.

The Board of Directors also wishes to place on record its appreciation of the significant contributions and valuable services rendered by Shri Vineet Nayyar, Prof. S.K.Barua, Shri V.K.Agarwal, Shri V.Ranganathan and Shri P.M.Sinha, Independent Directors, during their tenure on the Board of IndianOil.

For and on behalf of the Board



(S. BEHURIA)
Chairman

Place : New Delhi
Dated : 12th August, 2008

Annexure-I

Annexure to Directors' Report on Energy Conservation, Technology Absorption and Foreign Exchange Earnings as per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

a. Energy conservation measures taken :

As a part of continued efforts towards energy conservation, a number of projects have been implemented during 2007-08 at refineries.

Major investment proposals implemented for reduction of energy are:

Sr. No.	Item	Cost (Rs. in Lakh)	Fuel Savings (Standard Fuel Equivalent) (MT/Year)
1.	Yield and pre-heat improvement in AVU-2 of Barauni Refinery	1733	3200
2.	Hydrogen recovery from CCRU off gas at Koyali Refinery	4530	7154
3.	Air pre-heater in VBU furnace at Mathura Refinery	957	1950
4.	Stepless controls for make-up gas compressor in OHCU at Mathura Refinery	208	1500

b. Additional investment and proposals, if any, being implemented for energy conservation:

Major schemes under implementation:

- Yield and energy improvement in AVU-1 at Barauni Refinery
- Flare gas recovery at Barauni, Haldia and Guwahati refineries
- Hydrogen recovery from CLPS off gas of HCU at Koyali Refinery
- Foggy cooler for gas turbine at Mathura Refinery

c. Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

The above schemes, on completion, are expected to result in savings of about 75,000 MT per annum of standard fuel.

d. Total energy consumption and energy consumption per unit of production as per Form 'A' of the Annexure in respect of Industries specified in the schedule thereto

Necessary information provided in Form 'A' annexed hereto.

B. TECHNOLOGY ABSOPTION

Details of efforts made in technology absorption are provided in Form 'B' annexed hereto.

C. FOREIGN EXCHANGE EARNING AND OUTGO

(a) Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services, and export plans:

Exports mainly relate to petroleum and petrochemical products. IndianOil has consistently tapped opportunities for exports and in this direction exported naphtha, furnace oil, bitumen and lube oil base stocks to various countries. With its increased presence in the petrochemicals business, IndianOil exported Paraxylene to Indonesia, Thailand and Malaysia. Globally, IndianOil LAB has laid its footprint in China, Pakistan and the Phillipines during the year, taking its presence to nine countries.

(b) Total foreign exchange used and earned:

	(Rs. in Crore)
Foreign exchange earnings	11,453.93
Foreign exchange used	1,23,323.86



IndianOil

FORM - 'A'

Disclosure of particulars with respect to conservation of energy

	2007-08	2006-07
A Power and Fuel Consumption		
1. Electricity:		
a) Purchased		
Qty ('000 KWH)	35161	24191
Rate/Unit	6.22	7.75
Amount (Rs. in Lakh)	2186	1875
b) Own Generation		
i) Through Dual Fuel (HSD/Natural Gas) Generator		
Unit ('000 KWH)	2272147	2012487
KWH per MT of Std. Fuel	6867	6697
Cost/Unit (Rs./KWH)	3.07	2.83
ii) Through Steam Turbine/Generator		
Unit ('000 KWH)	860075	847972
KWH per MT of Std. Fuel	4075	3977
Cost/Unit (Rs./KWH)	4.03	4.05
c) Electricity Consumed		
(a+b) ('000 KWH)	3167383	2884649
2. Coal	-	-
3. Liquid Fuel (LSHS/FO/NAPHTHA)		
Qty (MTs)	1635700	1663094
Amount (Rs. in Lakh)	253058	247127
Average Rate (Rs./MT)	15471	14859
4. Others / Internal Fuel		
a) Internal Fuel		
i) Fuel Gas		
Unit (MTs)	1392821	1260911
Amount (Rs. in Lakh)	197387	146013
Average Rate (Rs./MT)	14172	11580
ii) Coke		
Unit (MTs)	338488	363899
Amount (Rs. in Lakh)	40879	40428
Average Rate (Rs./MT)	12077	11110
b) Purchased Fuel		
Natural Gas		
Unit (MTs)	357505	334720
Amount (Rs. in Lakh)	40540	32896
Average Rate (Rs./MT)	11340	9828
B 1. Consumption per MT of Production: Petroleum		
Actual Production ('000 MTs)	43038	40540
Consumption per MT of Product		
- Electricity (KWH/MT)	66.140	66.171
- Liquid Fuel (MT/MT)	0.033	0.036
- Fuel Gas/LDO/Coke (MT/MT)	0.038	0.038
- Natural Gas (MT/MT)	0.008	0.008
2. Consumption per MT of Production: LAB		
Actual Production ('000MTs)	132.810	121.826
Consumption per MT of Product		
- Electricity (KWH/MT)	583.202	723.999
- Liquid Fuel (MT/MT)	0.403	0.539
- Fuel Gas/LDO/Coke(MT/MT)	0.164	0.172
- Natural Gas (MT/MT)	0.000	0.000
3. Consumption per MT of Production: PTA		
Actual Production ('000MTs)	415.848	196.915
Consumption per MT of Product		
- Electricity (KWH/MT)	585.240	578.197
- Liquid Fuel (MT/MT)	0.370	0.610
- Fuel Gas/LDO/Coke(MT/MT)	0.165	0.263
- Natural Gas (MT/MT)	0.000	0.000

Annexure-I

Form 'B' (See Rule 2)

Disclosure of particulars with respect to technology absorption, research & development

1. Specific areas in which R&D carried out by the company

- a) Commercialising cutting edge innovations in secondary refining processes
- b) Development of refinery process technologies
- c) Catalysts development for FCC and hydro-processing units
- d) Lubricants, greases and specialities
- e) Fuels and emission studies
- f) Fuel additives
- g) Alternative fuels – Hydrogen and biofuels
- h) Refinery process modelling
- i) Trouble shooting and optimisation
- j) Pipeline transportation of crude oil and petroleum products
- k) Material failure analysis, corrosion and remaining life assessment
- l) Polymers and packaging
- m) Biotechnology
- n) Bitumen

2. Benefits derived as a result of the above R&D

- 12 patents were obtained, taking the effective portfolio of patents to 200, including 50 international patents.
- Needle coke technology was licenced to Numaligarh Refinery Ltd. – the first ever licensing to another oil company outside the IndianOil group.
- INDMAX, DHDT & ISOM technologies were licenced to Bongaigaon Refinery & Petrochemicals Ltd. for improving its refining margins.
- IndianOil R&D Centre was invited by Chennai Petroleum Corporation Ltd. for upgradation of their CBR refinery at Nagapattinam.
- IndianOil became the first Indian company to develop Intelligent and Caliper Pigs and put them to maiden commercial trial in association with BARC.
- 186 new lubricant formulations were developed, out of which 160 formulations were commercialised during the year.
- 46 products received approvals from user industries and Original Equipment Manufacturers.
- IndianOil R&D has been actively involved in commercialisation of Hydrogen energy and is setting up a commercial Hydrogen-CNG dispensing station at New Delhi.

3. Future plan of action

- a) Technology for bio-fuels from lignocellulose and algal materials.
- b) Bio-treatment of high-sulphur fuels and intermediates.
- c) Deriving value-added liquid / gaseous products from pet coke.
- d) Development and commercialisation of eco-friendly long-drain lubricants.
- e) Development of additives for greater fuel and engine efficiency.
- f) Initiation of R&D in nanotechnology area for improving operating efficiencies.
- g) Development of super cracking process for dirtier and heavier feed crudes.
- h) Development of low-emission fuels.

4. Expenditure on R&D

		(Rs in Crore)
a) Capital	-	26.11
b) Revenue	-	96.01
c) Total	-	122.12

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts made towards technology absorption, adaptation and innovation:

With a view to further improve the product pattern and product quality as well as to meet the environmental emission norms, IndianOil has adopted the most modern technologies in line with the latest developments worldwide. Major steps taken in this regard are given below:

A. IMPORTED TECHNOLOGY:

i) Hydrocracker Technology:

The first Hydrocracker unit of the country was commissioned at Koyali Refinery in 1994, adopting technology from Chevron, USA, for conversion of vacuum gas oil to jet fuel, kerosene and diesel. Thereafter, a new Hydrocracker unit with technologies from UOP, USA, has been commissioned at Panipat Refinery.

ii) Once-Through Hydrocracking Technology:

Once-Through Hydrocracker units were commissioned at Panipat and Mathura refineries with technologies from UOP, USA, and Chevron, USA, respectively and is under implementation at Haldia Refinery with technology from Axens, France, for improvement of distillate yield and diesel quality w.r.t. sulphur and cetane number.

iii) Diesel Hydrodesulphurisation Technology:

Diesel Hydrodesulphurisation units have been commissioned in Mathura and Panipat refineries with technology from IFP, France, and at Koyali and Haldia refineries with technology from UOP, USA, to meet the diesel quality requirement w.r.t. sulphur.

iv) Diesel Hydrotreatment Technology:

Diesel Hydrotreatment units have been commissioned at Guwahati, Barauni and Digboi refineries with technology from UOP USA, and at Mathura and Panipat refineries with technology from Axens, France, to meet the diesel quality requirement w.r.t. sulphur and cetane number. Technology from Axens is under implementation at Koyali Refinery under resid upgradation project. Technology from M/s. Shell Global Solutions, The Netherlands, has been selected for Paradip Refinery project.

v) Fluidised Catalytic Cracking (FCC) Technology:

FCC technology from UOP, USA, has been implemented in Koyali and Mathura refineries for conversion of vacuum gas oil to LPG, petrol and diesel.

vi) Resid Fluidised Catalytic Cracking (RFCC) Technology:

RFCC technology from S&W, USA, has been successfully implemented at Panipat, Haldia and Barauni refineries.

vii) Catalytic Iso De-waxing unit:

For improving the lube oil quality in line with international standards and augmenting production capability, Iso De-waxing technology from MOBIL, USA, has been implemented at Haldia Refinery.

viii) Solvent De-waxing / De-oiling Technology:

In order to upgrade the process for the production of paraffin wax at Digboi Refinery, Solvent De-waxing/de-oiling technology from UOP, USA, has been implemented.

ix) Hydrofinishing Technology:

Process technology from IFP, France, for hydro finishing of paraffin wax has been implemented at Digboi Refinery. The same technology from IFP, France, for production of microcrystalline wax has been implemented at Haldia Refinery.

x) Biturox Technology:

To produce various grades of bitumen as well as to meet the quality requirements, Biturox technology from Porner, Austria, has been employed at Koyali Refinery and is under implementation at Mathura Refinery.

xi) Hydrogen Generation Technology:

Hydrogen generation technology from Linde, Germany, was adopted in 1993 for production and supply of Hydrogen to the Hydrocracker unit at Koyali Refinery. Also, Hydrogen generation technology obtained from Haldor Topsoe, Denmark, is in operation at Koyali, Mathura, Haldia, Panipat and Barauni refineries and has been selected for implementation at Koyali Refinery under resid upgradation project as well as Paradip Refinery project. A similar technology from KTI, The Netherlands, has been adopted for Hydrogen generation at Guwahati, Digboi and Mathura refineries and selected for implementation at Haldia Refinery under Once-Through Hydrocracker project.

xii) Sulphur Recovery Technologies for reduction of SO₂ emission:

Refineries at Koyali, Haldia, Mathura and Barauni are provided with Sulphur Recovery technology from Stork Comprimo (now Jacobs), The Netherlands. Sulphur Recovery technology from Delta, Canada has been employed at Panipat Refinery.

Annexure-I

Further, Sulphur recovery technologies from B&V Pritchard, USA, has been implemented under Panipat Refinery expansion project and is under implementation at Koyali Refinery under resid upgradation project. The same has also been selected for implementation at Haldia Refinery under Once-Through Hydrocracker project. Technology from Technip KTI, Spain, is under implementation at Haldia Refinery under Once-Through Hydrocracker Project. Technology from Jacobs, The Netherlands, is under implementation in the additional Sulphur Recovery unit at Mathura Refinery.

xiii) ISOSIV Technology:

For production of unleaded petrol at Guwahati Refinery, ISOSIV technology from UOP, USA, has been implemented.

xiv) Delayed Coker Technology:

For bottom of the barrel upgradation, Coker technology from ABB Lummus, USA, has been implemented at Panipat Refinery as part of capacity expansion. Coker technology from Foster Wheeler, USA, is under implementation at Koyali Refinery under resid upgradation project and has also been selected for implementation at Paradip Refinery project.

xv) VGO Hydrotreatment Technology:

Technology from UOP has been selected for implementation at Koyali Refinery under resid upgradation project. Technology from Axens, France, has been selected for implementation at Paradip Refinery project.

xvi) Continuous Catalytic Reforming Technology:

For improvement in octane number of petrol, Continuous Catalytic Reforming technology from IFP, France, has been implemented at Mathura and Panipat refineries. Technology from UOP, USA, is under implementation at Koyali Refinery under petrol quality upgradation project and has also been selected for implementation at Paradip Refinery project.

xvii) Technology for ParaXylene:

For production of ParaXylene at Panipat, technologies from UOP, USA, have been implemented and the same have been selected for implementation at Paradip Refinery project.

xviii) Technology for Purified Terephthalic Acid (PTA):

For production of PTA at Panipat, technology from Du Pont, USA, has been implemented.

xix) Technology for Linear Alkyl Benzene (LAB)

Technology from UOP, USA, has been implemented for production of LAB at Koyali Refinery.

xx) MS Quality Upgradation Technology

For petrol quality upgradation, Isomerisation technology of UOP, USA, and Axens, France, has been implemented at Mathura and Haldia refineries respectively. Technology from UOP is under implementation at Koyali Refinery and has been selected for implementation at Panipat Refinery. Technology from Axens has been selected for implementation at Guwahati, Digboi and Barauni refineries.

FCC Gasoline Desulphurisation technology (Prime-G) from Axens, France, has been employed at Haldia Refinery and has been selected for implementation at Mathura Refinery.

xxi) Naphtha Cracker Technology

Naphtha Cracker technology from ABB Lummus, USA, has been selected for adoption at Panipat Refinery. Technologies from Basell, Italy, Basell, Germany, Nova Chemicals, Canada and Scientific Design, USA, have been selected for various downstream polymer plants, viz., poly-propylene Unit, HDPE unit, swing unit (HDPE/LLDPE) and MEG unit respectively.

Technology from Basell, Italy, has been selected at Paradip Refinery project for production of poly-propylene.

xxii) Alkylation Technology:

For production of petrol, Alkylation technology from Exxon Mobil, USA has been selected for implementation at Paradip Refinery project.

xxiii) Ethyl Benzene/Styrene Technology:

For production of ethyl benzene/styrene, technology from ABB Lummus, USA, has been selected for implementation at Paradip Refinery project.

xxiv) Regenerative-type Flue Gas De-sulphurisation Technology:

In order to recover sulphur dioxide from boiler flue gases, a regenerative-type Flue Gas De-sulphurisation technology from Cansolv Technology Incorporate, Canada, has been selected for implementation at Paradip Refinery project.

xxv) Spent Acid Regeneration Technology:

In order to regenerate fresh sulphuric acid from spent sulphuric acid recovered from Alkylation unit, a Spent Acid Regeneration technology from MECS, USA, has been selected for implementation at Paradip Refinery project.

xxvi) ATF Treatment Technology:

ATF Treatment technology from UOP, USA is under implementation at Koyali Refinery. Technology from Merichem, USA, has been selected for Paradip Refinery project.

B. INDIGENOUS TECHNOLOGY:

i) INDMAX Technology:

INDMAX technology developed in-house by IndianOil R&D for converting heavy distillate and residue into LPG / light distillate products has been implemented successfully at Guwahati Refinery. For production of petrochemical feedstock, viz., ethylene and propylene from vacuum gas oil, INDMAX technology has been selected for implementation at Paradip Refinery project.

ii) Hexane Hydrogenation Technology:

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

C. MODERNISATION OF INSTRUMENTATION & CONTROL

Distributed Digital Control System (DDCS)

DDCS has already been implemented and commissioned in all process units and captive power plants of all refineries. Also, all the new units already commissioned and planned in future have been / will be provided with DDCS.

Advanced Process Control (APC)

APC has been implemented in the various units of the refineries as under:

- Crude & Vacuum Distillation units, Hydrocracker, FCCU and CRU of Koyali Refinery.
- Crude Distillation unit, Delayed Coker unit and INDMAX unit of Guwahati Refinery.
- Atmospheric & Vacuum Distillation units, Once-Through Hydrocracker, RFCC, Visbreaker and CCR units of Panipat Refinery.
- Atmospheric & Vacuum Distillation units, Coker, LRU and RFCC units of Barauni Refinery.
- New Delayed Coker unit and Atmospheric & Vacuum Distillation units of Digboi Refinery.
- RFCC and Atmospheric & Vacuum Distillation Units of Haldia Refinery
- Once-Through Hydrocracker, FCCU, Atmospheric & Vacuum Distillation Unit, CCRU, Visbreaker, DHDT/HGU II and MSQU units of Mathura Refinery.
- Solvent De-waxing unit of Digboi Refinery.

Offsite Modernisation

As a part of modernisation of Oil Movement & Storage facilities, the following have already been implemented:

- Automation of tank-wagon loading at Barauni, Koyali, Mathura and Haldia refineries.
- Automation of tank-truck loading at Koyali & Haldia refineries.
- Blending automation at Haldia, Mathura & Barauni refineries.
- Auto tank gauging at all refineries.
- Advanced Blend Control (ABC) system for online blending of MS & HSD is being implemented at Panipat Refinery to meet BS-II / Euro-III specifications.

Automation of Laboratories

Automation of laboratories has been completed at all refineries.

Networking & Real Time Data Base Management System (RTDBMS)

- Networking of units and offsite facilities has been completed at all refineries.
- RTDBMS has been implemented and is in operation at all refineries.

Annexure-II

SC/ST/OBC REPORT-I

Annual statement showing the representation of SCs, STs and OBCs as on 1st January, 2008 and number of appointments made during the preceding calendar year

Groups	Representation of SCs/STs/OBCs (As on 01.01.2008)				Number of appointments made during the calendar year 2007									
					By Direct Recruitment				By Promotion			By Deputation/ Absorption		
	Total number of employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
A	12294	2043	795	900	581	88	42	141	197	30	21	9	0	0
B	4973	793	359	75	No recruitment is made in this group				419	81	40	0	0	0
C	14416	2966	1097	1257	142	26	7	45	109	24	2	14	0	1
D (Excluding Sweeper)	231	47	13	36	23	6	1	5	0	0	0	2	0	0
D (Sweeper)	4	2	0	1	0	0	0	0	0	0	0	0	0	0
Total	31918	5851	2264	2269	746	120	50	191	725	135	63	25	0	1

SC/ST/OBC REPORT-II

Annual statement showing the representation of SCs, STs and OBCs in various group "A" services as on 1st January, 2008 and number of appointments made in the service in various grades in the preceding calendar year

Pay Scale (In Rupees)	Representation of SCs/STs/OBCs (As on 01.01.2008)				Number of appointments made during the calendar year 2007									
					By Direct Recruitment				By Promotion			By Deputation/ Absorption		
	Total number of employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
10,750-16,750	6	1	0	0	0	0	0	0	6	1	0	0	0	0
12,000-17,500	3079	488	231	490	581	88	42	141	191	29	21	1	0	0
13,750-18,700	2761	433	173	225	No recruitment is made in this group				511	74	31	1	0	0
16,000-20,800	2586	545	199	175	No recruitment is made in this group				616	138	41	4	0	0
17,500-22,300	1368	255	86	4	No recruitment is made in this group				324	71	25	2	0	0
18,500-23,900	1212	222	87	5	No recruitment is made in this group				209	37	16	1	0	0
19,000-24,750	835	79	17	1	No recruitment is made in this group				184	21	6	0	0	0
19,500-25,600	297	17	2	0	No recruitment is made in this group				80	7	2	0	0	0
20,500-26,500	104	3	0	0	No recruitment is made in this group				35	1	0	0	0	0
23750-28550	46	0	0	0	No recruitment is made in this group				23	0	0	0	0	0
Total	12294	2043	795	900	581	88	42	141	2179	379	142	9	0	0

Management's Discussion & Analysis

(Forming part of the Directors' Report for the year ended 31st March 2008)

INDUSTRY STRUCTURE & DEVELOPMENTS

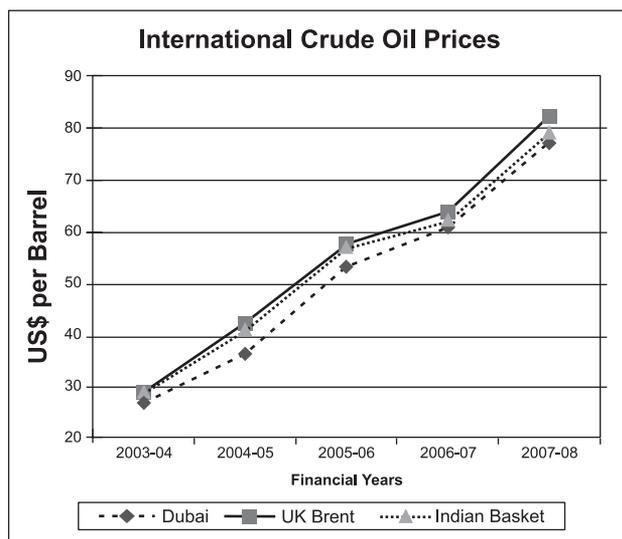
Global

The world economy was witness to many new developments during the year 2007-08. A period of robust growth was followed by fears of a slowdown. There was a modest slowdown in the growth rate, with most of it emanating from high-income countries led by the United States. The slow growth was to a large extent offset by the continued high growth in the emerging and developing economies, led by China and India. The performance of the developing countries is attributed to their internal growth as well as to their increasing competitiveness in an integrated global economy. There is a growing trend towards intra-regional trade, making the growth of developing economies less dependent on the advanced economy markets. This points to the changing dynamics of overall growth and a possible shift to a multi-polar world.

The slowdown in the advanced economies came in the face of a major financial crisis triggered by the sharp drop in market valuations of US sub-prime mortgage-backed securities. The ripples spread across all the segments in the financial markets. Further, it had repercussions on the commodity markets too, with flight of money from the weakening financial markets to commodity markets.

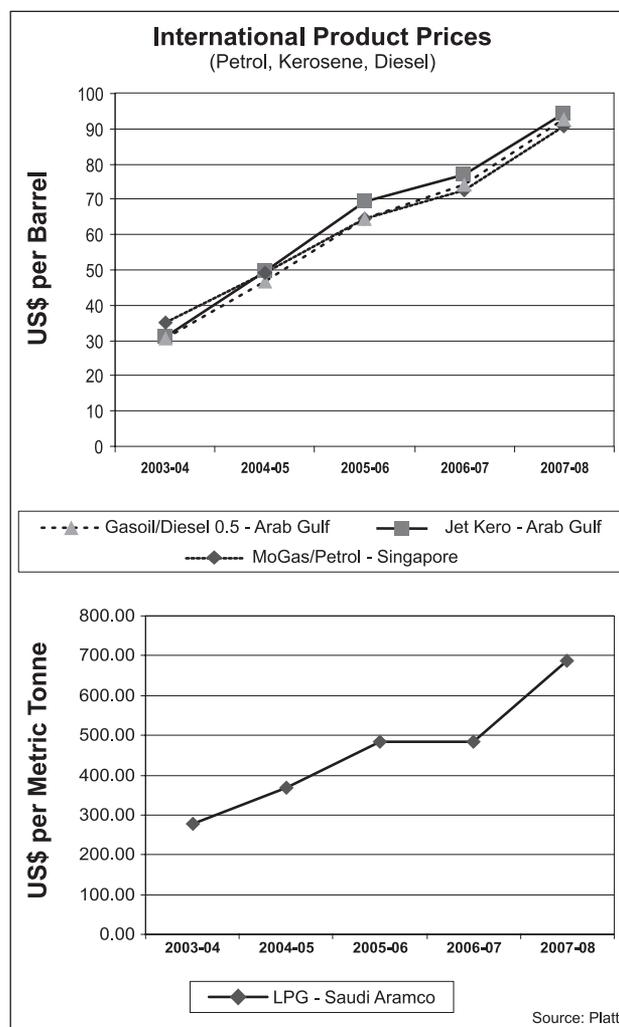
Food, energy and metal prices surged to historic high levels, making inflation a major cause of concern across the globe. The problems were further exacerbated by the high volatility in the commodity markets. Apart from the financial market repercussions, strong demand growth, especially in the emerging economies, was a major reason behind the turbulence. In addition, there also seemed to be a lot of evidence pointing towards the linking of food markets to the surging oil markets through the growing use of food crop-based bio-fuels. This has, in turn, spurred a new food vs. fuel debate.

During year, with the depreciation of the US Dollar, Euro, already a credible competitor, further consolidated its position and appears to have made the threat to end Dollar dominance more real.



India

The performance of the Indian economy was robust during the year. It continued to be one of the fastest growing large economies, drawing its strength from strong fundamentals such as high investment and savings rates and productivity growth. However, the economy was



affected by downward pressures arising out of slowing global economic activity, hardening of interest rates and infrastructure constraints. The pace of economic growth consequently slowed down to 9.0%, from 9.6% in the previous fiscal. Inflationary pressures, after being subdued for most of the year, flared up in the fourth quarter of 2007-08.

India's Balance of Payments position continued to be comfortable. Exports, after witnessing a slowdown in the initial part of the year, maintained an overall momentum, led by petroleum products. Imports grew at a faster pace, resulting in widening of the trade deficit. Although growth in services exports decelerated on account of slowdown in the US and appreciation of the Rupee, the overall surplus on the invisibles account was maintained.

The year marked the beginning of the XI Five Year Plan, which aims to restructure policies and to provide opportunities based on a broad-based vision for inclusive growth of the economy at a rate of 9% during the Plan period. The major challenges to attain this target, as were faced during the year, are revival of dynamism in agriculture, removal of infrastructure bottlenecks, inflation control, macroeconomic stability, continued growth in investments, human resource development, competitiveness in world trade, etc.

OUTLOOK

Global Oil & Gas Industry

The international oil market is going through turbulent times, with crude oil prices continuing to set new highs at a breath-taking frequency, and exhibiting high volatility. Tight supply-demand balance emanating from strong growth in demand, especially from the emerging economies, coupled with lagged supply response and the resultant fall in inventories, was a major cause for the price run-up. In addition, geo-political tensions, weakening of the US dollar against major currencies and flight of money from financial markets into commodities are seen to have contributed to northward price movement and volatility.

With natural gas increasingly replacing liquid fuels, the rising trend of crude oil prices led to corresponding rise in natural gas prices. Supplies remained tight and upstream projects under development have been subject to rising costs and increasing delays. The slow pace of development of pipelines remains an area of concern. As regards the LNG (Liquefied Natural Gas) market, the business is now changing rapidly with the coming up of new export facilities in several countries in the past couple of years. In 2007, 16 countries exported natural gas in the form of LNG to 17 importing countries. International trade reached the equivalent of more than 7.99 trillion cubic feet of natural gas in 2007.

With fossil fuels predicted to remain the dominant source of energy in the near future and there being no major enhancement of supplies through new discoveries, the investment decisions in the entire hydrocarbon value chain are bound to be of greater concern. The investments in the oil & gas sector have been traditionally influenced to a large extent by various geo-political issues, resource nationalism, policy inducements, infrastructure constraints, rising costs, supply chain logistics, etc., besides exploration prospects.

Given the slow pace of discoveries and continuation of volatility in crude oil prices in the near future, the emerging and oil importing economies are bound to face over-heating pressures in their domestic economy and external imbalances, which may ultimately lead to a dent in their economic growth.

The emerging risks and vulnerabilities associated with climate change have become a major threat to the existing global economic model. The seizing moment of this global issue is linked to the Carbon budget analysis. In order to, therefore, mitigate the climate shocks, the hydrocarbon sector is particularly reposed with the onerous task of developing a sustainable business model to contain the global emissions pathway.

Indian Oil & Gas Industry

India, today ranks as the world's seventh largest energy producer, accounting for about 2.5% of the global energy production per year. It is also the world's fifth largest energy consumer, accounting for about 3.45% of the global energy consumption. The hydrocarbon sector plays a pivotal role in the Indian energy sector, with its share in the commercial energy amounting to about 45%, with oil at about 36% and gas at 9%.

To meet the requirements of the growing economy, huge investments are required in the Indian hydrocarbon sector. According to International Energy Agency estimates, India needs to invest US\$ 233 billion in its oil & gas sector over the period 2006-2030. Of this,

US\$169 billion is required for the oil sector. Three-quarters of the investment will be absorbed by the refining sector and the rest by the upstream sector. As regards the gas sector, the investment requirement has been estimated at US\$ 63 billion. More than 90% of the investment in this sector would be oriented towards developing upstream capacities as well as transport & distribution infrastructure and the rest would flow to LNG re-gasification plants.

Domestic demand of petroleum products and LNG was buoyant and, in fact, grew at a much faster pace, registering a growth of 7.6% to reach 128 million metric tonnes (MMT) of sales during the year with a corresponding crude throughput of 156 MMT by the Indian refineries. With surplus refining capacity induced by favourable export opportunities, the industry registered significant growth in export sales during the year. As a result of stagnating domestic crude oil production at a level of 34 MMT and rising refinery capacity for meeting the domestic and export demand, crude oil imports during the year rose by 9%. India's current import of crude oil is more than 75% of its total requirements and in line with the current trend, it is expected to increase further in future.

Concerns for energy security in the growing economy open up a series of challenges and opportunities in the hydrocarbon sector, which can be broadly categorised as follows:

- (i) Encouraging new oil & gas finds within the country and intensifying search for overseas equity sources
- (ii) Developing a pan-India gas market with focus on enabling infrastructure
- (iii) Creating a competitive hydrocarbon market
- (iv) Rationalising subsidies for Petrol, Diesel, Kerosene for public distribution system and LPG for domestic use
- (v) Attracting investments in associated infrastructure such as ports, storage, pipelines, etc.
- (vi) Promoting energy efficiency and conservation

The Government has further liberalised its FDI (Foreign Direct Investment) policy during the year in refining and marketing activities. Whereas FDI up to 100% was already allowed through the automatic route in the private refining sector, in the public sector, the limit was 26% subject to FIPB (Foreign Investment Promotion Board) approval, which has now been increased to 49%. In the marketing segment, the Government has removed the conditionality of 26% dilution of equity.

Production of natural gas during the year stood at 32.3 billion cubic metres (bcm), rising marginally from the production level of 2006-07. India has been importing LNG since 2004 and import volumes have been increasing steadily. In addition, India is increasingly being viewed as an aggressive spot LNG buyer. The recent gas discovery in the Krishna-Godavari (KG) Basin has also raised hopes of increase in domestic natural gas production in the future. The Iran-Pakistan-India pipeline proposal, after a long period of uncertainty, now seems to be moving forward. As regards the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline, India's prospects as a partner are now looking brighter. The recent approval of a market-evolved price for the gas from the Krishna-Godavari basin has set a good precedent for the development of market-determined pricing for natural gas in the country.



IndianOil

Internationally, the petrochemicals industry has been one of the drivers of industrial development, constituting 40% of the global chemicals market. World over, the petrochemicals industry is integrated with the refineries/gas sector. Since the 1980s, the epicentre of the global petrochemicals industry has shifted from West of Suez to East of Suez, largely due to the availability of crude oil and natural gas in the Middle East and the growth of consumption centres in Asia, which has a large population base. Although India's present petrochemicals production and consumption is small by global standards, it is amongst the fastest growing markets in the world. India's per capita consumption is 5 kg as against the world average of 25 kg. According to the assessment of the Working Group on the Petrochemicals Sector for the XI Plan, the demand for polymers in the country has the potential to reach 12.5 MMT by the end of the XI Plan, growing at a CAGR (cumulative annual growth rate) of 18%, necessitating commissioning of five additional crackers of 1 MMT average size with investments of US\$ 8 billion, and additional investments of US\$ 6 billion in the downstream associated polymer & speciality petrochemical units.

During 2007-08, to ease the financial burden on the public sector oil marketing companies (OMCs) arising out of controlled domestic prices of petrol, diesel, PDS kerosene and domestic LPG in the face of spiralling crude oil and petroleum product prices in the international market, the Government of India had raised the prices of petrol and diesel marginally. Besides this, the Government also issued oil bonds to the OMCs to partially compensate for the losses suffered by them on account of inadequate pass-through of prices to the consumers. The prevalent scheme of subsidies and pricing has resulted in a huge price-insensitive demand expansion for these products.

Looking at the prospects of alternative fuels in India, the Indian bio-fuels programme seems to hold good prospects. Unlike the conversion of food into bio-fuel, which has created controversy in the international food prices, the Indian bio-fuels programme is based on non-edible plants. Moreover, since these plants can be grown in arid and wastelands, the opportunity cost of these plantations would be quite low. Efforts are also on to develop Hydrogen as a substitute for traditional fuel in the transport sector in future. The Ministry of Petroleum & Natural Gas has set up a corpus fund of Rs. 100 crore, with contributions from the national oil companies and the Oil Industry Development Board, to undertake Hydrogen research activities with IndianOil's R&D Centre as the nodal agency.

The proposal of setting up the Petroleum, Chemicals & Petrochemicals Investment Regions (PCPIRs) is another important initiative by the Government of India. By offering a transparent and investment-friendly policy and facility regime, PCPIRs aim to attract major investment, both domestic and foreign, in these key industry segments.

The Indian hydrocarbon sector spends around Rs. 200-250 crore on R&D every year, which is meagre compared to its annual turnover of over Rs. 4,00,000 crore. In the context of globalisation and the need for improving energy efficiency and developing indigenous technology and alternative fuels, the expenditure on R&D efforts needs to be scaled up substantially, with enhanced participation from the private sector players.

RISKS AND CONCERNS

The Corporation has been suffering losses due to price controls on the four principal petroleum products. The subsidies received from

the Government, discounts from upstream companies and the oil bonds issued by the Government only partially offset these losses. Due to lag in receipt of oil bonds, the borrowings have increased considerably. However, due to the contribution of the Government and the Reserve Bank of India in relaxing lending norms to the oil companies, the Corporation is able to maintain crude oil imports and payment obligations. With strain on liquidity, while there is no let-up in the ongoing projects, new projects are being undertaken on priority and strategic need.

The Corporation's exploration & production (E&P) business portfolio has increased steadily over the years. However, with no major breakthrough as yet, the risks normally associated with such investments linger till commercial discoveries are made, which are expected to be clear in another couple of years down the line.

The manpower recruitment scenario has undergone significant changes over a period of time. It is becoming increasingly competitive and primarily related to private sector compensation packages. Attrition at different levels of the organisation is also rising. This has thrown up a challenge of acquiring and retaining the desired talents for the Corporation.

CHALLENGES AND OPPORTUNITIES

A growing economy and a dynamic industry present a number of opportunities and challenges to the Corporation as a key energy supplier. With increasing globalisation and competition in the sector, the challenge the Corporation faces is in transforming into the least-cost supplier of quality products and services to customers.

In the recent years, the Corporation has been making efforts to tap opportunities across the entire value chain of the oil & gas business. It has forged strategic alliances in the E&P sector. Having successfully entered the petrochemicals sector, it has ambitious plans for the future. In addition, the Corporation is also considering entering into other energy sub-sectors to complement its own line of business. Other major challenges include optimisation of refining processes; logistics & supply chain management; timely execution and safe commissioning of projects; consolidation of retail and direct consumer businesses through better offerings than competitors; retention of skilled manpower; enhancing profitability, which has currently been compromised due to incomplete pass-through to customers as a result of price control for the four principal products; etc.

The rapid growth in industrial activity, infrastructure development across the board and growth of rural markets present immense opportunities to the Corporation in terms of increased demand for its products. In the context of the rural markets, the Corporation's innovative business model in the form of Kisan Seva Kendra outlets is helping drive future retail volumes in both fuels and lubricants, besides providing non-fuel conveniences to the rural population.

To offset the erosion in growth prospects of liquid fuels due to replacement by natural gas, the Corporation is making all-out efforts to become a major player in the growing natural gas business in the country. Accordingly, it has already ventured into gas marketing, sourcing its supplies from Petronet LNG Ltd., its joint venture (JV) company. It has also entered the city gas distribution business through JVs. However, sourcing of gas at economically viable prices is a major challenge for the Corporation.

Protection of ecology and environment is an area that has always occupied the attention of the Corporation. Meeting the stringent product quality standards in the marketplace and the environmental stipulations in refinery operations have been major thrust areas. The Corporation has already made significant investments in various quality upgradation projects at all its refineries and is engaged in continuously implementing, monitoring, maintaining and improving upon Occupational Health & Safety performance with a view to eliminating risks to the stakeholders. Presently, quality improvement projects are underway at the Corporation's refineries to meet Euro-III /IV fuel quality norms that shall become effective from April 2010.

With sustained determination and creation of institutional capabilities, supported by decisive policy initiatives, the Corporation has been taking significant steps towards realising its aspiration of emerging as a globally admired energy major.

FINANCIAL REVIEW

Turnover

The turnover (inclusive of excise duty) of IndianOil for the year ended 31st March, 2008 was Rs. 2,47,479 crore as compared to Rs. 2,20,779 crore in the previous year. The total sale of petroleum products (including natural gas) for 2007-08 was 62.62 MMT, as against 57.97 MMT during 2006-07.

Profit Before Tax

The Corporation's Profit Before Tax was Rs. 10,080 crore during 2007-08 as compared to Rs. 10,485 crore in 2006-07.

Provision for Taxation

a) Current Tax

An amount of Rs. 3,084 crore has been provided towards current tax for 2007-08, considering the applicable income tax rates, as against Rs. 2,112 crore provided during 2006-07.

b) Fringe Benefit Tax

An amount of Rs. 28 crore has been provided towards fringe benefit tax for 2007-08, as against Rs. 39 crore provided during 2006-07.

c) Deferred Tax

An amount of Rs. 5 crore has been provided towards deferred tax in the current financial year, as against Rs. 835 crore provided during 2006-07.

Profit After Tax

The Corporation has earned a Profit After Tax of Rs. 6,963 crore during the current financial year as compared to Rs. 7,499 crore in 2006-07.

Depreciation & Amortisation

Depreciation for the year 2007-08 was Rs. 2,708 crore, as against Rs. 2,632 crore for the year 2006-07.

Interest (net)

Interest Expenditure (net) of the Corporation for the current year was Rs. 408 crore, as against Rs. 675 crore during 2006-07.

Borrowings

The borrowings of the Corporation as on 31st March, 2008 were Rs. 35,523 crore as compared to Rs. 27,083 crore as on 31st March, 2007. The Total Debt to Equity ratio as on 31st March, 2008 works out to 0.86:1 as against 0.78:1 as on 31st March, 2007 and the Long Term Debt to Equity ratio stands at 0.28:1 as on 31st March, 2008 as against 0.31:1 as on 31st March, 2007.

Capital Assets

Gross Fixed Assets (including Capital Work in Progress) increased from Rs. 59,232 crore as on 31st March, 2007 to Rs. 66,002 crore as on 31st March, 2008.

Investments

Investments, including advances for investment, as on 31st March, 2008 were Rs. 21,546 crore as compared to Rs. 19,998 crore as on 31st March, 2007. The changes in investments during the year are mainly on net increase in Government of India Special Oil Bonds. The aggregate market value of the Quoted Investments as on 31st March, 2008, i.e., investments made in Oil & Natural Gas Corporation Ltd., GAIL (India) Ltd., Chennai Petroleum Corporation Ltd., Bongaigaon Refinery & Petrochemicals Ltd., Petronet LNG Ltd. and Lanka IOC Ltd., is Rs. 21,438 crore (as against the cost price of Rs. 2,854 crore). This includes Rs. 880 crore in equivalent Indian currency in respect of Lanka IOC, which is quoted on the Colombo Stock Exchange, Sri Lanka.

Net Current Assets

Net Current Assets as on 31st March, 2008 were Rs. 18,350 crore, as against Rs. 9,351 crore as on 31st March, 2007.

Earnings Per Share

Earnings Per Share for the year 2007-08 work out to Rs. 58.39 as compared to Rs. 62.90 in the previous year. Cash Earnings Per Share for the current year work out to Rs. 81.10 as compared to Rs. 84.97 in the previous year.

Earnings in Foreign Currency

During the year, the Corporation earned Rs. 11,454 crore in foreign currency, mainly on account of export of petroleum products, as against Rs. 9,126 crore in 2006-07. This includes Rs. 3,522 crore received in Indian currency out of repatriable funds, as against Rs. 1,346 crore in the previous year.

INTERNAL CONTROL SYSTEMS

The Corporation has adequate internal control systems commensurate with the size and nature of its business. In addition, there are detailed manuals on various aspects of the business, supported by accounting policies and guidelines. The performance of the Corporation is regularly monitored by the Board of Directors.

Further, the Corporation has a full-fledged independent Internal Audit Department, which carries out extensive audits round the year covering all aspects of the business so as to ensure accuracy, reliability and consistency of records, systems and procedures. The recommendations and observations of the Internal Audit Department are reviewed regularly by the Audit Committee constituted by the Board of Directors.



IndianOil

SEGMENTWISE PERFORMANCE

The segmentwise performance for the current year is given below:

(Rs. in Crore)

	Sale of Petroleum Products	Other Businesses	Eliminations	Total
External Revenue	2,22,496	24,759	-	2,47,255
Inter Segment Revenue	1,264	255	-	1,519
Total Segment Revenue	2,23,760	25,014	-	2,48,774
Operating Profit	10,674	(186)	63	10,425

Notes:

- Segment Revenue comprises Turnover (net of excise duty), Subsidy & Grants from the Government of India and other income (excluding interest income, dividend income and investment income).
- Other Businesses segment comprises sale of imported crude oil, sale of gas, petrochemicals, oil & gas exploration activities, and explosives & cryogenics businesses.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

The industrial relations climate in the Corporation remained harmonious and peaceful during the year. The Corporation has been taking initiatives for harnessing the inherent strengths of its employees and for continuous improvement in work culture and operating & maintenance practices. It is also focussing on building leadership capabilities and strategic orientation in its employees through a series of training programmes and workshops. The culture of participation has taken firm roots in the Corporation in the form of various committees, wherein employees' representatives are actively involved. Efforts were also made during the year for improving employee benefits. The employee strength of the Corporation as on 31st March, 2008 was 31,945, including 12,243 officers.

CAUTIONARY STATEMENT

The statements in 'Management's Discussion & Analysis' Report describing the Corporation's focal objectives, expectations or anticipations may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from the expectations. Important factors that could influence the Corporation's operations include global and domestic supply & demand conditions affecting selling prices of products, input availability and prices, changes in Government regulations and tax laws, economic developments within the country and factors such as litigation and industrial relations.

Report on Corporate Governance

(Forming part of the Directors' Report for the year ended 31st March, 2008)

The basic objective of Corporate Governance is to enhance and maximise shareholder value and protect the interest of other stakeholders like customers, employees and society at large in order to build an environment of trust and confidence among all the components, which may have competing as well as conflicting interests.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

IndianOil believes that good Corporate Governance practices would ensure efficient conduct of the affairs of the Company and also help in maximising value for all its stakeholders. The Company endeavours to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning which are vital to achieve its Vision of becoming a major diversified, transnational, integrated energy company.

