

Driving the Future of Energy

Annual Report 2011-12



Contents

□ Notice	2
□ Attendance Slip/Proxy Form	9
□ Profile	12
□ Vision and Values	14
□ Objectives and Obligations	15
□ Board of Directors	18
□ Core Team	19
□ Principal Executives	20
□ Main Offices & Major Units	21
□ Bankers, Auditors, Stock Exchanges and Registrar & Transfer Agents	21
□ Group Companies & Joint Ventures	22
□ Performance at a Glance	23
□ Chairman's Message	25
□ Directors' Report	29
□ Annexures to Directors' Report	43
□ Awards & Recognitions	52
□ Management Discussion & Analysis	54
□ Report on Corporate Governance	60
□ Secretarial Audit Report	75
□ Annual Accounts	
• Auditors' Report	78
• Balance Sheet	82
• Profit & Loss Account	84
• Cash Flow Statement	86
• Notes	88
□ Income & Expenditure Account - Township etc.	136
□ Schedule of Fixed Assets (Township)	137
□ Comments of the Comptroller and Auditor General of India	139
□ Particulars of Employees - Section 217(2A)	140
□ Consolidated Financial Statements	143
□ Summary of Financial Information of Subsidiary Companies	191



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.

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 **53rd Annual General Meeting** of the Members of **INDIAN OIL CORPORATION LIMITED** will be held at **Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai - 400018** on **Friday, the 14th September, 2012** 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 March 31, 2012 and the Balance Sheet as on that date together with Reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares for the year 2011-12.
3. To appoint a Director in place of Shri Anees Noorani, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Dr. (Smt.) Indu Shahani, who retires by rotation and being eligible, offers herself for reappointment.
5. To appoint a Director in place of Shri Sudhir Bhargava, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint a Director in place of Dr. Ravinder Kumar Malhotra, who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

7. Appointment of Shri Makrand Nene 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 Makrand Nene, who was appointed as an Additional Director and designated as Director (Marketing) by the Board of Directors effective 05-10-2011 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 Director (Marketing) of the Company, liable to retire by rotation."
8. Appointment of Prof. (Dr.) Vinod Kumar Bhalla 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. (Dr.) Vinod Kumar Bhalla, who was appointed as an Additional Director by the Board of Directors effective 30-01-2012 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."
9. Appointment of Shri Vasudev Sitaram Okhde 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 Vasudev Sitaram Okhde, who was appointed as an Additional Director and designated as Director (Pipelines) by the Board of Directors effective 01-02-2012 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 Director (Pipelines) of the Company, liable to retire by rotation."
10. Appointment of Smt. Shyamala Gopinath 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 Smt. Shyamala Gopinath, who was appointed as an Additional Director by the Board of Directors effective 29-03-2012 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."
11. Appointment of Smt. Sushama Nath 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 Smt. Sushama Nath, who was appointed as an Additional Director by the Board of Directors effective 29-03-2012 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."
12. Appointment of Shri Shyam Saran 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 Shyam Saran, who was appointed as an Additional Director by the Board of Directors effective 29-03-2012 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."

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

By Order of the Board of Directors
For Indian Oil Corporation Limited



(Raju Ranganathan)
Company Secretary

27th July, 2012



NOTES

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL 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 DULY FILLED, STAMPED & SIGNED NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) Members / Proxies should bring the attendance slip duly filled and signed for attending the meeting.
- (c) Members are requested to bring their copy of Annual Report to the Meeting.
- (d) Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered Office of the Company on all working days i.e. Monday to Friday, between 10:30 a.m. and 12:30 p.m. upto the date of the Annual General Meeting.
- (e) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 7th September, 2012 to Friday, the 14th September, 2012 (both days inclusive) for the purpose of ascertaining the eligibility of members 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 working hours on 6th September 2012.
- (g) **Reserve Bank of India has initiated NECS (National Electronic Clearing System) facility for credit of dividend directly to the bank account of the members. Hence, members are requested to register their Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR code & 11 digit IFSC code), in respect of shares held in dematerialized form with their respective Depository Participant i.e. the agency where the demat account has been opened and in respect of shares held in physical form with the Registrar & Transfer Agent (RTA), M/s Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company.**
- (h) Members may send their requests for change / updation of Address, Bank A/c details, ECS mandate, Email address, Nominations:
- For shares held in dematerialised form** - to their respective Depository Participant
 - For shares held in physical form** - to the RTA, M/s Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company.
- (i) Non-Resident Indian Members are requested to inform the RTA, M/s Karvy Computershare Private Limited, Hyderabad immediately about :
- Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- (j) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market failing which the demat account / folio no. would be suspended for trading. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA.
- (k) Pursuant to the provisions of section 205A & 205C of the Companies Act, 1956, the Company has transferred all unpaid dividend declared upto the financial year 2003-2004 and interim dividend declared during the year 2004-05 to Investor Education & Protection Fund (IEPF) set up by Central Government. The Company would transfer the unpaid final dividend for the financial year 2004-05 in October, 2012. The dividend for the financial year 2005-06 and thereafter, which remains unpaid or unclaimed for a period of 7 years, would be transferred to the IEPF of the Central Government. Hence the Members who have not encashed their dividend warrants so far for the financial year 2005-06 to 2010-11 are requested to write to the Registrar & Transfer Agent, M/s. Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company for claiming the unpaid dividend. It may also be noted that once the unclaimed dividend is transferred to the IEPF of the Central Government no claim shall lie in respect thereof.

Similarly, the dividend declared by erstwhile IBP Co. Ltd. and Bongaigaon Refinery & Petrochemicals Ltd. (BRPL) (since merged with IndianOil) for the financial years 2004-05 till the year of merger remaining unpaid will be transferred to IEPF on expiry of 7 year period. The Members of erstwhile IBP and BRPL who have not encashed their dividend warrants so far are requested to write to the Registrar & Transfer Agents, M/s Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company.

NOTES (Contd.)

A brief resume of Directors, who are retiring and are eligible for reappointment, is given below:-

Item No. 3

Shri Anees Noorani, Independent Director, aged 62 years, is a Commerce Graduate and has done 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 Zodiac in 1980. Currently, he is responsible for overseeing the management of the organisation, Corporate Affairs and Finance functions. He is also the Chairman of Bi-National Indo Spanish Business Committee, Bombay Chamber of Commerce, Managing Committee member of Indo-German Chamber of Commerce and Honorary Adviser to CIAE.

Details of other Directorships in Public Companies (excluding Foreign Companies):

Name of the Company	Position held
Zodiac Clothing Company Limited	Vice Chairman & MD
Zodiac Finsec and Holdings Limited	Director
Zodiac Properties Ltd.	Director

Membership / Chairmanship in the Committees of other Public 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	None

Item No. 4

Dr. (Smt.) Indu Shahani, Independent Director, aged 61 years, is a Ph.D. in Commerce. She is the Principal of the reputed H. R. College of Commerce & Economics in Mumbai since 2000. She is also the Sheriff of Mumbai. She has over three decades of teaching experience and is the first Indian to be appointed as Vice-Chair on the Board of Governor of International Baccalaureate. She is also a visiting Faculty at the UC Berkeley, NYU Stern, USA, Dr. Shahni has also been appointed as Member of University Grants Commission (UGC).

Details of other Directorships in Public Companies (excluding Foreign Companies):

Name of the Company	Position held
Bajaj Electricals Ltd.	Director
Eureka Forbes Ltd.	Director
Colgate-Palmolive (India) Ltd.	Director

Membership/Chairmanship in the Committees of other Public 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	None

Item No. 5

Shri Sudhir Bhargava, Additional Secretary, MoP&NG, aged 57 years, is a Post-Graduate in International Economics & Finance and an IAS Officer of Rajasthan Cadre (1979). Before joining Petroleum Ministry as Additional Secretary, he was Jt. Secretary in the Ministry of Chemicals & Fertilizers. Shri Bhargava has handled various key assignments including District Administration, Urban Development, Personnel Management in the Rajasthan State Govt. as well as in the Ministries of Finance, Textiles, Chemicals & Fertilizers in the Central Govt.

Details of other Directorships in Public Companies (excluding Foreign Companies):

Name of the Company	Position held
Oil & Natural Gas Corporation Ltd.	Director
GAIL (India) Ltd.	Director
Membership/Chairmanship in the Committees of other Public Companies	NIL
No. of Shares held in the Company	NIL
Relationship between directors inter-se	None



NOTES (Contd.)

Item No. 6

Dr. Ravinder Kumar Malhotra, Director (R&D), aged 58 years, is a Mechanical Engineer from Institute of Technology, BHU and Ph.D. (Energy Studies) from IIT Delhi. Dr. Malhotra has over three decades of experience in IndianOil gaining expertise in all aspects of petroleum research and development. He is regarded as a national expert in fuel quality and alternative sources. Dr. Malhotra has been instrumental for research in new areas such as second and third generation bio-fuels, coal / residue / biomass gasification, hydrogen, bio-technology, nanotechnology and petrochemicals.

Details of other Directorships in Public Companies (excluding Foreign Companies)	NIL
Membership / Chairmanship in the Committees of other Public Companies	NIL
No. of Shares held in the Company	3600
Relationship between directors inter-se	None

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

Item No. 7

Shri Makrand Nene, aged 58 years, was appointed as an Additional Director w.e.f. 05.10.2011 and designated as Director (Marketing) 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 Makrand Nene, a Mechanical Engineer, has over 33 years experience in the downstream petroleum business. He has held several key portfolios and handled varied assignments in core business functions in IndianOil such as LPG, Supply & Distribution (S&D), Operations, Shipping, Commercial etc. As head of Operations and Supply & Distribution, Shri Nene piloted the introduction of Euro-III and Euro-IV green fuels through IndianOil's countrywide marketing network, which despite complex logistics was executed ahead of schedule. He was also instrumental in rationalizing the Corporation's supply & distribution zones, paving the way for IndianOil to emerge as the least cost supplier in the industry.

Details of other Directorships in Public Companies (excluding Foreign Companies):

Name of the Company	Position held
IndianOil Skytanking Limited	Chairman
IndianOil Skytanking Delhi Limited	Chairman
Membership/Chairmanship in the Committees of other Public Companies	NIL
No. of Shares held in the Company	NIL
Relationship between directors inter-se	None

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 Makrand Nene as a candidate for the office of Director.

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

Item No. 8

Prof. (Dr.) Vinod Kumar Bhalla, aged 64 years, was appointed as an Additional Director (Independent Director) w.e.f. 30-01-2012 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 (Dr.) Vinod Kumar Bhalla is an M.A. (Economics) from Punjab University and a Ph. D from the Delhi University. He has experience of more than 35 years in the field of Finance. He was a Professor for more than 17 years and was the Dean of Faculty of Management Studies, Delhi. Prof. Bhalla has published more than 100 research papers, and has also written a number of books and articles in various journals in the area of Financial Management and Policy.

Details of other Directorships in Public Companies (excluding Foreign Companies):

Name of the Company	Position held
Rico Auto Industries Limited	Director
Bharat Electronics Limited	Director

Membership/Chairmanship in the Committees of other Public Companies:

Name of the Committee	Position held
Audit Committee of Rico Auto Industries Limited	Member
Audit Committee of Bharat Electronics Limited	Member

NOTES (Contd.)

Shareholders/Investors Grievance Committee of Rico Auto Industries Limited

Member

No. of Shares held in the Company

NIL

Relationship between directors inter-se

None

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. Bhalla as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Prof. (Dr.) V. K. Bhalla is interested or concerned in the resolution.

Item No. 9

Shri Vasudev Sitaram Okhde, aged 57 years, was appointed as an Additional Director w.e.f. 01-02-2012 and designated as Director (Pipelines) by the Board of Directors pursuant to Article 94(I) 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 Vasudev Sitaram Okhde, a Mechanical Engineer from Regional Engineering College, Bhopal and an Executive MBA from Management Development Institute, Gurgaon has over three decades of experience in Hydrocarbon industry. He has held various important portfolios in Pipelines division, Corporate Planning, Exploration & Production and has worked in various disciplines like operations, maintenance, engineering services, projects etc.

Details of other Directorships in Public Companies (excluding Foreign Companies):

Name of the Company	Position held
Petronet India Limited	Director
Membership/Chairmanship in the Committees of other Public Companies	NIL
No. of Shares held in the Company	2400
Relationship between directors inter-se	None

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 V. S. Okhde as a candidate for the office of Director.

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

Item No. 10

Smt. Shyamala Gopinath, aged 63 years, was appointed as an Additional Director (Independent Director) w.e.f. 29-03-2012 by the Board of Directors, pursuant to Article 94(I) 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.

Smt. Shyamala Gopinath is former Deputy Governor of the Reserve Bank of India (RBI). She holds a Master's Degree in Commerce and is a Certified Associate of the Indian Institute of Banking and Finance. She has over 39 years experience in financial sector and policy formulation in different capacities at the RBI. As Deputy Governor and member of the Board of RBI, she was instrumental in guiding and influencing the national policies in the diverse areas of financial sector regulation and supervision, development and regulation of financial markets, capital account management, management of Govt. borrowings, forex reserves management, RBI accounts and payment and settlement systems. Smt. Shyamala Gopinath was also on deputation to the IMF during 2001-2003.

Details of other Directorships in Public Companies (excluding Foreign Companies):

Name of the Company	Position held
Tata Elxsi Limited	Director
GAIL (India) Limited	Director
National Stock Exchange of India Limited	Public Interest Director

Membership/Chairmanship in the Committees of other Public Companies:

Name of the Committee	Position held
Audit Committee of Tata Elxsi Limited	Chairman
No. of Shares held in the Company	NIL
Relationship between directors inter-se	None

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 Smt. Shyamala Gopinath as a candidate for the office of Director.



IndianOil

NOTES (Contd.)

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Smt. Shyamala Gopinath is interested or concerned in the resolution.

Item No. 11

Smt. Sushama Nath, aged 61 years, was appointed as an Additional Director (Independent Director) w.e.f. 29-03-2012 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.

Smt. Sushama Nath, an IAS Officer (1974 - MP Cadre) was Finance Secretary to the Government of India till May, 2011. She has also served as Secretary Expenditure, Ministry of Finance, Govt. of India, Member Secretary of the Sixth Central Pay Commission, Secretary of the Indian Council of Agricultural Research. Her other assignments with the Government of India inter-alia were Additional Secretary, Ministry of Agriculture, Joint Secretary, Department of Expenditure, Ministry of Finance, Joint Secretary, Ministry of Food and in-charge of the Command Area Development Programme in the Ministry of Water Resources.

Details of other Directorships in Public Companies (excluding Foreign Companies):

Name of the Company	Position held
Oil and Natural Gas Corporation Limited	Director

Membership/Chairmanship in the Committees of other public companies

Name of the Committee	Position held
Audit & Ethics Committee of Oil & Natural Gas Corporation Limited	Member

No. of Shares held in the Company NIL

Relationship between directors inter-se None

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 Smt. Sushama Nath as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Smt. Sushama Nath is interested or concerned in the resolution.

Item No. 12

Shri Shyam Saran, aged 66 years, was appointed as an Additional Director (Independent Director) w.e.f. 29-03-2012 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 Shyam Saran is a career diplomat having joined Indian Foreign Service in 1970. He has served in several capitals of the world including Beijing, Tokyo and Geneva. He has been India's Ambassador to Myanmar, Indonesia and Nepal and High Commissioner to Mauritius. He headed the Economic Division and the Multilateral Economic Division as well as East Asia Division under the Ministry of External Affairs. As a Joint Secretary in the Prime Minister's Office in 1991-92, he advised the Prime Minister on foreign policy, nuclear and defence related issues. Currently, he is a Member of National Security Advisory Board under National Security Council. He was recently appointed as Chairman of Research & Information System for developing countries, which is autonomous think-tank studying international economic related issues.

Details of other Directorships in Public Companies (excluding Foreign Companies):

Name of the Company	Position held
WIPRO Limited	Director
ONGC Videsh Ltd.	Director

Membership/Chairmanship in the Committees of other Public Companies NIL

No. of Shares held in the Company NIL

Relationship between directors inter-se None

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 Shyam Saran as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Shri Shyam Saran 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
For Indian Oil Corporation Limited

(Raju Ranganathan)
Company Secretary

27th July, 2012



53rd Annual Report

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued Circulars stating that service of documents including Annual Report to the members can be made through electronic mode. SEBI, vide circular Ref. No. CIR/CFD/DIL/7/2011 dated 5th October 2011, has also advised listed companies to supply soft copies of full annual reports to all those members who have registered their e-mail addresses for the purpose. In order to support the said initiative, IndianOil has sent the copy of the Annual Report for the year 2011-12 alongwith the notice convening the Annual General Meeting through e-mail to those members who have registered their e-mail id with the DP's / R&T agents and have opted not to receive the Annual report in physical form.

MEMBERS WHO HAVE NOT YET REGISTERED THEIR EMAIL ADDRESS ARE REQUESTED TO SUPPORT THE GREEN INITIATIVES BY REGISTERING THEIR EMAIL ADDRESS EITHER WITH DEPOSITORIES OR WITH THE COMPANY IN THE FORMAT GIVEN BELOW.

FORM FOR REGISTRATION OF EMAIL ADDRESS FOR RECEIVING DOCUMENTS / NOTICES BY ELECTRONIC MODE

To,
Karvy Computershare Private Limited
Unit: Indian Oil Corporation Limited
Plot No.17 to 24,
Vittalrao Nagar, Madhapur
Hyderabad - 500081

I agree to receive all documents / notices including the Annual Report from the Company in electronic mode. Please register my email address given below in your records for sending communication through email.

Name of Sole / First Holder : _____

DP ID / Client ID / Regd. Folio No. : _____

PAN No. : _____

E-mail Address : _____

(Signature of Member)

Date :

Place :



Indian Oil Corporation Limited

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

ATTENDANCE SLIP

DP ID	CLIENT ID	FOLIO NO.	NO. OF SHARES HELD

Name of the Member _____

Signature of the Member _____

Name of the Proxy _____

Signature of the Proxy _____

NOTES

1. Kindly sign and hand over the attendance slip at the entrance of the meeting hall.
2. Members/Proxy holders are requested to bring their copy of the Annual Report for reference at the meeting

TEAR HERE



Indian Oil Corporation Limited

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

PROXY FORM

DP ID	CLIENT ID	FOLIO NO.	NO. OF SHARES HELD

I/We
of in the district of
being a member/members of the Company hereby appoint
of in the district of or failing him/her,
..... of in the district of as my/
our proxy to attend and vote for me/us on my/our behalf at the **53rd Annual General Meeting** of the Company to be held at **1030 hrs. on Friday, the 14th September, 2012 at Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai - 400018** and at any adjournment(s) thereof.

Signed this day of 2012.

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 - 400051 not less than 48 hours before the commencement of meeting.



Building for the Future

PROFILE

IndianOil is India's flagship national oil company, with business interests that straddle the entire hydrocarbon value chain - from refining, pipeline transportation and marketing of petroleum products to exploration & production of crude oil & gas as well as marketing of natural gas and petrochemicals. It is the highest ranked Indian corporate in the prestigious Fortune 'Global 500' listing, ranked at the 83rd position in the year 2012.

IndianOil and its subsidiaries have a dominant share of the petroleum products' market, national refining capacity and downstream sector pipelines capacity. With a strong workforce, IndianOil has been helping to meet India's energy demands for over five decades now. At IndianOil, operations are strategically structured along verticals - Refineries, Pipelines, Marketing, R&D Centre and Business Development - E&P, Petrochemicals and Natural Gas.

IndianOil and its subsidiaries own and operate 10 of India's refineries and its cross-country network of crude oil, product and gas pipelines is the largest in the country, meeting the vital energy needs of consumers in an efficient and environment-friendly manner.

IndianOil has a formidable network of customer touch-points dotting the landscape, across urban and rural India. The Corporation caters to the rural market through its custom design Kisan Seva Kendra retail outlets. With a countrywide network backed for supplies by bulk storage

terminals and depots, aviation fuel stations and LPGas bottling plants, IndianOil services every nook and corner of the country, every hour of the day. Indane LPGas is present in almost all markets through a vast network of distributors. A large network of consumer pumps is also in operation for the convenience of bulk consumers, ensuring products and inventory at their doorstep.

The Corporation has a portfolio of powerful and much-loved energy brands that include Indane LPGas, **SERVO** lubricants, XtraPremium petrol, XtraMile diesel, PROPEL petrochemicals, etc. IndianOil's ISO-9002 certified Aviation Service commands an enviable market share in the aviation fuel business and successfully services the demands of domestic and international flag carriers, private airlines and the Indian Defence Services. The Corporation also enjoys a major share of the fuel needs of the bulk consumer, industrial, agricultural and marine sectors.

With a steady aim of maintaining its position as a market leader and providing the best quality products and services, IndianOil is currently investing in a host of projects for augmentation of refining, pipelines and petrochemical capacities, expansion of marketing infrastructure and product quality upgradation.

IndianOil has a world class Research & Development Centre that is a pioneer in lubricants formulation, refinery processes, pipeline



IndianOil – Bringing Energy to Life





IndianOil

transportation and alternative fuels. This nodal agency of the Indian hydrocarbon sector has been instrumental in ushering in research on Hydrogen fuel in the country.

Some of the in-house technologies and catalysts developed by IndianOil include the DHDT technology, Light Naptha Isomerization technology, INDMAX technology (for maximizing LPGas yield), Oilivorous bio-remediation technology (extended to marine applications too), Diesel Hydro DeSulphurisation(DHDS) catalyst, a special Indicat catalyst for Bharat Stage - IV compliant Diesel, IndVi catalyst for improved distillate and FCC throughput, and adsorbent based deep sulphurisation process for gasoline and diesel streams.

Having set up subsidiaries in Sri Lanka, Mauritius and the United Arab Emirates (UAE), IndianOil is simultaneously scouting for new business opportunities in the energy markets of Asia and Africa. IndianOil has been pursuing exploration and production (E&P) activities in collaboration with consortium partners. The Corporation's domestic portfolio includes 13 blocks, out of which in two blocks IndianOil is having 100% participating interest as an operator. The overseas portfolio consists of nine blocks spread across Libya, Iran, Gabon, Nigeria, Yemen & Venezuela.

Natural Gas Business is a thrust area for IndianOil with focus on marketing, import, transportation & infrastructure development. IndianOil has marketing rights for 30% of the LNG procured by Petronet LNG Limited for its Dahej Terminal & upcoming Kochi Terminal. IndianOil is setting up a 5 MMTPA LNG regassification terminal of its own at Ennore. The Corporation is investing in cross country Gas Pipelines in JV and also has presence in City Gas Distribution through its JV company, Green Gas Ltd.

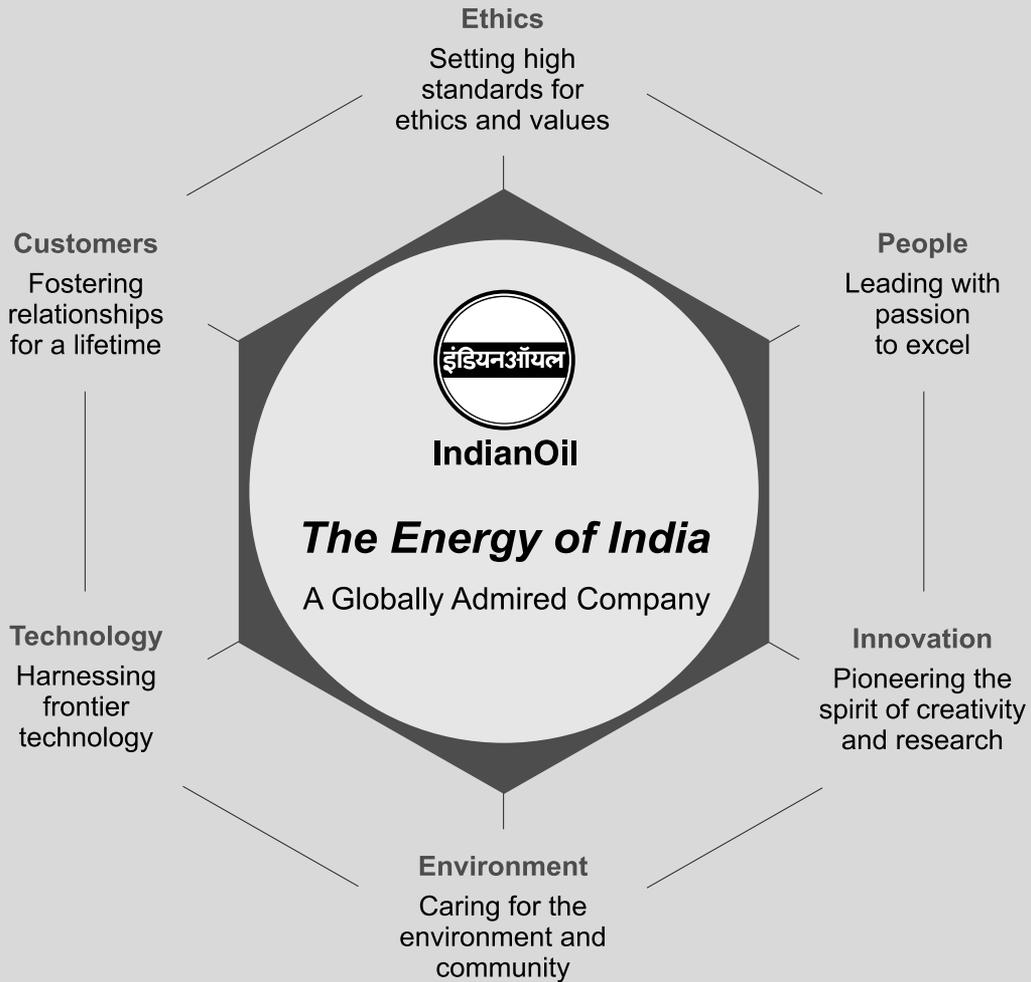
The Corporation has forayed into alternative energy options such as wind, solar, bio-fuels and nuclear power. A wind power project is operational in Gujarat and underway in Andhra Pradesh and the solar power initiative is being spearheaded on a pilot basis in Jodhpur, Rajasthan.

IndianOil has a concerted social responsibility programme to partner communities for health, family, welfare, education, environment and cultural heritage protection. The Corporation has always been at the forefront during national emergencies stepping in to provide assistance and relief & rehabilitation as well as maintaining an uninterrupted supply of petroleum products. IndianOil has successfully combined its corporate social responsibility with its business offerings, meeting the energy demands of millions of people every day, across the length and breadth of the country.



IndianOil Corporate Office, New Delhi

VISION



• Care • Innovation • Passion • Trust



IndianOil

OBJECTIVES AND OBLIGATIONS

Objectives

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

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

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

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

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

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

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

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

To earn a reasonable rate of return on investment.



R&D Centre, Faridabad

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

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

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

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

Obligations

Towards customers and dealers

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

Towards suppliers

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

Towards employees

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

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

Towards community

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

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

Towards Defence Services

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

Financial Objectives

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

To ensure maximum economy in expenditure.

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

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

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

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



Beacon of Excellence

Board of Directors



Sitting (from left to right): Dr. Sudhakar Rao, Smt. Shyamala Gopinath, Shri Sudhir Bhargava, Dr. Indu Sahani, Shri R.S. Butola, Smt. Sushama Nath, Shri Anees Noorani, Shri Michael Bastian and Shri N.K. Poddar

Standing behind (from left to right): Shri V.S. Okhde, Shri R.K. Ghosh, Prof. V.K. Bhalla, Dr. R.K. Malhotra, Prof. Gautam Barua, Shri A.M.K. Sinha, Shri P.K. Goyal, Shri M. Nene and Shri Shyam Saran



Shri Sudhir Bhalla (in absence)



53rd Annual Report

BOARD OF DIRECTORS

Shri R. S. Butola
Chairman

Dr. R. K. Malhotra
Director (Research & Development)

Shri Sudhir Bhalla
Director (Human Resources)

Shri A. M. K. Sinha
Director (Planning & Business Development)

Shri P. K. Goyal
Director (Finance)

Shri Rajkumar Ghosh
Director (Refineries) w.e.f. 01.09.2011

Shri M. Nene
Director (Marketing) w.e.f. 05.10.2011

Shri V. S. Okhde
Director (Pipelines) w.e.f. 01.02.2012

Shri Sudhir Bhargava
Government Nominee Director

Shri Anees Noorani
Independent Director

Dr. (Smt.) Indu R. Shahani
Independent Director

Prof. Gautam Barua
Independent Director

Shri Michael Bastian
Independent Director

Shri N. K. Poddar
Independent Director

Dr. Sudhakar Rao
Independent Director

Prof. (Dr.) V. K. Bhalla
Independent Director, w.e.f. 30.01.2012

Smt. Shyamala Gopinath
Independent Director, w.e.f. 29.03.2012

Smt. Sushama Nath
Independent Director, w.e.f. 29.03.2012

Shri Shyam Saran
Independent Director, w.e.f. 29.03.2012

Shri B. N. Bankapur
Director (Refineries) upto 31.08.2011

Shri G. C. Daga
Director (Marketing) upto 30.09.2011

Shri K. K. Jha
Director (Pipelines) upto 31.01.2012

Shri P. K. Sinha
Government Nominee Director, upto 29.02.2012

Prof. (Dr.) Indira J. Parikh, upto 29.03.2012

Shri Raju Ranganathan, Company Secretary



Shri R. S. Butola
Chairman



Dr. R. K. Malhotra
Director (Research & Development)



Shri Sudhir Bhalla
Director (Human Resources)



Shri A. M. K. Sinha
Director (Planning & Business Development)



Shri P. K. Goyal
Director (Finance)



Shri R.K. Ghosh
Director (Refineries)



Shri M. Nene
Director (Marketing)



Shri V. S. Okhde
Director (Pipelines)

Core Team

PRINCIPAL EXECUTIVES

Vipin Kumar

Adviser Security

S K Singh

Chief Vigilance Officer

V K Sood

Executive Director(Corporate Finance)

S K Garg

Chief Executive Officer (IndianOil Foundation)

A K Roy

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

Satish Kumar

Executive Director (Human Resources), Corporate Office

N K Bansal

Executive Director (IndianOil Institute of Petroleum Management)

Amitava Chatterjee

Executive Director (Corporate Planning & Quality Control), Marketing

Ravinder Sareen

Executive Director (Aviation), Marketing

S Ramasamy

Executive Director (Information System), Corporate Office

N Srikumar

Executive Director (CC & Branding), Marketing

V K Jaychandran

Executive Director (Tamil Nadu State Office)

Satwant Singh

Executive Director (Cryogenics)

M Ramana

Executive Director (Operations), Marketing

Debasis Sen

Executive Director (I/C) (Lubes), Marketing

S C Meshram

Executive Director (Consumer Sales), Marketing

Prithwiraj Sur

Executive Director (I/C) (Gujarat Refinery)

S N Choudhary

Executive Director (Maintenance & Inspection), Refineries

H S Bedi

Executive Director (Human Resources), Marketing

A Saran

Executive Director (Bongaigaon Refinery)

N Sethurathinam

Executive Director (Maintenance & Inspection), Refineries

V K Bansal

Executive Director (Finance), Refineries

M Vijaywargiya

Executive Director (I/C) (Projects-PDRP)

A K Marchanda

Executive Director (I/C) (Gas), Corporate Office

Ashwani Sharma

Executive Director (Operations), Refineries

M K Padia

Executive Director (Mathura Refinery)

N K Gupta

Executive Director (Shipping), Refineries

S K Sarangi

Executive Director (Alternate Energy), R&D

R Sankar

Executive Director (Finance), Pipelines

K R Suresh Kumar

Executive Director (Regional Services, Southern Region), Marketing

S S Bapat

Executive Director (Regional Services, Western Region), Marketing

S Krishna Prasad

Executive Director (Finance), Marketing

G Tiwari

Executive Director (Maharashtra State Office)

Anjan Banerjee

Executive Director (Lube-Operations), Marketing

S K Diwan

Executive Director (Gujarat State Office)

Suneel Sethi

Executive Director (Human Resources), Pipelines

Dr. B Basu

Executive Director (Lube Technology), R&D

V K Gupta

Executive Director (Corporate Affairs)

Ashis Nag

Executive Director (Process Design & Engg.Cell), Refineries

B P Baliga

Executive Director (Health, Safety & Environment), Refineries.

S Ganguli

Executive Director (Haldia Refinery)

S Rajagopal

Executive Director (Refining Technology), R&D

A K Digar

Executive Director (Health, Safety & Environment), Marketing

Ms. Madhu Bala Nangia

Executive Director (Finance) R&D

S Balasubramanian

Executive Director (Supplies), Marketing

J P Ojha

Executive Director (Operations), Pipelines

A N Jha

Executive Director (LPG), Marketing

S Mitra

Executive Director (Petrochemicals)

P M Nazirudeen

Executive Director (Andhra Pradesh State Office)

S S Samant

Executive Director (Projects & Engineering), Marketing

S K Ghosh

Executive Director (Projects), Refineries

Anish Aggarwal

Executive Director (Western Region Pipelines)

B Ashok

Executive Director (Retail Sales), Marketing

V Damodaran

Executive Director (Ennore LNG Project)

Barun Barpujari

Executive Director (Assam Oil Division)

Alok Misra

Executive Director (Anti Adulteration Cell), Corporate Office

Projjal Chakrabarty

Executive Director (Information System), Marketing

T K Basak

Executive Director (Petrochemicals), Refineries

Rajiv Khanna

Executive Director (Pricing), Marketing

B B Choudhary

Executive Director (Exploration & Production, RE&SD)

S K Jha

Executive Director (Barauni Refinery)

V K Khurana

Executive Director (Projects), Pipelines

V K Mithal

Executive Director (Projects - PDRP)

Sudeb Gupta

Executive Director (Punjab State Office)

A K Garg

Executive Director (Internal Audit), Corporate Office

H S Pati

Executive Director (Eastern Region Pipelines)

R K Bhan

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

U K Roy

Executive Director (Core Group - PDRP)

R K Arora

Executive Director (Karnataka State Office)

Lee Bee Sen

Executive Director (Human Resources), Refineries

Indrajit Bose

Executive Director (West Bengal State Office)

B P Das

Executive Director (Guwahati Refinery)

Dr. B D.Yadav

Executive Director (Northern Region Pipelines)

Rajiv Chawla

Executive Director (Information System), Refineries

Gautam Roy

Executive Director (Technical), Gujarat Refinery

Sanjiv Singh

Executive Director (Panipat Refinery)



IndianOil

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)

Bongaigaon Refinery

P. O. Dhaligaon 783 385
Dist. Chirang (Assam)

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, Gauridada,
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

BANKERS, AUDITORS, STOCK EXCHANGES AND REGISTRAR & TRANSFER AGENT

STATUTORY AUDITORS

M/s. B. M. Chatrath & Co., Kolkata
M/s Parakh & Co., Jaipur
M/s Dass Gupta & Associates, New Delhi

BRANCH AUDITORS

Shri S. Jaykishan, Kolkata
M/s. H D S G & Associates, New Delhi
M/s M. Thomas & Co., Chennai
M/s S. K. Naredi & Co., Kolkata
M/s. S. Lall & Co., Panipat

COST AUDITORS

M/s. R. M. Bansal & Co., Kanpur
M/s Thakur & Co., Kolkata
M/s ABK & Associates, Mumbai
M/s Vivekanandan Unni & Associates, Chennai
M/s. Mani & Co., Kolkata
M/s. Musib & Company, Kolkata
M/s Sanjay Gupta & Associates, New Delhi
M/s A. C. Dutta & Co., Kolkata
M/s Chandra Wadhwa & Co., Delhi
M/s R. J. Goel & Co., New Delhi
M/s Subhadra Dutta & Associates, Dibrugarh
M/s Bandyopadhyay Bhaumik & Co., Kolkata

REGISTRAR & SHARE TRANSFER AGENT

M/s. Karvy Computershare Pvt. Ltd.
Plot No. 17 - 24, Vittal Rao Nagar, Madhapur,
Hyderabad - 500 081
Tel.: 040-44655000, Fax: 040-44655024

STOCK EXCHANGES

BSE Ltd.

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.

BANKERS

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

GROUP COMPANIES

Name	Business
Chennai Petroleum Corporation Limited	Refining of petroleum products
IndianOil (Mauritius) Ltd.	Terminalling, Retailing & Aviation refueling
Lanka IOC PLC.	Retailing, Terminalling & Bunkering
IOC Middle East FZE	Lube blending & Marketing of Lubricants
IndianOil - CREDA Biofuels Limited	Plantation of Jatropha and extraction of oil for Bio-diesel
IOC Sweden AB	Investment company for E&P Project in Venezuela

JOINT VENTURES

Name	Business	Partners
Avi-Oil India Pvt. Ltd.	Speciality lubricants	NYCO SA, France and Balmer Lawrie & Co. Ltd.
Delhi Aviation Fuel Facility Private Limited	Setting up and operation of Aviation Fuel Facility at Delhi Airport	DIAL & BPCL
Green Gas Ltd.	City gas distribution	GAIL (India) Ltd.
Indo Cat Pvt. Ltd.	FCC Catalyst/additive	Inter-cat, USA
IOT Infrastructure & Energy Services Ltd.	Terminalling services	Oiltanking GmbH, Germany
IndianOil Petronas Pvt. Ltd.	Terminalling services and parallel marketing of LPG	Petronas, Malaysia
IndianOil Ruchi Bio Fuels LLP	Bio Fuel related activities	Ruchi Soya
IndianOil Skytanking Ltd.	Aviation fuel facility projects	IOT Infrastructure & Energy Services Ltd., Skytanking GmbH, Germany.
Indian Synthetic Rubber Limited	Setting up of Styrene Butadiene Rubber manufacturing facility at Panipat	TSRC Taiwan & Marubeni Japan
Lubrizol India Pvt. Ltd.	Lube Additives	Lubrizol Inc., USA
Petronet LNG Ltd.	LNG Imports/distribution	BPCL, ONGC, GAIL, Gaz de France, ADB
NPCIL - IndianOil Nuclear Energy Corporation Limited	For setting up Nuclear Power Plant	Nuclear Power Corporation of India Limited
Petronet India Ltd.	Petroleum product pipeline projects through special purpose vehicles.	BPCL, HPCL, RIL, IL&FS, ICICI, SBI, EOL
Petronet VK Ltd.	Construct and operate a pipeline for transportation of petroleum products from Vadinar to Kandla	PIL, RPL, EOL, SBI, KPT, GIIC, IL&FS, CB
Suntera Nigeria 205 Limited	Oil exploration activities	Oil India Ltd., Suntera Resources Ltd.

BPCL - Bharat Petroleum Corporation Ltd., **HPCL** - Hindustan Petroleum Corporation Ltd., **ONGC** - Oil and Natural Gas Corporation Ltd., **GAIL** - GAIL (India) Ltd., **RIL** - Reliance Industries Ltd., **IL&FS** - Infrastructure Leasing & Financial Services Ltd., **ICICI** - ICICI Bank, **SBI** - State Bank of India, **EOL** - Essar Oil Ltd., **PIL** - Petronet India Ltd., **KPT** - Kandla Port Trust, **GIIC** - Gujarat Industrial Investment Corporation Ltd., **CB** - Canara Bank., **DIAL** - Delhi International Airport Pvt.Ltd., **TSRC** - TSRC Corporation, Taiwan, **ADB** - Asian Development Bank



IndianOil

PERFORMANCE AT A GLANCE

	2011-12 —(US \$ Million)—	2010-11	2011-12	2010-11	2009-10 (₹ in Crore)	2008-09	2007-08
I FINANCIAL							
Turnover (Inclusive of Excise Duty)	85,550	72,104	409,957	328,652	271,095	285,398	247,457
Gross Profit*	4,508	3,585	21,600	16,339	18,872	11,319	14,334
Profit Before Interest, Exceptional Items & Tax	3,560	2,583	17,058	11,772	15,632	8,281	11,626
Profit before Exceptional Items & Tax	2,392	1,996	11,462	9,096	14,106	4,329	10,080
Profit Before Tax	783	1,996	3,754	9,096	14,106	4,329	10,080
Profit After Tax	825	1,633	3,955	7,445	10,221	2,950	6,963
Dividend	253	506	1,214	2,307	3,156	910	656
Dividend Tax	40	79	194	359	509	155	76
Retained Earnings	532	1,048	2,547	4,779	6,556	1,885	6,231
Value Added	8,168	7,123	39,143	32,466	32,586	31,507	24,667
Contribution to Central Exchequer (incl. Dividend paid to Central Govt.)	6,232	8,701	29,864	39,658	26,541	25,891	34,249
Cumulative Dividend	4,611	4,581	22,096	20,882	18,575	15,419	14,509
* Profit before Depreciation, Interest Expenditure, Exceptional Items and Tax.							
What Corporation Owns							
Gross Fixed Assets	19,494	20,883	99,183	93,137	72,089	62,345	56,832
Depreciation & Amortisation	7,731	7,836	39,336	34,950	30,508	27,567	24,060
Net Fixed Assets	11,763	13,047	59,847	58,187	41,581	34,778	32,772
Capital Work In Progress (including Capital Advances)	4,282	2,836	21,789	12,648	21,269	18,140	9,170
Investments (including current investments)	3,671	4,382	18,678	19,545	22,370	32,232	21,536
Working Capital	7,514	5,383	38,232	24,008	14,637	9,261	18,391
Misc. Expenditure	4	3	20	15	18	38	125
Total	27,234	25,651	138,566	114,403	99,875	94,449	81,994
What Corporation Owes							
Net Worth							
- Share Capital	477	544	2,428	2,428	2,428	1,192	1,192
- Share Suspense Account	-	-	-	-	-	22	-
- Reserves	10,898	11,862	55,449	52,904	48,125	42,784	39,894
Total	11,375	12,406	57,877	55,332	50,553	43,998	41,086
Borrowings	14,829	11,824	75,447	52,734	44,566	44,972	35,523
Deferred Tax Liability	1,030	1,421	5,242	6,337	4,756	5,474	5,385
Foreign Currency Monetary Item							
Translation Difference Account	-	-	-	-	-	5	-
Total	27,234	25,651	138,566	114,403	99,875	94,449	81,994

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

PERFORMANCE AT A GLANCE (Contd.)

	2011-12 (US \$)	2010-11	2011-12	2010-11	2009-10 (₹)	2008-09	2007-08
Ratios							
Debt Equity Ratio							
- Total Debt to Equity	1.30:1	0.95:1	1.30:1	0.95:1	0.88:1	1.02:1	0.86:1
- Long Term Debt to Equity	0.38:1	0.34:1	0.38:1	0.34:1	0.36:1	0.36:1	0.28:1
Profit After Tax to Average Networth (%)	6.99	14.06	6.99	14.06	21.62	6.93	18.34
Earnings Per Share*	0.34	0.67	16.29	30.67	42.10	12.15	29.20
Cash Earnings Per Share*	0.73	1.09	35.00	49.47	55.44	24.66	40.55
Networth Per Equity Share*	4.69	5.11	238.38	227.90	208.21	181.22	172.29

* Earnings Per Share, Cash Earnings Per Share and Net Worth per Equity Shares for all the periods have been adjusted for Bonus Issue in November 2009

Note: Exchange rate used:

For 2011-12 Average Rate 1 US \$ = ₹ 47.92 and Closing Rate 1 US \$ = ₹ 50.88 as on 31.03.2012

For 2010-11 Average Rate 1 US \$ = ₹ 45.58 and Closing Rate 1 US \$ = ₹ 44.60 as on 31.03.2011

II OPERATIONS

		2011-12	2010-11	2009-10	2008-09	2007-08
Operating Performance						
Product Sales						
Domestic						
- Petroleum Products	Million Tonnes	68.103	65.314	63.030	60.887	57.548
- Gas	Million Tonnes	1.723	1.638	1.683	1.666	1.737
- Petrochemicals	Million Tonnes	1.473	0.909	0.652	0.540	0.528
- Explosives	Million Tonnes	0.071	0.071	0.058	0.051	0.042
Total Domestic	Million Tonnes	71.370	67.932	65.423	63.144	59.855
Export	Million Tonnes	4.291	4.988	4.497	3.613	3.331
Total	Million Tonnes	75.661	72.920	69.920	66.757	63.186
Refineries Throughput	Million Tonnes	55.621	52.962	50.696	51.367	47.401
Pipelines Throughput	Million Tonnes	75.549	68.512	65.007	59.627	57.121

III MANPOWER NUMBERS

	2011-12	2010-11	2009-10	2008-09	2007-08
	34,233	34,105	34,363	33,998	31,945

CHAIRMAN'S MESSAGE

The year 2011-12 for IndianOil was one with very many significant positives, yet some of the negatives, mostly due to external factors beyond its control continued to make its impact. Some of the significant achievements were the stabilization of petrochemical operations at Panipat Complex, ensuring it operated at 100% capacity from May'12 onwards; achieving the highest ever throughput in our refineries, recording 102% capacity utilization marking the fifth consecutive year that we have done this; improving distillate yield to a record 77.8% and achieving the lowest MBN (indicating the combined energy utilization factor); record highest ever products sale as well as open the highest number of retail outlets in any one of the last five years, with over 60% outlets of them in high growth rural centres. We also automated the highest number of outlets in any one year, which helped in improving our customer connect.

Our Gross Refinery Margins have gone through a tumultuous phase being at reasonable levels in the first six months and thereafter plunging into a tightening trajectory before recovering in the last quarter of the year. Despite the tight GRMs for the year, we were able to push up our supplies and achieve healthy profit levels. Imposition of Entry Tax by the State Govt. of UP on crude oil received at our Mathura Refinery and the subsequent vacation of the Stay Order granted to the Corporation by the Hon'ble Supreme Court had its implications. Consequent to the payment of entry tax, retrospectively from 2007 onwards, wiped off our profits resulting in a lowered profit after tax of ₹ 3955 crore. While we have taken various steps to pass on, prospectively, a sizeable component of this tax through sale of major petroleum products in the State, we are still hopeful to see if the impact of entry tax for the past period can be mitigated. On the whole, our business, barring such one-time burdens continued to grow at a healthy pace, helping us retain market leadership in India's Downstream Sector.

Globally, the Oil & Gas industry continued to be impacted by geo-political tensions rocking the oil markets and bringing in a heightened volatility in oil prices. Despite the supply dislocations and increase in demand albeit at a reduced pace due to drop in consumption in OECD countries, there was continued healthy demand from emerging economies. The good news also came in the form of increase in gas and oil production in the United States. The continued tensions at the global flashpoints with supply-demand mismatch manifested in high crude oil prices with the Brent average at USD 115/bbl during the year vis a vis USD 87/bbl in 2010-11. The emergence of US as a potential petroleum product and gas exporter was a game changer which will definitely impact the dynamics of Oil & Gas markets in the coming years. The other high impact development is the discovery of huge gas resources in some



countries in the African Region. Possibilities of Shale gas and oil in certain countries would further impact these dynamics of energy market.

Undoubtedly, we are in for an interesting and at the same time uncertain times and a continued vigil and understanding of the markets will be the key to enable us to maneuver through the emerging scenario. The refining sector is especially expected to pass through a tough time primarily because of the slowdown in growth all around, including in scaling down of growth rates in emerging



CSR – Spreading Smiles



Countrywide Network

53rd Annual Report

economies from Asia essentially due to the increased inter-connectivity of the global business. The refining margins have also been undergoing surprising swings. There has been increased realization of these emerging global developments in recent times in the Corporation and a number of initiatives are already in place to gear up and optimize our operations to remain in healthy state of affairs. Building up our capability to process heavier crudes is a part of such initiatives besides an emphasis on improving Supply Chain Management and minimizing logistics costs.

As a country, we have achieved 8-9% growth rates continuously over the last six years. However, the year 2011-12 saw the growth rate plummet to 6.5%, although, still much higher than many other countries. The widening fiscal deficit and trade gap, combined with high inflation and reduced growth has pushed the country at the moment into the danger zone of stagflation, having the worst of both the worlds - anemic growth and high inflation. POL demand growth on the other hand remains robust at 4.9%, and in terms of value crude oil imports stood at 7.5% of the GDP - easily amongst the highest in the world. Due to uncertainties in domestic gas production, we have turned into the third largest importer of natural gas among Asian countries, after Japan and South Korea. If the country has to continue to grow on a high trajectory, access to energy has to be ensured. The unfortunate aspect of the current policy of subsidization of the energy products in the country is that it is reducing the maneuvering space for policy makers both ways. While subsidies promote inefficient use of products, the rising demand for them forces imports thereby hitting both our fiscal and trade deficit. All these portend to a serious need for structural and policy changes or else the India Energy growth story is going to unravel very differently.

Despite the challenges, IndianOil continued to do well and with a series of initiatives taken, will continue to do well in all our operations be it in refining, pipeline transportation and marketing of petroleum products etc. We have lined up more than ₹ 46000 crore in a host of projects for augmentation of refining, pipelines and petrochemicals capacities, expansion of marketing infrastructure, technology induction, product quality upgradation etc. In petrochemicals we are uniquely poised to take full advantage of the growth opportunities. India's polymer market is set to grow to over 12 MMTPA in the next five years supported by demographics, changing lifestyles and growing income levels. The Indian petrochemicals industry will face competition from hubs in China, Singapore and West Asia for global markets yet the growing market of India and our



The No. 1 Petroleum Retail Brand

competitiveness, places us in a unique position to tap these opportunities. All these projects, including the petrochemical value projects, new grass-root refinery at Paradip, Butadiene extraction unit at Panipat, FCC revamp at Mathura as well as new pipelines like Paradip-Raipur-Ranchi and Paradip-Haldia-Durgapur (LPG), are intended to ensure availability of the petro products to our customers on one hand and enhancing our profitability on the other.

For over five decades, IndianOil has been the standard bearer in the petroleum business in India, delivering energy assurance to several generations of Indians. We have continued to invest in not only our existing business but also diversified into related areas. Many of the cutting edge breakthroughs in alternative fuels like Biodiesel, HCNG and Biotechnology have been nurtured by us. Across India, whether it is in the deserts of Rajasthan, the verdant landscape of the North East, the Deccan Plateau or the distant outreaches of Andamans, we have always delivered. Our footprints can be found in many foreign countries as well.

When a new generation arrives we will be there to meet the Future of Energy. This we shall do, well aware that sustainable energy solutions are not just a short term fix but a long term value. In fact, our diversifications into Wind Energy, Solar Power and Nuclear Power only demonstrates to generation next our continued commitment and is expected to take us to the next logical step in our progression as a truly world class energy company.

Our endeavor continues to ensure that future India will have the assurance of inclusive growth and uninterrupted clean energy. The task before us is enormous to say the least, with the present scenario of price uncertainty, political instability in pockets of the world and general economic volatility the challenge of investing for the future is even more daunting. But we have faced several such tests in the past. I want to thank all our customers and shareholders for their understanding and unstinted support. With the power of the stakeholders behind us and dedication of the IndianOilPeople nothing is impossible.

R.S. Butola
Chairman



Commitment to Sustainable Solutions



*Making its way...
...into every heart, in every part*



SERVO FUTURA SYNTH

AS ADVANCED AS TOMORROW.

100% Synthetic Engine Oil for new generation cars & SUVs • Blended with Polyester-based Group IV base oil

- Superior all-weather performance • Controls sludge formation & other harmful deposits
- Keeps engine exceptionally clean with consequent benefit of fuel efficiency
- Outstanding engine protection through effective anti-wear capability



FUTURA SYNTH

100% PERFORMANCE. EVERYTIME.





DIRECTORS' REPORT

Dear Members,

It gives me immense pleasure to present, on behalf of the Board of Directors, the 53rd Annual Report of the Corporation for the financial year ended 31st March 2012, alongwith the Audited Statement of Accounts, Auditors' Report and the Report on the Accounts by the Comptroller & Auditor General of India.

PERFORMANCE REVIEW

FINANCIAL

	2011-12		2010-11	
	US\$ Million	₹ in Crore	US\$ Million	₹ in Crore
Turnover (inclusive of Excise Duty)	85,550	4,09,957	72,104	3,28,652
Gross Profit (before Finance Cost, Depreciation Exceptional items and Tax)	4,508	21,600	3,585	16,339
Finance Cost	1,168	5,596	587	2,676
Depreciation	948	4,542	1,002	4,567
Profit before Tax & Exceptional Items	2,392	11,462	1,996	9,096
Exceptional Items	1,609	7,708	NIL	NIL
Profit before Tax	783	3,754	1,996	9,096
Tax Provision	(42)	(201)	363	1,651
Profit After Tax	825	3,955	1,633	7,445
Appropriations				
Add:				
Insurance Reserve	NIL	NIL	3	14
Less:				
Proposed Dividend	253	1,214	506	2,307
Corporate Dividend Tax	40	194	79	359
Insurance Reserve	4	20	4	20
Bond Redemption Reserve	131	627	22	101
General Reserve	397	1,900	1,025	4,673

PHYSICAL

	Million Metric Tonnes (MMT)	
	2011-12	2010-11
Refineries Throughput	55.62	52.96
Pipelines Throughput	75.55	68.51
Product Sales (incl. of Gas, Petrochemicals & Exports)	75.66	72.92

SHARE VALUE

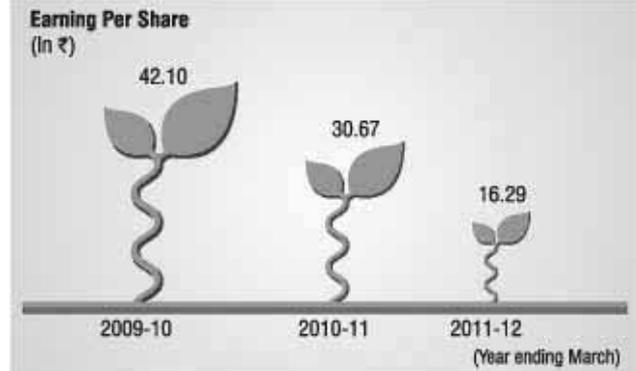
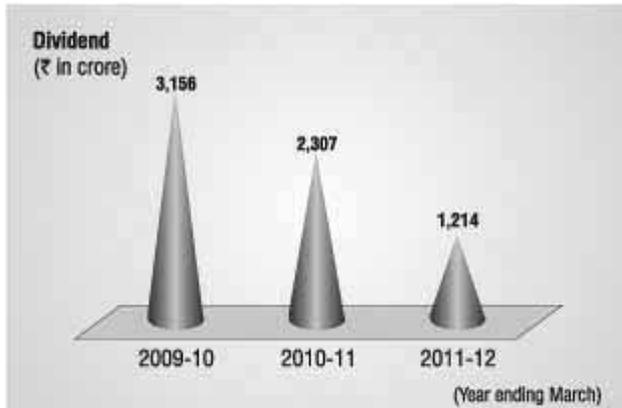
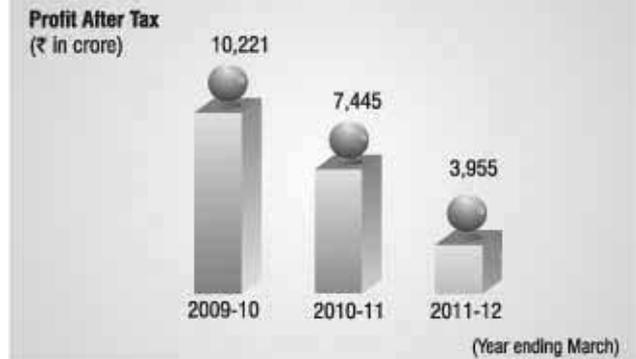
	2011-12		2010-11	
	US\$	₹	US\$	₹
Cash Earning per share	0.73	35.00	1.09	49.47
Earning per share	0.34	16.29	0.67	30.67
Book value per share	4.69	238.38	5.11	227.90

53rd Annual Report



DIVIDEND

Your Corporation has been consistently declaring dividend for the past 45 years. To meet the aspirations of shareholders and despite the lower profits during the current year, the Board of Directors has recommended a dividend of 50% i.e. ₹ 5/- per equity share of ₹ 10/- each on the Paid-up Share Capital as against ₹ 9.50 per share in the previous year. So far, your Corporation has paid a cumulative dividend of ₹ 20,882 crore, excluding the dividend of ₹ 1,214 crore payable for the current year subject to the approval by shareholders. The dividend shall be paid to the members whose names appear in the Register of Members as well as in the Beneficial Ownership Position provided by NSDL/CDSL as on 6th Sept. 2012.



