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DATED 10 JANUARY 2019

IndianOil

INDIAN OIL CORPORATION LIMITED

(incorporated with limited liability in India)

U.S.$900,000,000 4.75 per cent. Notes due 2024

Issue price: 99.894 per cent.

The U.S.$900,000,000 4.75 per cent. Notes due 2024 (the "**Notes**") are issued by Indian Oil Corporation Limited (the "**Issuer**").

The Issuer may, at its option, redeem all, but not some only, of the Notes at any time at their principal amount together with interest accrued to but excluding the date of redemption, in the event of certain tax changes as described under "*Conditions of the Notes — Redemption and Purchase — Redemption for Taxation Reasons*". The Notes mature on 16 January 2024.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of and quotation for the Notes. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Notes to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associates companies or the Notes.

The Notes will be rated Baa2 by Moody's Investors Service, Inc. ("**Moody's**") and BBB- by Fitch Ratings ("**Fitch**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States, except in certain transactions exempt from the registration requirements of the Securities Act. This Offering Circular has not been and will not be registered as a prospectus or a statement in lieu of a prospectus in respect of a public offer, information memorandum or private placement offer letter or any other offering material with the Registrar of Companies in India in accordance with the Companies Act, 2013, as amended and other applicable Indian laws for the time being in force. This Offering Circular has not been and will not be reviewed or approved by any regulatory authority in India, including, but not limited to, the Securities and Exchange Board of India, the Reserve Bank of India, any Registrar of Companies or any stock exchange in India. This Offering Circular and the Notes are not and should not be construed as an advertisement, invitation, offer or sale of any securities whether to the public or by way of private placement to any person resident in India. The Notes have not been and will not be, offered or sold to any person resident in India. If you purchase any of the Notes, you will be deemed to have acknowledged, represented and agreed that you are eligible to purchase the Notes under applicable laws and regulations and that you are not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes.

The Notes will initially be represented by a global certificate in registered form (the "**Global Certificate**") which will be registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). It is expected that delivery of the Global Certificate will be made on 16 January 2019 or such later date as may be agreed (the "**Closing Date**") by the Issuer and the Joint Lead Managers (as defined under "*Subscription and Sale*").

An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under the heading "*Risk Factors*" on page 6.

Joint Lead Managers and Joint Bookrunners

Citigroup **DBS Bank Ltd.** **SBICAP**

Standard Chartered Bank **Westpac Banking Corporation**

The date of this Offering Circular is 10 January 2019.

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains all material information with respect to the Issuer and the Notes (including all information which, according to the particular nature of the Issuer and of the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes), that the information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

None of the Joint Lead Managers, Citicorp International Limited (the "**Trustee**") or the Agents (as defined in the Terms and Conditions of the Notes (the "**Conditions of the Notes**") has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the offering of the Notes. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the offering of the Notes or their distribution.

No person is or has been authorised by the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers.

Neither this Offering Circular nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, any of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers that any recipient of this Offering Circular or any other information supplied in connection with the offering of the Notes should purchase the Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer, any of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers, the Trustee and the Agents and their respective affiliates, directors, employees, agents, representatives, officers and advisers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Joint Lead Managers, the Trustee and the Agents and their respective affiliates, directors, employees, agents, representatives, officers and advisers do not represent that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers which is intended to permit a public offering of the Notes or the distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the United Kingdom, India, Hong Kong and Singapore, see "*Subscription and Sale*".

IN CONNECTION WITH THE ISSUE OF THE NOTES, DBS BANK LTD. AS STABILISING MANAGER (THE "STABILISING MANAGER") (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVERALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Each purchaser or holder of interests in the Notes will be deemed, by its acceptance or purchase of any such Notes, to have made certain representations and agreements as set out in "*Subscription and Sale*".

FORWARD LOOKING STATEMENTS

Certain statements in this Offering Circular constitute forward-looking statements. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "**anticipate**", "**believe**", "**estimate**", "**expect**", "**intend**", "**project**", "**should**", "**view**" and similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. Among the important factors that could cause the Issuer's actual results, performance or achievements to differ materially from those in the forward-looking statements are included, amongst others, the condition of, and changes in, India's political and economic status and the Indian oil refining and petroleum production industries. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "**Risk Factors**" and "**Business**". These forward-looking statements speak only as of the date of this Offering Circular. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

ENFORCEMENT OF FOREIGN JUDGMENTS IN INDIA

The Issuer is a limited liability public company incorporated under the laws of India. All of the Issuer's directors and executive officers are residents of India and a substantial portion of the assets of the Issuer and the assets of such directors and executive officers are located in India. As a result, it may be difficult for investors to effect service of process upon the Issuer or such directors and executive officers in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities of the Issuer or such directors and executive officers under laws other than Indian law.

In addition, India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. The statutory basis for the recognition and enforcement of foreign judgments is provided for under section 13 and section 44A of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Indian Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. Under the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards even if such awards are enforceable as a decree or judgment.

A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the judgment and not by proceedings in execution. The United States has not been declared by the Indian Government to be a reciprocating territory for the purposes of section 44A of the Civil Code. However, the United Kingdom has been declared by the Indian Government to be a reciprocating territory and the High Courts in England as the relevant superior courts. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon except: (I) where it has not been pronounced by a court of competent jurisdiction; (ii) where it has not been given on the merits of the case; (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where it has been obtained by fraud; or (vi) where it sustains a claim founded on a breach of any law in force in India. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. Also, a party may file suit in India against the Issuer, its directors or its executive directors as an original action predicated upon the previsions of the Federal Securities laws in the United States.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Offering Circular, the terms the "**Issuer**", the "**Company**", "**IndianOil**" or "**IOC**", unless otherwise specified or the context otherwise implies, refer to Indian Oil Corporation Limited and its consolidated subsidiaries. In this Offering Circular, references to "**Holders**" or "**Noteholders**" or, in the Conditions of the Notes, "**holders**" are to holders of the Notes from time to time. In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "**India**" are to the Republic of India and its territories and possessions, references to the "**U.S.**" and "**United States**" are references to the United States of America and its territories and possessions, references to the "**Indian Government**" or the "**Government**" are to the Government of India and references to the "**Companies Act**" are to the Companies Act, 2013, as amended from time to time and/or the Companies Act, 1956, to the extent not repealed.

Unless expressly stated otherwise, all financial data in this Offering Circular are presented on a non-consolidated basis in accordance with Indian Accounting Standards ("**Ind AS**"). The Issuer's financial year ends on 31 March of each year, so all references to a particular financial year are to the twelve months ended 31 March of that year. The Issuer prepares its financial statements in accordance with Ind AS and the requirements of the Companies Act. The financial statements included in this Offering Circular comprise its audited consolidated and non-consolidated financial statements as of and for the years ended 31 March 2017 and 2018 and unaudited but reviewed consolidated and non-consolidated financial statements as of and for the quarter and six months ended 30 September 2018.

The Issuer publishes its financial statements in Indian Rupees. All references herein to "**Indian Rupees**", "**Rupee**", "**Rupees**", "**Rs**." and "**Re.**" are to the lawful currency of India, all references herein to "**Singapore dollars**", "**S$**" and "**SGD**" are to the lawful currency of Singapore and all references herein to "**U.S. dollars**", “**United States dollars**”, “**USD**” and “**U.S.$**” are to the lawful currency of the United States. Unless otherwise stated, all translations from Indian Rupees to United States dollars have been made on the basis of the Rs./U.S.$ closing exchange rate of Rs. 72.55 = U.S.$1.00 as on 30 September 2018. Any discrepancies between Rupee figures and their U.S. dollar translation are due to rounding as the Issuer has used the actual Rupee amount when making the translation. All amounts translated into United States dollars as described above are provided solely for the convenience of the reader, and no representation is made that the Indian Rupees or United States dollar amounts referred to herein could have been or could be converted into any other currency, at any particular rate, the above rates or at all.

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SUMMARY

Overview

The Issuer was formed in 1964 through the merger of Indian Refineries Limited and Indian Oil Company Limited. Since that time, the Issuer has vertically integrated its business and now has operations that span refining, marketing and distribution of petroleum and petrochemical products to exploration and production of oil and gas.

The Issuer owns and operates 11 of India's 23 refineries with a total refining capacity of 80.70 MMTPA, accounting for 33 per cent. of India's domestic refining capacity (according to the Petroleum Planning & Analysis Cell as of 31 March 2018). The Issuer purchases crude oil which it then refines at its refineries prior to distributing the refined petroleum products to its customers through its network of product pipelines. As of 31 March 2018, the Issuer had a total pipeline network of 13,391 kilometres which included a product pipeline network of 7,950 kilometres, a crude pipeline network of 5,301 kilometres and a gas pipeline network of 140 kilometres. In addition, the Issuer had a 37.41 per cent. market share of petroleum products (according to the Petroleum Planning and Analysis Cell for the fiscal year 2018), and it was the largest refiner (33 per cent. market share for the fiscal year 2018) and owner of downstream liquid pipelines (63 per cent. for the fiscal year 2018) in India. The Issuer operates one of the largest petroleum marketing and distribution networks in Asia and the largest petrol and diesel station network in India. The Issuer is also engaged in other businesses, such as the manufacture of petrochemical products, exploration and production of crude oil and distribution of natural gas.