IndianOil recognises that good Corporate Governance is a continuous exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders. For implementing the Corporate Governance practices, IndianOil has a well-defined policy framework inter alia consisting of the following:-

- Code of Conduct for Directors and senior management personnel
- Code of Conduct for prevention of insider trading
- Enterprise Risk Management Policy
- Integrity pact to enhance transparency in business
- Whistle Blower Policy
- Conduct, Discipline and Appeal Rules for employees

The effective implementation of the above highlights the commitment of the Company to uphold the highest principles of Corporate Governance to enhance shareholder value.

BOARD OF DIRECTORS

(a) Composition of Board of Directors

The Board of IndianOil consists of an optimum combination of executive (whole-time) and non-executive (part-time) Directors. non-executive (part-time) Independent Directors are persons with proven record in diverse areas like energy policy, academics, finance, marketing, Government and public sector etc.

The strength of the Board of IndianOil was 16 directors as on 31.03.08 comprising of 8 executive (Whole-time Functional) Directors (including Chairman) and 8 part-time non-executive Directors, out of which 6 are Independent Directors & 2 are Govt. Nominee Directors. The Company has not been able to comply with the requirement of 50% Independent Directors on its Board. IndianOil being a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the Directors are nominated by the Government of India. The Company has requested the Govt. of India to induct requisite number of Independent Directors as required under clause 49 of the Listing Agreement.

The composition of the Board of Directors as on 31.03.08 is given below:

Name	Category
Shri S. Behuria	Chairman
Shri B. M. Bansal	Director (Planning & Business Development)
Shri S. V. Narasimhan	Director (Finance)
Shri V. C. Agrawal	Director (Human Resources)
Shri G. C. Daga	Director (Marketing)
Shri B. N. Bankapur	Director (Refineries)
Shri Anand Kumar	Director (Research & Development)
Shri P. K. Chakraborti	Director (Pipelines)
Shri S. Sundareshan	Government Nominee Director
Shri P. K. Sinha	Government Nominee Director
Prof. S. K. Barua	Independent Director
Shri Vineet Nayyar	Independent Director
Shri V. Ranganathan	Independent Director
Shri V. K. Agarwal	Independent Director
Shri P. M. Sinha	Independent Director
Prof. (Dr.) Indira Parikh	Independent Director

During the current financial year, five independent directors namely Shri Vineet Nayyar, Prof. S. K. Barua, Shri V. Ranganathan, Shri V.K. Agrawal & Shri P.M. Sinha have ceased to be Directors on the Board of IndianOil and the following 5 new Independent Directors have been appointed on the Board in their place w.e.f. 01.06.08:

- i) Shri Anees Noorani
- ii) Dr. (Smt.) Indu Shahani
- iii) Prof. Gautam Barua
- iv) Shri Michael Bastian
- v) Shri N.K. Poddar

A brief resume of the new independent directors is provided in the notice convening the AGM.



(b) Board Meetings

The Board of Directors is the apex body which oversees the overall functioning of the Company. The Board of IndianOil has set strategic goals in order to achieve its Vision and Mission Statement. The Board defines the Company's policy and oversees its implementation in attaining its goal. The Board has constituted various committees to facilitate the decision making process in an informed and efficient manner.

The dates of the Board Meetings are fixed well in advance and intimated to the Board members so as to enable the Directors to plan their schedule accordingly. The meetings of the Board of Directors are generally held once in a month mostly at the Corporate Office of the Company at New Delhi. During the financial year 2007-08, 11 such Board Meetings were held. The agenda papers are circulated to the Directors well in advance before the meeting. However, certain exigent matters are tabled at the Board Meeting with the approval of the Chairman. The agenda items are comprehensive and informative in nature to facilitate deliberations and appropriate decision at the Board Meeting.

Presentations are made to the Board on various functional and operational areas of the Company like refinery, pipelines and marketing operations, major projects, financial highlights etc. The agenda placed before the Board inter alia includes the following:-

- Annual operating plans of the divisions and capital and revenue budgets.
- Quarterly and Annual Financial results of the Company.
- Dividend declaration.
- Quarterly report on borrowings and treasury operations.
- Terms of reference of Board Committees.
- Minutes of meetings of Audit Committee and other Committees of the Board, as also resolutions passed by circulation.
- Proposals for amalgamation, mergers and acquisitions.
- Details of investment in any joint venture / subsidiary.
- New projects and expansion plans.
- Status of various projects.
- Risk management and minimisation process.
- HR related issues.
- General notices of interest of Directors.

Details of the Board Meetings held during the year 2007-08 are as under:

Sl. No.	Date	Board Strength	No. of Directors Present
1.	28-05-2007	15	12
2.	21-06-2007	15	14
3.	30-07-2007	16	14
4.	27-08-2007	16	14
5.	24-09-2007	16	14
6.	30-10-2007	16	16
7.	28-11-2007	16	15
8.	28-12-2007	16	12
9.	31-01-2008	16	13
10.	01-03-2008	16	12
11.	31-03-2008	16	13

(c) Attendance of each Director at Board Meetings held during 2007-08, last Annual General Meeting and number of other Directorships and Chairmanship / Membership of Committees of each Director in various companies is as under:

Name of the Director	No. of Board Meetings attended out of 11 meetings held	Attendance at the AGM on 24.09.07 (Yes/No)	No. of Directorships in other companies as on 31.03.08	Membership of committees in other companies as on 31.03.08	Chairmanship of committees in other companies as on 31.03.08
Whole-time Functional Directors					
Shri S. Behuria, Chairman	11	Yes	3	-	-
Shri B.M. Bansal, Director (PIng. & Business Development)	10	Yes	2	-	-
Shri S.V. Narasimhan, Director (Finance)	10	Yes	1	-	-
Shri V.C. Agrawal, Director (Human Resources)	10	Yes	1	-	-
Shri G.C. Daga, Director (Marketing)	11	Yes	4	-	-
Shri B.N. Bankapur, Director (Refineries)	11	Yes	2	1	-
Shri Anand Kumar, Director (Research & Development) ¹	8	Yes	1	-	-
Shri P.K. Chakraborti, Director (Pipelines) ²	7	No	1	-	-
Shri A.M. Uplenchwar, Director (Pipelines) ²	3	N/A	6*	-	-

Part-time Non-Executive Directors (Govt. nominees)

Shri S. Sundareshan ³	7	Yes	3	-	-
Shri P. K. Sinha	7	Yes	2	-	-

Part-time Non-Executive Independent Directors

Prof. S.K. Barua	9	Yes	4	4	-
Shri Vineet Nayyar	10	Yes	14	1	-
Shri V. Ranganathan	11	Yes	1	-	-
Shri V.K. Agarwal	10	Yes	-	-	-
Shri P.M. Sinha	8	No	4	4	1
Prof. (Dr.) Indira Parikh ⁴	6	No	5	-	-

Part-time Non-Executive Director (ONGC Nominee)

Shri R. S. Sharma ⁵	NIL	N/A	13*	4*	-
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* The details of directorship on Board of other companies and committee position is as on the date of cessation from the Board of IndianOil.

Remarks:

1. Shri Anand Kumar, was inducted on the Board w.e.f. 31.07.2007.
2. Shri P. K. Chakraborti, was inducted on the Board w.e.f. 01.08.2007 upon superannuation of Shri A. M. Uplenchwar on 31.07.2007.
3. Shri S. Sundareshan, was inducted on the Board w.e.f. 28.05.07.
4. Prof. (Dr.) Indira Parikh, was inducted on the Board w.e.f. 30.07.2007.
5. Shri R. S. Sharma, ceased to be Director on 02.08.2007.

None of the Directors on the Board is a member on more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director. All the Directors have made requisite disclosures regarding Directorship / Committee position occupied by them in other companies.

A brief resume of the Directors, who are being appointed / re-appointed at the forthcoming AGM, is given in the notice of the AGM.

(d) Code of Conduct:

The Code of Conduct for the Directors and Senior Management Personnel of the Company has been laid down by the Board, which has been circulated to all concerned and the same is also hosted on the website of the Company "www.iocl.com".

As required under Clause 49 of the Listing agreement, the Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the IndianOil's Code of Conduct for the Financial year ended 31.03.08.

AUDIT COMMITTEE:

The Audit Committee has been constituted in line with the provisions of Clause 49 of the Listing Agreement and also meets the requirements of Section 292A of the Companies Act, 1956. The members of the Audit Committee have requisite financial and management expertise. The Audit Committee comprises of three Part-time Non-Executive Independent Directors as members.

The Terms of Reference of Audit committee covers all matters specified under Clause 49 of the Listing Agreement of the Stock Exchanges which inter alia includes the following: -

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing with management the quarterly and annual financial statements before submission to the Board.
- Reviewing with the management and statutory and internal auditors, the adequacy of internal control systems.
- Discussion with internal auditors on Annual Internal Audit Program, Significant Audit Findings and follow up on such issues.
- Discussion with statutory auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.

The attendance at the nine meetings of the Audit Committee held during the year 2007-08 is given below:-

Dates of the Meetings	Prof. S.K. Barua (Chairman)	Shri V.K. Agarwal (Member)	Shri V. Ranganathan (Member)
27-05-07	No	Yes	Yes
30-07-07	Yes	Yes	Yes
06-08-07	Yes	Yes	Yes
27-08-07	Yes	Yes	Yes
18-09-07	Yes	Yes	Yes
29-10-07	Yes	Yes	Yes
30-01-08	Yes	Yes	Yes
20-02-08	Yes	Yes	Yes
14-03-08	Yes	Yes	Yes

The Audit Committee meetings are also attended by the Director (Finance) and the head of Internal Audit as special invitees. The representatives of the Statutory Auditors and Cost Auditors are invited to the meetings as and when required. The Chairman of the Audit Committee was present at the last Annual General Meeting.

The Company Secretary acts as the Secretary of the Audit Committee.

The minutes of the meetings of the Audit Committee are circulated among members of the Audit Committee and the special invitees and are also submitted to the Board.

REMUNERATION COMMITTEE:

IndianOil being a Government Company, the remuneration of the whole-time Functional Directors is decided by the Government of India. The part-time non-executive Independent Directors are not paid any remuneration except sitting fees for attending the meetings of the Board or Committees thereof. However, the Board has constituted a Remuneration Committee to approve certain perquisites for whole-time Functional Directors and below Board-level Executives, which are within the powers of the Board.

The Remuneration Committee comprises of a part-time non-executive Government nominee Director as Chairman of the Committee, two part-time non-executive Independent Directors, Director (Finance) and Director (Human Resources) as members.

One meeting of the Remuneration Committee was held during the year. The details of attendance are as follows:

Sl. No.	Name of the Director	Attendance at Meeting held on 05-10-07
1.	Shri P.K. Sinha, Chairman	Yes
2.	Shri Vineet Nayyar, Member	Yes
3.	Shri V.K. Agarwal, Member	Yes
4.	Shri S.V. Narasimhan, Member	Yes
5.	Shri. V.C. Agrawal, Member	Yes

Remuneration paid to whole-time Functional Directors during the financial year 2007-08 is as under:

					(Rs. in Lakh)
Name of the Director	Designation	Salaries & Allowances	Contribution to PF & other Funds	Other Benefits & Perquisites	Total remuneration
Shri S. Behuria	Chairman	11.68	1.28	3.93	16.89
Shri B.M. Bansal	Director (Plng. & Business Development)	12.29	1.34	4.40	18.03
Shri S.V. Narasimhan	Director (Finance)	11.92	1.32	4.37	17.61
Shri V.C. Agrawal	Director (Human Resources)	15.42	1.38	3.76	20.56
Shri G.C. Daga	Director (Marketing)	13.87	0.90	2.45	17.22
Shri B.N. Bankapur	Director (Refineries)	12.31	1.35	5.65	19.31
Shri Anand Kumar	Director (Research & Development) w.e.f. 31.07.07	7.54	1.01	3.81	12.36
Shri P.K. Chakraborti	Director (Pipelines) w.e.f. 01.08.07	7.55	0.97	2.63	11.15
Shri A.M. Uplenchwar	Director (Pipelines) upto 31.07.07	12.12	1.09	6.37	19.58
TOTAL		104.70	10.64	37.37	152.71

Note:

- Performance Linked Incentives are payable to the whole-time Functional Directors as employees of the Company as per the policy applicable to all employees of the Company.
- During the year, no stock options have been issued to whole-time Functional Directors.
- The terms of appointment of the whole-time Functional Directors, as issued by the Government of India, provides for three months' notice period or salary in lieu thereof for severance of service.

The sitting fees paid to part-time non-executive Independent Directors during the financial year 2007-08 is as under:

		(Rs. in Lakh)
Name of the Director	Sitting Fees	
Shri Vineet Nayyar	2.30	
Prof. S. K. Barua	1.90	
Shri V. K. Agarwal	2.90	
Shri V. Ranganathan	2.50	
Shri P. M. Sinha	1.50	
Prof. (Smt.) Indira J. Parikh	0.30	
TOTAL	11.40	

Note:

- None of the part-time non-executive Independent Directors was holding any shares of Company as on 31st March, 2008.
- There were no other pecuniary relationships or transactions of the non-executive Directors vis-à-vis the Company.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' / Investors' Grievance Committee (SIGC) examines the grievances of shareholders / investors and the system of redressal of the same. The SIGC comprises of three members with a part-time non-executive Independent Director as Chairman, Director (Finance) and Director (Human Resources) as Members. The Company accords top priority to resolve complaints/grievances/queries of shareholders within a reasonable period of time.

The composition of the Shareholders' / Investors' Grievance Committee and the attendance at the two meetings held during the year is given below:

Sl. No.	Name of the Director	Attendance at Meeting held on	
		30-07-07	30-01-08
1.	Shri V. K. Agarwal, Chairman of the Committee	Yes	Yes
2.	Shri. S. V. Narasimhan, Director (Finance)	Yes	Yes
3.	Shri V. C. Agrawal, Director (Human Resources)	Yes	Yes

Shri Raju Ranganathan, Company Secretary, is the Compliance Officer.

Details of complaints received and redressed during the year ended 31st March, 2008:

During the year, 853 complaints were received and all have been addressed. As on 31st March 2008, no complaints are pending.

Further, during the year, 1,227 requests were received for change of address, recording of nomination and issuance of Duplicate Dividend warrant/share certificates out of which 13 requests were pending as on 31st March 2008, which were subsequently dealt with in April, 2008.

OTHER COMMITTEES OF THE BOARD

In addition to the above committees, the Board has delegated certain powers to various committees with distinct roles and responsibilities, the details of which are as under:

Sl. No.	Name of Committee	Role and Responsibilities	Members
1.	Planning & Projects Committee	For approval of capital investments upto Rs. 100 crore.	Chairman and all whole-time Functional Directors.
2.	Contracts Committee	For award of contracts.	Chairman and all whole-time Functional Directors.
3.	Projects Evaluation Committee	For evaluating and recommending for Board approval, projects costing over Rs. 250 crore.	Three part-time non-executive Independent Directors, one part-time non-executive Government Director, Director (Finance) and concerned whole-time Functional Director.
4.	Establishment Committee	To take decisions in respect of creation, selection, appointment and promotion to the posts of General Managers and above and Conduct, Discipline and Appeal Rules.	Chairman and all whole-time Functional Directors, One part-time non-executive Govt. Director and one part-time non-executive Independent Director.
5.	Committee for Deleasing of Immoveable Properties	To consider request for deleasing of Company-leased immovable properties.	Chairman, Director (Human Resources), Director (Finance) and a part-time non-executive Government Director.
6.	Marketing Strategies Committee	To provide direction to the Corporation on marketing strategies and policies.	Two part-time non-executive Independent Directors, Director (Finance) and Director (Marketing).
7.	Corporate Social Responsibility Committee	To examine and conceive the initiatives for CSR activities.	Two part-time non-executive Independent Directors, Director (Human Resources) and Director (Marketing).

ANNUAL GENERAL MEETINGS (AGMs):

The Annual General Meetings of the Company are held at Mumbai where the Registered Office of the Company is situated. The details of the AGMs held for the past three years are as under:

	2004-05	2005-06	2006-07
Date & Time	22.09.2005 10.30 A.M.	22.09.2006 10:30 A.M.	24.09.2007 10:30 A.M.
Venue	Ravindra Natya Mandir, Prabhadevi, Mumbai - 400 025	Nehru Centre Auditorium Discovery of India building Worli, Mumbai - 400 018.	Ravindra Natya Mandir, Prabhadevi, Mumbai - 400 025
No. of special resolutions passed	Nil	Nil	One

Shareholders' / Creditors' Meeting:

During the year, meetings of shareholders and secured / unsecured creditors of the Company were held on 22.02.2008 as convened by Ministry of Corporate Affairs, Government of India, to approve the Scheme of Amalgamation of Bongaigoan Refinery and Petrochemicals Limited with Indian Oil Corporation Limited. The shareholders and creditors approved the said scheme of amalgamation.

Postal Ballot:

Approval of the shareholders was sought through postal ballot for amending the Object Clause of the Memorandum of Association of the Company by inserting clause 3(a)(i) after clause 3(a) by means of a special resolution for commencing the business activities of Bio-Fuels.

The postal ballot was circulated to all the members by 13.07.07 and the last date of receipt of the duly signed postal ballot form was 16.08.07. The resolution was approved by the shareholders with requisite majority and the result was announced on 27.08.07.

DISCLOSURES:

a. Materially significant related party transactions

There have been no materially significant related party transactions, pecuniary transactions or relationship between the Company and its Directors for the year ended 31st March, 2008 that may have a potential conflict with the interests of the Company at large.

b. Details of non-compliance during the last three years

There were no cases of non-compliance by the Company and no penalties / strictures were enforced on the Company by Stock Exchange / SEBI or any other statutory authority on any matter related to the capital markets during the last three years.

c. Whistle Blower Policy

The Company has framed a whistle blower policy wherein the employees are free to report any improper activity resulting in violations of laws, rules, regulations or code of conduct by any of the employees, to the Competent Authority or Audit Committee, as the case may be. Such complaints will be reviewed by the competent authority or Audit Committee. The confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practice. The policy is being implemented during the current financial year i.e. 2008-09.

d. Compliance with mandatory and adoption of non-mandatory requirement of Clause 49

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement as applicable except composition of the Board of Directors for which the Company has requested the Government of India to induct requisite number of Independent Directors, as the Company is a Government Company.

The Company has also adopted the following non-mandatory requirements of Clause 49 of the Listing Agreement:

- Remuneration Committee
- Unqualified financial statement
- Whistle Blower Policy
- Training of Board Members

The newly appointed part-time non-executive Directors of the Company are familiarised with the various aspects of the Company like Constitution, Vision & Mission Statement, core activities, board procedures, strategic directions, etc. by way of a detailed presentation by Senior Management Personnel. Information material like Code of Conduct, Insider Trading Code, performance highlights, etc. are provided to supplement the above presentation. Periodic presentations are made at the Board and Committee Meetings to update them on all business-related issues and new initiatives undertaken.

Strategy meet of the Board is held generally once in a year to deliberate in detail the strategic issues, policy decision and prospective plans for the future.

e. Risk Management Policy

The Company has also laid down the Enterprise Risk Management Policy and procedures thereof for periodically informing Board Members about the risk assessment and minimising procedures.

f. CEO / CFO Certification

Chairman and Director (Finance) of the Company have given the "CEO / CFO Certification" to the Board in accordance with Clause 49 (v) of the Listing Agreement.

g. Integrity Pact

IndianOil believes in total transparency, integrity and accountability in its functioning as a pre-requisite for achieving its vision of becoming a major diversified, transnational, integrated energy major. It values its business relationships with its numerous domestic and international contractors and vendors of goods and services and is committed to dealing with them in a fair and transparent manner by maintaining the highest ethical standards in its transactions with them. Therefore, IndianOil has entered into a Memorandum of Understanding

(MoU) with Transparency International India (TII) in January 2008, for implementing an Integrity Pact Programme focussed on enhancing transparency in its business transactions, contracts and procurement processes.

Under the MoU, IndianOil is committed to implementing the Integrity Pact in all its major procurement and work contract activities. Four Independent External Monitors nominated by TII in consultation with the Central Vigilance Commission (CVC) shall monitor the activities. The Integrity Pact would strengthen the established systems and procedures by creating trust and would have the full support of the Central Vigilance Commission.

h. Relationship between Directors

None of the Directors are inter-se related to other Directors of the Company.

MEANS OF COMMUNICATION

Financial Results:

The quarterly unaudited financial results of the Company are announced within a month of the end of the respective quarter and the audited financial results are announced within three months of the end of the financial year. The results are published in leading national dailies like The Times of India, Economics Times and Maharashtra Times (Marathi Newspaper), etc. and are also hosted on our website www.iocl.com. The Company also issues news releases on significant corporate decisions / activities and posts them on its website.

News Releases:

Official press releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website www.iocl.com.

Website:

The Company's website www.iocl.com provides a separate section for investors where relevant shareholders information is available. The Annual Report of the Company is available on the website in a user-friendly and downloadable form.

Annual Report:

Annual Report is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report and Corporate Governance Report form part of the Annual Report.

SEBI EDIFAR / Corporate Filing and Dissemination System (CFDS)

Quarterly / annual results, shareholding pattern, etc. of the Company were posted on the SEBI EDIFAR website www.sebiedifar.nic.in. In addition, the disclosures and communications like Company fact sheet, shareholding pattern, quarterly / annual results, etc are being sent to BSE & NSE electronically through the Corporate Filing and Dissemination System (CFDS) w.e.f. December 2007. The CFDS portal jointly owned, managed and maintained by BSE and NSE, is a single window to view information filed by listed companies.

Chairman's Speech at AGM

Chairman's speech is distributed to the shareholders at the Annual General Meeting. The same is also placed on the website of the Company & is also published in leading English daily newspaper for information of the shareholders residing in various parts of the country.

Investor Service Cell

Investor Service Cell exists at the Registered Office in Mumbai and Corporate Office, New Delhi to address the grievances / queries of shareholders. In order to enable investors to raise queries and grievances, the Company has created a separate e-mail ID investors@indianoil.co.in

GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting:

Date, Time & Venue of the Annual General Meeting	19 th September, 2008 at 1030 hrs at Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai - 400 025
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(b) Financial Calendar for 2008-09 to approve quarterly / annual financial results:

Quarter ending 30 th June, 2008	On or before 31 st July, 2008
Quarter ending 30 th September, 2008	On or before 31 st October, 2008
Quarter ending 31 st December, 2008	On or before 31 st January, 2009
Quarter and Audited Annual Financial Results ending 31 st March, 2009	On or before 30 th June, 2009

(c) Book Closure Dates for Dividend:

Book Closure for Dividend	11 th September, 2008 to 19 th September, 2008, inclusive of both days.
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(d) Dividend Payment Date:

A dividend of 55%, as recommended by the Board of Directors, if declared at the AGM, shall be paid to the eligible shareholders on or after 1st October, 2008.

(e) Listing on Stock Exchanges:

The shares of the Company are listed on the Bombay Stock Exchange Ltd. and the National Stock Exchange. The Company has paid listing fees to both the exchanges.

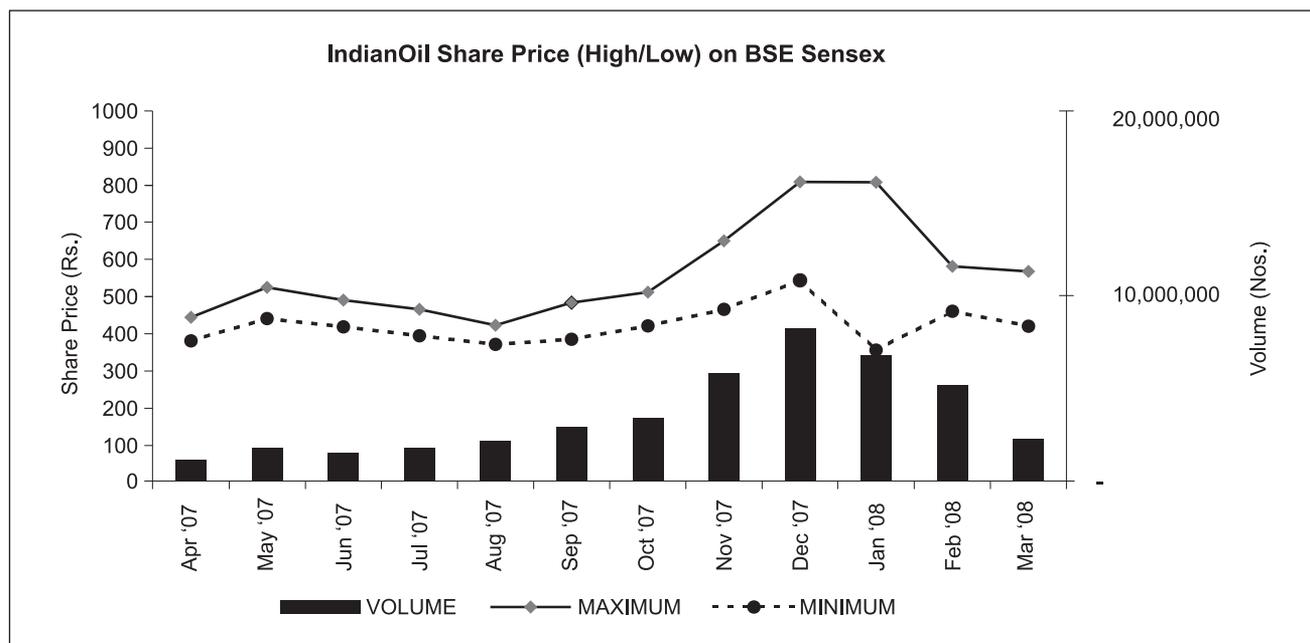
(f) Corporate Identity Number (CIN):

The Company is registered with the R.O.C. in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L23201MH1959GOI011388.

- (g) Stock Code at Bombay Stock Exchange Ltd.:** 530965
(h) Stock Code at National Stock Exchange: IOC
(i) Demat ISIN Number at NSDL / CDSL: INE 242A01010
(j) Stock Market Data:

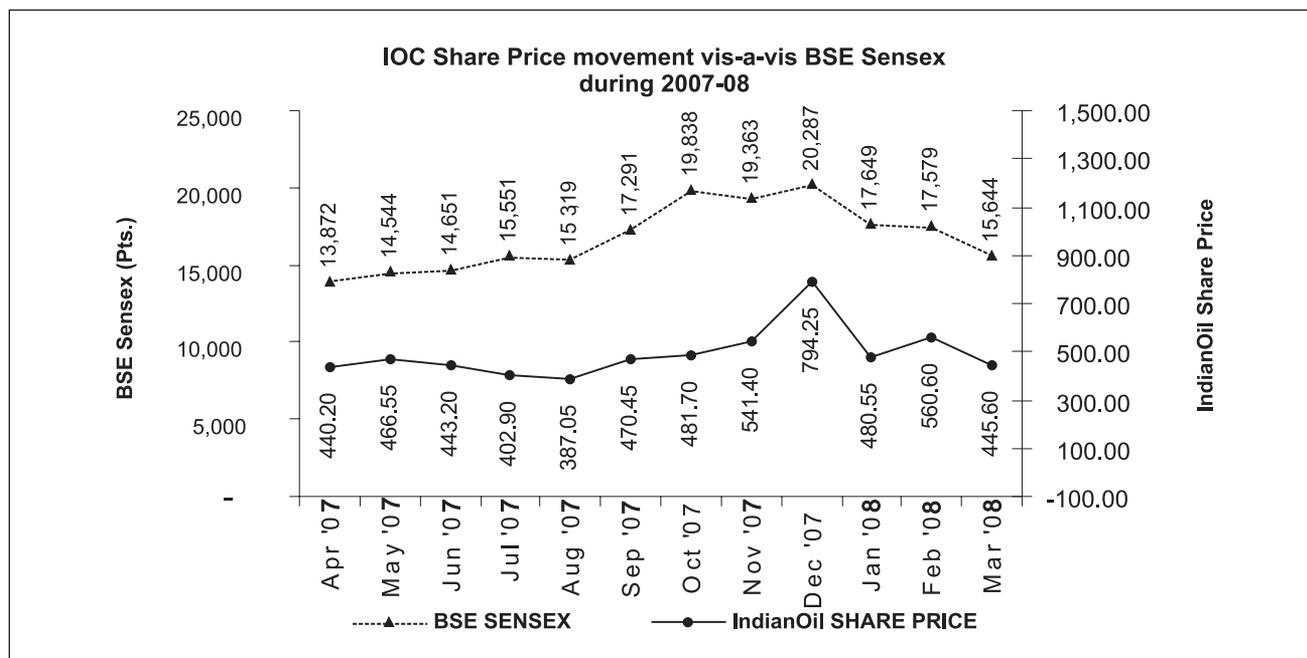
Month	Bombay Stock Exchange			National Stock Exchange		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
April '07	444.00	380.00	1119416	444.00	361.00	3141869
May '07	524.40	440.00	1799735	524.40	436.55	5180970
June '07	490.00	418.00	1530709	475.50	419.00	3953402
July '07	464.70	394.00	1809668	464.95	393.00	4604809
August '07	422.20	370.00	2148093	434.00	371.45	4847966
September '07	483.00	384.00	2911538	484.80	385.35	7051055
October '07	512.00	420.50	3419482	512.70	410.15	9166677
November '07	650.25	465.25	5807712	664.00	455.50	17860052
December '07	809.90	543.50	8223093	810.00	500.10	25510992
January '08	809.00	355.00	6827974	803.90	349.00	21044284
February '08	581.40	460.00	5146860	581.00	452.20	14458453
March '08	567.70	419.80	2259495	567.40	403.20	8235158
52 Week	809.90	355.00		810.00	349.00	

The share price movement (high and low) of IndianOil shares and the volume of shares traded on BSE during 2007-08 is shown in the following chart:



(k) Stock Price performance in comparison to broad-based BSE Sensex:

The comparison of monthly closing share price of IndianOil with monthly closing BSE Sensex during the period April 2007 - March 2008 is given below:



(l) Registrar & Transfer Agents

Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar,
Madhapur
Hyderabad - 500 081
Tel. Nos.: (040) 23420815 / 828
Fax No.: (040) 23420814
E-mail Address : mailmanager@karvy.com
Website : www.karvycomputershare.com

(m) Share Transfer System

The shares of the Company are compulsorily traded in dematerialised form. Shares received in physical form are transferred within a period of 30 days from the date of lodgement subject to documents being valid and complete in all respects. In order to expedite the process of share transfer and in line with Clause 49 of the Listing Agreement, the Company has delegated the power of share transfer to R&T Agent "M/s. Karvy Computershare Pvt. Ltd.". There are no overdue share transfers pending as on date.

(n) Distribution of Shareholding as on 31st March, 2008

Sl. No.	Nominal Value of Equity Shares held	No. of Shareholders	% of Shareholders	Amount	% of Amount
1.	1 - 5000	92544	82.23	65980850	0.55
2.	5001 - 10000	6833	6.07	52744370	0.44
3.	10001 - 20000	12300	10.93	1991447790	1.67
4.	20001 - 30000	306	0.27	7533630	0.06
5.	30001 - 40000	96	0.09	3431830	0.03
6.	40001 - 50000	81	0.07	3763220	0.03
7.	50001 - 100000	135	0.12	9740220	0.08
8.	Above 100001	252	0.22	11581401150	97.14
	Total	112547	100.00	11923743060	100.00

(o) **Categories of Shareowners as on 31st March, 2008:**

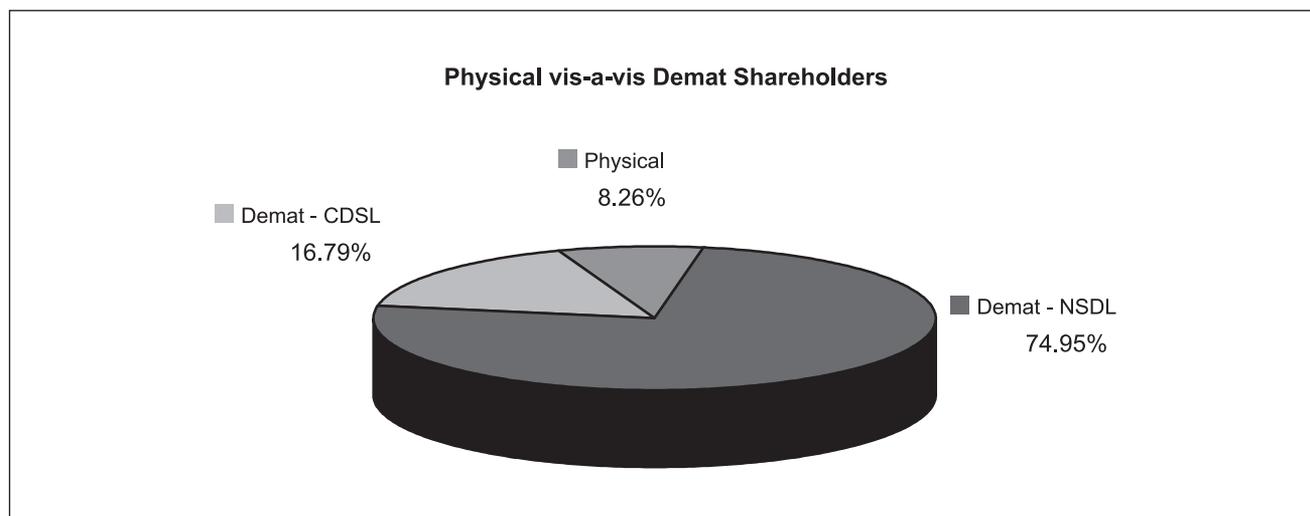
The shareholding pattern as on 31.03.08 is as follows:

Sl. No.	Category	Shareholders		Shares	
		No.	%	No.	%
1.	President of India	1	0.00	958077855	80.35
2.	Governor of Gujarat	1	0.00	1350000	0.11
3.	Government Company (ONGC Ltd.)	1	0.00	106453095	8.93
4.	Corporate Bodies	1544	1.37	5819676	0.49
5.	FII's/NRI	980	0.87	20386397	1.71
6.	Banks	41	0.04	942006	0.08
7.	Mutual Funds	70	0.06	14854619	1.25
8.	Insurance Companies	9	0.01	37975243	3.18
9.	Public	109688	97.46	33283306	2.79
10.	Clearing Members A/c (NSDL/CDSL)	185	0.16	142620	0.01
11.	Trusts	26	0.02	13069953	1.10
12.	The Custodian of Enemy Property	1	0.00	19536	0.00
	Total	112547	100.00	1192374306	100.00

(p) **Dematerialisation of Shares and Liquidity**

The shares of the Company are compulsorily traded in dematerialised form. In order to facilitate the shareholder to dematerialise the shares, the Company has entered into an agreement with NSDL and CDSL. The summarised position of shareholders in physical and demat segment as on 31st March, 2008 is as under:

Type of Shareholding	Shareholders	
	No.	%
Physical	9,295	8.26
Demat - NSDL	84,357	74.95
Demat - CDSL	18,895	16.79
TOTAL	1,12,547	100.00



(q) **Corporate Action**

i) **Shares issued during the year**

Consequent to the amalgamation of IBP Co. Ltd. with IndianOil effective 2nd May, 2007, 24362106 equity shares of IndianOil were allotted to the shareholders of erstwhile IBP Co. Ltd. on 16th June, 2007 in the approved swap ratio of 110:100.

ii) **Bonus issue since listing of the shares**

Financial Year	Ratio
1999-00	1:1
2003-04	1:2

iii) **Dividend payment history since 2000-01:**

Financial Year	Rate (%)	Remarks
2000-01	95%	-
2001-02	110%	-
2002-03	210%	Includes interim of 50%
2003-04	210%	Includes interim of 50%
2004-05	145%	Includes interim of 45%
2005-06	125%	-
2006-07	190%	Includes interim of 60%

(r) **Unpaid Dividend**

Section 205 of the Companies Act, 1956 mandates that companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF) set up by Central Government.

In accordance with the above provision, the dividend declared by IndianOil for the years mentioned below, if unclaimed within a period of seven years, will be transferred to IEPF:

Year	Type of Dividend	Rate (%)	Date of Declaration	Due for Transfer	Unpaid Balance as on 31.03.08
2000-01	Final	95%	24-Sep-01	23-Oct-08	3,007,540
2001-02	Final	110%	30-Sep-02	29-Oct-09	1,977,898
2002-03	Interim	50%	29-Jan-03	27-Feb-10	1,080,763
2002-03	Final	160%	29-Sep-03	28-Oct-10	3,221,488
2003-04	Interim	50%	26-Dec-03	24-Jan-11	1,463,035
2003-04	Final	160%	24-Sep-04	23-Oct-11	5,487,968
2004-05	Interim	45%	22-Dec-04	20-Jan-12	2,279,007
2004-05	Final	100%	22-Sep-05	21-Oct-12	4,098,953
2005-06	Final	125%	22-Sep-06	21-Oct-13	6,010,557
2006-07	Interim	60%	22-Dec-06	20-Jan-14	3,648,200
2006-07	Final	130%	24-Sep-07	23-Oct-14	10,344,191

The unpaid dividend of erstwhile IBP Co. Ltd., (since merged with IndianOil) will be transferred to IEPF in accordance with the following schedule:

Year	Type of Dividend	Rate (%)	Date of Declaration	Due for Transfer	Unpaid Balance as on 31.03.08
2000-01	Final	100%	25-Sep-01	24-Oct-08	2,366,870
2001-02	Final	100%	21-Aug-02	19-Sep-09	1,817,842
2002-03	Final	140%	03-Sep-03	02-Oct-10	2,710,568
2003-04	Interim	100%	17-Nov-03	16-Dec-10	1,931,820
2003-04	Final	250%	31-Aug-04	29-Sep-11	4,989,125
2004-05	Final	100%	02-Sep-05	01-Oct-12	2,008,360
2005-06	Final	20%	06-Sep-06	05-Oct-13	435,386

The Company annually sends a communication to the concerned shareholders, advising them to lodge their claim with respect to unclaimed dividend. Shareholders are also advised that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

(s) **Plant locations**

The addresses of the plant locations are given in the Annual Report.

(t) **Address for Correspondence**

Company Secretary
Indian Oil Corporation Limited
IndianOil Bhavan
G-9, Ali Yavar Jung Marg
Bandra (East)
Mumbai - 400051
Tel. No.: (022) 26427363 / 26447616 / 26447528
Fax : (022) 26447961
E-mail ID : investors@indianoil.co.in



IndianOil

Compliance Certificate

To the Members of Indian Oil Corporation Ltd.

We have examined the compliance of conditions of Corporate Governance by Indian Oil Corporation Ltd. for the year ended 31st March, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement except for the number of Independent Directors on the Board which was less than half of the total strength of Board as required under Clause 49 of the Listing Agreement. The Company has informed that the matter has been taken up with Govt. of India for increasing number of independent Directors on the Board, since it is a Government Company.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the Certificate of the Registrar and Transfer Agents of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

for V.K.Dhingra & Co.
Chartered Accountants,

Sd/-
(CA. V.K.DHINGRA)
Partner
M.No. 014467

for M.M.Nissim and Co.,
Chartered Accountants,

Sd/-
(CA.SAMIR MEHTA)
Partner
M.No. 043086

for KKS & Co.,
Chartered Accountants,

Sd/-
(CA.K.P.KHANDELWAL)
Partner
M.No. 050244

Place : New Delhi
Date : 16th July, 2008

Auditors' Report

Auditors' Report to the Shareholders

We have audited the attached Balance Sheet of Indian Oil Corporation Limited as at 31st March, 2008 and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto, in which are incorporated accounts of the branches audited by the Branch Auditors. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - c) The Branch Auditors' Report have been forwarded to us and have been appropriately dealt with while preparing our report;
 - d) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the branches;
 - e) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - f) Disclosure in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 is not required for Government Companies as per Notification No. GSR 829(E) dated October 21, 2003 issued by the Department of Company Affairs;
 - g) We invite attention to Note No. 24 regarding impairment loss wherein, we have relied on the estimates and assumptions made by the company in arriving at recoverable value of assets, which does not qualify our opinion.
 - h) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read in conjunction with the significant accounting policies (Schedule 'Q') and Notes on Accounts (Schedule 'R') and other schedules ('S' to 'X'), give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

for **V.K. DHINGRA & CO.**
Chartered Accountants

Sd/-
(CA. V.K. DHINGRA)
Partner
M. No. 014467

for **M.M. NISSIM AND CO.**
Chartered Accountants

Sd/-
(CA. SAMIR MEHTA)
Partner
M. No. 043086

for **K K S & CO.**
Chartered Accountants

Sd/-
(CA. S.L. KOCHAR)
Partner
M. No. 016573

Place : New Delhi
Date : May 28, 2008



Annexure to the Auditors' Report (Referred to in paragraph 1 of our Report of even Date)

Based upon the information and explanations furnished to us and the books and records examined by us in the normal course of our audit, we report that to the best of our knowledge and belief :

- i) The Company has generally maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

The Fixed Assets of the Company are physically verified by the Management in a phased programme of three years cycle which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As per the information given by the Management, no material discrepancies were noticed during such verification.

Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.

- ii) In our opinion, the physical verification of inventory has been conducted at reasonable intervals by the management.
- In our opinion, the procedures of physical verification of inventory followed by the management are adequate in relation to the size of the Company and the nature of its business.
- The Company has maintained proper records of inventory. No material discrepancies have been noticed on verification between physical stock and book records.
- iii) The Company has not taken / granted any loans secured / unsecured from / to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and sale of goods and services. We have not observed any major weakness in the internal controls during the course of audit.
- v) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of Rupees five lakhs in respect of any party during the year.
- vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rule, 1975 with regard to the deposits accepted from the public.
- vii) In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
- viii) We have broadly reviewed the books of account maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of these records.
- ix) A) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- According to the records examined by us and information and explanations given to us, no undisputed dues payable in respect of income tax, wealth tax, sales tax, service tax, customs duty, excise duty, investor education and protection fund and cess were in arrears, as at 31st March, 2008 for more than six months from the date they became payable.
- B) The details of disputed dues of Sales Tax, Service Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess, which have not been deposited, are given in Annexure to this report.
- x) The Company neither has any accumulated losses as on 31st March, 2008, nor has it incurred any cash loss during the financial year ended on that date or in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a chit fund or a Nidhi/Mutual benefit fund/society.
- xiv) In our opinion, the company is not dealing in or trading in shares, securities debentures and other investments.
- xv) The Company has given guarantees for loans taken by others from banks or financial institutions, aggregating to Rs. 23.47 crore (USD 9.05 Million) where the terms and conditions, according to the information and explanations given to us, and in our opinion, are not prima facie prejudicial to the interests of the Company.