PUBLIC DEPOSIT SCHEME

The Public Deposit Scheme, which was open only for employees and ex-employees of the Corporation, was closed with effect from 31st August, 2009. The total outstanding deposits were ₹55,000/- as on 31.03.2012.

CONTRIBUTION TO EXCHEQUER

Your Corporation is the largest contributor to the National Exchequer by way of duties and taxes. During the year, ₹78,914 crore was paid to the Exchequer as against ₹77,622 crore in the previous year comprising of ₹29,864 crore paid to the Central Exchequer and ₹49,050 crore paid to the States Exchequer as against ₹39,658 crore and ₹37,964 crore paid in the previous year to Central and State Exchequer respectively.



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 Statement of its subsidiaries and joint venture entities. The highlights of the Consolidated Financial Results are as follows:

	2011-12		2010-11	
	US \$ million	(Rs. in crore)	US \$ million	(Rs. in crore)
Turnover (inclusive of Excise duty)	80,977	3,88,044	69,026	3,14,621
Profit Before Tax	834	3,995	2,219	10,114
Profit after tax	882	4,226	1,718	7,831

CORPORATE GOVERNANCE

The Corporate Governance Report and Management's Discussion & Analysis Report have been incorporated as separate sections forming part of the Annual Report. Your Corporation complies with the Corporate Governance guidelines stipulated by the Stock Exchanges and Department of Public Enterprises (DPE), Government of India.



Inauguration of DHD at Bongaigaon Refinery

SECRETARIAL AUDIT

Your Corporation has carried out a Secretarial Audit of its records and documents for the year 2011-12 as a Good Corporate Governance practice. The Secretarial Audit Report confirms that the Corporation has complied with all the applicable provisions of the Corporate Laws, guidelines, rules etc. The Report, duly certified by a practising Company Secretary, is provided in the Annual Report.

CODE OF CONDUCT

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 as required under the Corporate Governance guidelines of Clause 49 of the Listing Agreement and DPE guidelines.

OPERATIONAL PERFORMANCE

Refineries

IndianOil's refineries achieved the highest ever crude throughput of 55.62 million tonnes during the year, surpassing the previous best of 52.96 million tonnes achieved in 2010-11. With an overall capacity utilisation of 102.6% for the year, your Corporation has consistently attained a capacity utilisation of over 100% since last five years. The optimum operation of secondary units at all refineries, as well as minimised downtime, has enabled the refineries in achieving the highest combined distillate yield of 77.8 wt%. During the year, high sulphur crude processing was maximised at 49.2% of total crude processed as compared to 45.1% of total crude processed in 2010-11.



International Aviation Conference

Pipelines

IndianOil's pipelines recorded excellent operational performance during the financial year 2011-12, surpassing all previous records. The pipelines achieved highest ever throughput of 75.55 million tonnes of crude oil and petroleum products as against 68.51 million tonnes in the previous year. The gas pipelines achieved a throughput of 671 MMSCM in 2011-12 vis-a-vis 344 MMSCM in 2010-11. The total network of product, crude and gas pipelines under operation as on 31st March, 2012 is 10,909 KMs.

Marketing

IndianOil continued to retain its market leadership during the year and achieved domestic sales of 68.10 million tonnes of petroleum products (including 1.30 million tonnes sold by AOD) vis-a-vis 65.31 million tonnes in 2010-11 (including 1.22 million tonnes sold by AOD) registering a growth of 4.3%. The retail outlet network crossed the 20,000 mark with the commissioning of 1,205 retail outlets during the year including 731 Kisan Seva Kendra (KSK) outlets totalling 20,575 retail outlets including 4,225 KSKs. Sales through the KSK network registered a growth of 33% in Petrol and 28% in Diesel during the year.

During the year, your Corporation enrolled 57.55 lakh new Indane LPG customers and commissioned 128 new regular LPG distributorships taking their total to 668.2 lakh customers and 5,412 distributors. The Corporation's focus on reaching out to rural customers gained momentum with the commissioning of 377 RGGLV (Rajiv Gandhi Gramin LPG Vitaran) distributorships during the year. LPG bottling plant capacity too was augmented by 667 TMTPA from 5,511 TMTPA in 2010-11 to 6,178 TMTPA in 2011-12.



Signing of Heads of Agreement with TIDCO



IndianOil



IndianOil sweeps PetroFed awards

Your Corporation sold 435 TMT of finished lubes during the year 2011-12 as compared to 424 TMT in 2010-11, registering a growth of 2.6% over the previous year. The growth in lubes market share was 0.5% amongst the Industry. *SERVO* Lubes reached 20th global destination with its launch in Bahrain in September 2011.

IndianOil continues to be the market leader in the aviation fuel business with a market share of 61.7% and enjoys leadership in all segments like domestic airlines, international airlines, defence services and scheduled airlines.

Assam Oil and IBP Divisions

The Assam Oil Division (AOD) continued to play vital role in ensuring the supply of petroleum products in Assam. The Digboi refinery processed 0.62 million tonnes of crude oil during the year and sold about 1.30 million tonnes of products in comparison to 0.65 million tonnes of crude processed and 1.22 million tonnes of product sales in 2010-11.

The IBP Division, which comprises explosives and cryogenic business, earned revenue of ₹215.14 crore during the year registering a growth of 18% over the previous year.



MoA being signed with Department of Bio-Technology, Government of India

RESEARCH & DEVELOPMENT

The year 2011-12 was a very eventful year for IndianOil's R&D Centre as two units based on the in-house technologies developed by R&D Centre were successfully commissioned in Bongaigaon Refinery, one being the DHDt for production of diesel and the other being the Isomerisation unit for production of MS. Further, two other in-house developed technologies viz. Indalin technology and INDAdept technology developed by R&D Centre have been accepted in-principle for demonstration trials at Panipat Refinery and Guwahati Refinery respectively. During the year, 15 Patents were filed. Six Patents were granted, which includes two Indian, one U.K., one U.S.A., one Chinese and one Singapore Patent.

In the lubricant technology development area, endeavours were continued to maintain primacy of the flagship brand - *SERVO*. The R&D Centre developed 154 product formulations during the year and obtained 63 approvals/recertifications from Original Equipment Manufacturers (OEMs) / customers / Defence.

Pipeline research group made definitive strides during the year by successfully employing the R&D developed IPIG and CPIG Technologies to inspect pipelines.

During the year, impetus was given to research work in the areas of Bio-fuels and Bio-energy with the execution of a Memorandum of Agreement with the Department of Bio-technology, Govt. of India for setting up an advanced Bio-energy Research Centre. In solar thermal area, tri-partite MOC has been signed with IIT- Rajasthan and BHEL.

EXPANDING BUSINESSES

Exploration & Production

Your Corporation has not only been increasing its presence in the upstream sector, but has also been enhancing its capability in E&P field. Presently, your Corporation has participating interest (PI) in 13 domestic and 9 overseas blocks. In some of these blocks discoveries have been made and in many others geological and geophysical (G&G) studies are in progress. Under NELP-IX, your Corporation, in consortium with ONGC Ltd., as operator, has been awarded one Cambay on-land exploration block. In line with your Corporation's endeavour to establish itself as an upstream operator in its two Cambay on-land blocks

PROJECTS

Your Corporation accords topmost priority to timely completion of project and the project teams have been ensuring that construction and commissioning of the projects are done seamlessly. The list of the various completed, ongoing and upcoming projects is as under:

Completed Projects

- Diesel Hydro Treatment (DHDT) Project at Bongaigaon Refinery
- MS Quality Upgradation Project at Bongaigaon Refinery
- Sulphur Recovery Unit IV at Mathura Refinery
- Augmentation of Chennai-Trichy-Madurai Pipeline from 1.8 MMTPA to 2.3 MMTPA
- Pipeline from North Oil Jetty to Paradip - Haldia - Barauni Pipeline, Paradip.
- Automation of various product storage terminals.
- Automation of Retail Outlets.

Ongoing Projects

- 15 MMTPA Grassroot Refinery at Paradip, Odisha
- Revamp of Fluidised Catalytic Cracking Unit (FCCU) at Mathura Refinery.
- Coke chamber replacement & DCU modernisation at Guwahati Refinery.
- Butadiene Extraction Unit (BDEU) at Panipat Refinery.
- Butene-1 Project at Panipat
- Cauvery Basin Refinery Trichy Product Pipeline
- Viramgam-Kandla Branch Pipeline
- Augmentation of Paradip-Haldia-Barauni Pipeline
- Augmentation of Chennai-Bangalore Pipeline
- Construction of tanks and blending facility at Vadinar.
- Paradip- Raipur- Ranchi Product Pipeline and associated ToP.
- Debottlenecking of Salaya- Mathura Pipeline.
- Integrated Crude Oil handling facilities at Paradip.
- Paradip-Haldia-Durgapur LPG Pipeline.
- Mourigram-Kolkata Airport ATF Pipeline
- Noonmati-Guwahati Airport ATF Pipeline
- New Tap Off Point at Jasidih, Jharkhand
- Modernisation of Lube Blending Plant, Trombay
- Remodelling & Automation for Allahabad Terminal

Projects under consideration

- Distillate Yield Improvement project at Haldia Refinery.
- INDMAX project at Bongaigaon Refinery.
- Capacity Expansion of Gujarat Refinery to 18 MMTPA
- LPG Pipeline from Kandla to Panipat.
- Paradip-Cherlapalli Pipeline
- Ennore-Pondicherry-Trichy LPG Pipeline



Inauguration of HCNG plant at R&D Centre

with 100% participating interest, the first ever IndianOil's own E&P data interpretation centre "ANWESHAN" has been set up.

Gas

During the year, gas sales registered a significant growth of 27% with sales of 2.90 MMT (includes 1.18 MMT for internal consumption) as against 2.28 MMT (includes 0.64 MMT for internal consumption) in the previous year. Ownership of gas receiving terminal, storage and transportation infrastructure is critical to gas business. Consequently, a major milestone was achieved by signing of Heads of Agreement with Tamil Nadu Industrial Development Corporation Limited (TIDCO) for the formation of a JV for IndianOil's first LNG Terminal at Ennore in Tamil Nadu with 5 MMTPA capacity. Your Corporation is also one of the participants in a consortium alongwith GSPL, BPCL & HPCL to build three cross-country gas pipelines through a joint venture for which Joint Venture Agreements have been executed. The gas pipelines will have initial gross capacity of 96 MMSCMD and will have a combined length of 4,150 KMs. LNG Sales through 'LNG at Doorstep' model, pioneered by your Corporation, has recorded encouraging performance and during the year, the sales volumes increased to 14.6 TMT, registering a year-on-year growth of 82%.

Petrochemicals

India is amongst the fastest growing petrochemicals markets in the world and your Corporation views Petrochemicals as a prime driver of future growth. The Corporation has already established world scale mega petrochemicals plants -



Petrochemical Conclave



IndianOil

LAB, PX/PTA and Naphtha Cracker at its Refineries. During the year, IndianOil sold 1.473 MMT of petrochemical products in the domestic market, registering a 62% growth. During the year, four new grades of polymers were launched and 15 OEM approvals were obtained for Polymer products. IndianOil's petrochemicals export witnessed record sales of 76 TMT in 2011-12 against 30 TMT during 2010-11. IndianOil's petrochemical products like LAB, Polymers and PTA were exported to various countries. The export of Polymer to Pakistan by road during the year was the first movement of Polymer export consignment to Pakistan from any Indian supplier. A robust logistics model and various customer-centric marketing initiatives have resulted into your Corporation's growing market presence in the Petrochemicals sector. During the year, a world class Product Application & Development Centre (PADC) became fully functional. The 120 KTA Styrene Butadiene Rubber (SBR) plant at Panipat in



Innovating products - PADC

Joint Venture with TSRC of Taiwan & Marubeni of Japan is in advance stage of implementation.

Consultancy

Your Corporation continues to provide expertise to Emirates National Oil Company (ENOC) under the Manpower Secondment Agreement (MSA) with



Agreement with SOCAR

ENOC and has also been awarded a consultancy assignment from Kuwait National Petroleum Company (KNPC). Through International bidding process, your Corporation bagged order to conduct training programmes at Kuwait Petroleum Corporation (KPC), Kuwait on downstream hydrocarbon sector.

Exploring Energy Alternatives

Your Corporation aims to contribute to the National energy security and reducing the eco footprints (carbon, water and waste) of its operations by exploiting the domestic renewable energy resources and participating in the country's nuclear energy initiatives. During the year, the Corporation's GRI-G3 compliant Sustainability Report - 'Inclusive Offering' was released.

Your Corporation has successfully commissioned a 5 MW Solar PV Power Project under the Jawaharlal Nehru National Solar Mission (JNNSM), Phase-I at Village Rawra, Jodhpur, Rajasthan. The Corporation's second wind power project of 48.3 MW capacity is under implementation in Andhra Pradesh. During the year, first wind power project of 21 MW in Gujarat was registered as Clean Development Mechanism Project under the United Nations Framework Convention on Climate Change (UNFCCC).



Chairman & Directors at Mathura Refinery



Leveraging fundamentals

Your Corporation continued with bio-diesel (Jatropha) plantation projects in three states, viz. Chhattisgarh, Madhya Pradesh and Uttar Pradesh and 1.3 lakh man days were generated through plantation initiatives during the year.

INTERNATIONAL TRADE

To meet its requirements of Crude Oil and Petroleum products through a carefully selected and diversified mix of supply sources, the Corporation imported 52.64 million tonnes of crude oil amounting to ₹ 2,09,715 crore as against 50.44 million tonnes amounting to ₹ 1,45,983 crore in previous year. The import of petroleum products during the year was 4.58 million tonnes amounting to ₹ 20,885 crore as against 5.57 million tonnes amounting to ₹19,565 crore in the previous year. IndianOil also exported petroleum and petrochemical products worth ₹19,636 crore during the year as against ₹16,781 crore in the previous year.

BUSINESS PROCESS OPTIMIZATION

The Business Process Optimization Group has been playing an important role in fine-tuning the supply chain management of your Corporation. To reduce input costs, several initiatives were taken to process new and cheaper crudes and in the process improving the existing crude basket through procurement

of opportunity crudes. Investment proposals were rigorously evaluated under various scenarios of demand and prices with the help of models providing the net impact of the investment on the total corporate profitability. To reduce logistics costs and improve infrastructure, optimization studies were carried out on new pipelines and existing bottling plants.

INFORMATION SYSTEMS

Your Corporation has ensured 100% uptime of SAP Operations during the period in the payroll project incorporating uniform practices across the organisation. The existing e-Payments process has been extended to more Banks and over 98.5% of payments were made through the electronic mode. Similarly, around 85% of total collections from the customers were made through an e-Collection module. The e-Tendering application was also adopted as a procurement solution which enabled significant efficiencies.

As a step towards better customer service, SMS / IVRS based indenting system was successfully launched for seamless sales operations. The entire planning process for Lube sales is being managed through an optimised package connecting Lube Plants to the supply chain. With the prestigious ISO/IEC 27001 Certification for Information Security Management System and ISO/IEC 20000 Certification for IT Services Management, your Corporation has been benchmarking its Information System practices to international standards.

HEALTH, SAFETY & ENVIRONMENT

Your Corporation's leadership in Health, Safety & Environment (HS&E) is demonstrated by the effective implementation of its HS&E policy. The implementation of HSE policy is vigorously pursued and driven by the departments constituted at the Divisional level. All IndianOil Refineries are certified for ISO:14064 standards for sustainable development as well as for the Occupational Health & Safety Management System (OHSMS/OHSAS-18001), besides having fully equipped Occupational Health Centres. The safety systems are audited and all IndianOil refineries have environmental management systems certified to ISO-14001. The Corporation is the only petroleum company in India with largest network of ISO accreditations, which include accreditation for refineries, pipelines, R&D, aviation fuel stations, quality control laboratories, LPG bottling plants and tap-off terminals.



Release of Project Data Bank



Our commitment to conduct business with a strong environment conscience ensures sustainable development, safe workplaces and enrichment of the quality of life of employees, customers and the community. Compliance of safety systems and procedures and environmental laws is monitored at the Unit level, Divisional level and the Corporate level. The facilities are continuously upgraded to meet future needs in the pursuit of lowest possible discharge. The Board Committee on Health, Safety & Environment periodically reviews the HS&E activities of the Corporation. Several capability building workshops and training programmes on a range of safety topics were conducted in all Divisions. A book on 'Corporate Guidelines on Healthy Lifestyle, Nutrition and Occupational Health' was also released during the year. The Corporation also offers its consultancy services to clients' who intend to build a safe, healthy and clean work environment.

ENERGY CONSERVATION

Your Corporation continuously gives thrust on energy conservation at all its refineries and units through extensive performance monitoring and by keeping abreast with the latest technological developments and global best practices. As a result of various energy conservation measures undertaken, the energy



Maharatna status by the Hon'ble President of India.

index in terms of MBN of IndianOil refineries during the year came down to 57, the best ever achieved and as against the energy index of 59 in the previous year. The energy conservation schemes implemented during the year resulted in fuel savings of about 95,800 Standard Refinery Fuel Tonne (SRFT), valued at about ₹340 crore. In addition, your Corporation also spreads the message of energy conservation through meets and seminars besides conducting campaigns for retail and bulk consumers.

*MBN-Thousand British Thermal Unit / Barrel / Energy Factor (MBTU/BBL/ NRGF)

HUMAN RESOURCES

The strength of employees of Corporation stood at 34,233 as on 31.03.2012; comprising 14,851 executives and 19,382 non-executives. This includes 2,682 women employees comprising 7.83% of the total work force.

The successful journey of IndianOil during last five decades conjures up to a kaleidoscope of exciting stories dedicated to the services rendered by our human resources. IndianOilPeople over the years have created a unique culture distinguished by its venerable tradition and capability to withstand the unceasing hardships with deep-rooted passion.

The industrial relations in the Corporation continued to remain harmonious and peaceful during the year.

Employees' Participation in Management is an essential ingredient of Industrial democracy, which implies mental and emotional involvement of employees in



the management of enterprise. IndianOil has always supported the participative culture in the management through consultative approach with the collectives for industrial peace and harmony leading to higher productivity. The efforts to promote employees' participation in various activities like Suggestion Scheme, Quality Circles, Welfare, Safety, Total Productive Maintenance (TPM) etc. were continued during the year. IndianOil Suggestion Scheme aims at harnessing the latent creativity in every individual, thereby fostering amongst the employees a sense of achievement, a feeling of participation and involvement in the growth of the organization. To improve performance & monitoring of the suggestion scheme and to make it more user friendly, the suggestions are accepted online through e-suggestion portal.

To infuse fresh talent, the Corporation recruited about 700 executives in 2011-12. Professionals were recruited from varied specialised fields with a view to meet the specialised skill requirement. A manpower study was undertaken for scientific workforce planning and for establishing norms for manpower deployment.

Succession Management study was conducted to identify different leadership positions, define competencies for them and evaluate the competency level of the executives through assessment centres.

A study has been initiated on "Woman Development initiatives in the Corporation to assess the impact on professional growth of woman in IndianOil". The study will also attempt to develop a multiple criteria for measuring success in true integration of women in their multiple roles.



WIPS best enterprise award



Rural Healthcare Scheme

The Presidential Directives and various instructions/guidelines issued by Government of India regarding reservation in services for SC/ST/PH/OBCs etc. are scrupulously followed. It has been our endeavour to utilize 25% of Community Development funds towards Special Component Plan (SCP) and Tribal Sub Plan (TSP) for meeting the needs of weaker sections. Liaison Officers were carefully chosen and appointed at various locations/units/installations all over the country to ensure implementation of Government Directives. A report in the prescribed form relating to representation of SCs/STs/OBCs are annexed as Report I & II.

In compliance of the Official Language Act, 1963, Official Language Rules, 1976 and orders issued by Government of India from time to time, efforts were made during the year for increasing the progressive use of Hindi in Official work. Official Language Implementation Committees are functioning in all Offices/Units/locations of IndianOil for implementing Official Language effectively and to review the progress of implementation of Official Language policies in the offices as also the Annual Programme as circulated by the Deptt. of Official Language.

Foreign Tours

IndianOil officers undertook 524 foreign tours during 2011-12 for business purposes and for attending conferences, seminars and training programmes. The total expenditure on foreign tours was ₹9.86 crore.



AOD Nursing School

VIGILANCE

The objective of Vigilance as an organisational function is to ensure maintenance of the highest level of integrity throughout the Corporation. To achieve this objective, the Vigilance group carries out both preventive and punitive functions and while doing so places greater emphasis on the preventive aspects. During the year, 42 Vigilance Awareness Programmes were conducted. Training programmes on 'Fostering Ethical Management through Vigilance' were organised on all-India basis. With a view to enthuse and provide a fillip to the customer confidence a large number of joint surprise inspections were also conducted, along with the oil industry, on the dealers/distributors network to check Quality & Quantity of products.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) has been the cornerstone of success right from inception stage of IndianOil and its entire corporate strategy is aligned to national priorities and envisions a greater societal role in future to accomplish the cherished goal of a truly developed India, where all sections of society live with dignity.



Drinking water facilities for the underprivileged

IndianOil's CSR Policy Evolution: Since inception in 1964, IndianOil has been supporting large number of social welfare and community developmental initiatives. Currently, the Corporation has an avowed policy of setting aside upto 2% of its Retained Profit of the previous year towards Corporate Social Responsibility activities.

During the year 2011-12, your Corporation's CSR expenditure was ₹82.73 crore. The key CSR initiatives of the Corporation are as under:

1. Health & Medical Care

Flagship Health and Medical care CSR initiative - IndianOil's flagship rural healthcare CSR initiative IndianOil Sachal Swasthya Seva, aims to bring primary healthcare closer to the rural India and provide free consultation and free medicines through Mobile Medical Units (MMUs) linked to Kisan Seva Kendras (KSKs), small format rural petrol pumps of IndianOil. Each MMU travels to the villages in the vicinity of each of the assigned KSKs and treats about 100 patients every day.



IndianOil



Providing Educational Infrastructure

About 1.5 million patients will be benefited each year through these MMUs. The MMUs will also create awareness through Information, Education and Communication modules on various issues like Family Planning, Health & Hygiene, HIV/AIDs, etc. This Scheme is being operated in villages where no adequate health care facility is currently available. IndianOil is implementing the scheme through M/s Wockhardt Foundation.

IndianOil-TATA Care Centre, Kolkata: IndianOil has partnered with Tata Medical Center, Kolkata to construct a new Cancer Care Centre named as IndianOil - TATA Care Centre with a capacity of 250 beds at its existing hospital. The project will primarily benefit the underprivileged cancer patients from East and North-Eastern States, who cannot afford treatment.

50-bed Swarna Jayanti Samudaik Hospital, Mathura: In the year 1999, IndianOil set up a 50 bed Swarna Jayanti Samudaik Hospital at Mathura, Uttar Pradesh (near Mathura Refinery of IndianOil) for providing medical assistance to the residents of the area. In addition, two mobile dispensaries have been set up to provide primary medical care in the nearby villages of Mathura Refinery.

200-bed Hospital at Digboi, Assam: In the year 1906, Assam Oil Division of IndianOil set up a 200-bed hospital at Digboi for the benefit of the people of the area. It also serves as a tertiary referral hospital in the districts of Tinsukia and Digboi and also parts of Arunachal Pradesh, right upto the areas bordering

nearby Myanmar. It is the only hospital of its size with specialized medical facilities in this part of the country.

Other initiatives in Health & Medical Care: Other health and medical care areas, for which IndianOil has been extending support, include Medical/Health Camps on Family Planning, Immunization, HIV/AIDs awareness, Pulse Polio, Eye, Blood Donation, ambulances to Medical Centers/Hospitals/NGOs, hearing aids/ wheel chairs to physically challenged, financial assistance /medical equipments to hospitals, etc.

2. Education

Assam Oil School of Nursing, Digboi: Assam Oil School of Nursing, established in the year 1986, offers a three year diploma course in General Nursing and Midwifery, recognized by the Indian Nursing Council. Till date, about 300 girls have obtained diploma in Nursing and Midwifery courses.

IndianOil Scholarship Schemes: Since 1984-85, IndianOil has been operating a Scholarship Scheme for the poor and deserving students. IndianOil awards 2600 Scholarships on merit-cum-means basis to students pursuing full-time courses in 10+ /ITI, Engineering, Medical and Business Administration to nurture and support talent among the deserving students belonging to families with less than ₹ 1 lakh gross joint annual income. 50% scholarships are reserved for SC, ST and OBC students, 25% for girl students and 10% to Persons with Disabilities (PWD) in each category/sub-category.

IndianOil Sports Scholarship Scheme: IndianOil instituted the Sports Scholarship Scheme from the year 2006-07 for promising young sports persons representing State in team games and National ranking in others. At present, 150 scholarships in 10 games/sports are awarded to upcoming junior players up to 19 years of age.

Other Educational initiatives: Expansion of education is one of the CSR thrust areas in IndianOil, which include construction of school buildings/hostels, providing furniture, financial assistance, computers, books, laboratory equipment, distribution of mid-day meals to Govt. School children etc.

3. Clean Drinking Water

Activities undertaken under "Clean drinking water" include installation of submersible pumps, tube wells, construction of elevated water tanks, providing water tap connection, water purifiers / water coolers to schools/ community centre etc. in the villages around IndianOil's installations.



AOD Hospital



Konark Temple

4. IndianOil Foundation

IndianOil Foundation (IOF), a non-profit Trust, was formed in the year 2000 to protect, preserve and promote the national heritage, in collaboration with

Archaeological Survey of India (ASI) and National Culture Fund (NCF) of the Government of India.

Currently, work for development of tourist friendly facilities at Sun Temple at Konark, Odisha and Khajuraho, MP are in progress. The development plans for other monuments Vaishali and Warangal fort are in various stages of planning.

5. LPG Scheme

IndianOil has contributed 20% of 2% of previous year's Net Profit towards release of one-time grant to Below Poverty Line (BPL) families in the rural areas for release of new LPG connection under Rajiv Gandhi Gramin LPG Vitaran Yojana.

6. National Cause/Natural calamities

IndianOil responds proactively to provide aid and relief to the victims of natural calamities like floods, earthquake, cyclones etc. During the year, IndianOil contributed to Sikkim and Odisha Chief Minister's Relief Funds. IndianOil also contributes for national causes in the benefit of the nation viz setting up of educational institutions of national importance like the Rajiv Gandhi Institute of Petroleum Technology (RGIPT).

REMUNERATION TO THE AUDITORS

The Auditors' remuneration for the year 2011-12 has been fixed at ₹93 lakhs plus applicable taxes. In addition to this, reasonable out-of-pocket expenses actually incurred are also reimbursable.

COST AUDIT REPORT

In accordance with the directives of the Central Government, Cost Auditors were appointed for conducting the Cost Audit of IndianOil's Refineries and Lube

Blending Plants for the year 2011-12. The Cost Audit for the year 2010-11 was carried out for the refineries and lube plants and the Cost Audit reports were filed by the Cost Auditors with the Central Govt. during September, 2011, i.e., within the prescribed time period of 180 days from the close of financial year 2010-11.

Entertainment Expenses

The entertainment expenses for the year 2011-12 were ₹2.39 crore as compared to ₹2.34 crore last year.

SUBSIDIARIES

The financial performance of following subsidiaries of the Corporation during 2011-12 is as under:

(₹ in Crore)

Subsidiary	Total Turnover	Net Profit	Dividend
Chennai Petroleum Corporation Ltd.	45,385	62	20%
IndianOil (Mauritius) Ltd.	1,192	37	6%
Lanka IOC Plc.	2,557	38	-
IOC Middle East FZE	95	4	20%

Summary of Financial Information of Subsidiary Companies for the Financial Year 2011-12 has been incorporated separately in the Annual Report.



**REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS**

In accordance with the Company's (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988, a report on Energy Conservation, Technology Absorption and Foreign Exchange earnings & outgo is annexed.

PARTICULARS OF EMPLOYEES

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

BOARD OF DIRECTORS

The following Directors ceased to be Directors on the Board of the Corporation consequent upon their superannuation / completion of term:

- Shri B.N. Bankapur, Director (Refineries) on 31.08.2011.
- Shri G.C. Daga, Director (Marketing) on 30.09.2011.
- Shri K.K. Jha, Director (Pipelines) on 31.01.2012.
- Shri P.K. Sinha, Govt. Nominee Director on 29.02.2012.
- Prof. (Dr.) Indira J. Parikh, Independent Director on 29.03.2012

The following Directors were appointed on the Board of the Corporation:

- Shri Rajkumar Ghosh, Director (Refineries) w.e.f. 01.09.2011.
- Shri M.Nene, Director (Marketing) w.e.f. 05.10.2011.
- Prof. V.K.Bhalla, Independent Director w.e.f. 30.01.2012.
- Shri V.S.Okhde, Director (Pipelines) w.e.f. 01.02.2012.
- Smt. Shyamala Gopinath, Independent Director w.e.f. 29.03.2012
- Smt. Sushama Nath, Independent Director w.e.f. 29.03.2012
- Shri Shyam Saran, Independent Director w.e.f. 29.03.2012

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the annual accounts for the financial year ended 31st March 2012, all applicable accounting standards have been followed along with proper explanations relating to material departures;

- (ii) 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 Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) 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 Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the accounts for the financial year ended 31st March 2012 on a 'going concern' basis.

ACKNOWLEDGEMENTS

The Board of Directors would like to place on record 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 2011-12. 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, consultants, technology licensors, contractors and vendors for their continued support and confidence reposed in the Corporation. The Board wishes to place on record its appreciation for the commendable performance and significant contribution made by Shri B.N.Bankapur, Shri G.C.Daga, Shri K.K.Jha, Shri P.K.Sinha and Prof. (Dr.) Indira Parikh during their tenure on the Board.

For and on behalf of the Board

(R.S. Butola)
Chairman

Place : New Delhi
Dated : 27.07.2012

Touching a billion lives. Everyday



The **PROPEL** range of petrochemicals from IndianOil's world-scale plants that produce Polymers, PTA and Linear Alkyl Benzene (LAB) have wide and varied applications that range from consumer durables, automotive components, household goods and aircraft interiors to paints and eco-friendly detergents. Products that touch a billion people in a million ways with the promise of better and safer living.

PROPEL Polymers and other Petrochemicals - Reinforcing IndianOil's everlasting bond of energy with the nation



PROPEL

100% TRUST. 100% VALUE.

A range of world-class petrochemicals

Our product range includes:

Linear Alkyl Benzene (LAB), Purified Terephthalic Acid (PTA), High Density Polyethylene (HDPE), Linear Low Density Polyethylene (LLDPE), Polypropylene (PP), Mono Ethylene Glycol (MEG).



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 Energy Conservation projects have been implemented during 2011-12 in refineries resulting in saving of 95,800 Standard Refinery Fuel Tonne (SRFT)/Year equivalent to about ₹340 crore. Some of the major investments in this regard are as under:

Sl. No	PARTICULARS	COST (₹ in Lakh)	FUEL SAVING (Standard Fuel equivalent)MT/Year
1	Optimization of heat load by routing hot stabilized naphtha ex NSF C003 (Pre-topping Column Splitter) directly to MSQ Splitter instead of routing the same via NSF C001 (Main Column Splitter) at Guwahati Refinery	40.0	1800
2	Installation of staged Flare System at Barauni Refinery	230.6	2500
3	Installation of magnetic resonators in GT-4/5 & LAB at Gujarat Refinery	29.4	1000
4	Waste Heat recovery from KHDS furnace by installing APH at Haldia Refinery	507.9	1133
5	Optimization of RSU throughput (optimizing steam to reboiler) by adjustment of distillation parameters post revamp of NSU column of CCRU & OHCU at Mathura Refinery	1108	3000
6	Installation of auto decantation valves in MS / Naphtha / Diesel tanks at Mathura Refinery	303	1000
7	Improvement in desalter wash water temperature in AVU-I & 2 by installing additional heat exchanger (Brine vs wash water) at Panipat Refinery	30	2480
8	Generation of MLP steam from LP steam generators in PREP HCU at Panipat Refinery	47.6	3200
9	Optimization of GT operation with export of power @ 2.5 MWH (at Assam Power Distribution Company Limited) at Digboi Refinery	175	2500
10	Installation of magnetic resonators in FO & FG lines of Boiler Nos. 1, 2, 3 & 5 at Bongaigaon Refinery	32	626

b) Additional investment and proposals, if any, being implemented for Energy Conservation:

Major ENCON schemes under implementation:

Guwahati Refinery:

- Additional heat recovery from Kero-1 stream for feed preheating of

NSF Splitter-I & Splitter-II heaters.

- Providing de-super heater in C-003 reboiler of Naphtha Splitting Facility.
- Installation of additional heat exchanger in hot section of crude-RCO service to facilitate on-line cleaning of one of the exchangers for sustaining preheat.
- Utilization of Kero & SRGO CR heat potential in CDU for replacement of NSF heaters, F-001 and F-002 of column C-001 & C-002 respectively.

Barauni Refinery:

- Routing of hot CGO & Coker Kero streams ex Coker to DHDT.
- Utilization of stack temperature in HRSG-2 for DM water heating.
- AVU - 1/2 preheat improvement by 10°C through heat recovery from kero, VHSD & wide-cut (present pre-heat 275°C).
- Installation of additional Heat Exchanger for increasing wash water temp. by 5°C with Desalter Brine in AVU-1 & 2.

Gujarat Refinery:

- AU-III preheat improvement by 7°C (from 268°C to 275°C) during 100% North Gujarat crude processing by replacing old heat exchangers with new ones.
- LP steam generation from FCC LCO stream.
- Routing of FPU-2 and VDU hot well off gases to furnace.
- Improve vacuum of MAB & WGC Turbine exhaust.
- Step-less control for DHDT MUG compressor.

Haldia Refinery:

- Step-less control in OHCU MUG compressor.
- Routing of GT-1 atomizing air cooler DM water to HRSG-I de-aerator.
- Routing of GT-2 atomizing air cooler DM water to HRSG-2 de-aerator.
- Implementation of soot blowers in Boiler-3.
- H₂ recovery from FG system.

Mathura Refinery:

- Magnetic Resonators in AVU / CCRU / TPS fuel lines.
- Step less control in 2nd compressor in DHDT.
- Foggy cooler in GT-I & III.
- Pressure balancing of LP steam header.

Digboi Refinery:

- Recovery of H₂ from H₂ rich CRU/WHFU/MSQ off-gas by routing the same through HGU.
- Diversion of Naphtha ex CRU offsite to CRU HDT section bypassing NSU.
- Operation of HGU at design steam carbon ratio of 3.0 mol/mol as against current value of 4.3 mol/mol after attending bright spot on some of the reformer tubes and cracked PG boiler refractory.

Panipat Refinery:

- Step less control for DHDT compressor (490 KWH).
- RSU feed preheat improvement by 46°C through installation of RSU feed vs bottom exchanger at MSQ (Redundant exchanger will be used).
- Utilization of Bio-gas ex PTA ETP in new SRU incinerator.
- Improvement of AVU-1 preheat by 1°C through installation of SKO vs Crude.

- Steam Condensate recovery in PR units & offsite areas (Condensate = 27 MT/Hr)
- Installation of step-less control system in one MUG compressor at OHCU (359 KWH).
- Heat recovery from C-7 (naphtha splitter) O/H & bottom product in NSU-1 for Crude pre-heat improvement (4.75 MMKcal/hr).
- Improvement in Combustion air temp. from 195°C to 290°C by replacement of Glass APH at AVU-2 furnaces.
- Installation of Magnetic resonators in all GTs, UB, VHP and HRSGs fuel lines.
- Improvement of combustion air preheat from 190°C to 250°C by replacement of OHCU Air Preheater.

Bongaigaon Refinery:

- CDU-I/II pre-heat improvement.
 - Replacing old natural draft furnace of CDU-I with balanced draft furnace.
 - Magnetic Resonators in Furnaces.
- (c) Impact of the measures at (a) and (b) above on reduction of energy consumption and consequent impact on the cost of production of goods**

The measures taken under item (a) resulted in savings of 95,800 SRFT in 2011-12. The impact of additional savings with major investments under item (b) in 2012-13 would be approx. 57,000

SRFT.

- 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 is provided in Form 'A' annexed hereto.

B) TECHNOLOGY ABSORPTION

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:**

IndianOil continued to export petroleum & petrochemical products during the year to various countries. While the export of lubricants increased by 13%, the export of petrochemical products more than doubled during the year. The Corporation exported its petrochemical products like Linear Alkyl Benzene, Polymers and Glycols to various countries during the year and Polymers were exported to Pakistan by road for the first time.

- (b) Total foreign exchange used and earned.**

(₹ in Crores)

Foreign Exchange earnings	19,829
Foreign Exchange used	2,40,482



**FORM - 'A'****Form for Disclosure of particulars with respect to Conservation of Energy**

	2011-12	2010-11
A POWER AND FUEL CONSUMPTION		
1. ELECTRICITY:		
a) Purchased		
Unit ('000 KWH)	52757	42126
Rate/Unit	6.75	6.87
Amount (₹/Lakhs)	3564	2892
b) Own Generation		
i) Through Dual Fuel (HSD/Natural Gas Generators)		
Unit ('000 KWH)	3884784	3230991
KWH per MT of Std Fuel	7997	6818
Cost/Unit (₹/KWH)	4.39	3.92
ii) Through Steam Turbine/Generators		
Unit ('000 KWH)	1096797	1047340
KWH per MT of Std Fuel	3125	3000
Cost/Unit (₹/KWH)	8.93	7.44
c) Electricity Consumed (a+b) ('000 KWH)	5034338	4320457
2. Coal	-	-
3. Liquid Fuel (FO / Napthha/ Diesel)		
Qty (MTs)	1935311	1913675
Amount (₹/Lakhs)	661806	479499
Average Rate (₹/MT)	34196	25056
4. Others / Internal Fuel		
a) Internal Fuel		
i) Fuel Gas		
Unit (MTs)	1863039	1504006
Amount (₹/Lakhs)	620230	346805
Average Rate (₹/MT)	33291	23059
ii) Coke		
Unit (MTs)	336627	343758
Amount (₹/Lakhs)	52562	53213
Average Rate (₹/MT)	15614	15480
b) Purchased Fuel		
Natural Gas		
Unit (MTs)	810671	802066
Amount (₹/Lakhs)	223396	132290
Average Rate (₹/MT)	27557	16494
B		
1. Consumption per MT of Production: PETROLEUM		
(i) Actual Production ('000 MTs)	49773	47238
(ii) Consumption per MT of Product		
- Electricity (KWH/MT)	75.865	76.047
- Liquid Fuel (MT/MT)	0.036	0.033
- Fuel Gas/LDO/Coke (MT/MT)	0.036	0.037
- Natural Gas (MT/MT)	0.012	0.017
2. Consumption per MT of Production : LAB		
(i) Actual Production ('000MTs)	102	126
(ii) Consumption per MT of Product		
- Electricity (KWH/MT)	589.994	609.395
- Liquid Fuel (MT/MT)	0.550	0.549
- Fuel Gas/LDO/Coke(MT/MT)	0.214	0.159
- Natural Gas (MT/MT)	0.000	0.000
3. Consumption per MT of Production : PTA		
(i) Actual Production ('000MTs)	555	431
(ii) Consumption per MT of Product		
- Electricity (KWH/MT)	404.964	466.098
- Liquid Fuel (MT/MT)	0.180	0.240
- Fuel Gas/LDO/Coke(MT/MT)	0.220	0.208
- Natural Gas (MT/MT)	0.042	0.000
4. Consumption per MT of Production : PNCP		
(i) Actual Production ('000MTs)	984	497
(ii) Consumption per MT of Product		
- Electricity (KWH/MT)	989.102	1383.198
- Liquid Fuel (MT/MT)	0.001	0.340
- Fuel Gas/LDO/Coke(MT/MT)	0.272	0.000
- Natural Gas (MT/MT)	0.211	0.019
5. Consumption per MT of Total Production		
(i) Actual Production ('000 MTs)	51414	48292
(ii) Consumption per MT of Product		
- Electricity (KWH/MT)	97.918	89.466
- Liquid Fuel (MT/MT)	0.038	0.040
- Fuel Gas/LDO/Coke(MT/MT)	0.043	0.038
- Natural Gas (MT/MT)	0.016	0.017

FORM - 'B'

Form for Disclosure of Particulars with respect to Technology Absorption, Research & Development

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

- (a) Development of Refinery process technologies
- (b) Catalysts development for refining processes
- (c) Refinery Process Modeling
- (d) Trouble shooting, revamp and optimization in refineries
- (e) Material Failure Analyses, Corrosion and remaining life assessment
- (f) Development of Intelligent and Caliper pigs for monitoring health of crude oil and petroleum product pipelines.
- (g) Product development - Lubricant, Greases and Specialties
- (h) Boundary Lubrication and Metal Working Tribology
- (i) Specialty bituminous products
- (j) Development of Fuel additives
- (k) Fuel and Emission Studies
- (l) Alternative fuels -Hydrogen-CNG, bio-diesel, 2nd & 3rd Generation bio-fuels, Solar Energy
- (m) Biotechnology
- (n) Nanotechnology
- (o) Petrochemicals & Polymers

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

- R&D Centre of IndianOil along with Engineers India Ltd. licensed and commercialized a grass-root 1.2 MMTPA DHDT (Diesel Hydro treating) unit to Bongaigaon Refinery for producing diesel.
- R&D Centre of IndianOil jointly with Engineers India Ltd. provided the technology know-how, for retrofitting existing Xylene Isomerization unit of Bongaigaon Refinery to Light Naphtha Isomerization unit (0.154 MMTPA) for producing Euro-III/ IV Motor Spirit (MS).
- An innovative process for production of PAH (poly aromatic hydrocarbons) free rubber process oil without use of hydrogen developed.
- Demonstration run of IndianOil DHDS catalyst, INDICAT-DH-IV was completed at CPCL in Dec, 2011.
- An innovative process without use of hydrogen, for production of PAH free rubber process oil developed.
- A new Ni-Mo DHDT catalyst and high active Co-Mo DHDS catalyst developed for producing 10 ppm sulfur in diesel.
- A naphtha hydro treating catalyst based on Co-Mo system comparable in performance to commercial catalyst developed.
- In-house developed i-MAX Premium additive (for maximization of LPG/propylene yield in RFCC units) selected against global tender for Panipat refinery.
- Residue Upgradation Additive (RUA) for upgrading bottoms of heavier hydrocarbons developed.

- A Fischer Tropsch catalyst developed for higher once - through conversion (95%) with maximization of diesel.
- 800 MT of premium grade Calcined Needle Coke produced at Bongaigaon Refinery with R&D developed technology.
- A novel laboratory model of an advanced Ultrasonic and Eddy Current based NDT tool developed along with IIT, Madras for detecting defects in Hydrogen Reformer Tubes.
- An improved RLA methodology developed for hydrogen reformer tubes using extensive creep data generated in-house with state of the art creep testing facilities.
- R&D Centre developed Magnetic Flux Leakage (MFL) based intelligent pigs (IPIG) and caliper pigs (CPIG) of 12" & 14" sizes utilized for inspection of 528 Kms. of pipelines during this year.
- For the first time, the 12" tool has been put to use in the evaluation of HPCL's lube oil pipelines at Mumbai with successful detection of metal loss defects.
- Data Acquisition Module of the intelligent PIG has been redesigned and fabricated with advanced electronic system.
- During the year, R&D developed 154 lubricant formulations and received 63 Original equipment/Customer/defence approvals and re-certifications.
- As serving the defence sector is the basic tenet of our lubricant technology area, this year has seen the completion of development of synthetic aviation lubricants using synthetic base oils developed by IICT, Hyderabad. Provisional clearance was accorded by CEMILAC, Bangalore for utilization of these oils in the Military Aircraft based on satisfactory performance in bearing test rig at NAL, Bangalore and engine tests at HAL, Bangalore.
- R&D Centre developed Servo RR 606MGPLUS[II] with Group II base stocks, was approved by M/s Dalian Locomotives, China.
- In a first ever overseas business gain for indigenously developed Servo Marine grades, Mauritius Shipping Corporation adopted these grades after extensive evaluation and commercial orders were received for two years.
- A component based gas engine oil, *SERVO* Green Edge, developed and after presenting product credentials to the leading gas engine OE-Wartsila, Finland, the letter of support for field trial was issued.
- *SERVO* Pride Max meeting the highest level of diesel lubricant specification API CJ-4 earned its first OEM approval from KAMAZ Vectra, the largest automobile corporation of the Russian Federation.
- New generation gas turbine oil, Servoprime 32GR, approved for commercial supply to M/s Reliance Infrastructure Limited.
- Food grade industrial gear oils `Servomesh FG 68 & Servomesh FG 100' developed and were listed in the white book of National Sanitation Foundation (NSF), USA. Similarly, Servogrease FG-2 - an AI -Complex Grease with synthetic base oil and food grade additives was approved by Global Green Co., Bangalore for bottle filling of cover liquid machines.



- Uttaranchal State Organic Certification Agency (USOCA) and Institute of Market Ecology (IMO) extended their approval for Servo Agro Spray oils for organic farming, after auditing the field performance.
- A new formulation of diesel MFA with combustion improver, Servo DMFA (ME) was evaluated in pipeline main engines and fuel savings ranging from 1% to 7% were demonstrated.
- Toxicological studies of R&D developed marker system carried out and found to be toxicologically safe for use in PDS kerosene.
- Under MNRE funded project on "Use of hydrogen (up to 30%) as fuel blended with compressed natural gas in internal combustion engine" vehicles were optimized for use of 18% HCNG in collaboration with 5 leading OEMs.
- A Photo Voltaic (PV) test bed comprising of multiple technologies in capacities of 10 KWp each totaling to 80 KWp has been set up at R&D Centre, which will help to evaluate & validate some of the promising & upcoming PV technologies.
- 15 Patents were filed which include 10 Indian, one US and one Chinese patent. Six patents were granted during the year.

3. Future Plans

- Development of long life, energy efficient cost effective lubricants for railways and other automotive and industrial sectors.
- Frontier areas of nano technology for novel lube and fuel additive development.
- Development of fuel saving and environment friendly additives for fuels.
- Development of bio-degradable and FDA compatible lubricants
- Production of 2nd/3rd Generation fuels
- Setting up of state of the art automotive research laboratory with test benches.
- Development of bio-jet fuel
- Technologies for reduction of GHG emissions
- Development of World Class research facilities for corrosion and failure analysis in refineries
- Co-processing of non-edible oils with refinery streams
- Gasification of pet coke / coal / residue / biomass
- New polymer grade development
- Setting up demonstration units for catalysts production
- Development of novel composites and engineering polymers
- Fuel Cells testing and research
- Solar Energy applications and product development

4. Expenditure on R&D

(a) Capital	:	₹ 56.11 crore
(b) Revenue	:	₹ 125.51 crore
(c) Total	:	₹ 181.62 crore

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

With a view to further improve the product pattern & product quality as well as to meet the environmental emission norms, Indian Oil has adopted 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 of the country was commissioned at Gujarat Refinery in 1994, adopting technology from M/s Chevron, USA for conversion of Vacuum Gas Oil to Jet Fuel, Kerosene and Diesel. Thereafter, a new Hydrocracking Unit with the technologies from M/s UOP, USA has been commissioned at Panipat under expansion of refinery from 6.0 to 12.0 MMTPA.

ii. Once through Hydrocracking Technology

Once Through Hydrocracking Units (OHCU) were commissioned at Panipat, Mathura and Haldia refineries with the technologies from M/s.UOP, USA, M/s.Chevron, USA and M/s Axens, France respectively for improvement of distillate yield and diesel quality with respect to Sulphur and Cetane Number..

iii. Diesel Hydro-Desulphurisation Technology

Diesel Hydro Desulphurisation Units have been commissioned at Mathura & Panipat refineries with technology from M/s IFP, France and at Gujarat & Haldia refineries with technology from M/s 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 & Digboi refineries with the technology from M/s UOP, USA and at Mathura and Panipat refineries with technology of M/s Axens, France to meet the Diesel quality requirement w.r.t Sulphur and Cetane No. In addition, technology from M/s Axens has been implemented at Gujarat Refinery under Resid Upgradation Project and technology from M/s Shell Global Solutions, Netherlands has been selected for implementation at Paradip Refinery Project.

v. Fluidised Catalytic Cracking Technology

Fluidised Catalytic Cracking (FCC) technology from M/s UOP, USA has been implemented in Gujarat and Mathura refineries for conversion of Vacuum Gas Oil to LPG, MS and Diesel. Technology from M/s ABB Lummus, USA is under implementation for revamp of FCCU at Mathura Refinery for reliability improvement and maximization of value added Propylene.

vi. Resid Fluidised Catalytic Cracking Technology

The Resid Fluidized catalytic cracking (RFCC) technology from M/s S&W, USA has been successfully implemented at Panipat, Haldia and Barauni Refineries.

vii. Catalytic Iso-Dewaxing Unit at Haldia Refinery

For improving the lube oil quality in line with international standards and augmenting production capability, Iso-dewaxing technology from M/s MOBIL, USA has been implemented at Haldia refinery.

viii. Solvent Dewaxing/Deoiling Technology at Digboi

In order to upgrade the process for production of Paraffin Wax at Digboi Refinery, Solvent dewaxing/deoiling technology from M/s UOP, USA has been implemented.

ix. Hydrofinishing Technology for treatment of Paraffin Wax/ Microcrystalline Wax

Process technology from M/s. IFP, France for hydro finishing of paraffin wax has been implemented at Digboi refinery. The same technology from M/s 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 M/s Porner, Austria has been employed at Gujarat and Mathura Refineries.

xi. Hydrogen Generation Technology

Hydrogen generation technology from M/s Linde, Germany was adopted in 1993 for Hydrogen production and supply to Hydrocracker unit at Gujarat Refinery and has been implemented at Barauni Refinery under MS Quality Improvement Project. Hydrogen generation technology from M/s. Haldor Topsoe, Denmark is in operation at Gujarat, Mathura, Haldia, Panipat and Barauni refineries and has been implemented at Gujarat Refinery under Resid Upgradation Project. Technology from M/s UHDE, Germany has been selected through BOO operator M/s Prax Air, USA at Paradip Refinery Project. Similar technology from M/s KTI, the Netherlands has been implemented for Hydrogen generation at Guwahati, Digboi, and Mathura refineries and has been commissioned at Haldia Refinery under Once through HydroCracker Project. Hydrogen generation technology from M/s Technip Benelux B.V, Netherlands has been implemented at Bongaigaon Refinery under Diesel Quality improvement project.

xii. Sulphur Recovery Technologies for reduction of SO₂ emissions

Refineries at Gujarat, Haldia, Mathura and Barauni are provided with Sulphur Recovery Technology from M/s. Stork Comprimo (now Jacob), the Netherlands. The Sulphur recovery technology from M/S Delta Hudson, Canada has been employed at Panipat Refinery. Further, Sulphur recovery technologies from M/s.B & V Pritchard, USA has been implemented at Panipat Refinery Expansion Project and has been implemented at Gujarat Refinery under Resid Upgradation Project and the same has also been selected for Paradip Refinery Project. Technology from M/s Technip, KTI, Spain has been implemented at Haldia Refinery under Once through Hydrocracker Project. Technology from M/s Jacobs, Netherlands is under implementation in additional Sulphur Recovery Unit at Mathura Refinery. Technology from M/s.Lurgi, Germany has been selected for Distillate Yield improvement (Coker) project at Haldia Refinery.

xiii. ISOSIV Technology at Guwahati Refinery

For production of unleaded MS at Guwahati Refinery, ISOSIV technology from M/s UOP, USA has been implemented.

xiv. Delayed Coker Technology

For bottom of the barrel upgradation, Coker technology from M/s ABB Lummus, USA has been implemented at Panipat Refinery as

part of Panipat Refinery Expansion Project. Coker Technology from M/s.Foster Wheeler, USA has also been implemented at Gujarat Refinery under Resid Upgradation Project and selected for Paradip Refinery Project as well as at Haldia Refinery under Distillate Yield improvement project.

xv. VGO Hydrotreatment Technology

Technology from M/s.UOP, USA has been implemented at Gujarat Refinery under Resid Upgradation Project. Technology from M/s Axens, France has been selected for Paradip Refinery.

xvi. Continuous Catalytic Reforming Technology

For improvement in Octane number of Motor Spirit, Continuous Catalytic reforming technology from M/s IFP, France has been implemented at Mathura & Panipat refineries. Technology from M/s UOP, USA has been implemented at Gujarat Refinery under MS Quality Upgradation Project and has also been selected for implementation at Paradip Refinery Project.

xvii. Technology for Para -Xylene

For production of Para-Xylene at Panipat, technologies from M/s UOP, USA have been implemented and same have been selected for Paradip Refinery Project.

xviii. Technology for Purified Terephthalic Acid (PTA)

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

xix. Technology for Linear Alkyl Benzene (LAB)

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

xx. MS Quality Upgradation Technology

For MS quality upgradation, Isomerisation technology of M/s UOP, USA have been implemented at Mathura, Panipat and Gujarat Refineries. Technology from M/s Axens, France has been implemented at Haldia, Guwahati, Digboi and Barauni refineries.

FCC Gasoline desulphurization technology (Prime-G) from M/s Axens, France has been employed at Haldia, Mathura, Panipat and Barauni Refineries.

xxi. Naphtha Cracker Technology

Naphtha Cracker Technology from M/s.ABB Lummus, USA has been deployed at Panipat Refinery. Technologies from M/s.Basell, Italy, M/s.Basell, Germany, M/s.Nova Chemicals, Canada & Scientific Design, USA have been implemented for various downstream polymer plants viz. Poly-Propylene (PP) Unit, HDPE unit, Swing Unit (HDPE/LLDPE) and MEG Unit respectively.