As of the date of this Offering Circular, the Issuer had nine subsidiaries, of which seven are wholly-owned, twenty-four joint ventures and one limited liability partnership. The Issuer had consolidated sales (net of discount) of Rs. 5,064.76 billion (U.S.$69.81 billion) and consolidated net profit after tax of Rs. 226.26 billion (U.S.$3.12 billion) for the year ended 31 March 2018 and consolidated total assets of Rs. 2,956.72 billion (U.S.$40.75 billion) as of 31 March 2018 as well as consolidated sales (net of discount) of Rs. 3,012.43 billion (U.S.$41.52 billion) and consolidated net profit after tax of Rs. 105.02 billion (U.S.$1.45 billion) for the six months ended 30 September 2018 and consolidated total assets of Rs. 3,289.38 billion (U.S.$45.34 billion) as of 30 September 2018.

The Issuer is the largest commercial organisation in India. It is also the highest-ranked Indian corporate in the Fortune Global 500 group of companies in 2018, having been ranked 137th. The Issuer is the dominant player in the downstream petroleum sector in India. As of the date of this Offering Circular, the Government owned 54.06 per cent. of the Issuer's issued share capital. The Issuer's shares have been listed on the Bombay Stock Exchange since 9 August 1995.

Strategy

The Issuer has a rolling growth plan the aim of which is to maintain the Issuer's position in the Indian oil refining industry in terms of refining capacity and sales volume. This business plan is under continuous review and adjustments are made in accordance with prevailing market conditions. To achieve this aim, the Issuer has adopted the following strategies:

- *Reinforcing the competitive advantage of existing businesses through expanding distillation capacities, quality improvement and acquisitions.* The Issuer continuously strives to increase its production capabilities through organic growth, improved efficiencies and acquisitions. The Issuer plans to achieve this through a number of means including (i) the removal of limitations within sections of each refinery that are currently not designed for additional refining capacity, (ii) improve refining capacity, quality, yield and margins of the Issuer's petroleum products through targeted capital expenditure and (iii) improve refining capacity utilisation and achieve improved economies of scale. While the Issuer is primarily focused on operating its oil refineries at high capacities and continuing to improve efficiencies, it also seeks opportunities to build refineries in coastal locations in India that provide benefits of synergies.

- *Leveraging on infrastructure and network supremacy.* As at the date of this Offering Circular, the Issuer operated the largest network of crude oil and petroleum product pipelines in the downstream sector in India which are used for the distribution of its end-products to customers as well as for the delivery of raw materials to its refineries. The Issuer intends to focus on constructing new and branch pipelines to enable it to deliver its products to its customers more efficiently and maximising its pipeline throughput.

- *Strategically sourcing raw material of varying grades for integrated value enhancement.* The Issuer currently utilises diverse sources of crude oil to reduce dependence on any single supplier. The Issuer intends to continue leveraging its existing supplier relationships to secure supply of cheaper crude oil whenever possible while continuously striving to increase flexibility of its refining facilities in terms of refining lower quality crude oils with higher total acidic number and high sulphur content.

- *Integrating value enhancement*. The Issuer has established a number of initiatives to increase the complexity factor of its refining process to generate a larger proportion of higher-margin distillates. In addition, the Issuer intends to maximise supply of its own naphtha as feedstock to its petrochemical productions.
- *Expanding peripheral businesses cautiously as opportunities arise*. The Issuer is carefully considering and evaluating strategic expansion opportunities in the exploration and production of oil, natural gas and alternative energy (such as biofuels, solar, wind and nuclear power).
- *Retail Marketing Strategies.* The Issuer has taken various steps to enhance its market share under its retail transformation initiative in order to face future competition. This includes Look N' Feel of the retail outlets ("**ROs**''), network augmentation and highway, urban and retail propositions. The Issuer is also training RO dealers and their staff for the enhancement of Look N' Feel and service levels at ROs.

SUMMARY OF THE OFFERING

This Summary must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of this Offering Circular as a whole, including the documents incorporated by reference.

Words and expressions defined in "***Conditions of the Notes***" shall have the same meanings in this Summary.

Issuer	Indian Oil Corporation Limited
The Notes	U.S.$900,000,000 4.75 per cent. Notes due 2024 (the "**Notes**").
Trustee	Citicorp International Limited
Principal Paying Agent, Registrar and Transfer Agent	Citibank, N.A., London Branch
Joint Lead Managers	Citigroup Global Markets Limited DBS Bank Ltd. SBICAP (Singapore) Limited Standard Chartered Bank Westpac Banking Corporation
Interest	The Notes will bear interest from and including 16 January 2019 at the rate of 4.75 per cent. per annum payable semi-annually in arrear in equal instalments on 16 January and 16 July of each year, commencing 16 July 2019 as further described in Condition 5 of the Conditions of the Notes.
Denomination	U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.
Status of the Notes	The Notes will constitute direct, unconditional and (subject to the provisions of Condition 4 of the Conditions of the Notes) unsecured obligations of the Issuer and (subject as stated above) will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.
Negative Pledge	So long as any of the Notes remains outstanding, the Issuer will ensure that no Relevant Indebtedness (as defined in the Conditions of the Notes) of the Issuer or any of its Principal Subsidiaries (as defined in the Conditions of the Notes) will be secured by any Security Interest (as defined in the Conditions of the Notes) upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer or any of its Principal Subsidiaries unless the Issuer, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that: (a) all amounts payable by it under the Notes and the Trust Deed are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee in its absolute discretion; or (b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (i) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (ii) as is approved by an Extraordinary Resolution (as defined in the Conditions of the Notes) of the Noteholders.

Redemption for Taxation Reasons	The Issuer may redeem all (but not some only) of the Notes in the event of certain changes in Indian tax law. See Condition 7.2 of the Conditions of the Notes. *(Note: The Foreign Exchange Management (Borrowing or Lending) Regulations, 2018 and the circulars issued thereunder by the RBI including the Master Direction — External Commercial Borrowings and Trade Credits dated 1 January 2016, as amended from time to time (the "**ECB Guidelines**") at the time of redemption may require the Issuer to obtain the prior approval of the RBI or designated authorised category 1 bank appointed in accordance with the ECB Guidelines, as the case may be, before providing notice for or effecting such a redemption prior to the maturity date and such approval may not be forthcoming*.)
Events of Default	Events of Default under the Notes include, among others, non-payment of principal for three days, non-payment of interest for seven days, breach of other obligations under the Notes or the Trust Deed (which breach is not remedied within 30 days following notice requiring the same to be remedied being given by the Trustee to the Issuer), cross default of any Indebtedness for Borrowed Money (as defined in the Condition of the Notes), certain events related to insolvency or winding up of the Issuer or any Principal Subsidiary and other events, each as described in Condition 10 of the Condition of the Notes.
Meetings of Noteholders	The Trust Deed contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.
Modification, Waiver Authorisation and Determination	The Trustee may (but shall not be obliged to), without the consent of Noteholders, (i) agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Conditions of the Notes or the Trust Deed, or (ii) determine that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or (iii) agree to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law.
Withholding Tax and Additional Amounts	The Issuer will pay such additional amounts as may be necessary in order that the net payment received by each Noteholder in respect of the Notes, after withholding or deduction for or on account of any taxes imposed or levied by or on behalf of any tax authorities in India upon payments made by or on behalf of the Issuer in respect of the Notes, will equal the amount which would have been receivable in respect of the Notes in the absence of any such withholding or deduction, subject to customary exceptions, as described in Condition 8 of the Conditions of the Notes.
Listing and Admission to Trading	Approval in-principle has been received from the SGX-ST for the listing of and quotation for the Notes.