- xvi) On the basis of review of utilization of funds pertaining to term loans on overall basis and related information as made available to us, the term loans taken by the Company have been utilized for the purposes for which they are obtained.
- xvii) On the basis of review of utilization of funds, which is based on overall examination of the balance sheet of the Company, related information as made available to us and as represented to us by the Management, funds raised on short-term basis have not been used for long-term investments.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) The Company has created necessary securities or charge as per the debenture trust deed in respect of debentures issued and outstanding at the year end.
- xx) The Company has not raised any money by way of public issue during the financial year.
- xxi) As represented to us by the management and based on our examination in the normal course of audit, no frauds, on or by the Company has been reported during the year except for a case of fraudulent payments made by certain employees aggregating to approximately Rs. 91.60 lacs in earlier years and the matter has been referred to Investigating Agency. Some of the said employees and a vendor have voluntarily deposited Rs. 81.75 lacs during the year with the Company. Pending finality in this regard, no adjustments have been carried out in the accounts.

for **V.K. DHINGRA & CO.**
Chartered Accountants

Sd/-
(CA. V.K. DHINGRA)
Partner
M. No. 014467

for **M.M. NISSIM AND CO.**
Chartered Accountants

Sd/-
(CA. SAMIR MEHTA)
Partner
M. No. 043086

for **K K S & CO.**
Chartered Accountants

Sd/-
(CA. S.L. KOCHAR)
Partner
M. No. 016573

Place : New Delhi
Date : May 28, 2008



IndianOil

Reporting as per Companies (Auditors' Report) Order 2003 (Disputed Cases)

(Rs. in Crore)

Name of the Statute	Forum where dispute is pending	31.03.08	31.03.07
1 Central Excise	Supreme Court	16.64	0.46
	High Court	5.35	0.34
	Tribunal	1,503.68	818.69
	Revisionary Authorities	1.56	1.64
	Appellate Authorities (Below Tribunal)	324.91	36.93
	Sub-Total	1,852.14	858.06
2 Customs	Tribunal	1,175.90	1,199.01
	Appellate Authorities (Below Tribunal)	3.49	9.30
	Sub-Total	1,179.39	1,208.31
3 Sales Tax	High Court	1,999.08	1,682.07
	Tribunal	778.81	330.30
	Revisionary Authorities	923.47	11.77
	Appellate Authorities (Below Tribunal)	3,288.16	3,682.99
	Sub-Total	6,989.52	5,707.13
4 Income Tax	High Court	419.57	75.32
	Tribunal	690.08	614.97
	Appellate Authorities (Below Tribunal)	794.78	765.47
	Sub-Total	1,904.43	1,455.76
5 Entry Tax	Supreme Court	506.15	371.48
	High Court	1,099.95	238.22
	Tribunal	56.08	49.13
	Appellate Authorities (Below Tribunal)	87.35	45.18
	Others	-	1.07
	Sub-Total	1,749.53	705.08
6 Local Area Dev. Tax Act 2000	Sale Tax Tribunal	41.86	41.86
7 Land Revenue	High Court	9.72	34.61
8 Service Tax	Tribunal	28.26	3.07
	Appellate Authorities (Below Tribunal)	1.96	0.84
	Sub-Total	30.22	3.91
9 Local Municipal Tax	High Court	0.90	0.38
10 ESI ACT	Employee Insurance Court	2.46	0.30
11 Local Octroi Act	High Court	2.50	2.50
12 Stamp Duty	High Court	105.16	46.54
	TOTAL	13,868.46	10,065.07

Balance Sheet
as at 31st March, 2008

(Rs. in Crore)

	Schedule	March-08	March-07
SOURCES OF FUNDS:			
1. Shareholders' Funds:			
a) Share Capital	"A"	1,192.37	1,168.01
b) Share Capital Suspense Account	"A-1"	0.00	24.36
c) Reserves and Surplus	"B"	39,893.88	33,664.92
		41,086.25	34,857.29
2. Loan Funds:			
a) Secured Loans	"C"	6,415.78	5,671.42
b) Unsecured Loans	"D"	29,107.39	21,411.27
		35,523.17	27,082.69
3. Deferred Tax Liability (Net)		5,384.82	5,379.70
	TOTAL	81,994.24	67,319.68
APPLICATION OF FUNDS:			
1. Fixed Assets & Intangible Assets:			
1.1 Fixed Assets:			
a) Gross Block	"E"	56,518.24	54,541.48
b) Less: Depreciation		23,924.12	21,364.51
c) Less: Impairment Loss		35.56	35.56
d) Net Block		32,558.56	33,141.41
1.2 Intangible Assets:			
a) Gross Block	"E-1"	314.02	295.48
b) Less: Amortisation		100.76	66.67
c) Net Block		213.26	228.81
1.3 Dismantled Capital Stores		17.57	17.41
1.4 Capital Work-in-Progress	"F"	9,152.65	4,376.89
		41,942.04	37,764.52
2. Investments	"G"	21,535.78	19,990.86
3. Advances for Investments	"G-1"	10.50	7.00
4. Finance Lease Receivables		31.01	48.73
5. Current Assets, Loans and Advances:			
a) Inventories	"H"	30,941.48	24,702.69
b) Sundry Debtors	"I"	6,819.23	6,739.27
c) Cash and Bank Balances	"J"	824.43	925.97
d) Other Current Assets	"J-1"	790.14	775.35
e) Loans and Advances	"K"	13,556.02	5,917.10
		52,931.30	39,060.38



IndianOil

(Rs. in Crore)

	Schedule	March-08	March-07
APPLICATION OF FUNDS (Contd.):			
6. Less: Current Liabilities and Provisions	"L"		
a) Current Liabilities		33,407.99	26,579.97
b) Provisions		1,172.99	3,129.11
		<u>34,580.98</u>	<u>29,709.08</u>
7. Net Current Assets (5-6)		18,350.32	9,351.30
8. Miscellaneous Expenditure (to the extent not written off or adjusted)	"L-1"	124.59	157.27
TOTAL		<u><u>81,994.24</u></u>	<u><u>67,319.68</u></u>
9. Statement of Significant Accounting Policies	"Q"		
10. Notes on Accounts	"R"		
11. Other Schedules forming part of Accounts	"S" to "X"		

Sd/-
(S. Behuria)
Chairman

Sd/-
(S. V. Narasimhan)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

for **V.K. DHINGRA & CO.**
Chartered Accountants

for **M.M. NISSIM AND CO.**
Chartered Accountants

for **K K S & CO.**
Chartered Accountants

Sd/-
(CA. V.K. DHINGRA)
Partner
M. No. 014467

Sd/-
(CA. SAMIR MEHTA)
Partner
M. No. 043086

Sd/-
(CA. S.L. KOCHAR)
Partner
M. No. 016573

Place : New Delhi
Date : May 28, 2008

Profit and Loss Account
for the year ended 31st March, 2008

(Rs. in Crore)

	Schedule	March-08	March-07
INCOME:			
1. Sale of Products and Crude		249,805.10	222,826.41
Less: Commission and Discounts		2,325.71	2,047.05
Sale (Net of Commission & Discounts)		247,479.39	220,779.36
Less: Excise Duty		23,051.25	21,383.19
Sale (Net of Commission, Discount & Excise Duty)		224,428.14	199,396.17
2. Subsidy From Government of India (As per scheme)*		1,543.91	1,526.92
3. Grant from Government of India (Special Oil Bonds)		18,997.00	13,943.21
4. Increase/(Decrease) in Stocks	"M"	1,958.09	(180.73)
5. Interest and other Income	"N"	4,200.11	2,667.52
TOTAL INCOME		251,127.25	217,353.09
* Includes Rs. 3.30 crore (2007: Rs. 9.03 crore) pertaining to previous years			
EXPENDITURE:			
1. Purchase of Products and Crude for resale [net of Duty Drawback Rs.92.62 crore (2007 : Rs. 71.31 crore)]		121,056.61	104,028.77
2. Manufacturing, Admn., Selling & Other Expenses	"O"	115,159.14	100,157.13
3. Duties (Net)		531.24	466.33
4. Depreciation and Amortisation on:			
i) Fixed Assets		2,675.63	2,556.79
ii) Intangible Assets		34.07	33.52
		2,709.70	2,590.31
5. Interest Payments on:			
a) Fixed period loans from Banks/Financial Institutions/Others [Includes exchange loss of Rs.'Nil' crore (2007 : Rs.6.29 crore). considered as borrowing cost]		284.70	442.82
b) Bonds		108.59	131.45
c) Short term loans from Banks [Includes exchange loss of Rs.89.98 crore (2007 : Rs.33.23 crore) considered as borrowing cost].		1,076.11	903.70
d) Short term loans from Subsidiaries		0.00	0.09
e) Public Deposits		0.10	0.39
f) Others		81.74	27.00
		1,551.24	1,505.45
TOTAL EXPENDITURE		241,007.93	208,747.99
PROFIT BEFORE EXCEPTIONAL ITEMS, PRIOR YEAR & TAX		10,119.32	8,605.10
EXCEPTIONAL ITEMS			
i) Profit on sale of shares (2007: ONGC)		0.00	3,224.78
ii) Provision for diminution in 'Receivable from Trust'		0.00	(1,319.29)
		0.00	1,905.49
Income/(Expenses) pertaining to prior years (Net)	"P"	(38.92)	(25.59)
PROFIT BEFORE TAX		10,080.40	10,485.00
Less: Provision for Tax			
a) Current Tax (includes Rs. -13.28 crore (2007 : Rs. 36.07 crore) relating to prior years and interest under section 234B and 234C Rs. 37.53 crore (2007: Rs. 98.29 crore)		3,084.13	2,111.53
b) Fringe Benefit Tax		28.57	38.91
c) Deferred Tax		5.12	835.09
PROFIT AFTER TAX		6,962.58	7,499.47
Balance brought forward from last year's account		0.00	0.00
PROFIT AVAILABLE FOR APPROPRIATION		6,962.58	7,499.47



IndianOil

(Rs. in Crore)

Schedule	March-08	March-07
APPROPRIATIONS:		
Interim Dividend	0.00	700.80
Final Dividend (Proposed)	655.81	1,550.09
<u>Corporate Dividend Tax on</u>		
Interim Dividend	0.00	98.29
Final Dividend (Proposed)	76.48	263.43
Insurance Reserve Account	10.00	10.00
Bond Redemption Reserve(net)	218.95	(175.02)
General Reserve	696.26	5,051.88
Balance carried to Balance Sheet	5,305.08	0.00
	<u>6,962.58</u>	<u>7,499.47</u>
6. a) Earning Per Share (Rupees) (Basic & Diluted)	58.39	62.90
b) Face Value Per Share (Rupees)	10/-	10/-
7. Statement of Significant Accounting Policies	"Q"	
8. Notes on Accounts	"R"	
9. Other Schedules forming part of Accounts	"S" to "X"	

Sd/-
(S. Behuria)
Chairman

Sd/-
(S. V. Narasimhan)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

for **V.K. DHINGRA & CO.**
Chartered Accountants

for **M.M. NISSIM AND CO.**
Chartered Accountants

for **K K S & CO.**
Chartered Accountants

Sd/-
(CA. V.K. DHINGRA)
Partner
M. No. 014467

Sd/-
(CA. SAMIR MEHTA)
Partner
M. No. 043086

Sd/-
(CA. S.L. KOCHAR)
Partner
M. No. 016573

Place : New Delhi
Date : May 28, 2008

Schedules

SCHEDULE "A" - CAPITAL

	(Rs. in Crore)	
	March-08	March-07
Authorised:		
250,00,00,000 Equity Shares of Rs.10 each	2,500.00	2,500.00
Issued, Subscribed and Paid up:		
119,23,74,306 (2007: 116,80,12,200) Equity Shares of Rs.10 each	1,192.37	1,168.01
Out of which:		
1) Shares allotted as fully paid without payment being received in cash:		
a) Pursuant to the Petroleum Companies Amalgamation Order, 1964: 3,76,49,700 Shares of Rs. 10 each		
b) Pursuant to Gujarat Refinery Project Undertaking (Transfer), (Amendment) Order 1965 : 1,00,00,000 Shares of Rs. 10 each		
2) Shares allotted as fully paid up Bonus Shares by Capitalisation of General Reserve: 106,62,95,000 shares of Rs.10 each		
3) 2,43,62,106 no. of Equity shares of Rs. 10 each issued during the year as fully paid up to the shareholders of erstwhile IBP Co. Ltd. as per the Scheme of amalgamation		
TOTAL	1,192.37	1,168.01

SCHEDULE "A-1" - SHARE CAPITAL SUSPENSE ACCOUNT

	(Rs. in Crore)	
	March-08	March-07
Share Capital Suspense Account	24.36	24.36
Less: Transferred during the year to Share Capital on allotment of 2,43,62,106 Equity shares of Rs. 10 each issued as fully paid up to the shareholders of erstwhile IBP Co. Ltd. as per the Scheme of amalgamation	24.36	0.00
TOTAL	0.00	24.36
	0.00	24.36

SCHEDULE "B" - RESERVES AND SURPLUS

	(Rs. in Crore)	
	March-08	March-07
1. Capital Reserve:		
As per last Account	4.86	0.16
Add: Transferred on amalgamation of IBP	0.00	4.70
	4.86	4.86
2. Securities Premium Account:		
As per last Account	264.51	175.86
Add: Transferred on amalgamation of IBP	0.00	88.65
	264.51	264.51
3. General Reserve:		
As per last Account	32,506.61	26,906.27
Add: Transferred on amalgamation of IBP	0.00	550.67
Less: Goodwill on amalgamation of IBP	0.00	2.21
Add: Transferred from Profit and Loss Account	696.26	5,051.88
	33,202.87	32,506.61
4. Insurance Reserve:		
As per last Account	60.00	50.00
Add: Transferred from Profit and Loss Account	10.00	10.00
	70.00	60.00
5. Export Profit Reserve:		
As per last Account	59.41	59.41
6. Capital Grants:		
As per last Account	14.24	13.41
Add: Received/(written Back) during the year	(0.41)	1.74
Less: Amortised during the year	0.92	0.91
	12.91	14.24



IndianOil

(Rs. in Crore)

	March-08	March-07
7. Bond Redemption Reserve Account:		
As per last Account	754.53	929.55
Add: Provision during the year	250.55	249.87
Less: Write-back of provision on redemption of bonds	<u>31.60</u>	<u>424.89</u>
	973.48	754.53
8. Profit and Loss Account:		
As per Annexed Account	5,305.08	0.00
9. Devaluation Exchange Difference Reserve:		
As per last Account	0.76	0.00
Add: Transferred on amalgamation of IBP	0.00	0.75
Add: Translation difference	<u>0.00</u>	<u>0.01</u>
	0.76	0.76
TOTAL	<u>39,893.88</u>	<u>33,664.92</u>

SCHEDULE "C" - SECURED LOANS

(Rs. in Crore)

	Note	March-08	March-07
1. Bonds			
a) Non-Convertible Redeemable Bonds - Series - V	A	284.40	316.00
b) Non-Convertible Redeemable Bonds - Series - VI	B	1,000.00	1,000.00
c) Non-Convertible Redeemable Bonds - Series - VII B	C	<u>500.00</u>	<u>500.00</u>
Total of (1)		1,784.40	1,816.00
2. Loans and Advances from Banks:	D		
Cash Credit		2,006.38	1,502.90
Interest accrued and due on above		<u>0.00</u>	<u>2.52</u>
		2,006.38	1,505.42
3. Loans and Advances from Others:			
Loan through Collateralized Borrowings and Lending	E	2,625.00	2,350.00
Obligation (CBLO) of Clearing Corporation of India Ltd (CCIL)			
TOTAL		<u>6,415.78</u>	<u>5,671.42</u>

Notes:

- 158 Bonds of face value of Rs. 2,60,00,000 each allotted on 18th July 2001, are redeemable in 13 equal instalments from the end of 3rd year upto the end of 15th year from the date of allotment. Accordingly, 4th instalment was paid in July 2007. The Bonds carry a coupon rate of 10.25% per annum payable annually on 30th September. These are secured by way of legal mortgage over the company's premises no. 301 situated in Bandra Anita Premises Co-op. Housing Society Ltd. at Bandra, Mumbai together with 5 shares of Bandra Anita Premises Co-op. Housing Society Ltd. These bonds are also secured by way of charge on immovable properties at Panipat Refinery in the state of Haryana ranking pari-pasu with Bond series VI holders.
- 10,000 Bonds of face value of Rs. 10,00,000 each, allotted on 10th June 2005, are redeemable at par on 10th June 2012. The Bonds also carry a put/call option at the end of 5 years from the date of allotment i.e. 10th June 2010, on exercise of which the Bonds are redeemable at par. The Bonds carry an annual coupon rate of 7.15% payable annually on 30th June. These are secured by way of registered mortgage over company's premises no. 1343 situated at MIG Adarsh Nagar Co-op Housing Society Ltd at Worli, Mumbai-400 025 together with 5 shares issued by MIG Adarsh Nagar Co-op Housing Society Ltd. These Bonds are also secured by way of charge on immovable properties of the Company at Panipat Refinery in the state of Haryana ranking pari passu with Bonds series V holders.
- 5,000 Bonds of face value of Rs. 10,00,000 each, allotted on 15th September 2005, are redeemable at par on 15th September 2015. The Bonds carry an annual coupon rate of 7.40% payable annually on 15th September. These are secured by way of registered mortgage on the immovable properties of the Company at Gujarat Refinery situated at Vadodara in the state of Gujarat.
- Against hypothecation by way of first pari-passu charge on raw materials, stock-in-trade, sundry debtors, outstanding monies, receivables, claims, contracts, engagements etc.
- Secured against Collateral security of (i) Rs. 398.00 crore of 7.33% Oil Companies GOI Special Bonds 2009, (ii) Rs. 1183 crore of 8.13% Oil Marketing Companies GOI Special Bonds 2021 (iii) Rs. 428.02 crore of 8.20% Oil Marketing Companies GOI Bonds 2024 and (iv) Rs. 1513.19 crore 8.40% Oil Marketing Companies GOI Special Bonds 2026 with CCIL amounting totally to Rs. 3522.21 crore.

Schedules

SCHEDULE "D" - UNSECURED LOANS

(Rs. in Crore)

	March-08	March-07
1. Public Deposits:	1.54	4.09
(including Rs.1.18 crore [2007 : Rs.1.28 crore] due for payment within one year)		
2. Short Term Loans and Advances:		
i) From Banks & Financial Institutions:		
a) In Foreign Currency	8,734.69	8,669.84
US \$ 2177.41 Million, (2007 : US \$ 1993.98 Million)		
b) In Rupee	10,765.00	3,165.73
Total of (2)(i)	19,499.69	11,835.57
ii) Export Packing Credit:		
In Foreign Currency	0.00	521.76
US \$ NIL (2007 : US \$ 120 Million)		
Total of (2)	19,499.69	12,357.33
3. Other Loans and Advances:		
A) From Banks/Financial Institutions:		
i) In Foreign Currency		
a) Canara Bank: (2007 :US \$ 200 Million)	0.00	869.60
b) BNP Paribas Syndication: US \$ 300 Million	1,203.45	1,304.40
(2007 :US \$ 300 Million) (US \$ 50 million repayable in		
(Jan' 2011, US \$ 25 million in Feb' 2011, US \$ 100 Million		
in Mar' 2011, US \$ 50 million in Apr' 2011, US \$ 25 million		
in each of the months of May 2011, June 2011 and July 2011).		
c) 6.12% Senior Note, (Bank of America)	1,203.45	0.00
(US \$ 300 Million repayable, US \$ 100 Million in Aug' 2016		
US \$ 100 Million in Aug' 2017 & US \$ 100 in Aug' 2018)		
d) BNP Paribas Syndication:US \$ 200 Million	802.30	869.60
(2007 :US \$ 200 Million) (Repayable in equivalent		
JPY US \$ 70 Million in Jan' 2010, US \$ 60 Million		
in Feb' 2010 and US \$ 70 Million in Mar' 2010)		
e) Leaseplan North America Inc: US \$ 42.57 million	170.80	209.81
(2007: US \$ 48.25 million) (fully guaranteed by Export Import Bank		
of US and repayable in 20 half yearly installment w.e.f. Mar' 2006)		
(amount repayable within one year Rs.22.77 crore)		
Total of 3. A (i)	3,380.00	3,253.41
ii) In Rupee		
a) Citibank Bank (repayable in 4 equal half yearly instalment w.e.f.	50.00	150.00
November 2006, amount repayable within one year Rs.50 crore)		
b) Corporation Bank (repayable in June 2008)	300.00	300.00
c) Union Bank of India (repayable in August 2008)	500.00	500.00
d) IDBI (repayable in October 2014)	500.00	500.00
e) IDBI (repayable in 5 equal half yearly instalments	100.00	300.00
w.e.f. May' 2006. Amount repayable within one year Rs.100 crore)		
f) State Bank of India (repayable in March 2009)	500.00	500.00
Add: Interest accrued and due	2.29	2.29
Total of 3 A (ii)	502.29	502.29
	1,952.29	2,252.29
B) From Others:		
a) OIDB (Repayable in 8 equal annual installments w.e.f. May'2005)	544.37	653.25
(amt payable within one year Rs.108.88 crore (2007: Rs.108.88 crore))		
b) OIDB (Repayable in 8 equal annual installments w.e.f. Sept'2007)	829.50	948.00
(amount payable within one year Rs.118.50 crore (2007: Rs.118.50 crore)		
c) OIDB (Repaid in Sept'2007)	0.00	1,000.00
d) OIDB (Rs. 295 crore repayable in June 2009, Rs. 77 crore	2,900.00	942.90
repayable in July 2009 and Rs. 845.90 crore in Mar' 2010,		
Rs. 57.10 crore in April 2010, Rs. 275 crore in Mar' 2011,		
Rs. 275 crore in Mar' 2012, Rs. 550 crore in April 2012, Rs.		
250 crore in Oct'2012 & Rs. 275 crore in Mar'2013)		
Total of 3 B	4,273.87	3,544.15
Total of 3.	9,606.16	9,049.85
TOTAL	29,107.39	21,411.27

SCHEDULE "E" - FIXED ASSETS
(Rs. in Crore)

Note	AT COST						DEPRECIATION, AMORTISATION AND IMPAIRMENT						NET	
	Gross Block as at 1.04.07	Additions during the year	Transfers from Construction Work-in-Progress	Disposals During the year	Transfers/ Deductions/ Reclassifications	Gross Block as at 31.03.08	Depreciation and Amortisation during the year	Deduction on account of sales/ disposals	Deduction on account of transfer/ reclassifications	Total Depreciation and Amortisation upto 31.03.08	Impairment Loss during the year	Total Impairment Loss upto 31.03.08	AS AT 31.03.08	AS AT 31.03.07
	(Refer Note B)						(Refer Note C) (Refer Note D)							
Land-Freehold	865.57	47.62	0.00	(2.02)	(1.42)	909.75	0.00	0.00	0.00	0.00	0.00	0.00	909.75	865.57
-Leasehold	399.74	12.96	0.38	(0.15)	0.00	412.93	7.79	(0.06)	0.00	61.21	0.00	0.00	351.72	346.26
Buildings, Roads etc.	5,560.31	115.64	259.96	(9.02)	1.39	5,928.28	163.44	(3.19)	(0.70)	1,073.03	0.00	0.00	4,855.25	4,646.82
Plant and Machinery	46,664.37	814.59	982.49	(86.93)	(210.15)	48,164.37	2,459.60	(59.15)	(49.15)	22,147.27	0.00	35.56	25,981.54	26,832.84
Transport Equipments	320.36	26.56	10.03	(2.80)	(2.35)	351.80	15.87	(2.50)	(0.81)	266.62	0.00	0.00	85.18	66.30
Furnitures and Fixtures	219.50	27.00	1.68	(3.19)	(0.45)	244.54	13.32	(1.88)	(0.59)	123.67	0.00	0.00	120.87	106.69
Railway Sidings	213.09	0.00	0.00	(4.97)	(0.38)	207.74	9.16	(1.75)	(0.25)	112.54	0.00	0.00	95.20	107.72
Drainage, Sewage and Water Supply System	298.54	0.01	1.85	0.00	(1.57)	298.83	10.51	0.00	(0.05)	139.78	0.00	0.00	159.05	169.21
Total	54,541.48	1,044.38	1,256.39	(109.08)	(214.93)	56,518.24	2,679.69	(68.53)	(51.55)	23,924.12	0.00	35.56	32,558.56	33,141.41
Previous Year	43,558.81	2,305.15	9,078.74	(187.00)	(214.22)	54,541.48	2,949.14	(131.97)	(56.53)	21,364.51	0.00	35.56	33,141.41	

Note:

- A. i) Buildings include Rs.0.01 crore (2007: Rs.0.01 crore) towards value of 1650 (2007: 1965) Shares in Co-operative Housing Societies towards membership of such societies for purchase of flats.
ii) Net Block for Buildings includes an amount of Rs.5.31 crore (2007: Rs.6.34 crore) earmarked for disposal, on which no further depreciation is charged.
- B. Additions to Fixed Assets include Rs. Nil crore (2007: Rs.15.96 crore) on account of exchange fluctuations.
- C. The cost of assets are net of MOD/VAT/CENVAT, wherever applicable.
- D. Depreciation and amortisation for the year includes Rs.-1.77 crore (2007 : Rs.41.59 crore) pertaining to prior year and Rs.5.83 crore (2007 : Rs. 11.3 crore) relating to construction period expenses taken to Schedule F-1.
- E. Railways have claimed transfer of ownership in respect of certain assets provided by the Company at railway premises which has not been accepted by the Company and continues to be part of fixed assets of the Company, WDV of such assets is Rs. 39.87 crores (2007: Rs. 38.13 crores).

Details of Company's share of Jointly Owned Assets included above:
(Rs. in Crore)

Assets Particulars	Name of Joint Owner	Original Cost	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.08	W.D.V. as at 31.03.07
Land - Freehold	HPC/BPC	1.55	0.00	0.00	1.55	1.55
- Leasehold	HPC/BPC	0.78	0.15	0.00	0.63	0.64
Buildings	HPC/BPC/HERDILIA-UNIMERS LTD.	3.74	0.71	0.00	3.03	2.11
Plant and Machinery	HPC/BPC/GSFC/IPCL/ACC/CSIR	154.14	44.76	0.00	109.38	76.79
Transport Equipment	RAILWAYS	183.05	170.53	0.00	12.52	12.52
Railway Sidings	HPC/BPC	51.10	25.40	0.00	25.70	23.92
Drainage, Sewage & Water Supply System	GSFC	0.99	0.94	0.00	0.05	0.05
Total		395.35	242.49	0.00	152.86	117.58
Previous year		332.88	215.30	0.00	117.58	

SCHEDULE "E-1" - INTANGIBLE ASSETS
(Rs. in Crore)

Note	AT COST						DEPRECIATION, AMORTISATION AND IMPAIRMENT						NET BLOCK	
	Gross Block as at 1.04.07	Additions during the year	Transfers from Construction Work-in-Progress	Disposals During the year	Transfers/ Deductions/ Reclassifications	Gross Block as at 31.03.08	Amortisation during the year	Deduction on account of retirement/ reclassifications	Deduction on account of retirement/ reclassifications	Total Amortisation upto 31.03.08	Impairment Loss during the year	Total Impairment Loss upto 31.03.08	AS AT 31.03.08	AS AT 31.03.07
	(Refer Note B)													
Right of Way	26.18	11.47	0.00	0.00	(2.07)	35.58	0.00	0.00	0.00	0.00	0.00	0.00	35.58	26.18
Licenses	215.89	0.00	0.00	0.00	0.00	215.89	21.52	0.00	0.00	53.11	0.00	0.00	162.78	184.30
Computer Software	53.41	6.56	2.58	0.00	(0.00)	62.55	12.57	0.00	0.00	47.65	0.00	0.00	14.90	18.33
Total	295.48	18.03	2.58	0.00	(2.07)	314.02	34.09	0.00	0.00	100.76	0.00	0.00	213.26	228.81
Previous Year	136.15	13.75	144.67	(0.47)	1.38	295.48	34.50	(0.01)	0.06	66.67	0.00	0.00	228.81	

Note:

- A. Right of way for laying pipelines is a perpetual right of use of land but does not bestow upon the company, the ownership of land and hence, treated as intangible asset. However, no amortisation is provided on the same, being perpetual in nature.
- B. (a) Amortisation for the year includes Rs. Nil crore (2007 : Rs.- 0.02 crore) pertaining to prior year.
(b) Amortisation for the year includes Rs.0.02 crore (2007 : Rs.Nil crore) relating to construction period expenses taken to Schedule F-1.

Schedules

SCHEDULE "F" - CAPITAL WORK-IN-PROGRESS

(Rs. in Crore)

	Note	March-08	March-07
1. Construction Work-in-Progress - Fixed Assets (including unallocated capital expenditure, materials at site)		3,618.35	2,358.52
Less: Provision for Capital Losses		44.76	44.71
		3,573.59	2,313.81
2. Advance for Capital Expenditure		4,029.50	1,116.99
Less: Provision for Doubtful Advance		0.03	10.03
		4,029.47	1,106.96
3. Capital Stores	A	685.59	473.89
Less: Provision for Capital Losses		0.97	1.31
		684.62	472.58
4. Capital Goods-in-Transit		89.24	100.36
5. Construction period expenses pending allocation:			
Balance as at beginning of the year		224.58	989.44
Less: Opening Balance Adjustment		(0.75)	(41.74)
Add: Net Expenditure during the year (Sch. "F-1")		264.12	414.64
		487.95	1,362.34
Less: Allocated to Assets during the year		9.96	1,137.76
		477.99	224.58
6. Work-in-Progress - Intangible Assets (including unallocated capital expenditure)		331.68	192.55
Less: Provision for loss		33.94	33.95
		297.74	158.60
TOTAL		9,152.65	4,376.89
Note:			
A. Includes Stock lying with contractors		102.54	98.88

SCHEDULE "F-1" - CONSTRUCTION PERIOD EXPENSES (NET) DURING THE YEAR

(Rs. in Crore)

	March-08	March-07
1. Payments to and Provision for Employees	66.96	40.78
2. Repairs & Maintenance	2.56	1.50
3. Consumption of Stores & Spares	0.07	0.07
4. Power & Fuel	3.63	0.62
5. Rent	1.67	1.27
6. Insurance	17.28	10.50
7. Rates & Taxes	0.11	0.14
8. Travelling Expenses	13.81	6.29
9. Communication Expenses	1.17	0.67
10. Printing & Stationery	0.38	0.34
11. Electricity & Water Charges	2.64	1.12
12. Bank Charges	2.47	0.71
13. Technical Assistance Fees	0.03	0.02
14. Exchange Fluctuation	0.00	4.42
15. Interest	168.80	115.48
16. Depreciation and Amortisation on:		
a) Fixed Assets	5.83	11.30
b) Intangible Assets	0.02	0.00
17. Start up/Trial Run Expenses	0.00	5.81
18. Others	22.62	225.10
Total Expenses	310.05	426.14
Less: Recoveries	45.93	11.50
Net Expenditure during the year	264.12	414.64



IndianOil

SCHEDULE "G" - INVESTMENTS

(Rs. in Crore)

	No. and Particulars of Shares	Face Value per Share (Rupees)	March-08	March-07	
I) LONG TERM INVESTMENTS (At Cost):					
1. QUOTED:					
Trade Investments:					
a) In Subsidiary Companies:					
i)	Chennai Petroleum Corporation Limited	7,72,65,200 Equity Shares fully paid in cash	10/-	509.33	509.33
ii)	Bongaigaon Refineries & Petrochemicals Limited	14,87,93,826 Equity Shares fully paid in cash	10/-	148.79	148.79
iii)	Lanka IOC Limited (Quoted in Colombo Stock Exchange, Sri Lanka w.e.f. 22.12.2004)	40,00,00,000 Equity Shares fully paid in cash	10/- *	194.14	194.14
Sub-total: (a)			852.26	852.26	
b) In Joint Venture Companies					
i)	Petronet L N G Limited	9,37,50,000 Equity Shares fully paid in cash	10/-	98.75	98.75
Sub-total: (b)			98.75	98.75	
c) Others:					
i)	Oil and Natural Gas Corporation Limited	16,44,80,857 Equity Shares fully paid in cash	10/-	1,780.12	1,780.12
ii)	GAIL (India) Limited	2,04,19,774 Equity Shares fully paid in cash	10/-	122.52	122.52
Sub-total: (c)			1,902.64	1,902.64	
TOTAL: 1			2,853.65	2,853.65	
Aggregate Market Value of securities mentioned above is Rs.21437.75 crore (2007: Rs.17958.41 crore) which includes Rs.880.00 crore (2007: Rs.480.00 crore) in respect of Lanka IOC Limited, quoted on Colombo Stock Exchange, Sri Lanka, being equivalent in Indian currency.					
2. UNQUOTED:					
A) Non-Trade Investments:					
i)	In Government - Securities	Deposited with various bodies		0.01	0.01
ii) In Consumer Cooperative Societies:					
	Barauni	: 250 Equity Shares fully paid in cash	10/-		
	Guwahati	: 750 Equity Shares fully paid in cash (including 500 bonus fully paid Bonus Shares)	10/-		
	Mathura	: 200 Equity Shares fully paid in cash	10/-		
	Haldia	: 1663 Equity Shares fully paid in cash	10/-		
	In Indian Oil Cooperative Consumer Stores Ltd., Delhi	: 375 Equity Shares fully paid in cash	10/-		
iii) Others:					
	Assam Sillimanite Ltd. (In liquidation)	1,00,000 Equity Shares fully paid in cash as revalued by Directors on 31.03.1980	10/-		
	Sharma Forge Co. Ltd. (In liquidation)	1,00,000 Equity Shares fully paid in cash as revalued by Directors on 31.03.1979	10/-		
	Sharma Forge Co. Ltd. (In liquidation)	5,000 9.5% Cumulative Redeemable Preference Shares fully paid in cash as revalued by Directors on 31.03.1979	100/-		
Sub-total: 2A			0.00	0.00	
			0.01	0.01	

* In Sri Lankan Rupees.

Schedules

SCHEDULE "G" - INVESTMENTS

(Rs. in Crore)

	No. and Particulars of Shares	Face Value per Share (Rupees)	March-08	March-07	
B) Trade Investments:					
a) In Subsidiary Companies					
i)	IndianOil (Mauritius) Limited	48,82,043 Equity Shares fully paid in cash	100/- **	75.67	75.67
ii)	IndianOil Technologies Limited	5,50,000 Equity Shares fully paid in cash	10/-	0.55	0.55
iii)	IOC Middle East FZE	2 (2007:1 equity share) Equity Shares fully paid in cash	1 Million/- ***	2.30	1.22
	Sub-total: (a)			<u>78.52</u>	<u>77.44</u>
b) In Joint Venture Companies					
i)	Avi-Oil India Private Ltd.	45,00,000 Equity Shares fully paid in cash	10/-	4.50	4.50
ii)	Petronet India Limited	1,80,00,000 Equity Shares fully paid up in cash	10/-	18.00	18.00
	Less: Provision for Diminution			<u>18.00</u>	<u>18.00</u>
				0.00	0.00
iii)	Indian Oiltanking Limited	11,61,42,855(2007: 5,90,00,000 Equity Shares fully paid in cash	10/-	155.72	75.72
iv)	Petronet VK Limited	2,59,99,970 Equity Shares fully paid in cash	10/-	26.00	26.00
	Less: Provision for Diminution			<u>26.00</u>	<u>26.00</u>
				0.00	0.00
v)	Indian Oil Panipat Power Consortium Limited	1,01,64,503 Equity Shares fully paid in cash	10/-	1.99	1.99
	Less: Provision for Diminution			<u>1.99</u>	<u>1.99</u>
				0.00	0.00
vi)	Lubrizol India Private Ltd.	9,60,000 Equity Shares fully paid in cash	100/-	118.67	118.67
vii)	Indian Oil Petronas Private Limited	6,00,00,000 Equity Shares fully paid in cash	10/-	60.00	60.00
viii)	Petronet CI Limited	37,44,000 Equity Shares fully paid in cash	10/-	3.83	3.83
	Less: Provision for Diminution			<u>3.83</u>	<u>3.83</u>
				0.00	0.00
ix)	Green Gas Limited	12,500 Equity Shares fully paid in cash	10/-	0.01	0.01
x)	Indo-Cat Private Limited	19,00,000 (2007: 9,00,000) Equity Shares fully paid in cash	10/-	1.90	0.90
xi)	IndianOil SkyTanking Ltd.	117,00,000 (2007: 85,00,000) Equity Shares fully paid in cash	10/-	11.70	8.50
xii)	Suntera Nigeria 205 Ltd.	62,502 Equity Shares fully paid in cash	1/-****	0.00	0.00
	Sub-total: (b)			<u>352.50</u>	<u>268.30</u>
c) In Others					
i)	International Cooperative Petroleum Association	350 Shares fully paid up and partly paid up common stock of \$72.31	\$100	0.02	0.02
ii)	Haldia Petrochemical Ltd.	15,00,00,000 Equity shares fully paid in cash	10/-	150.00	150.00
iii)	7% Oil Companies GOI Special Bonds 2012			2,320.81	2,320.81
iv)	Petroleum India International (AOP by Oil Companies)	Capital Fund Share in accumulated surplus		10.00	0.05
				<u>10.92</u>	<u>11.88</u>
				20.92	11.93
	Sub-total: 2B			<u>2,922.77</u>	<u>2,828.50</u>
	Total: 2			<u>2,922.78</u>	<u>2,828.51</u>
	Total I: (1 + 2)			<u>5,776.43</u>	<u>5,682.16</u>

** In Mauritian Rupees.

*** In Arab Emirates Dirham

**** Invested Rs. 21897 in Indian Currency in JV -Suntera Nigeria 205 Limited



IndianOil

(Rs. in Crore)

	March-08	March-07
II) CURRENT INVESTMENTS (At Cost):		
(Refer note A)		
UNQUOTED:		
i) 7% Oil Companies GOI Special Bonds 2012	2.90	2.90
Less: Provision for Diminution	0.17	0.11
	2.73	2.79
ii) 7.33% Oil Marketing Companies GOI Special Bonds 2009	400.00	400.00
Less: Provision for Diminution	0.00	1.68
	400.00	398.32
iii) 7.47% Oil Marketing Companies GOI Special Bonds 2012	234.00	1,150.00
Less: Provision for Diminution	0.72	17.90
	233.28	1,132.10
iv) 7.59% Oil Marketing Companies GOI Special Bonds 2015	2.95	2.95
Less: Provision for Diminution	0.04	0.14
	2.91	2.81
v) 7.61% Oil Marketing Companies GOI Special Bonds 2015	4.07	4.07
Less: Provision for Diminution	0.05	0.20
	4.02	3.87
vi) 7.75% Oil Marketing Companies GOI Special Bonds 2021	1,884.00	2,594.00
Less: Provision for Diminution	65.96	89.63
	1,818.04	2,504.37
vii) 8.13% Oil Marketing Companies GOI Special Bonds 2021	1,183.00	2,129.00
Less: Provision for Diminution	48.58	31.94
	1,134.42	2,097.06
viii) 8.01% Oil Marketing Companies GOI Special Bonds 2023	611.00	2,293.00
Less: Provision for Diminution	33.61	34.83
	577.39	2,258.17
ix) 8.20% Oil Marketing Companies GOI Special Bonds 2024	428.02	2,953.02
Less: Provision for Diminution	16.07	0
	411.95	2,953.02
x) 8.40% Oil Marketing Companies GOI Special Bonds 2026		1,513.19
xi) 7.95% Oil Marketing Companies GOI Special Bonds 2025	4,837.25	0.00
Less: Provision for Diminution	297.45	0.00
	4,539.80	0.00
xii) 8.40% Oil Marketing Companies GOI Special Bonds 2025		5,121.62
		0.00
Total II:	15,759.35	14,308.70
Total: (I + II)	21,535.78	19,990.86

Note:

A. Details of sale of Government of India special bonds during the year is as under:

Particulars	Nos.	Face Value (Rs. in Crore)
i) 8.13% Oil Marketing Companies GOI Special Bonds 2021	946000	946.00
ii) 8.20% Oil Marketing Companies GOI Special Bonds 2021	2525000	2,525.00
iii) 8.40% Oil Marketing Companies GOI Special Bonds 2026	1443000	1,443.00
iv) 8.01% Oil Marketing Companies GOI Special Bonds 2023	1682000	1,682.00
v) 7.47% Oil Marketing Companies GOI Special Bonds 2012	916000	916.00
vi) 7.75% Oil Marketing Companies GOI Special Bonds 2021	710000	710.00
vii) 7.95% Oil Marketing Companies GOI Special Bonds 2025	1525000	1,525.00
		9,747.00

SCHEDULE "G-I" - ADVANCES FOR INVESTMENT

(Rs. in Crore)

	March-08	March-07
A. Joint Venture Companies		
i) Green Gas Limited	7.00	7.00
ii) Indo-Cat Private Limited	3.50	-
Total	10.50	7.00

Schedules

SCHEDULE "H"- INVENTORIES

(Rs. in Crore)

	Note	March-08	March-07
1. In Hand:			
a. Stores, Spares etc.	A	1,177.07	1,072.98
Less: Provision for Losses		66.76	60.09
		<u>1,110.31</u>	<u>1,012.89</u>
b. Raw Materials	B	8,001.02	5,921.08
c. Finished Products	C	13,455.81	12,362.56
d. Stock in Process		2,179.46	1,576.57
e. Barrels and Tins	D	15.98	11.50
		<u>24,762.58</u>	<u>20,884.60</u>
Total (1)			
2. In Transit:			
a. Stores & Spares		77.89	75.74
b. Raw Materials		5,695.95	3,599.24
c. Finished Products		405.06	143.11
		<u>6,178.90</u>	<u>3,818.09</u>
Total (2)			
TOTAL		<u>30,941.48</u>	<u>24,702.69</u>

Note: Includes:

A. Stock lying with contractors	4.98	24.82
B. Stock lying with others	1.38	9.95
C. Stock lying with others	296.14	271.65
D. Stock lying with others	0.75	0.49

SCHEDULE "I" - SUNDRY DEBTORS

(Rs. in Crore)

	March-08	March-07
1. Over Six Months:		
a) From Subsidiary Companies		
i) Unsecured, Considered Good	162.19	197.39
b) From Others		
i) Unsecured, Considered Good	43.10	28.13
ii) Unsecured, Considered Doubtful	540.30	247.24
	<u>745.59</u>	<u>472.76</u>
Total 1		
2. Other Debts:		
a) From Subsidiary Companies		
i) Unsecured, Considered Good	1,950.22	1,790.77
b) From Others		
i) Secured, Considered Good	138.31	0.00
ii) Unsecured, Considered Good	4,525.41	4,722.98
iii) Unsecured, Considered Doubtful	3.07	2.47
	<u>6,617.01</u>	<u>6,516.22</u>
Total 2		
Total : (1+2)	<u>7,362.60</u>	<u>6,988.98</u>
Less: Provision for Doubtful Debts	543.37	249.71
TOTAL	<u>6,819.23</u>	<u>6,739.27</u>



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SCHEDULE "J" - CASH AND BANK BALANCES

(Rs. in Crore)

	Note	March-08	March-07
1. Cash Balances			
a) Cash Balances including imprest		2.48	3.75
b) Cheques in hand		746.96	726.43
		749.44	730.18
2. Bank Balances with Scheduled Banks:			
a) Current Account		64.57	185.02
b) Fixed Deposit Account		9.38	9.73
c) Blocked Account		0.16	0.16
		74.11	194.91
3. Bank Balances with Non-Scheduled Banks:			
a) Current Account			
Myanmar Economic Bank Branch (5), Rangoon	A	0.88	0.88
[Maximum balance during the year - Rs.0.88 crore]			
		0.88	0.88
TOTAL		824.43	925.97

Note:

A. There exists restrictions on repatriation of said amount from Myanmar.

SCHEDULE "J-I" - OTHER CURRENT ASSETS

(Rs. in Crore)

	March-08	March-07
1. Interest accrued on Investments / Bank Deposits	208.52	253.65
2. Receivable from Trust	1,840.99	1,840.99
Less: Provision for Diminution	1,259.37	1319.29
TOTAL	581.62	521.70
	790.14	775.35

SCHEDULE "K" - LOANS AND ADVANCES

(Rs. in Crore)

	Note	March-08	March-07
1. Advance recoverable in cash or in kind or for value to be received:			
a) From Subsidiary Companies			
i) Unsecured, Considered Good		1.74	2.23
Total (a)		1.74	2.23
b) From Others	A		
i) Secured, Considered Good		1,070.77	1,075.71
ii) Unsecured, Considered Good		1,834.59	1,824.20
iii) Unsecured, Considered Doubtful		3.86	5.50
Total (b)		2,909.22	2,905.41
Total (a) + (b)		2,910.96	2,907.64
Less: Provision for Doubtful Advances		3.86	5.50
		2,907.10	2,902.14
2. Amount recoverable from Government of India:			
Unsecured, Considered Good		7,733.02	235.54

Schedules

SCHEDULE "K" - LOANS AND ADVANCES (Contd.)