Technology from M/s Basell, Italy has been selected at Paradip Refinery Project for production of Poly-Propylene (PP).

xxii. Alkylation Technology

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

xxiii. Regenerative type Flue Gas De-Sulphurisation Technology

In order to recover Sulphur Di-Oxide from Boiler flue gases a



Regenerative type Flue gas De-Sulphurisation technology from M/s Cansolv Technology Incorporate (CTI), Canada, has been selected for implementation at Paradip Refinery Project.

xxiv. Spent Acid Regeneration Technology

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

xxv. ATF Treatment Technology

ATF Treatment Technology from M/s UOP, USA has been implemented at Gujarat Refinery. Technology from M/s Merichem, USA has been selected for Paradip Refinery Project.

xxvi. LPG Treatment Technology

Coker LPG Treatment technology from M/s UOP, USA has been selected for implementation at Haldia Refinery under the distillate yield improvement (Coker) project.

xxvii. Coker Gas Oil Hydrotreatment Technology

Coker Gas Oil Hydrotreatment Technology from M/s Axens, France has been selected for implementation at Haldia Refinery under the distillate yield improvement (Coker) project.

xxviii. MTBE Technology

Technology from M/s CD Tech, USA has been commissioned for production of MTBE at Gujarat Refinery.

xxix. Butene-1 Technology

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

xxx. Sulphur Pelletization Technology

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

B. Indigenous Technology

i. INDMAX Technology

INDMAX technology developed in-house by R&D Centre of IndianOil for converting heavy distillate and residue into LPG/light distillate products has been implemented successfully at Guwahati Refinery and has been selected for implementation at Bongaigaon Refinery. For production of petro-chemical feedstocks viz. Ethylene, Propylene from VGO, 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 R&D Centre of IndianOil with indigenous catalyst has been successfully implemented at Gujarat Refinery.

iii. Diesel Hydrotreatment Technology

Diesel Hydrotreatment technology developed by R&D Centre of

IndianOil and licensed jointly with EIL has been implemented at Bongaigaon Refinery for meeting Diesel quality requirements.

iv. Isomerisation Technology

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

v. INDA DEPT® Technology

INDA DEPT® Technology developed by R&D Centre of IndianOil has been selected for implementation at Guwahati Refinery.

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. All the new units already commissioned have been provided with DDCS and all those planned in future will be provided with DDCS.

ADVANCED PROCESS CONTROL (APC)

Model based Multi-variable Predictive Advanced Process Control Systems (APC) have been implemented in the various units of the Refineries.

A New Key Performance Index (KPI) based Methodology of APC Benefit assessment based on controller-wise, variable-wise on-stream factors and average values of controlled variables was devised jointly by IOCL and M/s HAIL. Accordingly, KPI based templates have been developed for all existing APC controllers across IOCL and are being used for monitoring realistic APC benefit on regular basis.

OFFSITE MODERNIZATION

As a part of modernization of Oil Movement & Storage (OM&S) facilities the following have already been implemented:

- Automation of Tank Wagon loading at Barauni, Gujarat, Mathura and Haldia Refineries.
- Automation of Tank Truck Loading at Gujarat & Haldia Refineries.
- Blending Automation at Haldia, Mathura, Barauni and Panipat Refineries.
- Auto Tank gauging has been completed at all refineries.

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 at all refineries and are in operation.
- DRYA (Data Reconciliation and Yield Accounting Package), implemented in all refineries for working out accurate Daily Production Balance using real time process data.
- PS (Production Scheduling) implemented at Gujarat and Panipat Refineries.
- For the addition of new units installed at refineries as a part of revamp/ fuel quality improvement in DRYA/ PS, job is under progress.

SC/ST/OBC REPORT-I

Annual Statement showing the representation of SCs, STs and OBCs as on 1st January 2012 and number of appointments made during the preceding calendar year

Name of the Public Enterprises:

Indian Oil Corporation Ltd.

Groups	Representation of SCs/STs/OBCs (As on 1.1.2012)				Number of appointments made during the calendar year 2011									
	Total No. of employees	SCs	STs	OBCs	By Direct Recruitment				By Promotion			By Deputation/Absorption		
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	15007	2461	1022	1604	747	124	47	211	202	41	14	0	0	0
B	6500	1072	568	120	No recruitment is made in this Group.				532	99	47	0	0	0
C	12597	2597	990	1570	429	69	22	119	1508	304	106	8	2	1
D (Excluding Sweeper)	391	80	34	103	198	32	13	43	0	0	0	0	0	0
D (Sweeper)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	34495	6210	2614	3397	1374	225	82	373	2242	444	167	8	2	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 2012 and number of appointments made in the service in various grades in the preceding calendar year

Name of the Public Enterprises:

Indian Oil Corporation Ltd.

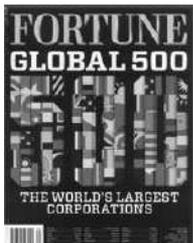
Pay Scale (In Rupees)	Representation of SCs/STs/OBCs (As on 1.1.2012)				Number of appointments made during the calendar year 2011									
	Total No. of Employees	SCs	STs	OBCs	By Direct Recruitment				By Promotion			By Deputation/Absorption		
Total					SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
24900-50500	4342	658	285	805	747	124	47	211	202	41	14	0	0	0
27600-50500	2876	477	220	409	1	0	0	0	768	133	63	0	0	0
32900-58000	2864	509	185	276	No recruitment is made in this Group.				470	66	24	0	0	0
36600-62000	1712	342	153	100	No recruitment is made in this Group.				371	77	30	2	1	0
43200-66000	1297	260	112	3	No recruitment is made in this Group.				254	58	21	1	1	0
51300-73000	1217	165	60	7	No recruitment is made in this Group.				206	34	19	0	0	0
51300-73000	478	40	6	3	No recruitment is made in this Group.				70	9	0	1	0	0
51300-73000	157	7	1	1	No recruitment is made in this Group.				45	1	1	1	0	0
62000-80000	64	3	0	0	No recruitment is made in this Group.				23	1	0	0	0	0
G.Total	15007	2461	1022	1604	748	124	47	211	2409	420	172	5	2	0



एनएल एलएनएल

Integrated Distribution

AWARDS & RECOGNITIONS



IndianOil has been ranked 285 in the Forbes Global list of 2000 biggest public companies and is in the top 10 of the India list.

At the 83rd rank, IndianOil is the country's highest ranked enterprise in the Fortune Global 500 list

IndianOil won the prestigious Asia's Best Employer Brand Awards 2011 in two categories - Excellence in Training and Excellence in HR through Technology at Singapore in recognition of its efforts to build a strong employer brand.

The Corporation has bagged the third South-East CEO Awards 2011 in the category of Liquid Storage Company of the Year (Bunker) in recognition of IndianOil's efforts, innovations & excellence in improving product and service offerings as a major player in marine fuels.

For the third time in a row, IndianOil was accorded the prestigious 'Business Superbrand' status by the Superbrands Council of India.

The Corporation was also recognized as Asia's Most Preferred Brand (Petroleum, Oil & Gas) at the Asian Leadership Award hosted by the Asian Confederation of Business at Dubai.

Acknowledging its excellent performance on several key parameters, IndianOil has been honoured with the India Pride Gold Award in Oil & Gas category, instituted by the Dainik Bhaskar Group to recognise excellent performance by the Public Sector Undertakings in their area of activities.

IndianOil has been honoured with the SCOPE Award for Excellence and Outstanding Contribution to the Public Sector Management in the Institutional (Maharatna and Navratna) PSE category for the year 2009-10.

At the World HRD Congress, IndianOil was awarded for Excellence in Training, Talent Management and Excellence in HR through Technology.

IndianOil's XtraPower Easy Fuel Card was adjudged the Best Prepaid Gift Programme at the Prepaid Awards India 2012.

For the fourth successive year, IndianOil bagged the Asia Retail Congress Award for Retail Excellence for the 'Rural Impact' category for its innovative rural initiative, Kisan Seva Kendra (KSK), special format petrol/diesel stations in rural areas.

At the Employer Branding Awards 2012, IndianOil was felicitated as one of the top five Best Employer Brands.

IndianOil bagged the coveted Corporate Sustainability Vision Award 2012, instituted by the Indian Chamber of Commerce.

Fortune India has ranked IndianOil in the top 20 in 'India's 50 Most Admired Companies.'

IndianOil won the prestigious Hart Energy Award for its contributions towards a cleaner environment. The Corporation was announced as the winner in the Refining & Energy Company of the Year awards category at the World Refining & FUEL conference held in San Diego.

IndianOil has been conferred the SCOPE Meritorious Award 2010-11 for R&D, Technology Development & Innovation by Her Excellency Smt. Pratibha Devisingh Patil, Hon'ble President of India.

At the PetroFed awards 2011, IndianOil was declared as the Leading Oil & Gas Corporate of the Year, Oil & Gas Marketing Company of the Year and Project Management (above ₹2000 crore) - Company of the Year.

IndianOil showed exemplary performance in the annual corporate listings of Businessworld(BW500), Business Today (BT 500), Financial Express (FE 500) and Economic Times (ET 500).

IndianOil has been ranked third in the Refining and Marketing category globally and ninth in overall performance in Asia in the Platts 250 Global Energy Company rankings for the year 2010. In the overall global rankings, the Corporation has improved its position, from 78th last year to being in the top 50 this year, at the 42nd place.

IndianOil retained its position as the nation's largest corporate, according to the list of 500 Indian companies released by Fortune India.



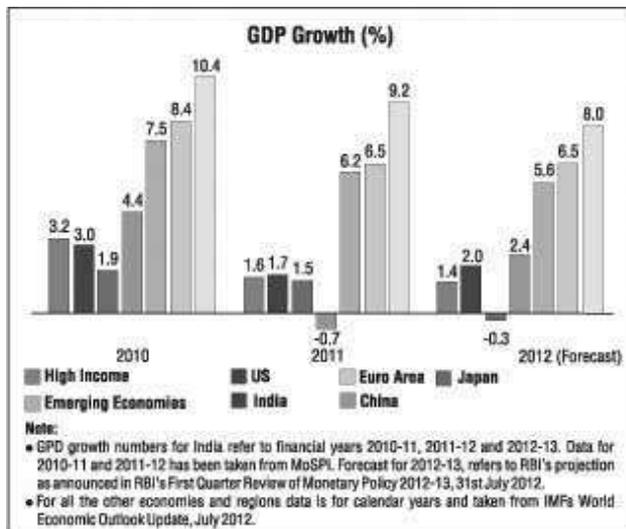
Laying Subsea Pipelines

MANAGEMENT'S DISCUSSION & ANALYSIS

(Forming part of the Directors' Report for the year ended 31st March 2012)

ECONOMIC OVERVIEW & OUTLOOK

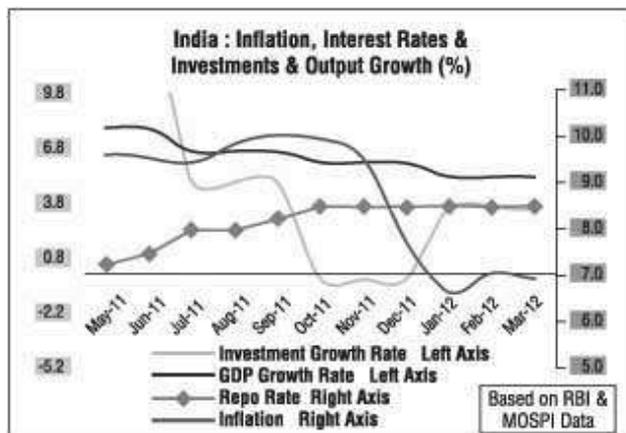
The overall economic environment was challenging as the intensification of sovereign debt crisis in the European Union (EU) and slowing of growth in the emerging economies undermined the global growth prospects.



During the year, global economy was hit by the deterioration of the sovereign debt conditions in Europe and the turbulence in the oil market. In particular, it was the European Union (EU) region, which experienced significant weakening of economic activity, with a fall in output in the last quarter of 2011. The emerging economies, which had been leading the recovery, also experienced deceleration in growth. As of now the overall economic environment continues to be fragile.

Indian economy confronted a mix of challenges emanating both from the domestic and external fronts resulting in slowing down of growth.

While India continues to be among the fastest growing economies, there was a marked slowdown in its growth momentum. In 2011-12 India's GDP growth rate slowed down to 6.5 per cent from 8.4 per cent in 2010-11.



For the Indian economy, both external and domestic channels worked adversely. Lower external demand and the slump in capital flows emanating from the weak global financial conditions resulted in the widening of the economy's current account deficit and depreciation of Rupee vis-à-vis the US Dollar. Forex reserves took a more than US\$10 bn hit, falling from US\$ 305 bn at the beginning of 2011-12 to US\$ 294.4 bn at the end of it.

On the domestic front, the persistence of the high inflation rate and the tight monetary stance to curb inflation had a dampening impact on demand, especially the investment demand. Sectorally, it was the industrial sector, especially the manufacturing sector that experienced a slowdown in the growth momentum. The deteriorating fiscal situation during the year due to overshooting of the subsidies leading to a higher deficit than the target fixed by the Government also added to the dampening of investments in the country.

Looking ahead, how effectively India tackles its twin (Current Account & Fiscal) deficit problem will be critical to the macroeconomic stability and growth of the economy.

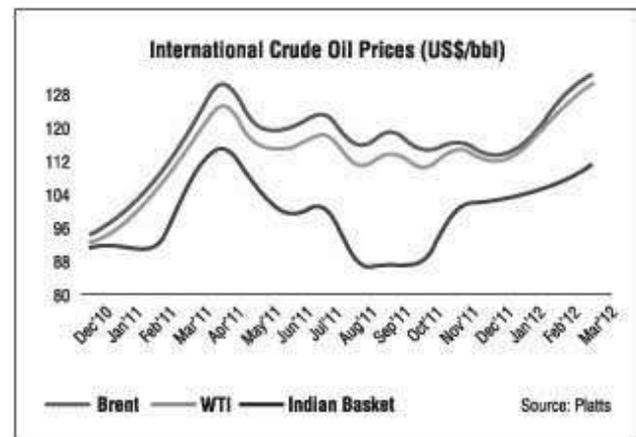
INDUSTRY STRUCTURE & DEVELOPMENTS

Energy Scene

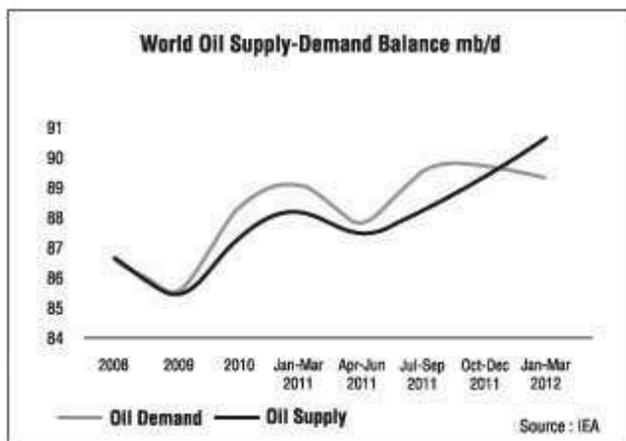
During 2011, global energy consumption grew by 2.5 per cent, decelerating from 5.1 per cent recorded in 2010 on account of weakened economic activity. On the supply side, disruptions in oil supply and high crude oil prices on one hand constrained the market, while high growth in production of natural gas in North America contributed to buoyancy in the energy supplies. Emerging economies continued to account for all of the net growth in energy consumption, while demand in the advanced economies fell for the third time in the last four years. Fossil fuels dominate the global energy mix and within the fossil fuels group it is oil with overall share of 33 per cent in the energy basket that dominates as world's largest energy source. Renewable energy's share in the global energy is small at about 2 per cent, but the sector is expected to continue growing at high rates through the long term.

Oil Market-International

With geo-political tensions rocking the oil market, prices were on an ascent despite slowing growth in demand.

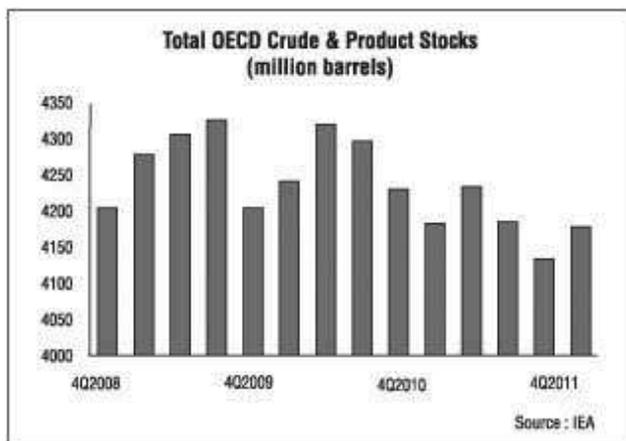


Prices: The year 2011-12 began with Brent above the US\$120/bbl mark. Moderation was witnessed in crude oil prices during the year. However, by January 2012, prices again started rising steeply, resulting in Brent prices above US\$ 120/bbl at the end of the year. Consequently, the average price of Brent in 2011-12 remained high at US\$115/bbl as compared to US\$87/bbl in 2010-11.



Supply-Demand Balance: It was the supply-demand mismatch witnessed during the year that, among other things, manifested in the high crude oil prices. Crude oil production rose marginally to 88.4 mb/d in 2011 from 87.3 mb/d in 2010. While oil demand growth was weak, it rose to 89.1 mb/d in 2011 from 88.3 mb/d in 2010. With growth rate plummeting to 0.9 per cent in 2011 from 3.2 per cent in 2010, production still fell short of demand.

Stocks: The draw down on the stocks including drawdown in government held stocks in countries belonging to the Organization for Economic Cooperation and Development (OECD) last summer, resulted in lowering of OECD stocks at the end of 2011 to an all time low since 2008.



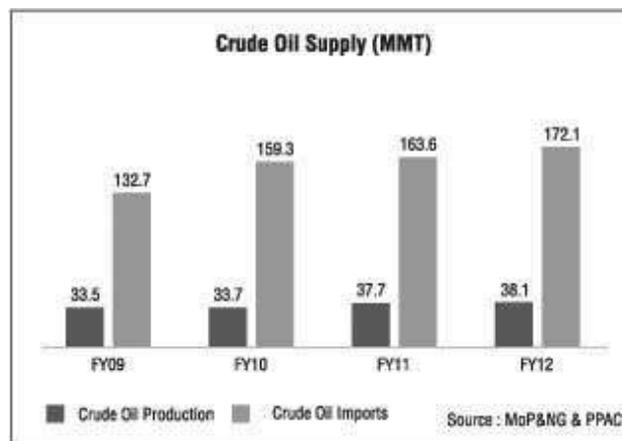
Geo-Politics: During the year, the spread of the 'Arab Spring' -wave of protests against the political establishment in the hydrocarbon rich Middle East and North Africa (MENA) region and the resultant potential & actual supply outages that rocked the oil market increased uncertainties and added pressure on price. Further, the imposition of sanctions on Iran by the US and EU and Iran's retaliatory indications of blocking the Strait of Hormuz increased supply-side fragility.

Oil Market-Domestic

The Indian market witnessed strong demand growth despite weakening economic activity. Deceleration in domestic crude oil production, rising international crude oil prices, depreciating Rupee and continuation of price control on major products to insulate consumers from the full impact of high International crude prices affected the financials of the sector.

Crude Oil Production: Domestic crude production witnessed marginal increase during the year. After growing at 11.9 per cent in 2010-11, crude oil production rose by meagre 1 per cent during 2011-12.

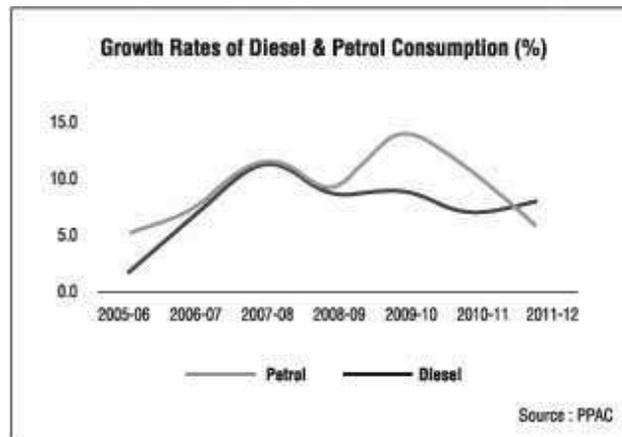
Crude Oil Imports: During the year, India imported around 172 MMT of crude oil representing a rise of 5.2 per cent from the previous year. In value terms, the rise was much more dramatic; India imported crude oil worth US\$ 141.1 bn as against the value of US\$100.1 bn in 2010-11.



Refineries Throughput: Indian Refineries recorded a throughput growth of 3.7 per cent. During the year, the sector's refining capacity expanded by around 20 MMTPA, making the total installed capacity reach the level of 213.2 MMTPA.

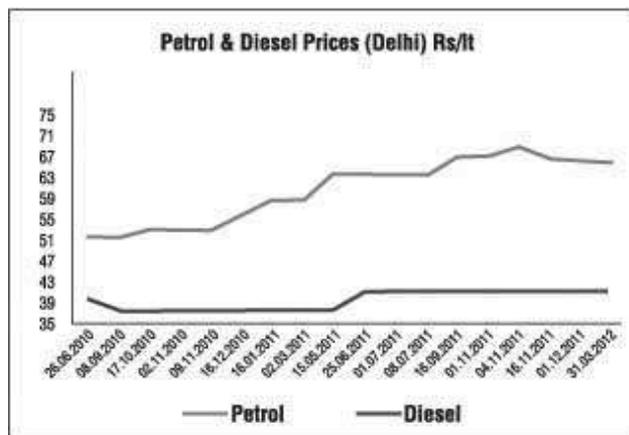
Product Consumption:

Petroleum products consumption (inclusive of imports) growth accelerated to 4.9 per cent from 2.3 per cent in the previous year. Transportation fuels were the front runners, with diesel growth outpacing petrol growth thereby breaking the trend of former trailing the latter. Consequent upon deregulation of MS and the rising crude oil prices, price differential between the two major transportation fuels widened significantly. Further, over the years the proportion of diesel



passenger cars has increased and this trend is expected to continue, reinforced by the fuel price differentials. In addition, the widening power requirement-availability gap in the country also explains a sizeable chunk of the growth in diesel consumption used for running power gensets.

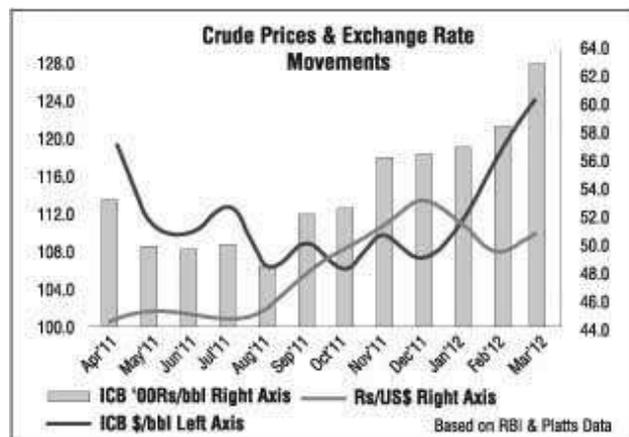
Product Imports & Exports: During the year, product imports fell to 14.9 MMT from 17.4 MMT in 2010-11, in value terms product imports fell to US\$10.2 bn from US\$ 12.1bn. Since 2001-02, India has been a net exporter of petroleum products. During the year, India exported 60.5 MMT as compared to 59.1 MMT of refined products with foreign exchange contribution of US\$ 58.2 bn.



Financials:

For the downstream oil sector, while the physical production numbers were upbeat, the financials turned adverse.

On the cost side, the Oil Marketing Companies (OMCs) had to bear the double burden of rising international crude oil prices and sharp Rupee depreciation. Overall during 2011-12, Rupee depreciated from ₹ 44.60/ US\$ on 31.03.2011 to ₹ 50.88/ US\$ on 30.03.2012. Rupee experienced a sharp depreciation against the US Dollar between July-December 2011, while the international crude oil prices were sobering from their July peaks, thereby offset the prospects of easing of cost pressures. Between January-February 2012, the Rupee appreciated while international crude prices firmed up.



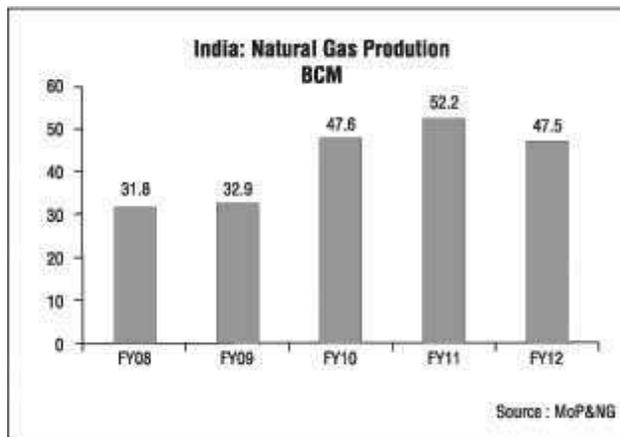
Natural Gas Sector

The Shale gas revolution in US has considerably enhanced gas supply prospects across the globe. While the global natural gas market was upbeat with scaling up of production, the domestic Indian market confronted issues such as dwindling domestic production from a large newly developed gas field and pricing dilemmas.

The dynamics of natural gas sector have changed significantly with the wave of shale gas in the US. During 2011, total marketed production of natural gas in the US grew by an estimated 7.9 per cent, registering the largest year-over-year volumetric increase in the history of US gas production. Henry Hub prices fell by 9 per cent from an average US\$4.39/million Btu in 2010 to US\$4.01/ million Btu in 2011.

In India, however, production from the country's gas bounty- KG Basin fell below the projections. During 2011-12, total natural gas production fell by 8.9 per cent on year-on-year basis, declining to 47.5 bcm from 52.2 bcm in 2010-11.

The improving global gas supply, however allowed the importing countries to access increased supplies of gas. In 2011, India emerged as Asia's third largest LNG buyer, with spot cargoes driving the market. The sector is set to witness sizeable investments in development of LNG import infrastructure. Development of domestic gas pipeline infrastructure both cross-country & city gas distribution is in full vigour in the country.



Key Policy Issues in Oil & Gas Sector

Direct Cash Transfers: The extant Government policy of subsidization of petroleum products continues to be major area of concern not only from the point of view of sustainability of the sector but also for the macroeconomic stability of the economy. The growing petroleum subsidy bill has contributed to the widening of fiscal deficit. Subsidization not only promotes excessive and inefficient consumption patterns, but also leads to the growing oil import bill of the country. Oil imports account for more than a third of India's total import bill and are a major reason behind the widened current account deficit, with which the country is grappling. Need for reform is paramount and while there is a growing appreciation of this fact concrete actions have yet to take shape. The Aadhaar-Unique Identification (UID) Scheme is being considered by the Government to provide the basic enabling fabric for rationalization of subsidization by moving from indirect subsidies to direct cash transfers to target beneficiaries.

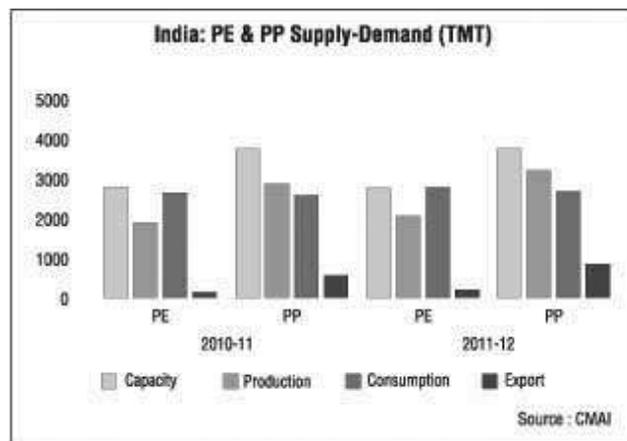
Auto Fuel Policy: The Government through the Auto Fuel Policy of 2003 had laid down the roadmap for implementation of environmentally compliant fuels.

In 2010, 13 cities went on BS IV petrol & diesel and the rest of the country on BS III. The Government plans to introduce BS IV fuels in 50 more cities by 2015. In line with that, during the year, OMCs added 7 more cities to the BS IV group with introduction of BS IV fuels.

Natural Gas Pricing: The natural gas pricing policy is also one of the vexed issues to which an answer is to be found to enable balanced and diversified investments. One of the issues debated was whether price pooling would serve the purpose. However, during the year the Inter Ministerial Committee set up by the Government on Policy for Pooling of Natural Gas Prices and Pool Operating Guidelines did not recommend pooling mechanism for natural gas at the overall level or on sectoral basis. The subject of appropriate natural gas pricing policy, therefore still hinges in various debates but perhaps time to decide on the same is running out.

Petrochemicals Sector

During the year, global petrochemicals sector was affected by high feedstock prices and slower growth in demand. Global Polyolefin's demand grew by 5 per cent in 2011-12 compared to 8.4 per cent the previous year. China continues to be the biggest consumer of Polyolefin products (about 40 per cent of global demand) and Middle East is the major supplier.



In the Indian Market, during 2011-12, the production of Poly Ethylene (PE) & Poly-Propylene (PP) grew by 7 per cent and 12 per cent while demand grew by 5.1 per cent and 2.9 per cent respectively thereby leading to increased exports. As a result petrochemical products registered a growth of 47 per cent during the year.

Sizeable capacity addition is lined up for the sector over the next few years. The high demand potential, given the low per capita petrochemicals consumption in India relative to other countries, even in the BRIC group is the driving force behind these investments.

OPPORTUNITIES AND CHALLENGES

India's long term growth prospects make the Indian market a front-runner of energy demand. At present, India's per capita energy consumption at 560 kgoe is less than a third of the world average of 1788 kgoe. With the rising growth, the per capita consumption levels have also to move up and in that context the wide difference between Indian and world average per capita consumption highlights the potential of the Indian Energy Sector. The Corporation being a major energy supplier in India, therefore finds itself placed in a very opportune position, filled with promising prospects of growth and innovation. Corporation's long-term vision of being the 'Energy of India' is based on this principal feature of the Indian market.

Core Business

Vehicular growth, urbanization, industrialization and the rising population of people with purchasing power, among other things will continue to drive the demand for refined petroleum products in the country, which augurs well for the Corporation as a leader in the downstream oil sector filled with ample growth opportunities.

Refining

Capacity Expansion: The Corporation has been scaling up its refinery capacity over the years. It is currently constructing a major green-field refinery project in Paradip.

Alignment to Demand Pattern: Besides, capacity augmentation, investments are required to be made for matching the changing demand patterns, compliance to tighter regulations and for optimization and maximization of margins. Across the globe the demand pattern is shifting towards middle distillates. In India also with the rising per capita vehicle ownership, transportation fuels and middle distillates are likely to account for the bulk of the demand growth and this calls for investments in aligning the Corporation's product mix with the changing demand pattern.

Gross Refinery Margins: Imported crude oil forms a major raw material for the Corporation's refineries. The Corporation has been working towards diversification of its crude basket and in the process sourcing heavier and opportunity crudes with a view to improve margins. Efforts are also on to upgrade the bottom of the barrel by introducing new residue upgradation technologies viz. by setting up of Hydrocrackers, Delayed Cokers and revamping of Resid Fluid Catalytic Cracker (RFCCs) etc. Another thrust area is reduction in energy consumption and operating cost in our refineries and other locations. It is noteworthy that there has been sustained improvement in the energy conservation management at refineries.

Marketing & Distribution

Expanding marketing and distribution network is one of the pillars of success in keeping the Corporation's market leadership. Sizeable investments are called for expanding the marketing & distribution infrastructure. Pipelines, as a means of transportation, stand out as the cheapest and the most environmentally benign mode of supplying the product. Plans are afoot to connect more and more primary distribution points viz. depots and terminals through pipelines from supply sources.

The Corporation places strong emphasis on supply of quality products and ensuring customer satisfaction by improving its delivery of not only quality products but also quality services. In this pursuit, it is the Corporation's endeavour to automate entire distribution chain and terminal/depot facilities. Simultaneously through supply chain optimization, efforts for making infrastructure development efficient & effective are a priority area for the Corporation.

Within the domestic demand segment, the rural segment is one which presents significant growth opportunities. The renewed thrust of the Government towards the basic energy needs of the Below Poverty Line (BPL) families through focused schemes such as Rajiv Gandhi Gramin LPG Vitaran Yojana (RGGLVY) is unleashing the potential of this sector. As per the Government's "Vision-2015" adopted for the LPG sector, target of overall 75% LPG population coverage has been fixed. However to ensure that growth of LPG usage is evenly spread, Oil Marketing Companies are opening distributorships under RGGLVY in rural/low potential areas in all States/Union Territories so as to achieve target growth of at least 50% LPG population coverage in each district and at least 60% overall LPG coverage in each State by 2015.

Business Integration

Beyond its core business, the Corporation has been straddling across the energy value chain in line with its vision. The Corporation's endeavour is to emerge as

an integrated energy company providing clean and sustainable energy solutions to its customers.

Petrochemicals

IndianOil has become a major player in the field of Petrochemicals & Polymers within a short span of few years. It stands as a testimony to the technical and marketing prowess of IndianOil. With the coming on stream of the Naphtha Cracker unit in Panipat and entry of IndianOil in the polymers market, IndianOil's petrochemicals product-market matrix has expanded manifolds. As a long-term strategy IndianOil is committed to deliver high-end petrochemical products. In the immediate future, challenge is to achieve consistent stabilized operations in our Naphtha Cracker Unit and strike the balance between volume growth and margin retention.

Gas

The Corporation's gas business has been growing steadily. With the increase in the availability of sourcing avenues in the last few years, and the growing demand for gas, the growth opportunities for the Corporation's gas business have increased manifold. Empowered by its vast experience of constructing and maintaining oil pipelines, the Corporation has made initial forays in the development of cross country gas pipelines in partnership with other State/ Central entities.

Exploration & Production

Today, the Corporation has a portfolio of 22 blocks. Discoveries have been made in three overseas and two domestic blocks. The success story of shale gas driven by the breakthroughs in hydraulic fracturing and horizontal drilling in the United States in the recent past has raised hopes across the world regarding the merit of exploring unconventional energy sources. The Corporation views unconventional oil & gas as an area of considerable prospects. To hone up its skills the Corporation is currently engaged in an exercise to enhance its capabilities in the upstream exploration and production area.

Alternative Energy Space

The Corporation's commitment to sustainable development and its vision of being the 'Energy of India' have motivated its initiatives into the renewable energy sources such as Bio-fuels, Wind, Solar & Nuclear Power. These newer businesses are set to witness high growth rates and open new vistas of providing sustainable energy solutions. Conducive policy framework is critical to the success of renewable energy ventures. In this context, the Government's National Action on Climate Change is expected to play the role of a key catalyst in making renewable energy investment attractive and rewarding. The Corporation's R&D Centre has set up a multi-feed fluidized bed gasification pilot plant with various analytical and characterisation facilities to give impetus to alternative energy research. For development of large scale photo catalytic process for hydrogen production, IndianOil's R&D Centre has entered into an MoU with Institute of Technology, BHU.

Research & Development

The Corporation places significant thrust on knowledge and research based growth. Especially, in the present scenario of high international crude oil prices and the price control in domestic market, where margins are under pressure, investment in proprietary research in lubricants, petrochemicals, catalyst, gas & refinery operations and product offerings is viewed as a thrust area for the Corporation. The Corporation appreciates the importance of R&D as a key competitive advantage driver for its new businesses, especially, petrochemicals and alternative energy and has been working in building a base for knowledge based growth in these areas.

RISKS & CONCERNS

As India's major player in the downstream petroleum industry, your Corporation faces some key risks from geo-political troubles, forex market fluctuations, hardening of interest rates and domestic pricing policies.

High Debt level: Corporation has to resort to borrowings from the market to bridge the gap arising out of incurrence of under-recoveries on sale of major products viz., HSD, LPG Domestic and SKO(PDS). The under-recovery on these products is a consequence of pricing policies of the Government under which these products are sold at a subsidized rate i.e. the gap between the price chargeable and the price actually charged. There is considerable time between incurrence of under-recoveries and cash compensation provided by Government which requires borrowing from the market for meeting the working capital requirement.

Besides above, prevalence of high crude oil and petroleum product prices requires additional borrowings to cover the increased working capital. Depreciation of the Rupee against USD also causes increase in amount of borrowings.

Geo-Politics: The escalation of geo-political tensions as witnessed during the year, not only adversely affects prices but also risks smooth supplies of crude oil.

Rupee Depreciation: The weakening of the Rupee against the Dollar during the year escalated crude oil costs. Exchange rate movements continue to be a serious area of concern for the Corporation given its high and growing import dependency.

Environment Clearances: Delay in receipt of Environment / Forest clearances for some of projects has been an area of concern that can result in cost and time overruns.

Entry Tax on Crude Oil in Uttar Pradesh: The Uttar Pradesh government's decision to impose a 5 per cent entry tax (with retrospective effect) on the crude oil supplied to the Corporation's Mathura Refinery is a serious area of concern for the Corporation. The burden of entry tax not only places considerable financial burden on the Corporation but also adversely affects the profitability of the refinery as well as of the Corporation.

High Domestic Inflation: In the context of high domestic inflation, passing of high international crude oil prices to the consumers becomes an area of risk. Should the inflation levels in the economy remain high it could act as a major deterrent to move to market determined petroleum product prices. The confluence of high domestic inflation and high international crude oil prices therefore poses considerable business challenge to the sector.

Safety & Security: For the Corporation's pan India refinery, marketing & pipeline infrastructure, safety and security is a priority concern at all times and at all locations. Given the hazardous nature of products handled, the Corporation is fully committed to compliance to all guidelines with respect to health, safety & environment.

FINANCIAL REVIEW

Turnover

The turnover of the Corporation (inclusive of excise duty) for the year 2011-12 was ₹ 4,09,957 crore as compared to ₹ 3,28,652 crore in the previous year. The total sales of products (including gas and petrochemicals) for 2011-12 was 75.66 MMT as against 72.92 MMT during 2010-11.

Profit Before Tax

The Corporation has earned a Profit Before Tax of ₹ 3,754 crore in 2011-12 as compared to ₹ 9,096 crore in 2010-11.

Provision for Taxation

An amount of (₹ 201) crore has been provided towards income tax for 2011-12 considering the applicable income tax rates as against ₹ 1,651 crore provided during 2010-11.

**SEGMENTWISE PERFORMANCE**

(₹ in Crore)

	Sale of Petroleum Products	Sale of Petrochemicals	Other Businesses	Eliminations	Total
External Revenue	3,82,966	11,174	40,369	-	4,34,509
Inter Segment Revenue	7,506	49	3,618	(11,173)	-
Total Revenue	3,90,472	11,223	43,987	(11,173)	4,34,509
Operating Profit	16,918	(210)	76	-	16,784

Notes:

- A. Segment Revenue comprises Turnover (Net of Excise Duties), Subsidy & Grants received from Government of India and Other Operating Income.
- B. Other Business segment of the Corporation comprises; Sale of Imported Crude Oil, Sale of Gas, Oil & Gas Exploration Activities, Explosives & Cryogenic Business and Wind Mill & Solar Power Generation.

Profit After Tax

The Corporation has earned a Profit After Tax of ₹ 3,955 crore during the current financial year as compared to ₹ 7,445 crore in 2010-11.

Depreciation & Amortisation

Depreciation for the year 2011-12 was ₹ 4,542 crore as against ₹ 4,567 crore for the year 2010-11.

Finance Cost

Finance Cost Net of Interest income of the Corporation for the current year was ₹ 3,801 crore as against ₹ 1,121 crore during 2010-11.

Borrowings

The borrowings of the Corporation were ₹ 75,447 crore as on March 31, 2012 as compared to ₹ 52,734 crore as on March 31, 2011. The Total Debt to Equity ratio as on 31st March, 2012 worked out to 1.30:1 as against 0.95:1 as on 31st March, 2011.

Capital Expenditure

Gross Fixed Assets (including Capital Works in Progress) increased from Rs.1,02,418 crore as on 31.03.2011 to Rs.1,12,890 crore as on 31.03.2012. In addition, capital advances for LSTK projects have also gone up from Rs.3,367 crore in 2010-11 to Rs.8,082 crore in 2011-12.

Investments

Investments as on 31st March, 2012 were ₹ 18,678 crore as compared to ₹ 19,545 crore as on 31st March, 2011. The decrease in investments during the year is mainly due to sale of Government of India Special Oil Bonds. The aggregate market value of quoted investments as on 31st March, 2012, i.e., investments made in ONGC Ltd., GAIL(India) Ltd., Oil India Ltd., Chennai Petroleum Corporation Ltd., Petronet LNG Ltd. and Lanka IOC Plc., is ₹ 23,238 crore (as against the acquisition price of ₹ 3,828 crore).

Earnings Per Share

Earnings Per Share works out to ₹ 16.29 for the current year as compared to ₹ 30.67 in the previous year.

Earnings in Foreign Currency

During the year, the Corporation earned ₹ 19,829 crore in foreign currency as against ₹ 16,968 crore in 2010-11, which is mainly on account of export of petroleum products.

INTERNAL CONTROL SYSTEMS

The Corporation has a well established internal control system, which is commensurate with the size and nature of its business. Detailed manuals have been prepared on various aspects of the business activities, accounting policies and guidelines. The Board of Directors regularly monitors the performance of your Corporation. The Corporation has a full-fledged independent Internal Audit Department headed by an Executive Director (below Board level), who reports to the Chairman. The Internal Audit Department has mix of officers from finance and technical functions. The audit assignments are carried out as per the Annual audit programs approved by the Chairman and Audit Committee. The Internal Audit carries out extensive audits round the year covering each and every aspect of business activity so as to ensure accuracy, reliability and consistency of records, systems and procedures. An Audit Committee comprising entirely of Independent Directors reviews the recommendations and observations of the Internal Audit Department regularly.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

Human capital is at the core of the success of any organization. The Corporation acquires the best talent in the country from leading institutes and universities. It has been working towards nurturing and retaining talent. In view of the rising competition in the domestic market, acquiring and retaining manpower is a challenge. In our new business areas of Petrochemicals, Gas and E&P, getting the right talent is pivotal to the future of these ventures.

The industrial relations climate in the Corporation remained harmonious, peaceful and cordial during the year. Employees' Participation has been ensured through information sharing with employees regularly seeking their support, suggestions and co-operation. IndianOil continues to align its HR strategies with organisational strategies. The employee strength of IndianOil as on 31st March, 2012 was 34,233 including 14,851 officers.

Information regarding Corporate Social Responsibility, Environmental Protection & Conservation, Technological Conservation, Renewable Energy Developments, Foreign Exchange Conservation has been included in the Director's Report and Annexure thereto.

CAUTIONARY STATEMENT

Statements in the Management's Discussion & Analysis describing the Company'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 Company's operations include global and domestic demand and supply conditions affecting selling prices of products, input availability and prices, changes in Government regulations/ tax laws, economic developments within the country and factors such as litigation and industrial relations.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

IndianOil believes that good Corporate Governance practices ensure ethical and efficient conduct of the affairs of the Company and also help in maximizing value for all its stakeholders like customers, employees and society at large in order to build an environment of trust and confidence among all the constituents. The Company endeavours to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning which are vital to achieve its Vision of being the Energy of India and a Globally Admired Company.

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 effective implementation of 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

2. BOARD OF DIRECTORS

(a) Composition of Board of Directors

The Board of IndianOil comprises of 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, law, academics, finance, economics, marketing, administration, etc.

The strength of the Board of IndianOil was 19 directors as on 31.03.2012 comprising of 8 Executive (Whole-time Functional) Directors (including Chairman) and 11 Part-time Non-Executive Directors, out of which 10 are Independent Directors and 1 Govt. Nominee Director.

The composition of the Board of Directors as on 31.03.2012 is given below:

Sl. No.	Name	Category
1.	Shri R. S. Butola	Chairman
2.	Dr. R. K. Malhotra	Director (Research & Development)
3.	Shri Sudhir Bhalla	Director (Human Resources)
4.	Shri A. M. K. Sinha	Director (Planning & Business Development)
5.	Shri P. K. Goyal	Director (Finance) w.e.f. 02.05.2011
6.	Shri Rajkumar Ghosh	Director (Refineries) w.e.f. 01.09.2011
7.	Shri M. Nene	Director (Marketing) w.e.f. 05.10.2011
8.	Shri V. S. Okhde	Director (Pipelines) w.e.f. 01.02.2012
9.	Shri Sudhir Bhargava	Government Nominee Director
10.	Shri Anees Noorani	Independent Director
11.	Dr. (Smt.) Indu Shahani	Independent Director
12.	Prof. Gautam Barua	Independent Director
13.	Shri Michael Bastian	Independent Director
14.	Shri N. K. Poddar	Independent Director
15.	Dr. Sudhakar Rao	Independent Director w.e.f. 30.05.2011
16.	Prof. (Dr.) V. K. Bhalla	Independent Director w.e.f. 30.01.2012
17.	Smt. Shyamala Gopinath	Independent Director w.e.f. 29.03.2012
18.	Smt. Sushama Nath	Independent Director w.e.f. 29.03.2012
19.	Shri Shyam Saran	Independent Director w.e.f. 29.03.2012

**(b) Board Meetings**

The Board of Directors oversees the overall functioning of the Company and has set strategic goals in order to achieve its Vision 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 smooth and efficient flow of decision making process.

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. During the financial year 2011-12, eleven 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 and Capital and Revenue budgets.
- | Quarterly and Annual Financial results of the Company.
- | Dividend declaration.
- | Quarterly report on borrowings and treasury operations.
- | Constitution of Board committees with terms of reference.
- | Minutes of meetings of Audit Committee and other Committees of the Board, as also resolutions passed by circulation.
- | 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 minimization process.
- | HR related issues.
- | Safety / Security related matters
- | General notices / matters of interest of Directors.
- | Periodic reports to the Board on :
 - Treasury Operations
 - Project status
 - Risk Management
 - Secretarial reports
 - Compliance of laws
 - Disciplinary cases
 - Action Taken Report (ATR) on decisions of the Board
 - Foreign tour report of Wholetime Functional Directors / officials.

The Board Minutes are prepared within a day of the Board Meeting & endeavour is made to obtain the clearance of the Wholetime Functional Directors & approval of the Chairman at the earliest. Thereafter the minutes are circulated to the concerned department / group for implementation. ATR is obtained and put up to the Board periodically.

Details of the Board Meetings held during the year 2011-12 are as under:

Sl. No.	Date	Board Strength	No. of Directors Present
1.	28-04-2011	16	13
2.	30-05-2011	17	15
3.	23-06-2011	17	17
4.	10-08-2011	17	14
5.	30-08-2011	17	16
6.	26-09-2011	17	16
7.	09-11-2011	17	13
8.	20-12-2011	17	14
9.	30-01-2012	18	18
10.	13-02-2012	18	17
11.	29-03-2012	20	16

(c) Attendance of each Director at Board Meetings held during 2011-12, 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 27.09.2011 (Yes/No)	No. of Directorships in other companies as on 31.03.2012	Membership of committees in other companies as on 31.03.2012	Chairmanship of committees in other companies as on 31.03.2012
Whole-time Functional Directors					
Shri R. S. Butola, Chairman	11	Yes	2	-	-
Dr. R. K. Malhotra, Director (Research & Development)	11	Yes	2	-	-
Shri Sudhir Bhalla, Director (Human Resources)	10	Yes	1	-	-
Shri A. M. K. Sinha, Director (Planning & Business Development)	10	Yes	1	2	-
Shri P. K. Goyal, Director (Finance) ¹	10	Yes	1	-	-
Shri Rajkumar Ghosh, Director (Refineries) ²	6	Yes	2	-	-
Shri M. Nene, Director (Marketing) ³	4	NA	4	-	-
Shri V. S. Okhde, Director (Pipelines) ⁴	2	NA	2	-	-
Shri S. V. Narasimhan, Director (Finance) ⁵	1	NA	2 *	2	-
Shri B. N. Bankapur, Director (Refineries) ⁶	5	NA	3 *	3	-
Shri G. C. Daga, Director (Marketing) ⁷	6	Yes	5 *	-	-
Shri K. K. Jha, Director (Pipelines) ⁸	8	Yes	1 *	-	-
Part-time Non-Executive Directors (Govt. nominees)					
Shri P. K. Sinha ⁹	9	Yes	2 *	-	-
Shri Sudhir Bhargava	8	No	2	-	-
Part-time Non-Executive Independent Directors					
Shri Anees Noorani	6	No	10	1	-
Dr. (Smt.) Indu Shahani	8	Yes	4	1	-
Prof. Gautam Barua	11	Yes	1	-	-
Shri Michael Bastian	11	Yes	4	3	2
Shri N. K. Poddar	10	Yes	-	-	-
Dr. Sudhakar Rao ¹⁰	7	No	6	4	-
Prof. (Dr.) V. K. Bhalla ¹¹	3	NA	2	3	-
Smt. Shyamala Gopinath ¹²	1	NA	3	-	1
Smt. Sushama Nath ¹³	1	NA	1	-	-
Shri Shyam Saran ¹⁴	1	NA	1	-	-
Prof. (Dr.) Indira Parikh ¹⁵	9	Yes	5 *	-	-

* 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 P. K. Goyal was inducted on the Board w.e.f. 02.05.2011
2. Shri Rajkumar Ghosh was inducted on the Board w.e.f. 01.09.2011
3. Shri M. Nene was inducted on the Board w.e.f. 05.10.2011
4. Shri V. S. Okhde was inducted on the Board w.e.f. 01.02.2012
5. Shri S. V. Narasimhan ceased to be Director on 30.04.2011
6. Shri B. N. Bankapur ceased to be Director on 31.08.2011
7. Shri G. C. Daga ceased to be Director on 30.09.2011
8. Shri K. K. Jha ceased to be Director on 31.01.2012
9. Shri P. K. Sinha ceased to be Director on 29.02.2012
10. Dr. Sudhakar Rao was inducted on the Board w.e.f. 30.05.2011
11. Prof. (Dr.) V. K. Bhalla was inducted on the Board w.e.f. 30.01.2012
12. Smt. Shyamala Gopinath was inducted on the Board w.e.f. 29.03.2012
13. Smt. Sushama Nath was inducted on the Board w.e.f. 29.03.2012
14. Shri Shyam Saran was inducted on the Board w.e.f. 29.03.2012
15. Prof. (Dr.) Indira J. Parikh ceased to be Director on 29.03.2012



None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he/she 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 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". 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 31.03.2012.

3. 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 was reconstituted on 23.06.2011 to induct Dr. Sudhakar Rao, Independent Director, as a member of the Committee in place of Dr. (Smt.) Indu R. Shahani, Independent Director. The Audit Committee comprised of following four Part-time Non-Executive Independent Directors as on 31.03.2012:

- | | | | |
|-----|----------------------|---|----------|
| (1) | Shri Michael Bastian | - | Chairman |
| (2) | Shri N. K. Poddar | - | Member |
| (3) | Prof Gautam Barua | - | Member |
| (4) | Dr. Sudhakar Rao | - | Member |

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 alongwith related party transactions, if any, 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.
- Reviewing with the management, the observations / comments / assurances of the Comptroller & Auditor General of India (CAG).
- Review with the management, the follow-up action taken on the recommendations of the Parliamentary Committee on Public Undertaking (CoPU).
- Review of Cost Audit Report

The attendance at the seven meetings of the Audit Committee held during the year 2011-12 is given below:

Dates of the Meetings	Shri Michael Bastian (Chairman)	Shri N. K. Poddar (Member)	Prof. Gautam Barua (Member)	Dr. Sudhakar Rao (Member)	Dr. (Smt.) Indu R. Shahani (Member)
18-04-2011	Yes	Yes	Yes	NA	Yes
29-05-2011	Yes	Yes	Yes	NA	Yes
10-08-2011	Yes	Yes	Yes	Yes	NA
30-08-2011	Yes	Yes	Yes	Yes	NA
08-11-2011	Yes	Yes	Yes	No	NA
12-02-2012	Yes	Yes	Yes	Yes	NA
29-03-2012	Yes	No	Yes	Yes	NA

The Audit Committee meetings are also attended by the Director (Finance) and the Head of Internal Audit as invitees. The representatives of the Statutory Auditors are also invited to the meetings while considering the quarterly / annual financial statements and discussion on nature & scope of Audit. The Cost Auditors are invited when the Cost Audit Reports are considered by the Audit Committee.

The Minutes of the meetings of the Audit Committee are circulated to the members of the Audit Committee and to all concerned for necessary action and are also submitted to the Board.

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.

4. 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 of ₹ 20,000/- for attending each meeting 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 as well as to approve performance related pay to the executives of the Company. The Committee comprised of the following Directors as on 31.03.2012:

- | | | | |
|----|---------------------------|---|---|
| 1. | Prof. (Dr.) Indira Parikh | - | Independent Director (Chairperson) |
| 2. | Shri Anees Noorani | - | Independent Director |
| 3. | Shri Michael Bastian | - | Independent Director |
| 4. | Shri P. K. Sinha | - | Government Nominee Director (upto 29.02.2012) |
| 5. | Shri Sudhir Bhalla | - | Director (Human Resources) |
| 6. | Shri P. K. Goyal | - | Director (Finance) |

The attendance at one meeting of the Remuneration Committee held during 2011-12 is given below:

Name of Director	Designation	Attendance at meeting held on 15-03-2012
Prof. (Dr.) Indira Parikh	Chairperson	Yes
Shri Anees Noorani	Member	Yes
Shri Michael Bastian	Member	Yes
Shri P. K. Sinha ¹	Member	NA
Shri P. K. Goyal ²	Member	Yes
Shri Sudhir Bhalla	Member	No

Remarks:

- Shri P. K. Sinha ceased to be Director on 29.02.2012.
- Shri P. K. Goyal was inducted on the Board w.e.f. 02.05.2011

Remuneration paid to whole-time Functional Directors during the financial year 2011-12 is as under:

(₹ in Crore)

Name of the Director	Designation	Salaries & Allowances	Contribution to PF & other Funds	Other Benefits & Perquisites	Total Remuneration
Shri R. S. Butola	Chairman	0.28	0.02	0.07	0.37
Dr. R. K. Malhotra	Director (Research & Development)	0.31	0.02	0.04	0.37
Shri Sudhir Bhalla	Director (Human Resources)	0.31	0.02	0.07	0.40
Shri A. M. K. Sinha	Director (Planning & Business Development)	0.22	0.02	0.07	0.31
Shri P. K. Goyal	Director (Finance) w.e.f. 02.05.2011	0.28	0.02	0.12	0.42
Shri Rajkumar Ghosh	Director (Refineries) w.e.f. 01.09.2011	0.18	0.01	0.10	0.29
Shri M. Nene	Director (Marketing) w.e.f. 05.10.2011	0.13	0.02	0.05	0.20
Shri V. S. Okhde	Director (Pipelines) w.e.f. 01.02.2012	0.05	0.01	-	0.06
Shri S. V. Narasimhan	Director (Finance) upto 30.04.2011	0.40	* -	0.16	0.56
Shri B. N. Bankapur	Director (Refineries) upto 31.08.2011	0.44	0.01	0.09	0.54
Shri G. C. Daga	Director (Marketing) upto 30.09.2011	0.45	0.03	0.15	0.63
Shri K. K. Jha	Director (Pipelines) upto 31.01.2012	0.29	0.01	0.11	0.41
TOTAL		3.34	0.19	1.03	4.56

* ₹ 36102/-

**Note:**

1. 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.
2. During the year, no Stock Options have been issued to Whole-time Functional Directors.
3. The terms of appointment of the Whole-time Functional Directors, as issued by the Government of India, provides for 3 months notice period or salary in lieu thereof for severance of service.
4. The remuneration does not include the provision made on actuarial valuation of retirement benefit schemes and provision made during the year towards post retirement benefits as the same is not separately ascertainable for individual directors.