	The Notes will be traded on the SGX-ST in a minimum board lot size of U.S.$200,000 (or its equivalent in other currencies) for so long as the Notes are listed on the SGX-ST.
LEI	335800J8OBWE4VFUDG88
ISIN	XS1936310371
Common Code	193631037
Governing Law	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law.
Form of the Notes	The Notes will be in registered form and will be initially represented by a Global Certificate which on the Closing Date will be registered in the name of a nominee of, and deposited with, a common depositary for Euroclear and Clearstream, Luxembourg.
Further Issues	The Issuer may from time to time without the consent of the Noteholders create and issue further notes or bonds (whether in bearer or registered form) either (a) having the same terms and conditions in all respects (or in all respects save for the date of issue and the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding Notes constituted by the Trust Deed or any supplemental deed or (b) upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may determine at the time of the issue. Any further notes which are to be consolidated and form a single series with the outstanding Notes constituted by the Trust Deed or any supplemental deed shall be constituted by a deed supplemental to the Trust Deed.
Credit Ratings	The Notes will be rated Baa2 by Moody's and BBB- by Fitch. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Selling Restrictions	The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Notes may be sold in other jurisdictions (including the United Kingdom, India, Hong Kong and Singapore) only in compliance with applicable laws and regulations. See "*Subscription and Sale*" below.
Use of Proceeds	The net proceeds of the issue of the Notes will be applied by the Issuer to fund working capital requirements for its normal course of business, in accordance with the ECB Guidelines.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Additional risks not presently known to the Issuer or that it currently deems immaterial may also impair the Issuer's business operations. The Issuer's businesses, financial condition and/or results of operations could be materially adversely affected by any of these risks, which may, as a result, affect the Issuer's ability to repay the amount of principal of, or interest on, the Notes.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are described below.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

Risks relating to the Issuer's Business

Cyclical downturns in the refining industry may adversely affect the Issuer's margins and the Issuer's operating results

A significant portion of the Issuer's revenue is attributable to sales of petroleum products in India, the prices of which are affected by worldwide prices of feedstock and end products and in some cases, Government regulation. Historically, the prices of feedstock and end products, in particular fuel oil and naphtha, have been cyclical and sensitive to relative changes in supply and demand, the availability of feedstock and general economic conditions. From time to time, the markets for the Issuer's petroleum products, in particular fuel oil and naphtha, have experienced periods of increased imports or capacity additions, which have resulted in oversupply and declining prices and margins in the domestic market, and the Issuer has therefore been forced to look to export these products. Exports typically result in lower margins as export prices are lower than domestic prices. This is because domestic prices have historically been supported to a degree by the existence of import tariffs in the Indian market and the fact that, in exporting products, the Issuer faces higher freight charges and possible tariffs imposed by other countries.

Any downturn resulting from the existing or future excess industry capacity or otherwise would have a material adverse effect on the Issuer's business, financial condition and results of operations. These conditions may be sustained or further aggravated by anticipated or unanticipated capacity additions or other events.

The Issuer's operations are affected by the volatility of prices for and availability of supply of crude oil

The Issuer's operations largely depend on the supply of crude oil, one of the Issuer's principal raw materials. The Issuer typically stocks approximately 45 days of crude oil in the Issuer's storage tanks, pipelines and transit. The Issuer obtains approximately 74 per cent. of its crude oil requirements from overseas, including Algeria, Angola, Azerbaijan, Brunei, Iran, Iraq, Kuwait, Qatar, Mexico, Malaysia, Nigeria, Saudi Arabia and United Arab Emirates. Events such as hostilities, strikes, natural disasters, political developments in petroleum-producing regions, domestic and foreign government regulations and other events could interrupt the supply of crude oil which could have a material adverse effect on the Issuer's business, financial condition and results of operations. In addition, these events or other events, such as changes in the regulatory environment in India or elsewhere, may adversely affect prices of crude oil generally or the price at which the Issuer is able to obtain a supply of crude oil. Under the term contracts that the Issuer has entered into for the purchase of crude oil, purchase prices are determined by prevailing market prices. A significant increase in the price of crude oil would have an adverse effect on the Issuer's business, financial condition and results of operations if the Issuer were unable to pass on any such higher costs to the Issuer's customers.

The Issuer's refineries and pipelines are subject to operating risks that may cause significant interruption to the Issuer's business

The Issuer's operations are subject to certain risks generally associated with oil, petroleum and petrochemicals businesses, and the related receipt, distribution, storage and transportation of feedstocks, products and wastes. These risks are particularly significant for the Issuer, as most of the Issuer's operations are integrated and inter-dependent. As such, the occurrence of any of these hazards in one area of the Issuer's business may have a direct and adverse effect on the performance of other areas of the Issuer's business. These hazards include, but are not limited to, explosions, fires, earthquakes and other natural disasters, mechanical failures, accidents, acts of terrorism, operational problems, transportation interruptions, chemical or oil spills, discharges of toxic or hazardous substances or gases, and other environmental risks. These hazards can cause personal injury and loss of life, environmental damage and severe damage to, or destruction of, property and equipment, and may result in the limitation or interruption of the Issuer's business operations and the imposition of civil or criminal liabilities.

In addition, the Issuer's ability to continue to use the ports and related facilities in the Western and Eastern coastal areas of India, through which the Issuer receives crude oil, is critical to the Issuer's business. The Issuer is also dependent on its pipeline network as well as rail and road links for the transportation of the Issuer's products. Any damage to, or blockage at, these facilities could interrupt the supply of crude oil and the transportation of the Issuer's petroleum products. Such damage or blockage could result from a variety of factors, including natural disasters, ship accidents, deliberate attacks on pipelines or operating problems. If one or more of such events were to occur, it could have a material adverse effect on the Issuer's business, financial condition and results of operations, including the temporary or permanent cessation of certain of the Issuer's facilities or operations. Although the Issuer maintains comprehensive insurance coverage for a significant range of onshore and offshore risks, including business interruption, fire, and accidents at the Issuer's premises, such insurance coverage may not be adequate. Also, the Issuer is not fully insured against all potential hazards incidental to the Issuer's business. The Issuer is not covered for certain risks such as war, invasion, civil war and radioactive contamination. The occurrence of any of these events may have a material adverse effect on the Issuer's business, financial condition and results of operations.

A change in the Government's policy on tariffs, direct and indirect taxation and fiscal or other incentives and payment for petroleum goods could adversely affect the Issuer's business

The Issuer's profitability is significantly affected by the difference between import tariffs currently imposed by the Government on crude oil, which is the Issuer's most significant raw material, and tariffs currently imposed on certain refined petroleum products. Increases in import tariffs on crude oil or decreases in import tariffs on certain refined petroleum products could have a material adverse effect on the Issuer's business, financial condition and results of operations. There can be no assurance that there will not be a significant change in Government policy which might/would adversely affect the Issuer's financial condition and results of operations. The Issuer's profitability is also significantly dependent on the policies of the central and state governments relating to various direct and indirect taxes (including sales tax and income tax), duties (including excise duties and import duties) and fiscal or other incentives. Any change in Government policies relating to such taxes or duties or incentives could adversely affect the Issuer's profitability.

Furthermore, there can be no assurance that the Government will not intervene with regard to the timing of payments by purchasers of certain petroleum products in the interest of public policy. In recent years, payments by a few domestic airline companies in respect of ATF to their suppliers, including the Issuer, were deferred. In select cases of payment deferment, the Government facilitated discussion between concerned airlines companies and the Issuer. Any prolonged or additional significant changes in Government policy with respect to payment for any of the Issuer's products could adversely affect the Issuer's financial conditions and results of operations.

Government intervention in the pricing decisions of the Issuer may adversely affect its business

The Government has historically sought to control inflation and achieve other social and economic objectives through intervention in prices of the Issuer's petroleum and gas products such as MS (until June 2010), diesel, LPG for domestic use and kerosene sold under the public distribution system ("**PDS**") ("**Controlled Products**"). The Government has the ultimate discretion to regulate the prices at which the Issuer may sell its Controlled Products. Government intervention in the Issuer's petroleum product pricing has from time to time resulted in the Issuer incurring gross losses on sale of the Controlled Products. Certain measures introduced in January 2013 in relation to the pricing of Controlled Products have resulted in bulk customers shifting to the Issuer's competitors for purchase of such products. Historically, the Government has sought to compensate for such gross losses incurred by public sector oil marketing companies ("**OMCs**"), including the Issuer, through the issue of oil bonds, cash subsidies and discounts from upstream companies. Any change in the Government's policy to provide these subsidies without making corresponding changes to the pricing policy of these Controlled Products will materially affect the Issuer's business, financial condition and results of operations.

The Issuer is subject to many environmental and safety regulations

The operation of refineries and petrochemical plants, the distribution of petroleum, petrochemical products and the related production of by-products and wastes entail environmental risks. The Issuer is subject to extensive central, state, local and foreign laws, regulations, rules and ordinances relating to pollution, the protection of the environment and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. In the ordinary course of business, the Issuer is continually subject to environmental inspections and monitoring by government enforcement authorities. The Issuer may incur substantial costs, including fines, damages and criminal or civil sanctions, and experience interruptions in the Issuer's operations for actual or alleged violations arising under applicable environmental laws and/or implementing preventive measures. In addition, the Issuer's refining and storage facilities require operating permits that are subject to renewal, modification and, in some circumstances, revocation. Violations of operating permit requirements or environmental laws can also result in restrictions to or prohibitions on plant operations, substantial fines and civil or criminal sanctions.