(Rs. in Crore)

	Note	March-08	March-07
3. Claims Recoverable:			
From Others			
i) Secured, Considered Good		0.10	0.10
ii) Unsecured, Considered Good	B	900.51	1,043.26
iii) Unsecured, Considered Doubtful		41.16	45.45
Total 3		941.77	1,088.81
Less: Provision for Doubtful Claims		41.16	45.45
		900.61	1,043.36
4. Balance with Customs, Port Trust and Excise Authorities:			
Unsecured, Considered Good		39.07	58.90
5. Advance Tax (net)		298.09	0.00
6. Materials given on loan			
a) From Subsidiary Companies			
i) Secured, Considered Good		0.38	0.59
Less: Deposits received		0.38	0.59
Total 6(a)		0.00	0.00
b) From Others			
i) Secured, Considered Good		0.00	0.12
Less: Deposits received		0.00	0.12
Total 6(b)		0.00	0.00
Total : 6 (a+b)		0.00	0.00
7. Sundry Deposits (including amount adjustable on receipt of Final bills):			
From Others			
i) Secured, Considered Good		9.00	9.00
ii) Unsecured, Considered Good		1,669.13	1,668.16
iii) Unsecured, Considered Doubtful		0.03	0.22
Total 7		1,678.16	1,677.38
Less: Provision for Doubtful Deposits		0.03	0.22
		1,678.13	1,677.16
TOTAL		13,556.02	5,917.10

Notes

A. Includes:

1. Due from Directors	0.41	0.38
Maximum amount during the year	0.53	0.46
2. Due from other Officers	4.53	3.66
Maximum amount during the year	5.53	4.52

B. Includes Customs/Excise Duty Claims which are in the process of being lodged with the Department

37.64 27.73



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SCHEDULE "L" - CURRENT LIABILITIES AND PROVISIONS

(Rs. in Crore)

	Note	March-08	March-07
1. Current Liabilities			
a) Sundry Creditors			
i) Total outstanding dues of micro enterprises and small enterprises	A	16.55	24.22
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		19,348.80	13,915.29
Total of (a)		19,365.35	13,939.51
b) Other Liabilities		5,614.67	5,105.54
c) Dues to Subsidiary Companies		1,582.31	1,066.79
d) Investor Education and Protection Fund to be credited on the due dates:			
- Unpaid Dividend		5.89	5.81
- Unpaid Matured Deposits		0.08	0.34
e) Security Deposits		6,468.92	6,022.96
Less: Investments and Deposits with Banks lodged by outside parties		0.04	0.04
		6,468.88	6,022.92
f) Material taken on loan			
i) From Subsidiary Companies		0.06	0.06
Less: Deposits given		0.00	0.00
Total (i)		0.06	0.06
ii) From Others		0.00	0.04
Less: Deposits given		0.00	0.04
Total (ii)		0.00	0.00
Total of (f)		0.06	0.06
g) Liability on Foreign Currency Contract		341.00	994.29
Less: Foreign Currency Receivables		172.84	760.90
		168.16	233.39
h) Interest accrued but not due on loans		202.59	205.61
Total Current Liabilities		33,407.99	26,579.97
2. Provisions			
a) Provision for Taxation			
i) Provision for Current Tax		7,369.47	5,356.83
Less: Advance payments		7,369.47	4,412.21
Sub-total (i)		0.00	944.62
ii) Provision for Fringe Benefit Tax		126.12	97.55
Less: Advance payments		126.12	92.09
Sub-total (ii)		0.00	5.46
Sub-total (a) = (i + ii)		0.00	950.08
b) Proposed Dividend		655.81	1,550.09
c) Corporate Dividend Tax		76.48	263.43
d) Provision for Employee Benefits		310.96	275.18
e) Contingencies for probable obligations		129.74	90.33
Total Provisions		1,172.99	3,129.11
TOTAL		34,580.98	29,709.08

Note:

A. Disclosure in respect of the Micro, Small and Medium Enterprises Development Act 2006 (MSME Act) is given in Note 27 of Schedule 'R'- Notes to Accounts. Previous year figures represent dues to Small Scale Industrial Units as reported in accordance with requirements of Schedule VI to the Companies Act, 1956 in absence of requisite information under the MSME Act.

Schedules

SCHEDULE "L-1"- MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)

(Rs. in Crore)

	March-08	March-07
a) Voluntary Retirement Compensation		
As per last accounts	0.00	28.26
Add: Expenditure during the year	0.00	5.80
Sub-Total	0.00	34.06
Less: Charged during the year	0.00	34.06
	0.00	0.00
b) Premium on Forward Contract		
As per last accounts	157.27	29.25
Add: Expenditure during the year	203.85	241.45
Sub-Total	361.12	270.70
Less: Amortised during the year	236.53	113.43
	124.59	157.27
TOTAL	124.59	157.27

SCHEDULE "M" - DETAILS OF INCREASE/(DECREASE) IN STOCK

(Rs. in Crore)

	March-08	March-07
Closing Stock		
a) Finished Products	13,860.87	12,505.67
b) Stock in Process	2,179.46	1,576.57
	16,040.33	14,082.24
Less:		
Opening Stock		
a) Finished Products	12,505.67	12,370.30
Add: Transferred on amalgamation of IBP	0.00	264.51
	12,505.67	12,634.81
b) Stock in Process	1,576.57	1,624.78
Add: Transferred on amalgamation of IBP	0.00	3.38
	1,576.57	1,628.16
	14,082.24	14,262.97
NET INCREASE/(DECREASE)	1,958.09	(180.73)

SCHEDULE "N" - INTEREST AND OTHER INCOME

(Rs. in Crore)

	Note	March-08	March-07
1. Interest on:	A		
a) Loans and Advances		52.21	48.28
b) Fixed Deposits with Banks		0.02	0.00
c) Short Term Deposits with Banks		1.66	32.41
d) Customers Outstandings			
i) From Subsidiary Companies		9.93	10.73
ii) From Others		37.59	43.86
		47.52	54.59
e) Oil Companies GOI SPL Bonds		1,041.78	681.98
f) Others	B	(0.19)	13.10
		1,143.00	830.36



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(Rs. in Crore)

	Note	March-08	March-07
2. Dividend:			
a) From Subsidiary Companies		144.80	109.71
b) From Other Companies		561.72	538.40
		706.52	648.11
3. Profit on sale of Investments		0.21	6.00
4. Sale of Power and Water		8.19	5.36
5. Profit on sale and disposal of Assets		44.30	37.74
6. Unclaimed/Unspent liabilities written back		230.48	133.45
7. Provision for Doubtful Debts, Advances, Claims and Stores written back		46.72	47.02
8. Provision for Contingencies written back		0.36	1.01
9. Recoveries from Employees		11.02	13.50
10. Retail Outlet Licence Fees		67.40	58.91
11. Collection Charges for Outstation Cheques		9.57	12.36
12. Sale of Scrap		50.43	50.92
13. Income from Finance Leases		4.94	7.70
14. Amortisation of Capital Grants		0.92	0.91
15. Exchange Fluctuations (Net)		1,379.81	465.90
16. Commodity Hedging Gain (Net)		0.00	18.07
17. Terminalling Charges		21.01	24.43
18. Recovery towards Inventory Carrying Cost		68.35	52.38
19. Provision for Investment written back		4.85	4.94
20. Provision for diminution in Trust written back		59.92	0.00
21. Other Miscellaneous Income		342.11	248.45
TOTAL		4,200.11	2,667.52

Note:

- A. Includes Tax Deducted at Source of Rs. 0.01 crore (2007: Rs.8.15 crore)
 B. Includes Rs. (0.33) crore (2007: Rs.12.04 crore) as interest(net) received/(surrendered) under section 244 A of the I.Tax Act. 1961.

SCHEDULE "O" - MANUFACTURING, ADMINISTRATION, SELLING AND OTHER EXPENSES

(Rs. in Crore)

	Note	March-08	March-07
1. Raw Materials Consumed:			
Opening Balance		9,520.32	9,395.52
Add: Transferred from IBP		0.00	35.93
		9,520.32	9,431.45
Add: Purchases		105,525.83	88,648.69
		115,046.15	98,080.14
Less: Closing Stock		13,696.97	9,520.32
		101,349.18	88,559.82
2. Consumption:			
a) Stores, Spares and Consumables		548.97	465.52
b) Packages & Drum Sheets		259.88	236.69
		808.85	702.21
3. Power & Fuel		6,261.28	5,046.61
Less: Fuel for own production		5,903.46	4,755.13
		357.82	291.48

Schedules

SCHEDULE "O" - MANUFACTURING, ADMINISTRATION, SELLING AND OTHER EXPENSES (Contd.)

(Rs. in Crore)

	Note	March-08	March-07
4. Processing Fees, Blending Fees, Royalty & Other Charges		24.15	24.76
5. Octroi, Other Levies and Irrecoverable Taxes		564.39	637.28
6. Repairs and Maintenance:			
i) Plant and Machinery		838.75	633.65
ii) Buildings		123.41	150.98
iii) Others		63.48	58.02
		<u>1,025.64</u>	<u>842.65</u>
7. Freight, Transportation Charges and Demurrage		4,881.23	4,647.57
8. Payments to and Provisions for Employees:			
(a) Salaries, Wages, Bonus etc.	A	1,846.12	1,838.98
(b) Contribution to Provident & Other Funds		585.14	394.67
(c) Voluntary Retirement Compensation		19.35	34.06
(d) Staff Welfare Expenses		463.60	353.15
		<u>2,914.21</u>	<u>2,620.86</u>
9. Office Administration, Selling and Other Expenses (Schedule "O-1")		3,637.25	2,373.33
TOTAL		<u>115,562.72</u>	<u>100,699.96</u>
Less: Company's use of own products		403.58	542.83
TOTAL (Net)		<u>115,159.14</u>	<u>100,157.13</u>

Note:

A. Includes Rs.38.50 crore on account of Adhoc payment to employees for the period 01.01.2007 to 31.03.2007 (2007: includes Rs.215.50 crore on account of arrears of employee payments pertaining to previous year).

SCHEDULE "O-1" - OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

(Rs. in Crore)

	March-08	March-07
1. Rent	368.18	275.97
2. Insurance	67.90	79.58
3. Rates & Taxes	49.46	58.60
4. Donations	0.15	0.00
5. Payment to Auditors:		
a) Audit Fees	0.67	0.56
b) Tax Audit Fees	0.10	0.10
c) Other Services (for issuing certificates etc.)	0.31	0.21
d) Out of Pocket Expenses	0.42	0.29
	<u>1.50</u>	<u>1.16</u>
6. Travelling & Conveyance	216.00	179.85
7. Communication Expenses	39.06	40.17
8. Printing & Stationery	22.90	19.35
9. Electricity & Water	140.94	123.82
10. Bank Charges	38.49	30.32
11. Bad Debts, Advances & Claims written off	15.77	6.83



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(Rs. in Crore)

	March-08	March-07
12. Provision/Loss on Assets sold or written off	30.54	52.59
13. Technical Assistance Fees	130.01	56.24
14. Provision for Doubtful Debts, Advances Claims and Obsolescence of Stores	329.93	55.05
15. Provision for Diminution in Investments	291.07	177.29
16. Loss on Sale of Investments	377.55	156.42
17. Security Force Expenses	114.53	102.53
18. Sales Promotion Expenses	306.35	261.59
19. Handling Expenses	124.15	115.14
20. Inventory Carrying Cost	50.25	40.31
21. Expenses on Enabling Facilities	3.75	1.38
22. Commodity Hedging Loss (Net)	84.30	0.00
23. Provision for Probable Contingencies	30.53	32.06
24. Exploration & Production Cost	207.41	106.91
25. Amortisation of Premium on Forward Contracts	236.53	113.43
26. Other Expenses	360.00	286.74
TOTAL	3,637.25	2,373.33

SCHEDULE "P"- INCOME/EXPENSES RELATING TO PREVIOUS YEARS

(Rs. in Crore)

	March-08	March-07
Income:		
1. Miscellaneous Income	1.30	6.26
2. Sales of Products	3.45	0.00
Total Income	4.75	6.26
Expenditure:		
1. Depreciation and Amortisation on:		
a) Fixed Assets	(1.77)	41.59
b) Intangible Assets	0.00	(0.02)
2. Consumption of Stores, Spares and Consumables	(1.10)	0.66
3. Technical Fees	0.00	1.44
4. Power & Fuel	0.00	(0.49)
5. Repairs and Maintenance	3.50	5.16
6. Interest	(0.72)	0.05
7. Rent	1.50	0.27
8. Provision on Stores	0.70	0.00
9. Payment to and provision for employees	41.53	(0.10)
10. Other Expenses	0.03	(16.71)
Total Expenses	43.67	31.85
NET INCOME/(EXPENDITURE)	(38.92)	(25.59)

Schedules

SCHEDULE “Q” - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION

- 1.1 The financial statements are prepared under historical cost convention in accordance with the mandatory accounting standards issued by The Institute of Chartered Accountants of India and the provisions of The Companies Act, 1956.
- 1.2 The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates.

2. FIXED ASSETS

2.1 Land

- 2.1.1 Land acquired on perpetual lease as well as on lease for over 99 years is treated as free hold land.
- 2.1.2 Land acquired on lease for 99 years or less is treated as leasehold land.

2.2 Construction Period Expenses on Projects

- 2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are capitalised. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously are charged to revenue.
- 2.2.2 Financing cost incurred during the construction period on loans specifically borrowed and utilised for projects is capitalised on quarterly basis up to the date of capitalisation.
- 2.2.3 Financing cost, if any, incurred on General Borrowings used for projects is capitalised at the weighted average cost. The amount of such borrowings is determined on quarterly basis after setting off the amount of internal accruals.

2.3 Capital Stores

- 2.3.1 Capital stores are valued at cost. Specific provision is made for likely diminution in value, wherever required.

2.4 Depreciation/Amortisation

- 2.4.1 Cost of lease hold land for 99 years or less is amortised during the lease period.
- 2.4.2 Depreciation on fixed assets is provided in accordance with the rates as specified in Schedule XIV to The Companies Act, 1956, on straight line method, upto 95% of the cost of the asset other than Insurance spares which are depreciated upto 100%. Depreciation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalisation/sale, disposal and dismantled during the year.
- 2.4.3 Assets, other than LPG Cylinders and Pressure Regulators, costing upto Rs. 5,000/- per item are depreciated fully in the year of capitalisation.
- 2.4.4 Capital expenditure on items like electricity transmission lines, railway siding, roads, culverts etc. the ownership of which is not with the Company are charged off to revenue. Such expenditure incurred during construction period of projects is accounted as unallocated capital expenditure and is charged to revenue in the year of capitalisation of such projects.

2.5 IMPAIRMENT OF ASSETS

- 2.5.1 Impairment of cash generating units/assets is ascertained and considered where the carrying cost exceeds the recoverable amount.

3. INTANGIBLE ASSETS

- 3.1 Costs incurred on technical know-how/license fee relating to production process are charged to revenue in the year of incurrence.
- 3.2 Costs incurred on technical know-how/license fee relating to process design/plants/facilities are accounted as “Work-in Progress - Intangible Assets” during the construction period of the said plant/facility. At the time of capitalisation of the said plant/facility, such costs are capitalised as Intangible Asset and amortised on a straight line basis over a period of ten years or life of the said plant/facility, whichever is earlier beginning from the quarter in which the said plant/facilities is capitalised.
- 3.3 Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.
- 3.4 Costs incurred on computer software purchased/developed resulting in future economic benefits, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalised. However, where such computer software is still in development stage, costs incurred during the development stage of such software are accounted as “Work-in Progress - Intangible Assets”.
- 3.5 Cost of Right of Way for laying pipelines is capitalised. However, such Right of Way being perpetual in nature, is not amortised.

4. FOREIGN CURRENCY TRANSLATION

- 4.1 Transactions in foreign currency are recorded at exchange rates prevailing on the date of transactions.
- 4.2 Monetary Items denominated in foreign currencies (such as cash, receivables, payables etc) outstanding at the year end, are translated at exchange rates applicable as at the year end.
- 4.3 Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc) are valued at the exchange rate prevailing on the date of transaction.

- 4.4.1 Any gains or losses arising due to exchange differences at the time of translation or settlement are recognized as income or as expense in the period in which they arise.
- 4.4.2 Premium/discount arising at the inception of the forward exchange contracts entered into to hedge foreign currency risks are amortised as expense/income over the life of the contract. Outstanding forward contracts as at the reporting date are restated at the exchange rate prevailing on that date.

5. INVESTMENTS

- 5.1 Long term investments are valued at cost and provision for diminution in value, thereof is made, wherever such diminution is other than temporary.
- 5.2 Current investments are valued at lower of cost or fair market value.

6. INVENTORIES

6.1 Raw Materials

- 6.1.1 Raw materials including crude oil is valued at cost determined on weighted average basis or net realizable value, whichever is lower.
- 6.1.2 Stock in Process is valued at raw material cost plus conversion costs as applicable or net realizable value, whichever is lower.

6.2 Stock-in-Trade

- 6.2.1 Finished products, other than lubricants, are valued at cost determined on 'First in First Out' basis or net realizable value, whichever is lower. Cost of Finished Products internally produced is determined based on crude cost and processing cost.
- 6.2.2 Lubricants are valued at cost on weighted average basis or net realizable value, whichever is lower. Cost of lubricants internally produced is determined based on cost of inputs and processing cost.
- 6.2.3 Imported products in transit are valued at CIF cost or net realisable value whichever is lower.

6.3 Stores and Spares

- 6.3.1 Stores and Spares (including Barrels & Tins) are valued at weighted average cost. Specific provision is made in respect of identified obsolete stores & spares and chemicals for likely diminution in value. Further, an adhoc provision @ five percent is also made on the balance stores and spares (excluding barrels, tins, stores in transit and chemicals) towards likely diminution in the value.
- 6.3.2 Stores & Spares in transit are valued at cost.

7. DEBTORS

In addition to the specific provision made, an adhoc provision @ one percent is also made in respect of debtors other than those relating to Oil Marketing Companies and Subsidiary companies to recognize the element of uncertainty.

8. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

8.1 Contingent Liabilities

- 8.1.1 Show Cause Notices issued by various Government Authorities are not considered as Obligation.
- 8.1.2 When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.
- 8.1.3 The treatment in respect of disputed obligations, in each case above Rs.5 lakh, are as under:
- a provision is recognized in respect of present obligations where the outflow of resources is probable;
 - all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

8.2 Capital Commitments

- 8.2.1 Estimated amount of contracts remaining to be executed on capital accounts above Rs. 5 lakhs, in each case, are considered for disclosure.

9. REVENUE RECOGNITION

- 9.1 Claims on Petroleum Planning and Analysis Cell/ Government arising on account of erstwhile Administered Pricing Mechanism / Notified Schemes are booked on acceptance in principle thereof. Such claims and provisions are booked on the basis of available instructions/ clarifications subject to final adjustment as per separate audit.
- 9.2 Adjustments pertaining to purchase of raw materials/finished products, sales and others as admissible under the erstwhile Administered Pricing Mechanism are accounted as "net claim from/ (surrender to) Industry Pool Accounts"
- 9.3 Other claims (including interest on outstandings) are accounted:
- When there is certainty that the claims are realizable
 - Generally at cost
- 9.4 Income and expenditure upto Rupees five lakhs in each case pertaining to previous years are accounted for in the current year.
- 9.5 Pre-paid expenses upto Rupees five lakhs in each case are charged to revenue.

Schedules

SCHEDULE "Q" - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

10. TAXES ON INCOME

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred Tax Liability / Asset resulting from 'timing difference' between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

11. EMPLOYEES BENEFITS

11.1 Short Term Benefits:

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

11.2 Post-employment Benefits And Other Long Term Employee Benefits:

- a) The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Profit and Loss Account. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to profit and loss account.
- b) The company operates defined benefit plans for gratuity and compensated absences. 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 and is administered through a fund maintained by Insurance Company. Actuarial gains/losses are charged to profit and Loss account.
- c) Obligations on Post Retirement Medical Benefits, Resettlement and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.

11.3 Termination Benefits:

Payments made under Voluntary Retirement Scheme are charged to Profit and Loss Account.

12. GRANTS

12.1 Capital Grants

12.1.1 In case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants which are recognised as income in the Profit and Loss account over the period and in proportion in which depreciation is charged.

12.2 Revenue Grants

12.2.1 Revenue grants are reckoned as per the respective schemes notified by Govt. of India from time to time, subject to final adjustment as per separate audit.

13. OIL & GAS EXPLORATION ACTIVITIES

13.1 The Company is following the "Successful Efforts Method" of accounting for Oil & Gas exploration and production activities as explained below:

- a) Survey costs are expensed in the year of incurrence.
- b) Acquisition cost, cost of incomplete / undecided exploratory wells and development costs are carried as capital work in progress till the time these are either transferred to producing properties on completion or expensed in the year when determined to be dry, as the case may be.
- c) Expenditure towards unfinished Minimum Work Programme with and without extension of time is expensed in the year of incurrence.

13.2 Company's share of proved reserves of oil and gas are disclosed when notified by the Operator of the relevant block.

13.3 The Company's proportionate share in the assets, liabilities, income and expenditure of joint venture operations are accounted as per the participating interest in such joint venture operations.

14. COMMODITY HEDGING

14.1 The realised gain or loss in respect of commodity hedging contracts, the pricing period of which has expired during the year, are recognised in the Profit & Loss Account. However, in respect of contracts, the pricing period of which extends beyond the balance sheet date, suitable provision for likely loss, if any, is provided.

Sd/-
(S. Behuria)
Chairman

Sd/-
(S. V. Narasimhan)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

Place : New Delhi
Date : May 28, 2008

SCHEDULE "R" - NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008

1. Contingent Liabilities:

- a) Contingent Liabilities amounting to **Rs. 8209.40 crore** (2007 : Rs. 7312.03 crore) are as under :
- Rs. 1207.05 crore** (2007 : Rs. 1181.07 crore) being the demands raised by the Central Excise /Customs authorities.
 - Rs. 4687.65 crore** (2007 : Rs. 4261.04 crore) in respect of Sales Tax/ Entry Tax demands.
 - Rs. 578.83 crore** (2007 : Rs. 727.08 crore) including **Rs. 333.49 crore** (2007 : Rs. 446.37 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrators.
 - Rs. 1319.14 crore** (2007 : Rs. 814.13 crore) in respect of Income Tax demands.
 - Rs. 416.73 crore** (2007 : Rs. 328.71 crore) in respect of other claims.

The Company has not considered those disputed demands/claims as contingent liabilities, the outflow of resources for which would be remote.

- Interest/Penalty, if any, on some of the above claims is unascertainable.
 - Income tax, if any, reimbursable to foreign contractors is unascertainable
 - 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
 - The Company has issued corporate guarantee in favour of Citicorp Investment Bank (Singapore) Limited on behalf of Lanka IOC Limited (LIOC), a subsidiary of the Company, for raising a loan of **Rs. Nil (US \$ Nil)** (2007 : Rs.13.91 crore {US \$ 3.20 million}) since repaid by LIOC.
 - The Company has issued corporate guarantee in favour of HSBC Bank, Mauritius, on behalf of Indian Oil (Mauritius) Limited (IOML), a subsidiary of the Company, for raising a loan of **Rs. 23.47 crore (US\$ 5.85 million)** (2007 : Rs. 25.44 crore {US\$ 5.85 million}) by IOML.
- Estimated amount of contracts remaining to be executed on Capital Account not provided for **Rs. 17342.09 crore** (2007 : Rs. 15325.09 crore).
 - Purchase of crude oil from ONGC, Oil India Limited and Panna Mukta Tapti JV and some other oilfields has been accounted for provisionally pending finalisation of agreements with respective parties. Adjustments, if any, will be made on finalisation of agreements.
 - Title Deeds for Land and residential apartments as also lease and other agreements in respect of certain lands/buildings the book value of which is **Rs. 144.75 crore** (2007 : Rs. 135.93 crore) are pending for execution or renewal.
 - Transactions with Other Oil Companies are reconciled on an ongoing basis and are subject to confirmation.
 - Bond redemption Reserve of **Rs. 31.60 crore** (2007 : Rs. 31.60 crore) created in respect of Non-convertible Bonds – Series V has been written back during the year as the fourth installment of Rs. 31.60 Crore was paid on 18th July, 2007.
 - Bond redemption Reserve of **Rs. Nil** (2007 : Rs. 393.29 crore created in respect of Non-convertible Bonds – Series VII A has been written back during the previous year as the same has been paid on 15th September, 2006).
 - Bond redemption Reserve of **Rs. 250.55 Crore** (2007 : Rs. 249.87 Crore) has been created in respect of Non-convertible Bonds – Series VI and VII B during the year.
 - Pursuant to orders pronounced by the Honourable Supreme/various High Courts in the matter of Entry Tax on Crude Oil, and as advised, the Company has not provided for Entry Tax amounting to **Rs. 1344.76 crore** (2007 : Rs. 172.56 crore) including **Rs. 1172.18 crore** for the year (Previous Year Rs. 172.56 crore) in respect of Mathura, Panipat, Guwahati and Digboi Refineries. Pending final disposal of the matter by the Honourable Supreme / various High Courts, Entry Tax already paid / deposited / provided for at various units has not been considered for write back. In respect of Barauni Refinery, pursuant to decision of the Honourable High Court, the Company has continued to pay and / or provide for the liability for Entry Tax and charged the same to Profit and Loss Account.
 - The customs duty on crude oil is accounted for as per the prevailing Customs Valuation Rules and net claims recoverable amounting to **Rs. 148.57 crore** (2007 : Rs. 329.79 crore) are pending for final assessment/settlement by the authorities. The claims are considered good for recovery.
 - Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to **Rs. 1510.63 crore** (2007 : Rs. 1483.94 crore) and subsidies on sales of SKO & LPG to customers in Bhutan amounting to **Rs. 33.28 crore** (2007 : Rs. 42.98 crore) have been reckoned as per the schemes notified by Government of India.
 - The company has accounted for Government of India Special Bonds of **Rs. 18997.00 crore** (2007 : Rs. 13943.21 crore) in lieu of under-recoveries on petroleum products for the year. Out of this, Special Bonds of Rs. 11460.73 crore for the period from 1st April, 2007 to 31st December, 2007 have been received by the Company and the balance amount of Rs. 7536.27 crore receivable for the period from 1st January, 2008 to 31st March, 2008 has been accounted for on the basis of advice received from Government of India. The same has been accounted in the Profit and Loss Account as Revenue Grants.

SCHEDULE “R” - NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008 (Contd.)

11. In line with the scheme formulated by Petroleum Planning and Analysis Cell (PPAC), the Company has received discounts of **Rs. 14322.91 crore** (2007 : Rs. 11881.73 crore) on Crude Oil/LPG/SKO purchased from ONGC/GAIL/OIL towards part of the under recovery suffered on sale of MS, HSD, LPG (Domestic) & SKO (PDS) and the same has been adjusted against the purchase cost.
12. The Company has an export obligation to the extent of **Rs. 1908.07 crore** (2007 : Rs. 553.67 crore) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.
13. The scheme of Amalgamation for merger of its subsidiary Bongaigaon Refinery and Petrochemicals Limited (BRPL) with the Company with a swap ratio of 4 shares of the Company for every 37 shares of in BRPL, as approved by the Board of Directors at its meeting held on 29th November, 2006, has been approved at the meetings of the Equity shareholders and Creditors (both Secured and Unsecured) of the Company held on 22nd February, 2008 (as per the order of the Ministry of Corporate Affairs, Government of India). Subsequent to this approval, Confirmation Petition has been filed by the Company with the Ministry of Corporate Affairs for further directions in the matter.
14. In absence of relevant notification by the Government of India specifying the period and applicable rate at which cess on turnover is payable under section 441A of the Companies Act, 1956 the same is not determinable and hence, not provided for.
15. Pending finalisation of Long Term settlement with the employees, the liability for the period from 1st January 2007 to 31st March, 2008 has not been provided in respect of revision of emoluments as the amount thereof is not ascertainable. However, the ad-hoc payments thereagainst aggregating to **Rs. 196.76 crore** has been charged to the Profit and Loss Account under the head “Payments to and provisions for employees” in Schedule ‘O’.
16. Consequent to the notification on 7th December, 2006 of the Companies (Accounting Standard) Rules, 2006 exchange differences arising on translation of foreign currency liabilities for acquisition of fixed assets from outside India, which was hitherto adjusted to the cost of the relevant fixed assets, are now being adjusted to Profit and Loss Account in line with the requirement of the Accounting Standard 11 on “Effects of changes in Foreign Exchange Rates”. The change has resulted in an increase in the profit for the year by **Rs. 10.57 crore** and corresponding increase in fixed assets / Capital Work in Progress to the extent.
17. Disclosure in compliance with Accounting Standard-15 (Revised 2005) on “Employee Benefits” is given in Annexure-1.
18. In compliance with Accounting Standard-17 on “Segment Reporting” issued by the Institute of Chartered Accountants of India, the required information is given in Annexure-2 to this schedule.
19. In compliance of Accounting Standard – 18 on “Related Party Disclosures” issued by the Institute of Chartered Accountants of India, the required information is given in Annexure-3 to this schedule.
20. Disclosure as required under Accounting Standard – 19 on “Leases” issued by the Institute of Chartered Accountants of India is as under:

Finance Leases:

Company has entered into Lease Agreement with Indian Railways in respect of BTPN Tank Wagons for a minimum period of 20 years. The lease rentals from the date of formation of rake are @ 16% for the first 10 years and thereafter at the nominal rate of 1% of the cost.

(Rs. in Crore)

Particulars	March-08	March-07
A. Gross Investments in Finance Lease	416.96	416.96
Less: Unearned Finance Income	11.94	16.88
Less: Finance Income Received	159.75	154.81
Less: Minimum Lease payment received	214.26	196.54
Net Investment in Finance Lease as on Date	31.01	48.73
B. Unearned finance Income	11.94	16.88
C. Present Value of Minimum Lease Payments Receivable		
Not Later than one year	11.32	17.72
Later than one year and not later than five years	10.61	21.09
Later than Five years	9.08	9.92
Total :	31.01	48.73
D. Break-up of un-earned income		
Not Later than one year	3.15	4.94
Later than one year and not later than five years	5.49	8.09
Later than Five years	3.30	3.85
Total :	11.94	16.88

Operating leases:
a) As Lessees

Lease Rentals charged to the profit and loss account and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements:

		(Rs. in Crore)	
Particulars		March-08	March-07
A.	Lease rentals recognised during the period	59.52	44.89
B.	Lease Obligations		
	- Not later than One Year	53.53	52.31
	- Later than one year and not later than five years	202.17	210.93
	- Later than five years	702.95	741.49

These relate to leases in respect of Pipeline from Koyali to Navagam, Port facilities at Gujarat, storage tankage facilities for petroleum products and Car Rentals for employees.

b) As Lessors

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

		(Rs. in Crore)	
Particulars		March-08	March-07
A.	Lease rentals recognised as income during the period	17.90	14.80
B.	Lease Rentals (category of assets – Plant & Machinery)		
	- Gross Carrying Amount	32.22	32.22
	- Accumulated Depreciation	20.47	19.24
	- Depreciation recognized in Profit and Loss Account	1.23	1.23

These relate to storage tankage facilities for petroleum products given on lease at mutually agreed lease rent.

21. In compliance of Accounting Standard – 20 on “Earning Per Share” issued by the Institute of Chartered Accountants of India, the calculation of Earning Per Share (Basic and Diluted) is as under:

		March-08	March-07
Profit After Tax (Rupees in Crore)		6962.58	7499.47
Total Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)			
a)	Number of shares	1192374306	1168012200
b)	Number of shares to be issued to erstwhile shareholders of IBP Co. Ltd	-	24362106
Total number of shares		1192374306	1192374306
Earning Per Share (Basic and Diluted) (Rupees)		58.39	62.90
Face value per share (Rupees)		10/-	10/-

22. In compliance of Accounting Standard – 22 on “Accounting for Taxes on Income” issued by The Institute of Chartered Accountants of India, Deferred Tax Liability amounting to **Rs. 5.12 crore** (2007 : Rs. 835.09 crore) has been provided during the current year. The year end position of Deferred Tax Liability is given below :

				(Rs. in Crore)
		As on 01.04.2007	Provided during the year	Balance as on 31.03.2008
Deferred Tax Liability:				
Depreciation and other fixed Assets		5728.76	189.32	5918.08
Total Deferred Tax Liability (A)		5728.76	189.32	5918.08
Deferred Tax Assets:				
Provision on Inventories, Debtors, Loans and advances		140.52	109.22	249.74
Compensation for Voluntary Retirement Scheme		8.15	1.00	9.15
43B Disallowances etc.		183.46	74.43	257.90
Capital Grants		4.84	(0.45)	4.38
Impairment Loss		12.09	-	12.09
Total Deferred Tax Assets (B)		349.06	184.20	533.26
Deferred Tax Liability (Net) (A – B)		5379.70	5.12	5384.82

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SCHEDULE "R" - NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008 (Contd.)

23. In compliance of Accounting Standard – 27 on "Financial Reporting of Interest in Joint Ventures" issued by the Institute of Chartered Accountants of India the required information is given in Annexure-4 to this schedule.
24. Considering the Government policies and modalities of compensating the oil marketing companies towards under-recoveries, future cash flows have been worked out based on the desired margins for deciding on impairment of related Cash Generating Units. Accordingly no further impairment as at the year-end has been considered. In view of the assumption being technical, peculiar to the industry and policy matter, the auditors have relied on the same.
25. In compliance of Accounting Standard – 29 on "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India, the required information is as under :

(Rs. in Crore)

	Opening Balance	Additions during the year (Note 1)	Utilisation during the year	Reversals during the year	Closing balance (Note 2)
Excise	1.23	0.22	-	0.35	1.10
Customs	1.36	1.74	-	-	3.10
Sales Tax	87.64	25.11	-	-	112.75
Others	0.10	12.70	-	0.01	12.79
Total	90.33	39.77	-	0.36	129.74
Previous Year	62.78	32.06	3.50	1.01	90.33

Note 1. Additions includes Rs. 9.24 crore capitalised during the year.

2. Expected timing of outflows is not ascertainable at this stage.

26. In compliance of amended clause 32 of the Listing Agreement with the Stock Exchanges, the required information is given in Annexure-5 to this schedule.
27. The dues to Micro, Small and Medium enterprises as required under the MICRO Small and Medium Enterprises Development Act, 2006 is given below :

(Rs. in Lacs)

Amount overdue and payable as on 31st March 2008

- Principal	20.75
- Interest	1.45

Payments made during the 2007-08 after the due date

- Principal	189.60
- Interest	0.00

Interest accrued and unpaid as on 31st March 2008 1.45

The above information is given to the extent available with the Company and relied upon by the Auditors.

28. Exposures to Financial and Commodity Trading Derivative Instruments outstanding as on 31st March, 2008 is given in Annexure-6 to this schedule.
29. Remuneration paid/payable to Directors:

(Rs. in Crore)

	2007-08	2006-07
i) Salaries & Allowances	1.05	0.91
ii) Contribution to Provident & Other Funds	0.11	0.07
iii) Other benefits and Perquisites	0.37	0.32
iv) Sitting Fees to Part Time Directors	0.11	0.13
Total	1.64	1.43

In addition, whole-time Directors are also allowed the use of Company's car for private purposes upto 12,000 KMs per annum on a payment of Rs. 520 per mensem for car of less than 16 hp or Rs. 780 per mensem for car of above 16 hp as specified in the terms of appointment.

30. In respect of Oil and Gas Exploration activities, Revenue Expenditure amounting to **Rs. 207.40 crore** (2007 : Rs. 106.91 crore) and Capital Expenditure amounting to **Rs. 49.72 crore** (2007 : Rs. 204.47 crore) of Oil and Gas Exploration Projects has been incorporated in these accounts on the basis of unaudited statement provided by respective operators of Production Sharing Contracts to the Company.
31. The Profit and Loss Account includes :
- a) Expenditure on Public Relations and Publicity amounting to **Rs. 23.60 crore** (2007 : Rs. 24.44 crore) which is inclusive of **Rs. 5.93 crore** (2007: Rs. 4.99 crore) on account of Staff and Establishment and **Rs. 17.67 crore** (2007 : Rs. 19.45 crore) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00010:1 (2007 : 0.00011:1).
 - b) Research and Development expenses **Rs. 98.92 crore** (2007 : Rs. 74.33 crore).
 - c) Entertainment Expenses **Rs. 1.80 crore** (2007 : Rs. 1.44 crore).
32. Previous year's comparative figures have been regrouped and recast to the extent practicable, wherever necessary. Figures in brackets indicate deductions.

Sd/-
(S. Behuria)
Chairman

Sd/-
(S. V. Narasimhan)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

Place : New Delhi
Date : May 28, 2008

Schedules

Annexure-1

Disclosures- Notes on Accounts: As-15 (Revised)

(a) Provident Fund

Guidance issued by the Accounting Standards Board (ASB) on implementing AS – 15, Employee Benefits (revised 2005) states that provident funds set up by employers, which requires interest shortfall to be met by employer, needs to be treated as defined benefit plan. The Fund does not have any existing deficit or interest shortfall. Accordingly, other related disclosures in respect of Provident Fund have not been made. During the year, the company has recognised **Rs. 109.07 crore** as Employer's contribution to Provident Fund in the Profit and Loss Account (included in Contribution to Provident and Other Funds in Schedule 'O')

(b) Reconciliation of balance of Defined Benefit Obligation

(Rs. in Crore)

	Gratuity	Leave encashment	PRMS	Resettlement Allowances	Long Service Award
	Funded	Funded	Non-funded	Non-funded	Non-funded
Defined Obligations at the beginning	379.38	570.40	209.13	66.05	-
Current Service Cost	2.71	27.71	2.09	1.00	8.71
Interest Cost	34.00	52.00	16.00	5.28	49.60
Benefits paid	(26.67)	(75.09)	(31.86)	(1.08)	(6.40)
Actuarial (gain) / loss on obligations	78.36	300.26	4.12	(11.68)	-
Defined Benefit Obligation at the end of the year	467.78	875.28	199.48	59.57	51.91

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

(Rs. in Crore)

	Gratuity	Leave encashment	PRMS	Resettlement Allowances	Long Service Award
	Funded	Funded	Non-funded	Non-funded	Non-funded
Fair value of plan assets at the beginning of the year	334.03	414.17	-	-	-
Expected return on plan assets	36.14	68.79	-	-	-
Contribution by employer	131.03	483.31	-	-	-
Benefit paid	(26.67)	(75.09)	-	-	-
Actuarial gain / (losses)	(6.75)	(15.90)	-	-	-
Fair value of plan assets at the end of the year	467.78	875.28	-	-	-

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

(Rs. in Crore)

	Gratuity	Leave encashment	PRMS	Resettlement Allowances	Long Service Award
	Funded	Funded	Non-funded	Non-funded	Non-funded
Fair value of plan asset at the end of the year	467.78	875.28	-	-	-
Defined Benefit Obligation at the end of the year	467.78	875.28	199.48	59.57	51.91
Amount recognised in the Balance Sheet	-	-	199.48	59.57	51.91

(e) Amount recognised in Profit and Loss Account

(Rs. in Crore)

	Gratuity	Leave encashment	PRMS	Resettlement Allowances	Long Service Award
	Funded	Funded	Non-funded	Non-funded	Non-funded
Current service cost	2.71	27.71	2.09	1.00	8.71
Interest Cost	34.00	52.00	16.00	5.28	49.60
Expected (return)/loss on plan asset	(36.14)	(68.79)	-	-	-
Actuarial (gain)/ loss	85.11	316.16	4.12	(11.68)	-
Expenses for the year	85.68	327.08	22.21	(5.40)	58.31

(f) Major Actuarial assumptions

	Gratuity	Leave encashment	PRMS	Resettlement Allowances	Long Service Award
	Funded	Funded	Non-funded	Non-funded	Non-funded
Discount rate	8%	8%	8%	8%	8%
Expected return on plan assets*	8%	8%	-	-	-
Salary escalation #	9%	9%	-	-	-
Inflation	-	-	6%	9%	6%

* Expected rate of return on plan assets is based on market expectation, at the beginning of the year, for return over the entire life of the related obligation.

Estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

Note: Actuarial assumptions as given by the Actuaries have been relied upon by the Auditors.

(g) Actual Return on Plan Assets:

	Gratuity	Leave encashment
Actual return on plan assets	9.55%	9.55%

(h) Investment Details

	Gratuity	Leave encashment
Investments with insurer (Life Insurance Corporation of India)	100%	100%
Details of the investment pattern as provided by Life Insurance Corporation of India for the above-mentioned funded obligations is as under:		
Government of India Securities		79%
Investment in equity shares		3%
Investment in Debentures		4%
Infrastructure Bonds		7%
Other approved investments		7%

(i) Effect of Increase/Decrease in Healthcare Costs

	(Rs. in Crore)
Change in Liability for 1% increase in inflation rate	8.53
Change in Liability for 1% decrease in inflation rate	(7.42)

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Annexure-2

Information regarding Primary Segment Reporting as per AS-17 for the year ended March 31, 2008 is as under:

(Rs. in Crore)

	March-08				March-07			
	Petroleum Products (A)	Other Businesses (B)	Elimi- nations (C)	Total (D=A+B-C)	Petroleum Products (A)	Other Businesses (B)	Elimi- nations (C)	Total (D=A+B-C)
	Revenue							
External Revenue	222,496.23	24,758.43		247,254.66	195,261.51	20,782.90	-	216,044.41
Inter-segment Revenue	1,264.15	255.18		1,519.33	982.81	153.16	-	1,135.97
Total Revenue	223,760.38	25,013.61		248,773.99	196,244.32	20,936.06	-	217,180.38
Result								
Segment Results	10,673.96	(186.38)	62.90	10,424.68	8,930.56	57.75	33.46	8,954.85
Less: Unallocated Expenses net of unallocated Income	-	-		-	-	-		-
Operating Profit	10,673.96	(186.38)	62.90	10,424.68	8,930.56	57.75	33.46	8,954.85
Less:								
Interest Expenditure				1,551.24				1,505.45
Provision for diminution in Investments				291.07				177.29
Loss on Investments w-off/sold				377.55				156.42
Add:								
Interest/Dividend Income				1,849.52				1,478.47
Provision for diminution in Investments written back				4.85				4.94
Provision for diminution in Trust written back				59.92				-
Profit on sale of GOI Bonds				0.21				6.00
Profit Before Exceptional items and tax				10,119.32				8,605.10
Exceptional Items:								
- Profit on sale of ONGC shares				-				3,224.78
- Provision for diminution in 'receivable from Trust'				-				1,319.29
Prior year income/(expenses) -net				(38.92)				(25.59)
Profit Before Tax				10,080.40				10,485.00
Less: Income Tax (including deferred tax)				3,117.82				2,985.53
Profit After Tax				6,962.58				7,499.47
Other Information								
Segment Assets	83,542.88	11,063.38		94,606.26	69,120.89	7,752.74		76,873.63
Corporate Assets				21,968.96				20,155.13
Total Assets				116,575.22				97,028.76
Segment Liabilities	31,199.87	2,648.82		33,848.69	24,526.77	2,418.71		26,945.48
Corporate Liabilities				41,640.28				35,225.99
Total Liabilities				75,488.97				62,171.47
Capital Expenditure	4,350.56	2,420.66		6,771.22	2,605.41	1,740.52		4,345.93
Depreciation	2,438.41	271.29		2,709.70	2,366.25	224.06		2,590.31
Impairment Loss	-	-		-	-	-		-
Non-cash expenses other than Depreciation				236.53				147.49

Notes:

- The Company is engaged in the following business segments:
 - Sale of Petroleum Products
 - Other Businesses, which comprises Sale of Imported Crude Oil, Sale of Gas, Petrochemicals, Explosives & Cryogenics and Oil & Gas Exploration Activities jointly undertaken in the form of unincorporated Joint Ventures.