The sitting Fees paid to Part-time Non-Executive Independent Directors during the financial year 2011-12 is as under:

Name of the Director	Sitting Fees (₹ in Crore)
Prof. (Dr.) Indira Parikh	0.018
Shri Anees Noorani	0.030
Dr. (Smt.) Indu Shahani	0.020
Prof. Gautam Barua	0.042
Shri Michael Bastian	0.048
Shri N. K. Poddar	0.040
Dr. Sudhakar Rao	0.018
Prof. (Dr.) V. K. Bhalla	0.004
TOTAL	0.220

Notes:

1. None of the Part-time Non-Executive Independent Directors was holding any shares of Company as on 31st March 2012.
2. There were no other materially significant pecuniary relationships or transactions of the Non-Executive Independent Directors vis-à-vis the Company.

Shareholding of Whole Time Directors (as on 31.03.2012)

The following Directors are holding shares of IndianOil as on 31.03.2012 as per disclosure made by them:

Name	Designation	No. of shares
Shri R. S. Butola	Chairman	NIL
Dr. R. K. Malhotra	Director (R&D)	3600
Shri Sudhir Bhalla	Director (Human Resources)	3620
Shri A. M. K. Sinha	Director (P&BD)	2400
Shri P. K. Goyal	Director (Finance)	800
Shri Rajkumar Ghosh	Director (Refineries)	3000
Shri M. Nene	Director (Marketing)	NIL
Shri V. S. Okhde	Director (Pipelines)	2400

5. SHAREHOLDERS'/INVESTORS GRIEVANCE COMMITTEE

The Shareholders' / Investors Grievance Committee (SIGC) examines the grievances of shareholders / investors and the system of redressal of the same and also to approve issuance of share certificates. The Company accords top priority to resolve complaints/grievances/queries of shareholders within a reasonable period of time.

The Committee comprised of the following four members as on 31.03.2012:

1. Shri Anees Noorani - Independent Director (Chairman)
2. Dr. (Smt.) Indu R. Shahani - Independent Director
3. Shri Sudhir Bhalla - Director (Human Resources)
4. Shri P. K. Goyal - Director (Finance)

The attendance at one meeting of SIGC held during the year 2011-12 is given below:

Sl. No.	Name of the Director	Attendance at Meeting held on 26.09.2011
1.	Shri Anees Noorani	Yes
2.	Dr. (Smt.) Indu R. Shahani	Yes
3.	Shri Sudhir Bhalla	Yes
4.	Shri. P. K. Goyal	Yes

The Company Secretary is the Compliance Officer.

Details of complaints received and redressed during the financial year 2011-12:

During the year 1837 complaints were received and all have been settled. As on 31st March 2012, no complaints were pending. Further, during the year, 1051 requests for change of address, recording of nomination, issue of duplicate share certificates / dividend warrant, etc. were received, out of which 9 requests were pending as on 31.03.2012, which were subsequently dealt with.

6. 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 composition of various such committees as on 31.03.2012 is as under:

Sl. No.	Name of Committee	Role and Responsibilities	Members
1.	Project Evaluation Committee	To appraise projects costing ₹ 250 crore and above before the Projects are submitted to the Board for approval.	Three Part-time Non-Executive Independent Directors, one Part-time Non-Executive Government Director, and Director (Finance).
2.	CSR Committee	To monitor and administer CSR activities.	One part time non-executive Government Director & Two Part-time Non-Executive Independent Directors, Director (Marketing) and Director (Human Resources).
3.	Health, Safety & Environment Committee	To review compliance of safety systems, procedures, rules & regulations on safety, occupational health and environment protection and to review the safety audit in various Divisions.	Three Part-time Non-Executive Independent Directors, Director (Marketing), Director (Refineries), Director in-Charge of Safety, Health & Environment.
4.	Marketing Strategies Committee	To evolve the strategies, policies, guidelines and take decisions on all matters relating to marketing activities of the Corporation including revival of dealerships / distributorships.	Two Part-time Non-Executive Independent Directors, Director (Finance), Director (Marketing) and Director (Planning & Business Development).
5.	Establishment Committee	To create and sanction posts as well as to consider promotions for Executives in Grade 'H' (GM) and above.	Chairman and all Whole-time Functional Directors, one Part time Non-Executive Government Director and one Part-time Non-Executive Independent Director.
6.	Deleasing of Immoveable Properties Committee	To consider Deleasing of Company leased flats/ accommodation / immoveable properties.	Chairman, Director (Human Resources), Director (Finance) and one Part-time Non-Executive Government Director.
7.	Contracts Committee	To approve contracts beyond certain limits as provided in the DoA of the Corporation.	Chairman and all Wholetime Functional Directors.
8.	Planning & Projects Committee	To consider and approve all Project Proposals upto ₹100 crore.	Chairman and all Wholetime Functional Directors.
9.	Oil Price Risk Management Committee	To approve the derivative transactions above USD 50 million on 'mark to market' basis.	Chairman, Director (Finance) and Director (Refineries).



7. GENERAL MEETINGS

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:

	2008-09	2009-10	2010-11
Date & Time	14.09.2009 10:30 A.M.	21.09.2010 10:30 A.M.	27.09.2011 10:30 A.M.
Venue	Nehru Centre Auditorium, Discovery of India Building, Worli, Mumbai - 400 018.	Nehru Centre Auditorium, Discovery of India Building, Worli, Mumbai - 400 018.	Nehru Centre Auditorium, Discovery of India Building, Worli, Mumbai - 400 018.
No. of Special Resolutions passed	Nil	Nil	Nil

No Extraordinary General Meeting of the Members was held during the year 2011-12.

8. POSTAL BALLOT

Approval of the shareholders by means of ordinary resolutions was sought through Postal Ballot for increase in the borrowings limit u/s 293 (1) (d) and for charging / mortgaging the moveable properties of the Company u/s 293 (1) (a) of the Companies Act, 1956.

The Postal Ballot was circulated to all the members from 13th September 2011 to 15th September 2011 and the last date of receipt of the duly filled in Postal Ballot Form was 15th October 2011. The resolutions were approved by the shareholders with requisite majority and result was announced on 20th October 2011. The Postal Ballot exercise was conducted by Shri B. V. Dholakia, Practicing Company Secretary of M/s. Shah Dholakia & Associates, Mumbai.

9. DISCLOSURES

a. Materially significant related party transactions

The Company has not entered into any materially significant related party transactions with the Directors or the Senior Management Personnel or their relatives as well as its subsidiaries / Joint Ventures etc. except for those disclosed in the financial statements for the year ended 31st March 2012.

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 Exchanges / SEBI or any other statutory authority on any matter related to 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 Chairman of the Audit Committee, as the case may be. Any such complaint is reviewed by the Competent Authority or Chairman of the Audit Committee. The confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practice. No employee has been denied access to the Audit Committee.

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 well as DPE guidelines.

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

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

The newly appointed Directors of the Company are familiarized 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. 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 decisions and prospective plans for the future. The directors are also nominated for training programs / seminars conducted by SCOPE and other government authorities.

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.

g. Integrity Pact

IndianOil has a Memorandum of Understanding (MoU) with Transparency International India (TII) 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 being persons of eminence nominated by TII in consultation with the Central Vigilance Commission (CVC) monitor the activities. The Integrity Pact has strengthened the established systems and procedures by creating trust and has 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.

i. Presidential Directives

The details of the Presidential Directives received by the Company and compliance thereof have been provided in the Directors' Report.

10. MEANS OF COMMUNICATION

a. Financial Results

The quarterly unaudited financial results / audited financial results of the Company are announced within the time limits prescribed by the listing agreement. The results are published in leading newspaper like The Times of India and Maharashtra Times (Marathi Newspaper). The financial results are also hosted on company's website www.iocl.com. The Company issues news releases on significant corporate decisions / activities and posts them on its website as well as notifies stock exchange as and when deemed necessary.

b. News Releases

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

c. Website

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

d. 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.

e. 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 for information of the shareholders residing in various parts of the country.

f. Investor Service Cell

Investor Service Cell exists at the registered office in Mumbai and the 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.in. M/s Karvy Computershare Pvt. Ltd., Registrar & Transfer Agent, have offices across the country, wherefrom the queries / grievances of the investors are also addressed.

g. Green initiative - reaching important communication to shareholders through email

In terms of the Green initiative launched by the Ministry of Corporate Affairs, to allow service of documents to the members through electronic mode, IndianOil would send the copy of the Annual Report for the year 2011-12 alongwith the notice convening the Annual General Meeting through email to those shareholders who have registered their email id with the DP's / R&T agents and have opted not to receive the Annual report in physical form.

**11. GENERAL SHAREHOLDER INFORMATION****(a) Annual General Meeting:**

Date, Time & Venue of the Annual General Meeting 14th September 2012 at 1030 hrs at Nehru Centre Auditorium
Discovery of India Building, Worli, Mumbai - 400 018.

(b) Financial Calendar for 2012-13 to approve quarterly / annual financial results:

Quarter ending 30th June 2012	On or before 14.08.2012
Quarter ending 30th September 2012	On or before 14.11.2012
Quarter ending 31st December 2012	On or before 14.02.2013
Quarter and Audited Annual Financial Results ending 31st March 2013	On or before 30.05.2013

(c) Book Closure Dates for Dividend:

Book Closure for Dividend 07.09.2012 to 14.09.2012, inclusive of both days.

(d) Dividend Payment Date:

A dividend of ₹ 5.00 per share (50%), as recommended by the Board of Directors, if approved at the AGM, shall be paid to the eligible shareholders well before the stipulated 30 days period after the AGM as provided under the Companies Act.

(e) Listing on Stock Exchanges:

The shares of the Company are listed on the BSE Ltd. and the National Stock Exchange of India Limited.

The debt securities issued by the Company are listed on the Wholesale Debt Market (WDM) segment of NSE & the Indian Corporate Debt Market (ICDM) segment of BSE.

The Company has paid Listing fees to both the stock exchanges.

(f) Corporate Identity Number (CIN):

The Company is registered with the Registrar of Companies (RoC) 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

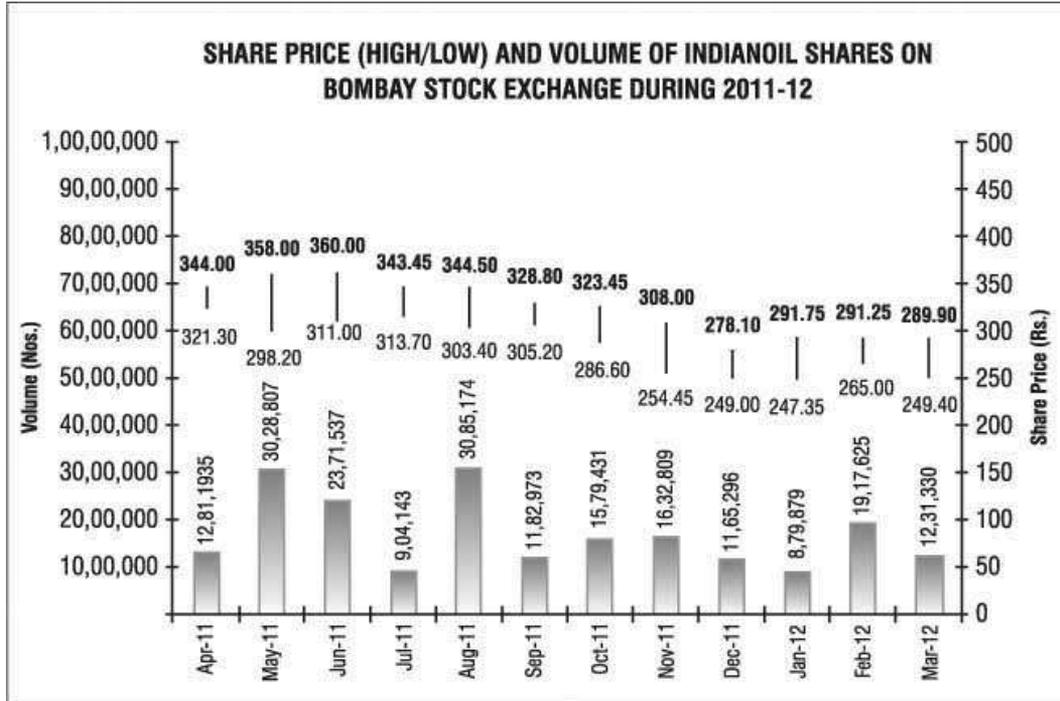
(h) Stock Code at National Stock Exchange: IOC

(i) Demat ISIN Number at NSDL / CDSL: INE 242A01010

(j) Stock Market Data:

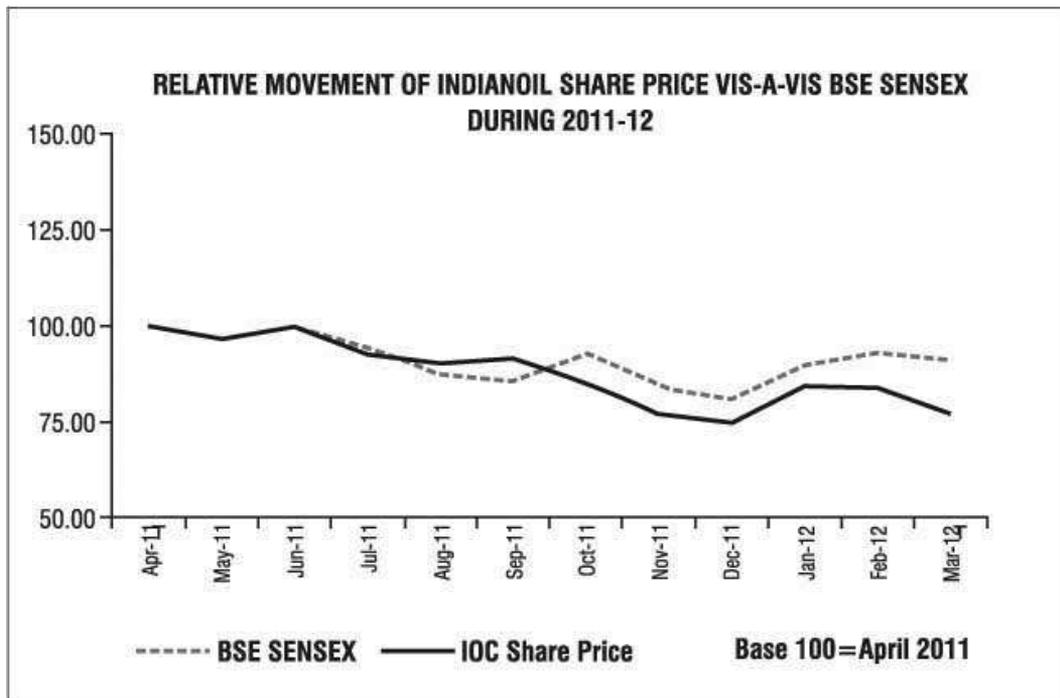
Month	Bombay Stock Exchange			National Stock Exchange		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2011	344.00	321.30	12,81,935	344.00	320.60	76,49,654
May 2011	358.00	298.20	30,28,807	359.70	297.50	1,69,46,326
June 2011	360.00	311.00	23,71,537	358.00	312.50	1,32,82,374
July 2011	343.45	313.70	9,04,143	344.00	313.55	89,06,795
August 2011	344.50	303.40	30,85,174	344.85	302.90	1,29,88,362
September 2011	328.80	305.20	11,82,973	326.95	305.15	88,79,559
October 2011	323.45	286.60	15,79,431	323.80	286.95	1,10,10,115
November 2011	308.00	254.45	16,32,809	308.00	254.70	1,19,27,095
December 2011	278.10	249.00	11,65,296	278.00	248.50	91,74,733
January 2012	291.75	247.35	8,79,879	291.55	247.55	57,61,063
February 2012	291.25	265.00	19,17,625	291.65	268.00	1,35,02,630
March 2012	289.90	249.40	12,31,330	288.75	252.00	1,07,91,788
	360.00	247.35		359.70	247.55	

The share price movement (high and low) of IndianOil shares and the volume of shares traded on BSE during 2011-12 is given below:



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

The relative comparison of monthly closing share price of IndianOil with monthly closing BSE Sensex during 2011-12 is given below:



**(l) Registrar & Transfer Agent**

Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081
Tel. Nos.: (040) 44655000
Fax No.: (040) 44655024
E-mail Address: einward.ris@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. There were no overdue share transfers pending as on 31.03.2012. 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.".

(n) Distribution of shareholding as on 31st March 2012:

Sl. No.	Nominal Value of Equity Shares (₹)	No. of Shareholders (Folios)	% of Shareholders	Amount (₹)	% of Amount
1.	1 - 5000	188173	87.05	148176570	0.61
2.	5001 - 10000	8351	3.86	61999930	0.26
3.	10001 - 20000	7164	3.31	108290890	0.45
4.	20001 - 30000	4067	1.88	103618080	0.43
5.	30001 - 40000	7245	3.35	258882200	1.07
6.	40001 - 50000	377	0.17	16871240	0.07
7.	50001 - 100000	385	0.18	26390490	0.11
8.	100001 & Above	397	0.18	23555295420	97.02
	Total	216159	100.00	24279524820	100.00

(o) Categories of Shareowners as on 31st March 2012:

Sl. No.	Category	Shareholders (Folios)		Shares	
		No.	%	No.	%
1.	President of India	1	0.00	1916155710	78.92
2.	Governor of Gujarat	1	0.00	2700000	0.11
3.	Government Company (ONGC Ltd.)	1	0.00	212906190	8.77
4.	Corporate Bodies	2126	0.98	21114277	0.87
5.	FII's/NRI	2886	1.34	22740937	0.94
6.	Banks	62	0.03	10469623	0.43
7.	Mutual Funds	90	0.04	26701052	1.10
8.	Insurance Companies	9	0.00	83408660	3.43
9.	Public	210786	97.51	72260369	2.98
10.	Trusts	46	0.02	58486107	2.41
11.	Others	151	0.08	1009557	0.04
	Total	216159	100.00	2427952482	100.00

(p) Top 10 shareholders as on 31st March 2012:

Sl. No.	Name	No. of Shares	% to Equity
1.	President of India	1916155710	78.92%
2.	Oil and Natural Gas Corporation Ltd.	212906190	8.77%
3.	Life Insurance Corporation of India	69289282	2.85%
4.	IOC Shares Trust *	58279614	2.40%
5.	Bajaj Allianz Life Insurance Company Limited	7626984	0.31%
6.	General Insurance Corporation of India	7129495	0.29%
7.	HDFC Trustee Company Ltd. - HDFC Equity Fund	4408019	0.18%
8.	ICICI Prudential Life Insurance Company Ltd.	3406587	0.14%
9.	LIC of India - Profit Plus Growth Fund	3149678	0.13%
10.	LIC of India Market Plus 1 Growth Fund	2973961	0.12%

* Shares of IndianOil held by erstwhile IBP Trust transferred to the BRPL Trust in view of the expiry of term of IBP Trust and thereafter the BRPL Trust has been renamed as "IOC Shares Trust".

(q) Dematerialisation of Shares and Liquidity

The shares of the Company are compulsorily traded in dematerialised form. In order to facilitate the shareholders to dematerialise the shares, the Company has entered into an agreement with NSDL and CDSL. The summarised position of shareholders in Physical and Demat segment as on 31st March 2012 is as under:

Type of Shareholding	Shareholders (Folios)		Shareholding	
	No.	%	No.	%
Physical	9175	4.24	14174543	0.58
Demat	206984	95.76	2413777939	99.42
TOTAL	216159	100.00	2427952482	100.00

(r) Corporate Action

i) 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%
2007-08	55%	-
2008-09	75%	-
2009-10	130%	-
2010-11	95%	-

ii) Bonus issue since listing of the shares

Financial Year	Ratio
1999-2000	1:1
2003-2004	1:2
2009-2010	1:1



IndianOil

(s) Unpaid Dividend

Section 205 of the Companies Act, 1956 provides that any dividend that has remained unpaid / unclaimed for a period of seven years be transferred to the Investor Education and Protection Fund (IEPF) setup by Central Government. 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.

The summarized details of dividend declared by IndianOil and its erstwhile subsidiaries i.e. IBP Co. Ltd. and Bongaigaon Refinery & Petrochemicals Ltd. (both subsidiaries since merged with IndianOil) which remains unpaid are given below:

	Year	Unpaid Dividend Amount (₹)
Indian Oil Corporation Ltd.	2004-05 to 2010-11	805,74,604
IBP Co. Ltd. (merged w.e.f. 02.05.07)	2004-05 to 2005-06	23,95,520
Bongaigaon Refinery & Petrochemicals Ltd. (merged w.e.f. 25.03.2009)	2004-05 to 2007-08	71,62,806

The shareholders, who have not yet encashed their dividend for the aforesaid years, may write to the Company or its R&T Agent in this regard.

(t) Plant locations

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

(u) Address for Correspondence

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

COMPLIANCE CERTIFICATE

To the Members of Indian Oil Corporation Ltd.

We have examined the compliance of conditions of Corporate Governance by Indian Oil Corporation Limited for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges in India and the guidelines on Corporate Governance for Central Public Sector Enterprises, as enunciated by the Department of Public Enterprises (DPE).

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination, as carried out in accordance with the Guidance Note on Corporate Governance issued by the Institute of Chartered Accountants of India, was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement as well as the DPE guidelines.

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 B M Chatrath & Co.
Chartered Accountants
(Firm Regn. No. 301011E)

Sd/-
(CA. P. R. Paul)
Partner
M. No. 051675

For Dass Gupta & Associates
Chartered Accountants
(Firm Regn. No. 000112N)

Sd/-
(CA. Naresh Kumar)
Partner
M. No. 082069

For Parakh & Co.
Chartered Accountants
(Firm Regn. No. 001475C)

Sd/-
(CA. Aditya Kumar Rawat)
Partner
M. No. 071767

Date : 20th June 2012

Place: Mumbai



SECRETARIAL AUDIT REPORT

Indian Oil Corporation Limited
Indian Oil Bhavan,
G- 9, Ali Yavar Jung Marg,
Bandra (East),
Mumbai - 400051
Maharashtra

We have examined the registers, records and documents of M/s. Indian Oil Corporation Limited ("The Company") for the Financial Year ended on 31st March, 2012 according to the provisions of:

- A. The Companies Act, 1956 and the rules made under the Act;
 - B. The Depositories Act, 1996 and the Regulations and Bye-laws framed under the Act;
 - C. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as well as SEBI (Acquisition of Shares & Takeovers) Regulations, 2011.
 - D. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 - E. The Equity Listing Agreements with BSE Limited and National Stock Exchange of India Limited.
- I. In our opinion, based on test check carried out by us, verification of records produced to us and according to the information furnished to us by the Company, its Company Secretary and Officers, the Company has complied with the provisions of the Companies Act, 1956 ("the Act") and Rules made under the Act and the Memorandum and Articles of Association of the Company with regard to:
- 1) maintenance of various Statutory Registers and documents and making necessary entries therein;
 - 2) filing of the requisite forms and returns with the Registrar of Companies, Maharashtra, Mumbai and Central Government within the time prescribed under the Act and rules made there under;
 - 3) service of documents by the Company on its Members, Auditors, Debenture holders and Debenture Trustees;
 - 4) closure of Register of Members and Share Transfer Books of the Company from 19th September, 2011 to 27th September, 2011 (both days inclusive);
 - 5) convening and holding of the meetings of Directors and Committees of the Directors including passing of the resolutions by Circulation;
 - 6) convening and holding of 52nd Annual General Meeting on 27th September, 2011;
 - 7) approval of shareholders obtained through Postal Ballot Process;
 - 8) minutes of the proceedings of General Meeting and meetings of the Board and its committees were properly recorded in loose leaf form, which are being bound in book form at regular intervals;
 - 9) appointment and remuneration of Auditors and Cost Auditors;
 - 10) transfers and transmission of shares and issue and delivery of original and duplicate certificates of shares: dematerialization / re-materialization of shares;
 - 11) composition and terms of reference of Audit Committee;
 - 12) declaration and payment of dividend;
 - 13) transfer of amounts due under the Act to the Investor Education and Protection Fund;
 - 14) payment of interest on debentures and redemption of debentures;
 - 15) investment of Company's funds including inter corporate loans and investments and loans to others;
 - 16) giving guarantees in connection with loans taken by subsidiaries and associate companies;
 - 17) borrowings and registration, modification and satisfaction of charges;
 - 18) deposit of both the employees and employers contribution relating to Provident Fund with the Trusts created for the purpose;
 - 19) form of Balance Sheet, statement of Profit & Loss Account and disclosures to be made therein as per the revised Schedule VI to the Act issued by the Ministry of Corporate Affairs;
 - 20) contracts, Common Seal, Registered Office, and publication of name of the company; and
 - 21) generally, all other applicable provisions of the Act and the Rules made there under that Act.
- II. We further state that;
- (1) The Directors have disclosed their interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities as and when required and their disclosures have been noted and recorded by the Board;
 - (2) The Directors have complied with the disclosure requirements in respect of their eligibility of appointments, their being independent and compliance with the Code of Conduct for Directors and Senior Management Personnel;
 - (3) The Company has obtained all necessary approvals under the various provisions of the Act; and



53rd Annual Report

- (4) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreements and Rules, Regulation and Guidelines framed under these Acts against/ on the Company, its Directors and Officers.
- III. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed there under by the Depositories with regard to dematerialization/rematerialisation of securities and reconciliation of records of dematerialization securities with all securities issued by the Company.
- IV. We further report that:
- (1) The Company has complied with all the requirements under the Listing Agreement executed with the BSE Limited and National Stock Exchange Limited;
- (2) The Company has complied with the provisions of the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as well as SEBI (Acquisition of Shares & Takeovers) Regulations, 2011 including the provisions with regard

to disclosures and maintenance of records required under the regulations;

- (3) The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including provisions with regard to disclosures and maintenance of records required under the regulations.

For **SHAH DHOLAKIA & ASSOCIATES**
(Company Secretaries)

Sd/-
(CS B. V. Dholakia)
Partner
C. P. No. 507

Place : Mumbai
Date : 1st June, 2012

Annual Accounts

AUDITORS' REPORT

Auditors' Report to the Shareholders

We have audited the attached Balance Sheet of Indian Oil Corporation Limited as at 31st March, 2012 and the Statement of Profit and Loss 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 whose reports have been considered in preparing this report. 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 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 ("the Order") 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' Reports have been forwarded to us and have been appropriately dealt with while preparing our report;
- d) The Balance Sheet, Statement of Profit and Loss 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, Statement of Profit and Loss 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, without qualifying our report, to Point 'E' in Note-10 regarding impairment loss wherein, we have relied on the estimates and assumptions made by the company in arriving at recoverable value of assets;
- 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 (Note - 1), Notes to Financial Statements (Note - 2 to 46), 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, 2012;
 - ii. In the case of the Statement of Profit and Loss, 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 B.M. CHATRATH & CO.
Chartered Accountants
(Firm Regn. No. 301011E)

Sd/-
(CA. P.R. Paul)
Partner
M. No.051675

For DASS GUPTA & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 000112N)

Sd/-
(CA. Naresh Kumar)
Partner
M. No. 082069

For PARAKH & CO.
Chartered Accountants
(Firm Regn. No.001475C)

Sd/-
(CA. Aditya Kumar Rawat)
Partner
M. No. 071767

Place : New Delhi
Date : May 28, 2012



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, other than LPG cylinders and pressure regulators, are physically verified by the Management in a phased program of three years cycle which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In our opinion and 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, 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 physical verification between physical stock and book records.

- iii) The Company has not taken / granted any loans secured or 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 directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. In respect of orders passed by the court, the same have been complied with.

- 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, Customs 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, 2012 for more than six months from the date they became payable.

- B) The details of dues of Sales Tax, Service Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess, which have not been deposited on account of any dispute are given in the Annexure to this report.

- x) The Company neither has any accumulated losses as on 31st March, 2012, nor it has 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) In our opinion, in respect of the guarantee given by the company for the loans taken by others from a bank, the terms and conditions thereof are not, prima facie, prejudicial to the interest 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

53rd Annual Report

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 of the books and records of the company in accordance with the generally accepted auditing practices in India, we have neither come across any material fraud on or by the Company noticed or reported during the year nor we have been informed of any such case by the management that causes the financial statements to be materially misstated.

For B.M. CHATRATH & CO.
Chartered Accountants
(Firm Regn. No. 301011E)

Sd/-
(CA. P.R. Paul)
Partner
M. No.051675

For DASS GUPTA & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 000112N)

Sd/-
(CA. Naresh Kumar)
Partner
M. No. 082069

For PARAKH & CO.
Chartered Accountants
(Firm Regn. No.001475C)

Sd/-
(CA. Aditya Kumar Rawat)
Partner
M. No. 071767

Place : New Delhi

Date : May 28, 2012



REPORTING AS PER COMPANIES (AUDITORS' REPORT) ORDER 2003 (DISPUTED CASES)

SR NO.	NAME OF THE STATUTE/ NATURE OF DUES	FORUM WHERE DISPUTE IS PENDING	NET AMOUNT (₹ in Crore)	PERIOD TO WHICH THE AMOUNT RELATES (FINANCIAL YEARS)
1	CENTRAL EXCISE	High Court	89.58	1993 to 2012
		Tribunal	788.77	1980 to 2012
		Revisionary Authority	0.02	2005 to 2012
		Appellate Authority (Below Tribunal)	459.48	1988 to 2012
		Total	1,337.85	
2	CUSTOMS DUTY	High Court	3.53	2003 to 2012
		Tribunal	46.70	1994 to 2012
		Appellate Authority (Below Tribunal)	63.84	1999 to 2012
		Total	114.07	
3	SALES TAX/TURNOVER TAX/ PENALTY/INTEREST	Supreme Court	292.58	2002 to 2012
		High Court	1,094.66	1978 to 2012
		Tribunal	938.74	1979 to 2012
		Revisionary Authority	763.28	1993 to 2012
		Appellate Authority (Below Tribunal)	4,084.37	1984 to 2012
		Total	7,173.63	
4	INCOME TAX	High Court	-	1986 to 2012
		Tribunal	12.40	2002 to 2012
		Appellate Authority (Below Tribunal)	795.93	2006 to 2012
		Total	808.33	
5	SERVICE TAX	Tribunal	108.58	2003 to 2012
		Appellate Authority (Below Tribunal)	4.70	2000 to 2012
		Total	113.28	
6	ENTRY TAX	Supreme Court	7,328.25	1991 to 2012
		High Court	24.67	1999 to 2012
		Tribunal	655.48	1999 to 2012
		Appellate Authority (Below Tribunal)	136.55	1997 to 2012
		Total	8,144.95	
7	Others (Commercial Tax/ Entertainment Tax Etc.)	Supreme Court	36.63	2002 to 2012
		High Court	5.92	1998 to 2012
		Tribunal	0.63	2004 to 2012
		Appellate Authority (Below Tribunal)	4.95	1985 to 2012
		Total	48.13	
GRAND TOTAL			17,740.24	

BALANCE SHEET as at 31st March 2012

(₹ in Crore)

Particulars	Note No.	March-12	March-11
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	2,427.95	2,427.95
(b) Reserves and Surplus	3	55,448.75	52,904.37
		57,876.70	55,332.32
Non-current liabilities			
(a) Long-term borrowings	4	16,826.76	16,243.20
(b) Deferred tax liabilities (Net)	5	5,241.88	6,336.59
(c) Other Long-term liabilities	6	332.81	364.80
(d) Long-term provisions	7	258.18	179.27
		22,659.63	23,123.86
Current liabilities			
(a) Short-term borrowings	8	53,497.17	34,065.76
(b) Trade payables	9	33,235.45	29,661.76
(c) Other current liabilities	6	27,700.44	24,911.79
(d) Short-term provisions	7	14,890.36	6,584.19
		129,323.42	95,223.50
		209,859.75	173,679.68
TOTAL			
ASSETS			
Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	10	58,932.29	57,189.02
(ii) Intangible assets	11	914.51	998.38
(iii) Dismantled Capital Assets		19.41	27.25
(iv) Capital work-in-progress	12	13,415.36	8,939.30
(v) Intangible assets under development	13	272.53	314.05
		73,554.10	67,468.00
(b) Non-current investments	14	4,918.01	4,703.49
(c) Long-term loans and advances	15	9,643.80	4,936.35
(d) Other non-current assets	16	17.01	3.99
		88,132.92	77,111.83

Contd...



IndianOil

(₹ in Crore)

Particulars	Note No.	March-12	March-11
Current assets			
(a) Current investments	14	13,760.45	14,841.27
(b) Inventories	17	56,829.20	49,284.52
(c) Trade receivables	18	15,502.87	8,863.69
(d) Cash and Bank Balances	19	307.01	1,294.42
(e) Short-term loans and advances	15	33,269.95	21,060.80
(f) Other current assets	16	2,057.35	1,223.15
		121,726.83	96,567.85
TOTAL		209,859.75	173,679.68
Significant Accounting Policies	1		
Notes on Financial Statement	2-46		

Sd/-
(R. S. Butola)
Chairman

Sd/-
(P. K. Goyal)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For B.M. CHATRATH & CO.
Chartered Accountants
(Firm Regn. No. 301011E)

For DASS GUPTA & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 000112N)

For PARAKH & CO.
Chartered Accountants
(Firm Regn. No.001475C)

Sd/-
(CA. P.R.Paul)
Partner
M. No. 051675

Sd/-
(CA. Naresh Kumar)
Partner
M. No. 082069

Sd/-
(CA. Aditya Kumar Rawat)
Partner
M. No. 071767

Place : New Delhi
Date : May 28, 2012

STATEMENT OF PROFIT AND LOSS for the Year Ended 31st March 2012

Particulars	Note No.	₹ in Crore)	
		March-12	March-11
Revenue from operations (Gross)	20	458,964.16	353,882.21
Less: Excise Duty		24,455.59	25,789.91
Revenue from operations (Net)		434,508.57	328,092.30
Other Income	21	3,198.02	3,434.57
Total Revenue		437,706.59	331,526.87
Expenses:			
Cost of materials consumed	22	202,283.10	142,916.34
Purchase of Stock-in-Trade [Net of Duty Draw Back ₹ 146.08 crore (2011: ₹ 15.49 crore)]		190,824.41	155,710.85
Changes in Inventory	23	(2,852.13)	(4,972.93)
Employee benefit expenses	24	4,980.06	6,435.55
Finance cost	25	5,590.54	2,672.52
Depreciation and Amortisation on :			
a) Tangible Assets		4,723.59	4,414.86
b) Intangible Assets		144.20	131.81
		4,867.79	4,546.67
Other Expenses	26	20,829.48	15,048.30
Total Expenses		426,523.25	322,357.30
Profit before Prior Period, Exceptional Items and Tax		11,183.34	9,169.57
Income / (Expenses) pertaining to Prior Years (Net)	27	278.79	(73.71)
Profit before Exceptional Items and Tax		11,462.13	9,095.86
Exceptional Items (Refer point 5B of Note - 28)		(7,707.82)	-
Profit before Tax		3,754.31	9,095.86

Contd...



IndianOil

(₹ in Crore)

Particulars	Note No.	March-12	March-11
Tax Expense:			
Current Tax [includes ₹ (253.57) crore (2011 : ₹ (228.08) crore) relating to prior years]		894.40	1,355.70
Mat Credit Entitlement		-	(1,285.80)
Deferred Tax [includes ₹ 150.53 crore (2011 : ₹ (124.59) crore) relating to prior years]		(1,094.71)	1,580.48
Profit / (loss) for the year		3,954.62	7,445.48
Earning per Equity Share (₹):			
(1) Basic		16.29	30.67
(2) Diluted		16.29	30.67
Face Value Per Share (₹)		10	10
Significant Accounting Policies	1		
Notes on Financial Statements	2 - 46		

Sd/-
(R. S. Butola)
Chairman

Sd/-
(P. K. Goyal)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For B.M. CHATRATH & CO.
Chartered Accountants
(Firm Regn. No. 301011E)

For DASS GUPTA & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 000112N)

For PARAKH & CO.
Chartered Accountants
(Firm Regn. No.001475C)

Sd/-
(CA. P.R.Paul)
Partner
M. No. 051675

Sd/-
(CA. Naresh Kumar)
Partner
M. No. 082069

Sd/-
(CA. Aditya Kumar Rawat)
Partner
M. No. 071767

Place : New Delhi
Date : May 28, 2012

CASH FLOW STATEMENT For the Year Ended 31st March 2012

(₹ in Crore)

Particulars	March-12	March-11
A Cash Flow from Operating Activities		
1 Profit Before Tax	3,754.31	9,095.86
2 Adjustments for :		
Depreciation	4,542.40	4,566.93
Loss/(Profit) on sale of Assets (net)	1.80	21.07
Loss/(Profit) on Investments (net)	19.24	26.56
Amortisation of Capital Grants	(1.19)	(1.16)
Amortisation of Premium on Forward Contracts	89.02	132.04
Provision for Probable Contingencies (net)	37.78	38.24
Provision for Loss on Investments (net)	418.15	78.74
Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores (net)	(271.71)	115.02
Provision for Diminution in 'Receivable from trust' (net)	(513.21)	(96.86)
Provision for MTM loss on interest rate swap	110.26	-
Interest Income on Investments	(1,171.94)	(1,307.46)
Dividend Income on Investments	(858.63)	(1,062.37)
Interest Expenditure	5,596.11	2,675.47
	7,998.08	5,186.22
3 Operating Profit before Working Capital Changes (1+2)	11,752.39	14,282.08
4 Change in Working Capital: (Excluding Cash & Bank Balances)		
Trade & Other Receivables	(19,159.66)	(9,608.96)
Inventories	(7,561.57)	(12,706.86)
Trade and Other Payables	12,875.31	17,302.59
Change in Working Capital	(13,845.92)	(5,013.23)
	(13,845.92)	(5,013.23)
5 Cash Generated From Operations (3+4)	(2,093.53)	9,268.85
6 Less : Taxes paid	668.85	3,584.96
7 Net Cash Flow from Operating Activities (5-6)	(2,762.38)	5,683.89
B Cash Flow from Investing Activities:		
Sale/Transfer of Assets	1,394.13	282.38
Sale / Maturity of Investments	642.40	2,938.59
Interest Income on Investments	1,191.41	1,337.58
Dividend Income on Investments	858.63	1,062.37
Purchase of Assets	(2,781.59)	(2,127.75)
Investments in Subsidiaries	(96.46)	(87.69)
Investments in Long Term Investments / Others	(117.03)	(92.18)
Expenditure on Construction Work in Progress	(13,337.78)	(10,531.29)
Net Cash Generated/(Used) in Investing Activities:	(12,246.29)	(7,217.99)

Contd...



IndianOil

(₹ in Crore)

Particulars	March-12	March-11
C Net Cash Flow From Financing Activities:		
Proceeds from/(Repayments of) Long-Term Borrowings	3,251.08	202.37
Proceeds from/(Repayments of) Short-Term Borrowings	19,462.34	7,965.25
Interest paid	(6,026.67)	(2,990.80)
Dividend/Dividend Tax paid	(2,664.82)	(3,663.40)
Net Cash Generated/(Used) from Financing Activities:	<u>14,021.93</u>	<u>1,513.42</u>
D Net Change in Cash & Bank Balances	<u>(986.74)</u>	<u>(20.68)</u>
(A+B+C)		
E 1 Cash & Bank Balances as at end of the year	307.01	1,294.42
Add: Impact of Exchange variation taken to Reserves	<u>0.67</u>	<u>0.01</u>
	307.68	1,294.43
Less:		
2 Cash & Bank Balances as at the beginning of Period	<u>1,294.42</u>	<u>1,315.11</u>
NET CHANGE IN CASH & BANK BALANCE (E 1-2)	<u>(986.74)</u>	<u>(20.68)</u>
Notes:		
1. Cash & Bank Balances as at end of the year	307.01	1,294.42
Less: Other Bank Balances	<u>0.69</u>	<u>650.67</u>
Cash and Cash Equivalents	<u>306.32</u>	<u>643.75</u>

2. Figures for previous periods have been regrouped wherever necessary for uniformity in presentation.

Sd/-
(R. S. Butola)
Chairman

Sd/-
(P. K. Goyal)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For B.M. CHATRATH & CO.
Chartered Accountants
(Firm Regn. No. 301011E)

For DASS GUPTA & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 000112N)

For PARAKH & CO.
Chartered Accountants
(Firm Regn. No.001475C)

Sd/-
(CA. P.R.Paul)
Partner
M. No. 051675

Sd/-
(CA. Naresh Kumar)
Partner
M. No. 082069

Sd/-
(CA. Aditya Kumar Rawat)
Partner
M. No. 071767

Place : New Delhi
Date : May 28, 2012

NOTE - 1: 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 notified by the Companies (Accounting Standards) Rules, 2006 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 Tangible Assets

- 2.1.1 Fixed Assets are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment.
- 2.1.2 Land acquired on perpetual lease as well as on lease for over 99 years is treated as free hold land.
- 2.1.3 Land acquired on lease for 99 years or less is treated as leasehold land.
- 2.1.4 Technical know-how / license fee relating to plants/facilities are capitalised as part of cost of the underlying asset.

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 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 leasehold land for 99 years or less is amortised over 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/dismantle or earmarking for disposal/dismantling during the year.
- 2.4.3 Assets, other than LPG Cylinders and Pressure Regulators, costing upto ₹ 5,000/- per item are depreciated fully in the year of capitalisation.

- 2.4.4 Expenditure on the items, ownership of which is not with the Company are charged off to revenue in the year of incurrence of such expenditure.

2.5 Impairment of Assets

As at each balance sheet date, the carrying amount of cash generating units / assets is tested for impairment so as to determine:

- (a) the provision for impairment loss, if any, required; or
- (b) the reversal, if any, required of impairment loss recognized in previous periods.

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

3. INTANGIBLE ASSETS

- 3.1 Technical know-how / license fee relating to production process and process design are recognised as Intangible Assets and amortised on a straight line basis over a period of ten years or life of the underlying plant/ facility, whichever is earlier.
- 3.2 Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.
- 3.3 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 "Intangible Assets Under Development".
- 3.4 Cost of Right of Way for laying pipelines is capitalised. However, such Right of Way being perpetual in nature, is not amortised.

4. BORROWING COST

Borrowing costs that are attributable to the acquisition and construction of the qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

5. FOREIGN CURRENCY TRANSLATION

- 5.1 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.
- 5.2 Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the end of reporting period, are translated at exchange rates prevailing as at the end of reporting period.
- 5.3 Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc.) are valued at the exchange rate prevailing on the date of the transaction.
- 5.4.1 (a) Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit & Loss either under the head foreign exchange fluctuation or



interest cost, as the case may be, except those relating to long-term foreign currency monetary items.

- (b) Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets. In other cases, exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long-term foreign currency monetary item but not beyond 31st March, 2020, by recognition as income or expense in each of such periods.

5.4.2 Premium/discount arising at the inception of the forward 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.

6. INVESTMENTS

6.1 Long term investments are valued at cost and provision for diminution in value, thereof is made, wherever such diminution is other than temporary.

6.2 Current investments are valued at lower of cost or fair market value.

7. INVENTORIES

7.1 Raw Materials

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

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

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

7.2 Finished Products and Stock-in-Trade

7.2.1 Finished products and stock in trade, other than lubricants, are valued at cost determined on 'First in First Out' basis or net realizable value, whichever is lower. Cost of Finished Products produced is determined based on raw material cost and processing cost.

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

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

7.3 Stores and Spares

7.3.1 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 @ 5% is also made on the balance stores and spares (excluding barrels, tins, stores in transit, chemicals, crude oil and own products) towards likely diminution in the value.

7.3.2 Stores & Spares in transit are valued at cost.

8. TRADE RECEIVABLES

In addition to the specific provision made, an adhoc provision @ 1% is

also made in respect of Trade Receivables, other than those relating to Oil Marketing companies, Subsidiary & Joint Venture companies and Export customers, to recognize the element of uncertainty.

9. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

9.1 Contingent Liabilities

9.1.1 Show Cause Notices issued by various Government Authorities are not considered as Obligation.

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

9.1.3 The treatment in respect of disputed obligations, in each case above ₹ 5 lakh, are as under:

- a) a provision is recognized in respect of present obligations where the outflow of resources is probable;
- b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

9.2 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account above ₹ 5 lakh, in each case, are considered for disclosure.

10. REVENUE RECOGNITION

10.1 Revenue from sale of goods is recognised when sufficient risks and rewards are transferred to customers, which is generally on dispatch of goods.

10.2 Dividend income is recognized when the company's right to receive dividend is established.

10.3 Claims (including interest on outstandings) are accounted:

- a) When there is certainty that the claims are realizable
- b) Generally at cost

10.4 Income and expenditure upto Rupees five lakh in each case pertaining to previous years are accounted for in the current year.

10.5 Pre-paid expenses upto Rupees five lakh in each case are charged to revenue.

11. EXCISE DUTY

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

12. 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.

13. EMPLOYEES BENEFITS

13.1 Short Term Benefits:

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

13.2 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 Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Statement of Profit and Loss.
- b) The Company operates defined benefit plans for Gratuity and Post Retirement Medical Benefits. 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 are administered through respective trusts. Actuarial gains/losses are charged to Statement of Profit and Loss.
- c) Obligations on Compensated Absences, Resettlement and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.
- d) The Company operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate trust.

13.3 Termination Benefits:

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

14. GRANTS

14.1 Capital Grants

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 Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

14.2 Revenue Grants

Revenue grants are reckoned as per the respective schemes notified by Government from time to time, subject to final adjustments as per separate audit wherever applicable.

15. OIL & GAS EXPLORATION ACTIVITIES

- 15.1 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.
- 15.2 Company's share of proved reserves of oil and gas are disclosed when notified by the Operator of the relevant block.
- 15.3 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.

16. COMMODITY HEDGING

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 Statement of Profit & Loss. However, in respect of contracts, the pricing period of which extends beyond the balance sheet date, suitable provision for likely loss, if any, is made.

**NOTE - 2: SHARE CAPITAL**(₹ in Crore)
March-11

Particulars	March-12	March-11
Authorised:		
600,00,00,000 Equity Shares of ₹ 10 each	6,000.00	6,000.00
Issued, Subscribed and Paid Up:		
2,42,79,52,482 (2011 : 2,42,79,52,482) Equity Shares of ₹ 10 each	2,427.95	2,427.95
TOTAL	2,427.95	2,427.95

A. Above Includes Shares allotted as fully paid without payment being received in Cash:

- Pursuant to the Petroleum Companies Amalgamation Order, 1964 : 3,76,49,700 Shares of ₹ 10 each.
- Pursuant to Gujarat Refinery Project Undertaking (Transfer), (Amendment) Order, 1965 : 1,00,00,000 Shares of ₹ 10 each.
- 2,43,62,106 no. of equity shares of ₹ 10 each issued in June 2007 as fully paid up to be shareholders of erstwhile IBP Co. Ltd as per the Scheme of amalgamation.
- 2,16,01,935 no. of equity shares of ₹ 10 each issued in May 2009 as fully paid up to be shareholders of erstwhile BRPL as per the Scheme of amalgamation.
- Aggregate shares allotted as fully paid up Bonus Shares by Capitalisation of General Reserve / Securities Premium: 2,28,02,71,241 Shares of ₹ 10 each, out of these 1,21,39,76,241 no. of equity shares of ₹ 10 each were issued in November 2009.

B. Reconciliation of No. of Equity Shares

Opening Balance	2,42,79,52,482	2,42,79,52,482
Shares Issued	-	-
Shares bought back	-	-
Closing Balance	2,42,79,52,482	2,42,79,52,482

C. Terms/Rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 each and is entitled to one vote per share. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

D. Details of shareholders holdings more than 5% shares

Name of Shareholder	March-12		March-11	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
PRESIDENT OF INDIA	1916155710	78.92	1916155710	78.92
OIL AND NATURAL GAS CORPORATION LIMITED	212906190	8.77	212906190	8.77

NOTE - 3: RESERVES AND SURPLUS

		(₹ in Crore)	
Particulars		March-12	March-11
Capital Reserve:			
As per last Account		183.08	183.08
General Reserve:			
As per last Account		51,222.92	46,544.22
Add : Transfer from Export Profit Reserve		-	5.69
Add: Transeferred from Profit and Loss Appropriation		1,899.69	4,673.01
		53,122.61	51,222.92
Insurance Reserve:	A		
As per last Account		84.40	78.20
Less : Recoupment of uninsured fire loss		-	13.80
Add: Transeferred from Profit and Loss Appropriation		20.00	20.00
		104.40	84.40
Export Profit Reserve:	B		
As per last Account		53.72	59.41
Less: Transfer To General Reserve		-	5.69
		53.72	53.72
Capital Grants:			
As per last Account		14.65	15.48
Add: Received/ (Written Back) during the year		0.03	0.33
Less: Amortised during the year		1.19	1.16
		13.49	14.65
Bond Redemption Reserve:			
As per last Account		1,344.93	1,243.91
Add: Provision during the year		741.92	166.90
Less: Write-back of provision on redemption of bonds		115.40	65.88
		1,971.45	1,344.93
Balance in Statement of Profit and Loss:			
Profit for the Year		3,954.62	7,445.48
Less: Appropriations:			
Final Dividend (Proposed)		1,213.98	2,306.55
Corporate Dividend Tax on:			
Final Dividend (Proposed)		194.43	358.70
Insurance Reserve (Net)		20.00	6.20
Bond Redemption Reserve (Net)		626.52	101.02
General Reserve		1,899.69	4,673.01
Balance carried forward to next year's account		0.00	0.00
Devaluation Exch. Difference Reserve:	C		
As per Last Account		0.67	0.68
Less: Exchange variation on revaluation		0.67	0.01
		-	0.67
Foreign Currency Monetary Item Translation Difference Account			
As per Last Account		-	(0.10)
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items		-	0.10
		-	-
TOTAL		55,448.75	52,904.37

- A. Reserve is created to mitigate risk of loss of assets not insured with external insurance agencies.
 B. Amount set aside out of profits from exports for availing income tax benefits.
 C. Reserve created for devaluation of funds lying abroad.



NOTE - 4: LONG TERM BORROWINGS

(₹ in Crore)

Particulars	Long Term		Current Maturities	
	March-12	March-11	March-12	March-11
SECURED LOANS				
Bonds:				
Non-Convertible Redeemable Bonds-Series-VIII B A	1,070.00	1,070.00	-	-
Non-Convertible Redeemable Bonds-Series-XI B	1,415.00	-	-	-
Non-Convertible Redeemable Bonds-Series-IX C	1,600.00	1,600.00	-	-
Non-Convertible Redeemable Bonds-Series-VII B D	500.00	500.00	-	-
Non-Convertible Redeemable Bonds-Series-X E	-	2,000.00	2,000.00	-
Non-Convertible Redeemable Bonds-Series-VI F	-	768.10	768.10	-
Non-Convertible Redeemable Bonds-Series-VIII A G	-	-	-	430.00
Non-Convertible Redeemable Bonds-Series-V H	126.40	158.00	31.60	31.60
		4,711.40		2,799.70
		6,096.10		461.60
Term Loans:				
From banks				
From other parties				
Oil Industry Development Board (OIDB) I	1,107.50	2,955.00	1,847.50	1,047.50
		1,107.50		1,847.50
		2,955.00		1,047.50
Total Secured Loans		5,818.90		4,647.20
		9,051.10		1,509.10
UNSECURED LOANS				
Bonds				
Foreign Currency Bonds	5,088.00	2,230.00	-	-
US \$ 100.00 crores (2011: US \$ 50.00 crores)				
Term Loans:				
i) From Banks/Financial Institutions:				
In Foreign Currency Loans	3,888.21	2,318.62	28.88	582.82
US \$ 76.99 crores (2011: US \$ 65.10 crores)				
Senior Notes (Bank of America)	1,526.40	1,338.00	-	-
US \$ 30.00 crores (2011: US \$ 30.00 crores)				
In Rupees	-	500.00	-	-
ii) From Others				
In Rupees	505.25	805.48	400.23	316.87
		5,919.86		429.11
		4,962.10		899.69
Total Unsecured Loans		11,007.86		429.11
		7,192.10		899.69
TOTAL LONG-TERM BORROWINGS		16,826.76		5,076.31
		16,243.20		2,408.79

- A. 10,700 Bonds of face value of ₹ 10,00,000/- each, allotted on 10th September 2008, are redeemable at par on 10th September 2018. The bonds carry a coupon rate of 11.00 % p.a. payable annually on 15th September. These are secured by way of registered mortgage over the immovable properties of the Company i.e. Flat no. 3/62 Nanik Niwas of Shyam Co-op. Housing Society Ltd. situated at Bhulabhai Desai Road at Mumbai, together with 5 shares of the said society and immovable properties of the company at Panipat Refinery situated at Panipat in the state of Haryana ranking pari passu with Bond Series V, VI, & IX holders.
- B. 14,150 Bonds of face value of ₹ 10,00,000/- each, allotted on 21st December 2011, are redeemable at par on 21st December 2016 with put/call option after 18 months from the date of allotment. The bonds carry a coupon rate of 9.28 % p.a. annually on 21st June each year. These are secured by way of registered mortgage over the immovable properties of the Company at Gujarat Refinery in the state of Gujarat ranking pari passu with Bond Series VII B holders.
- C. 16,000 Bonds of face value of ₹ 10,00,000/- each, allotted on 11th December 2008, are redeemable at par on 11th December 2016. The bonds carry a coupon rate of 10.70 % p.a. payable annually on 30th June each year. These are secured by way of registered mortgage over the immovable properties of the Company i.e. Flat no. 3/62 Nanik Niwas of Shyam Co-op. Housing Society Ltd. situated at Bhulabhai Desai Road at Mumbai, together with 5 shares of the said society and immovable properties of the company at Panipat Refinery situated at Panipat in the state of Haryana ranking pari passu with Bonds Series V, VI & VIII B holders.
- D. 5,000 Bonds of face value of ₹ 10,00,000/- each, allotted on 15th September 2005, are redeemable at par on 15th September 2015. The Bonds carry a coupon rate of 7.40% p.a. payable annually on 15th September. These are secured by way of registered mortgage over the immovable properties of the Company at

Contd...