The Issuer's operations involve the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. Changes in regulations regarding the Issuer's operations involving hazardous substances and waste materials could inhibit or interrupt the Issuer's operations and have a material adverse effect on the Issuer's business. Potentially significant expenditures could be necessary in order to comply with future environmental laws. Such capital expenditures and operating expenses relating to environmental matters will be subject to evolving regulatory requirements and will depend on the timing of the promulgation and enforcement of specific standards which impose requirements on the Issuer's operations.

The Issuer faces competition from petroleum and petrochemical companies

To the extent that the Issuer seeks to export its products to, or source raw products (such as crude oil) from, the international markets, it faces competition from petroleum and petrochemical companies elsewhere in the world. In addition, the continued deregulation and liberalisation of industries in India, when combined with any reductions in customs duties and import tariffs, could lead to increased competition from international companies in the Issuer's domestic market which may, in turn, have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer may be unable to attract and retain the requisite skilled personnel to successfully implement its business strategy

The Issuer requires personnel with specialised skills to implement and operate many aspects of its strategic growth projects. Competition for such individuals is fierce due to the relatively small number of qualified people and the many industrial projects being undertaken locally, regionally and globally. The Issuer's success in building a fully capable and multifunctional workforce depends principally on its ability to continue to attract, retain and motivate sufficient qualified personnel. Failure to successfully manage its growth and personnel needs could have a material adverse effect on its business and results of operations.

The Issuer is dependent on certain key Government-owned customers and the loss of, or a significant reduction in, purchases by such customers could adversely affect its business

The Issuer is dependent on certain key Government-owned customers for a significant portion of its revenues and profits. The loss of, or the reduction, delay or cancellation of, supply contracts from these customers could have an adverse effect on the Issuer's business. Under such circumstances, the Issuer may have difficulty securing comparable levels of business from other private sector customers to offset any loss of revenue and profits.

In addition, major events affecting the Issuer's Government-owned customers, such as bankruptcy, change of management, mergers and acquisitions and privatisation by the Government could adversely impact the Issuer's business. If any of the Issuer's Government-owned customers becomes bankrupt or insolvent, the Issuer may lose some or all of its business from that entity and some of its receivables may have to be written off, adversely impacting the Issuer's income and financial condition. The Issuer's business is also dependent on the decisions and actions of the Government acting as a shareholder of a Government-owned entity, and there are a number of factors that are outside the Issuer's control. The occurrence of any of these events or factors might result in the termination of a project or the loss of a key customer.

The Issuer may be involved in litigation or regulatory proceedings which, if determined adversely, could subject the Issuer to significant liabilities

The Issuer is currently, and may in the future be, implicated in lawsuits or regulatory proceedings in the ordinary course of its business, including lawsuits involving allegations of improper delivery of goods or services, product liability, product defects, quality problems and intellectual property or competition law infringements. Litigation or regulatory proceedings could result in substantial costs to, and a diversion of effort by, the Issuer and/or subject the Issuer to significant liabilities to third parties. There can be no assurance that the results of such legal or regulatory proceedings will not materially harm the Issuer's business, reputation or standing in the marketplace or that the Issuer will be able to recover any losses incurred from third parties, regardless of whether the Issuer is at fault. The Issuer has insurance to cover fire, property damage, business interruption and third party liability, among others. However, there can be no assurance that (i) losses relating to litigation will not be incurred beyond the limits, or outside the coverage, of such insurance or that any such losses would not have a material adverse effect on the results of the Issuer's operations or financial condition or (ii) provisions made for litigation related losses will be sufficient to cover the Issuer's ultimate loss or expenditure.

Currency exchange rate fluctuations could have an adverse effect on the Issuer's financial results

In the years ended 31 March 2016, 2017 and 2018, the Issuer generated substantially all of its total income in Indian Rupees whilst incurring a significant portion of its expenses in currencies other than Indian Rupees (comprising mainly costs in purchasing crude oil from overseas sources and paid in foreign currencies). To the extent that it is unable to match income received in Indian Rupees with costs paid in foreign currencies or is unable to completely hedge against its currency exchange risk, exchange rate fluctuations in any such currency could have an adverse effect on the Issuer's revenues and financial results. Furthermore, hedging transactions are intended to limit the negative effect of further price decline, but it may also prevent the Issuer from realising the benefits of price increases above the levels reflected in any hedging transactions entered into by the Issuer.

The Issuer's overseas marketing and exploration and production activities in foreign countries may be subject to unforeseen risks

The Issuer has expanded its investment base to focus on oil and gas exploration and production activities, including in overseas countries such as Iran and Libya. These international operations are subject to special risks that can materially affect its results of operations.

These risks include:

- increased reliance on oil and gas revenues and potential exposure to increased price volatility;
- unsettled political conditions, war, civil unrest, and hostilities in some gas or petroleum producing countries;
- undeveloped legal systems;
- economic instability in foreign markets;
- the impact of inflation;
- fluctuations and changes in currency exchange rates; and
- governmental action such as expropriation of assets, general legislative and regulatory environment, exchange controls, changes in global trade policies such as trade restrictions, sanctions and embargoes imposed by the United States and other countries.

To date, instability in the overseas political and economic environment has not had a material adverse effect on the Issuer's condition or results of operations. The Issuer cannot predict, however, the effect that the current conditions affecting various foreign economies or future changes in economic or political conditions abroad could have on the economics of conducting exploration and production activities overseas. Any of the foregoing factors may have a material adverse effect on the Issuer's international operations and, therefore, its business, financial condition and results of operations.

The Issuer has some limited operations in, and oil purchase agreements with, countries that are currently subject to U.S. and international trade restrictions, economic embargoes and sanctions

The Issuer has some limited operations in, and oil purchase agreements with, countries that are currently subject to comprehensive or list-based U.S. and international trade restrictions, economic embargoes, and sanctions, including, but not limited to, Iran, Libya and Russia. The U.S. Department of Treasury's Office of Foreign Asset Control ("**OFAC**") administers a number of such sanctions programmes and maintains a list of individuals and entities which are subject to trade restrictions and economic embargoes that prohibit U.S. incorporated entities, U.S. citizens and permanent residents, persons in the U.S. (together, **"U.S. Persons**") and, in the case of the Iran and Cuba programmes, entities owned or controlled by a U.S. Person from engaging in, either directly or indirectly, commercial, financial, or trade transactions with such individuals and entities, unless authorised by OFAC or exempt by statute.

The Issuer purchases crude oil from National Iranian Oil Company ("**NIOC**") and for the years ended 31 March 2016, 2017 and 2018, crude oil purchased from NIOC accounted for 2 per cent., 9 per cent. and 6 per cent., respectively, of the Issuer's total imported crude oil. For the year ending 31 March 2019 the Issuer has an oil purchase agreement with NIOC and the firm volume of the contract is 7 MMT, with an additional optional volume of 2 MMT. In addition, Naftiran Intertrade Company Limited, an entity which appears on the OFAC Specially Designated Nationals and Blocked Persons List, holds a 15.40 per cent. equity interest in Chennai Petrochemicals Limited, a subsidiary of the Issuer, and two directors representing Naftiran Intertrade Company Limited are members of the board of directors of Chennai Petrochemicals Limited.

Sanctions against Iran are constantly changing. The U.S. recently withdrew from an Iran nuclear deal, known as the Joint Comprehensive Plan of Action ("**JCPOA**"), on 8 May 2018 and reinstated Iran-related secondary sanctions which had been suspended as part of the implementation of the JCPOA. The position regarding Iranian sanctions continues to change, but as of 5 November 2018 the U.S. sanctions that had been suspended under the JCPOA were fully re-imposed. There can be no assurance that other individuals and entities with whom the Issuer now engages, or in the future may engage, in transactions and employ will not be subject to U.S. and international sanctions. There can be no assurance that the countries in which the Issuer currently operates will not be subject to further and more restrictive sanctions in the future. There can be no assurance that OFAC or other U.S. and international government agencies will not impose sanctions on other countries or entities with which the Issuer currently operates or may in the future operate. There can be no assurance that the Issuer will not make future or additional investments in countries subject to U.S. or international sanctions, or itself become subject to sanctions. Furthermore, as a result of its business activities with countries and entities that are subject to international sanctions, the Issuer may be subject to negative media or investor attention, which may distract management, consume internal resources and affect certain international investors' perceptions of the Issuer. If the Issuer were to increase its business in or with these countries, particularly relative to its total business, this could have a negative impact on its ability to raise money in international capital markets and on the international marketability of its securities.