Segments have been identified and reported taking into account, the nature of products and services and differing risks and returns.
- Segment Revenue comprises of the following:
 - Turnover (Net of Excise Duties)
 - Subsidy / Grants From Government of India
 - Other income (excluding interest income, dividend income, exceptional items income and investment income)
- There are no reportable geographical segments.



As required by AS-18, "Related Party Disclosures", are given below:

1. Relationships:

A) Joint Venture Companies

- 1) Indian Oil Tanking Ltd.
- 2) Lubrizol India Pvt. Ltd.
- 3) Petronet VK Ltd.
- 4) IndianOil Petronas Pvt. Ltd.
- 5) Avi-Oil India Pvt.Ltd.
- 6) Petronet India Ltd.
- 7) Petronet LNG Ltd.
- 8) Green Gas Ltd.
- 9) IndianOil Panipat Power Consortium Ltd.
- 10) Petronet CI Ltd.
- 11) Indo Cat Pvt. Ltd.
- 12) IndianOil SkyTanking Ltd.
- 13) Suntera Nigeria 205 Ltd. (w.e.f. 07.02.2007)

B) Whole-time Directors

- 1) Shri S. Behuria
- 2) Shri A.M. Uplenchwar (upto 31.07.2007)
- 3) Shri Jaspal Singh (upto 30.09.2006)
- 4) Dr. N.G. Kannan (upto 30.06.2006)
- 5) Shri B.M. Bansal
- 6) Shri S.V. Narasimhan
- 7) Shri V.C. Agrawal
- 8) Shri G.C. Daga (w.e.f. 04.09.2006)
- 9) Shri B.N. Bankapur (w.e.f. 01.10.2006)
- 10) Shri Anand Kumar (w.e.f. 31.07.2007)
- 11) Shri P.K. Chakraborti (w.e.f. 01.08.2007)

2. The following transactions were carried out with the related parties in the ordinary course of business:

a) Details relating to parties referred to in item no. 1(A) above:

(Rs. in Crore)

	March-08	March-07
i) Sales	17.90	2.66
ii) Interest received	0.18	0.11
iii) Consultancy Services/Other Income	18.58	1.06
iv) Purchase of Products	2,732.25	1,785.87
v) Purchase of Chemicals/materials	42.05	-
vi) Handling Expenses	19.25	29.33
vii) Freight Expenses	-	15.37
viii) Reimbursement of Expenses	35.09	5.61
ix) Investments made during the year	104.13	2.33
x) Fixed Assets purchased	361.41	147.51
xi) Provisions made/(written off) during the year	-	(1.39)
xii) Outstanding Receivables	480.51	127.15
xiii) Outstanding Payables	152.55	102.92

b) Details relating to parties referred to in item no. 1(B) above:

(Rs. in Crore)

	March-08	March-07
i) Remuneration	1.54	1.30
ii) Recovery of Interest & Furniture Hire Charges	0.02	0.02
iii) Outstanding loans/advances receivables	0.40	0.38
iv) Assets on Hire	0.18	0.12

Notes:

- 1) Remuneration includes Basic salary, allowances, reimbursements, contribution to P.F. and perquisites (valued as per tax laws)
- 2) In addition, whole - time Directors are also allowed the use of Corporation's car for private purposes upto 12,000 kms per annum on a payment of Rs.520/- per mensem for car less than 16 hp or Rs.780/- per mensem for car of above 16 hp as specified in the terms of appointment.
- 3) No disclosure is required for Subsidiary Companies which can be treated as state controlled enterprises (i.e. ownership by Central/State Govt, directly or indirectly, of more than 50% of voting rights, shall be treated as state controlled enterprise)
- 4) In case of Joint Venture Companies constituted/acquired during the year, transactions w.e.f. date of constitution/acquisition is disclosed.
- 5) In case of Joint Venture Companies which have been closed/divested during the year, transactions upto the date of closure/disinvestment only are disclosed.

Schedules

Annexure-4

In compliance of AS-27, “ Financial Reporting of Interest in Joint Ventures”, the required information is as under:

1) **Disclosure of Interest in the following categories of Joint Ventures:**

(a) **Jointly Controlled Operations:-** The Corporation has entered into production sharing oil and gas exploration contracts with the Govt. of India and other body corporates. These joint ventures are:

Name	Participating Interest of IOC (%)	
	31.03.2008	31.03.2007
IN INDIA		
Under NELP-I Block		
GV-ONN-97/1	30	30
Under NELP-II Block		
MB-OSN-2000/1	15	15
MN-OSN-2000/2	20	20
WB-OSN-2000/1	15	15
MB-OSN-2004/1	20	20
MB-OSN-2004/2	20	20
MN-ONN-2000/1	20	20
Under NELP-III Block		
AA-ONN-2001/2	20	20
CR-ON-90/1	35	35
Others		
BK-CBM-2001/1	20	20
NK-CBM-2001/1	20	20
AAP-ON-94/1	43.55	43.55
OUTSIDE INDIA		
FARSI BLOCK, IRAN	40	40
SHAKTHI GABON	50	50
YEMEN 82	15	15
YEMEN 83	15	15
KUWAIT	5	5
LIBYA BLOCK 86	50	50
LIBYA BLOCK 102/4	50	50

(b) **Jointly Controlled Assets:**

IOC's share in jointly controlled/owned assets have been shown in Schedule-E “Fixed Assets”.

(c) **Jointly Controlled Entities:**

Name	Country of Incorporation	Ownership Interest of IOC(%)	
		31.03.2008	31.03.2007
(i) Indian Oiltanking Ltd.	India	50	50
(ii) Lubrizol India Pvt. Ltd.	India	50	50
(iii) Petronet VK Ltd.	India	26	26
(iv) Petronet CI Ltd.	India	26	26
(v) IndianOil SkyTanking Ltd.	India	33.33	33.33
(vi) Indo Cat Pvt. Ltd.	India	50	50
(vii) IndianOil Petronas Pvt.Ltd.	India	50	50
(viii) Suntera Nigeria 205 Ltd	Nigeria	25	0
(ix) IndianOil Panipat Power Consortium Ltd.	India	50	50
(x) Avi-Oil India Pvt. Ltd.	India	25	25
(xi) Petronet India Ltd.	India	16	16
(xii) Petronet LNG Ltd.	India	12.5	12.5
(xiii) Green Gas Ltd.	India	22.5	22.5

Proportionate share in assets, liabilities, income & expenditure of Petronet VK Ltd., Petronet CI Ltd, Indian Oil Panipat Power Consortium Ltd. & Petronet India Ltd. has not been consolidated as the Management has either decided to exit from these companies or the amount of investment in these companies has been provided for.



IndianOil

2) **IOC's Share in assets, liabilities, income, expenses, contingent liabilities and capital commitments of Jointly Controlled Entities:**

(Rs. in Crore)

	31.03.2008	31.03.2007
(i) Assets		
- Long Term Assets	800.33	651.77
- Current Assets	647.52	378.61
(ii) Liabilities		
- Current Liabilities and Provisions	372.01	230.09
- Other Liabilities	447.21	338.13
(iii) Income	2074.93	1266.58
(iv) Expenses	1896.58	1168.19
(v) Contingent Liabilities	11.13	13.12
(vi) Capital Commitments	201.80	124.60

3) **IOC's Share in aggregate of Contingent Liabilities and Capital Commitments of Jointly Controlled Operations and Assets:**

(Rs. in Crore)

	31.03.2008	31.03.2007
(a) Jointly Controlled Operations		
(i) Contingent Liabilities	-	-
(ii) Capital Commitments	583.13	404.43
(b) Jointly Controlled Assets		
(i) Contingent Liabilities	-	-
(ii) Capital Commitments	-	-

Annexure-5

Disclosure as required by Clause 32 of Listing Agreement

(Rs. in Crore)

	Amount as on		Max. Amount outstanding during the year ended	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
I. Loans and Advances in the nature of loans:				
A) To Subsidiary Companies				
(i) Chennai Petroleum Corporation Limited	-	-	-	-
(ii) Bongaigoan Refineries & Petroleum Limited	-	-	-	-
(iii) IndianOil (Mauritius) Limited	-	-	-	-
(iv) Lanka IOC Limited	-	-	-	-
(v) IndianOil Technologies Limited	-	-	-	-
(vi) IOC Middle East FZE	-	-	-	-
B) To Firms/Companies in which directors are interested	-	-	-	-
C) Where there is no repayment schedule or repayment beyond seven year or no interest or interest below section 372A of Companies Act	-	-	-	-
II. Investment by the loanee (as detailed above) in the shares of IOC and its subsidiaries	-	-	-	-

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DISCLOSURE OF EXPOSURE TO FINANCIAL AND COMMODITY TRADING DERIVATIVES

Financial and Derivative Instruments:

- All derivative contracts entered into by the Company are for hedging its foreign currency exposures and commodity trading exposures relating to underlying transactions and firm commitments and not for any speculative or trading purposes.
- The Derivative contracts entered into by the Company and outstanding as on 31st March 2008 are as below:

(a) For Hedging Currency Risks

Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31st March 2008 is given below:

(Rs. in Crore)

S. No.	Particulars	Unit of Currency	As on 31.03.2008		As on 31.03.2007	
			No of contracts	Aggregate amount	No of contracts	Aggregate amount
1	Forward Contracts for Import and Export	USD	2	174.55	1	800.63

This includes currency swaps amounting to Rs 153.90 crore (2006-07: Rs.470.96 crore)

(b) For Hedging Commodity Related Risks:

Category-wise quantitative data about commodity derivative transactions that are outstanding as on 31st March 2008 is given below:

Quantity (in '000 bbls)

S. No.	Particulars	As on 31.03.2008		As on 31.03.2007	
		Quantity	Value	Quantity	Value
1	Swaps on Crude oil		350.00		300.00
2	Futures on Crude oil				
	MCX		138.80		0.00
	NCDEX		0.00		5.400
3	Margin Hedging		1350.00		900.00

- Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2008 is given below:

(Rs. in Crore)

S. No.	Unit of Currency	As on 31.03.2008		As on 31.03.2007	
		Quantity	Aggregate amount	Quantity	Aggregate amount
1	Unhedged		25690.40		21776.03

This includes currency swaps amounting to Rs. 4498.60 crore (2006-07 : Rs. 2783.20 crore)



SCHEDULE “S” - LICENCED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

(Figures in Lakh)

	UNIT	Licenced Capacity (Refer Note A)		Installed Capacity (Refer Note B)		Actual Production		
		March'08	March'07	March'08	March'07	March'08	March'07	
i) Crude Processing	MTs	450.00	450.00	473.50	428.50	428.89	398.84	
		(Refer Note D)						
ii) Lubricating Oil	MTs	Note C	2.54	2.48	2.54	2.48	3.19	1.69
		Note E	3.75	4.64	3.07	3.96	1.09	2.25
iii) Wax/Bitumen/Asphalt Lube Oil Drums	Nos.		15.00	15.00	15.00	15.00	4.29	4.45
iv) Oxygen Plant	C.U.M.		Not specified	Not specified	0.84	0.84	0.00	0.00
v) Propylene Recovery Unit	MTs		0.54	0.54	0.48	0.48	0.13	0.14
vi) MTBE Unit	MTs		0.48	0.48	0.37	0.37	0.26	0.24
vii) Butene Plant	MTs		0.17	0.17	0.17	0.17	0.00	0.00
viii) LAB Plant	MTs		1.20	1.20	1.20	1.20	1.33	1.22
ix) PX/PTA Plant	MTs		5.53	5.53	5.53	5.53	4.04	1.97
x) Cryocontainer & Accessories	Nos.		0.13	0.13	0.17	0.17	0.19	0.18
xi) Industrial Explosives(Cartridge)	MTs		0.50	0.50	0.20	0.20	0.05	0.06
xii) Site Mixed Slurry Explosives	MTs		1.06	1.06	0.99	0.99	0.38	0.42

Note:

- A. i) Licenced Capacity of Refinery is not specified for Assam Oil Division.
ii) Capacity for projects under construction not considered.
iii) Licenced Capacity of Drum plant of Assam Oil Division is not included as the same has been dismantled during the year
- B. As certified by the Management and relied upon by the auditors.
- C. Per year operating in single shift.
- D. i) Represents finished petroleum products.
ii) Excludes crude processed in secondary units for other companies/refiners
- E. Per year operating in two shifts.
- F. Capacity for Detonating Fuse and Cast Boosters have not been shown, being negligible.

SCHEDULE “T” - FINISHED PRODUCTS - QUANTITY AND VALUE PARTICULARS

		Opening Stock		Purchases		Sales		Closing Stock	
		Quantity (MTs in lakh)	Value (Rs. in crore)						
A.									
1	Petroleum Products: MTs								
	Year ended 31.03.08	49.79	12124.52	282.79	98773.16	714.21	220449.52	45.89	13446.61
	Year ended 31.03.07	47.04	12284.03	264.59	84889.58	663.81	198078.40	49.79	12124.52
2	Lubricants & Greases: MTs								
	Year ended 31.03.08	0.47	294.85	0.01	2.18	4.47	4068.33	0.44	275.43
	Year ended 31.03.07	0.50	285.03	0.01	11.25	4.11	3486.80	0.47	294.85
3	Crude Oil: MTs								
	Year ended 31.03.08	0.00	0.00	88.25	20100.02	88.25	20100.02	0.00	0.00
	Year ended 31.03.07	0.00	0.00	86.41	17352.11	86.41	17352.11	0.00	0.00
4	Base Oil & Additives: MTs								
	Year ended 31.03.08	0.00	0.00	0.63	173.62	0.63	206.63	0.00	0.00
	Year ended 31.03.07	0.00	0.00	0.43	127.75	0.43	150.96	0.00	0.00
5	LAB: MTs								
	Year ended 31.03.08	0.09	33.32	0.00	0.00	1.36	1022.65	0.06	25.29
	Year ended 31.03.07	0.10	62.76	0.00	0.00	1.22	942.89	0.09	33.32
6	PX/PTA MTs								
	Year ended 31.03.08	0.13	48.51	0.00	0.00	3.92	1666.47	0.24	105.57
	Year ended 31.03.07	0.00	0.00	0.00	0.00	1.83	867.79	0.13	48.51
	SUB TOTAL(A): MTs								
	Year ended 31.03.08	50.48	12501.20	371.68	119048.98	812.84	247513.62	46.63	13852.90
	Year ended 31.03.07	47.64	12631.82	351.44	102380.69	757.81	220878.95	50.48	12501.20

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SCHEDULE "T" - FINISHED PRODUCTS - QUANTITY AND VALUE PARTICULARS (Contd.)

	Opening Stock		Purchases		Sales		Closing Stock		
	Quantity (MTs in lakh)	Value (Rs. in crore)							
B.									
1 Gas:	MBTUs								
Year ended 31.03.08	1.57	2.67	903.61	2007.63	903.36	2088.81	1.82	3.65	
Year ended 31.03.07	0.52	0.82	771.53	1648.08	770.48	1746.05	1.57	2.67	
2 Explosives:	MTs								
Year ended 31.03.08	0.00	0.36	0.00	0.00	0.43	93.80	0.00	0.42	
Year ended 31.03.07	0.00	0.59	0.00	0.00	0.48	91.86	0.00	0.36	
3 Cryocontainers/ Cryovessels:	Nos								
Year ended 31.03.08	0.01	1.36	0.00	0.00	0.17	30.56	0.03	3.83	
Year ended 31.03.07	0.01	1.50	0.00	0.00	0.18	32.52	0.01	1.36	
4 Others									
Year ended 31.03.08	0.00	0.08	0.00	0.00	0.00	78.31	0.00	0.07	
Year ended 31.03.07	0.00	0.08	0.00	0.00	0.00	77.03	0.00	0.08	
SUB TOTAL(B):									
Year ended 31.03.08		4.47		2007.63		2291.48		7.97	
Year ended 31.03.07		2.99		1648.08		1947.46		4.47	
GRAND TOTAL(A+B):									
Year ended 31.03.08		12505.67		121056.61		249805.10		13860.87	
Year ended 31.03.07		12634.81		104028.77		222826.41		12505.67	

SCHEDULE "U" - CONSUMPTION PARTICULARS OF RAW MATERIALS, STEEL COILS/SHEETS/ STORES/SPARE PARTS AND COMPONENTS

	Imported		Indigenous		Quantity	Total
	Value (Rs. in Crore)	% to total con- sump- tion	Value (Rs. in Crore)	% to total con- sump- tion	MTs (in Lakh)	(Rs. in Crore)
March-08						
Crude Oil	86,410.50	87	13,087.89	13	472.23	99498.39
Base Oil	2.21	0	1,206.99	100	3.88	1209.20
Ethanol	0.00	0	444.05	100	1.15	444.05
MTBE	0.00	0	11.51	100	0.09	11.51
BENZENE	0.00	0	5.28	100	0.02	5.28
Natural Gas/RLNG	0.00	0	598.18	100	5.33	598.18
Additives	33.90	12	243.31	88	0.29	277.21
Packing Materials Consumed	0.00	0	236.48	100	0.15	236.48
Steel Coils/Sheets/Stores/ Component and Spare Parts	86.89	15	511.66	85	0.07	598.55
Raw Material for Explosives	9.60	15	55.84	85	0.38	65.44
Others	0.90	9	9.66	91		10.56
March-07						
Crude Oil	75,097.82	86	11,737.90	14	438.40	86835.72
Base Oil	4.64	0	1,388.79	100	3.77	1393.43
Ethanol	0.00	0	196.86	100	0.48	196.86
MTBE	7.32	17	35.97	83	0.09	43.29
BENZENE	0.00	0	34.17	100	0.09	34.17
Natural Gas/RLNG	0.00	0	543.39	100	5.20	543.39
Additives	34.57	14	216.40	86	0.31	250.97
Packing Materials Consumed	0.00	0	214.88	100	0.13	214.88
Steel Coils/Sheets/Stores/ Component and Spare Parts	87.25	18	394.85	82	0.07	482.10
Raw Material for Explosives	17.70	28	45.41	72	0.35	63.11
Others	1.34	8	14.79	92		16.13

Note:

- Consumption excludes value adjustments if any, shown under items pertaining to the prior period.
- Indigenous Base Oil includes Rs.770.65 crore (2007: Rs.817.25 crore) which is internally produced.



IndianOil

SCHEDULE “V” - EXPENDITURE IN FOREIGN CURRENCY FOR ROYALTY, KNOW-HOW, PROFESSIONAL & CONSULTATION FEES, GOODS FOR RESALE, INTEREST & OTHER MATTERS

(Rs. in Crore)

	Note	March-08	March-07
1. Royalty		115.95	51.46
2. Professional, Consultation Fees and Technical Service Fees		375.42	38.37
3. Interest		488.69	630.96
4. Purchase of Products		13,602.25	9,592.72
5. Commodity Hedging		87.36	25.25
6. Others	A	2,092.67	1,356.79
TOTAL		16,762.34	11,695.55

Note:

- A. Includes Rs. 1411.09 (2007 : Rs.1051.37 Crore) on account of crude purchases from Indian Companies, payments of which were made in foreign currency.
- B. Expenditure in Foreign Currency has been considered on accrual basis.

SCHEDULE “W” - EARNINGS IN FOREIGN EXCHANGE

(Rs. in Crore)

	Note	March-08	March-07
1. Export of Crude Oil, LAB and Petroleum Products	A	11,421.84	9,068.77
2. Interest		9.98	10.64
3. Income from Consultancy Services		4.01	2.29
4. Income from Royalty		0.30	0.45
5. Commodity Hedging		16.13	43.31
6. Others		1.67	0.77
TOTAL		11,453.93	9,126.23

Note:

- A. Includes Rs.3521.86 crore (2007 : Rs.1346.12 crore) received in Indian Currency out of the repatriable funds of Foreign Customers and other Export Sales through canalising agencies.
- B. Earnings in Foreign Currency has been considered on accrual basis.

SCHEDULE “X” - CIF VALUE OF IMPORTS

(Rs. in Crore)

	Note	March-08	March-07
1. Crude Oil	A	106,261.00	87,346.84
2. Base Oil		4.11	-
3. Additives		36.89	59.32
4. Capital Goods		65.91	107.49
5. Other Raw Materials		7.50	11.11
6. Revenue Stores,Component, Spare and Chemicals		186.11	152.89
TOTAL		106,561.52	87,677.65

Note:

- A. Includes CIF value of Imports made by the Corporation on behalf of Subsidiary Companies Rs. 20276.76 crore (2007 : Rs. 17545.09 crore)
- B. Expenditure in Foreign Currency has been considered on accrual basis.

Schedules

INDIAN OIL CORPORATION LIMITED

SCHEDULE "Y" - BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

		1	1	3	8	8
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 State Code

1	1
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Balance Sheet Date

3	1
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0	3
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2	0	0	8
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II. Capital Raised during the year (Amount in Rs. Crore)

PUBLIC ISSUE	RIGHTS ISSUE										
<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>			N	I	L	<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>			N	I	L
		N	I	L							
		N	I	L							
BONUS ISSUE	PRIVATE PLACEMENT										
<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>			N	I	L	<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>			N	I	L
		N	I	L							
		N	I	L							

III. Position of Mobilisation and Deployment of Funds

(Amount in Rs. Crore)

Total Liabilities	Total Assets																		
<table border="1" style="display: inline-table;"><tr><td>1</td><td>1</td><td>6</td><td>5</td><td>7</td><td>5</td><td>.</td><td>2</td><td>2</td></tr></table>	1	1	6	5	7	5	.	2	2	<table border="1" style="display: inline-table;"><tr><td>1</td><td>1</td><td>6</td><td>5</td><td>7</td><td>5</td><td>.</td><td>2</td><td>2</td></tr></table>	1	1	6	5	7	5	.	2	2
1	1	6	5	7	5	.	2	2											
1	1	6	5	7	5	.	2	2											

Sources of Funds

Paid up Capital	Secured Loans																			
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		1	1	9	2	.	3	7												
		6	4	1	5	.	8	7												
Reserves & Surplus	Deferred Tax Liability																			
<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td>3</td><td>9</td><td>8</td><td>9</td><td>3</td><td>.</td><td>8</td><td>8</td></tr></table>			3	9	8	9	3	.	8	8	<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td>5</td><td>3</td><td>8</td><td>4</td><td>.</td><td>8</td><td>2</td></tr></table>			5	3	8	4	.	8	2
		3	9	8	9	3	.	8	8											
		5	3	8	4	.	8	2												
Unsecured Loans																				
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		2	9	1	0	7	.	3	9											

Application of Funds

Fixed Assets/Intangible Assets (Net) (Incl. Dismantled Capital Stores & C.W.I.P.)	Investments																																		
<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td>4</td><td>1</td><td>9</td><td>4</td><td>2</td><td>.</td><td>0</td><td>4</td></tr></table>			4	1	9	4	2	.	0	4	<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td>2</td><td>1</td><td>5</td><td>4</td><td>6</td><td>.</td><td>2</td><td>8</td></tr></table>			2	1	5	4	6	.	2	8														
		4	1	9	4	2	.	0	4																										
		2	1	5	4	6	.	2	8																										
Finance Lease Receivables	Net Current Assets																																		
<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>3</td><td>1</td><td>.</td><td>0</td><td>1</td></tr></table>							3	1	.	0	1	<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>1</td><td>8</td><td>3</td><td>5</td><td>0</td><td>.</td><td>3</td><td>2</td></tr></table>							1	8	3	5	0	.	3	2									
						3	1	.	0	1																									
						1	8	3	5	0	.	3	2																						
Misc. Expenditure	Accumulated Losses																																		
<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>															N	I	L	<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>															N	I	L
														N	I	L																			
														N	I	L																			

IV. Performance of Company (Amount in Rs. Crore)

Turnover (net)	Total Expenditure																				
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;">2</td> <td style="width: 20px; height: 20px;">2</td> <td style="width: 20px; height: 20px;">4</td> <td style="width: 20px; height: 20px;">4</td> <td style="width: 20px; height: 20px;">2</td> <td style="width: 20px; height: 20px;">8</td> <td style="width: 20px; height: 20px;">.</td> <td style="width: 20px; height: 20px;">1</td> <td style="width: 20px; height: 20px;">4</td> </tr> </table>		2	2	4	4	2	8	.	1	4	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;">2</td> <td style="width: 20px; height: 20px;">4</td> <td style="width: 20px; height: 20px;">1</td> <td style="width: 20px; height: 20px;">0</td> <td style="width: 20px; height: 20px;">4</td> <td style="width: 20px; height: 20px;">6</td> <td style="width: 20px; height: 20px;">.</td> <td style="width: 20px; height: 20px;">8</td> <td style="width: 20px; height: 20px;">5</td> </tr> </table>		2	4	1	0	4	6	.	8	5
	2	2	4	4	2	8	.	1	4												
	2	4	1	0	4	6	.	8	5												
Profit Before Tax	Profit After Tax																				
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;">+</td> <td style="width: 20px; height: 20px;">1</td> <td style="width: 20px; height: 20px;">0</td> <td style="width: 20px; height: 20px;">0</td> <td style="width: 20px; height: 20px;">8</td> <td style="width: 20px; height: 20px;">0</td> <td style="width: 20px; height: 20px;">.</td> <td style="width: 20px; height: 20px;">4</td> <td style="width: 20px; height: 20px;">0</td> </tr> </table>		+	1	0	0	8	0	.	4	0	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;">+</td> <td style="width: 20px; height: 20px;">6</td> <td style="width: 20px; height: 20px;">9</td> <td style="width: 20px; height: 20px;">6</td> <td style="width: 20px; height: 20px;">2</td> <td style="width: 20px; height: 20px;">.</td> <td style="width: 20px; height: 20px;">5</td> <td style="width: 20px; height: 20px;">8</td> </tr> </table>		+	6	9	6	2	.	5	8	
	+	1	0	0	8	0	.	4	0												
	+	6	9	6	2	.	5	8													
Earnings per share in Rs. (Basic and Diluted)	Dividend Rate %																				
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;">5</td> <td style="width: 20px; height: 20px;">8</td> <td style="width: 20px; height: 20px;">.</td> <td style="width: 20px; height: 20px;">3</td> <td style="width: 20px; height: 20px;">9</td> </tr> </table>		5	8	.	3	9	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;">5</td> <td style="width: 20px; height: 20px;">5</td> </tr> </table>			5	5										
	5	8	.	3	9																
		5	5																		

V. Generic Names of Three Principal Products/Services of Company (As per Monetary terms)

Item Code No. (ITC Code)	2 7 1 0
Product Description	Bulk Petroleum Products
Item Code No. (ITC Code)	2 7 0 9
Product Description	Crude Oil
Item Code No. (ITC Code)	2 7 1 0 9 0
Product Description	Lubricants

Cash Flow Statement

annexed to the Balance Sheet for the year ended 31st March, 2008

(Rs. in Crore)

	2007-08	2006-07
A Cash Flow from Operating Activities		
1 Profit Before Tax	10080.40	10485.00
2 Adjustments for:		
Depreciation	2707.93	2631.88
Loss/(Profit) on sale of Assets (Net)	-13.76	14.85
Loss/(Profit) on Investments	377.34	150.42
Amortisation of Capital Grants	-0.92	-0.91
Amortisation of Voluntary Retirement Compensation	0.00	34.06
Amortisation of Premium on Forward Contracts	236.53	113.43
Provision for Probable Contingencies (net)	30.17	31.05
Revenue Grant received in the form of Government Bonds	-18997.00	-13943.21
Provision for Loss in cost of Investment written back	-4.85	-4.94
Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores	283.91	8.03
Profit on sale of ONGC/GAIL shares	0.00	-3224.78
Provision for Diminution in 'Receivable from trust'	0.00	1319.29
Provision for Diminution in 'Receivable from trust' w/back	-59.92	0.00
Provision for Loss on Investments	291.07	177.29
Interest Income on Investments	-1041.78	-681.98
Dividend Income on Investments	-706.52	-648.11
Interest Expenditure	1550.52	1505.50
	-15347.28	-12518.13
B Operating Profit before Working Capital Changes (1+2)	-5266.88	-2033.13
C i) Change in Working Capital: (Excluding Cash & Bank Balances)		
Trade & Other Receivables	-172.47	-1103.82
Inventories	-6245.46	-131.57
Trade and Other Payables	6662.89	1379.88
Change in Working Capital	244.96	144.49
ii) VRS expenditure during the year	0.00	-5.80
	244.96	138.69
D Cash Generated From Operations (B+C)	-5021.92	-1894.44
E Less: Taxes paid	4360.87	1025.17
F Net Cash Flow from Operating Activities (D-E)	-9382.79	-2919.61
G Cash Flow from Investing Activities:		
Sale/Transfer of Assets	219.79	197.02
Sale/Maturity of Investments	9346.52	10022.39
Interest Income on Investments	1086.91	459.88
Dividend Income on Investments	706.52	648.11
Purchase of Assets	-1053.18	-868.43
Finance Lease Receivable	17.72	27.14
Investment in Subsidiaries	-10.07	-1.22
Sale of investments in Joint Venture Companies	0.00	9.17



IndianOil

(Rs. in Crore)

	2007-08	2006-07
Investment/Advance for Investments in Joint Venture Companies	-87.70	-11.47
Expenditure on Construction Work in Progress	-5849.96	-3744.53
Net Cash used in Investing Activities	4376.55	6738.06
H Net Cash Flow From Financing Activities:		
Proceeds from Long-Term Borrowings	522.16	-620.05
Proceeds from/(Repayments of) Short-Term Borrowings	7918.32	969.05
Interest paid	-1722.34	-1594.30
Dividend\Dividend Tax paid	-1813.44	-2468.24
Net Cash Generated/(Used) from Financing Activities:	4904.70	-3713.54
I Net Change in Cash & Cash Equivalents (F+G+H)	-101.54	104.91
J Cash & Cash Equivalents as at end of the Financial Year	824.43	925.97
Less:		
K Cash & Cash Equivalents as at the beginning of Financial Year	925.97	744.17
Add: Transferred on amalgamation of IBP with IOC		76.89
	925.97	821.06
NET CHANGE IN CASH & CASH EQUIVALENTS (J-K)	-101.54	104.91
Notes:		
1. Cash and Cash Equivalents include:		
Cash and Bank Balances		
As per Balance Sheet	824.43	925.97
Total Cash and Cash Equivalents	824.43	925.97
2. The previous year's figures have been regrouped wherever necessary for uniformity in presentation.		

Sd/-
(S. Behuria)
Chairman

Sd/-
(S. V. Narasimhan)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

for **V.K. DHINGRA & CO.**
Chartered Accountants

for **M.M. NISSIM AND CO.**
Chartered Accountants

for **K K S & CO.**
Chartered Accountants

Sd/-
(CA. V.K. DHINGRA)
Partner
M. No. 014467

Sd/-
(CA. SAMIR MEHTA)
Partner
M. No. 043086

Sd/-
(CA. S.L. KOCHAR)
Partner
M. No. 016573

Place : New Delhi
Date : May 28, 2008

Statement Pursuant to Section 212(1)(e)

Statement Pursuant to Section 212(1)(e) of the Companies Act, 1956

	Chennai Petroleum Corporation Limited	Bongaigaon Refinery & Petro- chemicals Limited	IndianOil (Mauritius) Limited (IOML)	Lanka IOC Limited (LIOC)	IndianOil Techno- logies Limited	IOC Middle East FZE
1. The extent of holding Company's interest in the subsidiary at the end of the financial year 31.3.2008 :						
- No. of Shares	77,265,200	148,793,826	4,882,043	400,000,000	550,000	2
- Paid up value of Shares (Rs.Crores)	77.27	148.79	75.67	194.14	0.55	1.22
- Percentage of Holding Company's interest in the total share capital of the subsidiary	51.89%	74.46%	100%	75.12%	100%	100%
(Shares in the Subsidiary Company were registered in the name of the Company and their nominees as indicated)						
2. The net aggregate amount of the profit of the subsidiary company not dealt with in the Company's accounts so far as it concerns the members of the holding Company:						
			Rs. in Crore			
- For the financial year ended 31.3.2008	582.70	219.14	13.68	67.56	0.97	2.08
- For all the previous financial years of the subsidiary	771.07	325.79	10.71	(144.46)	1.33	(0.21)
3. The net aggregate amount of the profit of the subsidiary Company so far as its profits are dealt with in the holding Company's accounts:						
- For the financial year ended 31.3.2008	92.72	52.08	-	-	-	-
- For all the previous financial years of the subsidiary	285.90	373.46	-	-	-	-

Note:

Figures in respect of IOML, LIOC and IOC Middle East FZE are as converted in Indian currency.

Sd/-
(S. Behuria)
Chairman

Sd/-
(S. V. Narasimhan)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

Place : New Delhi
Date : May 28, 2008



IndianOil

Schedule of Fixed Assets (Township, etc.)

Schedule of Fixed Assets (Township) for the year ended 31.3.2008

(Rs. in Crore)

Particulars	Gross Block as on 01.04.2007 (At cost)	Additions during the Year (At Cost)	Transfers from Cnst. W-I-P (At Cost)	Transfers Deduction Reclass. (At Cost)	Gross Block as on 31.3.2008 (At Cost)	Depern./ Amorts. provided during the year	Total Dep. & Amorts. up to 31.3.2008	Net Depreciated Block As on 31.3.2008	Block As on 31.3.2007
	Land Freehold	17.47	14.70	-	(0.86)	31.31	-	-	31.31
Land-Leasehold	6.51	-	-	0.27	6.78	0.13	1.51	5.27	5.13
Bldgs., Roads Etc.	294.86	-	5.85	(1.76)	298.95	4.72	60.88	238.07	237.34
Plant & Mach.	30.40	0.03	-	(0.13)	30.30	1.55	16.26	14.04	15.79
Fur. & Fix.	6.10	0.81	-	(0.23)	6.68	0.31	3.82	2.86	2.48
Drainage, Sewage & Water Supply Sys.	25.59	-	0.30	-	25.89	0.89	16.37	9.52	10.10
Equipments & Appliances	23.56	3.71	0.21	(3.05)	24.43	1.61	10.96	13.47	12.47
Vehicles	2.26	0.62	-	(0.07)	2.81	0.11	2.05	0.76	0.30
Grand Total:	406.75	19.87	6.36	(5.83)	427.15	9.32	111.85	315.30	301.08
Previous Year:	382.88	4.50	32.11	(12.74)	406.75	8.93	105.67	301.08	

Income and Expenditure Account (Township, etc.)

Income and Expenditure Account for the year ended 31st March 2008 on provision of Township, Education, Medical and other Facilities

(Rs. in Crore)

	March-08	March-07
Income:		
1. Recovery of House Rent	2.97	3.92
2. Recovery of Utilities-Power and Water	3.21	2.54
3. Recovery of Transport Charges	0.07	0.10
4. Other Recoveries	4.95	4.89
5. Excess of Expenditure over Income	186.51	187.59
TOTAL:	197.71	199.04
Expenditure:		
1. Salaries, Wages and PF & Gratuity Contribution	57.41	64.94
2. Consumable Stores and Medicines	12.32	12.69
3. Repairs and Maintenance	34.77	27.33
4. Interest	12.98	14.74
5. Depreciation	9.23	8.75
6. Miscellaneous Expenses: Taxes, License Fees, Insurance etc.	12.91	17.07
7. Utilities-Power and Gas	47.67	37.38
8. Rent	0.61	1.76
9. Subsidies for Social & Cultural Activities	5.63	6.74
10. Bus Hire Charges	0.54	0.66
11. Club and Recreation	0.08	0.08
12. Others	3.56	6.90
TOTAL:	197.71	199.04



IndianOil

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31st MARCH 2008.

The preparation of financial statements of Indian Oil Corporation Limited for the year ended 31st March 2008 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 619 (2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 28.05.2008.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619 (3) (b) of the Companies Act, 1956 of the financial statements of Indian Oil Corporation Limited for the year ended 31.03.2008. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to the inquiries of the statutory auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619 (4) of the Companies Act, 1956.

**For and on the behalf of the
Comptroller and Auditor General of India**

**Place : New Delhi
Date : 10/07/08**

**Sd/-
(Saroj Punhani)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-II
New Delhi.**

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March 2008.

Name of the Employee	Designation	Age	Last Employment	Designation in Last Employment	Date of Joining	Qualification	Expe-rience	Remun. Gross Rs.
A) Statement showing the particulars of employees who are in receipt of remuneration of not less than Rs. 24,00,000/- per annum, during the financial year 2007-2008								
A.M. Uplenchwar	Director	59	The Shipping Corporation of India, Bombay	SMNM	08/07/1978	BE(Mech), Cert.in Shipping	29	3,227,289
A.P.K. Kumar	Deputy Manager	53	IOC New Delhi, on casual basis	Jr.Draftsman	17/03/1976	Dip.In Mech.Engg	31	3,351,438
A. Sengupta	General Manager	59	Calcutta Metropolitan Development Authority, Calcutta	Pipeline Engineer	07/06/1976	BE(Civil)	32	2,771,385
Bagyalakshmi Janakiram (Ms)	Deputy Manager	49	Asiatic Oxygen	Steno	19/09/1983	B.Com	28	2,991,833
J.K. Dargan	Office Supdt.	51	India Tourism Development Ltd. New Delhi	Jr.Clerk typist	20/08/1979	M.A.	28	2,738,862
Jagannathan V	Senior Manager	58	-	-	17/10/1978	M.A.	29	2,687,745
Jagdish Parshad	Chargeman	50	-	-	31/10/1984	Std IX	24	2,488,858
Madhavan M S	Assistant Manager	56	NTC, Gujarat	Stenographer	04/07/1980	B.A.	32	3,443,351
Mondal Biswanath	Manager	55	-	-	26/03/1979	B. Com (Hons)	29	4,185,816
Ms. Munki Devi	Executive Secretary	51	-	Junior Steno	16/02/1976	B.A.	32	3,704,260
Peketi Veera Venkata P	Deputy Manager	54	-	-	09/09/1981	B. Com	26	2,675,847
Prakash Paswan	Messenger	53	-	-	06/03/1976	VIII	32	2,445,515
Puri K K	Manager	59	-	-	19/11/1969	Dip. Mech Engg	39	2,689,951
R. K. Singh	Deputy General Manager	59	M/s. Bokaro Steel Ltd. Dhanbad (Bihar)	Pipeline Engineer	13/02/1976	B.Sc.Engg.(Mech)	32	2,717,548
R.P. Pandey	Executive Director	59	R.D.S.O. Ministry of Railway, Lucknow	Astt.Engineer	07/05/1973	B.Sc.Engg.(Mech)	35	2,908,604
S.V. Goel	Executive Secretary	59	National Council of Educational Research & Training New Delhi	Typist Clerk	06/10/1971	M.A	33	2,493,419
S.R. Baskar	General Manager	59	M/s. Associated Engineers Company, Bombay	Pipeline Engineer	07/06/1976	BE(Mech)	32	2,600,781
Vijayakumar K	Deputy Manager	53	National Productivity Council	Clerk / Typist	27/05/1982	B.A.	28	5,033,931
Viswanathan S	Deputy Manager	54	Regl P.F.Office, Madras.	L.D.C.	27/05/1976	B.Sc.	32	3,310,873
B) Statement showing the particulars of employees who are in receipt of remuneration of not less than Rs. 2,00,000/- per month during the part of financial year 2007-2008								
A Minz	Deputy Manager	59	-	-	23/10/1978	B. SC	29	2,525,620
A P Sahay	Technician	37	-	-	01/07/1993	X+ITI(E)	14	1,055,729
A K Mehra	Manager	60	-	-	30/07/1980	BSc.	27	1,669,685
A K Chhabra	TRM	60	Employment Exchange New Delhi	LDC	03/04/1973	M.A. (Pol. Sc.)	36	684,944
A K Mangal	Deputy General Manager	60	-	-	17/12/1971	BSC(ENGG)	35	1,634,530
A Padhy	Deputy General Manager	59	-	-	07/12/1976	BSc. Engg.	30	2,803,629
A U Ghatak	Deputy General Manager	60	-	-	01/05/1973	BE	34	476,496
Abhijeet Ray	Senior Officer	30	-	-	26/04/2002	B TECH (MET)	5	896,306
Adavi A M	Foreman	60	M/s. J Ahmed & Co	Casual Labour	01/07/1972	Std X	35	699,064
Advani M R	Deputy General Manager	53	Friedrich GmbH	Jr Engineer	03/03/1977	BE (Chem)	31	4,082,138
Ahmed Saikia G	Technician	55	-	-	09/04/1975	MATR.ITI	33	1,414,137
Ami Chand	Deputy Manager	60	-	-	04/04/1970	Hr Sec. ITI (Elect)	38	1,571,550
Anal Kanti Sarkar	Executive Secretary	60	-	-	11/04/1975	B.Com	33	1,095,176
Anil S Patel	-	46	-	-	19/07/1979	VIII	27	1,937,330
Ansari N	Deputy Manager	48	-	-	29/03/1984	B Tech - Mech	24	3,054,928
Appana Papa Rao	Manager	60	-	-	16/02/1968	M.A.	39	633,947
Arup Kr. Ganguli	Accounts Officer	60	-	-	15/05/1975	B.Com	33	1,071,312
Asari K A	Senior Foreman	60	-	-	08/06/1977	ITI	31	1,013,533
B Dome	-	60	-	-	24/07/1970	Literate	37	1,710,034
B Mallick	Senior Attendant	60	-	-	14/08/1973	Literate	34	1,659,857
B K Sharma	Office Supdt.	56	-	-	18/08/1980	BSc, LLB	27	1,987,935
B K Sinha	Supdt.	60	-	-	01/03/1965	IA	42	2,991,600
B R Tyagi	Deputy General Manager	60	IIP Dehradun	Jr. Scientific Assistant	20/03/1975	M.Sc	37	954,170
Bagra Gurnam Singh	Sweeper	52	-	-	20/01/1978	VIII	30	1,426,026
Bagwe P R	Accounts Officer	60	The Phoenix Mills Ltd	Clerk	25/09/1975	F.Y. B.Sc.	32	1,068,009
Bansod S S (Ms)	Accounts Officer	55	Tempo Industrial Corpn	Typist Cum Clerk	06/10/1975	Graduate	32	1,941,972
Barad N D	-	43	-	-	31/05/1986	SSC	21	1,124,799
Barua S K M	Senior Officer	60	Dir. of Accts., Assam	Steno	27/08/1971	B.A.	40	216,435
Baruah Nandeswar	Chamberman	51	-	-	11/05/1977	VIII	30	2,056,565
Basfore Tufani	Operator	60	-	NA	01/12/1972	NA	35	240,305
Bhanja Somnath	Deputy Manager	60	-	-	01/11/1972	HSC, LCE	36	606,665
Bhargava G D	Deputy Manager	50	-	Clerk	01/11/1983	Post Graduate (M.A.)	29	2,175,260
Bhatt P A	Senior Manager	56	-	-	06/03/1975	Graduate	32	2,872,553
Bhatt S S	Chargeman	60	Ashish Electronics (P) Ltd	Operator	26/02/1980	Diploma	29	848,966