- Gujarat Refinery situated at Vadodara in the state of Gujarat ranking pari passu with Bond Series XI holders.
- E. 20,000 Bonds of face value of ₹ 10,00,000/- each, allotted on 24th July 2009, are redeemable at par on 24th July 2012. The bonds carry a coupon rate of 7.00 % p.a. payable annually on 30th June each year. These are secured by way of registered mortgage over the immovable properties of the Company i.e. Flat no. 34, Makani Manor Co-op. Housing Society Ltd. situated at Peddar Road, at Mumbai, together with 10 shares of the said society and immovable properties of the company at Mathura Refinery situated at Mathura in the state of Uttar Pradesh.
- F. 10,000 Bonds of face value of ₹ 10,00,000/- each allotted on 10th June, 2005, are redeemable at par on 10th June 2012. As per the terms of the issue, the bondholders holding 2319 bonds exercised put option available on 10th June 2010. The Principal amount alongwith interest due was paid to the Bondholders on due date. The remaining 7681 bonds are outstanding & will be redeemed on the maturity date i.e. on 10th June 2012. The Bonds carry a coupon rate of 7.15% p.a. 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 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 Bond Series V, VI, VIII B & IX holders.
- G. 4,300 Bonds of face value of ₹ 10,00,000/- each, allotted on 10th September 2008, were redeemable at par on 10th September 2011. The bonds carry a coupon rate of 11.15 % p.a. payable annually on 15th September. These were secured by way of registered mortgage over the immovable properties of the Company i.e. Flat no. 3/62 Nanik Niwas of Shyam Co-op. Housing Society Ltd. situated at Bhulabhai Desai Road at Mumbai, together with 5 shares of the said society and immovable properties of the company at Panipat Refinery situated at Panipat in the state of Haryana, ranking pari passu with Bond Series V, VI, VIII B & IX holders. The principal amount alongwith interest due was paid to the bondholders on 10th September 2011.
- H. 158 Bonds of face value of ₹ 2,60,00,000/- each allotted on 18th July, 2001 are redeemable in 13 equal installments from the end of the 3rd year upto the end of 15th year from the date of allotment. Accordingly, 8th installment (STRPP H) was paid in July 2011. The Bonds carry a coupon rate of 10.25% p.a. payable annually on 30th September. These are secured by way of registered 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 passu with Bond Series VI, VIII B & IX holders.
- I. Security Details for OIBD Loans:
- First Charge on the facilities of Motor Spirit Quality Improvement Project at Barauni Refinery in Bihar.
 - First charge on facilities for improvement of Diesel quality and Distillate yield (Hydrocracker) and expanded capacity for Haldia Refinery (from 6 MMTPA to 7.5 MMTPA) which includes Once through Hydrocracking Unit (OHCU), Hydrogen Unit, Sulphur Recovery Unit, revamped Crude Distillation Unit and related utilities & off-site facilities pertaining to Haldia Refinery in the state of West Bengal.
 - Second pari-passu charge on facilities for Naphtha Cracker with associated units viz. hydrogenation, butadiene extraction, benzene extraction, etc & downstream polymer units like swing unit (LLDPE / HDPE), dedicated HDPE unit, Polypropylene unit and MEG unit and units like CDU/VDU, OHCU, DCU, DHDT relating to expansion of Panipat Refinery from 12MMTPA to 15 MMTPA in the state of Haryana.
 - Second pari-passu charge on facilities for Residue upgradation & MS-HSD Quality improvement including units like VGO-HDT, ATF-Merox FCC-Merox, LPG-Merox, ISOM, Coker, DHDT, HGU (PDS) and SRU in respect of Gujarat Refinery in the state of Gujarat.
 - First Charge on the facilities of Motor Spirit Quality Improvement Project which includes installation of light Naptha isomerisation along with Benzene Saturation Unit and other Units like Feed Preparation Unit, Reaction Section etc. and Diesel Hydro Treatment project at Bongaigaon Refinery, Dhalgaon, Assam.

NOTE - 5: DEFERRED TAX

In compliance of Accounting Standard – 22 on “Accounting for Taxes on Income”, Deferred Tax Income amounting to ₹ 1,094.71 crore (2011: ₹ (1,580.48) crore) has been recognized during the current year. The year end position of Deferred Tax Liability is given below:

Particulars	(₹ in Crore)		
	As on 01.04.2011	Provided during the year	Balance as on 31.03.2012
Deferred Tax Liability:			
Depreciation and other fixed Assets	7,891.24	775.94	8,667.18
Total Deferred Tax Liability (A)	<u>7,891.24</u>	<u>775.94</u>	<u>8,667.18</u>
Deferred Tax Assets:			
Provision on Inventories, Trade Receivables, Loans and advances, Investments	610.90	31.27	642.17
Compensation for Voluntary Retirement Scheme	6.70	(2.51)	4.19
43B Disallowances etc.	520.07	1,841.75	2,361.82
Capital Grants	4.76	(0.39)	4.37
Provision for leave encashment	412.22	0.53	412.75
Total Deferred Tax Assets (B)	<u>1,554.65</u>	<u>1,870.65</u>	<u>3,425.30</u>
Deferred Tax Liability (Net) (A – B)	<u>6,336.59</u>	<u>(1,094.71)</u>	<u>5,241.88</u>
Previous Year	4,756.11	1,580.48	6,336.59



NOTE - 6: OTHER LIABILITIES

(₹ in Crore)

Particulars	Non Current		Current	
	March-12	March-11	March-12	March-11
Current maturities of long-term debt (Refer Note - 4)	-	-	5,076.31	2,408.79
Interest accrued but not due on borrowings	-	-	626.67	472.94
Interest accrued and due on borrowings	-	-	47.05	16.12
Investor Education & Protection Fund to be credited on the due dates :				
- Unpaid Dividend	-	-	9.01	8.14
- Unpaid Matured Deposits	-	-	0.01	0.01
	-	-	9.02	8.15
Liability on Foreign Currency Contracts	-	-	101.86	3,028.58
Less: Foreign Currency Receivables	-	-	101.76	2,965.90
	-	-	0.10	62.68
Security Deposits	332.75	360.63	10,074.49	8,648.22
Discount on Forward Contract (Refer Note - 16)	-	-	0.38	-
Deposits for materials given on loan (Net)	-	-	0.01	-
Other Liabilities	0.06	4.17	11,866.41	13,294.89
TOTAL	332.81	364.80	27,700.44	24,911.79

NOTE - 7: PROVISIONS

(₹ in Crore)

Particulars	Long Term		Short Term	
	March-12	March-11	March-12	March-11
Provision for Employee Benefits	258.18	179.27	1,666.61	2,425.82
Provision for Taxation:				
For Current Tax	-	-	3,878.57	8,134.08
Less : Advance payments	-	-	4,319.87	8,207.12
	-	-	(441.30)	(73.04)
For Fringe Benefit Tax	-	-	44.52	44.52
Less : Advance payments	-	-	52.03	52.03
	-	-	(7.51)	(7.51)
Total Provisions for Taxation (Net of Adv tax)	-	-	-	-
Proposed Dividend	-	-	1,213.98	2,306.55
Corporate Dividend Tax	-	-	194.43	359.14
Contingencies for probable obligations	-	-	11,705.08	1,492.68
Provision for MTM Loss on Interest Rate Swap	-	-	110.26	-
TOTAL	258.18	179.27	14,890.36	6,584.19

Contd...

53rd Annual Report

A. In compliance of Accounting Standard – 29 on “Provisions, Contingent Liabilities and Contingent Assets”, the required information is as under:

(₹ in Crore)

Particulars	Opening Balance	Addition during the year*	Utilization during the year**	Reversals during the year**	Closing Balance***
Excise	0.88	0.26	0.06	0.69	0.39
Sales Tax	144.08	79.78	2.30	5.04	216.52
Entry Tax	1,279.46	10,174.66	-	0.13	11,453.99
Others	68.26	13.10	0.10	47.08	34.18
TOTAL	1,492.68	10,267.80	2.46	52.94	11,705.08
Previous Year	1,266.14	231.36	2.16	2.66	1,492.68
	March-12	March-11			

* Additions include:

- capitalized	0.09	0.28
- included in raw material in Note 22	685.60	188.86
- Shown as Exceptional Item	7,707.82	-
- Amount transferred from Liabilities to Provisions	1,781.24	-

** Includes utilization/reversal of provision of ₹ Nil crore (2011: ₹ 0.85 crore), out of provision capitalized and ₹ 0.13 crore (2011: ₹ Nil crore) out of provision included in Raw Material.

*** Expected timing of outflow is not ascertainable at this stage.



NOTE - 8: SHORT TERM BORROWINGS

(₹ in Crore)

Particulars	March-12	March-11
SECURED LOANS		
Loans Repayable on Demand		
From Banks:		
Working Capital Demand Loan A	5,400.00	7,175.00
Cash Credit	0.07	-
	5,400.07	7,175.00
From Others:		
Loans through Collaterised Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd. (CCIL) B	1,827.00	2,630.00
	1,827.00	2,630.00
Total Secured Loans	7,227.07	9,805.00
UNSECURED LOANS		
Loans Repayable on Demand		
From Banks/Financial Institutions:		
In Foreign Currency	20,820.10	13,834.92
US \$ 409.20 crores (2011: US \$ 310.20 crores)		
In Rupee	19,040.00	9,425.84
From Others		
Commercial Papers	4,410.00	1,000.00
Inter-Corporate Deposits	2,000.00	-
Total Unsecured Loans	46,270.10	24,260.76
TOTAL SHORT-TERM BORROWINGS	53,497.17	34,065.76

- A. Against hypothecation by way of first pari passu charge on Raw Materials, Stock-in Trade, Sundry Debtors, Outstanding monies, Receivables, Claims, Contracts, Engagements, Etc.
- B. Against pledging of Oil Marketing Companies Government of India Special Bonds amounting to ₹ 4365 crore and Bank Guarantees of ₹ 1650 crore in favour of CCIL.

NOTE - 9: TRADE PAYABLES

(₹ in Crore)

Particulars	March-12	March-11
Dues of Micro, Small and Medium Enterprises	12.16	9.60
Dues to Related Parties	2,890.03	1,915.64
Due to others	30,333.26	27,736.52
TOTAL	33,235.45	29,661.76

NOTE - 10: TANGIBLE ASSETS

		AT COST				DEPRECIATION,		
		Gross Block as at 1.04.11	Additions during the year	Transfers from Construction Work-in-Progress	Disposals / Deductions / Transfers / Reclassifications	Gross Block as at 31.03.12	Depreciation & Amortisation as at 1.04.11	Depreciation and Amortisation during the year
						(Refer B)		(Refer C)
Land-Freehold		1000.59	115.04	11.02	(2.17)	1124.48	0.00	0.00
-Leasehold	A	465.49	7.08	7.28	(1.07)	478.78	81.04	7.60
Buildings, Roads etc.	A	8135.47	47.48	685.03	(142.27)	8725.71	1639.09	(162.10)
Plant and Equipment	D	79171.43	2382.91	3914.38	(1121.74)	84346.98	31114.47	4406.05
Office Equipments		1703.24	108.05	190.82	(245.28)	1756.83	884.26	118.26
Transport Equipments		371.69	22.30	0.89	(7.95)	386.93	293.71	14.71
Furnitures and Fixtures		273.62	17.51	9.89	(5.73)	295.29	143.32	15.23
Railway Sidings		201.39	0.02	0.00	(0.92)	200.49	116.70	5.17
Drainage, Sewage and Water Supply System		375.39	0.49	8.15	(16.93)	367.10	202.38	9.86
Total		91698.31	2700.88	4827.46	(1544.06)	97682.59	34474.97	4414.78
Previous Year		71332.52	2066.65	18751.10	(451.96)	91698.31	30165.21	4458.22

- A. i) Net Block of Land includes an amount of ₹ **13.32 crore** (2011: ₹ 13.04 crore) earmarked for disposal.
 ii) Buildings include ₹ **0.01 crore** (2011: ₹ 0.01 crore) towards value of **1610** (2011: 1995) Shares in Co-operative Housing Societies towards membership of such societies for purchase of flats.
 iii) Net Block for Buildings includes an amount of ₹ **5.92 crore** (2011: ₹ 7.15 crore) earmarked for disposal, on which no further depreciation is charged.
- B. The cost of assets are net of VAT CREDIT/CENVAT, wherever applicable.
- C. Depreciation and amortisation for the year includes ₹ **(326.05) crore** (2011 : ₹ 20.26 crore) pertaining to prior year and ₹ **17.24 crore** (2011 : ₹ 23.10 crore) relating to construction period expenses taken to Note 12.1.
- D. Railways have claimed transfer of ownership in respect of certain assets provided by the Company at railway premises which has not been accepted by the company and continue to be part of fixed assets of the Company, WDV of such assets is ₹ **57.27 crore** (2011: ₹ 58.70 crore).
- E. Considering the Government policies and modalities of compensating the oil marketing companies towards under-recoveries, future cash flows are worked out based on desired margins for deciding on impairment of related Cash Generating Units. In view of the assumption being technical, peculiar to the industry and policy matter, the auditors have relied on the same.

Additions to Gross Block Includes:

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	31.03.2012	31.03.11	31.03.2012	31.03.11
Land - Freehold	1.13	-	1.13	-
Land - Leasehold	-	-	-	-
Buildings	6.64	(0.58)	17.99	28.55
Plant and Equipment	401.45	16.81	184.32	1,011.83
Office Equipments	0.02	(0.10)	-	0.07
Transport Equipment	-	-	-	-
Furniture & Fixtures	-	0.05	-	0.87
Railway Sidings	0.01	0.07	0.57	1.53
Drainage, Sewage & Water Supply	-	-	-	-
Total	409.25	16.25	204.01	1,042.85



(₹ in Crore)

AMORTISATION AND IMPAIRMENT						NET BLOCK	
Disposals / Deductions / Transfers / Reclassifications	Total Depreciation and Amortisation upto 31.03.12	Total Impairment Loss as at 1.04.11	Impairment Loss during the year	Impairment loss reversed during the year	Total Impairment Loss upto 31.03.12	AS AT 31.03.12	AS AT 31.03.11
			(Refer E)				
0.00	0.00	0.00	0.00	0.00	0.00	1124.48	1000.59
0.30	88.94	0.00	0.00	0.00	0.00	389.84	384.45
(20.25)	1456.74	0.00	0.00	0.00	0.00	7268.97	6496.38
36.78	35557.30	34.32	0.00	0.00	34.32	48755.36	48022.64
(180.06)	822.46	0.00	0.00	0.00	0.00	934.37	818.98
(6.59)	301.83	0.00	0.00	0.00	0.00	85.10	77.98
(2.48)	156.07	0.00	0.00	0.00	0.00	139.22	130.30
(0.82)	121.05	0.00	0.00	0.00	0.00	79.44	84.69
(0.65)	211.59	0.00	0.00	0.00	0.00	155.51	173.01
(173.77)	38715.98	34.32	0.00	0.00	34.32	58932.29	57189.02
(148.46)	34474.97	34.32	0.00	0.00	34.32	57189.02	

Details of assets given on operating lease included above:

(₹ in Crore)

Asset Particulars	Original Cost	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.12	W.D.V. as at 31.03.11
Plant and Equipment	24.54	19.40	-	5.14	4.97

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

(₹ in Crore)

Assets Particulars	Name of Joint Owner	Original Cost	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.12	W.D.V. as at 31.03.11
Land - Freehold	HPC/BPC	3.10	0.00	0.00	3.10	3.05
Land - Leasehold	HPC/BPC/BALMER LAWRIE	0.18	0.06	0.00	0.12	0.13
Buildings	HPC/BPC/BALMER LAWRIE	17.97	6.05	0.00	11.92	11.33
Plant and Equipment	HPC/BPC/GSFC/IPCL/GNRE	127.31	59.99	0.00	67.32	73.47
Transport Equipment	RAILWAYS	183.58	174.40	0.00	9.18	9.18
Railway Sidings	HPC/BPC	55.92	36.72	0.00	19.20	19.62
Drainage, Sewage & Water Supply	GSFC	0.99	0.94	0.00	0.05	0.05
Total		389.05	278.16	0.00	110.89	116.83
Previous year		386.52	269.69	0.00	116.83	

NOTE - 11: INTANGIBLE ASSETS

		AT COST					Total Amortisation as at 1.04.11	Amortisation during the year (Refer B)
		Gross Block as at 1.04.11	Additions during the year	Transfers from Construction Work-in-Progress	Disposals / Deductions / Transfers / Reclassifications	Gross Block as at 31.03.12		
Right of Way	A	130.19	4.20	0.00	0.00	134.39	0.00	0.00
Licences		1185.59	59.78	1.00	(25.66)	1220.71	342.87	124.22
Computer Software		123.51	19.39	2.32	0.02	145.24	96.39	20.70
Total		1439.29	83.37	3.32	(25.64)	1500.34	439.26	144.92
Previous Year		756.95	62.80	619.48	0.05	1439.29	307.22	132.04

- 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 ₹ **0.66 crore** (2011 : ₹ Nil crore) pertaining to prior year.
 (b) Amortisation for the year includes ₹ **0.06 crore** (2011 : ₹ 0.23 crore) relating to construction period expenses taken to Note 12.1.

Additions to Gross Block Includes:

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	31.03.2012	31.03.11	31.03.2012	31.03.11
Licences	0.27	0.01	-	41.34

NOTE - 12: CAPITAL WORK IN PROGRESS

(₹ in Crore)

Particulars		March-12	March-11
Construction Work in Progress - Fixed Assets (Including unallocated capital expenditure, materials at site)	A	7,403.23	6,410.96
Less: Provision for Capital Losses		143.86	175.33
		7,259.37	6,235.63
Capital stores	B	2,310.53	1,219.69
Less: Provision for Capital Losses		0.20	1.16
		2,310.33	1,218.53
Capital Goods in Transit		1,887.63	565.83
Construction Period Expenses pending allocation:			
Balance as at beginning of the year		919.31	2,233.04
Add: Net expenditure during the year (Note -"12.1")		1,448.76	1,157.22
		2,368.07	3,390.26
Less: Allocated to Assets during the year		410.04	2,470.95
		1,958.03	919.31
TOTAL		13,415.36	8,939.30
A. Includes Capital Expenditure amounting to ₹ 176.83 crore (2011 : ₹ 195.41 crore) relating to ongoing Oil & Gas Exploration activities.			
B. Capital stores includes Stock lying with Contractors		114.87	382.27



IndianOil

(₹ in Crore)

AMORTISATION AND IMPAIRMENT					NET BLOCK	
Disposals / Deductions / Transfers / Reclassifications	Total Amortisation upto 31.03.12	Total Impairment Loss as at 1.04.11	Impairment Loss during the year	Total Impairment Loss upto 31.03.12	AS AT 31.03.12	AS AT 31.03.11
0.00	0.00	0.00	0.00	0.00	134.39	130.19
0.00	467.09	1.65	0.00	1.65	751.97	841.07
0.00	117.09	0.00	0.00	0.00	28.15	27.12
0.00	584.18	1.65	0.00	1.65	914.51	998.38
0.00	439.26	1.65	0.00	1.65	998.38	

Note - 12.1: CONSTRUCTION PERIOD EXPENSES(NET) DURING THE YEAR

(₹ in Crore)

Particulars	March-12	March-11
Payments to and Provision for Employees	176.82	206.85
Repairs and Maintenance	7.04	5.21
Consumption of Stores and Spares	0.05	1.12
Power & Fuel	40.07	365.43
Rent	3.80	4.45
Insurance	40.92	44.94
Rates and Taxes	0.20	0.22
Travelling Expenses	26.22	18.59
Communication Expenses	1.36	1.41
Printing and Stationery	0.93	0.62
Electricity and Water Charges	11.13	6.89
Bank Charges	0.64	0.66
Technical Assistance Fees	0.50	29.78
Exchange Fluctuation	544.43	(7.00)
Borrowing Cost	584.29	326.95
Depreciation and Amortisation on		
Tangible Assets	17.24	23.10
Intangible Assets	0.06	0.23
Start Up/ Trial Run Expenses	2.92	60.94
Others	45.75	102.26
Total Expenses	1,504.37	1,192.65
Less : Recoveries	55.61	35.43
Net Expenditure during the year	1,448.76	1,157.22

NOTE - 13: INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

Particulars	March-12	March-11
Work in Progress - Intangible Asset (Including Unallocated Capital Expenditure)	272.53	314.05
TOTAL	272.53	314.05

NOTE - 14: INVESTMENTS

(₹ in Crore)

Particulars	No. and Particulars of Shares	Face Value per Share (Rupees)	March-12	March-11
I NON-CURRENT INVESTMENTS (At Cost):				
1. QUOTED:				
Trade Investments:				
In Subsidiary Companies:				
Chennai Petroleum Corporation Limited	7,72,65,200 Equity Shares each fully paid	10/-	509.33	509.33
Lanka IOC PLC (Quoted in Colombo Stock Exchange, Sri Lanka)	40,00,00,005 Equity Shares each fully paid	10/- *	194.13	194.13
Sub-total: (a)			703.46	703.46
In Joint Venture Companies				
Petronet LNG Limited	9,37,50,000 Equity Shares each fully paid	10/-	98.75	98.75
Sub-total (b):			98.75	98.75
Others:				
Oil and Natural Gas Corporation Limited	65,79,23,428 Equity Shares each fully paid	5/-	1,780.12	1,780.12
GAIL (India) Limited	3,06,29,661 Equity Shares each fully paid	10/-	122.52	122.52
Oil India Limited	1,07,00,220 Equity Shares each fully paid	10/-	1,123.52	1,123.52
Sub-total (c):			3,026.16	3,026.16
TOTAL: 1			3,828.37	3,828.37
Aggregate Market Value of securities mentioned above is ₹ 23,238.21 crore (2011: ₹ 25,141.06 crore) as on 31st March 2012 which includes ₹ 308.13 crore (2011: ₹ 284.73 crore) in respect of Lanka IOC PLC, quoted on Colombo Stock Exchange, Sri Lanka, being equivalent in Indian currency.				
2. UNQUOTED:				
A) Non-Trade Investments:				
In Government - Securities		Deposited with various bodies	0.01	0.01
In Consumer Cooperative Societies:				
Barauni	250 Equity Shares each fully paid	10/- }		
Guwahati	750 Equity Shares each fully paid	10/- }		
Mathura	200 Equity Shares each fully paid	10/- }		
Haldia	1,663 Equity Shares each fully paid	10/- }		
In IndianOil Cooperative Consumer Stores Ltd., Delhi	375 Equity Shares each fully paid	10/- }		
Others:				
Assam Sillimanite Ltd. (In liquidation)	1,00,000 Equity Shares fully paid as revalued by Directors on 31.03.1980	10/- }		
Shama Forge Co. Ltd. (In liquidation)	1,00,000 Equity Shares fully paid as revalued by Directors on 31.03.1979	10/- }		
Shama Forge Co. Ltd. (In liquidation)	5,000 9.5% Cumulative Redeemable Preference Shares fully paid as revalued by Directors on 31.03.1979	100/- }		
Sub-total: 2A			0.01	0.01

* In Sri Lankan Rupees

Contd...



IndianOil

NOTE - 14: INVESTMENTS (Contd.)

(₹ in Crore)

Particulars	No. and Particulars of Shares	Face Value per Share (Rupees)	March-12	March-11
B) Trade Investments:				
a) In Subsidiary Companies:				
IndianOil Mauritius Limited	48,82,043 Equity Shares each fully paid	100/- **	75.67	75.97
IOC Middle East FZE	2 Equity Shares each fully paid	1 Million/- ***	2.30	2.30
IndianOil Creda Bio Fuels Ltd.	1,18,39,997 (2011: 88,79,997) Equity Shares each fully paid	10/-	11.84	8.88
IOC Sweden AB	27,32,057 (2011: 13,76,225) Equity Shares each fully paid	100/-****	177.64	84.14
	Sub-total: (a)		267.45	170.99
b) In Joint Venture Companies:				
Avi-Oil India Private Limited	45,00,000 Equity Shares each fully paid	10/-	4.50	4.50
Petronet India Limited	1,80,00,000 Equity Shares each fully paid	10/-	18.00	18.00
Less: Provision for Diminution			18.00	18.00
			-	-
IOT Infrastructure & Energy Services Limited (formerly Indian Oiltanking Limited)	11,61,42,855 Equity Shares each fully paid	10/-	155.72	155.72
Petronet VK Limited	2,59,99,970 Equity Shares each fully paid	10/-	26.00	26.00
Less: Provision for Diminution			26.00	26.00
			-	-
IndianOil Panipat Power Consortium Limited	8,40,000 Equity Shares each fully paid	10/-	1.99	1.99
Less: Provision for Diminution			1.99	1.99
			-	-
Lubrizol India Private Limited	9,60,000 Equity Shares each fully paid	100/-	118.67	118.67
IndianOil Petronas Private Limited	13,40,00,000 Equity Shares each fully paid	10/-	134.00	134.00
Petronet CI Limited	37,44,000 Equity Shares each fully paid	10/-	3.83	3.83
Less: Provision for Diminution			3.83	3.83
			-	-
Green Gas Limited	12,500 Equity Shares each fully paid	10/-	0.01	0.01
Indo Cat Private Limited	62,76,100 (2011: 58,76,100) Equity Shares each fully paid	10/-	6.28	5.88
IndianOil SkyTanking Limited	1,73,00,000 Equity Shares each fully paid	10/-	17.30	17.30
Suntera Nigeria 205 Limited	62,502 Equity Shares each fully paid	1/*****	-	-
Delhi Aviation Fuel Facility Pvt. Ltd.	6,06,80,000 Equity Shares each fully paid	10/-	60.68	60.68
Indian Synthetic Rubbers Limited	14,06,25,000 (2011: 2,50,00,000) Equity Shares each fully paid	10/-	140.63	25.01
NPCIL-IndianOil Nucler Energy Corporation Limited	2,60,000 Equity Shares each fully paid	10/-	0.26	-
	Sub-total: (b)		638.05	521.77

** In Mauritian Rupees

*** In Arab Emirates Dirham

**** In SEK Currency

***** Invested ₹ 21,897 in Indian Currency in JV -Suntera Nigeria 205 Limited

Contd...

NOTE - 14: INVESTMENTS (Contd.)

(₹ in Crore)

Particulars	No. and Particulars of Shares	Face Value per Share (Rupees)	March-12	March-11
c) In Others				
International Cooperative Petroleum Association, New York	350 Shares fully paid up and partly paid up common stock of \$72.31	\$100	0.02	0.02
Haldia Petrochemical Limited	15,00,00,000 Equity shares each fully paid	10/-	150.00	150.00
Effluent Channel Projects Limited	7,151 Equity Shares each fully paid	10/-	-	-
Petroleum India International (AOP by Oil Companies)	Capital Fund Share in accumulated surplus	15.00 18.16		15.00 17.13
			33.16	32.13
IndianOil Ruchi Biofuels LLP (Limited Liability Partnership)	Capital Fund		0.85	0.20
Woodlands Multispeciality Hospital Limited	1,01,095 (2011: NIL) Equity shares each fully paid	10/-	0.10	0.00
	Sub-total: (c)		184.13	182.35
	Sub-total: 2B		1,089.63	875.11
	Total: 2		1,089.64	875.12
	Total I: (1 + 2)		4,918.01	4,703.49
	Aggregate value of Unquoted Non Current Investments		1,139.46	898.94
	Aggregate value of provisions on Unquoted Non Current Investments		49.82	49.82
II CURRENT INVESTMENTS: (Valued at Lower of Cost or Fair Market Value)				
UNQUOTED:				
Oil Marketing Companies GOI Special Bonds	1,53,54,677 Number of Bonds	10,000/-	15,354.68	16,109.68
Less: Marked to Market Loss	(2011: 1,61,09,677)		1,594.23	1,268.41
	Total II:		13,760.45	14,841.27

Note: A

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

Name of the Company	No. of Shares	(₹ Crore)
Indian Synthetic Rubber Limited	11,56,25,000	115.62
IndianOil Ruchi Biofuels LLP	Partnership	0.65
IOC Sweden AB	13,55,832	93.50
Woodlands Multispeciality Hospital Limited	1,01,095	0.10
IndianOil Creda Biofuels Limited	29,60,000	2.96
Indo Cat Private Limited	4,00,000	0.40
NPCIL - IndianOil Nuclear Energy Corporation Limited	2,60,000	0.26

Note: B

Investment in IndianOil Ruchi Bio fuel (LLP)

Name of the Partners	Share	Capital (₹ Crore)
Indian Oil Corporation Limited	50.00%	0.85
Ruchi Biofuels Limited	50.00%	0.85



IndianOil

NOTE - 15: LOANS AND ADVANCES

(₹ in Crore)

Particulars	Long Term		Short Term	
	March-12	March-11	March-12	March-11
Advance for Capital Expenditure:				
Secured, Considered Good	159.68	134.08	-	-
Unsecured, Considered Good	7,922.07	3,233.01	-	-
Unsecured, Considered Doubtful	0.20	0.54	-	-
	8,081.95	3,367.63	-	-
Less: Provision for Doubtful Advance	0.20	0.54	-	-
	8,081.75	3,367.09	-	-
Advances for Investments:				
Joint Ventures	23.03	23.03	-	-
Advance recoverable in cash or in kind or for value to be received:				
From Related Parties				
Secured, Considered Good	0.05	0.04	0.01	0.01
Unsecured, Considered Good	68.17	0.01	18.80	8.20
Unsecured, Considered Doubtful	-	-	-	40.53
	68.22	0.05	18.81	48.74
Less : Provision for Doubtful Advances	-	-	-	40.53
	68.22	0.05	18.81	8.21
From Others				
Secured, Considered Good	781.97	683.94	83.79	95.45
Unsecured, Considered Good	568.58	777.28	3,712.38	4,454.40
Unsecured, Considered Doubtful	0.33	0.32	7.03	5.87
	1,350.88	1,461.54	3,803.20	4,555.72
Less : Provision for Doubtful Advances	0.33	0.32	7.03	5.87
	1,350.55	1,461.22	3,796.17	4,549.85
	1,418.77	1,461.27	3,814.98	4,558.06
Amount Recoverable from Central/State Govt.:				
Unsecured, Considered Good	-	-	20,926.89	11,002.11
Finance Lease Receivables	8.89	10.29	1.40	1.43
Claims Recoverable:				
From Related Parties				
Unsecured, Considered Good	-	-	1.86	1.37
Unsecured, Considered Doubtful	-	-	2.61	-
	-	-	4.47	1.37
From Others				
Unsecured, Considered Good	-	-	1,014.03	967.16
Unsecured, Considered Doubtful	-	-	48.36	51.56
	-	-	1,062.39	1,018.72
Less : Provision for Doubtful Claims	-	-	50.97	51.56
	-	-	1,011.42	967.16
	-	-	1,015.89	968.53

Contd...

NOTE - 15: LOANS AND ADVANCES (Contd.)

(₹ in Crore)

Particulars	Long Term		Short Term	
	March-12	March-11	March-12	March-11
Balance with Customs, Port Trust and Excise Authorities:				
Unsecured, Considered Good	-	-	15.84	39.82
Deposits for Leave Encashment Fund	-	-	1,728.13	1,483.72
Advance Tax (net)	-	-	448.81	80.55
Mat Credit Receivable	-	-	691.99	1,285.80
Materials given on loan:				
To Related Parties				
Secured, Considered Good	-	-	0.08	0.08
Less : Deposits received	-	-	0.09	0.09
	-	-	(0.01)	(0.01)
To Others				
Unsecured, Considered Good	-	-	-	0.81
	-	-	-	0.80
Sundry Deposits				
To Others				
Secured, Considered Good	9.04	9.04	0.10	0.10
Unsecured, Considered Good	102.32	65.63	4,625.92	1,639.88
Unsecured, Considered Doubtful	-	-	0.32	0.14
	111.36	74.67	4,626.34	1,640.12
Less : Provision for Doubtful Deposits	-	-	0.32	0.14
	111.36	74.67	4,626.02	1,639.98
TOTAL	9,643.80	4,936.35	33,269.95	21,060.80
A. Includes:				
1. Due from Directors	0.13	0.06	0.04	0.02
2. Due from Other Officers	1.15	1.55	0.47	1.02
B. Includes:				
1. Customs/ Excise Duty/DEPB/Duty Drawback Claims which are in the process of being claimed with the Department.	-	-	121.07	20.51
2. Claims recoverable from Customs Authorities pending for final assessment / settlement.	-	-	133.53	165.41



IndianOil

NOTE - 16: OTHER ASSETS

(₹ in Crore)

Particulars	Non Current		Current	
	March-12	March-11	March-12	March-11
Interest Accrued on Investments/ Bank Deposits	-	-	165.33	184.80
Gold Coins in Hand (at Cost)	-	-	4.22	3.44
Receivable from IBP Trust	A	-	-	1,840.99
Less : Provision for Diminution	-	-	-	971.99
				869.00
Receivable from IOC Shares Trust	A	-	1,989.78	148.79
Less : Provision for Diminution	-	-	458.78	-
			1,531.00	148.79
Premium on Forward Contract				
As per Last account	9.74	11.34		
Add:-Expenditure during the year	78.90	130.44		
	88.64	141.78		
Less:Amortised during the year (Refer Note - 26.1)	89.02	132.04		
	(0.38)	9.74		
Less:Current Portion	-	9.74		
Premium on Forward Contract	-	-	-	9.74
Discount on Issue of Bonds				
As per Last account	5.41	6.83		
Add:-Expenditure during the year	17.32	-		
	22.73	6.83		
Less:Amortised during the year	2.57	1.42		
	20.16	5.41		
Less:Current Portion	3.15	1.42		
Discount on Issue of Bonds	17.01	3.99	3.15	1.42
Others Assets	-	-	353.65	5.96
TOTAL	17.01	3.99	2,057.35	1,223.15

A. IOC Shares held by erstwhile IBP Trust transferred to the BRPL Trust in view of the expiry of term of IBP Trust and BRPL trust has been renamed as "IOC Shares Trust".

NOTE - 17: INVENTORIES

Particulars		(₹ in Crore)	
		March-12	March-11
In Hand:			
Stores, Spares etc.	A	2,492.36	1,975.94
Less : Provision for Losses		<u>114.37</u>	<u>97.48</u>
		2,377.99	1,878.46
Raw Materials	B	16,235.77	13,853.91
Finished Products	C	17,649.75	15,969.52
Stock in Trade	D	4,386.17	4,309.00
Stock in Process		5,302.52	4,012.42
Barrels and Tins	E	32.14	27.25
		<u>45,984.34</u>	<u>40,050.56</u>
In Transit:			
Stores & Spares		139.16	135.92
Raw Materials		10,300.15	8,497.12
Finished Products		1.44	0.26
Stock in Trade		404.11	600.66
		<u>10,844.86</u>	<u>9,233.96</u>
		<u>56,829.20</u>	<u>49,284.52</u>
TOTAL			
Includes-			
A) Stock Lying with Contractors		4.74	42.56
B) Stock Lying with Others		4.37	1.01
C) Stock Lying with Others		929.13	609.82
D) Stock Lying with Others		2.93	1.37
E) Stock Lying with Others		1.75	1.28

NOTE - 18: TRADE RECEIVABLES

Particulars		(₹ in Crore)	
		March-12	March-11
Over Six Months:			
From Related Parties			
Unsecured, Considered Good		0.24	1.22
From Others			
Unsecured, Considered Good		1,288.30	227.98
Unsecured, Considered Doubtful		139.78	372.35
		<u>1,428.08</u>	<u>600.33</u>
		1,428.32	601.55
Other Debts:			
From Related Parties			
Unsecured, Considered Good		5,837.92	2,101.72
From Others			
Secured Considered Good		49.84	50.00
Unsecured, Considered Good		8,326.57	6,482.77
Unsecured, Considered Doubtful		72.19	55.68
		<u>8,448.60</u>	<u>6,588.45</u>
		14,286.52	8,690.17
		15,714.84	9,291.72
Less : Provision for Doubtful Debts		211.97	428.03
		<u>15,502.87</u>	<u>8,863.69</u>
TOTAL			



NOTE - 19: CASH AND BANK BALANCES

(₹ in Crore)

		March-12	March-11
Cash and Cash Equivalents			
Bank Balances with Scheduled Banks:			
a) Current Account		140.46	472.12
b) Earmarked Balances	A	9.09	8.22
		149.55	480.34
Bank Balances with Non-Scheduled Banks:			
Bank of Commerce & Development, Libya [Maximum balance during the year ₹ 0.50 crore]		0.50	0.44
Myanmar Economic Bank Branch(5), Rangoon [Maximum balance during the year ₹ 0.79 crore]	B	0.01	0.79
		0.51	1.23
Cheques, Drafts in hand		152.87	159.92
Cash Balances, Including Imprest		3.39	2.26
Other Bank Balances			
a) Fixed Deposit Account	C	0.51	650.50
b) Blocked Account		0.18	0.17
		0.69	650.67
TOTAL		307.01	1,294.42

NOTES:

- A) Pertains to Unpaid Dividend/Fractional Share Warrants.
 B) There exists restrictions on repatriation of said amount from Myanmar.
 C) Earmarked in favour of Port Authorities.

NOTE - 20: REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars		March-12	March-11
Sale of Products and Crude		4,14,278.08	3,32,804.45
Less: Discounts		4,321.11	4,152.85
Sales (Net of Discounts)		4,09,956.97	3,28,651.60
Sale of Services		16.48	18.06
Other Operating Revenues (Note - 20.1)		1,684.59	840.41
		4,11,658.04	3,29,510.07
Subsidy From Central/State Govt.	A	1,820.28	1,767.30
Grant from Government of India	B	45,485.84	22,604.84
TOTAL		4,58,964.16	3,53,882.21

- A. Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ₹ 1,770.98 crore (2011: ₹ 1,731.56 crore) and subsidies on sales of SKO & LPG to customers in Bhutan amounting to ₹ 49.30 crore (2011: ₹ 35.74 crore) have been reckoned as per the schemes notified by Government of India.
- B1. The company has accounted for Budgetary Support of ₹ 45,485.84 crore towards under-recovery on sale of HSD, SKO (PDS) and LPG (Domestic) for 2011-12 [2010-11: ₹ 22,604.84 crore towards under-recovery on sale of MS (upto 25th June 2010), HSD, SKO (PDS) and LPG (Domestic)] in the Profit and Loss Account as Revenue Grants.
- B2. In line with the scheme formulated by Petroleum Planning and Analysis Cell (PPAC), the Company has received during the year, discounts of ₹ 26,239.43 crore (2011: ₹ 15,879.34 crore) on Crude Oil/Products purchased from ONGC/GAIL/OIL and ₹ 3,379.80 crore (2011: ₹ 824.39 crore) from CPCL, through sale of HSD to IOC, out of their purchase of crude oil from ONGC, towards part of the under recovery suffered on sale of HSD, SKO (PDS) and LPG (Domestic) [2011: under recovery suffered on sale of MS (upto 25th June 2010), HSD, SKO (PDS) and LPG (Domestic)] and the same has been adjusted against the purchase cost. In addition an amount of ₹ 341.50 crore (2011: NIL) received from OIL has been accounted as other Operating Revenue.
- Product wise sales has been shown as per Note - 40.

NOTE - 20.1: OTHER OPERATING REVENUES

Particulars	(₹ in Crore)	
	March-12	March-11
Sale of Power and Water	13.01	6.19
Unclaimed / Unspent liabilities written back	121.51	50.71
Provision for Doubtful Debts, Advances, Claims, and Stores written back	329.11	94.79
Provision for Contingencies written back	55.27	3.98
Recoveries from Employees	15.25	27.07
Retail Outlet Licence Fees	104.43	97.67
Collection Charges for Outstation Cheques	0.06	0.18
Sale of Scrap	110.21	87.61
Income from Finance Leases	1.19	1.50
Amortisation of Capital Grants	1.19	1.16
Revenue Grants	-	2.77
Terminalling Charges	36.34	35.66
Other Miscellaneous Income	897.02	431.12
TOTAL	1,684.59	840.41

NOTE - 21: OTHER INCOME

Particulars	(₹ in Crore)	
	March-12	March-11
Interest on :		
a) Loans and Advances	54.70	56.33
b) Fixed Deposits with Banks	0.12	0.01
c) Short Term Deposits with Banks	-	0.04
d) Customers Outstandings		
From Related Parties	-	-
From Others	412.80	34.84
e) Oil Companies GOI SPL Bonds	1,171.94	1,307.46
f) Others	149.68	152.77
	1,789.24	1,551.45
Dividend:		
a) From Related Parties	159.68	151.52
b) From Other Companies	698.95	910.85
	858.63	1,062.37
Provision for Diminution in Trust Written Back (Net)	513.21	96.86
Exchange Fluctuations (Net)	-	695.60
Other Non Operating Income	36.94	28.29
TOTAL	3,198.02	3,434.57
A. Includes Tax Deducted at Source	0.68	3.81

**NOTE - 22: COST OF MATERIAL CONSUMED**

(₹ in Crore)

Particulars	March-12	March-11
Opening Balance	22,351.03	14,867.23
Add: Purchases	2,06,467.99	1,50,400.14
	2,28,819.02	1,65,267.37
Less: Closing Stock	26,535.92	22,351.03
TOTAL	2,02,283.10	1,42,916.34

Particulars relating to purchase and consumption of raw material are shown as per Note - 42.

NOTE - 23: CHANGE IN INVENTORY

(₹ in Crore)

Particulars	March-12	March-11
Closing Stock		
Finished Products	17,651.19	15,969.78
Stock in Process	5,302.52	4,012.42
Stock- in - trade	4,790.28	4,909.66
	27,743.99	24,891.86
Less:		
Opening Stock		
Finished Products	15,969.78	13,020.41
Stock in Process	4,012.42	2,802.71
Stock - in - Trade	4,909.66	4,095.81
	24,891.86	19,918.93
NET (INCREASE)/DECREASE	(2,852.13)	(4,972.93)

Product wise Purchases, Sales, Opening and Closing Stock are shown as per Note - 40 and Note - 41.

NOTE - 24: EMPLOYEE BENEFIT EXPENSES

(₹ in Crore)

Particulars	March-12	March-11
Salaries, Wages, Bonus etc.	3,564.37	3,916.26
Contribution to Provident & Other Funds	715.26	1,625.57
Voluntary Retirement Compensation	2.03	5.97
Staff Welfare Expenses	698.40	887.75
TOTAL	4,980.06	6,435.55

A. Contribution to Provident & Other Funds for 2010-11 includes an amount of ₹ 687 crore as one time net contribution towards defined contributory scheme (employee pension scheme) based on actuarial valuation.

B. Disclosure in compliance with Accounting Standard-15 (Revised 2005) on "Employee Benefits" is given in Note - 29.

NOTE - 25: FINANCE COST

Particulars	(₹ in Crore)	
	March-12	March-11
Interest Payments on:		
Fixed period loans from Banks/Financial Institutions/Others	528.61	462.87
Bonds	482.99	477.62
Short Term loans from Banks	1,928.52	1,014.11
Others	1,775.54	555.25
	4,715.66	2,509.85
Other Borrowing Cost	29.92	2.69
Applicable Net Gain / (Loss) on Foreign Currency Transactions and Translation	844.96	159.98
TOTAL	5,590.54	2,672.52

NOTE - 26: OTHER EXPENSES

Particulars	(₹ in Crore)	
	March-12	March-11
Consumption:		
a) Stores, Spares and Consumables	897.31	833.64
b) Packages & Drum Sheets	380.70	324.91
	1,278.01	1,158.55
Power & Fuel	18,843.53	12,327.00
Less : Fuel from own production	15,041.79	10,446.76
	3,801.74	1,880.24
Throughput, Processing & Blending Fees, Royalty and Other Charges	490.19	377.56
Octroi, Other Levies and Irrecoverable taxes	796.12	682.78
Repairs and Maintenance		
i) Plant & Machinery	1,465.94	1,244.65
ii) Buildings	148.01	138.00
iii) Others	101.20	85.98
	1,715.15	1,468.63
Freight, Transportation Charges and Demurrage	7,437.16	6,801.04
Office Administration, Selling and Other Expenses (Note - 26.1)	6,808.64	3,273.60
TOTAL	22,327.01	15,642.40
Less: Company's use of own Products and Crude	872.61	945.24
	21,454.40	14,697.16
Duties (Net)	(624.92)	351.14
TOTAL (Net)	20,829.48	15,048.30

A. Includes an amount of ₹ (625.66) crore (2011 : ₹ 349.94 Crore) on account of difference of Excise Duty between opening and closing stock of finished goods.



NOTE - 26.1: OFFICE, ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in Crore)

Particulars	March-12	March-11
Rent	348.28	271.80
Insurance	93.31	71.07
Rates & Taxes	70.60	61.93
Payment to auditors		
a) Audit Fees	1.14	0.78
b) Tax Audit Fees	0.11	0.11
c) Other Services(for issuing certificates etc.)	0.27	0.33
d) Out of Pocket Expenses	0.39	0.28
	1.91	1.50
Travelling & Conveyance	350.31	304.38
Communication Expenses	48.02	42.60
Printing & Stationery	30.57	26.41
Electricity & Water	199.24	178.37
Bank Charges	52.26	29.62
Bad Debts, Advances & Claims written off	48.40	6.57
Provision/ Loss on Assets sold or written off	1.80	21.07
Technical Assistance Fees	21.76	37.38
Exchange Fluctuation (net)	2,768.92	-
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.	57.40	209.81
Provision for Diminution/Loss on Revaluation in Investments	418.15	78.74
Security Force Expenses	251.78	223.43
Sales Promotion Expenses (Incl. Commission)	489.31	448.63
Handling Expenses	214.38	165.38
Expenses on Enabling Facilities	24.00	41.68
Commodity Hedging Losses (Net)	328.13	48.40
Provision for Probable Contingencies	93.05	42.22
Exploration & Production Cost	A	180.23
Amortisation of Premium on Forward Contracts	89.02	132.04
MTM Loss on Interest Rate Swap	110.26	-
Loss on Sale of Investments (Net)	19.24	26.56
Expenses on CSR Activities	75.24	85.59
Miscellaneous Expenses	B	423.07
		384.98
TOTAL	6,808.64	3,273.60

A. In respect of Oil and Gas Exploration activities, Revenue Expenditure amounting to ₹ **180.23 crore** (2011 : ₹ 333.44 crore) and Capital Expenditure amounting to ₹ **(51.41) crore** (2011 : ₹ 19.80 crore) of Oil and Gas Exploration Projects have been incorporated in these accounts on the basis of unaudited statements provided by respective operators of Production Sharing Contracts to the Company.

B. Expenses Includes:

- Expenditure on Public Relations and Publicity amounting to ₹ **34.81 crore** (2011: ₹ 39.40 crore) which is inclusive of ₹ **11.94 crore** (2011: ₹ 12.34 crore) on account of Staff and Establishment and ₹ **22.87 crore** (2011: ₹ 27.06 crore) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is **0.00008:1** (2011: 0.00012:1).
- Entertainment Expenses ₹ **2.39 crore** (2011: ₹ 2.34 crore).

NOTE - 27: INCOME / EXPENSES RELATING TO PREVIOUS YEARS

(₹ in Crore)

Particulars	March-12	March-11
Income:		
Miscellaneous Income	40.91	5.84
Sale of Products	-	(2.62)
Total Income	40.91	3.22
Expenditure:		
Purchase of Products and Crude	0.16	(0.09)
Depreciation and Amortisation on:		
Tangible Assets	(326.05)	20.26
Intangible Assets	0.66	-
Consumption of Stores, Spares and Consumables	(1.27)	(9.25)
Technical fees	1.30	(3.18)
Power and Fuel	(1.22)	(3.25)
Repairs and Maintenance	7.93	2.64
Interest	5.57	2.95
Rent	0.08	5.33
Rates & Taxes	1.45	0.27
Payment to and Provision for Employees	7.17	(5.68)
Other Expenses	66.34	66.93
Total Expenditure	(237.88)	76.93
NET INCOME /(EXPENDITURE)	278.79	(73.71)



NOTE - 28

1. Contingent Liabilities & Commitments

A. Contingent Liabilities

- A.1 Contingent Liabilities amounting to ₹ **8568.91 crore** (2011: ₹ 7820.86 crore) are as under :
- A.1.1 ₹ **219.95 crore** (2011: ₹ 238.02 crore) being the demands raised by the Central Excise/Customs authorities.
- A.1.2 ₹ **4,656.00 crore** (2011: ₹ 5,045.52 crore) in respect of Sales Tax demands.
- A.1.3 ₹ **884.28 crore** (2011: ₹ 736.79 crore) including ₹ **584.92 crore** (2011: ₹ 503.98 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator.
- A.1.4 ₹ **2,058.02 crore** (2011: ₹ 1,167.75 crore) in respect of Income Tax demands.
- A.1.5 ₹ **750.66 crore** (2011: ₹ 632.78 crore) in respect of other claims.
- A.1.6 The Company has not considered those disputed demands/claims as contingent liabilities, for which, the outflow of resources has been considered as remote.
- A.2 Interest/Penalty, if any, on some of the above claims is unascertainable.
- A.3 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.
- A.4 The Company has issued Corporate Guarantee in favor of three beneficiaries i.e. Bolivarian Republic of Venezuela (Republic), The Corporacion Venezolana del Petroleo S.A. and the Mixed Company Venezuela (PeTroCarabobo S.A.), on behalf of Indoil Netherlands B.V. Netherlands (an associate company) to fulfill the associate company's future obligations for payment of signature bonus/equity contribution/ loan to the beneficiaries. The estimated amount of such obligation is ₹ **1,969.71 crore** – **USD 38.71 crore** (2011 : ₹ 1,812.95 crore – USD 40.65 crore)
- A.5 The Company has issued corporate guarantee in favor of Standard Chartered Bank, on behalf of Lanka IOC PLC, a subsidiary of the company, for raising a loan of ₹ **NIL crore** (2011 : ₹ 133.80 crore – USD 3.00 crore).

B. Commitments

B.1 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital

Account not provided for ₹ **17,546.97 crore** (2011: ₹ 21,737.72 crore).

B.2 Other Commitments

The Company has an export obligation to the extent of ₹ **3,187.06 crore** (2011: ₹ 3,677.09 crore) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.

- Purchase of crude oil from ONGC, Oil India Limited and Panna Mukta Tapti JV and some other oilfields has been accounted for provisionally, pending finalization of agreements with respective parties. Adjustments, if any, will be made on finalization of agreements.
- 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 ₹ **95.12 crore** (2011: ₹ 89.56 crore), are pending for execution or renewal.
- Transactions with other Oil Marketing Companies are jointly reconciled on an ongoing basis.
- A Pursuant to orders pronounced by the Honorable Supreme Court / various High Courts in the matter of Entry Tax on Crude Oil, HSD & Lubricants and as advised, the Company has not provided for Entry Tax amounting to ₹ **894.89 crore** in respect of Panipat Refinery, Mundra-Panipat & Salaya Mathura Pipelines and Asaouti Lube Blending Plant (2011: ₹ 5,106.43 crore in respect of Mathura & Panipat Refineries, Mundra-Panipat & Salaya Mathura Pipelines and Asaouti Lube Blending Plant) including ₹ **207.17 crore** for the year in respect of Panipat Refinery, Mundra-Panipat & Salaya Mathura Pipelines and Asaouti Lube Blending Plant (2011: ₹ 1,363.24 crore in respect of Mathura & Panipat Refineries, Mundra-Panipat & Salaya Mathura Pipelines and Asaouti Lube Blending Plant).

B Consequent to the recent order pronounced by Hon'ble High Court of Allahabad in December, 2011, upholding the Constitutional Validity of retrospective application of Entry Tax Law in the State of UP, the Company had filed a Special Leave Petition before Hon'ble Supreme Court of India. Although the Apex Court has granted the stay order, the Company has been directed by the Court to deposit 50% of arrears towards the Entry Tax and full tax prospectively vide its order of January, 2012 in respect of crude imported in the State of UP. Accordingly, pending final disposal of the matter, an amount of ₹ **8,156.56 crore** (including interest of ₹ **2,165.02 crore**) has been provided in the books during 2011-12. Out of this, an amount of ₹ **7,707.82 crore** comprising of entry Tax and interest thereon upto December, 2011 has been shown as Exceptional Item.
- In the 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.

NOTE – 29: EMPLOYEE BENEFITS

Disclosures in compliance with Accounting Standard-15 (Revised 2005) on "Employee Benefits" is as under:

(A) PROVIDENT FUND

- (i) The Company had five Provident Funds maintained by respective PF Trusts as on 31.03.2011. During the year 2011-12 two PF Trusts have been merged with existing trusts and as on 31.03.2012, the Company has three Provident Funds maintained by respective PF Trusts. All these three PF Trusts do not have any shortfall as on 31.03.2012.
- (ii) During the year, Company has conducted Actuarial Valuation of all three PF Trusts. As per Actuarial Valuation, all three PF Trusts do not have

any deficit as on 31st March 2012. Accordingly, other related disclosures in respect of Provident Fund have not been made.

- (iii) During the year, the company has recognised ₹ **261.08 crore** (2010-11 : ₹ 337.12 crore) as Employer's contribution to Provident Fund in the Profit and Loss Account (included in Contribution to Provident and Other Funds in Note - 24).

(B) PENSION SCHEME

During the year, the company has recognised ₹ **342.01 crore** (2010-11 : ₹ 349.86 crore) towards Defined Contributory Employees Pension Scheme in the Profit and Loss Account (included in Contribution to Provident and Other Funds in Note - 24).

(C) RECONCILIATION OF BALANCE OF DEFINED BENEFIT OBLIGATION

	(₹ in Crore)					
	Gratuity Funded	Leave encashment Non-Funded	PRMS* Funded	Resettlement Allowance Non-Funded	Long Service Award Non-Funded	Staff Pension Fund at AOD Funded
Defined Obligation at the beginning	1,388.21 1,346.76	1,579.50 1,356.65	829.99 825.72	83.00 82.50	109.33 92.30	9.28 9.98
Current Service Cost	16.56 19.79	52.22 53.48	52.90 46.44	3.45 3.72	19.73 4.75	0.24 0.28
Interest Cost	112.32 108.79	126.80 110.16	70.00 70.00	7.06 7.07	10.01 7.65	0.68 0.74
Past Service Cost	-	-	-	-	-	-
Benefits paid	(103.09) (108.61)	(208.11) (162.67)	(70.39) (60.08)	(2.66) (1.95)	(17.00) (9.55)	(2.07) (2.02)
Actuarial (gain)/ loss on obligations	(29.68) 21.48	80.74 221.88	0.44 (52.09)	(11.49) (8.34)	92.21 14.18	(0.16) 0.30
Defined Benefit Obligation at the end of the year	1,384.32 1,388.21	1,631.15 1,579.50	882.94 829.99	79.36 83.00	214.28 109.33	7.97 9.28

Contd...