Without limiting the foregoing, under the Iran Freedom and Counter-Proliferation Act ("**IFCPA**") and other sanctions against Iran, OFAC and the U.S. Department of State administer secondary sanctions against the Iranian petroleum sector, among other things. The effect of such sanctions, if imposed, can be to cut off or restrict access to U.S. markets and transactions with U.S. Persons. For example, certain secondary sanctions authorise imposition of economic sanctions on companies that purchase significant amounts of crude oil from Iran. However, the U.S. Department of State is authorised to grant waivers from such secondary sanctions to countries determined to have significantly reduced their purchases of Iranian crude oil. These waivers are valid for 180-day periods and can be renewed. India was most recently granted such a 180-day waiver on 5 November 2018, coinciding with the full re-imposition of secondary sanctions, including against the Iranian petroleum sector, following the U.S.'s withdrawal from the JCPOA. Under relevant sanctions laws, an Executive Order issued by the U.S. President, and guidance from OFAC, secondary sanctions will not be imposed on a person engaged in significant transactions for the purchase, acquisition, sale, transport, or marketing of petroleum or petroleum products from Iran if the person is based in a country that has received a waiver, as long as certain terms relating to the waiver are satisfied. If the waiver granted to India expires and is not subsequently renewed, or if the Issuer does not comply with the terms of the waiver, and the Issuer is deemed to purchase significant amounts of crude oil from Iran, the U.S. Department of State could potentially pursue economic sanctions against the Issuer.

The Issuer intends to set up a segregated account so that funds raised from persons investing in this Offering are not commingled with funds for business activities in any country, or with any individual or entity, subject to U.S. or applicable international trade restrictions, economic embargoes and sanctions. Nevertheless, investors in the Notes may incur reputational or other risk as the result of the Issuer's dealings with sanctioned individuals, entities or countries.

The Issuer's ongoing projects have significant capital expenditure requirements and the Issuer's capital expenditure plans are subject to various risks

The Issuer requires significant capital expenditure relating to development of the Issuer's business and the implementation of the Issuer's business strategy. The Issuer's ability to maintain and increase the Issuer's turnover, net income and cash flows may depend upon continued capital spending. The Issuer's capital expenditure plans are subject to a number of risks, contingencies and other factors, some of which are beyond the Issuer's control, including:

- the Issuer's ability to generate sufficient cash flows from operations and financings to fund the Issuer's capital expenditure, investments and other requirements or to provide debt and/or equity contributions to its subsidiaries;
- the availability and terms of external financing;
- the Government's policies relating to foreign currency borrowings;
- the amount of capital other Indian entities and foreign oil and gas companies may seek to raise in the international capital markets; and
- the cost of financing and the condition of financial markets.

Therefore, the Issuer's actual future capital expenditures and investments may be different from the Issuer's current planned amounts. The differences may be significant.

The Issuer has incurred significant indebtedness, and the Issuer must service this debt and comply with its covenants to avoid default risk

The Issuer has incurred significant indebtedness in connection with the Issuer's operations. As of 30 September 2018 (on a standalone basis), the debt-to-equity ratio of the Issuer was approximately 0.51 and the net debt-to-equity ratio (i.e. debt less liquid investment less cash receivables from the Government) was approximately 0.13. As of 30 September 2018, the Issuer's long-term indebtedness, including long-term debt that is payable within 10 years, was approximately Rs. 208.33 billion (U.S.$2.87 billion). In addition, the Issuer may incur additional indebtedness in the future, including indebtedness incurred to fund capital contributions to its subsidiaries, subject to limitations imposed by the Issuer's financing arrangements. Although the Issuer believes that its current levels of cash flows from operations and working capital borrowings are sufficient to service existing debt, there can be no assurance that its level of cash flows will not decrease or will remain sufficient to service its debt.

The Issuer's failure to comply with any of the covenants contained in the Issuer's financing arrangements could result in a default which would permit the acceleration of the maturity of the indebtedness under such agreements and, if the Issuer is unable to refinance such indebtedness in a timely fashion or on acceptable terms, would have a material adverse effect on the Issuer's business, financial condition and results of operations.

Borrowing position of the Issuer as on 30 September 2018:

Particulars	Amount in USD billion	Particulars	Amount in USD billion	Particulars	Amount in USD billion
Short Term	5.32	Secured	0.63	In Rupee (Converted to USD)	1.12
Long Term	2.87	Unsecured	7.56	In Foreign Currency (Converted to USD)	7.07
Total	8.19		8.19		8.19

The Issuer may be unable to fully execute its business strategy

The Issuer's strategy contemplates growth through expansion and acquisition in its principal businesses such as refining and upward and downward integration of its business. See "*Business — Strategy*". This strategy includes constructing and installing new technologies into its refineries, widening its pipeline distribution network and acquiring new exploration and production projects. This strategy will require substantial new financing which may not be available to the Issuer. In addition, if the Issuer's cost of capital is high, the Issuer may not be able to finance its planned projects necessary to implement its business strategy. If the Issuer cannot raise sufficient funds on terms and at a price reasonably acceptable to the Issuer, it may be unable to execute its strategy, which may have a material adverse effect on its business and results of operations.

Global market conditions affect the prices of and the demand for the Issuer's products

Beginning in the second half of 2007, the short-term funding markets in the United States encountered several issues leading to liquidity disruptions in various markets. In particular, subprime mortgage loans in the United States began to face increased rates of delinquency, foreclosure and losses. These and other related events have had a significant adverse impact on the global economy, including the global credit, commodities and financial markets as a whole and have resulted in bankruptcy filings by, and the acquisition, restructuring and nationalisation of, certain financial institutions. Regulators in the United States, Europe and Latin America have taken steps in response to these unprecedented conditions. Although the Issuer has no exposure to subprime assets and bankrupt financial institutions, the Issuer has been adversely affected by the recent contraction of liquidity in the international financial markets, equity, debt and foreign exchange market volatility and the volatility in commodity prices.

Risks relating to India

A significant change in the Government's economic liberalisation and deregulation policies could adversely affect general business and economic conditions in India and the Issuer's business

All of the Issuer's refining facilities are located in India and 95.16 per cent. of its sales were in the Indian domestic market for the year ended 31 March 2018.

The Government has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. India has a mixed economy with a large public sector and an extensively regulated private sector. The role of the Government and the state governments in the Indian economy and the effect on producers, consumers, service providers and regulators has remained significant over the years. The governments have in the past, among other things, imposed controls on the prices of a broad range of goods and services, restricted the ability of businesses to expand existing capacity and reduce the number of their employees, and determined the allocation to businesses of raw materials and foreign exchange. Since 1991, successive governments have pursued policies of economic liberalisation, including significantly relaxing restrictions in the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers, service providers and regulators has remained significant which can directly or indirectly affect the Issuer's operations. For example, the Government places price caps on sales of selected fuels by Government-owned entities, including the Issuer, which directly impacts the sales revenues of the Issuer given the volatility of commodity prices of recent years.

Although the current Government has continued India's economic liberalisation and deregulation programmes, there can be no assurances that these liberalisation policies will continue in the future. A significant change in India's economic liberalisation and deregulation policies could adversely affect business and economic conditions in India in general as well as the Issuer's business and the Issuer's future financial performance.

Financial instability in other countries may cause increased volatility in Indian financial markets

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm the Issuer's business, its future financial performance and the prices of the Notes.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. The dislocation of the sub-prime mortgage loan market in the United States since September 2008, and the more recent European sovereign debt crisis, has led to increased liquidity and credit concerns and volatility in the global credit and financial markets. On 23 June 2016, the United Kingdom held a referendum on its membership in the European Union and voted to leave ("Brexit"). These and other related events have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States and global credit and financial markets.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects. In the event that the current difficult conditions in the global credit markets continue or if there are any significant financial disruption, this could have an adverse effect on the Issuer's business, future financial performance and the trading price of the Notes.

A slowdown in economic growth or increased volatility of commodity prices in India could have an adverse effect on the Issuer's business

The Issuer's performance and the growth of the Indian oil industry are dependent on the health of the overall Indian economy. The Indian economy has shown sustained growth over recent years with real GDP (that is, GDP adjusted for inflation) growing at an estimated 6.7 per cent. in the year ended 31 March 2018, 7.1 per cent. in the year ended 31 March 2017 and 8.2 per cent. in the year ended 31 March 2016. However, the growth in industrial production in India has been variable. Any slowdown in the Indian economy or future volatility of global commodity prices could adversely affect the Issuer's business, including its expansion plans, its financial performance and the trading price of the Notes.

Trade deficits could have a negative effect on the Issuer's business and the trading price of the Notes

India's trade relationships with other countries can influence Indian economic conditions. In fiscal year 2018, the merchandise trade deficit was U.S.$162.2 billion, compared to U.S.$108.5 billion in fiscal year 2017 and U.S.$118.7 billion in fiscal year 2016. This large merchandise trade deficit neutralises the surpluses in India's invisibles, which are comprised of international trade in services, income from financial assets, labour and property and cross border transfers of mainly workers' remittances in the current account, resulting in a current account deficit. If India's trade deficits increase or become unmanageable, the Indian economy, and therefore the Issuer's business, future financial performance and the trading price of the Notes could be adversely affected.