Name of the Employee	Designation	Age	Last Employment	Designation in Last Employment	Date of Joining	Qualification	Experience	Remun. Gross Rs.
Bhattacharjee Baruneswar	Accounts Officer	59	-	-	04/08/1971	B.A.	35	387,083
Bhattacharya S K	Senior Driver	60	M/s. Pheros & Co. Ltd., Guwahati	Khalasi	01/09/1967	Std VIII	40	1,052,656
Bhola Paswan	Senior Attendant	60	-	-	01/06/1966	V	41	2,588,752
Bilwapada Das	Officer	57	-	-	20/09/1978	B.COM	28	2,121,117
Biswas K	Chief Manager	46	-	-	29/03/1984	B. Sc (Hons), B. Tech (Chem Engg), Dip. in Buss.	24	714,296
Borah Hari Narayan	Accounts Officer	58	-	-	29/08/1975	BCOM	32	1,007,341
Borpuzari Surjya Kr	Office Supdt.	60	-	-	18/01/1973	MATR,ITI	34	487,302
Braham Krishan	Foreman	60	-	-	19/05/1966	Not Available	42	590,215
C D Patel	Executive Assistant	57	-	-	04/06/1979	Diploma In Civil	27	2,470,153
C J Makwana	-	57	-	-	10/03/1977	Matric	30	2,412,390
C P Makhija	Senior Manager	60	-	-	01/07/1971	B.A.	36	2,359,963
C S Lawrence (Mrs.)	Nurse	46	-	-	02/05/1991	HSC	16	760,695
Chakrabarty Niranjan	Office Supdt.	57	-	-	29/07/1970	B.A.	37	1,454,284
Chandra Sekharan	Section Officer	60	-	-	01/04/1966	SSLC	41	719,186
Chandwani S H	Senior Foreman	60	-	-	03/02/1966	SSC	42	1,147,598
Chasmawala B T	Assistant Manager	60	Swastik Mills	Clerk	06/07/1973	SSC 1 st Yr DCE	39	1,453,315
Chauhan H P	-	60	Ministry Of Defence	Staff Duty Clerk	01/08/1985	ITI	22	588,493
Chawla T L	Deputy Manager	60	-	-	28/10/1968	B.A.	40	1,052,213
Chonkar S Y	Deputy Manager	56	-	-	04/02/1970	B.A., LLB	37	893,706
Chopra V K	Senior Manager	60	-	-	10/03/1967	DEE (3 Yrs)	41	1,800,021
D Thakur	Special Yardman	60	-	-	13/09/1969	Literate	38	2,579,444
D J Patel	Engineer	52	-	-	01/12/1977	BSC	29	3,757,448
D N Agrawal	Manager	60	-	-	30/07/1980	BSC	27	1,452,977
D P Shah	Manager	55	-	-	22/07/1982	Diploma	25	5,208,639
Dabhi M A	Section Officer	45	-	-	13/05/1986	SSC	21	1,322,098
Dadlani R N	Accounts Officer	56	All India Radio	Clerk Storekeeper	13/09/1975	Graduate	32	2,495,450
Dal S M	Foreman	54	St Depot Anjar	Muster Clerk	01/11/1975	SSC	31	1,773,825
Darvin David	Chargeman	55	I.O.C.	Casual Khalasi	04/10/1982	VII	35	1,173,207
Das A C	Deputy General Manager	60	Das & Company	Civil Engineer	06/02/1974	BE (Civil), ME (Struct)	36	2,057,234
Das Bhagab A N	Manager	60	-	NA	07/11/1967	NA	40	259,257
Das Bishnu Pada	Manager	60	-	-	08/10/1968	B.A.	40	689,428
Das Manik	Foreman	55	-	-	12/10/1967	SF	41	1,659,904
Debendranath Mondal	Technician	60	-	-	10/04/1980	Dip. in Pathology	28	1,514,412
Debnath Kironmoy	Office Supdt.	60	-	-	06/03/1968	Inter	39	446,098
Debnath R	Foreman	54	-	-	16/11/1977	VII	31	1,908,264
Deoki Devi	Senior Messenger	60	-	-	06/08/1982	Literate	25	1,749,439
Desha Oraov	Deputy Manager	60	-	-	12/08/1977	B.Sc.	30	3,074,033
Deshpande S P	Chief Manager	59	-	-	01/12/1969	B.A.	38	2,446,407
Devadas N	Chargeman	53	I.O.C.	Casual Labour	11/10/1984	VIII	27	112,506
Devkate B S	Senior Foreman	60	M/s. Shroff & Co	Helper	09/06/1970	Std III	41	739,701
Dey Jyotirmoy	Office Supdt.	60	-	-	22/03/1968	Matric	39	253,233
Dhar Partha	Deputy General Manager	59	-	-	14/12/1970	BE (Mech)	37	1,423,517
Dharmar S	Accounts Officer	54	Inst.For Techno Eco.Studies	Research Investigator	20/07/1983	B.A.	28	1,639,242
Dias D	Assistant Manager	60	-	-	27/09/1973	SSC	34	1,418,229
Dilip Kr. Biswas	Executive Secretary	60	-	-	27/10/1975	B.A.	32	1,349,239
Dilip Kumar Dolui	Technician	60	-	-	20/10/1976	Class VIII	32	1,234,678
Dinakaran N	Chief Manager	55	Southern Railways	Jr Chem & Metgl Asst	08/07/1982	B.Sc.	32	1,358,634
Dodeja K D	Operation Officer	60	-	-	26/11/1968	SSC	39	1,052,733
Dokania Prabin Kumar	Deputy Manager	32	-	-	24/10/1997	B. Com, ACA, ICWA	11	388,777
Doloi Gurudas	Deputy Manager	60	-	-	23/10/1973	B. Com	35	304,436
Dr. A K Sen	General Manager	60	-	-	17/02/1975	MBBS	32	2,557,026
Dr. A M Rao	Deputy General Manager	60	Andhra University, Waltair	Research Fellow	06/04/1977	Ph.D	35	910,544
Dr. Borbora S.	Chief Manager	60	-	-	07/05/1973	MBBS	34	522,691
Dutta Phani	Deputy Manager	60	-	-	03/04/1968	Trade cert, NCTVT	39	466,782
Ealy Jacob	Nurse	59	-	-	05/04/1974	SSLC, Nursing & Midwifery	33	3,060,173
Eric Ekka	Executive Secretary	60	-	-	16/09/1972	B.A.	34	469,205
Fernandes A	Foreman	54	-	-	01/03/1974	Std VIII	33	2,132,659
G Padmanabhan	Senior Manager	47	-	-	20/01/1985	B.E.	22	901,315
G S Rawat	-	56	-	-	01/12/1976	VIII	30	3,013,607
G. Horo (Smt.)	Senior Assistant	60	-	-	06/11/1979	B.A. BED	38	1,689,803
George Varkey	Deputy Manager	30	-	-	26/10/1995	BE	11	325,898
Gharat L D	Senior Foreman	60	-	-	02/07/1968	Std IX	39	636,811
Ghavate V P	Section Officer	54	-	-	23/04/1983	Std IV	24	1,246,567
Gogoi Mohendra Nath	-	60	-	-	08/06/1981	VIII	26	380,029
Goswami Sunil	Chief Manager	58	-	-	17/08/1984	BE, Mech	23	1,797,685
H R Sharma	Manager	60	-	-	14/09/1981	B.Sc.	26	212,985
Hankare B L	Senior Operator	60	M/s. Shroff & Co	Contract Labour	19/01/1977	Std V	31	791,260
Hari Baboo	Technician	60	-	-	02/05/1982	VIII	25	273,732

Name of the Employee	Designation	Age	Last Employment	Designation in Last Employment	Date of Joining	Qualification	Experience	Remun. Gross Rs.
Harsheep Arora	Deputy Manager	32	-	-	06/11/1997	B.Com (H), CA	11	367,105
Hasmukh M Patel	-	49	-	-	16/05/1979	VIII	28	2,806,693
Hazarika Purnajyotee	Chief Manager	60	-	-	28/09/1984	MBA, BE	23	215,979
Hegde C	Manager	60	-	-	28/08/1974	B.A., LLB	33	1,234,616
Henry S	Deputy Manager	60	-	-	28/04/1966	SSLC	41	574,456
J Kalita	Senior Officer	56	Hindi Trg. College	Typist	16/11/1977	B.A.	31	2,416,121
J K Asthana	Senior Engineer	60	-	-	01/11/1967	HSC	39	814,244
Jadhav D N	-	57	Military Artillary	Operator (Wireless)	19/06/1985	Std X	22	1,255,844
Jain R P	Manager	60	-	-	15/02/1966	B.A.	42	1,584,555
Jaipal Singh	Record Keeper	59	Defence	Subedar	10/09/1974	Matric	39	1,886,829
Jamuna Prashad	Manager	60	-	-	05/02/1979	B.A., ITI	29	221,512
Jayakumar	Section Officer	60	-	-	01/01/1967	SSLC	40	475,568
Jayant Sarkar	Deputy Manager	32	-	-	17/12/1991	B.E.	17	2,523,084
Jha H N	Senior Foreman	60	-	-	01/11/1965	HSC, LCE	42	1,056,297
Jha Ram Kishore	Foreman	60	-	-	06/05/1966	Std V	42	738,083
Jogendra Pal	Manager	60	-	-	17/12/1982	M. Sc. (Chem)	26	1,492,377
Jyrwa E L C (Ms)	Manager	53	-	-	03/07/1978	B.A. (Pub. Admn.) / PG Dip. In Personnel Mgt.	30	3,175,911
K B Vasava	-	56	-	-	05/07/1979	Matric	28	1,983,385
K K Maity	Deputy Manager	57	-	-	10/03/1980	MCOM, PGDPM(HR), LLB	27	4,737,204
K NS Nair	Deputy Manager	60	-	-	08/11/1966	ITI+SSC	40	1,014,758
K S Chauhan	Deputy Manager	55	M/s. Jwala Fabrics - Rampur	Supervisor	09/10/1981	M.A., LLB	27	1,933,476
K Srihari	Senior Engineer	30	-	-	17/08/2000	BE	6	494,948
Kadam N B	Foreman	60	Indian Army	Nk	01/01/1981	Std IX	43	917,882
Kalavati L (Ms)	Deputy Manager	60	Maharashtra Govt Housing Dept	Typist	22/02/1971	M.A.	37	1,481,451
Kanai Lal Das	Deputy Manager	60	-	-	26/04/1974	B.Sc.	34	1,535,534
Kanchan C S	Assistant Manager	57	-	-	26/04/1974	B. Com.	33	1,418,507
Kangal Ch. Das	Driver	60	-	-	17/07/1972	B.Com.	36	638,797
Karkhanis S Y	Deputy Manager	60	Indian Hume Pipe Co Ltd	Clerk	19/10/1973	M.A.	34	1,169,300
Keikar D R	Manager	60	-	-	02/05/1974	D Man Civil, B.A.	34	1,245,889
Khadtale S A	Senior Foreman	60	-	-	01/12/1967	SSC	40	1,000,452
Khanna B S	Operation Officer	57	Asso Instmnt Mfrs (I) (P) Ltd	Typist	31/07/1972	F.Y. B. Com.	35	1,589,482
Kishan Chand	Technician	60	Escorts Ltd. Faridabad	Messenger	22/01/1974	Matric	35	325,417
Konwar Promod	Junior Accountant	53	-	-	26/02/1974	B.Com.	34	2,171,068
Korde K M	Senior Operator	60	M/s. Shroff & Co	Contract Labour	26/12/1981	Std IX	26	510,188
Krishnan L K (Ms)	Senior Manager	57	-	-	13/05/1968	B.A.	39	2,249,314
Kuldeep Berry	General Manager	60	-	-	09/02/1970	B.Sc. Engg.	37	1,811,980
Kumar P Rao	Accounts Officer	53	M/s. Uttam Singh Kesar Singh	Typist Cum Clerk	12/01/1980	Graduate	28	2,367,125
L B Sharma	Manager	60	-	-	03/12/1973	M.A., LLB	34	546,596
Lakshmi Kanta Maity	Officer	60	-	-	09/06/1973	B.A.	35	1,370,311
Lalita Devi (Smt.)	Senior Teacher	60	-	-	25/01/1973	B.Sc., B.Ed, M.Sc.	34	3,114,899
Lailita Prasad	Deputy Manager	60	-	-	20/09/1982	B.Sc.	25	291,243
Lawrence L K	Assistant Manager	56	BHEL, Bhopal	Artisan	10/01/1980	HS, ITI, NCTVT	38	2,217,592
Laxminarayan	Senior Assistant	60	-	-	02/05/1986	Higher Secondary	22	496,046
Leela Shankar	Deputy Manager	57	-	-	15/04/1982	SSLC, ITI	25	1,305,261
Lingam S	Senior Foreman	60	I.O.C.	Casual Labour	16/04/1970	-	39	235,240
Lutori Lal	Foreman	60	-	-	05/07/1971	Not Available	37	705,406
M M Husain	-	60	-	-	11/10/1965	IX +ITI	42	2,493,460
M C Patel	Operator	55	-	-	19/05/1979	XII	28	2,872,299
M D Kaushik	CEO - IOF	60	-	-	11/06/1976	BSc. Engg.	31	2,416,916
M K Patel	Operator	60	-	-	28/05/1983	MATRIC	24	735,411
M. S. Ghosh (Smt.)	Senior Assistant	60	-	-	17/03/1970	B.A. Basic Trained	37	3,607,570
Mahaboob Basha	Foreman	44	-	-	23/12/1988	B.A., ITI	19	330,171
Mahanag S N	Assistant Manager	54	-	-	09/02/1977	B.Com.	31	3,395,573
Mahanta J N	General Manager	60	-	-	01/11/1969	B.Sc. Engg	38	203,895
Mahesh Ch. Gupta	-	48	-	-	12/08/1986	B.Com,	21	1,229,424
Majumdar Bipradas	Assistant Manager	60	-	-	03/11/1969	B.Sc.	39	503,650
Majumdar Sujit	Assistant Manager	55	-	-	15/10/1979	HS, ITI (Elec)	29	2,499,235
Manjusha Bhatnagar	Chief Manager	49	-	-	01/10/1982	MBA	25	1,175,114
Maurya R A	Foreman	60	-	-	05/04/1966	IX	42	425,331
Md. Ali Imam	Technician	60	-	-	12/07/1967	Literate	40	2,871,530
Md. Nizamuddin	Engineer	60	-	-	13/09/1969	X + BCC I st Class	38	2,556,961
Mekde S Y (Ms)	Accounts Officer	58	M/s. Filfabs (India) Corpn	Typist Cum Clerk	19/11/1973	Graduate	34	1,380,758
Mhasde K R	Foreman	56	-	-	03/07/1974	SSC	31	1,533,356
Mishra A C	Deputy General Manager	48	-	-	14/03/1984	B. Tech.	23	714,086
Misra Bishnu Deo	Foreman	60	-	-	12/10/1967	Std VIII	40	269,521
Mohan Das	Deputy General Manager	60	-	-	09/02/1970	B.Sc, PG Dip.	37	1,034,190
Mohan K Bhangji	-	53	-	-	04/03/1980	V	27	1,669,261
Mone J L	Manager	54	Esso Eastern Inc	Temporary Clerk	24/12/1973	Graduate	34	3,027,607



Name of the Employee	Designation	Age	Last Employment	Designation in Last Employment	Date of Joining	Qualification	Experience	Remun. Gross Rs.
More N G	Senior Operator	60	Indian Army	Sepoy	30/06/1982	Std V	25	531,449
Moti Prasad	-	60	-	-	01/03/1966	VII	41	3,002,651
Murthy A	Manager	60	Dist. Police Office Madras.	415	16/03/1967	B.Com	41	618,310
Muthuramalingam	Senior Foreman	57	-	-	24/01/1976	M.A.	31	1,073,828
N K Bajaj	Executive Secretary	54	-	-	21/09/1978	B.A.	28	5,182,252
N S Subbaraman	Chief Manager	55	-	-	04/08/1980	B.Tech	26	5,286,736
Narendra Nath Guni	Manager	60	-	-	05/03/1974	B.Sc.	34	2,480,934
Narsule S V	Senior Foreman	60	-	-	28/04/1966	SSC	41	848,884
Nath Anil Kumar	Driver	51	-	NA	14/11/1979	HSLC	28	1,722,767
Nirbhavane V S	Senior Driver	56	M/s. Shroff & Co	Contract Labour	09/05/1974	Std IX	33	679,115
Om Prakash Sharma	-	60	-	-	25/02/1967	Std IX	41	3,507,798
P L Madan	Executive Secretary	60	-	-	06/08/1974	M.A.	32	1,165,192
P Mukundan	General Manager	60	-	-	01/07/1977	CA	30	1,725,041
P Patnaik	Chief Manager	52	-	-	14/02/1981	B.Sc. Engg.	28	924,187
Pandian E	Senior Attendant	56	-	-	21/08/1974	SSLC	33	1,237,045
Pardesi F R	Foreman	60	-	-	24/01/1974	Std VIII	34	1,039,838
Paul Gobinda Pada	Deputy Manager	60	-	-	17/12/1970	B.A.	38	710,388
Paul Hari Pada	Operator	51	-	-	05/10/1977	IX	30	1,792,756
Pawaskar D D	Accounts Officer	56	-	-	23/06/1980	Graduate	27	1,826,047
Peter Kujur	Supdt.	54	-	-	07/04/1977	B.A.	30	3,528,893
Phukan Robin	Security Guard	51	-	-	10/10/1985	VIII	22	938,678
Pillai B C	Chargeman	48	M/s. Shroff & Co	Contract Labour	05/02/1980	Std IV	28	1,339,055
Pradip Roy	Senior Manager	60	-	-	21/04/1966	Diploma	41	1,093,827
Pravash Ch. Mandal	Senior Officer	59	-	-	22/11/1973	M.Com	35	1,757,255
Puranik A V (Ms)	Accounts Officer	54	St Columba School	Teacher	27/06/1978	Graduate	29	2,280,712
Puranik V S	Deputy Manager	58	Maharashtra Bldgs & Comns Dept	Clerk	15/10/1973	B.Com., LLB	38	1,805,648
Purohit D K	Accounts Officer	60	Indian Extraction Mills	Asst Operator	29/08/1967	SSC	40	889,861
R K Das	Manager	60	-	-	01/06/1981	B.Sc.	27	3,813,678
R K Sahu	Technician	60	-	-	13/09/1969	VIII	38	2,313,145
R Krishnamoorthi	Deputy Manager	60	-	-	19/05/1981	ITI	26	440,177
R L Pippal	Deputy Manager	60	-	-	06/03/1973	B.A., LLB	34	400,071
R N Sharma	Deputy Manager	60	-	-	18/12/1979	ITI	27	693,522
R S Bhagat	Senior Engineer	60	-	-	30/06/1980	1 st Class Boiler Cert.	27	241,465
R D Thaker	Accountant	48	-	-	17/02/1982	B.COM	25	2,796,982
R G Das	Senior Officer	60	-	-	13/09/1969	X	38	3,808,403
R K Dua	Director, PCRA	60	NPL New Delhi	Research Associate	19/07/1975	M.Tech	36	626,395
R K Gupta	Executive Assistant	55	Bareilly Garrage, Bareilly	Motor Mech. Supervisor	02/08/1982	ITI Dip.	32	3,180,243
R N P Sinha	Officer	60	-	-	14/08/1967	B.Sc.	40	4,627,831
Raghavan P	Manager	60	-	-	29/10/1965	SSLC	43	548,335
Rajib Kr Chaudhuri	Senior Manager	45	-	-	01/02/1985	BSc. Engg.(Chemical)	23	956,484
Ram Prakash	Manager	60	-	-	05/06/1981	B.Sc.	26	429,711
Ramakrishnan	Accounts Officer	51	-	-	26/05/1979	B.Com	28	1,549,037
Ramani V	Manager	47	Binny Limited	Secretary	12/05/1986	B.Com	21	1,617,956
Ramesh Kumar Arya	Deputy Manager	60	-	-	27/08/1975	B.A.	31	1,204,262
Ramjee Paswan	Senior Attendant	60	-	-	13/09/1969	Literate	37	793,023
Ramji Dass	Manager	60	-	-	02/06/1970	M.A.	38	1,580,877
Ranawat C L	Foreman	60	-	-	06/05/1966	Std IX	42	799,092
Rathod M K	Junior Chargeman	60	-	-	06/01/1973	Std IX	35	1,025,143
Rathod N M	Senior Manager	60	-	-	17/01/1973	B.A.	34	983,461
Rathod P M	Assistant	41	-	-	21/04/1986	SSC	21	1,016,174
Ravinder Kumar	Operation Officer	47	-	-	28/11/1979	B.A.	29	260,001
Roy S N	Assistant Manager	54	G.T.Hospital	Jr Clerk	21/01/1975	B.A.	33	2,320,008
Roy Swapna (Ms)	Manager	52	-	-	15/07/1985	B.A.	22	2,624,383
S B Sharma	Deputy Manager	60	-	-	08/08/1987	1 st Class Boiler Cert.	20	445,648
S D Roy	Engineer	56	-	-	26/10/1981	B.Sc.	26	1,878,219
S K Bordloi	Senior Engineer	53	-	-	26/11/1975	B.Sc.	32	2,015,845
S K Heranz	Manager	60	-	-	30/06/1980	1 st Class Boiler Cert.	27	1,494,764
S N Meena	Deputy Manager	60	-	-	20/12/1979	X + NCTVT (Boiler)	28	2,293,730
S Bag	Senior Manager	60	-	-	05/12/1973	(B.SC) BOE + AMIE	34	4,064,969
S C Thakur	-	60	-	-	12/12/1966	Higher Sec.	31	2,049,943
S D Kamra	Senior Manager	60	-	-	06/11/1973	B.A.	33	1,533,498
S H Keswani	Manager	56	-	-	05/05/1980	B.Sc., M.A.	28	3,789,528
S M Mahedirata	Chief Manager	54	-	-	02/07/1982	BE	25	6,098,536
S R Parmar	Deputy Manager	60	-	-	02/06/1970	Matric	36	1,045,642
S. Mazumdar (Smt.)	Senior Teacher	60	-	-	13/01/1973	B.A. B.Ed. M.A.	34	2,364,852
Sadhan Chandra Khan	Manager	60	-	-	06/08/1971	B.Com	36	1,820,537
Saikia Mohesh Ch	Senior Supervisor	55	-	-	20/06/1974	Inter,ITI	33	1,320,702
Saikia Noni Gopal	Deputy General Manager	60	-	-	01/08/1969	B.Sc. Engg.	38	559,872
Saikia P K	Executive Secretary	60	FCI	Steno	08/05/1972	B.A.	35	273,346

Name of the Employee	Designation	Age	Last Employment	Designation in Last Employment	Date of Joining	Qualification	Experience	Remun. Gross Rs.
Salunkhe D D	Accounts Officer	60	Foreign Oil Co Enquiry Commsn	Despatch Clerk (Peon)	01/11/1971	SSC	37	1,035,499
Sampath R	Senior Manager	60	O/OA.E./Industries of Commerce	Works Inspector	06/11/1972	DCE	39	647,712
Samrat Singh	-	60	-	-	13/09/1969	X	38	4,519,569
Sarker Rabindra	Operator	58	-	-	21/02/1968	IX	39	964,681
Sarma B K	Executive Director	60	-	-	27/01/1970	B.Sc. Engg	37	1,251,168
Sarmalkar N N (Ms)	Assistant Manager	51	-	-	03/08/1981	B.A.	26	2,364,073
Satya Ranjan Maiti	Engineer	59	-	-	08/01/1975	B.A.	33	1,209,633
Shaikh H O	Operation Officer	60	-	-	01/01/1969	SSC	39	1,199,228
Shaikh Z D	Chargeman	57	M/s. Shroff & Co	Contract Labour	23/01/1980	Std IX	28	1,371,430
Shankar Mahto	Operator	57	-	-	26/09/1979	B.Sc.	32	2,470,408
Sharma G P	Senior Operator	56	-	-	13/12/1980	SSC	27	1,300,475
Sharma M S	Junior Chargeman	49	-	-	17/04/1985	Std VIII	22	952,351
Sharma T J	Senior Driver	53	Union Construction Co	Driver	17/05/1982	SSC	26	1,549,872
Singh Bhanwar	Assistant	60	-	-	05/05/1986	Higher Secondary	22	824,692
Singh Bharij I	Operator	48	-	-	26/12/1986	B.Sc.	21	1,668,681
Singh Chandanjit	Senior Assistant	60	-	-	24/09/1982	Matric	26	748,584
Singh Dharam	Chargeman	60	-	-	03/02/1984	Middle Pass	24	682,442
Singh K N	Assistant Manager	60	-	-	27/10/1966	B.A., M.A.	42	988,251
Singh Khoob	Chargeman	60	-	-	10/09/1982	High School	26	742,266
Singh Meharwan	Operations Officer	60	-	-	30/04/1982	B.A.	26	957,759
Singh Sukhdev	Senior Foreman	60	-	-	06/04/1966	Std V	42	475,723
Sinha Subrata	Technician	54	-	-	20/06/1974	Matric	33	1,752,639
Siya Ram	Deputy Manager	60	-	-	24/08/1981	ITI	25	858,854
Smt Lalmati Kunwar	Senior Attendant	60	-	-	21/09/1970	Literate	37	3,608,670
Sonowal Rohini	Senior Driver	55	-	-	05/08/1986	VIII, H/V	21	1,391,016
Souza J D	Accounts Officer	56	-	-	25/09/1972	SSC	35	1,850,668
Srestha R S	Foreman	60	-	-	27/09/1976	Std IV	31	1,207,693
Subhash Chander	Assistant Manager	60	-	-	10/01/1969	HR Sec	39	1,171,356
Subhash Rama (Ms)	Deputy Manager	35	-	-	01/08/1994	CA	13	529,600
Subramaniam P	Deputy Manager	60	Richardsons Cruddas	Accounts Clerk	01/04/1971	PUC	40	419,708
Sumbad M K	Accounts Officer	51	Dy AG Office	Typist Cum Clerk	15/11/1980	B. Com	30	2,383,971
Suni Hena	Senior Assistant	56	-	-	17/06/1974	B.A.	33	1,288,436
Suraj Bhan	Senior Operator	50	-	-	16/08/1983	Not Available	25	450,023
Suresh B Patel	Officer	55	-	-	01/01/1981	Diploma	27	3,691,707
Suvarna R M	Assistant Manager	56	-	-	03/05/1972	SSC Draftsmanship	35	2,520,795
Swapan Kumar Das	Deputy Manager	60	-	-	12/09/1975	B.Sc.	33	1,226,965
T N Singhal	Senior Officer	60	-	-	03/11/1981	B.Sc.	26	299,029
T Rambabu	Chief Manager	52	Andhra Pradesh Paper Mills	Shift Mech. Eng.	10/04/1982	B.Tech. (Mechanical)	25	1,851,598
Tarafdar M	Deputy Manager	36	Delta India	Prdn. Exe.	27/10/1995	BE(CHEM)	12	204,112
Tarangkumar M Rana	Deputy Manager	60	-	-	09/11/1978	Diploma In Civil	28	708,634
Tarun Parmar	Manager	37	-	-	06/04/1993	BE	13	257,077
Tejvir Singh	Manager	56	-	-	27/10/1978	M.A.	26	781,666
Teji B D	Assistant Manager	60	M/s. Shroff & Co	Contract Labour	07/08/1973	B.A.	37	1,817,746
Thomas P	Assistant Manager	55	Bombay Hsg & Area Dev Board	Stenographer	16/07/1982	B.Sc., LLB	26	2,463,171
Tilak Raj	Chargeman	56	-	-	15/03/1982	VII Std	26	1,216,978
Upadhyay Jai Narayan	Operator	50	-	-	07/01/1977	IX	31	1,585,165
V K Jha	Senior Officer	60	-	-	07/12/1973	B.A.	34	1,308,138
Vaghela B D	Senior Manager	58	-	-	22/05/1979	BE (Mech), DBM	29	1,396,358
Vani Muralidharan (Ms)	Executive	54	-	-	22/09/1980	M.Sc.	27	2,119,089
Vashist S B	Manager	60	-	-	24/11/1969	SSC, DME	39	1,472,351
Veena (Ms)	Assistant Manager	48	L.I.C.	T/Clerk Temp.	21/08/1984	B.Sc.	25	1,638,332
Verma Kaushal	Deputy Manager	58	-	-	01/07/1975	Graduate	33	1,784,502
Verma S L	Deputy General Manager	60	-	-	14/07/1971	B.A., LLB, LLM, MBA	36	1,793,401
Vinayagam K	Section Officer	54	General Automobiles	Store Assistant	20/03/1972	SSLC	37	1,811,172
Vinod C Patel	Officer	57	-	-	01/01/1981	B.Sc.	26	2,662,039
Wagle V S (Ms)	Manager	55	-	-	20/11/1973	B.A.	34	3,345,942
Walgude P S	Deputy Manager	58	BARC, Trombay	Ldc	17/10/1973	M.A.	34	2,176,475
Wasnik U S (Ms)	Senior Manager	46	-	-	09/05/1984	BE (Mech)	23	2,370,780
Y A Ramarao	Manager	37	-	-	14/09/1994	M.Tech.	13	3,109,440
Yadav N K	Foreman	60	-	-	24/01/1974	SSSC Failed	34	804,025
Z S Sankhla	Manager	60	-	-	09/02/1981	ITI	26	225,796

**Consolidated Accounts
2007-2008**



INDIAN OIL CORPORATION LIMITED
(Group Companies)

Auditors' Report on Consolidated Financial Statements of Indian Oil Corporation Limited, its Subsidiaries and its Joint Ventures



We have examined the attached Consolidated Balance Sheet of Indian Oil Corporation Limited, its subsidiaries and its joint ventures as at 31st March 2008 and the Consolidated Profit and Loss Account annexed thereto for the year ended on that date and the consolidated cash flow statement for the year ended on that date. These financial statements are the responsibility of the Indian Oil Corporation Limited's management and our responsibility is to express an opinion on these financial statements based on our audit.

We conducted the audit in accordance with the auditing standards generally accepted in India which require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiary companies and joint ventures, whose financial statement reflect total assets of Rs. 13,556.19 crore (net) as on March 31, 2008 and total revenue of Rs. 46,498.60 crore for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amount included in respect of the subsidiaries and joint ventures, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" and Accounting Standard (AS) 27, "Financial Reporting of Interests in Joint Ventures", issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of Indian Oil Corporation Limited, its subsidiaries and its joint ventures included in the consolidated financial statements.

We invite attention to Note No.30 regarding impairment loss wherein, we have relied on the estimates and assumptions made by the Company in arriving at recoverable value of assets, which does not qualify our opinion.

On the basis of the information and explanations given to us and on the consideration of separate audit reports on individual financial statements of Indian Oil Corporation Limited, its aforesaid subsidiaries and joint ventures, in our opinion the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Indian Oil Corporation Limited, its subsidiaries and its interests in joint ventures as at 31st March 2008;
- b) In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of Indian Oil Corporation Limited, its subsidiaries and its interests in joint ventures for the year then ended; and
- c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Indian Oil Corporation Limited, its subsidiaries and its interests in joint ventures for the year then ended.

for **V.K. DHINGRA & CO.**
Chartered Accountants

Sd/-
(CA. V.K. DHINGRA)
Partner
M. No. 014467

for **M.M. NISSIM AND CO.**
Chartered Accountants

Sd/-
(CA. SAMIR MEHTA)
Partner
M. No. 043086

for **K K S & CO.**
Chartered Accountants

Sd/-
(CA. S.L. KOCHAR)
Partner
M. No. 016573

Place : New Delhi
Date : May 28, 2008

Balance Sheet
as at 31st March, 2008

(Rs. in Crore)

	Schedule	March-08	March-07
SOURCES OF FUNDS:			
1. Shareholders' Funds:			
a) Share Capital	"A"	1,192.37	1,168.01
b) Share Application Money		0.06	0.00
c) Share Capital Suspense Account	"A-1"	0.00	24.36
d) Reserves and Surplus	"B"	42,427.09	35,351.90
		43,619.52	36,544.27
2. Loan Funds:			
a) Secured Loans	"C"	7,600.47	6,620.82
b) Unsecured Loans	"D"	31,220.46	22,860.30
		38,820.93	29,481.12
3. Deferred Tax Liability (Net) (Rs. 76.42 crore {2007: Rs. 71.18 crore} towards share of jointly controlled entities)		6,113.38	6,059.61
4. Minority Interest		2,200.17	1,697.83
	TOTAL	90,754.00	73,782.83
APPLICATION OF FUNDS:			
1. Fixed Assets & Intangible Assets:			
1.1 Fixed Assets:			
a) Gross Block	"E"	63,511.45	61,257.19
b) Less: Depreciation		26,858.06	24,000.69
c) Less: Impairment Loss		88.59	88.59
d) Net Block		36,564.80	37,167.91
1.2 Intangible Assets:			
a) Gross Block	"E-1"	392.79	371.77
b) Less: Amortisation		135.33	92.26
c) Less: Impairment Loss		1.65	1.65
d) Net Block		255.81	277.86
1.3 Dismantled Capital Stores (Nil {2007 : Rs. 0.76 crore} towards share of jointly controlled entities)		17.62	18.24
1.4 Capital Work-in-Progress	"F"	10,084.90	4,803.64
		46,923.13	42,267.65
2. Goodwill on Acquisition		47.34	62.29
3. Investments	"G"	20,762.51	19,312.03
4. Advances for Investments (Rs. 5.00 crore {2007 : Rs.0.30 crore} towards share of jointly controlled entities)		10.60	4.15
5. Finance Lease Receivables		31.01	48.73
6. Current Assets, Loans and Advances:			
a) Inventories	"H"	37,221.07	28,989.72
b) Sundry Debtors	"I"	5,256.48	5,169.97
c) Cash and Bank Balances	"J"	1,060.22	1,076.73
d) Other Current Assets (Rs. 0.64 crore {2007 : Rs. 0.27 crore} towards share of jointly controlled entities)	"J-1"	791.28	776.10
e) Loans and Advances	"K"	13,939.16	6,289.38
		58,268.21	42,301.90



IndianOil

(Rs. in Crore)

	Schedule	March-08	March-07
APPLICATION OF FUNDS (Contd.):			
7. Less: Current Liabilities and Provisions	"L"		
a) Current Liabilities		33,914.01	27,056.35
b) Provisions		1,499.87	3,315.95
		<u>35,413.88</u>	<u>30,372.30</u>
8. Net Current Assets (6-7)		22,854.33	11,929.60
9. Miscellaneous Expenditure (to the extent not written off or adjusted) (Rs. 0.49 crore {2007 : Rs.1.11 crore} towards share of jointly controlled entities)		125.08	158.38
		<u>90,754.00</u>	<u>73,782.83</u>
10. Notes on Accounts	"Q"		

Sd/-
(S. Behuria)
Chairman

Sd/-
(S. V. Narasimhan)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

for **V.K. DHINGRA & CO.**
Chartered Accountants

for **M.M. NISSIM AND CO.**
Chartered Accountants

for **K K S & CO.**
Chartered Accountants

Sd/-
(CA. V.K. DHINGRA)
Partner
M. No. 014467

Sd/-
(CA. SAMIR MEHTA)
Partner
M. No. 043086

Sd/-
(CA. S.L. KOCHAR)
Partner
M. No. 016573

Place : New Delhi
Date : May 28, 2008

Profit and Loss Account
for the year ended 31st March, 2008

(Rs. in Crore)

	Schedule	March-08	March-07
INCOME:			
1. Sale of Products and Crude		238,453.46	213,278.27
Less: Commission and Discounts		2,473.74	2,107.42
Sale (Net of Commission & Discounts)		235,979.72	211,170.85
Less: Excise Duty		28,575.21	26,710.15
Sale (Net of Commission, Discount & Excise Duty)		207,404.51	184,460.70
2. Subsidy From Government of India (As per scheme)		1,543.91	1,526.92
3. Grant from Government of India (Special Oil Bonds)		18,997.00	13,943.21
4. Increase/(Decrease) in Stocks	"M"	2,799.42	386.22
5. Interest and other Income	"N"	4,613.20	2,763.17
TOTAL INCOME		235,358.04	203,080.22
EXPENDITURE:			
1. Purchase of Products and Crude for resale		89,651.29	75,681.50
2. Manufacturing, Admn., Selling & Other Expenses	"O"	127,784.38	112,407.99
3. Duties (Net)		548.13	544.41
4. Depreciation and Amortisation on:			
i) Fixed Assets		2,998.81	2,872.77
ii) Intangible Assets		42.90	42.83
		3,041.71	2,915.60
b) Impairment Loss on:			
i) Fixed Assets		0.00	53.03
ii) Intangible Assets		0.00	1.65
		0.00	54.68
5. Interest Payments on:			
a) Fixed period loans from Banks/Financial Institutions/Others		385.13	546.14
b) Bonds		108.59	131.45
c) Short term loans from Banks		1,183.44	1,015.12
d) Public Deposits		0.10	0.39
e) Others		126.64	49.91
		1,803.90	1,743.01
6. Deferred Revenue Expenditure written off:		0.04	0.04
TOTAL EXPENDITURE		222,829.45	193,347.23
PROFIT BEFORE EXCEPTIONAL ITEMS, PRIOR YEAR & TAX		12,528.59	9,732.99
EXCEPTIONAL ITEMS			
i) Profit on sale of shares (2007: ONGC)		0.00	3,224.78
ii) Provision for diminution in 'Receivable from Trust'		0.00	(1,319.29)
		0.00	1,905.49
Income/(Expenses) pertaining to prior years (Net)	"P"	(39.91)	(26.76)
PROFIT BEFORE TAX		12,488.68	11,611.72
Less: Provision for Tax			
a) Current Tax		3,851.87	2,553.92
b) Fringe Benefit Tax		32.48	45.07
c) Deferred Tax		53.77	833.38
PROFIT AFTER TAX		8,550.56	8,179.35
Less: Share of Minority Interest		637.82	311.90
PROFIT FOR THE GROUP		7,912.74	7,867.45
Balance brought forward from last year's account		100.02	59.97
PROFIT AVAILABLE FOR APPROPRIATION		8,012.76	7,927.42

Note:

Total Income includes Rs.2074.93 crore (2007 : Rs.1266.58 crore) share of jointly controlled entities.

Total Expenditure includes Rs.1896.58 crore (2007 : Rs.1168.19 crore) share of jointly controlled entities.



IndianOil

(Rs. in Crore)

Schedule	March-08	March-07
APPROPRIATIONS:		
Interim Dividend	0.00	700.80
Final Dividend (Proposed)	685.94	1,566.84
<u>Corporate Dividend Tax on</u>		
Interim Dividend	0.00	98.29
Final Dividend (Proposed)	141.61	308.52
Insurance Reserve Account	10.00	10.00
Bond Redemption Reserve(net)	220.95	(173.02)
General Reserve	1,471.50	5,315.97
Balance carried to Balance Sheet	5,482.76	100.02
	<u>8,012.76</u>	<u>7,927.42</u>
6. a) Earning Per Share (Rupees) (Basic & Diluted)	66.36	65.98
	"Q" (Note no.22)	
b) Face Value Per Share (Rupees)	10/-	10/-
7. Notes on Accounts	"Q"	

Sd/-
(S. Behuria)
Chairman

Sd/-
(S. V. Narasimhan)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

for **V.K. DHINGRA & CO.**
Chartered Accountants

for **M.M. NISSIM AND CO.**
Chartered Accountants

for **K K S & CO.**
Chartered Accountants

Sd/-
(CA. V.K. DHINGRA)
Partner
M. No. 014467

Sd/-
(CA. SAMIR MEHTA)
Partner
M. No. 043086

Sd/-
(CA. S.L. KOCHAR)
Partner
M. No. 016573

Place : New Delhi
Date : May 28, 2008

Schedules

SCHEDULE "A" - CAPITAL

(Rs. in Crore)

	March-08	March-07
Authorised:		
250,00,00,000 Equity Shares of Rs. 10 each	2,500.00	2,500.00
Issued, Subscribed and Paid up:		
119,23,74,306 (2007: 116,80,12,200) Equity Shares of Rs.10 each	1,192.37	1,168.01
Out of which:		
1) Shares allotted as fully paid without payment being received in cash:		
a) Pursuant to the Petroleum Companies Amalgamation Order, 1964: 3,76,49,700 Shares of Rs. 10 each		
b) Pursuant to Gujarat Refinery Project Undertaking (Transfer), (Amendment) Order 1965 : 1,00,00,000 Shares of Rs. 10 each		
2) Shares allotted as fully paid up Bonus Shares by Capitalisation of General Reserve: 106,62,95,000 shares of Rs.10 each		
3) 2,43,62,106 No. of Equity shares of Rs. 10 each issued during the year as fully paid up to the shareholders of erstwhile IBP Co. Ltd. as per the Scheme of amalgamation		
TOTAL	1,192.37	1,168.01

SCHEDULE "A-1" - SHARE CAPITAL SUSPENSE ACCOUNT

(Rs. in Crore)

	March-08	March-07
Share Capital Suspense Account	24.36	24.36
Less: Transferred during the year to Share Capital on allotment of 2,43,62,106 Equity shares of Rs. 10 each issued as fully paid up to the shareholders of erstwhile IBP Co. Ltd. as per the Scheme of amalgamation	24.36	0.00
TOTAL	0.00	24.36
	0.00	24.36

SCHEDULE "B" - RESERVES AND SURPLUS

(Rs. in Crore)

	March-08	March-07
1. Capital Reserve:		
As per last Account	412.31	407.61
On Acquisition	9.82	0.00
Add: Transferred on amalgamation of IBP (includes Rs. 0.03 crore (2007: Rs. 0.03 crore) on account of share of jointly controlled entities)	0.00	4.70
	422.13	412.31
2. Securities Premium Account:		
As per last Account	350.97	262.32
Add: Transferred on amalgamation of IBP (Rs. 42.29 crore (2007: Rs. 19.43 crore) towards share of jointly controlled entities)	0.00	88.65
	350.97	350.97
3. General Reserve:		
As per last Account	33,625.23	27,690.69
Add: Opening Balance Adjustment	(0.87)	191.49
Add: Transferred on amalgamation of IBP	0.00	429.29
Less: Goodwill on amalgamation of IBP	0.00	2.21
Add: Transferred from Profit and Loss Account (Rs.98.52 crore (2007: Rs.97.27 crore) towards share of jointly controlled entities)	1,471.50	5,315.97
	35,095.86	33,625.23
4. Insurance Reserve:		
As per last Account	60.00	50.00
Add: Transferred from Profit and Loss Account	10.00	10.00
	70.00	60.00



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(Rs. in Crore)

	March-08	March-07
5. Export Profit Reserve:		
As per last Account	59.41	59.41
6. Capital Grants:		
As per last Account	14.24	13.41
Add: Received/(written Back) during the year	(0.41)	1.74
Less: Amortised during the year	0.92	0.91
	12.91	14.24
7. Bond Redemption Reserve Account:		
As per last Account	760.53	933.55
Add: Provision during the year	252.55	251.87
Less: Write-back of provision on redemption of bonds (Rs.8.00 crore {2007: Rs.6.00 crore} towards share of jointly controlled entities)	31.60	424.89
	981.48	760.53
8. Profit and Loss Account:		
As per Annexed Account	5,482.76	100.02
9. Devaluation Exchange Difference Reserve:		
As per last Account	(30.81)	(4.03)
Add: Opening balance adjustment	0.00	(1.17)
Add: Transferred on amalgamation of IBP	0.00	0.73
Add: Translation difference	(17.62)	(26.34)
	(48.43)	(30.81)
TOTAL	42,427.09	35,351.90

SCHEDULE "C" - SECURED LOANS

(Rs. in Crore)

	March-08	March-07
1. Bonds		
a) Non-Convertible Redeemable Bonds - Series - V	284.40	316.00
b) Non-Convertible Redeemable Bonds - Series - VI	1,000.00	1,000.00
c) Non-Convertible Redeemable Bonds - Series - VII B	500.00	500.00
Total of (1)	1,784.40	1,816.00
2. Loans and Advances from Banks:		
i) Working Capital Demand Loan	254.72	95.09
Interest accrued and due on above	0.00	0.00
Total of (i)	254.72	95.09
ii) Term Loan	683.09	687.75
Interest accrued and due on above	0.12	3.09
Total of (ii)	683.21	690.84
iii) Cash Credit	2,152.85	1,557.67
Interest accrued and due on above	0.00	2.52
Total of (iii)	2,152.85	1,560.19
iv) Foreign Currency Loans	100.29	108.70
Total of (2)	3,191.07	2,454.82
3. Loans and Advances from Others:		
i) Loan through Collateralized Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd (CCIL)	2,625.00	2,350.00
TOTAL	7,600.47	6,620.82

Note:

Includes Rs. 361.05 crore (2007 : Rs. 265.08 crore) share of jointly controlled entities.