IndianOil

(D) RECONCILIATION OF BALANCE OF FAIR VALUE OF PLAN ASSETS

(₹ in Crore)

	Gratuity Funded	Leave encashment Non-Funded	PRMS* Funded	Resettlement Allowance Non-Funded	Long Service Award Non-Funded	Staff Pension Fund at AOD Funded
Fair Value of Plan Assets at the beginning of the year	1,489.80 1,358.67	- -	- -	- -	- -	8.17 9.35
Expected return on plan assets	123.31 113.04	- -	- -	- -	- -	0.68 0.75
Contribution by employer	103.09 108.61	- -	901.37 -	- -	- -	0.76 -
Benefit paid	(103.09) (108.61)	- -	(70.39) -	- -	- -	(2.07) (2.02)
Actuarial gain / (losses)	17.91 18.09	- -	51.96 -	- -	- -	0.20 0.09
Fair value of plan assets at the end of the year	1,631.02 1,489.80	- -	882.94 -	- -	- -	7.74 8.17

(E) RECONCILIATION OF FAIR VALUE OF PLAN ASSETS AND DEFINED BENEFIT OBLIGATION

(₹ in Crore)

	Gratuity Funded	Leave encashment Non-Funded	PRMS* Funded	Resettlement Allowance Non-Funded	Long Service Award Non-Funded	Staff Pension Fund at AOD Funded
Fair Value of Plan Assets at the end of the year	1,631.02 1,489.80	- -	882.94 -	- -	- -	7.74 8.17
Defined Benefit Obligation at the end of the year	1,384.32 1,388.21	1,631.15 1,579.50	882.94 829.99	79.36 83.00	214.28 109.33	7.97 9.28
Amount recognised in the Balance Sheet	(246.70) (101.59)	1,631.15 1,579.50	- 829.99	79.36 83.00	214.28 109.33	0.23 1.11

(F) AMOUNT RECOGNISED IN CWIP / PROFIT AND LOSS ACCOUNT

(₹ in Crore)

	Gratuity Funded	Leave encashment Non-Funded	PRMS* Funded	Resettlement Allowance Non-Funded	Long Service Award Non-Funded	Staff Pension Fund at AOD Funded
Current Service Cost	16.56 19.79	52.22 53.48	52.90 46.44	3.45 3.72	19.73 4.75	0.24 0.28
Interest Cost	112.32 108.79	126.80 110.16	70.00 70.00	7.06 7.07	10.01 7.65	0.68 0.74
Expected (return) / loss on plan asset	(123.31) (113.04)	- -	- -	- -	- -	(0.68) (0.75)
Past Service Cost	- -	- -	- -	- -	- -	- -
Actuarial (gain)/ loss	(47.59) 3.39	80.74 221.88	(51.52) (52.09)	(11.49) (8.34)	92.21 14.18	(0.36) 0.21
Expenses for the year	(42.02) 18.93	259.76 385.52	71.38 64.35	(0.98) 2.45	121.95 26.58	(0.12) 0.48

(G) MAJOR ACTUARIAL ASSUMPTIONS

	Gratuity Funded	Leave encashment Non-Funded	PRMS* Funded	Resettlement Allowance Non-Funded	Long Service Award Non-Funded	Staff Pension Fund at AOD Funded
Discount rate	8.63% 8.30%	8.63% 8.30%	8.63% 8.30%	8.63% 8.30%	8.63% 8.30%	8.63% 8.30%
Expected return on plan assets	8.60% 8.00%	- -	8.60% -	- -	- -	9.00% 9.00%
Salary escalation	8.00% 8.00%	8.00% 8.00%	- -	- -	- -	8.00% 8.00%
Inflation	- -	- -	7.00% 7.00%	6.00% 6.00%	- -	- -

(H) ACTUAL RETURN ON PLAN ASSETS

	Gratuity Funded	PRMS* Funded	Staff Pension Fund at AOD Funded
Actual Return on Plan Assets	9.48% 9.66%	- -	10.77% 8.03%

Contd...



(I) INVESTMENT DETAILS

	Gratuity	PRMS*	Staff Pension Fund at AOD
	Funded	Funded	Funded
Life Insurance Corporation of India	95.47%	-	57.29%
Self managed investments	4.53%	100.00%	42.71%
Total	100.00%	100.00%	100%

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

	Gratuity	PRMS*	Staff Pension Fund at AOD
	Funded	Funded	Funded
Government of India securities	51.72%	-	31.00%
Investment in Equity Shares	3.48%	-	-
Investment in Debentures	39.77%	-	-
Other approved investments (incl. Cash)	5.03%	100.00%	69.00%
Total	100.00%	100.00%	100.00%

(J) EFFECT OF INCREASE/DECREASE IN HEALTHCARE COST (PRMS)

(₹ in Crore)

	2011-12	2010-11
Change in Liability for 1% increase in inflation rate	92.27	86.73
Change in Liability for 1% decrease in inflation rate	(75.49)	(70.96)

(K) AMOUNT FOR THE CURRENT AND PREVIOUS PERIODS ARE AS FOLLOWS:

(₹ in Crore)

	2011-12	2010-11	2009-10
Defined benefit obligation	1,384.32	1,388.21	1,346.76
Plan Assets	1,631.02	1,489.80	1,358.67
Surplus / (Deficit)	246.70	101.59	11.91
Expected contribution for next financial year	23.75	22.52	19.60
Experience adjustment on plan liabilities - (Gain)/Loss	(2.25)	23.22	(16.69)
Experience adjustment on plan Assets - Gain/(Loss)	17.91	18.09	(6.68)

The management has relied on the overall actuarial valuation conducted by the actuary.

* PRMS was Non-Funded in previous year.

NOTE - 30: SEGMENT INFORMATION

Information regarding Primary Segment Reporting as per AS-17 for the year ended March 31, 2012 is as under:

(₹ in Crore)

	March-12				Total	March-11				Total
	Petroleum Products	Petro-chemicals	Other Businesses	Eliminations		Petroleum Products	Petro-chemicals	Other Businesses	Eliminations	
Revenue										
External Revenue	382,966.05	11,174.09	40,368.43	-	434,508.57	294,346.07	5,768.13	27,978.10	-	328,092.30
Inter-segment Revenue	7,506.24	48.72	3,617.94	(11,172.90)	0.00	4,632.42	67.35	1,185.47	(5,885.24)	(0.00)
Total Revenue	390,472.29	11,222.81	43,986.37	(11,172.90)	434,508.57	298,978.49	5,835.48	29,163.57	(5,885.24)	328,092.30
Result										
Segment Results	16,918.05	(209.94)	75.86	-	16,783.97	10,527.77	(1,608.85)	(385.03)	-	8,533.89
Less:										
- Interest Expenditure					5,590.54					2,672.52
- Loss on Sale of Investments (Net)					19.24					26.56
- Provision for diminution in Investments (Net)					418.15					78.74
- Loss on sale and disposal of Assets					1.80					21.07
- Exchange Loss (Net)					2,768.92					-
Add:										
- Interest/Dividend Income					2,647.87					2,613.82
- Provision for diminution in Trust written back (Net)					513.21					96.86
- Exchange Gain (Net)					-					695.60
- Other non operating income					36.94					28.29
- Prior year income/(expenses) -net					278.79					(73.71)
Profit before Exceptional items and Tax					11,462.13					9,095.86
Exceptional Items					(7,707.82)					-
Profit Before Tax					3,754.31					9,095.86
Less: Income Tax (including deferred tax)					(200.31)					1,650.38
Profit After Tax					3,954.62					7,445.48
Other Information										
Segment Assets	165,191.93	18,068.88	6,736.49		189,997.30	130,998.72	18,994.93	2,736.74		152,730.39
Corporate Assets					19,862.45					20,949.29
Total Assets					209,859.75					173,679.68
Segment Liabilities	65,021.09	795.35	4,069.03		69,885.47	51,902.41	2,056.96	2,651.84		56,611.21
Corporate Liabilities					82,097.58					61,736.15
Total Liabilities					151,983.05					118,347.36
Capital Employed										
Segment Wise	100,170.84	17,273.53	2,667.46		120,111.83	79,096.31	16,937.97	84.90		96,119.18
Corporate					(62,235.13)					(40,786.86)
					57,876.70					55,332.32
Capital Expenditure	11,616.11	185.20	248.26		12,049.57	10,373.12	7,936.24	141.37		18,450.73
Depreciation and Amortisation	3,840.68	952.54	74.57		4,867.79	3,447.10	1,040.04	59.53		4,546.67

- The Company is engaged in the following business segments:
 - Sale of Petroleum Products
 - Sale of Petrochemicals
 - Other Businesses, comprises Sale of Imported Crude Oil, Sale of Gas, Explosives & Cryogenics, Wind Mill & Solar Power Generation 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 received from Government of India
 - Other Operating Income
- There are no reportable geographical segments.

**NOTE - 31: RELATED PARTY DISCLOSURES**

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

1. RELATIONSHIP**A) Details of Joint Venture Companies/ Entities**

- 1) IOT Infrastructure Energy Services 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.
- 14) Delhi Aviation Fuel Facility Pvt. Limited
- 15) Indian Synthetic Rubber Limited
- 16) IndianOil Ruchi Biofuels LLP
- 17) NPCIL- IndianOil Nuclear Energy Corporation Limited

B) Whole-time Directors

- 1) Shri R.S.Butola
- 2) Shri B.M.Bansal (upto 31.01.2011)
- 3) Shri S.V.Narasimhan (upto 30.04.2011)
- 4) Shri V.C.Agrawal (upto 31.07.2010)
- 5) Shri G.C.Daga (upto 30.09.2011)
- 6) Shri B.N.Bankapur (upto 31.08.2011)
- 7) Shri Anand Kumar (upto 30.06.2010)
- 8) Shri K.K. Jha (upto 31.01.2012)
- 9) Shri R.K.Malhotra
- 10) Shri Sudhir Bhalla
- 11) Shri A.M.K.Sinha
- 12) Shri P.K.Goyal
- 13) Shri R.K.Ghosh
- 14) Shri Makarand Nene
- 15) Shri V.S. Okhade

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 number 1(A) above:**

(₹ in Crore)

	2011-12	2010-11
i) Sales	256.06	191.59
(Includes sales to Lubrizol India Pvt. Ltd. ₹ 169.57 crore (2010-11 : ₹ 159.78 crore) and Indian Oil Petronas Pvt. Ltd. ₹ 85.70 crore (2010-11 : ₹ 11.78 crore)).		
ii) Interest received	0.05	1.10
(Includes interest received from IOT Infrastructure Energy Services Ltd. ₹ 0.02 crore (2010-11 : ₹ 1.08 crore) and Petronet VK Ltd. ₹ 0.03 crore (2010-11 : ₹ 0.02 crore)).		
iii) Consultancy Services/Other Income	74.76	62.76
(Includes Consultancy Service/Other Income from Lubrizol India Pvt. Ltd. ₹ 34.56 crore (2010-11 : ₹ 30.72 crore), Petronet LNG Ltd. ₹ 23.21 crore (2010-11 : ₹ 19.71 crore) and IndianOil Petronas Pvt. Ltd. ₹ 8.35 crore (2010-11 ₹ 8.00 crore)).		
iv) Purchase of Products	7,364.67	3,823.62
(Includes Purchase of Products from Petronet LNG Ltd. ₹ 7,318.35 crore (2010-11 : ₹ 3,753.78 crores)).		
v) Purchase of Chemicals/materials	280.73	228.15
(Includes Purchase of chemicals /materials from Lubrizol India Pvt. Ltd. ₹ 280.60 crore (2010-11 : ₹ 228.15 crore)).		

Contd...

53rd Annual Report

	(₹ in Crore)	
	2011-12	2010-11
vi) Handling Expenses	316.10	228.04
(Includes Handling Expenses to IndianOil Sky Tanking Ltd. ₹ 208.79 crore (2010-11 : ₹ 130.91) and Indian Oil Petronas Pvt Ltd. ₹ 94.02 crore (2010-11 : ₹ 79.22 crore)).		
vii) Freight Expenses	0.33	0.25
(Includes Freight Expenses to Lubrizol India Pvt Ltd. ₹ 0.31 crore (2010-11 : ₹ 0.24 crore)).		
viii) Exploration & Production Expenses	10.09	-
(Exploration & Production Expenses to IOT Infrastructure Energy Services Ltd ₹ 10.09 crore (2010-11 : NIL)).		
ix) Reimbursement of Expenses	5.25	5.08
(Includes Reimbursement of Expenses Indian Oil Petronas Pvt. Ltd. ₹ 2.27 crore (2010-11 : ₹ 2.49 crore), IndianOil Sky Tanking Ltd. ₹ 1.80 crore (2010-11 : ₹ 1.57 crore) and IOT Infrastructure Energy Services Ltd. ₹ 0.54 crore (2010-11: NIL)).		
x) Investments made during the year	116.93	126.18
(Includes Investment made in Indian Synthetic Rubber Ltd. ₹ 115.62 crore (2010-11 ₹ 25.00 crore)).		
xi) Purchase/Acquisition of Fixed Assets	256.77	437.04
(Includes Purchase/Acquisition of Fixed Assets from IOT Infrastructure Energy Services Ltd. ₹ 256.77 crore (2010-11 : ₹ 434.37 crore)).		
xii) Provisions made/(written off) during the year	(40.38)	0.19
(Includes write back of provision made against advance given to Suntera Nigeria 205 Ltd. ₹ 40.53 crore (2010-11: NIL)).		
xiii) Outstanding Receivables/ Loans Recoverable	278.05	108.26
(Includes Outstanding Receivables from IOT Infrastructure Energy Services Ltd. ₹ 169.12 crore (2010-11 : ₹ 41.62 crore) and Suntera Nigeria 205 Ltd. ₹ 68.11 crore (2010-11 : ₹ 40.53 crore)).		
xiv) Outstanding Payables	637.17	557.95
(Includes Outstanding payable to Petronet LNG. Ltd. ₹ 429.99 crore (2010-11 : ₹ 219.45 crore) and IOT Infrastructure Energy Services Ltd. ₹ 132.25 crore (2010-11 : ₹ 237.48 crore)).		
xv) Investments in Joint Venture Entities as on 31.03.2012	737.65	620.72



B) Details relating to the parties referred to in Item No.1 (B) above :

(₹ in Crore)

FY 2011-12			
Details of Whole-time Directors	Remuneration	Recovery of Interest & Furniture Hire Charges	Outstanding loans/advances receivables
1) Shri R.S. Butola	0.37	-	-
2) Shri B.M. Bansal	-	-	-
3) Shri S.V. Narasimhan	0.57	-	-
4) Shri V.C. Agrawal	-	-	-
5) Shri G.C. Daga	0.63	-	-
6) Shri B.N. Bankapur	0.54	-	-
7) Shri Anand Kumar	-	-	-
8) Shri K.K. Jha	0.41	0.01	-
9) Shri R.K. Malhotra	0.37	-	-
10) Shri Sudhir Bhalla	0.40	-	0.05
11) Shri A.M.K. Sinha	0.31	0.01	-
12) Shri P. K. Goyal	0.42	0.01	0.03
13) Shri R. K. Ghosh	0.29	-	0.08
14) Shri Makarand Nene	0.20	-	-
15) Shri V.S. Okhde	0.06	-	0.01
TOTAL	4.57	0.03	0.17
FY 2010-11			
Details of Whole-time Directors	Remuneration	Recovery of Interest & Furniture Hire Charges	Outstanding loans/advances receivables
1) Shri R.S. Butola	0.03	-	-
2) Shri B.M. Bansal	0.63	-	-
3) Shri S.V. Narasimhan	0.45	-	-
4) Shri V.C. Agrawal	0.50	-	-
5) Shri G.C. Daga	0.42	-	-
6) Shri B.N. Bankapur	0.45	-	-
7) Shri Anand Kumar	0.55	-	-
8) Shri K.K. Jha	0.42	-	0.02
9) Shri R.K. Malhotra	0.25	-	-
10) Shri Sudhir Bhalla	0.13	-	0.06
11) Shri A.M.K. Sinha	0.01	0.01	-
12) Shri P. K. Goyal	-	-	-
13) Shri R. K. Ghosh	-	-	-
14) Shri Makarand Nene	-	-	-
15) Shri V.S. Okhde	-	-	-
TOTAL	3.84	0.01	0.08

Notes:

- This does not include the impact of provision made on actuarial valuation of retirement benefit Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors.
- 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 ₹ 520/- per mensem for car less than 16 hp or ₹ 780/- per mensem for car of above 16 hp as specified in the terms of appointment.
- 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)
- In case of Joint Venture Companies constituted/acquired during the period, transactions w.e.f. date of constitution/acquisition is disclosed.
- In case of Joint Venture Companies which have been closed/divested during the period, transactions upto the date of closure/disinvestment only are disclosed.

NOTE - 32: LEASES

Disclosure as required under Accounting Standard – 19 on “Leases”:

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.

(₹ in Crore)		
Particulars	March-12	March-11
A. Gross Investments in Finance Lease	415.64	415.64
Less: Unearned Finance Income	4.05	5.24
Less: Finance Income Received	167.10	165.91
Less: Minimum Lease payment received	234.20	232.77
Net Investment in Finance Lease as on Date	10.29	11.72
B. Unearned finance Income	4.05	5.24
C. Present Value of Minimum Lease Payments Receivable		
Not Later than one year	1.40	1.43
Later than one year and not later than five years	7.14	6.77
Later than Five years	1.75	3.52
Total :	10.29	11.72
D. Break-up of un-earned income		
Not Later than one year	1.04	1.19
Later than one year and not later than five years	2.75	3.44
Later than Five years	0.26	0.61
Total	4.05	5.24

OPERATING LEASES:

a) As Lessee

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:

(₹ in Crore)		
Particulars	March-12	March-11
A. Lease rentals recognized during the period	49.93	51.26
B. Lease Obligations		
- Not later than One Year	47.00	48.64
- Later than one year and not later than five years	158.05	161.36
- Later than five years	545.88	574.53

These relate to leases in respect of Port facilities at Gujarat and storage tankage facilities for petroleum products.

b) As Lessor

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

(₹ in Crore)		
Particulars	March-12	March-11
A. Lease rentals recognized as income during the period	9.25	8.21
B. Lease Rentals (Category of assets – Plant & Equipment)		
- Gross Carrying Amount	24.54	20.39
- Accumulated Depreciation	19.40	15.42
- Depreciation recognized in Profit and Loss Account	0.98	0.73

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

**NOTE - 33: EARNINGS PER SHARE (EPS)**

In compliance of Accounting Standard – 20 on “Earning Per Share”, the calculation of Earning Per Share (Basic and Diluted) is as under:

Particulars	March-12	March-11
	Profit (₹ in Crore)	3,954.62
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	2427952482	2427952482
Earning Per Share (Basic and Diluted) (₹)	16.29	30.67
Face value per share (₹)	10/-	10/-

NOTE - 34: INTEREST IN JOINT VENTURES

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 agreements for oil and gas exploration blocks with the Govt. of India and other body corporates. These joint ventures are:

Name	Participating Interest of IOC (%)	
	31.03.2012	31.03.2011
IN INDIA		
Under NELP Block		
MN-OSN-2000/2	20.00	20.00
AA-ONN-2001/2	20.00	20.00
MB-OSN-2004/1	20.00	20.00
MB-OSN-2004/2	20.00	20.00
KG-DWN-2005/1	20.00	20.00
GK-OSN-2009/1	20.00	20.00
GK-OSN-2009/2	30.00	30.00
CB-ONN-2010/6 *	20.00	-
Others		
AAP-ON-94/1	43.55	43.55
BK-CBM-2001/1	20.00	20.00
NK-CBM-2001/1	20.00	20.00
OUTSIDE INDIA		
FARSI BLOCK IRAN	40.00	40.00
LIBYA BLOCK 86	50.00	50.00
LIBYA BLOCK 102/4	50.00	50.00
SHAKTHI GABON**	50.00	50.00
YEMEN 82	15.00	15.00
YEMEN 83	15.00	15.00
AREA 95-96	25.00	25.00
Block K ***	-	12.50

* Block awarded under NELP-IX

** Participating Interest will come down to 45% after Exploration phase.

***Block relinquished during the year 2011-12.

(b) Jointly Controlled Assets:-

IOC's share in jointly controlled/ owned assets have been shown in Note 10 "Tangible Assets"

Contd...

(c) Jointly Controlled Entities:-

Name	Country of Incorporation	Ownership Interest of IOC(%)	
		31.03.2012	31.03.2011
(i) IOT Infrastructure Energy Services Ltd. (name changed from Indian Oil Tanking Ltd.)	India	47.92	49.89
(ii) Lubrizol India Pvt. Ltd.	India	50.00	50.00
(iii) Petronet VK Ltd.	India	26.00	26.00
(iv) Petronet CI Ltd.	India	26.00	26.00
(v) IndianOil SkyTanking Ltd.	India	33.33	33.33
(vi) Indo Cat Pvt. Ltd.	India	50.00	50.00
(vii) Delhi Aviation Fuel Facility Pvt. Ltd.	India	37.00	37.00
(viii) IndianOil Petronas Pvt.Ltd.	India	50.00	50.00
(ix) Suntera Nigeria 205 Ltd	Nigeria	25.00	25.00
(x) IndianOil Panipat Power Consortium Ltd.	India	50.00	50.00
(xi) Avi-Oil India Pvt. Ltd.	India	25.00	25.00
(xii) Petronet India Ltd.	India	18.00	18.00
(xiii) Petronet LNG Ltd.	India	12.50	12.50
(xiv) Indian Synthetic Rubber Limited	India	50.00	50.00
(xv) IndianOil Ruchi Biofuels LLP	India	50.00	50.00
(xvi) Green Gas Ltd.	India	22.50	22.50
(xvii) NPCIL IndianOil Nuclear Energy Corporation Limited (NINECL)	India	26.00	-

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

	₹ in Crore)	
	31.03.2012	31.03.2011
(a) Jointly Controlled Operations		
(i) Contingent Liabilities	0.20	14.09
(ii) Capital Commitments	1,214.86	999.94
(b) Jointly Controlled Assets		
(i) Contingent Liabilities	-	-
(ii) Capital Commitments	-	-

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

	₹ in Crore)	
	31.03.2012	31.03.2011
(i) Assets		
- Long Term Assets	1938.55	1495.58
- Short Term Assets	1306.98	1104.72
(ii) Liabilities		
- Current Liabilities and Provisions	938.95	790.61
- Other Liabilities	802.74	666.85
(iii) Income	4602.13	3233.34
(iv) Expenses	4152.87	2867.91
(v) Contingent Liabilities	89.47	38.08
(vi) Capital Commitments	497.75	382.97

**NOTE - 35: 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 2012 are as below:

(a) For Hedging Currency Risks

Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31st March 2012 is given below:

(₹ in Crore)

S. No.	Particulars	Unit of Currency	As on 31.03.2012		As on 31.03.2011	
			No of contracts	Aggregate amount	No of contracts	Aggregate amount
1.	Forward Contracts	USD	1	101.86	20	3,028.58

(b) For Hedging Commodity Related Risks:

Category-wise quantitative data about commodity derivative transactions that are outstanding as on 31st March 2012 is given below:

Quantity (in '000 bbls)

S. No.	Particulars	As at 31 st March 2012*	As at 31 st March 2011
1.	Swaps on Crude oil	500	9450
2.	Margin Hedging	250	2400

* Positions settled on 16.04.2012

(c) For Hedging Interest Rate Related Risks:

Interest rate swap for ₹ 2,544 crore (2010-11: ₹ 2,230 crore) - (USD 50 crore) syndicated loan (swap from 1/3/6 month USD LIBOR till maturity to 2.222% Fixed)

S. No.	Particulars	Number of Contracts	
		As at 31 st March 2012	As at 31 st March 2011
1	Swaps of Interest Rates	1	1

Mark to market losses as at the Balance Sheet date, if material, are recognised in the Statement of Profit and Loss

- Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2012 is given below:

(₹ in Crore)

S. No.	Particulars	As on 31.03.2012 Aggregate amount	As on 31.03.2011 Aggregate amount
1	Unhedged	51,847.92	42,353.92

NOTE – 36: DISCLOSURES AS REQUIRED BY CLAUSE 32 OF THE LISTING AGREEMENT

In compliance of amended clause 32 of the Listing Agreement with the Stock Exchanges, the required information is given as under:

(₹ in Crore)

	Amount as on		Maximum Amount outstanding during the year ended	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
I. Loans and Advances in the nature of loans:				
A) To Subsidiary Companies				
B) To Associates /Joint Venture Petronet V. K. Ltd. (No repayment schedule available) Suntera Nigeria 205 Ltd.	0.50 68.11	0.38 40.53	0.50 68.11	0.38 40.80
C) To Firms/Companies in which directors are interested	-	-	-	-
D) 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	-	-	-	-

NOTE - 37: DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

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

(₹ in Crore)

Particulars	March-12	March-11
Amount due and Payable at the year end		
- Principal	42.84	25.57
- Interest on above Principal	0.07	0.06
Payments made during the year after the due date		
- Principal	1.33	7.32
- Interest	-	-
Interest due and payable for principals already paid	0.02	0.03
Total Interest accrued and remained unpaid at year end	0.09	0.09



IndianOil

NOTE - 38: RESEARCH AND DEVELOPMENT EXPENDITURE

Research and Development Expenses of ₹ 56.11 crore (2011: ₹ 77.06 crore) have been capitalized and ₹ 125.51 crore (2011 : ₹ 131.54 crore) have been accounted for in Profit and Loss Account during the year. Detailed break up of total expenditure is as under:

A. CAPITAL EXPENSES (FIXED ASSETS)

											(₹ in Crore)
Asset Block	Gross Block as at 01.04.2011	Additions during the year	Transferred from CWIP	Transfer/Deduction/Disposal during the year	Gross Block as at 31.03.2012	Work-in-Progress as on 01.04.2011	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as on 31.03.2012	Total Capital Expenditure	
1	2	3	4	5	6	7 = (3+4+5-6)	8	9	10	11 = (8+9-10)	12 = (4+5+11-8)
(a) FIXED ASSETS											
1	Land - Free Hold	0.81	-	-	-	0.81	-	-	-	-	-
2	Building, Roads etc.	70.21	0.51	10.32	0.05	80.99	8.40	13.92	10.32	12.00	14.43
3	Plant & Machinery	525.70	38.34	3.85	2.57	565.32	24.29	0.05	3.85	20.49	38.39
4	Office Equipment	29.20	0.92	-	1.57	28.55	-	-	-	-	0.92
5	Transport Equipments	0.50	0.18	-	0.02	0.66	-	-	-	-	0.18
6	Furniture & Fixtures	6.45	0.22	-	0.15	6.52	-	-	-	-	0.22
7	Drainage & Sewage	0.44	-	-	-	0.44	-	-	-	-	-
	Sub Total :	633.31	40.17	14.17	4.36	683.29	32.69	13.97	14.17	32.49	54.14
(b) INTANGIBLE ASSETS											
1	Right of way	-	-	-	-	-	-	-	-	-	-
2	Licenses/Technical Know-how	-	-	-	-	-	-	-	-	-	-
3	Computer Software	5.82	1.97	-	-	7.79	-	-	-	-	1.97
	Sub Total :	5.82	1.97	-	-	7.79	-	-	-	-	1.97
	TOTAL :	639.13	42.14	14.17	4.36	691.08	32.69	13.97	14.17	32.49	56.11
	Previous year :	559.98	42.31	53.82	16.98	639.13	51.76	34.75	53.82	32.69	77.06

B. RECURRING EXPENSES

		(₹ in Crore)	
Particulars		2011-12	2010-11
1	Consumption of Stores, Spares & Consumables	5.76	7.81
2	Repairs & Maintenance		
	(a) Plant & Machinery	3.55	2.52
	(b) Building	5.37	4.01
	(c) Others	0.69	0.55
3	Freight, Transportation Charges & demurrage	0.09	0.08
4	Payment to and Provisions for employees	73.17	82.76
5	Office Administration, Selling and Other Expenses	36.84	33.81
6	Interest	0.04	-
	TOTAL	125.51	131.54

C. TOTAL RESEARCH EXPENSES

		(₹ in Crore)	
Particulars		2011-12	2010-11
1	Capital Expenditure	56.11	77.06
2	Recurring Expenditure	125.51	131.54
	TOTAL	181.62	208.60

NOTE - 39: LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

(Figures in Lakh)

	UNIT	Licensed Capacity (Refer A)		Installed Capacity (Refer B)		Actual Production		
		March'12	March'11	March'12	March'11	March'12	March'11	
		(Refer D)						
i) Crude Processing	MTs	518.50	518.50	542.00	542.00	497.73	472.38	
ii) Lubricating Oil	MTs	C	4.69	4.69	3.94	3.83	3.81	3.78
		E	1.46	1.46	1.47	1.46	1.03	1.09
iii) Wax/Bitumen/Asphalt Lube Oil Drums	Nos.		15.00	15.00	15.00	15.00	3.96	4.63
iv) Oxygen Plant	CU.M.		Not specified	Not specified	0.84	0.84	0.00	0.00
v) Propylene Recovery Unit	MTs		0.24	0.24	0.24	0.24	0.16	0.15
vi) MTBE Unit	MTs		0.37	0.37	0.37	0.37	0.25	0.34
vii) Naptha Cracker plant	MTs		14.60	14.60	14.60	14.60	9.84	4.97
viii) LAB Plant	MTs		1.20	1.20	1.20	1.20	1.02	1.26
ix) PX/PTA Plant	MTs		5.53	5.53	5.53	5.53	5.55	4.31
x) Cryocontainer & Accessories	Nos.		0.13	0.13	0.17	0.17	0.13	0.15
xi) Site Mixed Slurry Explosives	MTs		0.94	0.89	0.66	0.63	0.71	0.71

- A. i) Licensed Capacity of Refinery is not specified for Assam Oil Division.
 ii) Capacity for projects under construction not considered.
- B. As certified by the Management.
- 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. i) Per year operating in two shifts.
 ii) Installed Capacity at Taloja, LBP has been augmented by 9695 MT during the year 2011-12.



IndianOil

NOTE - 40: FINISHED PRODUCTS - QUANTITY AND VALUE PARTICULARS

		Opening Stock		Purchases		Sales		Closing Stock	
		Quantity (MTs/ MMBTUs/Nos) in lakh	Value (₹ in crore)						
A.									
1 Petroleum Products :	MTs								
Year ended 31.03.12		56.35	19960.66	306.59	150557.70	807.49	353319.47	49.02	21198.25
Year ended 31.03.11		52.95	16686.86	323.20	127726.35	788.11	291597.75	56.35	19960.66
2 Lubricants & Greases :	MTs								
Year ended 31.03.12		0.37	310.12	0.02	6.41	4.71	7439.85	0.48	461.74
Year ended 31.03.11		0.42	299.03	0.02	25.02	4.82	6138.68	0.37	310.12
3 Crude Oil :	MTs								
Year ended 31.03.12		0.00	0.00	90.97	36030.91	90.97	36030.91	0.00	0.00
Year ended 31.03.11		0.00	0.00	88.52	24956.57	88.52	24956.57	0.00	0.00
4 Base Oil & Additives :	MTs								
Year ended 31.03.12		0.00	0.00	0.46	327.39	0.94	699.57	0.00	0.00
Year ended 31.03.11		0.00	0.00	0.50	265.64	0.99	654.07	0.00	0.00
5 LAB :	MTs								
Year ended 31.03.12		0.09	50.05	0.00	0.00	1.00	1233.29	0.11	92.06
Year ended 31.03.11		0.07	31.94	0.00	0.00	1.24	1181.37	0.09	50.05
6 PX/PTA	MTs								
Year ended 31.03.12		0.05	25.71	0.00	0.00	5.42	3624.91	0.18	99.40
Year ended 31.03.11		0.21	89.74	0.00	0.00	4.47	2530.11	0.05	25.71
7 Polymer	MTs								
Year ended 31.03.12		0.51	397.94	0.00	0.00	6.58	5506.58	0.43	385.95
Year ended 31.03.11		0.00	0.00	0.00	0.00	2.16	1653.85	0.51	397.94
8 MEG/DEG/TEG	MTs								
Year ended 31.03.12		0.07	44.98	0.00	0.00	2.39	1474.28	0.16	89.45
Year ended 31.03.11		0.00	0.00	0.00	0.00	1.51	721.77	0.07	44.98
9 Other Petrochemicals Product	MTs								
Year ended 31.03.12		0.21	84.47	0.00	0.00	1.19	674.26	0.20	106.71
Year ended 31.03.11		0.00	0.00	0.00	0.00	0.73	337.31	0.21	84.47
SUB TOTAL(A) :	MTs								
Year ended 31.03.12		57.65	20873.93	398.04	186922.41	920.69	410003.12	50.58	22433.56
Year ended 31.03.11		53.65	17107.57	412.24	152973.58	892.55	329771.48	57.65	20873.93
B.									
1 Gas :	MMBTUs								
Year ended 31.03.12		0.40	1.37	896.09	3902.00	895.90	4058.66	0.59	2.93
Year ended 31.03.11		0.60	1.59	851.53	2737.27	851.73	2830.11	0.40	1.37
2 Explosives :	MTs								
Year ended 31.03.12		0.00	0.00	0.00	0.00	0.71	193.16	0.00	0.00
Year ended 31.03.11		0.00	0.00	0.00	0.00	0.71	168.64	0.00	0.00
3 Cryocontainers/Cryovessels:	Nos								
Year ended 31.03.12		0.02	4.14	0.00	0.00	0.12	23.14	0.03	4.98
Year ended 31.03.11		0.05	7.06	0.00	0.00	0.18	34.22	0.02	4.14
SUB TOTAL(B) :									
Year ended 31.03.12			5.51		3902.00		4274.96		7.91
Year ended 31.03.11			8.65		2737.27		3032.97		5.51
GRAND TOTAL(A+B) :									
Year ended 31.03.12			20879.44		190824.41		414278.08		22441.47
Year ended 31.03.11			17116.22		155710.85		332804.45		20879.44

NOTE - 41: WIP - QUANTITY AND VALUE PARTICULARS

		Opening Stock		Closing Stock	
		Quantity (MTs/Nos.) in lakh	Value (₹ in crore)	Quantity (MTs/Nos.) in lakh	Value (₹ in crore)
A.					
1 Petroleum Products :	MTs				
Year ended 31.03.12		12.88	3579.92	11.99	4494.70
Year ended 31.03.11		10.24	2515.21	12.88	3579.92
2 Lubricants & Greases :	MTs				
Year ended 31.03.12		0.00	0.00	0.00	1.20
Year ended 31.03.11		0.00	0.00	0.00	0.00
3 LAB :	MTs				
Year ended 31.03.12		0.02	14.22	0.02	13.58
Year ended 31.03.11		0.02	6.37	0.02	14.22
4 PX/PTA	MTs				
Year ended 31.03.12		0.38	187.95	0.55	328.09
Year ended 31.03.11		0.31	127.98	0.38	187.95
5 MEG/DEG/TEG	MTs				
Year ended 31.03.12		0.00	0.19	0.01	3.27
Year ended 31.03.11		0.00	0.00	0.00	0.19
6 Other Petrochemicals Product	MTs				
Year ended 31.03.12		0.48	209.07	0.77	455.98
Year ended 31.03.11		0.12	141.00	0.48	209.07
SUB TOTAL(A) :	MTs				
Year ended 31.03.12		13.76	3991.35	13.34	5296.82
Year ended 31.03.11		10.69	2790.56	13.76	3991.35
B.					
1 Explosives :	MTs				
Year ended 31.03.12		0.01	1.41	0.01	2.21
Year ended 31.03.11		0.01	1.48	0.01	1.41
2 Cryocontainers/Cryovessels:	Nos				
Year ended 31.03.12		0.01	19.66	0.01	3.49
Year ended 31.03.11		0.02	10.67	0.01	19.66
SUB TOTAL(B) :					
Year ended 31.03.12			21.07		5.70
Year ended 31.03.11			12.15		21.07
GRAND TOTAL(A + B) :					
Year ended 31.03.12			4012.42		5302.52
Year ended 31.03.11			2802.71		4012.42



NOTE - 42: CONSUMPTION PARTICULARS OF RAW MATERIALS, STEEL COILS/SHEETS/ STORES/SPARE PARTS AND COMPONENTS

	Imported		Indigenous		Quantity MTs (in Lakh)	Total (₹ in Crore)
	Value (₹ in Crore)	% to total consumption	Value (₹ in Crore)	% to total consumption		
March-12						
Crude Oil	1,75,865.49	88	22,987.80	12	544.29	198853.29
Base Oil	1.23	0	2,580.58	100	4.31	2581.81
Ethanol	0.00	0	487.39	100	1.10	487.39
BENZENE	0.00	0	15.75	100	0.08	15.75
Natural Gas/RLNG	0.00	0	1,259.06	100	3.85	1259.06
Additives	102.97	17	508.95	83	0.52	611.92
Packing Materials Consumed	0.00	0	380.70	100	-	380.70
Steel Coils / Sheets / Stores / Component and Spare Parts	390.80	28	986.16	72	0.07	1376.96
Raw Material for Explosives	21.92	19	91.58	81	0.57	113.50
Others	0.68	3	24.11	97	-	24.79
March-11						
Crude Oil	1,20,343.37	85	20,414.07	15	529.61	140757.44
Base Oil	4.35	0	1,946.59	100	4.32	1950.94
Ethanol	0.00	0	212.48	100	0.68	212.48
BENZENE	0.00	0	2.48	100	0.11	2.48
Natural Gas/RLNG	0.00	0	522.37	100	2.83	522.37
Additives	101.66	20	398.81	80	0.49	500.47
Packing Materials Consumed	0.00	0	324.91	100	-	324.91
Steel Coils / Sheets / Stores / Component and Spare Parts	178.65	15	1,012.53	85	0.08	1191.18
Raw Material for Explosives	35.56	35	65.62	65	0.58	101.18
Others	0.75	3	27.47	97	-	28.22

1. Consumption excludes value adjustments if any, shown under items pertaining to the prior period.
2. Indigenous Base Oil includes ₹ 1664.40 crore (2011: ₹ 1165.51 crore) which is internally produced.
3. Consumption excludes loss of base oil & additives due to fire at Taloja plant ₹ Nil crore (2011: ₹ 6.28 crore)

NOTE - 43: EXPENDITURE IN FOREIGN CURRENCY FOR ROYALTY, KNOW-HOW, PROFESSIONAL & CONSULTATION FEES, GOODS FOR RESALE, INTEREST, DIVIDEND & OTHER MATTERS

(₹ in Crore)

		March-12	March-11
1. Royalty		12.17	3.00
2. Professional, Consultation Fees and Technical Service Fees		313.31	884.25
3. Interest		362.44	270.48
4. Purchase of Products		20,885.46	19,564.62
5. Commodity Hedging		613.66	227.10
6. Others	A	6,616.34	3,711.52
	TOTAL	28,803.38	24,660.97

- A. (i) Includes ₹ **6,100.65 crore** (2011 : ₹ 2,660.41 Crore) on account of crude purchases from Indian Companies, payments of which were made in foreign currency.
(ii) Includes dividend payment of ₹ **11,058** (2011 : ₹ 15,132) in foreign currency to **3** (2011 : 3) shareholders in respect of **1164** (2011 : 1164) shares for **2010-11** (2011: 2009-10)
- B. Expenditure in Foreign Currency has been considered on accrual basis.

NOTE - 44: EARNINGS IN FOREIGN EXCHANGE

(₹ in Crore)

		March-12	March-11
1. Exports	A	19,635.84	16,781.47
2. Income from Royalty		0.32	0.22
3. Income from Consultancy Services		4.52	2.96
4. Interest		-	-
5. Commodity Hedging		182.70	178.70
6. Others		5.36	4.20
	TOTAL	19,828.74	16,967.55

- A. Includes ₹ **4,549.06 crore** (2011 : ₹ 2,677.44 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.

NOTE - 45: CIF VALUE OF IMPORTS

(₹ in Crore)

		March-12	March-11
1. Crude Oil	A	2,09,715.11	1,45,982.64
2. Base Oil		7.26	-
3. Additives		112.65	79.92
4. Capital Goods		1,274.52	231.05
5. Other Raw Materials		17.28	21.96
6. Revenue Stores, Component, Spare and Chemicals		551.75	448.25
	TOTAL	2,11,678.57	1,46,763.82

- A. Includes CIF value of Imports made by the Corporation on behalf of Subsidiary Companies ₹ **36,391.84 crore** (2011 : ₹ 25,347.34 crore)
- B. Expenditure in Foreign Currency has been considered on accrual basis.



IndianOil

NOTE - 46: PREVIOUS YEAR FIGURES

- A. The Financial Statements for the year ended 31st March, 2011 were prepared as per the then applicable Schedule VI to the Companies Act, 1956. Consequent to the Notification of Revised Schedule VI under the Companies Act, 1956, the Financial Statements for the year ended 31st March, 2012 have been prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified by the Company to conform to current year's classification.
- B. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of Financial Statements.
- C. Previous year's comparative figures have been regrouped wherever necessary. Figures in brackets indicate deductions.

Sd/-
(R. S. Butola)
Chairman

Sd/-
(P. K. Goyal)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For B.M. CHATRATH & CO.
Chartered Accountants
(Firm Regn. No. 301011E)

For DASS GUPTA & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 000112N)

For PARAKH & CO.
Chartered Accountants
(Firm Regn. No.001475C)

Sd/-
(CA. P.R.Paul)
Partner
M. No. 051675

Sd/-
(CA. Naresh Kumar)
Partner
M. No. 082069

Sd/-
(CA. Aditya Kumar Rawat)
Partner
M. No. 071767

Place : New Delhi

Date : May 28, 2012

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012 ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES

(₹ in Crore)

Particulars	March-12	March-11
INCOME :		
1. Recovery of House Rent	7.02	7.73
2. Recovery of Utilities-Power and Water	6.18	6.93
3. Recovery of Transport Charges	0.19	0.49
4. Other Recoveries	7.20	6.95
5. Excess of Expenditure over Income	378.61	344.51
TOTAL :	399.20	366.61
EXPENDITURE :		
1. Salaries, Wages, PF & Gratuity Contribution	113.25	129.50
2. Consumable Stores and Medicines	28.72	24.08
3. Repairs and Maintenance	76.22	65.73
4. Interest	14.88	14.54
5. Depreciation	11.34	11.55
6. Miscellaneous Expenses :		
Taxes, License Fees, Insurance etc.	47.18	22.62
7. Utilities-Power, Water and Gas	83.65	72.57
8. Rent	0.29	0.14
9. Subsidies for Social & Cultural Activities	15.13	18.65
10. Bus Hire Charges	2.24	2.02
11. Club and Recreation	0.37	0.29
12. Others	5.93	4.92
TOTAL:	399.20	366.61



IndianOil

SCHEDULE OF FIXED ASSETS (TOWNSHIP) FOR THE YEAR ENDED 31ST MARCH 2012

(₹ in Crore)

Particulars	Gross Block as on 01.04.2011 (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 31.3.2012 (At Cost)	Depern./ Amorts. provided during the year	Total Dep. & Amorts. up to 31.3.2012	Net Depreciated Block	
								As on 31.3.2012	As on 31.3.2011
LAND FREEHOLD	33.46	-	-	0.97	34.43	-	-	34.43	33.46
LAND-LEASEHOLD	6.78	-	-	5.36	12.14	0.10	3.05	9.09	4.98
BLDGS, ROADS ETC.	430.94	1.86	25.51	(4.19)	454.12	7.10	103.70	350.42	338.14
PLANT & MACH.	37.10	1.06	-	0.27	38.43	1.20	23.99	14.44	14.87
FUR. & FIX.	12.54	1.22	-	0.10	13.86	0.52	6.82	7.04	6.85
DRAINAGE, SEWAGE & WATER SUPPLY SYS.	34.63	0.36	0.01	(0.02)	34.98	0.51	27.68	7.30	10.93
EQUIPMENTS & APPLIANCES	38.97	1.49	0.60	(1.03)	40.03	1.82	20.93	19.10	20.46
VEHICLES	2.32	0.11	0.13	(0.08)	2.48	0.09	2.12	0.36	1.36
GRAND TOTAL :	596.74	6.10	26.25	1.38	630.47	11.34	188.29	442.18	431.05
PREVIOUS YEAR :	539.23	10.22	41.86	5.43	596.74	11.56	165.69	431.05	



The Country's Leading Refiner



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 2012.

The preparation of financial statements of Indian Oil Corporation Limited for the year ended 31 March 2012 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 May 2012.

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 March 2012. 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 : 05.07.2012**

**Sd/-
(Naina A. Kumar)
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

A. Statement showing particulars of employees who were in employment throughout the financial year and are in receipt of remuneration of not less than ₹ 60,00,000/- per annum in the aggregate.

Sl. No.	Name of the Employee	Designation	Age	Last Employment	Designation in Last Employment	Date of Joining	Qualification	Experience	Remuneration Gross (₹)
1	D Bhadra	General Manager	60	Gammon India Ltd.	Junior Engineer	18-03-1978	B. Sc. Engineering	34	64,44,044
2	M K Basu	Manager	60	-	-	21-02-1977	B. Sc.	35	66,63,862

B. Statement showing particulars of employees who were in employment for part of the financial year and are in receipt of remuneration of not less than ₹ 5,00,000/- per month.

Sl. No.	Name of the Employee	Designation	Age	Last Employment	Designation in Last Employment	Date of Joining	Qualification	Expe-rience	Remuneration Gross (₹)
1	A H Patel	Senior Foreman	60	-	-	17-08-1987	Std. X	24	18,46,674
2	A K Behl	Chief Manager	60	NMDC Ltd.	Sr. Steno	06-05-1972	BA, BGL	39	44,18,079
3	A K Bhuinya	Senior Foreman	60	-	-	22-09-1973	Std. IX	39	25,38,328
4	A K Das	Accounts officer	60	-	-	05-05-1977	B. Com.	35	20,02,067
5	A K Jana	Manager	60	-	-	28-04-1976	B.Sc.	35	30,35,178
6	A K Maskara	Deputy Manager	37	-	-	26-04-2002	BE, MBM	10	6,79,840
7	A K Rauniar	Executive Director	60	Pfizer Ltd., Mumbai	Personnel/Admn. Trainee	18-11-1976	B.Com, LLB, PG Dip. (PM&IR)	34	39,30,255
8	A K Sachdev	Chief Manager	60	DESU, New Delhi	Inspector	29-08-1980	AMIE (Elect.)	30	21,59,906
9	A K Sen	Deputy General Manager	60	-	-	26-06-1981	CA	31	63,47,266
10	A K Sharma	Chief Manager	60	-	-	18-06-1977	BE (Civil), B. Tech. (Mech).	34	17,36,515
11	A K Singh	Deputy General Manager	60	-	-	02-11-1978	B. Sc. (Mech. Engg.)	33	46,65,897
12	A K Thakore	Deputy Manager	60	-	-	15-12-1975	M. Sc., LLB(SP)	36	16,94,773
13	A L Moro	Manager	60	-	-	23-05-1974	BA	37	31,04,541
14	A L Shaikh	Accounts officer	60	Shroff & Co.	Khalassi	25-01-1974	Std. X	37	22,76,569
15	A N Deshpande (Ms.)	Manager	60	-	-	21-05-1974	PG Diploma	37	41,94,968
16	A R Pathrose	Senior Foreman	60	-	-	05-06-1980	Std. XII	32	8,29,789
17	Amit Roychowdhury	Deputy General Manager	60	New Bank of India, Calcutta	Assistant	16-06-1982	ICWA, CS	29	29,90,401
18	Ashok Kale	Officer	60	-	-	27-05-1977	BA	35	24,61,139
19	Ashok Kr Gupta	Manager	60	-	-	13-12-1973	B. Sc.	38	16,92,972
20	Asim Kumar Roy	Chief Manager	60	-	-	05-03-1974	AMIE	37	29,86,189
21	B D Parmar	Deputy Manager	60	-	-	12-12-1980	BA	31	20,98,516
22	B D Parmar	Manager	60	-	-	01-12-1977	B.Sc.	34	24,21,989
23	B Das	Foreman	60	-	-	15-02-1974	Std. IX	38	22,05,925
24	B Karmakar	Foreman	60	-	-	01-01-1977	Graduate	35	16,81,044
25	B M Parmar	Senior Assistant	60	-	-	30-04-1979	ITI-EL	32	30,91,046
26	B N Bankapur	Director	60	-	-	19-08-1975	B.E. (Chemical)	36	54,48,536
27	B Nandi	Deputy Manager	60	-	-	23-04-1981	B. Com., DPMIR	31	51,65,435
28	B Ram	Foreman	60	-	-	24-08-1984	ITI	28	13,76,891
29	B S Gurmukhani	Manager	60	-	-	29-05-1973	M. Com.	38	21,25,829
30	B S Pathania	Deputy Manager	60	-	-	20-08-1981	M. Sc. (Chem)	30	22,35,335
31	Baharam Sarkar	Senior Assistant	60	-	-	06-07-1981	Std. X	29	13,28,316
32	Barua Hema Lata	Attendant	55	-	-	16-02-1988	Std. VIII	22	6,32,497
33	Betharam Mochahari	Assistant	60	-	-	01-08-1978	Diploma	32	21,98,014
34	Bhupendra Nath Saren	Deputy Manager	60	-	-	24-09-1979	B.Sc.	32	16,16,833
35	Blanche Sequeira (Ms)	Senior Manager	60	-	-	02-08-1978	BA	40	37,11,303
36	Bordoloi Jiba Kanta	Senior Assistant	60	-	-	07-02-1987	B.A.	23	15,56,519
37	C J Barot	Foreman	60	-	-	11-07-1981	Std. X	39	20,40,299
38	C K Patra	Manager	60	-	-	06-11-1978	Graduate	34	18,98,203
39	C M Tamse	Officer	60	-	-	06-12-1975	BA	36	28,25,245
40	C Sanjeev	Accounts officer	60	-	-	14-02-1974	Std. XII	37	27,60,134
41	Chandra Desikan (Ms.)	Section Officer	60	-	-	05-02-1977	BA	34	8,77,104
42	Chandrakant B Shirke	Senior Foreman	60	-	-	08-01-1973	Std. IX	38	15,98,347
43	Chandran M	Deputy General manager	60	-	-	03-11-1978	BE	32	24,62,254
44	Charan Shiv	Senior Driver	60	-	-	20-11-1978	-	32	12,61,345
45	Chittaranjan Das	Foreman	60	-	-	02-09-1969	Std. IX	43	25,04,810
46	Choudhury Tapan	Deputy Manager	60	-	-	01-04-1977	Diploma in Civil Engg.	34	21,16,094
47	D B Vagal	Manager	60	-	-	23-01-1974	Diploma (Architecture)	37	34,39,889
48	D G Thosar	Manager	60	-	-	23-07-1976	B. Com.	35	20,98,980
49	D K Battacharya	Senior Engineer	60	-	-	23-01-1974	-	37	5,81,955
50	D Kewat	Foreman	60	-	-	07-02-1984	-	28	19,51,317
51	Debasish Choudhury	Chief Manager	60	-	-	29-09-1982	PGDM	29	46,62,085
52	Deben Chandra Kalita	Senior Clerk	60	-	-	08-02-1980	Std. XII	31	16,71,968
53	Deepali Ranga	Senior Officer	60	-	-	09-07-1974	MA, Dip. Labour Law	36	12,58,668
54	Devi Singh	Chief Manager	60	-	-	10-05-1980	BA, MBA (Marketing)	32	20,33,193
55	Dilip Honap	Senior Manager	60	-	-	23-01-1976	PG Diploma	35	31,59,036
56	Dinesh Kalidas Vyas	Officer	60	-	-	18-05-1979	BA	32	35,27,117
57	Dinesh Sarmah (Dr.)	Chief Manager	60	-	-	12-02-1979	MBBS	31	9,82,982
58	Dipak Kumar Mandal	Senior Manager	60	-	-	22-11-1989	AMIE	22	22,02,169
59	Doleswar Das	Senior Attendant	60	-	-	27-11-1978	Std. VIII	32	16,34,060
60	E Unnikrishnan	Executive Director	60	Steel Complex Ltd.	Mgmt Trainee	03-11-1978	M. Sc. MBA	35	45,39,103