Natural calamities, power outages and other disruptions could have a negative impact on the Indian economy and harm the Issuer's business

India has experienced several natural calamities such as earthquakes, floods and droughts in recent years. In fiscal 2015, the agricultural sector was adversely affected by unseasonal rains and hailstorms in northern India during March 2015 which resulted in drastic reductions in "Gross Value Added". Some parts of the country faced severe droughts in 2016, with the states of Andhra Pradesh, Karnataka, Maharashtra, and Uttar Pradesh being the most severely affected, which led to serious food, drinking water and security concerns. Severe floods affected the state of Kerala due to unusually high rainfall during the monsoon season in 2018. Such spells of natural calamities could have a negative impact on the Indian economy, adversely affecting the Issuer's business and potentially causing the trading price of the Notes to decrease.

Any down-grading of India's debt rating by an international rating agency could have a negative impact on the Issuer's business and the trading price of the Notes

As of the date of this Offering Circular, India was rated Baa2 with stable outlook by Moody's, BBB- with stable outlook by Fitch and BBB- with a stable outlook by S&P. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect the Issuer's ratings and the terms on which the Issuer is able to finance future capital expenditure or refinance any existing indebtedness. This could have an adverse effect on the Issuer's capital expenditure plans, business, cash flows and financial performance, and the trading price of the Notes.

Depreciation of the Rupee against foreign currencies may have an adverse effect on the Issuer's results of operations and financial conditions

As of 30 September 2018, the Issuer's standalone borrowings in foreign currency were approximately U.S.$7.07 billion, while substantially all of the Issuer's revenues are denominated in Rupees. Accordingly, depreciation of the Rupee against these currencies will increase the Rupee cost to the Issuer of servicing and repaying the Issuer's foreign currency borrowings. A depreciation of the Rupee would also increase the costs of imports by the Issuer and may have an adverse impact on the Issuer's results of operation and financial conditions.

Investors may have difficulty enforcing foreign judgments in India against the Issuer or its management

The Issuer is a limited liability public company incorporated under the laws of India. All of the Issuer's directors and executive officers are residents of India and a substantial portion of the assets of the Issuer and the assets of such directors and executive officers are located in India. As a result, it may be difficult for investors to effect service of process upon the Issuer or such directors and executive officers in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities of the Issuer or such directors and executive officers under laws other than Indian law.

In addition, India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. The statutory basis for the recognition and enforcement of foreign judgments is provided for under section 13 and section 44A of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Indian Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. Under the Civil Code, a court in India will upon the production of any document purporting to be a certified copy of a foreign judgement, presume that the judgement was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards even if such awards are enforceable as a decree or judgment.

A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the judgment and not by proceedings in execution. The United States has not been declared by the Indian Government to be a reciprocating territory for the purposes of section 44A of the Civil Code. However, the United Kingdom has been declared by the Indian Government to be a reciprocating territory and the High Courts in England as the relevant superior courts. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon except: (i) where it has not been pronounced by a court of competent jurisdiction; (ii) where it has not been given on the merits of the case; (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where it has been obtained by fraud; or (vi) where it sustains a claim founded on a breach of any law in force in India. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. Also, a party may file suit in India against the Issuer, its directors or its executive directors as an original action predicated upon the previsions of the Federal Securities laws in the United States.

An outbreak of avian or swine influenza or other contagious diseases may adversely affect the Indian economy and the Issuer's business

A number of countries in Asia, including India, as well as countries in other parts of the world, have had confirmed cases of the highly pathogenic H5N1 strain of avian influenza in birds. Certain countries in Southeast Asia have reported cases of bird to human transmission of avian influenza resulting in numerous human deaths. In 2009, there was a global outbreak of a new strain of influenza virus commonly known as swine flu. Since 2012, an outbreak of the Middle East Respiratory Syndrome corona virus ("**MERS**") has affected several countries, primarily in the Middle East. Future outbreaks of avian influenza, swine flu, MERS, Zika, or a similar contagious disease could adversely affect the Indian economy and economic activity in the region. As a result, any present or future outbreak of avian influenza, swine flu or other contagious diseases could have a material adverse effect on the Issuer's business.

Terrorist attacks, civil disturbances and regional conflicts in South Asia and elsewhere may have a material adverse effect on the Issuer's business and on the trading price of the Notes

India has, from time to time, experienced social and civil unrest and hostilities, both internally and with neighbouring countries. Present relations between India and Pakistan continue to be fragile on issues of terrorism, armament and Kashmir. In recent years, several coordinated shootings and bombing attacks have occurred across India, which resulted in the loss of life, property and business. For example, there were terrorist attacks in the Poonch and Uri areas of Kashmir in September 2016, Sukma attacks in 2017 and 2018 and the Amarnath Yatra attack in 2017. Such tensions, should they occur in other parts of the country, could lead to overall political and economic instability which could have an adverse effect on the Issuer's business, future financial performance and the trading price of the Notes.

There may be less company information available in Indian securities markets than in securities market in other more developed countries

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities market and the activities of investors, brokers and other participants and that of markets in the United States and other more developed economies. The Securities and Exchange Board of India ("**SEBI**") is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. The SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in more developed economies. As a result investors may have access to less information about the business, results of operations and financial conditions, and those of the competitors that are listed on the Bombay Stock Exchange and the National Stock Exchange and other stock exchanges in India on an on-going basis than you may find in the case of companies subject to reporting requirements of other more developed countries.

There is a lower level of regulation and monitoring of the Indian securities market and the activities of investors, brokers and other participants than in certain organisations for economic cooperation and development ("**OECD**") countries. The SEBI received statutory powers in 1992 to assist it in carrying out its responsibilities for improving disclosure and other regulatory standards for the Indian securities market. Subsequently, the SEBI has prescribed certain regulations and guidelines in relation to disclosure requirements, insider dealing and other matters relevant to the Indian securities markets. However, there may still be less publicly available information about Indian companies than is regularly made available by public companies in certain OECD countries.

Indian accounting principles and audit standards differ from those in other countries which prospective investors may be familiar with

As stated in the report of the Issuer's independent auditors included in this Offering Circular, the Issuer's financial statements are in conformity with Ind AS, consistently applied during the periods stated, except as provided in such report, and no attempt has been made to reconcile any of the information given in this Offering Circular to any other principles or to base it on any other standards. Ind AS is based on and converged with IFRS, however Ind AS differs in a few respects from accounting principles and auditing standards with which prospective investors may be familiar in other countries. See "*Summary of Significant Differences Between IFRS and INDAS*".

The proposed new taxation system could adversely affect the Issuer's business and the trading price of the Notes

The Government has introduced a reform in the Indian tax laws, specifically, with respect to provisions relating to the general anti-avoidance rules ("**GAAR**") under the Finance Act, 2013 which are applicable from assessment year beginning on or after 1 April 2018.

The GAAR provisions are intended to catch arrangements declared as "impermissible avoidance arrangements", which is defined in the Finance Act, 2013 as any arrangement, the main purpose of which is to obtain a tax benefit and which satisfy at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. The onus to prove that the transaction is not an "impermissible avoidance agreement" is on the assessee. As the taxation system is undergoing a significant overhaul, the consequential effects on the Issuer cannot be determined as of now. However, it appears that a person, being a non-resident, in relation to investment made by him by way of offshore derivative instruments or otherwise directly or indirectly, by a Foreign Institutional Investor/Foreign Portfolio Investor, will not fall in the definition of impermissible avoidance arrangement for the applicability of GAAR. There can be no assurance that the implementation of the GAAR would not adversely affect the Issuer's business, future financial performance and the trading price of the Notes.

Tightening of liquidity conditions in the developed markets along with a strengthening U.S. dollar could adversely affect Issuer's business

The RBI, in its financial stability report dated 26 June 2018, stated that spillover risk from advanced financial markets to emerging markets has increased. Tightening of liquidity conditions in the developed markets alongside expansionary US fiscal policy and a strong U.S. dollar have started to adversely impact emerging market currencies, bonds and capital flows. Firming commodity prices and geopolitical developments pose added risks. On the domestic front, while economic growth is firming up, conditions that buttressed fiscal consolidation, inflation moderation and a benign current account deficit over the last few years are changing, thereby increasing the downside risks. In the domestic financial markets, structural shifts are altering the pattern of credit intermediation and impacting market interest rates. the Issuer has little or no control over any of these risks or trends and may be unable to anticipate changes in economic conditions. Adverse effects on the financial markets could impact the Issuer's funding and adversely affect the Issuer's business, operations and financial condition and the market price of the Notes.

The insolvency laws of India may differ from other jurisdictions with which holders of the Notes are familiar

As the Issuer is incorporated under the laws of India, an insolvency proceeding relating to the Issuer, even if brought in another jurisdiction, would likely involve Indian insolvency law. The procedural and substantive provisions of Indian insolvency law may differ from comparable provisions of other jurisdictions.