Schedules

SCHEDULE "D" - UNSECURED LOANS

(Rs. in Crore)

	March-08	March-07
1. Public Deposits:	1.54	4.09
2. Short Term Loans and Advances:		
i) From Banks & Financial Institutions:		
a) In Foreign Currency US \$ 2177.41 Million, (2007 : US \$ 1993.98 Million)	9,130.23	9,013.33
b) In Rupee	11,827.12	3,443.30
Total of (2)(i)	20,957.35	12,456.63
ii) Export Packing Credit:		
In Foreign Currency US \$ NIL (2007 : US \$ 120 Million)	0.00	521.76
Total of (2)	20,957.35	12,978.39
3. Other Loans and Advances:		
A) From Banks/Financial Institutions:		
i) In Foreign Currency		
a) Canara Bank: (2007 :US \$ 200 Million)	0.00	869.60
b) BNP Paribas Syndication: US \$ 300 Million (2007 : US \$ 300 Million) (US \$ 50 million repayable in Jan' 2011, US \$ 25 million in Feb' 2011, US \$ 100 Million in Mar' 2011, US \$ 50 million in Apr' 2011, US \$ 25 million in each of the months of May 2011, June 2011 and July 2011).	1,203.45	1,304.40
c) 6.12% Senior Notes (Bank of America) (US \$ 300 Million repayable, US \$ 100 Million in Aug 2016 US \$ 100 Million in Aug 2017 & US \$ 100 in Aug 2018)	1,203.45	0.00
d) BNP Paribas Syndication:US \$ 200 Million (2007 :US \$ 200 Million) (Repayable in equivalent JPY US \$ 70 Million in January 2010, US \$ 60 Million in February 2010 and US \$ 70 Million in March 2010)	802.30	869.60
e) Leaseplan North America Inc: US \$ 42.57 million (2007: US \$ 48.25 million) (fully guaranteed by Export Import Bank of US and repayable in 20 half yearly installment w.e.f. March 2006.) (amount repayable within one year Rs.22.77 crore)	170.80	209.81
Total of 3. A i)	3,380.00	3,253.41
ii) In Rupee		
a) Citibank Bank (repayable in 4 equal half yearly instalment w.e.f. November 2006, amount repayable within one year Rs.50 crore)	50.00	150.00
b) Corporation Bank (repayable in June 2008)	300.00	300.00
c) Union Bank of India (repayable in August 2008)	500.00	500.00
d) IDBI (repayable in October 2014.)	500.00	500.00
e) IDBI (repayable in 5 equal half yearly instalments w.e.f. May'06. Amount repayable within one year Rs.100 crore)	100.00	300.00
f) State Bank of India (repayable in March 2009) Add: Interest accrued and due	500.00 2.29	500.00 2.29
	502.29	502.29
g) Others	12.52	19.49
Total of 3. A ii)	1,964.81	2,271.78
B) From Others:		
OIDB	4,916.76	4,352.63
Total of 3.	10,261.57	9,877.82
TOTAL	31,220.46	22,860.30

Note:

Includes Rs. 9.74 crore (2007 : Rs.1.87 crore) share of jointly controlled entities.



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SCHEDULE "E" - FIXED ASSETS

(Rs. in Crore)

	At Cost						Depreciation and Amortisation for the year	Deduction on account of retirement/ reclassifications	Total Depreciation and Amortisation up to 31-Mar-08	Impairment Loss for the year	Total Impairment Loss up to 31-Mar-08	Net Depreciated Block	
	Gross Block as at 1-Apr-07	Additions during the year	Transfers from Construction Work-in-Progress	Disposals During the year	Transfers/ Deductions/ Reclassifications	Gross Block as at 31-Mar-08						As at 31-Mar-08	As at 31-Mar-07
Land - Freehold	985.95	48.58	0.00	(2.02)	(3.29)	1,029.22	0.00	0.00	0.00	0.00	0.00	1,029.22	985.95
- Leasehold	441.08	13.09	0.38	(0.15)	(4.22)	450.18	8.35	(0.06)	66.89	0.00	0.00	383.29	382.35
Buildings, Roads etc.	5,893.89	127.71	270.02	(9.97)	(1.81)	6,279.84	173.32	(5.06)	1,168.68	0.00	0.00	5,111.16	4,893.97
Plant and Machinery	52,818.46	1,071.31	1,010.39	(99.21)	(249.92)	54,551.03	2,767.80	(131.78)	24,918.44	0.00	88.59	29,544.00	30,425.73
Transport Equipments	343.33	28.14	10.03	(2.91)	(2.72)	375.87	17.73	(3.74)	281.01	0.00	0.00	94.86	76.27
Furnitures and Fixtures	242.84	30.60	2.86	(3.83)	(0.51)	271.96	14.93	(2.88)	139.15	0.00	0.00	132.81	115.54
Railway Sidings	225.42	0.00	0.00	(4.97)	(0.38)	220.07	9.57	(2.00)	119.47	0.00	0.00	100.60	113.55
Drainage, Sewage and Water Supply System	306.22	0.30	1.96	0.00	24.80	333.28	11.24	(0.05)	164.42	0.00	0.00	168.86	174.55
Total	61,257.19	1,319.73	1,295.64	(123.06)	(238.05)	63,511.45	3,002.94	(145.57)	26,858.06	0.00	88.59	36,564.80	37,167.91
Previous Year	51,552.13	1,059.82	9,099.85	(222.19)	(232.42)	61,257.19	2,925.66	(224.32)	24,000.69	53.03	88.59	37,167.91	

Note: Net Fixed Assets includes Rs. 480.81 crore (2007: Rs. 484.01 crore) share of jointly controlled entities.

SCHEDULE "E-1" - INTANGIBLE ASSETS

(Rs. in Crore)

	At Cost						Amortisation for the year	Deduction on account of retirement/ reclassifications	Total Amortisation upto 31-Mar-08	Impairment Loss for the year	Total Impairment Loss up to 31-Mar-08	Net Block	
	Gross Block as at 1-Apr-07	Additions during the year	Transfers from Construction Work-in-Progress	Disposals During the year	Transfers/ Deductions/ Reclassifications	Gross Block as at 31-Mar-08						As at 31-Mar-08	As at 31-Mar-07
Right of Way	27.82	11.47	0.00	0.00	(2.07)	37.22	0.02	0.15	0.00	0.00	0.00	37.07	27.70
Licenses	282.02	0.15	0.00	0.00	0.00	282.17	27.84	0.00	79.08	0.00	1.65	201.44	229.16
Computer Software	61.93	8.88	2.58	0.00	0.01	73.40	15.06	0.15	56.10	0.00	0.00	17.30	21.00
Total	371.77	20.50	2.58	0.00	(2.06)	392.79	42.92	0.15	135.33	0.00	1.65	255.81	277.86
Previous Year	212.89	11.01	146.73	(0.47)	1.61	371.77	42.81	0.05	92.26	1.65	1.65	277.86	

Note: Net Intangible Assets includes Rs. 2.21 crore (2007 : Rs. 1.89 crore) share of jointly controlled entities.

SCHEDULE "F" - CAPITAL WORK-IN-PROGRESS

(Rs. in Crore)

	March-08	March-07
1. Construction Work-in-Progress - Fixed Assets (including unallocated capital expenditure, materials at site) Less: Provision for Capital Losses	4,364.64 <u>47.21</u>	2,733.69 <u>47.16</u>
2. Advance for Capital Expenditure Less: Provision for Doubtful Advance	4,096.54 <u>0.49</u>	2,686.53 <u>10.49</u>
3. Capital Stores Less: Provision for Capital Losses	731.01 <u>0.97</u>	488.53 <u>1.83</u>
4. Capital Goods-in-Transit		486.70
5. Construction period expenses pending allocation: Balance as at beginning of the year Less: Opening Balance Adjustment Add: Net Expenditure during the year (Sch. "F-1") Less: Allocated to Assets during the year	224.85 (0.37) 271.36 <u>495.84</u> <u>15.51</u>	990.42 (41.74) 415.25 <u>1,363.93</u> <u>1,139.08</u>
6. Work-in-Progress - Intangible Assets (including unallocated capital expenditure) Less: Provision for loss	361.43 <u>33.94</u>	224.85 <u>33.95</u>
TOTAL	10,084.90	4,803.64

Note:

Includes Rs. 217.96 crore (2007 : Rs. 90.76 crore) share of jointly controlled entities.

Schedules

SCHEDULE "F-1" - CONSTRUCTION PERIOD EXPENSES (NET) DURING THE YEAR

(Rs. in Crore)

	March-08	March-07
1. Payments to and Provision for Employees	67.64	40.91
2. Repairs & Maintenance	2.56	1.50
3. Consumption of Stores & Spares	0.07	0.07
4. Power & Fuel	3.72	0.62
5. Rent	1.74	1.29
6. Insurance	17.29	10.51
7. Rates & Taxes	0.12	0.14
8. Travelling Expenses	14.00	6.35
9. Communication Expenses	1.19	0.67
10. Printing & Stationery	0.40	0.35
11. Electricity & Water Charges	2.65	1.12
12. Bank Charges	2.47	0.75
13. Technical Assistance Fees	0.03	0.02
14. Exchange Fluctuation	0.00	4.42
15. Interest	174.92	115.71
16. Depreciation and Amortisation on:		
a) Fixed Assets	5.85	11.30
b) Intangible Assets	0.02	0.00
17. Start up/Trial Run Expenses	0.00	5.81
18. Others	22.77	225.24
Total Expenses	317.44	426.78
Less: Recoveries	46.08	11.53
Net Expenditure during the year	271.36	415.25

SCHEDULE "G" - INVESTMENTS

(Rs. in Crore)

	March-08	March-07
I. LONG TERM INVESTMENTS:		
1. QUOTED:	1,904.73	1,904.73
2. UNQUOTED:		
i) Oil Companies GOI SPL Bonds	2,387.45	2,387.45
ii) In Government - Securities	164.95	178.45
iii) In Joint Venture Companies	22.69	21.09
iv) In Subsidiary Companies	0.00	0.00
v) In Others	369.45	361.73
	4,849.27	4,853.45
II. CURRENT INVESTMENTS (UNQUOTED):		
i) Oil Companies GOI SPL Bonds	16,379.48	14638.59
Less: Provision for Diminution	466.24	180.01
	15,913.24	14,458.58
Total: I and II	20,762.51	19,312.03

Note:

Includes Rs.93.86 crore (2007: Rs.73.24 crore) share of jointly controlled entities Investments not included



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SCHEDULE "H"- INVENTORIES

(Rs. in Crore)

	March-08	March-07
1. In Hand:		
a. Stores, Spares etc.	1,364.42	1,236.47
Less: Provision for Losses	84.89	81.20
	1,279.53	1,155.27
b. Raw Materials	9,574.98	6,901.07
c. Finished Products	16,024.20	14,342.96
d. Stock in Process	2,726.37	1,908.59
e. Work-in-Progress - Construction Contracts	205.37	37.54
f. Barrels and Tins	16.14	11.63
Total (1)	29,826.59	24,357.06
2. In Transit:		
a. Stores & Spares	82.51	78.06
b. Raw Materials	6,829.42	4,372.44
c. Finished Products	482.55	182.16
Total (2)	7,394.48	4,632.66
TOTAL	37,221.07	28,989.72

Note:

Includes Rs. 337.71 crore (2007 : Rs. 129.58 crore) share of jointly controlled entities.

SCHEDULE "I" - SUNDRY DEBTORS

(Rs. in Crore)

	March-08	March-07
1. Over Six Months:		
i) Unsecured, Considered Good	63.66	33.63
ii) Unsecured, Considered Doubtful	543.90	252.03
Total (1)	607.56	285.66
2. Other Debts:		
i) Secured, Considered Good	143.56	6.36
ii) Unsecured, Considered Good	5,049.26	5,129.98
iii) Unsecured, Considered Doubtful	3.07	2.47
Total (2)	5,195.89	5,138.81
Total : (1+2)	5,803.45	5,424.47
Less: Provision for Doubtful Debts	546.97	254.50
TOTAL	5,256.48	5,169.97

Note:

Includes Rs. 140.89 crore (2007 : Rs. 136.45 crore) share of jointly controlled entities.

Schedules

SCHEDULE “J” - CASH AND BANK BALANCES

(Rs. in Crore)

	Note	March-08	March-07
1. Cash Balances			
a) Cash Balances including imprest		115.09	71.09
b) Cheques in hand		748.02	726.45
		863.11	797.54
2. Bank Balances with Scheduled Banks:			
a) Current Account		103.93	210.96
b) Fixed Deposit Account		47.47	24.73
c) Call Deposit Account		44.67	42.46
d) Blocked Account		0.16	0.16
		196.23	278.31
3. Bank Balances with Non-Scheduled Banks:			
a) Current Account	A		
Myanmar Economic Bank Branch (5), Rangoon [Maximum balance during the year - Rs.0.88 crore]		0.88	0.88
TOTAL		1,060.22	1,076.73

Note:

A. There exists restrictions on repatriation of said amount from Myanmar.
Includes Rs.99.08 crore (2007 : Rs.69.11 crore) share of jointly controlled entities.

SCHEDULE “J-1” - OTHER CURRENT ASSETS

(Rs. in Crore)

		March-08	March-07
1. Interest accrued on Investments / Bank Deposits		209.66	254.40
2. Receivable from Trust		1,840.99	1,840.99
Less: Provision for Diminution		1,259.37	1,319.29
		581.62	521.70
TOTAL		791.28	776.10

Note:

Includes Rs. 0.64 crore (2007 : Rs. 0.27 crore) share of jointly controlled entities.

SCHEDULE “K” - LOANS AND ADVANCES

(Rs. in Crore)

		March-08	March-07
1. Advance recoverable in cash or in kind or for value to be received:			
i) Secured, Considered Good		1,222.17	1,258.42
ii) Unsecured, Considered Good		1,930.35	1,885.72
iii) Unsecured, Considered Doubtful		4.34	6.02
Total of (1)		3,156.86	3,150.16
Less: Provision for Doubtful Advances		4.34	6.02
		3,152.52	3,144.14
2. Amount recoverable from Government of India: Unsecured, Considered Good		7,733.02	235.54



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(Rs. in Crore)

	March-08	March-07
3. Claims Recoverable:		
i) Secured, Considered Good	0.10	0.10
ii) Unsecured, Considered Good	942.05	1,107.06
iii) Unsecured, Considered Doubtful	41.45	45.85
Total of (3)	983.60	1,153.01
Less: Provision for Doubtful Claims	41.45	45.85
	942.15	1,107.16
4. Balance with Customs, Port Trust and Excise Authorities:		
Unsecured, Considered Good	87.85	115.21
5. Advance Tax (net)	313.26	0.00
6. Materials given on loan		
i) Secured, Considered Good	1.66	0.12
Less: Deposits received	1.66	0.12
	0.00	0.00
ii) Unsecured, Considered Good	0.20	0.21
Total of (6)	0.20	0.21
7. Sundry Deposits (including amount adjustable on receipt of Final bills):		
i) Secured, Considered Good	10.11	9.08
ii) Unsecured, Considered Good	1,700.05	1,678.04
iii) Unsecured, Considered Doubtful	0.03	0.22
Total of (7)	1,710.19	1,687.34
Less: Provision for Doubtful Deposits	0.03	0.22
	1,710.16	1,687.12
TOTAL	13,939.16	6,289.38

Note:

Includes Rs. 69.20 crore (2007 : Rs. 42.90 crore) share of jointly controlled entities.

SCHEDULE "L" - CURRENT LIABILITIES AND PROVISIONS

(Rs. in Crore)

	March-08	March-07
1. Current Liabilities		
a) Sundry Creditors		
i) Total outstanding dues of micro enterprises and small enterprises	16.55	24.24
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	20,957.36	15,040.30
Total of (a)	20,973.91	15,064.54
b) Other Liabilities	6,048.67	5,490.22
c) Investor Education and Protection Fund to be credited on the due dates:		
- Unpaid Dividend	9.85	9.25
- Unpaid Matured Deposits	0.09	0.34
- Unpaid Matured Bonds	0.00	0.01
d) Security Deposits	6,507.35	6,049.72
Less: Investments and Deposits with Banks lodged by outside parties	0.04	0.04
	6,507.31	6,049.68
e) Material taken on loan		
i) From Others	16.14	0.04
Less: Deposits given	16.04	0.04
	0.10	0.00
f) Liability on Foreign Currency Contract	341.00	994.29
Less: Foreign Currency Receivables	172.84	760.90
	168.16	233.39

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SCHEDULE "L" - CURRENT LIABILITIES AND PROVISIONS (Contd.)

(Rs. in Crore)

	March-08	March-07
g) Interest accrued but not due on loans	<u>205.92</u>	208.92
Total Current Liabilities	33,914.01	27,056.35
2. Provisions		
a) Provision for Taxation		
i) Provision for Current Tax	8,833.81	6,472.36
Less: Advance payments	<u>8,660.06</u>	5,487.27
Sub-total (i)	<u>173.75</u>	985.09
ii) Provision for Fringe Benefit Tax	138.86	106.99
Less: Advance payments	<u>138.53</u>	101.06
Sub-total (ii)	<u>0.33</u>	5.93
Sub-total (a) = (i + ii)	<u>174.08</u>	991.02
b) Proposed Dividend	670.09	1,566.84
c) Corporate Dividend Tax	138.91	308.52
d) Provision for Employee Benefits	385.60	357.34
e) Contingencies for probable obligations	<u>131.19</u>	92.23
Total Provisions	1,499.87	3,315.95
TOTAL	<u>35,413.88</u>	<u>30,372.30</u>

Note:

Includes Rs. 372.01 crore (2007 : Rs. 230.09 crore) share of jointly controlled entities.

SCHEDULE "M"-DETAILS OF INCREASE/(DECREASE) IN STOCK

(Rs. in Crore)

	March-08	March-07
Closing Stock		
a) Finished Products	16,506.75	14,525.12
b) Stock in Process	<u>2,726.37</u>	1,908.58
	19,233.12	16,433.70
Less:		
Opening Stock		
a) Finished Products	14,525.12	14,122.84
b) Stock in Process	<u>1,908.58</u>	1,924.64
	16,433.70	16,047.48
NET INCREASE / (DECREASE)	<u>2,799.42</u>	<u>386.22</u>



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SCHEDULE "N" - INTEREST AND OTHER INCOME**(Rs. in Crore)**

	March-08	March-07
1. Interest on:		
a) Loans and Advances	59.61	53.60
b) Fixed Deposits with Banks	27.19	10.45
c) Short Term Deposits with Banks	10.96	35.57
d) Customers Outstandings	42.50	50.02
e) Oil Companies GOI SPL Bonds	1,052.84	693.04
f) Others	1.73	20.08
	1,194.83	862.76
2. Dividend	572.68	550.20
3. Profit on sale of Investments	1.30	7.90
4. Sale of Power and Water	21.30	14.74
5. Profit on sale and disposal of Assets	45.40	38.67
6. Unclaimed/Unspent liabilities written back	234.07	134.81
7. Provision for Doubtful Debts, Advances, Claims and Stores written back	54.31	51.95
8. Provision for Contingencies written back	0.36	1.01
9. Recoveries from Employees	11.54	13.95
10. Retail Outlet Licence Fees	67.40	58.91
11. Collection Charges for Outstation Cheques	9.57	12.36
12. Sale of Scrap	63.82	61.03
13. Income from Finance Leases	4.94	7.70
14. Amortisation of Capital Grants	0.92	0.91
15. Exchange Fluctuations (Net)	1,524.43	489.75
16. Commodity Hedging Gain (Net)	0.00	18.07
17. Terminalling Charges	60.25	55.19
18. Recovery towards Inventory Carrying Cost	68.35	52.38
19. Provision for Investment written back	4.85	4.94
20. Provision for diminution in Trust written back	59.92	0.00
21. Other Miscellaneous Income	612.96	325.94
TOTAL	4,613.20	2,763.17

Schedules

SCHEDULE "O" - MANUFACTURING, ADMINISTRATION, SELLING AND OTHER EXPENSES

(Rs. in Crore)

	March-08	March-07
1. Raw Materials Consumed:		
Opening Balance	11,273.51	11,522.54
Add: Purchases	117,639.59	99,207.22
	<u>128,913.10</u>	<u>110,729.76</u>
Less: Closing Stock	16,404.40	11,273.51
	<u>112,508.70</u>	<u>99,456.25</u>
2. Consumption:		
a) Stores, Spares and Consumables	636.52	549.25
b) Packages & Drum Sheets	265.75	242.07
	<u>902.27</u>	<u>791.32</u>
3. Power & Fuel	8,436.61	6,949.75
Less: Fuel for own production	8,015.36	6,586.22
	<u>421.25</u>	<u>363.53</u>
4. Processing Fees, Blending Fees, Royalty & Other Charges	45.88	41.27
5. Octroi, Other Levies and Irrecoverable Taxes	738.65	887.06
6. Repairs and Maintenance:		
i) Plant and Machinery	971.74	748.65
ii) Buildings	134.77	164.38
iii) Others	72.95	67.06
	<u>1,179.46</u>	<u>980.09</u>
7. Freight, Transportation Charges and Demurrage	4,985.27	4,751.02
8. Payments to and Provisions for Employees:		
(a) Salaries, Wages, Bonus etc.	2,088.53	2,076.35
(b) Contribution to Provident & Other Funds	602.70	431.61
(c) Voluntary Retirement Compensation	22.36	38.82
(d) Staff Welfare Expenses	519.05	394.47
	<u>3,232.64</u>	<u>2,941.25</u>
9. Office Administration, Selling and Other Expenses (Schedule "O-1")	4,173.94	2,739.03
TOTAL	<u>128,188.06</u>	<u>112,950.82</u>
Less: Company's use of own products	403.68	542.83
TOTAL (Net)	<u>127,784.38</u>	<u>112,407.99</u>



IndianOil

SCHEDULE “O-1” - OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

(Rs. in Crore)

	March-08	March-07
1. Rent	380.19	258.62
2. Insurance	83.64	100.73
3. Rates & Taxes	52.38	62.84
4. Donations	0.50	0.36
5. Payment to Auditors:		
a) Audit Fees	0.89	0.74
b) Tax Audit Fees	0.11	0.11
c) Other Services (for issuing certificates etc.)	0.37	0.30
d) Out of Pocket Expenses	0.47	0.34
	1.84	1.49
6. Travelling & Conveyance	240.91	202.66
7. Communication Expenses	42.38	43.31
8. Printing & Stationery	24.31	21.09
9. Electricity & Water	145.50	127.51
10. Bank Charges	43.16	34.32
11. Bad Debts, Advances & Claims written off	19.09	10.00
12. Provision/Loss on Assets sold or written off	32.80	69.50
13. Technical Assistance Fees	130.20	56.34
14. Exchange Fluctuation (Net)	0.20	27.80
15. Provision for Doubtful Debts, Advances Claims and Obsolescence of Stores	332.68	59.56
16. Provision for Diminution in Investments	291.08	180.87
17. Loss on Sale of Investments	377.55	156.42
18. Security Force Expenses	134.04	115.51
19. Sales Promotion Expenses	313.41	266.34
20. Handling Expenses	127.70	118.27
21. Inventory Carrying Cost	50.25	40.31
22. Expenses on Enabling Facilities	25.97	32.09
23. Terminalling Charges	14.65	13.37
24. Commodity Hedging Loss (Net)	84.30	0.00
25. Provision for Probable Contingencies	30.98	32.06
26. Exploration & Production Cost	207.41	106.91
27. Amortisation of Premium on Forward Contracts	237.64	113.43
28. Other Expenses	749.18	487.32
TOTAL	4,173.94	2,739.03

Schedules

SCHEDULE "P" - INCOME/EXPENSES RELATING TO PREVIOUS YEARS

(Rs. in Crore)

	March-08	March-07
Income:		
1. Miscellaneous Income	1.30	6.26
2. Sales of Products	3.45	0.00
Total Income	4.75	6.26
Expenditure:		
1. Raw Material consumption	(0.78)	(0.10)
2. Depreciation and Amortisation on:		
a) Fixed Assets	(1.70)	41.59
b) Intangible Assets	0.00	(0.02)
3. Consumption of Stores, Spares and Consumables	(1.10)	1.83
4. Technical Fees	0.00	1.44
5. Power & Fuel	0.00	(0.49)
6. Repairs and Maintenance	5.20	5.16
7. Interest	(0.72)	0.05
8. Rent	1.50	0.36
9. Provision on Stores	0.70	0.00
10. Payment to and provision for employees	41.53	(0.10)
11. Other Expenses	0.03	(16.70)
Total Expenses	44.66	33.02
NET INCOME/(EXPENDITURE)	(39.91)	(26.76)

SCHEDULE "Q" - NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2008

1. PRINCIPLES OF CONSOLIDATION

- 1.1 The consolidated financial statements relate to Indian Oil Corporation Limited (Parent Company), its subsidiaries and Joint Venture companies. The consolidated financial statements have been prepared on the following basis:
- The financial statements of the Parent Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating the intra-group balances, intra-group transactions and unrealized profits or losses in accordance with Accounting Standard - 21 on Consolidated Financial Statements issued by The Institute of Chartered Accountants of India. The share of Minority Interest in the Subsidiaries has been disclosed separately in the Consolidated Financial Statements.
 - The financial statements of Joint Ventures have been combined by applying proportionate consolidation method on a line-by-line basis on items of assets, liabilities, income, and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard -27 on "Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India.
 - The consolidated financial statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.
 - The excess/shortfall of cost to the Parent Company of its investment in the respective subsidiary companies and joint venture companies is recognized in the financial statements as goodwill/capital reserve respectively as per the equity method of valuation.

1.2 The Consolidated Financial Statements include the results of the following entities:

Sr. No.	Name of Company	Country of incorporation	Relation	Ownership Interest
1.	Chennai Petroleum Corporation Ltd. (CPCL)	India	Subsidiary	51.89%
2.	Bongaigaon Refinery and Petrochemicals Ltd. (BRPL)	India	Subsidiary	74.46%
3.	Lanka IOC Ltd. (LIOC)	Sri Lanka	Subsidiary	75.12%
4.	IndianOil (Mauritius) Ltd. (IOML)	Mauritius	Subsidiary	100%
5.	IndianOil Technologies Ltd.	India	Subsidiary	100%
6.	IOC Middle East FZE	Dubai- UAE	Subsidiary	100%
7.	Indian Oiltanking Ltd. (IOTL)	India	Joint Venture	50%
8.	Lubrizol India Pvt. Ltd.	India	Joint Venture	50%
9.	Avi-Oil India Pvt. Ltd.	India	Joint Venture	25%
10.	Petronet LNG Ltd.	India	Joint Venture	12.5%



11.	IndianOil Petronas Pvt.Ltd.	India	Joint Venture	50%
12.	Green Gas Ltd	India	Joint Venture	22.50%
13.	IndianOil SkyTanking Ltd.	India	Joint Venture	33.33%
14.	Indo Cat Pvt.Ltd.	India	Joint Venture	50%
15.	Suntera Nigeria 205 Ltd.	Nigeria	Joint Venture	25%

Note: Proportionate consolidation in respect of Investments in the Joint Venture Companies M/s Petronet CI Ltd., Petronet VK Ltd.; Petronet India Ltd and Indianoil Panipat Power Consortium Ltd. have not been incorporated in the preparation of consolidated financial statements as the Management has either decided to exit from these Joint Ventures or provided for full diminution in the value of investment.

1.3 Other Significant Accounting Policies

These are set out in the Statement of Significant Accounting Policies of the financial statements of the Parent Company and its Subsidiaries.

- For certain items, the Company and its subsidiaries and Joint ventures have followed different accounting policies in certain cases. However impact of the same is not material.
- Financial statements of IOML, LIOC and IOC Middle East FZE are drawn in Mauritius Rupees, Sri Lankan Rupees and UAE Dirhams respectively. The transactions with these foreign subsidiaries are considered as non integral operation as per Accounting Standard-11 "The Effects of Changes in Foreign Exchange Rates" and accordingly, the Financial Statements have been translated to Indian Rupees for the purpose of Consolidated Financial Statements.

4. Contingent Liabilities:

- Contingent Liabilities amounting to **Rs. 8865.47 crore** (2007: Rs. 7850.34 crore) are as under:
 - Rs. 6397.38 crore** (2007 : Rs. 5848.59 crore) being the demands raised by the Central Excise / Customs / Sales tax authorities.
 - Rs. 582.55 crore** (2007 : Rs. 730.51 crore) for which suits have been filed in the Courts or cases are lying with Arbitrators.
 - Rs. 1335.33 crore** (2007 : Rs 872.32 crore) in respect of Income Tax demands.
 - Rs. 550.21 crore** (2007 : Rs. 398.92 crore) in respect of other claims.
 - Interest/Penalty, if any, on some of the above claims is unascertainable.
 - Income tax, if any, reimbursable to foreign contractors is unascertainable.
- Estimated amount of contracts remaining to be executed on Capital Account not provided for **Rs. 19348.65 crore** (2007 : Rs. 16101.19 crore)
 - Purchase of crude oil from ONGC, Oil India Limited and Panna Mukta Tapti JV and some other oilfields has been accounted for provisionally pending finalisation of agreements with respective parties. Adjustments, if any, will be made on finalisation of agreements.
 - The Group has numerous transactions with other Oil Companies, which are reconciled on an ongoing basis and are subject to confirmation.
 - Bond redemption Reserve (net) amounting to **Rs. 218.95 crore** has been created during the year. (Rs. 173.02 crore was written back during the previous year.)
 - Pursuant to orders pronounced by the Honourable Supreme / various High Courts in the matter of Entry Tax on Crude Oil, and as advised, the Company and its subsidiaries have not provided for Entry Tax amounting to **Rs. 1493.46 crore** (2007 : Rs. 211.83 crore) including **Rs. 1281.61 crore** for the year (Previous Year Rs. 211.83 crore) in respect of Mathura, Panipat, Guwahati, Digboi and Bongaigaon Refineries. Pending final disposal of the matter by the Honourable Supreme / various High Courts, Entry Tax already paid / deposited / provided for at various units has not been considered for write back. In respect of Barauni Refinery, pursuant to decision of the Honourable High Court, the Company has continued to pay and / or provide for the liability for Entry Tax and charged the same to Profit and Loss Account.
 - Subsidies on SKO (PDS) and LPG (Domestic) in India amounting to **Rs. 1510.63 crore** (2007 : Rs. 1483.94 crore) and subsidies on sales of SKO & LPG to customers in Bhutan amounting to **Rs. 33.28 crore** (2007 : Rs 42.98 crore) have been reckoned as per the schemes notified by Government of India.
 - The company has accounted for Government of India Special Bonds of **Rs. 18997.00 crore** (2007: Rs. 13943.21 crore) in lieu of under-recoveries on petroleum products for the year. Out of this, Special Bonds of **Rs. 11460.73 crore** for the period from 1st April, 2007 to 31st December, 2007 have been received by the Company and the balance amount of **Rs. 7536.27 crore** receivable for the period from 1st January, 2008 to 31st March, 2008 has been accounted for on the basis of advice received from Government of India. The same has been accounted in the Profit and Loss Account as Revenue Grants.
 - In line with the scheme formulated by Petroleum Planning and Analysis Cell (PPAC), the Company has received discounts of **Rs. 14322.91 crore** (2007 : Rs. 11881.73 crore) on Crude Oil/LPG/SKO purchased from ONGC/GAIL/OIL towards part of the under recovery suffered on sale of MS, HSD, LPG (Domestic) & SKO (PDS) and the same has been adjusted against the purchase cost.
 - The Company and its subsidiaries have export obligation to the extent of **Rs. 1908.07 crore** (2007 : Rs. 553.67 crore) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.
 - The scheme of Amalgamation for merger of one subsidiary, Bongaigaon Refinery and Petrochemicals Limited (BRPL) with the Company with a swap ratio of 4 shares of the Company for every 37 shares of in BRPL, as approved by the Board of Directors at its meeting held on 29th November, 2006, has been approved at the meetings of the Equity shareholders and Creditors (both Secured and Unsecured) of the Company held on 22nd February, 2008 (as per the order of the Ministry of Corporate Affairs, Government of India). Subsequent to this approval, Confirmation Petition has been filed by the Company with the Ministry of Corporate Affairs for further directions in the matter.

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15. In absence of relevant notification by the Government of India specifying the period and applicable rate at which cess on turnover is payable under section 441A of the Companies Act 1956, the same is not determinable and hence not provided for.
16. Pending finalisation of Long Term settlement with the employees, the liability for the period from 1st January 2007 to 31st March 2008 has not been provided by the Company and its subsidiaries in respect of revision of emoluments, as the amount thereof is not ascertainable. However, the ad-hoc payments there against aggregating to **Rs. 212.41 crore** has been charged to the Profit and Loss Account under the head "Payments to and provisions for employees" in Schedule 'O'.
17. Consequent to the notification on 7th December, 2006 of the Companies (Accounting Standard) Rules 2006, exchange differences arising on translation of foreign currency liabilities for acquisition of fixed assets from outside India, which was hitherto adjusted to the cost of the relevant fixed assets, are now being adjusted to Profit and Loss Account by the Company and its subsidiaries in line with the requirement of the Accounting Standard 11 on "Effects of changes in Foreign Exchange Rates". The change has resulted in an increase in the profit for the year by **Rs. 10.59 crore** and corresponding increase of fixed assets / Capital Work in Progress to the extent.
18. Disclosure in compliance with Accounting Standard-15 (Revised 2005) on "Employee Benefits" is given in Annexure-1.
19. In compliance of Accounting Standard – 17 on "Segment Reporting" issued by The Institute of Chartered Accountants of India the required information is given as per Annexure-2 to this schedule.
20. In compliance of Accounting Standard – 18 on "Related Party Disclosures" issued by The Institute of Chartered Accountants of India the required information is given as per Annexure-3 to this schedule.
21. Disclosure as required under Accounting Standard – 19 on "Leases" issued by The Institute of Chartered Accountants of India is as under:

Finance Lease of Tank Wagons:

		(Rs. in Crore)	
Particulars	March-08	March-07	
A. Gross Investments in Finance Lease	416.96	416.96	
Less: Unearned Finance Income	11.94	16.88	
Less: Finance Income Received	159.75	154.81	
Less: Minimum Lease payment received	214.26	196.54	
Net Investment in Finance Lease as on Date	31.01	48.73	
B. Unearned finance Income	11.94	16.88	
C. Present Value of Minimum Lease Payments Receivable			
Not Later than one year	11.32	17.72	
Later than one year and not later than five years	10.61	21.09	
Later than Five years	9.08	9.92	
Total:	31.01	48.73	
D. Break-up of un-earned income			
Not Later than one year	3.15	4.94	
Later than one year and not later than five years	5.49	8.09	
Later than Five years	3.30	3.85	
Total:	11.94	16.88	

Operating leases:

a) As Lessees

Lease Rentals charged to the profit and loss account and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements:

		(Rs. in Crore)	
Particulars	March-08	March-07	
A. Lease rentals recognised during the period	61.90	44.71	
B. Lease Obligations			
- Not later than One Year	53.53	52.31	
- Later than one year and not later than five years	202.17	210.93	
- Later than five years	702.95	741.49	

b) As Lessors

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

		(Rs. in Crore)	
Particulars	March-08	March-07	
A. Lease rentals recognised as income during the period	2.05	0.29	
B. Lease Rentals (category of assets – Plant & Machinery)			
- Gross Carrying Amount	0.01	0.01	
- Accumulated Depreciation	0.00	0.00	
- Depreciation recognized in Profit and Loss Account	0.00	0.00	

These relate to storage tankage facilities for petroleum products given on lease at mutually agreed lease rent.



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22. In compliance of Accounting Standard – 20 on “Earning Per Share” issued by The Institute of Chartered Accountants of India, the calculation of Earning Per Share (Basic and Diluted) is as under:

	March-08	March-07
Profit After Tax for the Group (Rs. in Crore)	7912.74	7867.45
Total Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)		
a) Number of shares	1192374306	1168012200
b) Number of shares to be issued to erstwhile shareholders of IBP Co. Ltd	-	24362106
Total number of shares	1192374306	1192374306
Earning Per Share (Basic and Diluted) (Rupees)	66.36	65.98
Face value per share (Rupees)	10/-	10/-

23. In compliance of Accounting Standard – 22 on “Accounting for Taxes on Income” issued by The Institute of Chartered Accountants of India, The item wise details of Deferred Tax Liability (net) are as under:

	(Rs. in Crore)	
	As on 31.03.2008	As on 31.03.2007
Deferred Tax Liability:		
i) Depreciation	6614.61	6474.39
ii) Others	4.02	3.69
Total deferred tax liability (A)	6618.63	6478.08
Deferred Tax Assets:		
i) Compensation under voluntary retirement scheme	9.75	8.57
ii) Provision for doubtful advances /claims / materials.	256.38	147.69
iii) Provision for Retirement Benefits	4.15	14.52
iv) Others	311.20	247.77
Total deferred tax assets (B)	581.48	418.55
Deferred Tax Liability (Net) (A-B)	6037.15	6059.53

24. In respect of Oil and Gas Exploration activities, Revenue Expenditure amounting to **Rs. 207.40 crore** (2007 : Rs. 106.91 crore) and Capital Expenditure amounting to **Rs. 49.72 crore** (2007 : Rs. 204.47 crore) of Oil and Gas Exploration Projects has been incorporated in these accounts on the basis of unaudited statement provided by respective operators of Production Sharing Contracts to the Company.

25. In respect of certain Subsidiaries and Joint Venture Companies, the following additional notes to accounts, as given in the Annual Accounts, are disclosed:

Chennai Petroleum Corporation Ltd.

As per the terms of Memorandum of Settlement (MoS), approved by the Government of India for the withdrawal by the Corporation from the Joint Venture AROCHEM, with SPIC Ltd, the amount due to the Corporation as on 31.03.2008 stood at Rs. 14.40 crore. As SPIC Ltd has expressed its keenness to implement its project and clear the dues to the Corporation, the Corporation is confident of recovering the investment made in the project.

Bongaigaon Refinery and Petrochemicals Ltd.

Share of Transportation Cost of Ravva Crude receivable from Numaligarh Refineries Limited in terms of the Instruction of the Ministry of Petroleum and Natural Gas amounting to Rs. 150.97 crore has not been recognized as revenue in view of certain elements of cost having been disputed by NRL as per Accounting Standard – 9 on “Recognition of Revenue” issued by the Institute of Chartered Accountants of India.

Lanka IOC Ltd.

- a) Goodwill represents the excess of the costs of acquisition over the fair values of the retail outlets at the date of acquisition. Surplus arising from revaluation of land of 100 retail outlets is set off against the goodwill on acquisition of 100 retail outlets. Upto year ended 31.03.2006, Goodwill was amortized using the straight line method over a period of 20 years based on the Petroleum Products License. According to the revised Accounting Standards applicable in Sri Lanka, Goodwill is not amortized but is tested annually for impairment.
- b) Lanka IOC Ltd owns 1/3rd share of Ceylon Petroleum Storage Terminal Limited (CPSTL), also known as the “Common User Facility” (CUF). The Company paid US\$ 45 million to Ceylon Petroleum Corporation on 22 January 2004 to obtain 1/3rd share of CPSTL.

	(Rs. in Crore)	
	2007-08	2006-07
At the beginning of the year	175.77	191.15
Translation Difference	(13.29)	(15.38)
Closing Net book amount	162.48	175.77

The investment in CPSTL is accounted for at cost. The Board of Directors is of the view that the Company has no significant influence in the financial and operating policy decisions of the investee and hence the adoption of the cost method is appropriate.

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- c) In terms of the agreement entered into with the Board of Investment of Sri Lanka under section 17 of the Board of Investment Law No. 4 of 1978, the Company is exempt from income tax for a period of 10 years commencing from 14.02.2003. The current year's tax charge wholly consists of tax on non-exempt interest income.

Petronet LNG Ltd.

- a) In terms of the provisions contained in the LNG Port Terminal Concession Agreement, the Company has to develop a Solid Cargo Port along with LNG Terminal. A Joint Venture Company "Adani Petronet (Dahej) Port Pvt Ltd (APPPL) has been formed for development of Solid Cargo Port. The Company has acquired 50% equity in APPPL.
- b) Customs Duty on import of Project material/equipment has been assessed provisionally (current and previous years) and additional liability, if, any, on this account will be provided on final assessment
26. The dues to Micro, Small and Medium enterprises as required under the MICRO Small and Medium Enterprises Development Act, 2006 is given below:

	(Rs. in Lakh)
Amount overdue and payable as on 31 st March 2008	
- Principal	20.75
- Interest	1.45
Payments made during the 2007-08 after the due date	
- Principal	189.60
- Interest	0.00
Interest accrued and unpaid as on 31 st March 2008	1.45

The above information is given to the extent available with the group and relied upon by the Auditors.

27. In compliance of Accounting Standard - 27 on "Financial Reporting of Interests in Joint Ventures" issued by The Institute of Chartered Accountants of India, the required information is given as per Annexure-4 to this schedule.
28. Exposures to Financial and Commodity Trading Derivative Instruments outstanding as on 31st March, 2008 is given in Annexure-5 to this schedule.
29. Remuneration paid/payable to Directors:

	(Rs. in Crore)	
	2007-08	2006-07
i) Salaries & Allowances	1.85	2.09
ii) Contribution to Provident & Other Funds	0.20	0.12
iii) Other benefits and Perquisites	0.43	0.34
iv) Sitting Fees to Part Time Directors	0.16	0.17
Total	2.64	2.72

30. Considering the Government policies and modalities of compensating the oil marketing companies towards under-recoveries, future cash flows have been worked out based on the desired margins for deciding on impairment of related Cash Generating Units. Accordingly no further impairment as at the year-end has been considered. In view of the assumption being technical, peculiar to the industry and policy matter, the auditors have relied on the same.
31. In compliance of Accounting Standard – 29 on "Provisions, Contingent Liabilities and Contingent Assets" issued by The Institute of Chartered Accountants of India, the details of provision made by the Company is as under:

	(Rs. in Crore)				
	Opening Balance	Additions during the year (Note 1)	Utilisation during the year	Reversals during the year	Closing balance (Note 2)
Excise	1.23	0.22	-	0.35	1.10
Customs	1.36	1.74	-	-	3.10
Income Tax	1.79	0.43	0.91	-	1.31
Sales Tax	87.64	25.11	-	-	112.75
Others	0.21	12.72	-	0.01	12.92
Total	92.23	40.22	0.91	0.36	131.18
Previous Year	68.60	32.17	3.55	4.99	92.23

- Note:** 1. Additions includes Rs. 9.24 crore capitalised during the year.
2. Expected timing of outflows is not ascertainable at this stage.

32. Previous year's comparative figures have been regrouped and recast to the extent practicable, wherever necessary. Figures in brackets indicate deductions.