Sl. No.	Name of the Employee	Designation	Age	Last Employment	Designation in Last Employment	Date of Joining	Qualification	Experience	Remuneration Gross (₹)
61	G C Daga	Director	60	ECE Co Ltd, Madras	In charge of accounts	23-09-1975	CA	41	63,14,543
62	G C Rajanna	Deputy Manager	60	-	-	25-06-1975	B. Sc.	36	13,96,667
63	G C Roy	Chief Manager	60	-	-	11-06-1984	MA, LLB	28	21,61,875
64	G K Lad	Manager	60	Income Tax Dept	Lower Divisional Clerk	27-10-1975	BA, LLB	44	30,46,645
65	G M Patel	Senior Assistant	60	-	-	09-03-1977	Std. X	34	14,12,879
66	G R Malhotra	General Manager	60	-	-	27-08-1975	B.E. (Electrical)	36	26,67,682
67	George Mathew	Deputy Manager	60	Customs And Central Excise	Stenographer	05-12-1981	PG Diploma	36	28,32,587
68	Gohain Ghana Kanti	Deputy Manager	60	-	-	03-06-1978	B.A.	32	19,44,651
69	Gourhari Sinha	Senior Superintendent	60	-	-	01-11-1979	B.A.	32	11,78,402
70	H G Bhawari	Officer	60	Superintending Engineer	Draughtsman	29-12-1978	Draughtsmanship	34	22,44,718
71	H G Shejwal	Deputy Manager	60	K R Gangurde -Lawyer	Typist	13-12-1976	BA	38	20,37,211
72	H K Bamania	Senior Engineer	60	-	-	18-01-1974	Std. X	37	13,98,344
73	H K Paliwal	Chief Manager	60	-	-	26-04-1985	Ph.D	26	29,51,092
74	H M Mohseni (Ms)	Assistant Manager	60	Everest Advertising	Telephone Operator	17-11-1975	MA	37	22,44,410
75	Hazarika Pratap	Operator	38	-	-	31-12-1973	B.A., ITI	37	16,01,021
76	Hemant Kinikar	Deputy Manager	40	Central Bank Of India	Clerk	18-01-1996	B. Com.	20	15,88,618
77	I Dutta (Ms)	Section Officer	60	-	-	14-03-1975	BA	37	23,97,259
78	I K Patel	Deputy Manager	60	-	-	01-12-1977	ITI-Inst.	34	18,51,582
79	Inder Pal Singh	Senior Officer	60	-	-	07-10-1974	M.A.	37	18,15,122
80	J Das (Ms)	Deputy Manager	60	-	-	05-09-1975	BA	37	29,39,554
81	J P Guharay	Executive Director	60	-	-	05-10-1976	B.E.	35	36,55,929
82	J Rajesh	Senior Manager	42	-	-	14-09-1994	B.E.	17	10,46,712
83	J S More	Senior Operator	60	-	-	19-08-1978	Std. X	36	16,47,612
84	Jain M C (Dr.)	Deputy General manager	60	-	-	05-05-1977	Ph.D	35	33,30,627
85	Janaki Jayaram (Ms)	Section Officer	60	-	-	20-01-1970	Std. X	41	22,58,352
86	Jawahar Jayasi	Deputy Manager	60	-	-	01-01-1979	B.Sc., MBA	32	19,09,681
87	K K Jha	Director	60	ONGC	TA Gr.I (C&M)	16-08-1976	BE (Mechanical)	35	41,01,917
88	K K Parmar	Officer	60	-	-	06-04-1977	ITI	34	18,62,487
89	K K Roy	Foreman	60	-	-	19-10-1981	Std. VII	31	12,61,556
90	K L Rawat	Senior Manager	60	-	-	08-11-1975	B.A., M.A., LLB	35	19,46,496
91	K Laxmanan	Manager	60	Veldis Sales Pvt. Ltd.	Jr. Clerk Cum Typist	06-05-1976	B. Sc.	37	31,67,506
92	K Ram	Foreman	60	-	-	10-09-1979	Std. VII	33	13,29,597
93	K Rout	Section Officer	60	-	-	15-01-1973	BA	39	24,18,039
94	K S Rao	Chief Manager	60	-	-	01-05-1981	M.E.	29	24,80,598
95	Kacker Anup	General Manager	60	-	-	16-06-1978	B.Tech., MBA	34	34,11,933
96	Kamla Narang (Ms)	Section Officer	60	Escorts Ltd, Faridabad	Stenographer	04-06-1975	BA	40	10,51,032
97	Khanderao R More	Senior Driver	60	-	-	10-08-1975	Std. X	36	14,53,125
98	Kumar Badri	Deputy Manager	60	-	-	15-01-1981	BA	31	15,37,810
99	Kusum Janardan Kulkarni (Ms)	Manager	60	-	-	29-10-1975	BA	36	30,39,617
100	Lakshmana D S Prasad	Executive Director	60	Greaves Cotton, Madras	Engineer Trainee	07-02-1977	M. Tech	36	25,61,690
101	Lalita Uttambhai Patel (Ms)	Section Officer	60	-	-	22-07-1982	BA	30	19,56,613
102	M B Pandya	Senior Assistant	60	-	-	01-04-1978	B.Sc.	33	15,81,022
103	M C Mondal	Foreman	60	-	-	14-02-1979	Std. VII	33	15,32,409
104	M Inchure	Manager	60	DDPI, Bidar	Asst. Teacher	05-11-1978	BA	37	20,04,737
105	M Jaison	Senior Sister	60	-	-	09-04-1978	Midwifery	32	16,97,550
106	M K Dewangan	Accounts officer	46	National Garage	Motor Mechanic	30-08-1991	Std. XII	20	11,65,760
107	M L Upadhyay	Deputy Manager	60	-	-	04-04-1981	B.Sc.	30	24,90,740
108	M M Talim	Assistant Manager	60	-	-	17-05-1977	BA	34	44,16,720
109	M Narayanan	Deputy Manager	60	Madras Dock Labour Board	Assistant	08-02-1976	BA	38	24,21,631
110	M P Upadhyay	Deputy Manager	60	AG Office	Typist Clerk	20-05-1977	LLB	40	33,44,890
111	M R Kaudre	Senior Operator	60	Shroff and Co.	Casual Labour	06-03-1982	-	32	22,14,434
112	M S Patel	Senior Manager	60	-	-	15-12-1975	B.Sc.	36	25,34,789
113	M V Patel	Senior Engineer	60	-	-	08-02-1979	DEE, DME, DPIC	32	17,07,264
114	Madan Lal	Operator	60	-	-	01-05-1971	Std. XII	40	11,01,217
115	Madhukar S Kotian	Deputy Manager	60	EMPO Corp	Accounts Assistant	11-09-1981	LLB	38	34,48,662
116	Madhusudan Manna	Attendant	60	-	-	01-10-1970	-	41	15,44,423
117	Magan Baburao Kasbe	Foreman	60	-	-	09-01-1978	Std. X	33	15,72,378
118	Mahendra Nath Bora	Manager	60	-	-	26-01-1980	B.Sc., Business Mgt Diploma	31	26,27,408
119	Mahendra Saktharam Prabhu	Section Officer	60	-	-	02-01-1975	BA	36	25,37,481
120	Maina Prasad Sahu	Manager	60	-	-	15-12-1977	M.Com	33	23,07,609
121	Maya Mulwani (Ms)	Deputy Manager	55	Jyoti Trading Company	Telephone Operator	21-02-1977	M. Com.	38	53,75,010
122	M G Shaikh	Senior Operator	60	-	-	10-10-1984	Std. X	27	16,04,219
123	Misra N S	Chief Manager	60	-	-	16-01-1974	B.Sc.	37	26,64,621
124	Mohan Lal Giri	Senior Attendant	60	-	-	07-08-1978	Std. VIII	33	54,43,955
125	Mrinal Roy	Executive Director	60	NPCCI, New Delhi	AEE (Trainee)	02-06-1977	B. Sc. (Civil Engg.)	39	36,39,688
126	N Kargupta	Section Officer	60	-	-	11-02-1974	B. Com.	38	21,24,453
127	N Mahadevan	Deputy Manager	60	Cochin Terminal	Deputy Manager (Terminal)	07-01-1980	M. Sc.	31	10,91,414
128	N R Parkar	Deputy Manager	60	Indian Navy	Lower Divisional Clerk	07-08-1976	BA	41	28,63,309
129	N S Bidkar (Ms.)	Manager	60	-	-	29-09-1972	BA	39	29,76,250
130	Nageswaran M	Executive Director	60	-	-	14-08-1976	CA	35	32,15,024
131	Naithani K P (Dr.)	Executive Director	60	-	-	12-06-1978	Ph.D	34	32,12,789
132	Nakchhed Varma	Manager	60	-	-	27-06-1989	MA (Hindi)	22	34,59,713
133	Narendra Ramniklal Bhatt	Senior Engineer	60	-	-	12-08-1976	Diploma	34	23,37,821
134	O B Thapa	Senior Foreman	60	-	-	16-05-1973	-	40	17,79,631
135	P D Nair	Deputy Manager	60	Director, TT&TS	Stenographer	25-06-1981	BA	41	26,49,505

53rd Annual Report

Sl. No.	Name of the Employee	Designation	Age	Last Employment	Designation in Last Employment	Date of Joining	Qualification	Experience	Remuneration Gross (₹)
136	P Gajendra Babu	Senior Foreman	60	-	-	18-06-1973	Std. X	38	10,60,445
137	P K De	Deputy Manager	60	-	-	09-02-1974	BA	38	34,65,076
138	P K Pal	Senior Manager	60	-	-	08-03-1976	MA	36	26,27,702
139	P L Yadav	Senior Engineer	60	-	-	02-07-1980	Diploma in Elec. Engg.	31	20,25,310
140	P S Parmar	Deputy Manager	60	-	-	15-01-1980	B.Com, LLB(SP)	31	15,19,251
141	P V Jayananda Pai	Deputy Manager	60	-	-	29-07-1972	Std. X	39	10,82,597
142	P V Viswanathan	Deputy Manager	60	-	-	20-03-1972	MA	39	10,08,689
143	Panjab Singh	Senior Engineer	60	-	-	10-11-1981	Std. XII	30	8,15,338
144	Prabin Phukan	Senior Engineer	60	-	-	30-06-1981	B.Sc.	29	10,78,088
145	Prabodh Kumar Suni	Senior Engineer	60	-	-	01-05-1974	ITI	37	21,56,892
146	Pradip Chakraborty	Deputy Manager	60	-	-	29-01-1980	Matric, ITI	31	31,05,593
147	Prafulla Kumar Ghosh	Deputy General Manager	60	-	-	31-12-1980	B.E.	30	27,24,851
148	Pranab Kumar Bhattacharya	Senior Manager	60	-	-	04-12-1976	BE (Metallurgy)	34	36,30,210
149	Pratap Singh	Deputy Manager	60	-	-	29-06-1981	Matric, ITI	30	30,74,498
150	Praveen Kr Sood	Senior Manager	60	Northern Railways	Laboratory Superintendent	30-12-1982	B. Sc., AMIE (Mech.)	40	19,94,523
151	Prem Singh	Senior Manager	60	-	-	16-05-1983	B.Sc. Engg. (Mech)	28	23,08,143
152	Puran Singh Gill	General Manager	60	Saurashtra Chemicals	Jr. Mech. Engineer	14-10-1981	BE (Mechanical)	30	41,66,254
153	R K Natu	Deputy Manager	60	India Rare Earths Ltd	Steno - Typist	10-01-1980	BA	41	32,85,325
154	R M Parmar	Deputy Manager	60	-	-	01-01-1978	B.Sc.	33	20,37,728
155	R Narayanan	Executive Director	60	-	-	21-04-1976	CA, CS	35	28,27,324
156	R P Khiani	Senior Assistant	60	-	-	09-07-1985	Std. XII	26	14,52,323
157	R Ram	Senior Foreman	60	-	-	01-10-1973	Std. X	39	25,29,929
158	R S Bhoi	Chargeman	60	-	-	24-11-1978	-	33	22,69,180
159	R S Gupta	Manager	60	-	-	21-10-1974	B.Sc.	37	34,29,805
160	R S Settia	Deputy General Manager	60	-	-	16-06-1977	B. Sc. (Mech. Engg.)	35	18,91,106
161	R Sampath	Chief Manager	60	-	-	10-02-1975	CA	36	17,12,904
162	R Vijayan	Foreman	60	-	-	15-08-1976	-	38	55,43,492
163	Rakesh Malhotra	General Manager	60	-	-	20-08-1973	M.Sc.	38	23,58,570
164	Ranjit Kumar Howlader	Senior Assistant	60	-	-	01-08-1985	Diploma	26	12,65,371
165	Randhir Sharma	Assistant Manager	60	-	-	01-03-1977	BA	39	11,59,815
166	Renu K P	Superintendent	60	-	-	23-04-1979	BA	32	15,38,364
167	Rudra Prasad Sengupta	Chief Manager	60	-	-	22-01-1987	B.Sc. Engg.	24	12,33,940
168	S C Jain	Executive Director	60	-	-	14-06-1977	CA	34	50,94,168
169	S D Dharmik (Dr.)	Chief Manager	60	-	-	21-06-1982	MBBS	29	35,67,041
170	S Das	Chargeman	60	-	-	11-05-1987	Std. X	25	9,20,068
171	S Jha	Manager	60	-	-	26-05-1976	B. Sc., MBA	36	33,27,406
172	S K Dey	Foreman	60	-	-	31-05-1972	Std. VII	40	31,44,532
173	S K Kasodekar	Manager	57	Thane Zilla Parishad	Assistant	03-07-1980	Diploma	32	24,23,123
174	S K Mukherjee	Foreman	60	-	-	22-05-1973	-	39	16,60,131
175	S Karmakar	Chargeman	58	-	-	24-12-1986	Graduate	26	11,02,855
176	S N Bhattacharjee	Senior Manager	60	-	-	27-11-1972	B. Sc., AMIE	40	58,91,816
177	S P Goel	Executive Director	60	-	-	19-08-1975	M.Sc. Engg	36	29,14,606
178	S Raut	Assistant	60	-	-	20-07-1970	-	40	13,77,698
179	S S Bari	Accounts officer	60	-	-	25-02-1977	MA	35	21,66,609
180	S Sarkar	Senior Driver	60	-	-	15-07-1971	-	41	24,63,060
181	S V Narasimhan	Director	60	-	-	21-02-1975	CA, MBA	36	56,47,826
182	Sadhan Kumar Debnaskar	Deputy Manager	60	-	-	08-05-1974	-	37	26,51,040
183	Salim Mohmed Shaikh	Senior Driver	60	-	-	01-10-1971	Std. X	40	21,67,915
184	Samir Ranjan Kar	Senior Manager	60	-	-	15-09-1980	B.Sc.	31	30,11,488
185	Sanduja S M	Manager	60	-	-	17-01-1979	LLB	32	19,05,552
186	Sarla Kureel (Ms)	Senior Manager	60	-	-	08-03-1977	MA	34	21,63,921
187	Sarmah Gunamani	Deputy Manager	60	-	-	01-09-1976	B.Sc.	33	11,01,727
188	Satyendra Nath Bose	Senior Assistant	60	-	-	08-07-1991	Diploma	19	17,69,723
189	Savita Surendra Raut (Ms)	Section Officer	60	BARC	Lower Divisional Clerk	30-11-1973	BA	39	18,20,173
190	Shakuntala Devi	Senior Teacher	60	-	-	01-02-1976	M.A., B. Ed.	35	15,95,637
191	Shankar Dharmaji Patil	Foreman	60	-	-	15-02-1973	Std. V	38	17,15,286
192	Subir Kumar Bhattacharya	Chief Manager	60	-	-	15-06-1977	BE (Elec)	34	46,15,309
193	Sudipta Deb	Senior Manager	60	-	-	20-10-1980	BE (Elect)	30	23,06,856
194	Suresh Chand	Accountant	44	-	-	20-09-1989	M.Com	21	17,69,553
195	Suresh Manilal Raval	Foreman	60	Jamnagar Dairy	Attendant	07-12-1979	B. Com.	34	20,41,754
196	Swapan Kumar Dattaray	Senior Manager	60	-	-	23-05-1984	BOE	27	19,80,033
197	Syamal Kumar Bandyopadhyay	Deputy Manager	60	-	-	15-02-1974	-	37	13,36,825
198	T K Nandi	Manager	60	-	-	01-11-1982	Graduate	30	27,60,371
199	T. Vasudevan	Executive Director	60	IBM World Trade Corporation	-	11-07-1977	B.Com., C.A.	33	37,20,406
200	Talukdar M.C.	Manager	60	-	-	16-01-1974	B.Sc.	37	21,58,717
201	Thomas Antony	Executive Director	60	-	-	01-10-1976	MSW	35	31,10,030
202	Tulshiram Kashinath Thakur	Senior Foreman	60	Reliance Co. Ltd	Cutter-Gas Welder	17-01-1974	-	38	18,40,145
203	Ujjwal Kumar Pal	Deputy General Manager	60	MECON	Asstt. Design. Engineer	15-09-1976	BE (Civil)	34	25,64,706
204	V M Nagarkar	Senior Manager	60	-	-	20-04-1985	BA, B.LIB., SCI	26	12,51,028
205	V O Shah	Senior Engineer	60	-	-	17-02-1976	B.Sc.	35	18,39,783
206	V V Thakre	Officer	60	-	-	08-06-1975	Std. X	38	22,43,708
207	Ved Prakash Sharma	Executive Director	60	-	-	16-04-1976	CA	35	42,72,413
208	Vijay Kr Sharma	Manager	60	-	-	15-02-1979	B. Sc., LLB	32	15,92,750
209	Vincent Fernandes	Foreman	60	-	-	15-02-1972	Std. X	39	19,50,146
210	W L Chawhan	Deputy Manager	60	Central Telegraph Office	Telex / TP Operator	02-02-1981	MA	34	29,70,940
211	Yadav Mahanand	Senior Manager	60	-	-	02-01-1975	B.Sc.	36	28,88,374

**Consolidated
Financial Statements
2011-12**



Indian Oil Corporation Limited



Ecofriendly operations



Auditors' Report to the Board of Directors of Indian Oil Corporation Ltd. on Consolidated Financial Statements of Indian Oil Corporation Limited, its Subsidiaries and Joint Ventures.

- 1 We have audited the attached Consolidated Balance Sheet of Indian Oil Corporation Limited, its subsidiaries and its joint ventures as at 31st March 2012 and the Consolidated Statement of Profit and Loss and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. 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.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material aspects, in accordance with 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 presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 We did not audit the financial statements of subsidiary companies and joint ventures, whose financial statements reflect total assets of ₹ 19,763.58 crore (net) as on 31st March 2012, total revenue of ₹ 49,329.10 crore for the year then ended and net cash flows amounting to ₹ 271.53 crore for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us (except in case of M/s Green Gas Limited, M/s Delhi Aviation Fuel Facility Pvt. Limited and M/s IOC Sweden AB, total assets: ₹ 388.88 crore (net), total revenue: ₹ 78.14 crore and net cash flows: ₹ 30.88 crore) and in our opinion, in so far as it relates to the amount included in respect of the subsidiaries and joint ventures, is based solely on the reports of the other auditors.
- 4 We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS 21) on "Consolidated Financial Statements" and Accounting Standard (AS 27) on "Financial Reporting of Interests in Joint Ventures" notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of separate audited financial statements of Indian Oil Corporation Limited, its subsidiaries and joint ventures included in the consolidated financial statements.
- 5 We invite attention, without qualifying our opinion, to Point 'A' in Note-10 regarding impairment loss wherein, we have relied on the estimates and assumptions made by the Company in arriving at recoverable value of assets.
- 6 On the basis of information and explanations given to us and on 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, 2012;
 - b) In the case of the Consolidated Statement of Profit and Loss, of the consolidated results of operations for the year ended on that date; and
 - c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

For B.M. CHATRATH & CO.
Chartered Accountants
(Firm Regn. No. 301011E)

Sd/-
(CA. P.R. Paul)
Partner
M. No.051675

For DASS GUPTA & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 000112N)

Sd/-
(CA. Naresh Kumar)
Partner
M. No. 082069

For PARAKH & CO.
Chartered Accountants
(Firm Regn. No.001475C)

Sd/-
(CA. Aditya Kumar Rawat)
Partner
M. No. 071767

Place : New Delhi
Date : May 28, 2012

BALANCE SHEET as at 31st March 2012

(₹ in Crore)

Particulars	Note No.	March-12	March-11
EQUITY AND LIABILITIES			
Shareholders' Funds:			
(a) Share Capital	2	2,427.95	2,427.95
(b) Reserves and Surplus	3	57,945.35	55,147.26
		60,373.30	57,575.21
Share application money pending allotment		0.06	-
Minority Interest		1,943.74	1,993.03
Non-current liabilities			
(a) Long-term borrowings	4	18,310.40	17,342.53
(b) Deferred tax liabilities	5	5,970.20	7,028.82
(c) Other Long-term liabilities	6	409.84	414.49
(d) Long-term provisions	7	300.73	223.63
		24,991.17	25,009.47
Current liabilities			
(a) Short-term borrowings	8	56,304.49	37,706.51
(b) Trade payables	9	32,253.18	29,313.19
(c) Other current liabilities	6	28,859.24	26,272.92
(d) Short-term provisions	7	15,102.04	6,731.56
		132,518.95	100,024.18
		219,827.22	184,601.89
TOTAL			
ASSETS			
Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	10	63,600.69	61,582.55
(ii) Intangible assets	11	960.82	1,048.03
(iii) Dismantled Capital Assets		19.41	27.25
(iv) Capital work-in-progress	12	15,172.38	10,546.52
(v) Intangible assets under development	13	277.26	319.65
		80,030.56	73,524.00
(b) Non-current investments	14	3,813.09	3,643.39
(c) Deferred tax assets	5	0.64	0.62
(c) Long-term loans and advances	15	9,960.66	5,117.88
(d) Other non-current assets	16	20.44	5.84
		93,825.39	82,291.73
Goodwill on Consolidation		24.39	23.49

Contd...

**IndianOil**

(₹ in Crore)

Particulars	Note No.	March-12	March-11
Current assets			
(a) Current investments	14	13,774.83	15,003.53
(b) Inventories	17	63,851.04	54,906.02
(c) Trade receivables	18	11,551.80	7,684.62
(d) Cash and Bank Balances	19	821.95	1,537.83
(e) Short-term loans and advances	15	33,659.55	21,632.33
(f) Other current assets	16	2,318.27	1,522.34
		125,977.44	102,286.67
TOTAL		219,827.22	184,601.89
Principles of Consolidation and Significant Accounting Policies	1		
Notes on Financial Statements	2 - 37		

Sd/-
(R. S. Butola)
Chairman

Sd/-
(P. K. Goyal)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For B.M. CHATRATH & CO.
Chartered Accountants
(Firm Regn. No. 301011E)

For DASS GUPTA & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 000112N)

For PARAKH & CO.
Chartered Accountants
(Firm Regn. No.001475C)

Sd/-
(CA. P.R. Paul)
Partner
M. No. 051675

Sd/-
(CA. Naresh Kumar)
Partner
M. No. 082069

Sd/-
(CA. Aditya Kumar Rawat)
Partner
M. No. 071767

Place : New Delhi
Date : May 28, 2012

STATEMENT OF PROFIT AND LOSS for the Year Ended 31st March 2012

(₹ in Crore)

Particulars	Note No.	March-12	March-11
Revenue from operations (Gross)	20	4,38,023.76	3,40,657.97
Less: Excise Duty		29,099.73	30,860.95
Revenue from operations (Net)		4,08,924.03	3,09,797.02
Other income	21	3,187.13	3,447.69
Total Revenue		4,12,111.16	3,13,244.71
Expenses:			
Cost of materials consumed	22	2,07,631.98	1,50,041.71
Purchase of Stock-in-Trade		1,57,250.81	1,27,653.99
Changes in Inventory	23	(3,470.95)	(5,613.77)
Employee benefit expenses	24	5,300.09	6,734.24
Finance cost	25	5,894.65	2,985.70
Depreciation and Amortisation on :			
a) Tangible Assets		5,156.48	4,793.14
b) Intangible Assets		152.78	139.48
		5,309.26	4,932.62
Other expenses	26	22,762.43	16,325.36
Total expenses		4,00,678.27	3,03,059.85
Profit before Prior Period, Exceptional Items and Tax		11,432.89	10,184.86
Income / (Expenses) pertaining to Prior Years (Net)	27	270.25	(70.88)
Profit before Exceptional Items and Tax		11,703.14	10,113.98
Exceptional Items (Refer point 5B of Note - 28)		(7,707.82)	-
Profit before Tax		3,995.32	10,113.98
Tax expense:			
Current tax [includes ₹ (507.08) crore (2011 : ₹ (207.14) crore) relating to prior years]		790.36	1,715.56
Mat Credit Entitlement		(1.03)	(1,298.42)
Deferred tax [includes ₹ 150.53 crore (2011 : ₹ (124.59) crore) relating to prior years]		(1,059.28)	1,611.22

Contd...



IndianOil

(₹ in Crore)

Particulars	Note No.	March-12	March-11
Profit / (loss) for the period		4,265.27	8,085.62
Less: Share of Minority		39.29	254.90
Profit / (loss) for the Group		4,225.98	7,830.72
Earning per Equity Share (₹):			
(1) Basic		17.41	32.25
(2) Diluted		17.41	32.25
Face Value Per Share (₹)		10	10

Principles of Consolidation and Significant Accounting Policies

1

Notes on Financial Statements

2 - 37

Total Income includes ₹ **4,600.40 crore** (2011: ₹ 3,229.12 crore) share of jointly controlled entities.

Total Expenditure includes ₹ **4,151.07 crore** (2011: ₹ 2,863.70 crore) share of jointly controlled entities.

Sd/-
(R. S. Butola)
Chairman

Sd/-
(P. K. Goyal)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For B.M. CHATRATH & CO.
Chartered Accountants
(Firm Regn. No. 301011E)

For DASS GUPTA & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 000112N)

For PARAKH & CO.
Chartered Accountants
(Firm Regn. No.001475C)

Sd/-
(CA. P.R. Paul)
Partner
M. No. 051675

Sd/-
(CA. Naresh Kumar)
Partner
M. No. 082069

Sd/-
(CA. Aditya Kumar Rawat)
Partner
M. No. 071767

Place : New Delhi

Date : May 28, 2012

CASH FLOW STATEMENT for the year ended 31st March 2012

(₹ in Crore)

Particulars	March-12	March-11
A Cash Flow from Operating Activities		
1 Profit Before Tax	3,995.32	10,113.98
2 Adjustments for :		
Depreciation	4,983.87	4,952.89
Loss/(Profit) on sale of Assets (net)	2.47	25.23
Loss/(Profit) on Investments (net)	18.87	26.56
Amortisation of Capital Grants	(1.19)	(1.16)
Amortisation of Premium on Forward Contracts	89.66	132.45
Provision for Probable Contingencies (net)	37.78	38.24
Provision for Loss on Investments (net)	418.15	78.74
Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores (net)	(229.51)	118.99
Provision for Diminution in 'Receivable from trust' (net)	(513.21)	(96.86)
Provision for MTM loss on interest rate swap	110.26	-
Interest Income on Investments	(1,171.94)	(1,307.46)
Dividend Income on Investments	(780.53)	(981.96)
Interest Expenditure	5,901.61	2,988.65
	8,866.29	5,974.31
3 Operating Profit before Working Capital Changes (1+2)	12,861.61	16,088.29
4 Change in Working Capital: (Excluding Cash & Bank Balances)		
Trade & Other Receivables	(16,271.77)	(8,960.93)
Inventories	(8,962.51)	(13,656.74)
Trade and Other Payables	12,013.86	17,351.42
Change in Working Capital	(13,220.42)	(5,266.25)
	(13,220.42)	(5,266.25)
5 Cash Generated From Operations (3+4)	(358.81)	10,822.04
6 Less : Taxes Paid	406.61	4,003.17
7 Net Cash Flow from Operating Activities (5-6)	(765.42)	6,818.87
B Cash Flow from Investing Activities:		
Sale/Transfer of Assets	1,372.78	293.80
Sale / Maturity of Investments	790.74	2,950.71
Interest Income on Investments	1,189.94	1,659.94
Dividend Income on Investments	780.53	981.96
Purchase of Assets	(3,482.98)	(3,103.65)
Investments in Long Term Investments / Others	(168.76)	(260.48)
Expenditure on Construction Work in Progress	(13,535.42)	(10,612.72)
Net Cash Generated/(Used) in Investing Activities:	(13,053.17)	(8,090.44)

Contd...



IndianOil

(₹ in Crore)

Particulars	March-12	March-11
C Net Cash Flow From Financing Activities:		
Proceeds from/(Repayments of) Long-Term Borrowings	3,654.53	(90.00)
Proceeds from/(Repayments of) Short-Term Borrowings	18,618.27	8,455.15
Interest paid	(6,364.30)	(3,341.79)
Dividend/Dividend Tax paid	(2,805.12)	(3,812.38)
Net Cash Generated/(Used) from Financing Activities:	<u>13,103.38</u>	<u>1,210.98</u>
D Net Change in Cash & Bank Balances (A+B+C)	<u>(715.21)</u>	<u>(60.59)</u>
E - 1 Cash & Bank Balances as at end of the year	821.95	1,537.83
Add: Impact of Exchange variation taken to Reserves	<u>0.67</u>	<u>0.01</u>
	822.62	1,537.84
Less:		
2 Cash & Bank Balances as at the beginning of Period	1,537.83	1,598.43
NET CHANGE IN CASH & BANK BALANCE (E 1-2)	<u>(715.21)</u>	<u>(60.59)</u>
Notes:		
1. Cash & Bank Balances as at end of the year	821.95	1,537.83
Less: Other Bank Balances	300.74	754.18
Total Cash and Cash Equivalents	<u>521.21</u>	<u>783.65</u>

2. Figures for previous periods have been regrouped wherever necessary for uniformity in presentation.

Sd/-
(R. S. Butola)
Chairman

Sd/-
(P. K. Goyal)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For B.M. CHATRATH & CO.
Chartered Accountants
(Firm Regn. No. 301011E)

For DASS GUPTA & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 000112N)

For PARAKH & CO.
Chartered Accountants
(Firm Regn. No.001475C)

Sd/-
(CA. P.R. Paul)
Partner
M. No. 051675

Sd/-
(CA. Naresh Kumar)
Partner
M. No. 082069

Sd/-
(CA. Aditya Kumar Rawat)
Partner
M. No. 071767

Place : New Delhi
Date : May 28, 2012

NOTE - 1: PRINCIPLES OF CONSOLIDATION & SIGNIFICANT ACCOUNTING POLICIES

A. Principles of Consolidation

A.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:

A.1.1. 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 unrealised profits or losses in accordance with Accounting Standard - 21 on "Consolidated Financial Statements". The share of Minority Interest in the Subsidiaries has been disclosed separately in the "Consolidated Financial Statements".

A.1.2. 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".

A.1.3. 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.

A.1.4. 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.

A.2. The Consolidated Financial Statements include the results of the following entities:

Sl. No.	Name of Company	Country of incorporation	Relation	Ownership Interest
1.	Chennai Petroleum Corporation Ltd	India	Subsidiary	51.89%
2.	Lanka IOC PLC	Sri Lanka	Subsidiary	75.12%
3.	IndianOil (Mauritius) Ltd	Mauritius	Subsidiary	100%
4.	IOC Middle East FZE	Dubai- UAE	Subsidiary	100%
5.	IndianOil CREDA Bio-Fuels Ltd.	India	Subsidiary	74%
6.	IOC Sweden AB	Sweden	Subsidiary	100%

7.	IOT Infrastructure & Energy Services Ltd	India	Joint Venture	47.92%
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%
16.	Delhi Aviation Fuel Facility (Private) Limited	India	Joint Venture	37%
17.	IndianOil Ruchi Biofuels LLP	India	Joint Venture	50%
18.	Indian Synthetic Rubber Limited	India	Joint Venture	50%
19.	NPCIL IndianOil Nuclear Energy Corporation Limited (NINECL)	India	Joint Venture	26%

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 decided to exit from these Joint Ventures and provided for full diminution in the value of investment.

B. Significant Accounting Policies

B.1. Significant accounting policies of parent company are enclosed as Annexure-I.

B.2. For certain items, the Company and its subsidiaries and Joint ventures have followed different accounting policies. However impact of the same is not material.

C. Financial statements of IOML, LIOC, IOC Middle East FZE, IOC Sweden AB and Suntera Nigeria are drawn in Mauritius Rupees, Sri Lankan Rupees, UAE Dirhams Euro and USD, respectively. The transactions with these foreign subsidiaries/Joint Ventures are considered as non integral operation as per Accounting Standard-11 on "The Effects of Changes in Foreign Exchange Rates" and accordingly, the Financial Statements have been translated in Indian Rupees for the purpose of Consolidated Financial Statements.



NOTE - 2: SHARE CAPITAL

Particulars	(₹ in Crore)	
	March-12	March-11
Authorised:		
600,00,00,000 Equity Shares of ₹ 10 each	<u>6,000.00</u>	<u>6,000.00</u>
Issued, Subscribed and Paid Up:		
2,42,79,52,482 (2011 : 2,42,79,52,482) Equity Shares of ₹ 10 each	<u>2,427.95</u>	<u>2,427.95</u>
TOTAL	<u><u>2,427.95</u></u>	<u><u>2,427.95</u></u>

A. Above Includes Shares allotted as fully paid without payment being received in Cash:

- Pursuant to the Petroleum Companies Amalgamation Order, 1964 : 3,76,49,700 Shares of ₹ 10 each.
- Pursuant to Gujarat Refinery Project Undertaking (Transfer), (Amendment) Order, 1965 :1,00,00,000 Shares of ₹ 10 each.
- 2,43,62,106 no. of equity shares of ₹ 10 each issued in June 2007 as fully paid up to the shareholders of erstwhile IBP Co. Ltd as per the Scheme of amalgamation.
- 2,16,01,935 no. of equity shares of ₹ 10 each issued in May 2009 as fully paid up to the shareholders of erstwhile BRPL as per the Scheme of amalgamation.
- Aggregate shares allotted as fully paid up Bonus Shares by Capitalisation of General Reserve / Securities Premium: 2,28,02,71,241 Shares of ₹ 10 each, out of these 1,21,39,76,241 no. of equity shares of ₹ 10 each were issued in November 2009.

B. Reconciliation of No. of Equity Shares

Opening Balance	<u>2,42,79,52,482</u>	2,42,79,52,482
Shares Issued	-	-
Shares bought back	-	-
Closing Balance	<u><u>2,42,79,52,482</u></u>	<u><u>2,42,79,52,482</u></u>

C. Terms/Rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 each and is entitled to one vote per share. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

D. Details of shareholders holdings more than 5% shares

Name of Shareholder	March-12		March-11	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
PRESIDENT OF INDIA	1916155710	78.92	1916155710	78.92
OIL AND NATURAL GAS CORPORATION LIMITED	212906190	8.77	212906190	8.77

NOTE - 3: RESERVES AND SURPLUS

		(₹ in Crore)	
Particulars		March-12	March-11
Capital Reserve:			
As per Last Account	375.94		358.20
On Consolidation	7.14		17.74
		383.08	375.94
Securities Premium:			
As per Last Account	86.46		86.46
Addition during the year	42.09		-
		128.55	86.46
General Reserve:			
As per Last Account	52,719.17		48,001.75
Add : Transfer from Export Profit Reserve	-		5.69
Add: Transferred from Profit and Loss Appropriation	1,918.22		4,717.42
		54,637.39	52,719.17
Insurance Reserve:	A		
As per Last Account	84.40		64.40
Less : Recoupment of uninsured fire loss	-		13.80
Add: Transferred from Profit and Loss Appropriation	20.00		20.00
		104.40	84.40
Export Profit Reserve:	B		
As per Last Account	53.72		59.41
Less: Transfer To General Reserve	-		5.69
		53.72	53.72
Capital Grants:			
As per Last Account	14.65		15.48
Add: Received/ (Written Back) during the year	0.03		0.33
Less: Amortised during the year	1.19		1.16
		13.49	14.65
Bond Redemption Reserve:			
As per Last Account	1,344.93		1243.91
Add: Provision during the year	741.92		166.90
Less: Write-back of provision on redemption of bonds	115.40		65.88
		1,971.45	1,344.93
Balance in Statement of Profit and Loss:			
Balance Brought Forward from Last Year's Account		484.01	227.05
Add: Profit for the Year		4,225.98	7,830.72
Less: Appropriations:			
Final Dividend (Proposed)		1,275.90	2,349.26
Corporate Dividend Tax on:			
Interim Dividend		0.70	5.24
Final Dividend (Proposed)		212.42	394.62
Insurance Reserve (Net)		20.00	6.20
Bond Redemption Reserve (Net)		626.52	101.02
General Reserve		1,918.22	4,717.42
Balance carried forward to next year's account		656.23	484.01

Contd...



IndianOil

(₹ in Crore)

Particulars	March-12		March-11
Devaluation Exch. Difference Reserve:	C		
As per Last Account	0.67		0.68
Less: Exchange variation on revaluation	0.67		0.01
		-	0.67
Foreign Currency Monetary Item Translation Difference Account			
As per Last Account	-		(0.10)
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	-		0.10
		-	-
Translation Reserve on Consolidation			
As per Last Account	(16.69)		(31.07)
Add : Translation difference	13.73		14.38
		(2.96)	(16.69)
TOTAL		57,945.35	55,147.26

- A. Reserve is created to mitigate risk of loss of assets not insured with external insurance agencies.
 B. Amount set aside out of profits from exports for availing income tax benefits.
 C. Reserve created for devaluation of funds lying abroad.
 Share of jointly controlled entities

909.47 665.43

NOTE - 4: LONG TERM BORROWINGS

(₹ in Crore)

Particulars	Long Term		Current Maturities	
	March-12	March-11	March-12	March-11
SECURED LOANS				
Bonds:				
Non-Convertible Redeemable Bonds-Series-VIII B	1,070.00	1,070.00	-	-
Non-Convertible Redeemable Bonds-Series-XI	1,415.00	-	-	-
Non-Convertible Redeemable Bonds-Series-IX	1,600.00	1,600.00	-	-
Non-Convertible Redeemable Bonds-Series-VII B	500.00	500.00	-	-
Non-Convertible Redeemable Bonds-Series-X	-	2,000.00	2,000.00	-
Non-Convertible Redeemable Bonds-Series-VI	-	768.10	768.10	-
Non-Convertible Redeemable Bonds-Series-VIII A	-	-	-	430.00
Non-Convertible Redeemable Bonds-Series-V	126.40	158.00	31.60	31.60
	4,711.40	6,096.10	2,799.70	461.60
Term Loans:				
From banks	652.00	462.32	112.63	103.40
From other parties				
Oil Industry Development Board (OIDB)	1,107.50	2,955.00	1,847.50	1,047.50
Others	233.41	186.72	20.09	9.61
	1,992.91	3,604.04	1,980.22	1,160.51
Total Secured Loans	6,704.31	9,700.14	4,779.92	1,622.11

Contd...

(₹ in Crore)

Particulars	Long Term		Current Maturities	
	March-12	March-11	March-12	March-11
UNSECURED LOANS				
Bonds				
Foreign Currency Bonds	5,088.00	2,230.00	-	-
Term Loans:				
i) From Banks/Financial Institutions:				
In Foreign Currency	3,949.62	2,343.07	31.67	585.66
Senior Notes (Bank of America)	1,526.40	1,338.00	-	-
In Rupees	300.00	500.00	-	0.52
ii) From Others				
In Rupees	741.88	1,230.73	588.85	505.49
	6,517.90	5,411.80	620.52	1,091.67
Deferred Payment Liabilities	0.19	0.59	-	-
Total Unsecured Loans	11,606.09	7,642.39	620.52	1,091.67
TOTAL LONG-TERM BORROWINGS	18,310.40	17,342.53	5,400.44	2,713.78
Share of jointly controlled entities	649.09	539.64	79.55	66.36

NOTE - 5: DEFERRED TAX

In compliance of Accounting Standard – 22 on "Accounting for Taxes on Income, the item wise details of Deferred Tax Liability (net) are as under:

	As on 01.04.2011	Provided during the year	Balance as on 31.03.2012
Deferred Tax Liability:			
Depreciation and other fixed Assets of the group	8,613.13	801.32	9,414.45
Total Deferred Tax Liability (A)	8,613.13	801.32	9,414.45
Deferred Tax Assets:			
Provision on Inventories, Trade Receivables, Loans and advances, Investments	621.67	20.50	642.17
Compensation for Voluntary Retirement Scheme	6.75	0.08	6.83
43B Disallowances etc.	520.07	1,841.75	2,361.82
Capital Grants	4.76	(0.39)	4.37
Provision for Leave Encashment/Retirement Benefits	431.68	(1.98)	429.70
Total Deferred Tax Assets (B)	1,584.93	1,859.96	3,444.89
Deferred Tax Liability (Net) (A – B)	7,028.20	(1,058.64)	5,969.56
Previous Year	5,417.00	1,611.20	7,028.20
Share of jointly controlled entities	81.68		83.01
As per Balance Sheet			
Deferred Tax Liability	7,028.82		5,970.20
Deferred Tax Asset	0.62		0.64
Deferred Tax Liability (Net)	7,028.20		5,969.56



NOTE - 6: OTHER LIABILITIES

(₹ in Crore)

Particulars	Non Current		Current	
	March-12	March-11	March-12	March-11
Current maturities of long-term debt (Refer Note 4)	-	-	5,400.44	2,713.78
Interest accrued but not due on loans	-	-	632.61	477.66
Interest accrued and due on borrowings	-	-	52.12	31.83
Income received in advance	-	-	0.17	-
Investor Education & Protection Fund to be credited on the due dates :				
- Unpaid Dividend	-	-	41.85	12.87
- Unpaid Matured Deposits	-	-	0.01	0.01
			41.86	12.88
Liability on Foreign Currency Contracts	-	-	391.21	4,027.16
Less: Foreign Currency Receivables	-	-	379.69	3,937.38
			11.52	89.78
Security Deposits	339.58	365.06	10,093.00	8,667.24
Discount on Forward Contract	-	-	0.38	-
Trade Payables	0.29	0.90	-	-
Other Liabilities	69.97	48.53	12,627.14	14,279.75
TOTAL	409.84	414.49	28,859.24	26,272.92
Share of jointly controlled entities	70.64	45.53	248.11	201.69

NOTE - 7: PROVISIONS

(₹ in Crore)

Particulars	Long Term		Short Term	
	March-12	March-11	March-12	March-11
Provision for Employee Benefits	294.25	203.64	1,727.60	2,483.29
Other Provisions				
Provision for Taxation:				
For Current Tax	-	-	339.58	6.07
Less : Advance payments	-	-	272.95	-
Total Provisions for Taxation	-	-	66.63	6.07
Proposed Dividend	-	-	1,275.90	2,349.26
Corporate Dividend Tax	-	-	209.30	395.05
Contingencies for probable obligations	-	-	11,712.35	1,497.89
Provision for MTM Loss on Interest Rate Swap	-	-	110.26	-
Other Provisions	6.48	19.99	-	-
TOTAL	300.73	223.63	15,102.04	6,731.56
Share of jointly controlled entities	15.23	27.76	88.27	64.46

A. In compliance of Accounting Standard – 29 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:

Particulars	Opening Balance	Addition during the year*	Utilization during the year**	Reversals during the year**	Closing Balance***
Excise	0.88	0.26	0.06	0.69	0.39
Sales Tax	144.08	79.78	2.30	5.04	216.52
Entry Tax	1,279.46	10,174.66	-	0.13	11,453.99
Others	73.79	14.84	0.10	47.08	41.45
TOTAL	1,498.21	10,269.54	2.46	52.94	11,712.35
Previous Year	1,269.96	233.07	2.16	2.66	1,498.21

* Additions include:	March-12	March-11
- capitalized	0.09	0.28
- included in raw material/other expenses	687.34	188.86
- shown as Exceptional Item	7,707.82	-
- amount transferred from liabilities to provisions	1,781.24	-

** Includes utilization/reversal of provision of ₹ Nil crore (2011: ₹ 0.85 crore), out of provision capitalized and ₹ 0.13 crore (2011: ₹ Nil crore) out of provision included in Raw Material.

*** Expected timing of outflow is not ascertainable at this stage.



IndianOil

NOTE - 8: SHORT TERM BORROWINGS

(₹ in Crore)

Particulars	March-12	March-11
SECURED LOANS		
Loans Repayable on Demand		
From Banks:		
Working Capital Demand Loan	5,712.67	7,240.75
Cash Credit	230.96	107.84
Foreign Currency Loans	46.53	-
	5,990.16	7,348.59
From Others:		
Loans through Collateralised Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd. (CCIL)	1,827.00	2,630.00
Loans and advances from related parties	0.08	0.14
Total Secured Loans	7,817.24	9,978.73
UNSECURED LOANS		
Loans Repayable on Demand		
From Banks/Financial Institutions:		
In Foreign Currency	22,289.49	15,413.76
In Rupees	19,408.91	11,310.12
From Others		
Commercial Paper	4,760.00	1,000.00
Inter-Corporate Deposits	2,000.00	-
	48,458.40	27,723.88
Other Loans and Advances	28.85	3.90
Total Unsecured Loans	48,487.25	27,727.78
TOTAL SHORT-TERM BORROWINGS	56,304.49	37,706.51
Share of jointly controlled entities	43.42	29.79

NOTE - 9: TRADE PAYABLES

(₹ in Crore)

Particulars	March-12	March-11
Sundry Creditors:		
Dues of micro and small enterprises	12.24	9.63
Dues to Related Parties	665.90	406.89
Due to others	31,575.04	28,896.67
	32,253.18	29,313.19
TOTAL	32,253.18	29,313.19
Share of jointly controlled entities	543.91	466.91

NOTE - 10: TANGIBLE ASSETS

	AT COST				DEPRECIATION		
	Gross Block as at 1.04.11	Additions during the year	Transfers from Construction Work-in-Progress	Disposals / Deductions / Transfers / Reclassifications	Gross Block as at 31.03.12	Depreciation & Amortisation as at 1.04.11	Depreciation and Amortisation during the year
Land-Freehold	1126.49	116.35	11.03	(3.48)	1250.39	0.00	0.00
- Leasehold	501.88	7.75	7.28	(1.07)	515.84	88.22	8.20
Buildings, Roads etc.	8459.86	68.77	685.28	(142.29)	9071.62	1737.04	(150.32)
Plant and Equipment	86179.95	3033.11	3910.82	(1099.48)	92024.40	34174.04	4816.97
Office Equipments	1763.56	115.75	190.82	(246.13)	1824.00	917.19	123.63
Transport Equipments	402.21	24.95	0.89	(8.15)	419.90	314.34	17.06
Furnitures and Fixtures	296.48	21.01	9.89	(6.58)	320.80	155.65	16.54
Railway Sidings	212.70	0.02	0.00	(0.92)	211.80	124.06	5.55
Drainage, Sewage and Water Supply System	389.70	3.20	8.15	(16.93)	384.12	205.42	10.09
Total	99332.83	3390.91	4824.16	(1525.03)	106022.87	37715.96	4847.72
Previous Year	78022.11	3039.16	18755.76	(484.20)	99332.83	33043.86	4836.55

A Considering the Government policies and modalities of compensating the oil marketing companies towards under-recoveries, future cash flows have been worked out based on desired margins for deciding on impairment of related Cash Generating Units. In view of the assumption being technical, peculiar to the industry and policy matter, the auditors have relied on the same.

Net Tangible Assets includes ₹ 741.24 crore (2011 : ₹ 759.87 crore) share of jointly controlled entities.

NOTE - 11: INTANGIBLE ASSETS

	AT COST				DEPRECIATION		
	Gross Block as at 1.04.11	Additions during the year	Transfers from Construction Work-in-Progress	Disposals / Deductions / Transfers / Reclassifications	Gross Block as at 31.03.12	Total Amortisation as at 1.04.11	Amortisation during the year
Right of Way	131.77	4.20	0.00	0.00	135.97	0.21	0.02
Licenses	1216.93	64.96	1.00	(25.66)	1257.23	361.89	127.83
Computer Software	141.12	19.85	2.32	(0.16)	163.13	105.26	25.65
Goodwill	A 27.22	0.00	0.00	(0.22)	27.00	0.00	0.00
Total	1517.04	89.01	3.32	(26.04)	1583.33	467.36	153.50
Previous Year	826.59	70.21	619.48	0.75	1517.04	327.62	139.71

A. Goodwill is due to the excess of purchase consideration paid to the Government of Sri Lanka and Ceylon Petroleum Corporation over the net assets value representing applicable shares allotted in the acquisition of retail outlets.

Net Intangible Assets includes ₹ 3.99 crore (2011: ₹ 4.71 crore) share of jointly controlled entities.



IndianOil

(₹ in Crore)

AMORTISATION AND IMPAIRMENT						NET BLOCK	
Disposals / Deductions / Transfers / Reclassifications	Total Depreciation and Amortisation upto 31.03.12	Total Impairment Loss as at 1.04.11	Impairment Loss during the year	Impairment loss reversed during the year	Total Impairment Loss upto 31.03.12	AS AT 31.03.12	AS AT 31.03.11
			(Refer A)				
0.00	0.00	0.00	0.00	0.00	0.00	1250.39	1126.49
0.34	96.76	0.00	0.00	0.00	0.00	419.08	413.66
(20.68)	1566.04	0.00	0.00	0.00	0.00	7505.58	6722.82
35.74	39026.75	34.32	0.00	0.00	34.32	52963.33	51971.59
(180.08)	860.74	0.00	0.00	0.00	0.00	963.26	846.37
(6.69)	324.71	0.00	0.00	0.00	0.00	95.19	87.87
(2.98)	169.21	0.00	0.00	0.00	0.00	151.59	140.83
(0.82)	128.79	0.00	0.00	0.00	0.00	83.01	88.64
(0.65)	214.86	0.00	0.00	0.00	0.00	169.26	184.28
(175.82)	42387.86	34.32	0.00	0.00	34.32	63600.69	61582.55
(164.45)	37715.96	34.32	0.00	0.00	34.32	61582.55	

(₹ in Crore)

AMORTISATION AND IMPAIRMENT					NET BLOCK	
Disposals / Deductions / Transfers / Reclassifications	Total Amortisation upto 31.03.12	Total Impairment Loss as at 1.04.11	Impairment Loss during the year	Total Impairment Loss upto 31.03.12	AS AT 31.03.12	AS AT 31.03.11
0.00	0.23	0.00	0.00	0.00	135.74	131.56
0.00	489.72	1.65	0.00	1.65	765.86	853.39
0.00	130.91	0.00	0.00	0.00	32.22	35.86
0.00	0.00	0.00	0.00	0.00	27.00	27.22
0.00	620.86	1.65	0.00	1.65	960.82	1048.03
0.02	467.36	1.65	0.00	1.65	1048.03	

NOTE - 12: CAPITAL WORK IN PROGRESS

Particulars	(₹ in Crore)	
	March-12	March-11
Construction Work in Progress - Fixed Assets (Including unallocated capital expenditure, materials at site) A	9,068.65	7,962.74
Less: Provision for Capital Losses	143.86	175.33
	8,924.79	7,787.41
Capital stores	2,379.40	1,267.17
Less: Provision for Capital Losses	0.20	1.16
	2,379.20	1,266.01
Capital Goods in Transit	1,889.37	566.95
Construction Period Expenses pending allocation:		
Balance as at beginning of the year	926.15	2,236.59
Add: Net expenditure during the year (Note -"12.1")	1,506.62	1,220.45
	2,432.77	3,457.04
Less: Allocated to Assets during the year	453.75	2,530.89
	1,979.02	926.15
TOTAL	15,172.38	10,546.52
Share of jointly controlled entities	730.84	468.65

A. Includes Capital Expenditure amounting to ₹ **176.83 crore** (2011 : ₹ 195.41 crore) relating to ongoing Oil & Gas Exploration activities is appearing as Capital Work in Progress in accounts.



IndianOil

Note - 12.1: CONSTRUCTION PERIOD EXPENSES (NET) DURING THE YEAR

(₹ in Crore)

Particulars	March-12	March-11
Payments to and Provision for Employees	191.36	218.97
Repairs and Maintenance	7.08	5.24
Consumption of Stores and Spares	0.05	1.12
Power & Fuel	48.34	369.09
Rent	4.82	4.94
Insurance	40.92	44.94
Rates and Taxes	0.84	0.27
Travelling Expenses	27.16	19.90
Communication Expenses	1.43	1.45
Printing and Stationery	0.94	0.65
Electricity and Water Charges	11.44	6.90
Bank Charges	0.68	0.69
Technical Assistance Fees	0.54	29.77
Exchange Fluctuation	544.43	(7.00)
Borrowing Cost	617.64	372.93
Depreciation and Amortisation on		
Tangible Assets	17.29	23.14
Intangible Assets	0.06	0.23
Start Up/ Trial Run Expenses	2.92	60.94
Others	47.21	102.66
Total Expenses	1,565.15	1,256.83
Less : Recoveries	58.53	36.38
Net Expenditure during the year	1,506.62	1,220.45

NOTE - 13: INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

Particulars	March-12	March-11
Work in Progress - Intangible Asset (Including Unallocated Capital Expenditure)	277.26	319.65
TOTAL	277.26	319.65
Share of jointly controlled entities	0.01	-

Note - 14: INVESTMENTS

(₹ in Crore)

Particulars	March-12	March-11
NON CURRENT INVESTMENTS: (AT COST)		
QUOTED: (Market Value of ₹ 20,174.50 crore (2011: ₹ 21,995.51 Crore))	3,028.15	3,028.24
UNQUOTED:		
In Government - Securities	6.25	6.25
In Petroleum India International (AOP by Oil Companies)		
-Capital Fund	15.00	15.00
-Share in accumulated surplus	18.16	17.13
	33.16	32.13
In Others	745.53	576.77
	784.94	615.15
CURRENT INVESTMENTS (UNQUOTED): (AT LOWER OF COST OR MARKET PRICE)		
Oil Companies GOI SPL Bonds	15,354.68	16109.68
Less: Provision for Diminution	1,594.23	1268.41
	13,760.45	14,841.27
In Others	14.38	162.26
	13,774.83	15,003.53
Total	17,587.92	18,646.92
Share of jointly controlled entities	226.84	319.28



NOTE - 15: LOANS AND ADVANCES

(₹ in Crore)

Particulars	Long Term		Short Term	
	March-12	March-11	March-12	March-11
Advance for Capital Expenditure				
Secured, Considered Good	199.91	134.51	-	-
Unsecured, Considered Good	8,012.87	3,283.92	-	-
Unsecured, Considered Doubtful	0.20	0.54	-	-
	<u>8,212.98</u>	<u>3,418.97</u>	-	-
Less: Provision for Doubtful Advance	0.20	0.54	-	-
	8,212.78	3,418.43	-	-
Advances for Investments				
Joint Ventures	12.67	12.67	-	-
Advance recoverable in cash or in kind or for value to be received:				
From Related Parties				
Secured, Considered Good	0.05	0.20	0.01	0.03
Unsecured, Considered Good	68.21	0.01	16.61	5.73
Unsecured, Considered Doubtful	-	-	-	40.53
	<u>68.26</u>	<u>0.21</u>	<u>16.62</u>	<u>46.29</u>
Less : Provision for Doubtful Advances	-	-	-	40.53
	68.26	0.21	16.62	5.76
From Others				
Secured, Considered Good	829.67	735.05	89.79	100.63
Unsecured, Considered Good	601.15	804.80	3,886.50	4,761.60
Unsecured, Considered Doubtful	0.33	0.32	7.20	6.05
	<u>1,431.15</u>	<u>1,540.17</u>	<u>3,983.49</u>	<u>4,868.28</u>
Less : Provision for Doubtful Advances	0.33	0.32	7.20	6.05
	<u>1,430.82</u>	<u>1,539.85</u>	<u>3,976.29</u>	<u>4,862.23</u>
	1,499.08	1,540.06	3,992.91	4,867.99
Amount Recoverable from Central/State Govt.:				
Unsecured, Considered Good	-	-	20,926.89	11,002.11
Finance Lease Receivables	8.89	10.29	1.40	1.43
Claims Recoverable:				
From Related Parties				
Unsecured, Considered Good	-	-	17.16	8.57
Unsecured, Considered Doubtful	-	-	17.01	14.40
	-	-	<u>34.17</u>	<u>22.97</u>
From Others				
Secured, Considered Good	-	-	-	-
Unsecured, Considered Good	-	-	1,107.29	1,027.51
Unsecured, Considered Doubtful	0.12	0.12	49.41	52.61
	<u>0.12</u>	<u>0.12</u>	<u>1,156.70</u>	<u>1,080.12</u>
Less : Provision for Doubtful Claims	0.12	0.12	66.42	67.01
	-	-	<u>1,090.28</u>	<u>1,013.11</u>
	-	-	1,124.45	1,036.08

Contd...

NOTE - 15: LOANS AND ADVANCES (Contd.)

(₹ in Crore)

Particulars	Long Term		Short Term	
	March-12	March-11	March-12	March-11
Balance with Customs, Port Trust and Excise Authorities:				
Unsecured, Considered Good	-	-	38.25	64.04
Deposits for Leave Encashment Fund	-	-	1,784.69	1,533.15
Advance Tax	-	-	469.44	198.16
Mat Credit Receivable	-	-	691.99	1,285.80
Materials given on loan:				
To Others				
Unsecured, Considered Good	-	-	-	0.81
Sundry Deposits				
To Others				
i) Secured, Considered Good	9.04	9.04	0.10	0.10
ii) Unsecured, Considered Good	218.20	127.39	4,629.43	1,642.66
iii) Unsecured, Considered Doubtful	0.04	0.04	0.32	0.14
	227.28	136.47	4,629.85	1,642.90
Less : Provision for Doubtful Deposits	0.04	0.04	0.32	0.14
	227.24	136.43	4,629.53	1,642.76
TOTAL	9,960.66	5,117.88	33,659.55	21,632.33
Share of jointly controlled entities	219.41	76.33	102.71	86.30



NOTE - 16: CURRENT ASSETS

(₹ in Crore)

Particulars	Non Current		Current	
	March-12	March-11	March-12	March-11
Interest Accrued on Investments/ Bank Deposits	-	-	168.16	186.16
Gold Coins in Hand (at Cost)	-	-	4.40	3.68
Receivable from IBP Trust	A	-	-	1,840.99
Less : Provision for Diminution	-	-	-	971.99
	-	-	-	869.00
Receivable from IOC Shares Trust	A	-	1,989.78	148.79
Less : Provision for Diminution	-	-	458.78	-
	-	-	1,531.00	148.79
Premium on Forward Contract				
As per Last account	21.06	18.26		
Add:-Expenditure during the year	111.11	141.02		
	132.17	159.28		
Less:Amortised during the year	128.73	138.22		
Less:Current Portion	3.82	21.06		
Premium on Forward Contract	-	-	3.95	22.03
Discount on Issue of Bonds				
As per Last account	5.41	6.83		
Add:-Expenditure during the year	17.32	-		
	22.73	6.83		
Less:Amortised during the year	2.57	1.42		
Less:Current Portion	3.15	1.42		
Discount on Issue of Bonds	17.01	3.99	3.15	1.42
Others Assets	3.43	1.85	607.61	291.26
TOTAL	20.44	5.84	2,318.27	1,522.34
Share of jointly controlled entities	3.43	1.85	256.61	287.56

A. IOC Shares held by erstwhile IBP Trust transferred to the BRPL Trust in view of the expiry of term of IBP Trust and BRPL trust has been renamed as "IOC Shares Trust".