Risks Relating to the Notes

There is no public market for the Notes

The Notes will be a new issue of securities with no existing trading market. The Issuer intends, through its listing agent, to apply for the listing of the Notes on the official list of the SGX-ST. However, the Issuer cannot make any assurances that the Notes will qualify for listing the exchange or that a liquid trading market will develop for the Notes. Though the Notes may be listed on an exchange, the Issuer cannot make any assurances that an active market will develop for the Notes or as to the liquidity of, or the trading market for, the Notes. If an active market does develop, future trading prices of the Notes will depend on many factors, including, among others, prevailing interest rates; the Issuer's results of operations and financial condition, performance and prospects, political and economic developments in India; and the market for securities similar to the Notes and the financial condition and stability of the oil and gas sector. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

The price of the Notes following the offering may be volatile

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the Issuer's revenues, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions, interest rates, fluctuations in prices for comparable companies and the Government's policy with respect to subsidy and/or compensation to OMCs could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the volume and price at which the Notes will trade. There can be no assurance that these developments will not occur in the future.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Conditions of the Notes are subject to modification, waivers and substitution

The Trust Deed contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Trust Deed also provides that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Conditions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in the Trust Deed and in Conditions 14 and 15.2 of the Conditions of the Notes.

The Notes are not guaranteed by the Republic of India

The Notes are not the obligations of, or guaranteed by, the Republic of India. Although the Government owned 54.06 per cent. of the Issuer's issued and paid up share capital as at the date of this Offering Circular, the Government is not providing a guarantee in respect of the Notes. In addition, the Government is under no obligation to maintain the solvency of the Issuer. Therefore, investors should not rely on the Government ensuring that the Issuer fulfils its obligations under the Notes.

Notes where denominations involve integral multiples: definitive Notes

In relation to those Notes which have denominations consisting of a minimum specified denomination plus one or more higher integral multiples of another smaller amount, it is possible that these Notes may be traded in amounts that are not integral multiples of such minimum specified denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum specified denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Certificates in respect of such holding (should definitive Certificates be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a specified denomination.

Noteholders are required to rely on the procedures of the relevant clearing system and its participants while the Notes are cleared through the relevant clearing system

The Notes will be represented on issue by a Global Certificate that will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in such Global Certificate, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Certificate held through it. While the Notes are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by the Global Certificate, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in the Global Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate. Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies. If definitive Notes are issued, holders should be aware that definitive Certificates that have a denomination that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

Early redemption of the Notes prior to its stated average maturity may be subject to compliance with applicable regulatory requirements, including the prior approval of the RBI

An early redemption of the Notes (whether due to certain tax events described in Condition 7.2 of the Conditions of the Notes or due to an Event of Default as specified in Condition 10 of the Conditions of the Notes or otherwise) will be subject to limitations on the ability of the Issuer to redeem the Notes prior to the date of its maturity including obtaining the prior written approval of the RBI and compliance with any conditions of the RBI and other relevant Indian authorities at the time of such approval. There can be no assurance that RBI or other relevant Indian authorities will provide such approval in a timely manner or at all.

Payments under the Notes are subject to RBI guidelines regarding remittances of funds outside India

Payments with respect to the Notes are subject to the ECB Guidelines governing the remittance of funds outside India. Any approval, if and when required, for the remittance of funds outside India is at the discretion of the RBI and the Issuer can give no assurance that it will be able to obtain such approvals.

The Conditions of the Notes are subject to the risk of change of law

The Conditions of the Notes are based on English law in effect as of the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially and adversely impact the value of any Notes impacted by it.

Noteholders' right to receive payments is junior to certain tax and other liabilities preferred by law

The Notes are unsecured obligations of the Issuer and will rank subordinated to certain liabilities preferred by law, such as claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of the Issuer's business. In particular, in the event of bankruptcy, liquidation or winding-up, the Issuer's assets will be available to pay obligations on the Notes only after all of the above liabilities that rank senior to these Notes have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Notes.

The Trustee may request Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances (including without limitation the giving of notice pursuant to Condition 10 of the Conditions of the Notes and the taking of enforcement steps, actions and/or proceedings pursuant to Condition 11 of the Conditions of the Notes), the Trustee may (in its sole discretion) request the Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes any action on behalf of Noteholders. The Trustee shall not be obliged to take any such actions, actions and/or proceedings if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to any indemnity and/ or security and/or pre-funding can be a lengthy process and may impact on when such actions, actions and/or proceedings can be taken. The Trustee may not be able to take actions, actions and/or proceedings, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed (as defined in the Conditions of the Notes) and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions, actions and/or proceedings directly.

Risks related to the market generally

Payments of principal and interest are subject to exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in U.S. dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in currency or currency unit (the "**Investor's Currency**") other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to U.S. dollars would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Investment in the Notes is subject to interest rate risks

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of them.

Credit ratings may not reflect all risks

Moody's and Fitch have assigned credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

CONDITIONS OF THE NOTES

The following is the text of the Conditions of the Notes which (subject to completion and modification and except for the paragraphs in italics) will be endorsed on the Certificate issued in respect of the Notes.

*The Notes are issued in accordance with the Master Direction on ECB, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers dated 1 January 2016, as amended and are subject to applicable laws including the Foreign Exchange Management Act, 1999 ("**FEMA**") and rules, regulations, circulars, and guidelines issued by the Reserve Bank of India (RBI) in force from time to time (the "**ECB Guidelines**").*

The U.S.$900,000,000 4.75 per cent. notes due 2024 (the "**Notes**", which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 17 and consolidated and forming a single series with the Notes) of Indian Oil Corporation Limited (the "**Issuer**") are constituted by a Trust Deed dated 16 January 2019 (the "**Issue Date**") (as amended and/or supplemented from time to time, the "**Trust Deed**") made between the Issuer and Citicorp International Limited (the "**Trustee**", which expression shall include its successor(s)) as trustee for the holders of the Notes (the "**Noteholders**").

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed and the Agency Agreement dated 16 January 2019 (as amended and/or supplemented from time to time, the "**Agency Agreement**") made between the Issuer, Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent and together with the other paying agents named therein, as registrar (the "**Registrar**", which expression shall include any successor registrar) and as transfer agent (the "**Transfer Agent**", which expression shall include any substitute or any additional transfer agents appointed in accordance with the Agency Agreement) and the Trustee are available for inspection at all during normal business hours by the Noteholders at the principal place of business for the time being of the Trustee, being as at the Issue Date at 39th Floor, Champion Tower, Three Garden Road, Central, Hong Kong, following prior written request and proof of holding to the satisfaction of the Trustee. "**Paying Agents**" means any paying agents appointed from time to time pursuant to the Agency Agreement with respect to the Notes and includes the Principal Paying Agent and "**Agents**" means the Principal Paying Agent, any other Paying Agents, the Registrar, any Transfer Agent and any other agent or agents appointed from time to time pursuant to the Agency Agreement with respect to the Notes. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

*The owners shown in the records of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") of book-entry interests in Notes are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions of the Agency Agreement applicable to them.*

Any redemption under the Conditions of the Notes may, under the ECB Guidelines, require the Issuer to obtain the prior approval of the RBI or designated authorised dealer category I bank appointed in accordance with the ECB Guidelines, as the case may be, before providing notice for or effecting a redemption and such approval may not be forthcoming.

1 FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are issued in registered form in the specified denomination of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof (referred to as the "**principal amount**" of a Note). A note certificate (each a "**Certificate**") will be issued to each Noteholder in respect of its registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Issuer will procure to be kept by the Registrar.

The Notes are not issuable in bearer form.

1.2 Title

Title to the Notes passes only by registration in the register of Noteholders. The holder of any Note will (except as ordered by a court of competent jurisdiction or as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, "**Noteholder**" and (in relation to a Note) "**holder**" means the person in whose name a Note is registered in the register of Noteholders.

For a description of the procedures for transferring title to book-entry interests in the Notes, see "Clearing and Settlement Arrangements".

2 TRANSFERS OF NOTES AND ISSUE OF CERTIFICATE

2.1 Transfers

A Note may be transferred by depositing the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar or any of the Transfer Agents together with any other evidence as the Registrar or the relevant Transfer Agent may require.

For a description of certain restrictions on transfers of interests in the Notes, see "Subscription and Sale".

2.2 Delivery of new Certificates

Each new Certificate to be issued upon transfer of Notes will, within seven business days of receipt by the Registrar or the relevant Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be made available at the specified office of the relevant Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer and Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, mailed by uninsured mail at the risk of the holder entitled to the Note to the address specified in the form of transfer, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. For the purposes of this Condition 2.2, "**business day**" shall mean a day, other than a Saturday or Sunday or public holiday, on which banks are open for business in the city in which the specified office of the relevant Transfer Agent or the Registrar (as the case may be) with whom a Certificate is deposited in connection with a transfer is located.