Sd/-
(S. Behuria)
Chairman

Sd/-
(S. V. Narasimhan)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

Place : New Delhi
Date : May 28, 2008



Annexure-1

Disclosures- Notes on Accounts: As-15 (Revised)

(a) Provident Fund:

Guidance issued by the Accounting Standards Board (ASB) on implementing AS – 15, Employee Benefits (revised 2005) states that provident funds set up by employers, which requires interest shortfall to be met by employer, needs to be treated as defined benefit plan. The Fund does not have any existing deficit or interest shortfall. Accordingly, other related disclosures in respect of Provident Fund have not been made. During the year, the company and its subsidiaries has recognised **Rs. 134.26 Crore** as Employer's contribution to Provident Fund in the Profit and Loss Account (included in Contribution to Provident and Other Funds in Schedule 'O'):

(b) Reconciliation of balance of Defined Benefit Obligation

(Rs. in Crore)

	Gratuity	Leave encashment	PRMS	Resettlement Allowances	Long Service Award
	Funded	Funded	Non-funded	Non-funded	Non-funded
Defined Obligations at the beginning	430.93	627.77	221.34	67.45	1.04
Current Service Cost	5.47	35.96	3.51	1.04	8.72
Interest Cost	38.30	56.74	16.93	5.39	49.68
Benefits paid	-29.29	-81.20	-33.13	-1.23	-6.46
Actuarial (gain) / loss on obligations	66.85	310.83	3.29	-11.85	0.05
Defined Benefit Obligation at the end of the year	512.26	950.10	211.94	60.80	53.03

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

(Rs. in Crore)

	Gratuity	Leave encashment	PRMS	Resettlement Allowances	Long Service Award
	Funded	Funded	Non-funded	Non-funded	Non-funded
Fair value of plan assets at the beginning of the year	386.76	414.17	-	-	-
Expected return on plan assets	40.39	70.05	-	-	-
Contribution by employer	132.92	517.88	-	-	-
Benefit paid	-29.29	-77.67	-	-	-
Actuarial gain / (losses)	-6.66	-16.66	-	-	-
Fair value of plan assets at the end of the year	524.12	907.77	-	-	-

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

(Rs. in Crore)

	Gratuity	Leave encashment	PRMS	Resettlement Allowances	Long Service Award
	Funded	Funded	Non-funded	Non-funded	Non-funded
Fair value of plan asset at the end of the year	524.12	907.77	-	-	-
Defined Benefit Obligation at the end of the year	512.26	950.10	211.94	60.80	53.03
Amount recognised in the Balance Sheet	-11.86	42.33	211.94	60.80	53.03

(e) Amount recognised in Profit and Loss Account

(Rs. in Crore)

	Gratuity	Leave encashment	PRMS	Resettlement Allowances	Long Service Award
	Funded	Funded	Non-funded	Non-funded	Non-funded
Current service cost	5.47	35.96	3.51	1.04	8.72
Interest Cost	4.30	4.74	0.93	0.11	43.28
Expected (return)/loss on plan asset	29.75	50.74	16.00	5.28	6.40
Actuarial (gain)/ loss	-47.74	-57.46	-0.83	-0.17	0.05
Expenses for the year	-8.22	33.98	19.61	6.26	58.45

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(f) Major Actuarial assumptions

	Gratuity	Leave encashment	PRMS	Resettlement Allowances	Long Service Award
	Funded	Funded	Non-funded	Non-funded	Non-funded
Discount rate	8%	8%	8%	8%	8%
Expected return on plan assets*	8%	8%	-	-	-
Salary escalation #	9%	9%	-	-	-
Inflation	-	-	6%	9%	6%

* Expected rate of return on plan assets is based on market expectation, at the beginning of the year, for return over the entire life of the related obligation.

Estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

Note: Actuarial assumptions as given by the Actuaries have been relied upon by the Auditors.



Information regarding Primary Segment Reporting as per AS-17 for the year ended March 31, 2008 is as under:

(Rs. in Crore)

	March-08				March-07			
	Petroleum Products	Other Businesses	Eliminations	Total	Petroleum Products	Other Businesses	Eliminations	Total
Revenue								
External Revenue	205,134.19	25,590.85	-	230,725.04	179,789.61	21,478.59	-	201,268.20
Inter-segment Revenue	1,380.60	293.30	-	1,673.90	1,057.90	217.52	-	1,275.42
Total Revenue	206,514.79	25,884.15	-	232,398.94	180,847.51	21,696.11	-	202,543.62
Result								
Segment Results	13,400.81	(170.37)	62.90	13,167.54	10,397.47	(3.28)	33.46	10,360.73
Less: Unallocated Expenses net of unallocated Income	-	-	-	-	-	-	-	-
Operating Profit	13,400.81	(170.37)	62.90	13,167.54	10,397.47	(3.28)	33.46	10,360.73
Less:								
Interest Expenditure				1,803.90				1,743.01
Provision for diminution in Investments				291.08				180.87
Loss on Investments w-off/sold				377.55				156.42
Add:								
Interest/Dividend Income				1,767.51				1,412.96
Provision for investments written back				4.85				4.94
Profit on sale of GOI Bonds / Investments				1.30				7.90
Provision for diminution in Trust Written back				59.92				-
Prior year Income/(Expenditure) net				(39.91)				(26.76)
Profit before Exceptional items and Tax				12,528.59				9,706.23
Exceptional Items								
(i) Profit on sale of ONGC shares				-				3,224.78
(ii) Provision for diminution in "Receivable from Trust"				-				(1,319.29)
Profit Before Tax				12,488.68				11,611.72
Less: Income Tax (including deferred tax & FBT)				3,938.12				3,432.37
Profit After Tax				8,550.56				8,179.35
Other Information								
Segment Assets	93,208.82	11,700.27	-	104,909.09	76,327.44	8,290.84	-	84,618.28
Corporate Assets				21,211.45				19,474.56
Total Assets				126,120.54				104,092.84
Segment Liabilities	31,704.81	2,725.99	-	34,430.80	25,008.74	2,497.18	-	27,505.92
Corporate Liabilities				45,917.39				38,407.11
Total Liabilities				80,348.19				65,913.03
Capital Expenditure	5,023.47	2,532.45	-	7,555.92	2,984.72	1,801.71	-	4,786.43
Depreciation & Amortisation	2,755.56	286.15	-	3,041.71	2,670.87	244.73	-	2,915.60
Impairment Loss	-	-	-	-	-	-	-	-
Non-cash expenses other than Depreciation				238.26				152.29

Notes:

- The Group is engaged in the following business segments:
 - Sale of Petroleum Products
 - Other businesses, which comprises Sale of Imported Crude Oil, Sale of Gas, Petrochemicals, Explosives & Cryo-genics and Oil & Gas Exploration Activities jointly undertaken in the form of various Joint Ventures.

Segments have been identified and reported, taking into account, the nature of products and services and differing risks and returns.
- Segment Revenue comprises of the following:
 - Turnover (Net of Excise Duty)
 - Subsidy/Grants received from Government of India
 - Other income (excluding interest income, dividend income, exceptional items income and investment income)
- There are no reportable geographical segments.

Schedules

As required by AS-18, "Related Party Disclosures", are given below:

1. Relationships:

A) Joint Venture Companies

- 1) Indian Oil Tanking Ltd.
- 2) Lubrizol India Pvt. Ltd.
- 3) Petronet VK Ltd.
- 4) Petronet CI Ltd.
- 5) Indian Oil Petronas Pvt. Ltd.
- 6) Indian Oil Panipat Power Consortium Ltd.
- 7) Avi-Oil India Pvt. Ltd.
- 8) Petronet India Ltd.
- 9) Petronet LNG Ltd.
- 10) Green Gas Ltd.
- 11) Indo Cat Pvt. Ltd.
- 12) Indian Oil Sky Tanking Ltd.
- 13) Suntera Nigeria 205 Ltd.
- 14) Indian Additives Limited

B) Whole-time Directors

- 1) Shri S. Behuria
- 2) Shri B.M. Bansal
- 3) Shri S.V. Narasimhan
- 4) Shri V.C. Agrawal
- 5) Shri G.C. Daga (w.e.f. 04.09.2006)
- 6) Shri B.N. Bankapur (w.e.f. 01.10.2006)
- 7) Shri Anand Kumar (w.e.f. 31.07.2007)
- 8) Shri P.K. Chakraborti (w.e.f. 01.08.2007)
- 9) Shri A.M. Uplenchwar (upto 31.07.2007)
- 10) Shri Jaspal Singh (upto 30.09.2006)
- 11) Dr. N.G. Kannan (upto 30.06.2006)
- 13) Shri K.K. Acharya
- 14) Shri R. Sankaran (upto 30.04.2006)
- 15) Shri N.C. Sridharan
- 16) Shri S. Chandrasekaran (w.e.f. 02.07.2006)
- 17) Shri K. Balachandaran (w.e.f. 01.10.2006)
- 18) Shri A. Kasturi Rangan (upto 30.09.2006)
- 17) Shri A.K. Sarmah
- 18) Shri R.N. Das (upto 30.11.2006)
- 19) Shri A. Saran
- 20) Shri T.V. John (w.e.f. 01.12.2006)

2. The following transactions were carried out with the related parties in the ordinary course of business:

a) Details relating to parties referred to in item no. 1(A) above:

(Rs. in Crore)

	March-08	March-07
i) Sales	51.88	29.76
ii) Interest received	0.18	0.11
iii) Consultancy Services/Other Income	18.58	1.06
iv) Purchase of Products	2,732.25	1,785.87
v) Purchase of Chemicals / materials	42.05	-
vi) Handling Expenses	19.25	29.33
vii) Freight Expenses	-	15.37
viii) Reimbursement of Expenses	35.09	5.61
ix) Fixed assets purchased	104.13	147.51
x) Investments made during the year	361.41	2.33
xi) Provisions made during the year	-	(1.39)
xii) Outstanding Receivables	480.51	127.15
xiii) Outstanding Payables	320.24	108.60

b) Details relating to parties referred to in item no. 1(B) above:

	March-08	March-07
i) Remuneration	2.44	2.56
ii) Recovery of Interest & Furniture Hire Charges	0.02	0.02
iii) Outstanding loans/advances receivables	0.73	0.48
iv) Assets on Hire	0.24	0.17

Note:

- 1) Remuneration includes Basic salary, allowances, reimbursements, contribution to P.F. and perquisites (valued as per tax laws)
- 2) In addition, whole-time Directors are also allowed the use of Corporation's car for private purposes upto 12,000 kms per annum on a payment of Rs. 520/- per mensem for car less than 16 hp or Rs. 780/- per mensem for car of above 16 hp as specified in the terms of appointment.
- 3) In case of Joint Venture Companies constituted/acquired during the year, transactions w.e.f. date of constitution/acquisition is disclosed.
- 4) In case of Joint Venture Companies which have been closed/divested during the year, transactions upto the date of closure/disinvestment only are disclosed.



Annexure-4

In compliance of AS-27, "Financial Reporting of Interest in Joint Ventures", the required information is as under:

1) Disclosure of Interest in the following categories of Joint Ventures:

(a) **Jointly Controlled Operations:-** The Corporation has entered into production sharing oil and gas exploration contracts with the Govt. of India and other body corporates. These joint ventures are:

Name	Participating Interest of IOC (%)	
	31.03.2008	31.03.2007
IN INDIA		
Under NELP-I Block		
GV-ONN-97/1	30	30
Under NELP-II Block		
MB-OSN-2000/1	15	15
MN-OSN-2000/2	20	20
WB-OSN-2000/1	15	15
MB-OSN-2004/1	20	20
MB-OSN-2004/2	20	20
MN-ONN-2000/1	20	20
Under NELP-III Block		
AA-ONN-2001/2	20	20
CR-ON-90/1	35	35
Others		
BK-CBM-2001/1	20	20
NK-CBM-2001/1	20	20
AAP-ON-94/1	43.55	43.55
OUTSIDE INDIA		
FARSI BLOCK, IRAN	40	40
SHAKTHI GABON	50	50
YEMEN 82	15	15
YEMEN 83	15	15
KUWAIT	5	5
LIBYA BLOCK 86	50	50
LIBYA BLOCK 102/4	50	50

(b) **Jointly Controlled Assets:**

Group's share in jointly controlled/owned assets have been shown in Schedule-E "Fixed Assets".

Particulars of Assets	Name of Joint Owner	31.03.2008		
		Original Cost	Accumulated Depreciation & Amortisation	W.D.V.
Land-Freehold	HPC/BPC	1.55	-	1.55
Land-Leasehold	HPC/BPC	0.78	0.15	0.63
Buildings	HPC/BPC/HERDILIA-UNIMERS LTD.	3.74	0.71	3.03
Plant and Machinery	HPC/BPC/GSFC/IPCL/ACC/CSIR	154.14	44.76	109.38
Transport Equipment	RAILWAYS	183.05	170.53	12.52
Railway Sidings	HPC/BPC	51.10	25.40	25.70
Drainage, Sewage and Water Supply	GSFC	0.99	0.94	0.05
		395.35	242.49	152.86

Schedules

(c) Jointly Controlled Entities:

Name	Country of Incorporation	Ownership Interest of IOC(%)	
		31.03.2008	31.03.2007
(i) Indian Oiltanking Ltd.	India	50	50
(ii) Lubrizol India Pvt. Ltd.	India	50	50
(iii) Petronet VK Ltd.	India	26	26
(iv) Petronet CI Ltd.	India	26	26
(v) IndianOil SkyTanking Ltd.	India	33.33	33.33
(vi) Indo Cat Pvt. Ltd.	India	50	50
(vii) IndianOil Petronas Pvt.Ltd.	India	50	50
(viii) Suntera Nigeria 205 Ltd	Nigeria	25	0
(ix) IndianOil Panipat Power Consortium Ltd.	India	50	50
(x) Avi-Oil India Pvt. Ltd.	India	25	25
(xi) Petronet India Ltd.	India	16	16
(xii) Petronet LNG Ltd.	India	12.5	12.5
(xiii) Green Gas Ltd.	India	22.5	22.5

Proportionate share in assets, liabilities, income & expenditure of Petronet VK Ltd., Petronet CI Ltd, Indian Oil Panipat Power Consortium Ltd. & Petronet India Ltd. has not been consolidated as the Management has either decided to exit from these companies or the amount of investment in these companies has been provided for.

2) Share in assets, liabilities, income, expenses, contingent liabilities and capital commitments of Jointly Controlled Entities:

	(Rs. in Crore)	
	31.03.2008	31.03.2007
(i) Assets		
- Long Term Assets	800.33	651.77
- Current Assets	647.52	378.61
(ii) Liabilities		
- Current Liabilities and Provisions	372.01	230.09
- Other Liabilities	447.21	338.13
(iii) Income	2074.93	1266.58
(iv) Expenses	1896.58	1168.19
(v) Contingent Liabilities	11.13	13.12
(vi) Capital Commitments	201.80	124.60

3) Share in aggregate of Contingent Liabilities and Capital Commitments of Jointly Controlled Operations and Assets:

	(Rs. in Crore)	
	31.03.2008	31.03.2007
(a) Jointly Controlled Operations		
(i) Contingent Liabilities	-	-
(ii) Capital Commitments	583.13	404.43
(b) Jointly Controlled Assets		
(i) Contingent Liabilities	-	-
(ii) Capital Commitments	-	-

**DISCLOSURE OF EXPOSURE TO FINANCIAL AND COMMODITY TRADING DERIVATIVES****Financial and Derivative Instruments:**

- All derivative contracts entered into by the Company are for hedging its foreign currency exposures and commodity trading exposures relating to underlying transactions and firm commitments and not for any speculative or trading purposes.
- The Derivative contracts entered into by the Company and outstanding as on 31st March 2008 are as below:**

(a) For Hedging Currency Risks

Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31st March 2008 is given below:

(Rs. in Crore)

S. No.	Particulars	Unit of Currency	As on 31.03.2008		As on 31.03.2007	
			No of contracts	Aggregate amount	No of contracts	Aggregate amount
1	Forward Contracts for Import and Export	USD	2	174.55	2	1148.47

This includes currency swaps amounting to Rs 153.90 crore (2006-07 : Rs. 470.96 crore)

(b) For Hedging Commodity Related Risks:

Category-wise quantitative data about commodity derivative transactions that are outstanding as on 31st March 2008 is given below:

Quantity (in '000 bbls)

S. No.	Particulars	As on 31.03.2008		As on 31.03.2007	
		Quantity	Value	Quantity	Value
1	Swaps on Crude oil		350.00	300.00	
2	Futures on Crude oil				
	MCX		138.80	0.00	
	NCDEX		0.00	5.400	
3	Margin Hedging		1350.00	900.00	

- Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2008 is given below:

(Rs. in Crore)

S. No.	Unit of Currency	As on 31.03.2008		As on 31.03.2007	
		Quantity	Value	Quantity	Value
1	Unhedged		26239.60	21920.53	

This includes currency swaps amounting to Rs. 4498.60 crore (2006-07 : Rs. 2783.20 crore)

Cash Flow Statement

annexed to the Balance Sheet for the year ended 31st March, 2008

(Rs. in Crore)

	2007-08	2006-07
A Cash Flow from Operating Activities		
1 Profit Before Tax	12,488.68	11,611.72
2 Adjustments for:		
Depreciation	3,040.01	3,011.85
Loss/(Profit) on sale of Assets (Net)	(12.60)	30.83
Loss/(Profit) on sale of Investments(net)	376.25	(3076.26)
Amortisation of Capital Grants	(0.51)	(0.91)
Amortisation of goodwill	(2.04)	-
Deferred Revenue Expenditure(net)	33.30	(97.01)
Provision for Probable Contingencies (net)	29.73	31.17
Provision for Loss on Investments	291.08	180.87
Revenue Grant received in the form of Government Bonds	(18,997.00)	(13,943.21)
Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores	279.07	7.61
Provision for Diminution/written back - Amt receivable from trust	(59.92)	1,319.29
Provision in Investment written back	(4.85)	(4.94)
Interest Income on Investments	(1,052.84)	(693.04)
Dividend Income on Investments	(572.68)	(550.20)
Interest Expenditure	1,803.90	1,743.01
	(14,849.10)	(12,040.94)
B Operating Profit before Working Capital Changes (1+2)	(2,360.42)	(429.22)
C i) Change in Working Capital: (Excluding Cash & Bank Balances)		
Trade & Other Receivables	(145.84)	(1,537.04)
Inventories	(8,235.04)	(364.53)
Trade and Other Payables	6,888.32	2,553.57
Change in Working Capital	(1,492.56)	652.00
D Cash Generated From Operations (B+C)	(3,852.98)	222.78
E Less: Taxes paid	5,014.55	1,398.78
F Net Cash Flow from Operating Activities (D-E)	(8,867.53)	(1,176.00)
G Cash Flow from Investing Activities:		
Sale of Assets	230.35	198.37
Sale / Maturity of Investments	9,341.32	10,055.05
Interest Income on Investments	1,052.84	693.04
Dividend Income on Investments	572.68	550.20
Purchase of Assets	(1,340.23)	(1,083.11)
Adjustment for Finance Lease Receivable	17.72	27.14
Share application money received by JV Co.	0.06	-
Investment in Mutual Funds etc	-	(240.01)
Sale of investments	-	9.17
Expenditure on Construction Work in Progress	(6,387.28)	(4,023.65)
Net Cash used in Investing Activities	3,487.46	6,186.20



IndianOil

(Rs. in Crore)

	2007-08	2006-07
H Net Cash Flow From Financing Activities:		
Proceeds from Long-Term Borrowings	624.60	(1,014.63)
Proceeds from/(Repayments of) Short-Term Borrowings	8,715.21	432.15
Interest paid	(1,981.82)	(1,830.59)
Dividend/Dividend Tax paid	(1,994.43)	(2,573.25)
Net Cash Generated/(Used) from Financing Activities:	5,363.56	(4,986.32)
I Net Change in Cash & Cash Equivalents (F+G+H)	(16.51)	23.88
J Cash & Cash Equivalents as at end of the Financial Year	1,060.22	1,076.73
K Less: Cash & Cash Equivalents as at the beginning of Financial Year	1,076.73	1,052.85
NET CHANGE IN CASH & CASH EQUIVALENTS (J-K)	(16.51)	23.88
Notes:		
1. Cash and Cash Equivalents include:		
Cash and Bank Balances		
As per Balance Sheet	1060.22	1076.73
Total Cash and Cash Equivalents	1060.22	1076.73
2. The previous year's figures have been regrouped wherever necessary.		

Sd/-
(S. Behuria)
Chairman

Sd/-
(S. V. Narasimhan)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

for V.K. DHINGRA & CO.
Chartered Accountants

for M.M. NISSIM AND CO.
Chartered Accountants

for K K S & CO.
Chartered Accountants

Sd/-
(CA. V.K. DHINGRA)
Partner
M. No. 014467

Sd/-
(CA. SAMIR MEHTA)
Partner
M. No. 043086

Sd/-
(CA. S.L. KOCHAR)
Partner
M. No. 016573

Place : New Delhi
Date : May 28, 2008

Summarised Financial Statements of the Subsidiary Companies for the Financial Year 2007-08

1. Chennai Petroleum Corporation Ltd.
2. Bongaigaon Refinery & Petrochemicals Ltd.
3. IndianOil Technologies Ltd.
4. Lanka IOC Ltd.
5. IndianOil (Mauritius) Ltd.
6. IOC Middle East FZE

The Ministry of Corporate Affairs vide its letter No.47/216/2008-CL-III dated 4th April, 2008 has exempted Indian Oil Corporation Ltd. from attaching the Reports and Accounts of the Subsidiary Companies with the Annual Report for the year 2007-08.

The summarized financial statements of the Subsidiary Companies are enclosed in the following pages.

The Annual Accounts of the Subsidiary Companies are available with the Company Secretary, IndianOil and are open for inspection by any shareholder at the Registered Office of IndianOil during working days from 1030 hrs. to 1230 hrs. The copy of the Annual Accounts shall also be made available to any shareholder of IndianOil or its subsidiary on request.

Chennai Petroleum Corporation Limited

(Regd. Office: 536, Anna Salai, Teynampet, Chennai-600 018)



Balance Sheet as on 31st March, 2008

(Rs. in Crore)

	March-08	March-07
SOURCES OF FUNDS:		
1. Shareholders' Funds:		
a) Capital	149.00	149.00
b) Reserves and Surplus	3,315.52	2,488.74
	<u>3,464.52</u>	<u>2,637.74</u>
2. Loan Funds:		
a) Secured Loans	515.48	579.65
b) Unsecured Loans	1,934.98	1,254.48
	<u>2,450.46</u>	<u>1,834.13</u>
3. Deferred Tax Liability (Net)	607.36	573.52
	<u>6,522.34</u>	<u>5,045.39</u>
	TOTAL	
APPLICATION OF FUNDS:		
1. Fixed Assets		
a) Gross Block	5,065.90	4,847.96
b) Less: Depreciation	2,054.10	1,810.38
c) Net Block	<u>3,011.80</u>	<u>3,037.58</u>
d) Capital Goods work-in Progress	295.98	181.43
	<u>3,307.78</u>	<u>3,219.01</u>
2. Intangible Assets:		
a) Gross Block	60.11	60.11
b) Less: Amortisation	23.03	17.05
c) Net Block	<u>37.08</u>	<u>43.06</u>
3. Investments	110.46	111.90
4. Current Assets, Loans and Advances:		
a) Inventories	4,432.03	3,214.77
b) Sundry Debtors	1,510.69	1,002.26
c) Cash and Bank Balances	14.67	11.42
d) Other Current Assets - Interest accrued on Investments / Bank Deposits	0.42	0.41
e) Loans and Advances	197.45	209.03
	<u>6,155.26</u>	<u>4,437.89</u>
5. Less: Current Liabilities and Provisions		
a) Current Liabilities	2,605.06	2,474.42
b) Provisions	483.18	292.05
	<u>3,088.24</u>	<u>2,766.47</u>
Net Current Assets (4 - 5)	3,067.02	1,671.42
6. Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-
	<u>6,522.34</u>	<u>5,045.39</u>
	TOTAL	
Details of Investments:		
Indian Additives Ltd.	11.83	11.83
Petroleum India International	10.38	11.81
GOI Special Bonds	88.12	88.13
Others	0.13	0.13
	<u>110.46</u>	<u>111.90</u>
	TOTAL	



Profit and Loss Account for the year ended 31st March, 2008

(Rs. in Crore)

	March-08	March-07
INCOME:		
1. Sale of Products (Gross)	33,036.57	29,409.30
Less: Excise Duty	4,870.71	4,654.67
	<u>28,165.86</u>	<u>24,754.63</u>
Less: Commission and Discounts	147.26	59.81
Sale of products (net)	28,018.60	24,694.82
2. Increase/(Decrease) in Stocks	510.01	388.36
3. Interest and other Income	128.47	63.96
TOTAL INCOME	<u><u>28,657.08</u></u>	<u><u>25,147.14</u></u>
EXPENDITURE:		
1. Purchase of Products for resale	1,246.85	380.22
2. Manufacturing, Admn., Selling & Other Expenses	25,230.60	23,414.30
3. Duties other than Excise Duty on Sales	12.37	41.50
4. Depreciation and Amortisation:	251.61	241.94
5. Interest Payments on:		
a) Fixed period loans from Banks/Financial Institutions/Others	81.18	84.30
b) Short term loans from Banks	87.36	96.30
c) Others	26.26	7.70
	<u>194.80</u>	<u>188.30</u>
TOTAL EXPENDITURE	<u><u>26,936.23</u></u>	<u><u>24,266.26</u></u>
PROFIT FOR THE YEAR	1,720.85	880.88
Income/(Expenses) pertaining to previous years (Net)	0.78	-
PROFIT BEFORE TAX	1,721.63	880.88
Less: Provision for Tax (Net)		
a) Current Year	568.66	299.93
b) Previous Year	(5.91)	4.23
	<u>562.75</u>	<u>304.16</u>
PROFIT BEFORE DEFERRED AND FRINGE BENEFIT TAXES	1,158.88	576.72
Provision for Deferred Tax	33.84	6.73
Fringe Benefit Tax	2.09	4.71
PROFIT AFTER TAX	<u><u>1,122.95</u></u>	<u><u>565.28</u></u>
DISPOSABLE PROFIT	1,122.95	565.28
APPROPRIATIONS:		
Interim Dividend	74.46	-
Final Dividend (Proposed)	178.69	178.70
Dividend Distribution Tax on Interim Dividend	12.65	-
Dividend Distribution Tax on Final Dividend (Proposed)	30.37	30.37
General Reserve	826.78	356.21
	<u><u>1,122.95</u></u>	<u><u>565.28</u></u>
6. Earning Per Share (Rupees) (Basic & Diluted)	75.41	37.96

Bongaigaon Refinery and Petrochemicals Limited

(Regd. Office: P.O.Dhaligaon, Dist. Chirang, Assam-783 385)



Balance Sheet as on 31st March, 2008

(Rs. in Crore)

	March-08	March-07
SOURCES OF FUNDS:		
1. Shareholders' Funds:		
a) Capital	199.82	199.82
b) Reserves and Surplus	952.39	774.97
	<u>1,152.21</u>	<u>974.79</u>
2. Loan Funds:		
a) Secured Loans	308.15	104.67
b) Unsecured Loans	-	-
	<u>308.15</u>	<u>104.67</u>
3. Deferred Tax Liability (Net)	40.96	32.66
	<u>40.96</u>	<u>32.66</u>
TOTAL	<u>1,501.32</u>	<u>1,112.12</u>
APPLICATION OF FUNDS:		
1. Fixed Assets		
a) Gross Block	1,018.77	1,001.57
b) Less: Depreciation	637.03	619.55
c) Less: Impairment Loss	53.03	53.03
d) Net Block	<u>328.71</u>	<u>328.99</u>
e) Capital-work-in Progress	415.10	145.39
	<u>743.81</u>	<u>474.38</u>
2. Intangible Assets:		
a) Gross Carrying Amount	14.65	13.00
b) Less: Accumulated Amortisation	9.74	7.25
c) Less: Impairment Loss	1.65	1.65
c) Net Carrying Amount	<u>3.26</u>	<u>4.10</u>
3. Investments	77.02	78.57
4. Current Assets, Loans and Advances:		
a) Inventories	1,114.81	715.36
b) Sundry Debtors	387.25	229.80
c) Cash and Bank Balances	2.23	1.16
d) Other Current Assets - Interest accrued	0.05	0.05
e) Loans and Advances	176.07	215.42
	<u>1,680.41</u>	<u>1,161.79</u>
5. Less: Current Liabilities and Provisions		
a) Current Liabilities	841.42	472.98
b) Provisions	161.76	133.74
	<u>1,003.18</u>	<u>606.72</u>
Net Current Assets (4 - 5)	677.23	555.07
6. Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-
TOTAL	<u>1,501.32</u>	<u>1,112.12</u>
Details of Investments		
Petroleum India International	10.38	11.93
GOI Special Bonds	66.64	66.64
TOTAL	<u>77.02</u>	<u>78.57</u>



Profit and Loss Account for the year ended 31st March, 2008

(Rs. in Crore)

	March-08	March-07
INCOME:		
1. Sale of Products	6,645.00	6,425.96
Less: Excise Duty & Cess	615.18	637.51
	<u>6,029.82</u>	<u>5,788.45</u>
2. Increase/(Decrease) in Stocks	159.96	32.07
3. Interest and other Income	84.75	45.03
	<u>6,274.53</u>	<u>5,865.55</u>
TOTAL INCOME		
EXPENDITURE:		
1. Manufacturing, Admn., Selling & Other Expenses	5,779.89	5,479.02
2. Duties applicable on products (net)	4.15	6.75
3. Depreciation and Amortisation	30.51	36.38
4. Impairment Loss	-	54.68
5. Interest Payments on:		
a) Short term loans from Banks	8.97	10.47
b) Others	0.62	1.59
	<u>9.59</u>	<u>12.06</u>
	<u>5,824.14</u>	<u>5,588.89</u>
TOTAL EXPENDITURE		
PROFIT FOR THE YEAR	450.39	276.66
Income/(Expenses) pertaining to previous years (Net)	(1.77)	(1.16)
PROFIT BEFORE TAX	448.62	275.50
Less: Provision for Income Tax		
a) Current Year	144.63	132.50
b) Previous Year	0.18	(5.02)
d) Fringe Benefit Tax	1.21	0.89
d) Deferred Tax	8.30	(37.85)
PROFIT AFTER TAX	294.30	184.98
Balance brought forward from last year's account	-	-
DISPOSABLE PROFIT	294.30	184.98
APPROPRIATIONS:		
Final Dividend (Proposed)	99.91	69.94
Corporate Dividend Tax on Proposed Final Dividend	16.98	11.89
Profit & Loss Account	177.41	103.15
	<u>294.30</u>	<u>184.98</u>
Earning Per Share (Rupees) (Basic & Diluted)	14.73	9.26

IndianOil Technologies Limited

(Regd. Office: SCOPE Complex, Core-2, 7, Institutional Area, Lodhi Road, New Delhi-110 003)



Balance Sheet as on 31st March, 2008

(Rs. in Crore)

	March-08	March-07
SOURCES OF FUNDS:		
1. Shareholders' Funds:		
a) Share Capital	0.55	0.55
b) Reserves and Surplus	1.97	1.33
TOTAL	2.52	1.88
APPLICATION OF FUNDS:		
1. Current Assets, Loans and Advances:		
a) Cash and Bank balances	2.02	1.08
b) Loans and Advances	0.04	0.04
c) Sundry Debtors	0.84	0.88
	2.90	2.00
Less: Current Liabilities and Provisions		
a) Current Liabilities	0.02	0.04
b) Provisions	0.36	0.09
	0.38	0.13
Net Current Assets	2.52	1.87
2. Miscellaneous Expenditure (to the extent not written off or adjusted)	-	0.01
TOTAL	2.52	1.88

Profit and Loss Account for the year ended 31st March, 2008

(Rs. in Crore)

	March-08	March-07
INCOME:		
Service Charges	1.91	1.58
Other Misc. Income	0.15	0.07
TOTAL INCOME	<u><u>2.06</u></u>	<u><u>1.65</u></u>
EXPENSES:		
Admn., Selling & Other Expenses	0.57	0.53
TOTAL EXPENDITURE	<u><u>0.57</u></u>	<u><u>0.53</u></u>
PROFIT BEFORE TAX	1.49	1.12
Provision for Income Tax		
a) Current Year	0.51	0.38
b) Previous Year	0.01	0.02
DISPOSABLE PROFIT	<u><u>0.97</u></u>	<u><u>0.72</u></u>
APPROPRIATIONS:		
Final Dividend (Proposed)	0.28	-
Corporate Dividend Tax	0.05	-
BALANCE CARRIED TO BALANCE SHEET	<u><u>0.64</u></u>	<u><u>0.72</u></u>

Lanka IOC Limited

(Regd. Office: World Trade Centre, 20th Floor, West Tower, Colombo, Sri Lanka)

Balance Sheet as on 31st March, 2008

	March-08 (in Indian Currency) (Rs. in Crore)	March-07 (Rs. in Crore)	March-08 (in Sri Lankan Currency) (Rs. in Million)	March-07 (Rs. in Million)
ASSETS				
Non-Current Assets				
Property, Plant and Equipments	119.60	126.97	3,234.41	3,174.03
Long Term Investment (Refer details given below)	162.47	175.77	4,394.00	4,394.00
Other Investment (Refer details given below)	164.94	178.44	4,460.64	4,460.64
Goodwill	24.92	26.96	673.88	673.88
	<u>471.93</u>	<u>508.14</u>	<u>12,762.93</u>	<u>12,702.55</u>
Current Assets				
Inventories	314.71	262.39	8,510.87	6,559.22
Receivables and prepayments	20.26	33.84	547.99	845.90
Current Tax Receivables	-	0.42	-	10.38
Cash and cash equivalents	79.06	40.41	2,138.08	1,010.23
	<u>414.03</u>	<u>337.06</u>	<u>11,196.94</u>	<u>8,425.73</u>
TOTAL ASSETS	<u><u>885.96</u></u>	<u><u>845.20</u></u>	<u><u>23,959.87</u></u>	<u><u>21,128.28</u></u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Ordinary shares	250.54	250.54	5,324.66	5,324.66
Share premium	95.89	95.89	2,251.92	2,251.92
Retained Earnings	89.43	3.13	2,418.57	78.17
Exchange equilisation reserve	(66.27)	(43.34)	-	-
	<u>369.59</u>	<u>306.22</u>	<u>9,995.15</u>	<u>7,654.75</u>
Non-Current Liabilities				
Borrowings	-	-	-	-
Retirement benefit obligations	1.71	0.92	46.38	23.08
	<u>1.71</u>	<u>0.92</u>	<u>46.38</u>	<u>23.08</u>
Current Liabilities				
Trade and other payables	358.39	370.83	9,692.27	9,270.00
Current tax payable	4.47	-	120.77	-
Borrowings	151.80	167.23	4,105.30	4,180.45
	<u>514.66</u>	<u>538.06</u>	<u>13,918.34</u>	<u>13,450.45</u>
Total Liabilities	<u>516.37</u>	<u>538.98</u>	<u>13,964.72</u>	<u>13,473.53</u>
TOTAL EQUITY AND LIABILITIES	<u><u>885.96</u></u>	<u><u>845.20</u></u>	<u><u>23,959.87</u></u>	<u><u>21,128.28</u></u>
Details of Investments				
Ceylon Petroleum Corporation	162.47	175.77	4,394.00	4,394.00
Treasury Bonds	164.94	178.44	4,460.64	4,460.64



Lanka IOC

Income Statement for the year ended on 31st March, 2008

	March-08 (in Indian Currency) (Rs. in Crore)	March-07 (Rs. in Crore)	March-08 (in Sri Lankan Currency) (Rs. in Million)	March-07 (Rs. in Million)
Revenue	1,720.15	1,405.38	44,760.14	32,796.07
Cost of Sales	(1,578.93)	(1,366.44)	(41,085.43)	(31,887.30)
Gross Profit	141.22	38.94	3,674.71	908.77
Other operating income	10.03	14.69	260.91	342.79
Selling and distribution costs	(2.11)	(0.89)	(54.89)	(20.73)
Administrative Expenses	(31.46)	(30.18)	(818.50)	(704.26)
Disallowed input VAT on subsidy	(30.59)	9.20	(795.97)	214.61
Provision for subsidy receivable from GOSL	-	(12.99)	-	(303.17)
Operating (loss) / profit	87.09	18.77	2,266.26	438.01
Finance cost	9.65	(46.04)	251.11	(1,074.42)
(Loss) / profit before tax	96.74	(27.27)	2,517.37	(636.41)
Tax	(6.80)	(2.11)	(176.97)	(49.33)
Net (loss) / profit	89.94	(29.38)	2,340.40	(685.74)
Earnings per share	1.69	(0.55)	4.40	(1.29)

Notes for conversion into Indian Rupees:

- (1) Assets and Liabilities for all Balance Sheet items presented including comparatives are translated at the closing rate (2008: 1 INR = 2.70 SLR, 2007: 1 INR = 2.50 SLR) which existed at the date of each balance sheet presented;
- (2) Income and Expense items for all periods presented including comparatives are translated at the average exchange rate of (2008: 1 INR = 2.60 SLR, 2007: 1 INR = 2.33 SLR);
- (3) Share Capital and Share Premium are translated at the exchange rate existing at the date of transaction.

IndianOil (Mauritius) Ltd.

(Regd. Office: Mer Rouge, Port Louis, Mauritius)

Balance Sheet as on 31st March, 2008

	March-08 (in Indian Currency) (Rs. in Crore)	March-07 (Rs. in Crore)	March-08 (in Mauritian Currency) (Rs. in Million)	March-07 (Rs. in Million)
ASSETS				
Non-Current Assets				
Property, Plant and Equipments	66.46	55.52	494.12	411.05
Capital work in progress	2.33	3.08	17.47	22.77
	<u>68.79</u>	<u>58.60</u>	<u>511.59</u>	<u>433.82</u>
Current Assets				
Inventories	50.31	24.08	334.56	178.32
Trade and other receivables	73.83	35.78	491.00	264.90
Cash and bank balances	33.40	26.76	222.09	198.13
	<u>157.54</u>	<u>86.62</u>	<u>1,047.65</u>	<u>641.35</u>
Foreign Currency Translation Reserve	7.98	10.66	-	-
TOTAL ASSETS	<u><u>234.31</u></u>	<u><u>155.88</u></u>	<u><u>1,559.24</u></u>	<u><u>1,075.17</u></u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Share Capital	75.67	75.67	488.20	488.20
Revenue Reserves	24.88	11.20	181.50	75.98
	<u>100.55</u>	<u>86.87</u>	<u>669.70</u>	<u>564.18</u>
Non-Current Liabilities				
Borrowings	10.64	17.63	70.74	130.49
Deferred Tax Liabilities	4.02	2.47	26.72	18.30
	<u>14.66</u>	<u>20.10</u>	<u>97.46</u>	<u>148.79</u>
Current Liabilities				
Trade and other payables	112.49	40.87	748.11	302.64
Amount due to holding company	0.32	0.21	2.13	1.56
Borrowings	5.91	7.83	39.30	58.00
Current Year Tax	0.38	-	2.54	-
	<u>119.10</u>	<u>48.91</u>	<u>792.08</u>	<u>362.20</u>
TOTAL EQUITY AND LIABILITIES	<u><u>234.31</u></u>	<u><u>155.88</u></u>	<u><u>1,559.24</u></u>	<u><u>1,075.17</u></u>



Mauritius

Profit & Loss Account for the year ended on 31st March, 2008

	March-08 (in Indian Currency) (Rs. in Crore)	March-07 (Rs. in Crore)	March-08 (in Mauritian Currency) (Rs. in Million)	March-07 (Rs. in Million)
Revenue	535.44	426.84	4,009.32	3,039.51
Cost of Sales	(508.75)	(400.58)	(3,807.41)	(2,852.53)
Direct Costs	(9.76)	(8.64)	(73.10)	(61.54)
Gross Profit	16.93	17.62	128.81	125.44
Administrative Expenses	5.49	5.04	41.09	35.88
Net Finance Costs	(5.03)	(0.21)	(37.66)	(1.53)
Selling Expenses	0.73	0.61	5.44	4.33
Depreciation	3.74	2.49	26.67	17.76
Exchange difference	(3.33)	(1.29)	(23.20)	(9.18)
	1.60	6.64	12.34	47.26
Profit Before Tax	15.33	10.98	116.47	78.18
Taxation	(1.65)	(3.12)	(10.95)	(22.24)
Profit After Tax	13.68	7.86	105.52	55.94
Earning Per Share	28.03	16.09	21.61	11.46

Notes for conversion into Indian Rupees:

- (1) Assets and Liabilities for all Balance Sheet items presented including comparatives are translated at the closing rate (2008: 1 MR = 1.50 INR, 2007: 1 MR = 1.35 INR) which existed at the date of each balance sheet presented;
- (2) Income and Expense items for all periods presented including comparatives are translated at the average exchange rate of (2008: 1 MR = 1.34 INR, 2007: 1 MR = 1.40 INR);
- (3) Share Capital is translated at the exchange rate existing at the date of transaction.

IOC MIDDLE EAST FZE

(Regd. Office: P.O. Box: 261338, Jebel Ali Free Zone Dubai - U.A.E)

Balance Sheet as on 31st March, 2008

	March-08 (in Indian Currency) (Rs. in Crore)	March-07 (Rs. in Crore)	March-08 (in Dubai - U.A.E. Currency) (AED in Million)	March-07 (AED in Million)
ASSETS				
Non-Current Assets				
Property, Plant and Equipments	0.03	0.03	0.03	0.03
Current Assets				
Inventories	0.04	-	0.03	-
Goods in transit	0.30	-	0.28	-
Trade and other receivables	0.39	0.37	0.36	0.31
Cash and cash equivalents	5.34	0.82	4.91	0.69
	<u>6.07</u>	<u>1.19</u>	<u>5.58</u>	<u>1.00</u>
TOTAL ASSETS	<u>6.10</u>	<u>1.22</u>	<u>5.61</u>	<u>1.03</u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Share Capital	2.30	1.22	2.00	1.00
Accumulated Loss	1.87	(0.21)	1.04	(0.17)
Foreign Currency Transaction reserve	(0.87)	(0.03)	-	-
	<u>3.30</u>	<u>0.98</u>	<u>3.04</u>	<u>0.83</u>
Current Liabilities				
Other Payables	2.80	0.24	2.57	0.20
TOTAL EQUITY AND LIABILITIES	<u>6.10</u>	<u>1.22</u>	<u>5.61</u>	<u>1.03</u>

Income Statement for the year ended on 31st March, 2008

	March-08 (in Indian Currency) (Rs. in Crore)	March-07 (Rs. in Crore)	March-08 (in Dubai - U.A.E. Currency) (AED in Million)	March-07 (AED in Million)
Revenue	40.73	17.60	37.11	14.28
Cost of goods sold	(38.15)	(17.29)	(35.45)	(14.03)
Gross Profit	2.58	0.31	1.66	0.25
Other Income	0.09	0.06	0.08	0.05
Total Income	2.67	0.37	1.74	0.30
Expenses				
Managerial remuneration	(0.30)	(0.24)	(0.27)	(0.19)
Administrative and selling expenses	(0.28)	(0.33)	(0.25)	(0.27)
Depreciation	(0.01)	(0.01)	(0.01)	(0.01)
Net Profit/(Loss) for the year	2.08	(0.21)	1.21	(0.17)
Earning Per Share	1.04	(0.21)	0.60	(0.17)

Notes for conversion into Indian Rupees:

- (1) Assets and Liabilities for all Balance Sheet items presented including comparatives are translated at the closing rate (2008: 1 AED = 10.87 INR, 2007: 1 AED = 11.83 INR which existed at the date of each balance sheet presented;
- (2) Income and Expense items for all periods presented including comparatives are translated at the average exchange rate of (2008: 1 AED = 10.97 INR, 2007: 1 AED = 12.32 INR);
- (3) Share Capital and Share Premium are translated at the exchange rate existing at the date of transaction.



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