NOTE - 17: INVENTORIES

Particulars	(₹ in Crore)	
	March-12	March-11
In Hand:		
Stores, Spares etc.	2,709.33	2,190.63
Less : Provision for Losses	<u>132.57</u>	<u>115.08</u>
	2,576.76	2,075.55
Raw Materials	18,167.63	16,184.56
Finished Products	19,923.28	17,617.05
Stock in Trade	4,845.86	4,691.46
Stock in Process	5,737.68	4,531.60
WIP - Construction Contracts	17.12	8.16
Barrels and Tins	<u>32.14</u>	<u>27.25</u>
	<u>51,300.47</u>	<u>45,135.63</u>
In Transit:		
Stores & Spares	145.36	137.83
Raw Materials	11,998.38	9,029.97
Finished Products	2.21	1.90
Stock in Trade	<u>404.62</u>	<u>600.69</u>
	<u>12,550.57</u>	<u>9,770.39</u>
TOTAL	<u>63,851.04</u>	<u>54,906.02</u>
Share of jointly controlled entities	207.30	137.25

NOTE - 18: TRADE RECEIVABLES

Particulars	(₹ in Crore)	
	March-12	March-11
Over Six Months:		
From Others		
i) Secured Considered Good	-	-
ii) Unsecured, Considered Good	1,495.98	346.24
iii) Unsecured, Considered Doubtful	<u>140.63</u>	<u>373.05</u>
	<u>1,636.61</u>	<u>719.29</u>
	1,636.61	719.29
Other Debts:		
From Related Parties		
i) Secured Considered Good	-	-
ii) Unsecured, Considered Good	38.84	23.02
iii) Unsecured, Considered Doubtful	-	-
	<u>38.84</u>	<u>23.02</u>
From Others		
i) Secured Considered Good	49.87	132.14
ii) Unsecured, Considered Good	9,967.11	7,183.22
ii) Unsecured, Considered Doubtful	<u>74.12</u>	<u>56.51</u>
	<u>10,091.10</u>	<u>7,371.87</u>
	10,129.94	7,394.89
	11,766.55	8,114.18
Less : Provision for Doubtful Debts	214.75	429.56
TOTAL	<u>11,551.80</u>	<u>7,684.62</u>
Share of jointly controlled entities	406.53	318.60



NOTE - 19: CASH AND BANK BALANCES

(₹ in Crore)

Particulars	March-12	March-11
Cash and Cash Equivalents		
Bank Balances with Scheduled Banks:		
a) Current Account	317.63	602.18
b) Earmarked Balances	43.48	14.84
	361.11	617.02
Bank Balances with Non-Scheduled Banks:		
Bank of Commerce & Development, Libya	0.50	0.44
Myanmar Economic Bank Branch(5), Rangoon	0.01	0.79
Others	3.06	3.06
	3.57	4.29
Cheques, Drafts in hand	152.87	159.92
Cash Balances, Including Imprest	3.66	2.42
Other Bank Balances		
a) Fixed Deposit Account	299.70	753.36
b) Blocked Account	1.04	0.82
	300.74	754.18
TOTAL	821.95	1,537.83
Share of jointly controlled entities	319.49	112.75

Share of jointly controlled entities

- A) Pertains to Unpaid Dividend/Fractional Share Warrants.
 B) There exists restrictions on repatriation of said amount from Myanmar.
 C) Earmarked in favour of Port Authorities.

NOTE - 20: REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	March-12	March-11
Sale of Products and Crude	3,92,478.69	3,18,885.99
Less: Discounts	4,434.77	4,264.74
Sales (Net of Discounts)	3,88,043.92	3,14,621.25
Sale of Services	981.12	783.55
Other Operating Revenues (Note - 20.1)	1,692.60	881.03
	3,90,717.64	3,16,285.83
Subsidy From Central/State Govt.	1,820.28	1,767.30
Grant from Government of India	45,485.84	22,604.84
TOTAL	4,38,023.76	3,40,657.97

- A. Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ₹ 1,770.98 crore (2011: ₹ 1,731.56 crore) and subsidies on sales of SKO & LPG to customers in Bhutan amounting to ₹ 49.30 crore (2011: ₹ 35.74 crore) have been reckoned as per the schemes notified by Government of India.
- B1. The Group has accounted for Budgetary Support of ₹ 45,485.84 crore towards under-recovery on sale of HSD, SKO (PDS) and LPG (Domestic) for 2011-12 [2010-11: ₹ 22,604.84 crore towards under-recovery on sale of MS (upto 25th June 2010), HSD, SKO (PDS) and LPG (Domestic)] in the Profit and Loss Account as Revenue Grants.
- B2. In line with the scheme formulated by Petroleum Planning and Analysis Cell (PPAC), the Group has received during the year, discounts of ₹ 29,619.23 crore (2011: ₹ 16,703.73 crore) on Crude Oil/Products purchased from ONGC/GAIL/OIL and the same has been adjusted against the purchase cost. In addition an amount of ₹ 341.50 crore (2011: NIL) received from OIL has been accounted as other Operating Revenue.

NOTE - 20.1: OTHER OPERATING REVENUES

Particulars	(₹ in Crore)	
	March-12	March-11
Sale of Power and Water	17.11	26.99
Unclaimed / Unspent liabilities written back	123.69	54.50
Provision for Doubtful Debts, Advances, Claims, and Stores written back.	288.68	94.90
Provision for Contingencies written back	55.27	3.98
Recoveries from Employees	15.56	27.39
Retail Outlet Licence Fees	104.43	97.67
Collection Charges for Outstation Cheques	0.06	0.18
Sale of Scrap	115.24	96.15
Income from Finance Leases	1.19	1.50
Amortisation of Capital Grants	1.19	1.16
Revenue Grants	-	2.77
Terminalling Charges	36.40	38.56
Other Miscellaneous Income	933.78	435.28
TOTAL	1,692.60	881.03

NOTE - 21: OTHER INCOME

Particulars	(₹ in Crore)	
	March-12	March-11
Interest on :		
a) Loans and Advances	62.30	61.86
b) Fixed Deposits with Banks	14.11	8.24
c) Short Term Deposits with Banks	0.84	0.22
d) Customers Outstandings		
From Related Parties	-	-
From Others	415.97	39.40
e) Oil Companies GOI SPL Bonds	1,171.94	1,307.46
f) Others	189.50	176.58
	1,854.66	1,593.76
Dividend:		
a) From Related Parties	48.63	29.23
b) From Other Companies	731.90	952.73
	780.53	981.96
Provision for Diminution in Trust Written Back (Net)	513.21	96.86
Exchange Fluctuations (Net)	-	739.65
Other Non Operating Income	38.73	35.46
TOTAL	3,187.13	3,447.69



NOTE - 22: COST OF MATERIAL CONSUMED

(₹ in Crore)

Particulars	March-12	March-11
Raw Material Consumed:		
Opening Balance	25,214.53	17,466.91
Add: Purchases	2,12,583.46	1,57,789.33
	<u>2,37,797.99</u>	<u>1,75,256.24</u>
Less: Closing Stock	30,166.01	25,214.53
TOTAL	<u><u>2,07,631.98</u></u>	<u><u>1,50,041.71</u></u>

NOTE - 23: CHANGE IN INVENTORY

(₹ in Crore)

Particulars	March-12	March-11
Closing Stock		
Finished Products	19,925.49	17,618.95
Stock in Process	5,737.68	4,531.60
Stock- in - trade	5,250.48	5,292.15
	<u>30,913.65</u>	<u>27,442.70</u>
Less:		
Opening Stock		
Finished Products	17,618.95	14,445.70
Stock in Process	4,531.60	3,115.62
Stock - in - Trade	5,292.15	4,267.61
	<u>27,442.70</u>	<u>21,828.93</u>
NET (INCREASE)/DECREASE	<u><u>(3,470.95)</u></u>	<u><u>(5,613.77)</u></u>

NOTE - 24: EMPLOYEE BENEFIT EXPENSES

(₹ in Crore)

Particulars	March-12	March-11
Salaries, Wages, Bonus etc.	3,796.05	4,148.49
Contribution to Provident & Other Funds	754.54	1,638.74
Voluntary Retirement Compensation	12.52	6.07
Staff Welfare Expenses	736.98	940.94
TOTAL	<u><u>5,300.09</u></u>	<u><u>6,734.24</u></u>

A. Disclosure in compliance with Accounting Standard-15 (Revised 2005) on "Employee Benefits" is given in Note - 29.

NOTE - 25: FINANCE COST

Particulars	(₹ in Crore)	
	March-12	March-11
Interest Payments on:		
Fixed period loans from Banks/Financial Institutions/Others	611.13	528.27
Bonds	482.99	477.62
Short Term loans from Banks	2,125.70	1,170.73
Others	1,718.59	627.69
	4,938.41	2,804.31
Other Borrowing Cost	38.81	5.63
Applicable Net Gain / (Loss) on Foreign Currency Transactions and Translation	917.43	175.76
TOTAL	5,894.65	2,985.70

NOTE - 26: OTHER EXPENSES

Particulars	(₹ in Crore)	
	March-12	March-11
Consumption:		
a) Stores, Spares and Consumables	953.44	882.96
b) Packages & Drum Sheets	382.06	326.51
	1,335.50	1,209.47
Power & Fuel	22,878.06	15,125.08
Less : Fuel from own production	18,996.27	13,172.06
	3,881.79	1,953.02
Throughput, Processing & Blending Fees, Royalty and Other Charges	490.29	377.65
Octroi, Other Levies and Irrecoverable taxes	976.57	842.80
Repairs and Maintenance		
i) Plant & Machinery	1,587.83	1,349.83
ii) Buildings	159.21	148.16
iii) Others	126.19	115.33
	1,873.23	1,613.32
Freight, Transportation Charges and Demurrage	7,508.52	6,894.08
Office Administration, Selling and Other Expenses (Note - 26.1)	8,160.42	4,026.69
TOTAL	24,226.32	16,917.03
Less: Company's use of own Products and Crude	880.87	948.90
	23,345.45	15,968.13
Duties (Net)	(583.02)	357.23
TOTAL (Net)	22,762.43	16,325.36

**NOTE - 26.1: OFFICE, ADMINISTRATION, SELLING AND OTHER EXPENSES**

(₹ in Crore)

Particulars	March-12	March-11
Rent	358.95	279.17
Insurance	110.27	82.24
Rates & Taxes	75.08	68.95
Donations	9.05	1.54
Payment to auditors		
a) Audit Fees	1.47	1.20
b) Tax Audit Fees	0.13	0.13
c) Other Services(for issuing certificates etc.)	0.36	0.45
d) Out of Pocket Expenses	0.42	0.31
	2.38	2.09
Travelling & Conveyance	371.43	324.87
Communication Expenses	50.35	45.50
Printing & Stationery	31.79	27.82
Electricity & Water	201.45	179.65
Bank Charges	53.68	31.64
Bad Debts, Advances & Claims written off	49.21	7.16
Provision/ Loss on Assets sold or written off	2.47	25.23
Technical Assistance Fees	29.58	44.84
Exchange Fluctuation (net)	3,182.86	-
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.	59.17	213.89
Provision for Diminution in Investments	418.15	78.74
Security Force Expenses	264.93	238.19
Sales Promotion Expenses (Incl. Commission)	494.19	452.53
Handling Expenses	214.47	165.47
Expenses on Enabling Facilities	24.00	41.68
Commodity Hedging Losses (Net)	328.13	48.35
Terminalling Charges	20.06	24.94
Provision for Probable Contingencies	93.05	42.22
Exploration & Production Cost	180.23	333.44
Amortisation of Premium on Forward Contracts	89.66	132.45
MTM Loss on Interest Rate Swap	110.26	-
Loss on Sale of Investments (Net)	18.87	26.56
Expenses on CSR Activities	78.47	89.82
Miscellaneous Expenses	1,238.23	1,017.71
TOTAL	8,160.42	4,026.69

A. In respect of Oil and Gas Exploration activities, Revenue Expenditure amounting to ₹ 180.23 crore (2011 : ₹ 333.44 crore) and Capital Expenditure amounting to ₹ (51.41) crore (2011 : ₹ 19.80 crore) of Oil and Gas Exploration Projects have been incorporated in these accounts on the basis of unaudited statements provided by respective operators of Production Sharing Contracts to the Company.

NOTE - 27: INCOME / EXPENSES RELATING TO PREVIOUS YEARS

(₹ in Crore)

Particulars	March-12	March-11
Income:		
Miscellaneous Income	40.91	8.75
Sale of Products	-	(2.62)
Total Income	40.91	6.13
Expenditure:		
Purchase of Products and Crude	0.16	(0.09)
Depreciation and Amortization on:		
Tangible Assets	(326.05)	20.27
Intangible Assets	0.66	-
Consumption of Stores, Spares and Consumables	(1.27)	(9.25)
Technical fees	1.30	(3.18)
Power and Fuel	(1.22)	(3.25)
Repairs and Maintenance	7.93	2.64
Interest	6.96	2.95
Rent	0.08	5.33
Rates & Taxes	1.45	0.27
Payment to and Provision for Employees	16.38	(5.68)
Other Expenses	64.28	67.00
Total Expenditure	(229.34)	77.01
NET INCOME /(EXPENDITURE)	270.25	(70.88)



NOTE - 28

1. Contingent Liabilities & Commitments

A. Contingent Liabilities

A.1 Contingent Liabilities amounting to ₹ **8,829.47 crore** (2011: ₹ 7,888.70 crore) are as under :

A.1.1 ₹ **4,975.99 crore** (2011: ₹ 5,301.69 crore) being the demands raised by the Central Excise /Customs/ Sales Tax Authorities.

A.1.2 ₹ **910.21 crore** (2011: ₹ 756.76 crore) including ₹ **593.79 crore** (2011: ₹ 512.09 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator.

A.1.3 ₹ **2,126.64 crore** (2011: ₹ 1,179.25 crore) in respect of Income Tax demands.

A.1.4 ₹ **816.63 crore** (2011: ₹ 651.00 crore) in respect of other claims.

A.1.5 The Company has not considered those disputed demands/ claims as contingent liabilities, the outflow of resources for which would be remote.

A.2 Interest/Penalty, if any, on some of the above claims is unascertainable.

A.3 Pending decision of the Government, no liability could be determined and provided for in respect of additional compensation, if any, payable to the land owners and the Government for certain lands acquired.

B. Commitments

B.1 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account not provided for ₹ **18,671.21 crore** (2011: ₹ 22,863.56 crore).

B.2 Other Commitments

The Group has an export obligation to the extent of ₹ **3,226.10 crore** (2011: ₹ 3,871.83 crore) on account of concessional rate of customs duty availed under EPCG license scheme on import of

capital goods.

2. Purchase of crude oil from ONGC, Oil India Limited and Panna Mukta Tapti JV and some other oilfields has been accounted for provisionally, pending finalization of agreements with respective parties. Adjustments, if any, will be made on finalization of agreements.

3. 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 ₹ **95.12 crore** (2011: ₹ 89.56 crore), are pending for execution or renewal.

4. Transactions with other Oil Marketing Companies are jointly reconciled on an ongoing basis.

5. A Pursuant to orders pronounced by the Honorable Supreme Court / various High Courts in the matter of Entry Tax on Crude Oil, HSD & Lubricants and as advised, the Group has not provided for Entry Tax amounting to ₹ **894.89 crore** in respect of Panipat Refinery, Mundra-Panipat & Salaya Mathura Pipelines and Asaouti Lube Blending Plant (2011: ₹ 5,106.43 crore in respect of Mathura & Panipat Refineries, Mundra-Panipat & Salaya Mathura Pipelines and Asaouti Lube Blending Plant) including ₹ **207.17 crore** for the year in respect of Panipat Refinery, Mundra-Panipat & Salaya Mathura Pipelines and Asaouti Lube Blending Plant (2011: ₹ 1363.24 crore in respect of Mathura & Panipat Refineries, Mundra-Panipat & Salaya Mathura Pipelines and Asaouti Lube Blending Plant).

B Consequent to the recent order pronounced by Hon'ble High Court of Allahabad in December, 2011, upholding the Constitutional Validity of retrospective application of Entry Tax Law in the State of UP, the Company had filed a Special Leave Petition before Hon'ble Supreme Court of India. Although the Apex Court has granted the stay order, the Company has been directed by the Court to deposit 50% of arrears towards the Entry Tax and Full tax prospectively vide its order of January, 2012 in respect of crude imported in the State of UP. Accordingly, pending final disposal of the matter, an amount of ₹ **8,156.56 crore** (including interest of ₹ **2,165.02 crore**) has been provided in the books during 2011-12. Out of this, an amount of ₹ **7,707.82 crore** comprising of entry Tax and interest thereon upto December, 2011 has been shown as Exceptional Item.

6. In the 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.

NOTE - 29: EMPLOYEE BENEFITS

The Group has adopted Accounting Standard 15 (AS15) on "Employee Benefits". These consolidated financial statements include the obligations as per the requirements of this standard except for those subsidiaries which are incorporated outside India who have determined the valuation/provision for employee benefits as per requirements of their respective countries. The disclosure in compliance with the Standard is as under:

(a) Provident Fund

During the year, the Group has recognised ₹ 276.26 crore (2010-11 : ₹ 350.21 crore) as Employer's contribution to Provident Fund in the Profit and Loss Account (included in Contribution to Provident and Other Funds in Note - 24).

(b) Pension Scheme

During the year, the Group has recognised ₹ 348.65 crore (2010-11 : ₹ 355.95 crore) towards Defined Contributory Employees Pension Scheme in the Profit and Loss Account (included in Contribution to Provident and Other Funds in Note - 24).

(c) Reconciliation of balance of Defined Benefit Obligation

(₹ in Crore)

	Gratuity		Leave Encashment		PRMS		Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded
Defined Obligation at the beginning of the year	1,445.42	1.87	4.29	1,631.45	829.99	20.56	83.00	112.29	9.28
	1,405.89	1.95	3.91	1,407.79	825.72	18.33	82.50	94.73	9.98
Current Service Cost	18.23	0.10	0.22	53.53	52.90	0.18	3.45	20.19	0.24
	21.12	0.15	0.21	54.79	46.44	0.16	3.72	5.01	0.28
Interest Cost	116.86	0.17	0.30	130.76	70.00	1.65	7.06	10.23	0.68
	113.36	0.22	0.29	114.22	70.00	1.48	7.07	7.84	0.74
Past Service Cost	-	-	(0.08)	-	-	(0.15)	-	-	-
	2.34	-	-	-	-	-	-	-	-
Benefits paid	(108.12)	(0.25)	(1.14)	(213.30)	(70.39)	(0.86)	(2.66)	(17.59)	(2.07)
	(110.16)	(0.09)	(0.54)	(167.21)	(60.08)	(0.75)	(1.95)	(9.79)	(2.02)
Actuarial (gain)/ loss on obligations	(21.65)	(0.05)	1.00	80.72	0.44	10.11	(11.49)	94.41	(0.16)
	12.90	(0.36)	0.43	221.86	(52.09)	1.36	(8.34)	14.50	0.30
Defined Benefit Obligation at the end of the year	1,450.74	1.84	4.59	1,683.16	882.94	31.49	79.36	219.53	7.97
	1,445.45	1.87	4.30	1,631.45	829.99	20.58	83.00	112.29	9.28

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

(₹ in Crore)

	Gratuity		Leave Encashment		PRMS		Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded
Fair Value of Plan Assets at the beginning of the year	1,554.95	-	3.87	-	-	-	-	-	8.17
	1,416.87	-	2.67	-	-	-	-	-	9.35
Expected return on plan assets	128.64	-	0.33	-	-	-	-	-	0.68
	118.59	-	0.27	-	-	-	-	-	0.75
Contribution by employer	103.75	-	1.14	-	901.37	-	-	-	0.76
	111.56	-	1.48	-	-	-	-	-	-
Benefit paid	(108.12)	-	(1.14)	-	(70.39)	-	-	-	(2.07)
	(110.15)	-	(0.54)	-	-	-	-	-	(2.02)
Actuarial gain / (losses)	18.62	-	0.11	-	51.96	-	-	-	0.20
	18.09	-	(0.01)	-	-	-	-	-	0.09
Fair value of plan assets at the end of the year	1,697.84	-	4.31	-	882.94	-	-	-	7.74
	1,554.96	-	3.87	-	-	-	-	-	8.17

Contd...



IndianOil

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

(₹ in Crore)

	Gratuity		Leave Encashment		PRMS		Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded
Fair Value of Plan Assets at the end of the year	1,697.84 1,554.96	-	4.31 3.87	-	882.94 -	-	-	-	7.74 8.17
Defined Benefit Obligation at the end of the year	1,450.74 1,445.45	1.84 1.87	4.59 4.30	1,683.16 1,631.45	882.94 829.99	31.49 20.58	79.36 83.00	219.53 112.29	7.97 9.28
Amount recognised in the Balance Sheet	(247.10) (109.51)	1.84 1.87	0.28 0.43	1,683.16 1,631.45	- 829.99	31.49 20.58	79.36 83.00	219.53 112.29	0.23 1.11

(f) Amount recognised in CWIP / Profit and Loss Account

(₹ in Crore)

	Gratuity		Leave Encashment		PRMS		Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded
Current Service Cost	18.23 21.12	0.10 0.15	0.22 0.21	53.53 54.79	52.90 46.44	0.18 0.16	3.45 3.72	20.19 5.01	0.24 0.28
Interest Cost	116.86 113.36	0.17 0.22	0.30 0.29	130.76 114.22	70.00 70.00	1.65 1.48	7.06 7.07	10.23 7.84	0.68 0.74
Expected (return) / loss on plan asset	(128.64) (118.59)	-	(0.33) (0.27)	-	-	-	-	-	(0.68) (0.75)
Past Service Cost	- 2.34	-	(0.08) -	-	-	(0.15) -	-	-	-
Actuarial (gain)/ loss	(40.27) (5.19)	(0.05) (0.36)	0.89 0.44	80.72 221.86	(51.52) (52.09)	10.11 1.36	(11.49) (8.34)	94.41 14.50	(0.36) 0.21
Expenses for the year	(33.82) 13.04	0.22 0.01	1.00 0.67	265.01 390.87	71.38 64.35	11.79 3.00	(0.98) 2.45	124.83 27.35	(0.12) 0.48

(g) Major Actuarial Assumptions

	Gratuity		Leave Encashment		PRMS		Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded
Discount rate	8.63% 8.30%	10.63% 8.50%	8.29% 7.75%	8.63% 8.30%	8.63% 8.30%	8.30% 8.30%	8.63% 8.30%	8.63% 8.30%	8.63% 8.30%
Expected return on plan assets	8.60% 8.00%	-	-	-	-	-	-	-	9.00% 9.00%
Salary escalation	8.00% 8.00%	4.00% 4.00%	8.00% 7.00%	8.00% 8.00%	-	-	-	-	8.00% 8.00%
Inflation	-	-	-	-	7.00% 7.00%	7.00% 7.00%	6.00% 6.00%	-	-

NOTE - 30: SEGMENT INFORMATION

Information regarding Primary Segment Reporting as per AS-17 for the year ended March 31, 2012 is as under:

(₹ in Crore)

	March-12				Total	March-11				Total
	Petroleum Products	Petro-chemicals	Other Businesses	Eliminations		Petroleum Products	Petro-chemicals	Other Businesses	Eliminations	
Revenue										
External Revenue	3,90,544.12	11,174.09	7,205.82	-	4,08,924.03	2,99,332.49	5,768.13	4,696.40	-	3,09,797.02
Inter-segmen Revenue	7,506.24	48.72	3,617.94	(11,172.90)	-	4,632.42	67.35	1,185.47	(5,885.24)	-
Total Revenue	3,98,050.36	11,222.81	10,823.76	(11,172.90)	4,08,924.03	3,03,964.91	5,835.48	5,881.87	(5,885.24)	3,09,797.02
Result										
Segment Results	17,664.13	(209.94)	308.57	-	17,762.76	11,705.20	(1,609.35)	(242.45)	-	9,853.40
Less:										
Interest Expenditure					5,894.65					2,985.70
Loss on Sale of Investments (Net)					18.87					26.56
Provision for diminution in Investments (Net)					418.15					78.74
Loss on sale and disposal of Assets					2.47					25.23
Exchange Loss (Net)					3,182.86					-
Add:										
Interest/Dividend Income					2,635.19					2,575.72
Provision for diminution in Trust written back (Net)					513.21					96.86
Exchange Gain (Net)					-					739.65
Other non operating income					38.73					35.46
Prior year income/(expenses) -net					270.25					(70.88)
Profit before Exceptional items and Tax					11,703.14					10,113.98
Exceptional Items					(7,707.82)					-
Profit Before Tax					3,995.32					10,113.98
Less: Income Tax (including deferred tax)					(269.95)					2,028.36
Profit After Tax					4,265.27					8,085.62
Other Information										
Segment Assets	1,80,562.32	18,242.32	2,211.42	-	2,01,016.06	1,43,822.91	19,027.97	1,555.91	-	1,64,406.79
Corporate Assets					18,786.13					20,170.99
Total Assets					2,19,802.19					1,84,577.78
Segment Liabilities	67,989.04	828.66	1,102.94	-	69,920.64	54,544.18	2,065.50	850.12	-	57,459.80
Corporate Liabilities					87,588.84					67,573.23
Total Liabilities					1,57,509.48					1,25,033.03
Capital Employed										
Segment Wise	1,12,573.28	17,413.66	1,108.48		1,31,095.42	89,278.73	16,962.47	705.79		1,06,946.99
Corporate					(68,802.71)					(47,402.24)
					62,292.71					59,544.75
Capital Expenditure	13,880.33	196.88	426.48		14,503.69	11,323.29	7,947.46	276.64		19,547.39
Depreciation and Amortization	4,258.02	952.54	98.70		5,309.26	3,808.99	1,040.04	83.59		4,932.62

Notes:

- The Group is engaged in the following business segments:
 - Sale of Petroleum Products
 - Sale of Petrochemicals
 - Other Businesses, comprises Sale of Gas, Explosives & Cryogenics, Wind Mill & Solar Power Generation 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 Duty)
 - Subsidy/Grants received from Government of India
 - Other Operating Income
- There are no reportable geographical segments.



NOTE - 31: RELATED PARTY DISCLOSURES

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

1. RELATIONSHIP

A) DETAILS OF JOINT VENTURE COMPANIES/ ENTITIES

- 1) IOT Infrastructure Energy Services 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.
- 14) Delhi Aviation Fuel Facility Pvt Limited
- 15) Indian Synthetic Rubber Limited
- 16) IndianOil Ruchi Biofuels LLP
- 17) NPCIL- IndianOil Nuclear Energy Corporation Limited
- 18) Indian Additives Ltd.

- 19) National Aromatics and petrochemicals Corporation Ltd.
- 20) Ceylon Petroleum Storage terminal Ltd.

B) Whole-time Directors

- 1) Shri R.S.Butola
- 2) Shri B.M.Bansal (upto 31.01.2011)
- 3) Shri S.V.Narasimhan (upto 30.04.2011)
- 4) Shri V.C.Agrawal (upto 31.07.2010)
- 5) Shri G.C.Daga (upto 30.09.2011)
- 6) Shri B.N.Bankapur (upto 31.08.2011)
- 7) Shri Anand Kumar (upto 30.06.2010)
- 8) Shri K.K. Jha (upto 31.01.2012)
- 9) Shri R.K.Malhotra
- 10) Shri Sudhir Bhalla
- 11) Shri A.M.K.Sinha
- 12) Shri P.K.Goyal
- 13) Shri R.K.Ghosh
- 14) Shri Makarand Nene
- 15) Shri V.S. Okhade

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 number 1(A) above :

(₹ in Crore)

	2011-12	2010-11
i) Sales (Includes sales to Lubrizol India Pvt. Ltd ₹ 169.57 crore (2010-11 : ₹ 159.78 crore) and Indian Oil Petronas Pvt. Ltd. ₹ 85.70 crore (2010-11 : ₹ 11.78 crore))	256.06	191.59
ii) Interest received (Includes interest received from IOT Infrastructure Energy Services Ltd ₹ 0.02 crore (2010-11 : ₹ 1.08 crore) and Petronet VK Ltd. ₹ 0.03 crore (2010-11: ₹ 0.02 crore))	0.05	1.10
iii) Consultancy Services/Other Income (Includes Consultancy Service/Other Income from Lubrizol India Pvt. Ltd. ₹ 34.56 crore (2010-11 : ₹ 30.72 crore), Petronet LNG Ltd. ₹ 23.21 crore (2010-11 : ₹ 19.71 crore) and IndianOil Petronas Pvt. Ltd. ₹ 8.35 crore (2010-11 ₹ 8.00 crore))	80.68	67.02
iv) Purchase of Products (Includes Purchase of Products from Petronet LNG Ltd ₹ 7,318.35 crore (2010-11 : ₹ 3,753.78 crores))	7,387.95	3,837.96
v) Purchase of Chemicals/materials (Includes Purchase of chemicals /materials from Lubrizol India Pvt. Ltd ₹ 280.60 crore (2010-11 : ₹ 228.15 crore))	280.73	228.15
vi) Handling Expenses (Includes Handling Expenses to IndianOil Sky Tanking Ltd ₹ 208.79 crore (2010-11 : ₹ 130.91) and Indian Oil Petronas Pvt Ltd ₹ 94.02 crore (2010-11 : ₹ 79.22 crores))	316.10	228.04
vii) Freight Expenses (Includes Freight Expenses to Lubrizol India Pvt Ltd ₹ 0.31 crore (2010-11 : ₹ 0.24 crore))	0.33	0.25
viii) Exploration & Production Expenses (Exploration & Production Expenses to IOT Infrastructure Energy Services Ltd ₹ 10.09 crore (2010-11 : NIL))	10.09	-
ix) Reimbursement of Expenses (Includes Reimbursement of Expenses Indian Oil Petronas Pvt. Ltd. ₹ 2.27 crore (2010-11 : ₹ 2.49 crore), IndianOil Sky Tanking Ltd ₹ 1.80 crore (2010-11 : ₹ 1.57 crore) and IOT Infrastructure Energy Services Ltd ₹ 0.54 crore (2010-11: NIL))	5.25	5.08
x) Investments made during the year (Includes Investment made in Indian Synthetic Rubber Ltd. ₹ 115.62 crore (2010-11 ₹ 25.00 crore))	116.93	126.18

Contd...

(₹ in Crore)

	2011-12	2010-11
xi) Purchase/Acquisition of Fixed Assets (Includes Purchase/Acquisition of Fixed Assets from IOT Infrastructure Energy Services Ltd ₹ 256.77 crore (2010-11 : ₹ 434.37 crore))	256.77	437.04
xii) Provisions made/(written off) during the year (Includes write back of provision made against advance given to Suntera Nigeria 205 Ltd. ₹ 40.53 crore (2010-11: NIL))	(40.38)	0.19
xiii) Outstanding Receivables/ Loans Recoverable (Includes Outstanding Receivables from IOT Infrastructure Energy Services Ltd ₹ 169.12 crore (2010-11 : ₹ 41.62 crore) and Suntera Nigeria 205 Ltd ₹ 68.11 crore (2010-11 : ₹ 40.53 crore))	278.05	108.26
xiv) Outstanding Payables (Includes Outstanding payable to Petronet LNG. Ltd. ₹ 429.99 crore (2010-11 : 219.45 crore) and IOT Infrastructure Energy Services Ltd ₹ 132.25 crore (2010-11 : ₹ 237.48 crore))	642.86	557.99
xv) Claims Recoverable (Claims recoverable from National Aromatics and Petrochemicals Corporation Ltd. ₹ 14.40 crore (2010-11 : ₹ 14.40 crore))	14.40	14.40
xvi) Provision for Doubtful Claims (Provision for Doubtful Claims in respect of National Aromatics and Petrochemicals Corporation Ltd. ₹ 14.40 crore (2010-11 : ₹ 14.40 crore))	14.40	14.40

b) Details relating to the parties referred to in Item No.1 (B) above :

(₹ in Crore)

FY 2011-12		Remuneration	Recovery of Interest & Furniture Hire Charges	Outstanding loans/advances receivables
Details of Whole-time Directors				
1)	Shri R.S.Butola	0.37	-	-
2)	Shri B.M.Bansal	-	-	-
3)	Shri S.V.Narasimhan	0.57	-	-
4)	Shri V.C.Agrawal	-	-	-
5)	Shri G.C.Daga	0.63	-	-
6)	Shri B.N.Bankapur	0.54	-	-
7)	Shri Anand Kumar	-	-	-
8)	Shri K.K. Jha	0.41	0.01	-
9)	Shri R.K.Malhotra	0.37	-	-
10)	Shri Sudhir Bhalla	0.40	-	0.05
11)	Shri A.M.K.Sinha	0.31	0.01	-
12)	Shri PK.Goyal	0.42	0.01	0.03
13)	Shri R.K.Ghosh	0.29	-	0.08
14)	Shri Makarand Nene	0.20	-	-
15)	Shri V S Okhde	0.06	-	0.01
TOTAL		4.57	0.03	0.17
FY 2010-11		Remuneration	Recovery of Interest & Furniture Hire Charges	Outstanding loans/advances receivables
Details of Whole-time Directors				
1)	Shri R.S.Butola	0.03	-	-
2)	Shri B.M.Bansal	0.63	-	-
3)	Shri S.V.Narasimhan	0.45	-	-
4)	Shri V.C.Agrawal	0.50	-	-
5)	Shri G.C.Daga	0.42	-	-

Contd...



IndianOil

6) Shri B.N.Bankapur	0.45	-	-
7) Shri Anand Kumar	0.55	-	-
8) Shri K.K. Jha	0.42	-	0.02
9) Shri R.K.Malhotra	0.25	-	-
10) Shri Sudhir Bhalla	0.13	-	0.06
11) Shri A.M.K.Sinha	0.01	0.01	-
12) Shri P.K.Goyal	-	-	-
13) Shri R.K.Ghosh	-	-	-
14) Shri Makarand Nene	-	-	-
15) Shri V S Okhde	-	-	-
TOTAL	3.84	0.01	0.08

Notes:

- 1) This does not include the impact of provision made on actuarial valuation of retirement benefit Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors.
- 2) In addition, whole - time Directors are also allowed the use of Corporation's car for private purposes upto 12,000 kms per annum on a payment of ₹ 520/- per mensem for car less than 16 hp or ₹ 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 period, transactions w.e.f. date of constitution/acquisition is disclosed.
- 5) In case of Joint Venture Companies which have been closed/divested during the period, transactions upto the date of closure/disinvestment only are disclosed.

NOTE - 32: LEASES

Disclosure as required under Accounting Standard – 19 on “Leases”:

Finance Leases on Tank Wagons:

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.

(₹ in Crore)		
Particulars	March-12	March-11
A. Gross Investments in Finance Lease	415.64	415.64
Less: Unearned Finance Income	4.05	5.24
Less: Finance Income Received	167.10	165.91
Less: Minimum Lease payment received	234.20	232.77
Net Investment in Finance Lease as on Date	10.29	11.72
B. Unearned finance Income	4.05	5.24
C. Present Value of Minimum Lease Payments Receivable		
Not Later than one year	1.40	1.43
Later than one year and not later than five years	7.14	6.77
Later than Five years	1.75	3.52
Total :	10.29	11.72
D. Break-up of un-earned income		
Not Later than one year	1.04	1.19
Later than one year and not later than five years	2.75	3.44
Later than Five years	0.26	0.61
Total	4.05	5.24

Operating leases:

a) As Lessee

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:

(₹ in Crore)		
Particulars	March-12	March-11
A. Lease rentals recognized during the period	50.48	51.71
B. Lease Obligations		
- Not later than One Year	47.57	49.09
- Later than one year and not later than five years	160.61	163.59
- Later than five years	556.14	583.89

b) As Lessor

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

(₹ in Crore)		
Particulars	March-12	March-11
A. Lease rentals recognized as income during the period	1.51	2.52
B. Lease Rentals (Category of assets – Plant & Equipment)		
- Gross Carrying Amount	2.05	2.04
- Accumulated Depreciation	1.19	1.10
- Depreciation recognized in Profit and Loss Account	0.09	0.10

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

**NOTE - 33: EARNINGS PER SHARE (EPS)**

In compliance of Accounting Standard – 20 on "Earning Per Share", the calculation of Earning Per Share (Basic and Diluted) is as under:

	March-12	March-11
Profit for the Group (₹ in Crore)	4,225.98	7,830.72
Total Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	2427952482	2427952482
Earning Per Share (Basic and Diluted) (₹)	17.41	32.25
Face value per share (₹)	10/-	10/-

NOTE - 34: INTEREST IN JOINT VENTURES

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 agreements for oil and gas exploration blocks with the Govt. of India and other body corporates. These joint ventures are:

Name	Participating Interest of IOC (%)	
	31.03.2012	31.03.2011
IN INDIA		
Under NELP Block		
MN-OSN-2000/2	20.00	20.00
AA-ONN-2001/2	20.00	20.00
MB-OSN-2004/1	20.00	20.00
MB-OSN-2004/2	20.00	20.00
KG-DWN-2005/1	20.00	20.00
GK-OSN-2009/1	20.00	20.00
GK-OSN-2009/2	30.00	30.00
CB-ONN-2010/6 *	20.00	-
Others		
AAP-ON-94/1	43.55	43.55
BK-CBM-2001/1	20.00	20.00
NK-CBM-2001/1	20.00	20.00
OUTSIDE INDIA		
FARSI BLOCK IRAN	40.00	40.00
LIBYA BLOCK 86	50.00	50.00
LIBYA BLOCK 102/4	50.00	50.00
SHAKTHI GABON**	50.00	50.00
YEMEN 82	15.00	15.00
YEMEN 83	15.00	15.00
AREA 95-96	25.00	25.00
Block K ***	-	12.50

* Block awarded under NELP-IX

** Participating Interest will come down to 45% after Exploration phase.

***Block relinquished during the year 2011-12.

53rd Annual Report

(b) Jointly Controlled Assets:-

Details of Group's share of Jointly Owned Assets included above:

(₹ in Crore)

Assets Particulars	Name of Joint Owners	Original Cost	Accumulated Depreciation & Amortisation	W.D.V. as at 31.03.12
Land - Freehold	HPC/BPC	3.10	0.00	3.10
Land - Leasehold	HPC/BPC	0.18	0.06	0.12
Buildings	HPC/BPC	17.97	6.05	11.92
Plant and Equipment	HPC/BPC/GSFC/IPCL/GNRE	127.31	59.99	67.32
Transport Equipment	RAILWAYS	183.58	174.40	9.18
Railway Sidings	HPC/BPC/KRIBHKO	55.92	36.72	19.20
Drainage, Sewage & Water Supply	GSFC	0.99	0.94	0.05
Furniture	HPC/BPC	0.00	0.00	0.00
Total		389.05	278.16	110.89
Previous year		386.52	269.69	116.83

(c) Jointly Controlled Entities:-

Name	Country of Incorporation	Ownership Interest of IOC(%)	
		31.03.2012	31.03.2011
(i) IOT Infrastructure Energy Services Ltd (name changed from Indian Oil Tanking Ltd)	India	47.92	49.89
(ii) Lubrizol India Pvt. Ltd.	India	50.00	50.00
(iii) Petronet VK Ltd.	India	26.00	26.00
(iv) Petronet CI Ltd.	India	26.00	26.00
(v) IndianOil SkyTanking Ltd.	India	33.33	33.33
(vi) Indo Cat Pvt. Ltd.	India	50.00	50.00
(vii) Delhi Aviation Fuel Facility Pvt. Ltd.	India	37.00	37.00
(viii) IndianOil Petronas Pvt.Ltd.	India	50.00	50.00
(ix) Suntera Nigeria 205 Ltd	Nigeria	25.00	25.00
(x) IndianOil Panipat Power Consortium Ltd.	India	50.00	50.00
(xi) Avi-Oil India Pvt. Ltd.	India	25.00	25.00
(xii) Petronet India Ltd.	India	18.00	18.00
(xiii) Petronet LNG Ltd.	India	12.50	12.50
(xiv) Indian Synthetic Rubber Limited	India	50.00	50.00
(xv) IndianOil Ruchi Biofuels LLP	India	50.00	50.00
(xvi) Green Gas Ltd.	India	22.50	22.50
(xvii) NPCIL IndianOil Nuclear Energy Corporation Limited (NINECL)	India	26.00	-

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

(₹ in Crore)

	31.03.2012	31.03.2011
(a) Jointly Controlled Operations		
(i) Contingent Liabilities	0.20	14.09
(ii) Capital Commitments	1,214.86	999.94
(b) Jointly Controlled Assets		
(i) Contingent Liabilities	-	-
(ii) Capital Commitments	-	-



IndianOil

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

	(₹ in Crore)	
	31.03.2012	31.03.2011
(i) Assets		
- Long Term Assets	1938.55	1495.58
- Current Assets	1306.98	1104.72
(ii) Liabilities		
- Current Liabilities and Provisions	938.95	790.61
- Other Liabilities	802.74	666.85
(iii) Income	4602.13	3233.34
(iv) Expenses	4152.87	2867.91
(v) Contingent Liabilities	89.47	38.08
(vi) Capital Commitments	497.75	382.97

NOTE - 35: 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 2012 are as below:

(a) For Hedging Currency Risks

Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31st March 2012 is given below:

(₹ in Crore)

S. No.	Particulars	Unit of Currency	As on 31.03.2012		As on 31.03.2011	
			No of contracts	Aggregate amount	No of contracts	Aggregate amount
1.	Forward Contracts	USD	16	379.80	108	4,004.13

(b) For Hedging Commodity Related Risks:

Category-wise quantitative data about commodity derivative transactions that are outstanding as on 31st March 2012 is given below:

S. No.	Particulars	Quantity (in '000 bbls)	
		As at 31 st March 2012*	As at 31 st March 2011
1.	Swaps on Crude oil	500	9450
2.	Margin Hedging	250	2400

* Positions settled on 16.04.2012

(c) For Hedging Interest Rate Related Risks:

Interest rate swap for ₹ 2,544 crore (2010-11: ₹ 2230 crore) - (USD 50 crore) syndicated loan (swap from 1/3/6 month USD LIBOR till maturity to 2.222% Fixed)

S. No.	Particulars	Number of Contracts	
		As at 31 st March 2012	As at 31 st March 2011
1	Swaps of Interest Rates	1	1

Mark to market losses as at the Balance Sheet date, if material, are recognised in the Statement of Profit and Loss

- Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2012 is given below:

			(₹ in Crore)
S. No.	Particulars	As on 31.03.2012	
		Aggregate amount	As on 31.03.2011 Aggregate amount
1	Unhedged	53,193.44	42,996.16

NOTE - 36: ADDITIONAL DISCLOSURES BY GROUP COMPANIES

Lanka IOC Ltd.

- a) Goodwill represents the excess of purchase consideration paid in 2003 to the Government of Sri Lanka over the net assets value representing applicable shares allotted in the acquisition of the retail outlet, which were vested with Independent Petroleum Marketers Limited (IPML). The IPML was subsequently amalgamated in 2004 with Lanka IOC LPC and dissolved.

Goodwill represents future economic benefits arising from other assets which were acquired from the above business combination that were not able to individually identified and separately recognized. Accumulated amortization as at the balance sheet date amounting to INR 34,510,737 which were amortized up to 2007 based on 20 years useful life. However, as per the revised accounting standards goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

- 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. Investment is recorded at cost and details are as under:

	(₹ in Crore)	
	2011-12	2010-11
At the beginning of the year	177.52	172.84
Translation Difference	(1.49)	4.68
Closing Net book amount	176.03	177.52

- 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 Dahej 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 26% 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.



NOTE - 37: PREVIOUS YEAR FIGURES

- A. The Financial Statements for the year ended 31st March, 2011 were prepared as per the then applicable Schedule VI to the Companies Act, 1956. Consequent to the Notification of Revised Schedule VI under the Companies Act, 1956, the Financial Statements for the year ended 31st March, 2012 have been prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified by the Company to conform to current year's classification.
- B. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of Financial Statements.
- C. Previous year's comparative figures have been regrouped wherever necessary. Figures in brackets indicate deductions.

Sd/-
(R. S. Butola)
Chairman

Sd/-
(P. K. Goyal)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For B.M. CHATRATH & CO.
Chartered Accountants
(Firm Regn. No. 301011E)

For DASS GUPTA & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 000112N)

For PARAKH & CO.
Chartered Accountants
(Firm Regn. No.001475C)

Sd/-
(CA. P.R.Paul)
Partner
M. No. 051675

Sd/-
(CA. Naresh Kumar)
Partner
M. No. 082069

Sd/-
(CA. Aditya Kumar Rawat)
Partner
M. No. 071767

Place : New Delhi

Date : May 28, 2012

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 notified by the Companies (Accounting Standards) Rules, 2006 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 Tangible Assets

- 2.1.1 Fixed Assets are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment.
- 2.1.2 Land acquired on perpetual lease as well as on lease for over 99 years is treated as free hold land.
- 2.1.3 Land acquired on lease for 99 years or less is treated as leasehold land.
- 2.1.4 Technical know-how / license fee relating to plants/facilities are capitalised as part of cost of the underlying asset.

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 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 leasehold land for 99 years or less is amortised over 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/dismantle or earmarking for disposal/dismantling during the year.

- 2.4.3 Assets, other than LPG Cylinders and Pressure Regulators, costing upto ₹ 5,000/-per item are depreciated fully in the year of capitalisation.

- 2.4.4 Expenditure on the items, ownership of which is not with the Company are charged off to revenue in the year of incurrence of such expenditure.

2.5 Impairment of Assets

As at each balance sheet date, the carrying amount of cash generating units / assets is tested for impairment so as to determine:

- (a) the provision for impairment loss, if any, required; or
(b) the reversal, if any, required of impairment loss recognized in previous periods.

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

3. INTANGIBLE ASSETS

- 3.1 Technical know-how / license fee relating to production process and process design are recognised as Intangible Assets and amortised on a straight line basis over a period of ten years or life of the underlying plant/ facility, whichever is earlier.
- 3.2 Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.
- 3.3 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 "Intangible Assets Under Development".
- 3.4 Cost of Right of Way for laying pipelines is capitalised. However, such Right of Way being perpetual in nature, is not amortised.

4. BORROWING COST

Borrowing costs that are attributable to the acquisition and construction of the qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

5. FOREIGN CURRENCY TRANSLATION

- 5.1 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.
- 5.2 Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the end of reporting period, are translated at exchange rates prevailing as at the end of reporting period.
- 5.3 Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc.) are valued at the exchange rate prevailing on the date of the transaction.



5.4.1 (a) Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit & Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.

(b) Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets. In other cases, exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long-term foreign currency monetary item but not beyond 31st March, 2020, by recognition as income or expense in each of such periods.

5.4.2. Premium/discount arising at the inception of the forward 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.

6. INVESTMENTS

6.1 Long term investments are valued at cost and provision for diminution in value, thereof is made, wherever such diminution is other than temporary.

6.2 Current investments are valued at lower of cost or fair market value.

7. INVENTORIES

7.1 Raw Materials

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

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

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

7.2 Finished Products and Stock-in-Trade

7.2.1 Finished products and stock in trade, other than lubricants, are valued at cost determined on 'First in First Out' basis or net realizable value, whichever is lower. Cost of Finished Products produced is determined based on raw material cost and processing cost.

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

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

7.3 Stores and Spares

7.3.1 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 @ 5% is also made on the balance stores and spares (excluding barrels,

tins, stores in transit, chemicals, crude oil and own products) towards likely diminution in the value.

7.3.2 Stores & Spares in transit are valued at cost.

8. TRADE RECEIVABLES

In addition to the specific provision made, an adhoc provision @ 1% is also made in respect of Trade Receivables, other than those relating to Oil Marketing companies, Subsidiary & Joint Venture companies and Export customers, to recognize the element of uncertainty.

9. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

9.1 Contingent Liabilities

9.1.1 Show Cause Notices issued by various Government Authorities are not considered as Obligation.

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

9.1.3 The treatment in respect of disputed obligations, in each case above ₹ 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.

9.2 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account above ₹ 5 lakhs, in each case, are considered for disclosure.

10. REVENUE RECOGNITION

10.1 Revenue from sale of goods is recognised when sufficient risks and rewards are transferred to customers, which is generally on dispatch of goods.

10.2 Dividend income is recognized when the company's right to receive dividend is established.

10.3 Claims (including interest on outstandings) are accounted:
a) When there is certainty that the claims are realizable
b) Generally at cost

10.4 Income and expenditure upto Rupees five lakhs in each case pertaining to previous years are accounted for in the current year.

10.5 Pre-paid expenses upto Rupees five lakhs in each case are charged to revenue.

11. EXCISE DUTY

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

12. 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.

13. EMPLOYEES BENEFITS

13.1 Short Term Benefits:

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

13.2 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 Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Statement of Profit and Loss.
- b) The Company operates defined benefit plans for Gratuity and Post Retirement Medical Benefits. 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 are administered through respective Trusts. Actuarial gains/losses are charged to Statement of Profit and Loss.
- c) Obligations on Compensated Absences, Resettlement and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.
- d) The Company operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.

13.3 Termination Benefits:

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

14. GRANTS

14.1 Capital Grants

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 Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

14.2 Revenue Grants

Revenue grants are reckoned as per the respective schemes notified by Government from time to time, subject to final adjustments as per separate audit wherever applicable.

15. OIL & GAS EXPLORATION ACTIVITIES

15.1 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.

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

15.3 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.

16. COMMODITY HEDGING

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 Statement of Profit & Loss. However, in respect of contracts, the pricing period of which extends beyond the balance sheet date, suitable provision for likely loss, if any, is made.



IndianOil

SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES FOR THE FINANCIAL YEAR 2011-12

The Ministry of Corporate Affairs vide its Circular No. 2/2011 dt. 8th February 2011, has granted general exemption under Section 212 (8) of Companies Act, 1956 to companies from attaching the accounts of Subsidiary Companies with the Annual Report of the Company. However, companies are required to provide summarised financial information of the subsidiaries.

Accordingly, Indian Oil Corporation Limited is providing a summary of financial information of its subsidiary companies in lieu of attaching the annual accounts of its subsidiary companies with the Annual Report for the year 2011-12. The Annual Accounts of the Subsidiary Companies are available with the Company Secretary, Indian Oil Corporation Limited and are open for inspection by any shareholder at the Registered Office of the company during working days. The copy of Annual Accounts shall also be made available to any shareholder of Indian Oil Corporation Limited or its subsidiary on request in writing.

The summary of financial information of subsidiary companies for the financial year 2011-12 is as given below:

(Figures in Crores)

Sl. No.	Particulars	Chennai Petroleum Corporation Limited	IndianOil Creda Biofuels Limited	IndianOil (Mauritius) Limited		Lanka IOC PLC		IOC Middle East FZE		IOC Sweden AB	
		31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012
	Financial Year ending on	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012
	Reporting Currency	INR	INR	INR	MUR	INR	SLR	INR	AED	INR	EURO
	Exchange Rate (As on 31.03.2012)	-	-	1.7962	-	2.4961	-	14.1100	-	67.8758	-
	Exchange Rate (Average Rate 2011-12)	-	-	1.6880	-	2.3637	-	13.0900	-	65.8952	-
1	Share Capital	149.00	16.00	75.67	48.82	346.43	757.66	2.30	0.20	177.64	3.06
2	Share Application Money	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Reserves	3644.14	(1.42)	119.68	59.92	58.89	254.06	11.84	0.81	14.38	(0.23)
4	Liabilities	11174.23	3.21	214.60	119.49	480.95	1200.49	30.15	2.13	0.32	0.00
5	Total Liabilities	14967.37	17.79	409.95	228.23	886.27	2212.21	44.29	3.14	192.34	2.83
6	Total Assets	14967.37	17.79	409.95	228.23	886.27	2212.21	44.29	3.14	192.34	2.83
7	Investments *	23.63	0.00	0.00	0.00	176.03	439.40	0.00	0.00	191.52	2.82
8	Turnover	45384.91	0.02	1192.34	706.36	2556.86	6043.65	95.43	7.29	0.00	0.00
9	Profit Before Taxation	(158.21)	(0.01)	41.06	14.06	39.33	92.95	3.91	0.30	17.01	0.26
10	Provision for Taxation	(220.04)	(0.02)	4.19	2.35	1.00	2.36	0.00	0.00	0.00	0.00
11	Profit After Taxation	61.83	0.01	36.87	11.71	38.33	90.59	3.91	0.30	17.01	0.26
12	Proposed Dividend	29.78	0.00	5.26	2.93	0.00	0.00	0.52	0.04	0.00	0.00

*Details of Investments (except in case of Investment in Subsidiaries)		(₹ in Crore)	
1	Chennai Petroleum Corporation Limited	1) Indian Additives Limited	11.83
		2) Petroleum India International	11.69
		3) Others	0.11
		Total	23.63
2	Lanka IOC PLC	1) Ceylon Petroleum Storage Terminal Limited	176.03
		Total	176.03
3	IOC Sweden AB	1) Indoil Netherlands B.V	191.52
		Total	191.52

INR : Indian Rupees
MUR : Mauritian rupees
SLR : Sri Lankan Rupees
AED : United Arab Emirates Dirham

Note:

- Assets and Liabilities for Balance Sheet Items of foreign subsidiaries are translated at the closing rate as on 31.03.2012.
- Income and Expense items of foreign subsidiaries are translated at the average exchange rate during 2011-12.
- Share Capital of Foreign Subsidiaries is translated at the exchange rate existing at the date of transaction.

NOTES

A series of horizontal dotted lines for writing notes.

Book Post

Department of Posts, Delhi Postal Circle
"Permitted to post on prepayment of postage in cash at
BPC, SJ Stg. Office, New Delhi - 110003, under CPMG, Delhi Circle,
Licence No. DEL/BDM/BPC SJ Stg./IOCL/07-8-12 to
20-8-12/142000/22 dated 27-7-2012."

If undelivered, please return to:

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

www.iocl.com