Except in the limited circumstances described in the Global Certificate (see "The Global Certificate — Registration of Title"), owners of interests in the Notes will not be entitled to receive physical delivery of Certificates. Issues of Certificates upon transfer of Notes are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement.

Where some but not all of the Notes in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Notes not so transferred will, within seven business days of receipt by the Registrar or the relevant Transfer Agent of the original Certificate, be made available at the specified office of the relevant Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer and Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, mailed by uninsured mail at the risk of the holder of the Notes not so transferred to the address of such holder appearing on the register of Noteholders or as specified in the form of transfer, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/ or such insurance as it may specify.

2.3 Formalities free of charge

Registration of transfer of Notes will be effected without charge by or on behalf of the Issuer or any Agent but upon payment (or the giving of such indemnity as the Issuer may reasonably require or, as the case may be, the giving of such indemnity and/or security and/or pre-funding as the Registrar or the relevant Transfer Agent may require) in respect of any tax, duty or other governmental charges which may be imposed in relation to such transfer.

2.4 Closed Periods

No Noteholder may require the transfer of a Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on that Note.

2.5 Regulations

All transfers of Notes and entries on the register of Noteholders will be made subject to the detailed regulations concerning transfer of Notes scheduled to the Trust Deed. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee or by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests one in writing and provides proof of holding to the satisfaction of the Registrar.

3 STATUS

The Notes are direct, unconditional and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject as stated above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

4 NEGATIVE PLEDGE

4.1 Negative Pledge

So long as any of the Notes remains outstanding, the Issuer will ensure that no Relevant Indebtedness of the Issuer or any of its Principal Subsidiaries (as defined below in Condition 4.2) will be secured by any Security Interest (as defined below in Condition 4.2) upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer or any of its Principal Subsidiaries unless the Issuer, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(a) all amounts payable by it under the Notes and the Trust Deed are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee in its absolute discretion; or

(b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (i) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (ii) as is approved by an Extraordinary Resolution of the Noteholders.

4.2 Interpretation

For the purposes of these Conditions:

(a) "**Approved Investor**" means a person which has been duly registered with the Securities Exchange Board of India as a Foreign Portfolio Investor in terms of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended;

(b) "**Principal Subsidiary**" means any Subsidiary of the Issuer:

(i) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than 10 per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries, provided that, in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer;

(ii) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Principal Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this paragraph (ii) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of paragraph (i) above of this definition or, prior to or after such date, by virtue of any other applicable provision of this definition; or

(iii) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, represent (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than 10 per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in paragraph (i) above of this definition, provided that the transferor Subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer its assets represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in paragraph (i) above of this definition, and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this paragraph (iii) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of paragraph (i) above of this definition or, prior to or after such date, by virtue of any other applicable provision of this definition;

(c) "**Relevant Indebtedness**" means (i) any present or future indebtedness (whether being principal, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities (together, "**Securities**") which (A) by their terms are payable in a currency other than Rupees or are denominated in Rupees and more than 50 per cent. of the aggregate principal amount of which is initially distributed outside of India (provided that, for these purposes, Securities sold to an Approved Investor will not be regarded as being distributed outside of India) by or with the authorisation of the Issuer and (B) are for the time being, or capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity of any such indebtedness;

(d) "**Security Interest**" means any mortgage, charge, pledge, lien or other security interest; and

(e) "**Subsidiary**" means, in relation to the Issuer, any company (i) in which the Issuer holds a majority of the voting rights or (ii) of which the Issuer is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer.

5 INTEREST

All interest payable on the Notes shall be subject to applicable laws including but not limited to the ECB Guidelines.

5.1 Interest Rate and Interest Payment Dates

The Notes bear interest from and including 16 January 2019 at the rate of 4.75 per cent. per annum, payable semi-annually in arrear in equal instalments on 16 January and 16 July of each year (each an "**Interest Payment Date**"). The first payment (representing a full six months' interest) shall be made on 16 July 2019.

5.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment in which event interest will continue to accrue as provided in the Trust Deed.

5.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full six months, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

Each Note will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Note, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the date on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder, and (b) the date falling seven days after the Trustee or the Principal Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant Noteholder under these Conditions).

Interest in respect of any Note shall be calculated per U.S.$1,000 in principal amount of the Notes (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall (save as provided above in relation to the payment of interest in equal instalments on each Interest Payment Date) be equal to the product of the rate of interest specified above, the Calculation Amount and the day count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

6 PAYMENTS

6.1 Payments in respect of Notes

Payment of principal and interest will be made by transfer to the registered account of the Noteholder. Payments of principal and payments of interest due otherwise than on an Interest Payment Date will only be made against surrender of the relevant Certificate at the specified office of any of the Agents. Interest on Notes due on an Interest Payment Date will be paid to the holder shown on the register of Noteholders at the close of business on the date (the "**record date**") being the fifteenth day before the relevant Interest Payment Date.

For the purposes of this Condition 6, a Noteholder's registered account means the U.S. dollar account maintained by or on behalf of it with a bank that processes payments in U.S. dollars, details of which appear on the register of Noteholders at the close of business, in the case of principal and interest due otherwise than on an Interest Payment Date, on the second Business Day (as defined below) before the due date for payment and, in the case of interest due on an Interest Payment Date, on the relevant record date, and a Noteholder's registered address means its address appearing on the register of Noteholders at that time.

*So long as the Global Certificate is held on behalf of Euroclear and Clearstream, Luxembourg or any other clearing system, each payment in respect of the Global Certificate will be made to the person shown as the holder of the relevant Global Certificate in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

6.2 Payments subject to Applicable Laws

Payments in respect of principal and interest on Notes are subject in all cases to any fiscal or other laws, regulations or directives applicable in the place of payment, but without prejudice to the provisions of Condition 8.

6.3 No commissions

No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition 6.

6.4 Payment on Business Days

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day (as defined below), for value the first following day which is a Business Day) will be initiated on the Business Day preceding the due date for payment or, in the case of a payment of principal or a payment of interest due otherwise than on an Interest Payment Date, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of an Agent.

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day, if the Noteholder is late in surrendering its Certificate (if required to do so).

In this Condition 6, "**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in Hong Kong, London and New York City, and in the case of presentation of a Certificate, in the place in which the Certificate is presented.

6.5 Partial Payments

If the amount of principal or interest which is due on the Notes is not paid in full, the Registrar will annotate the register of Noteholders with a record of the amount of principal or interest in fact paid.

6.6 Agents

The names of the initial Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that:

(a) there will at all times be a Principal Paying Agent;

(b) so long as the Notes are listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), if the Notes are issued in definitive form, there will at all times be a Paying Agent in Singapore unless the Issuer obtains an exemption from the SGX-ST;

(c) a Registrar; and

(d) a Transfer Agent.

Notice of any termination or appointment and of any changes in specified offices given to the Noteholders promptly by the Issuer in accordance with Condition 13.

7 REDEMPTION AND PURCHASE

7.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 16 January 2024.

7.2 Redemption for Taxation Reasons

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that:

(a) as a result of any change in, or amendment to, the laws or regulations of the Relevant Jurisdiction (as defined in Condition 8), or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 10 January 2019, on the next Interest Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 8; and

(b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 and in writing to the Trustee and the Principal Paying Agent (which notice shall be irrevocable), redeem all, but not some only, of the Notes at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts, were a payment in respect of the Notes then due. Prior to the giving of any notice of redemption pursuant to this Condition 7.2, the Issuer shall deliver to the Trustee (i) a certificate signed by two Directors of the Issuer, each of whom is also an Authorised Signatory of the Issuer, stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of the change or amendment, and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above in this Condition 7.2, in which event the same shall be conclusive and binding on the Noteholders.

ECB guidelines or other relevant RBI regulations at the time of redemption may require the Issuer to obtain the prior approval of the RBI or the authorised dealer bank, as the case may be, before providing notice for or effecting such a redemption prior to the maturity date and such approval may not be forthcoming.

7.3 Purchases

The Issuer or any of its Subsidiaries may, if permitted under applicable laws, at any time purchase Notes in any manner and at any price in the open market or otherwise. The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder thereof to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the Bondholders or for the purposes of Condition 10, Condition 11 and Condition 15.1.

7.4 Cancellations

All Certificates representing Notes which are (a) redeemed or (b) purchased by or on behalf of the Issuer or any of its Subsidiaries will be forthwith surrendered for cancellation to the Registrar and, upon surrender thereof, all such Bonds shall be cancelled by the Registrar. Any Notes so surrendered and cancelled may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Bonds shall be discharged.

7.5 Notices Final

Upon the expiry of any notice as is referred to in Condition 7.2, the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of Condition 7.2.

8 TAXATION

8.1 Payment without Withholding

All payments in respect of the Notes by or on behalf of the Issuer shall be made without set-off or counterclaim and free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of such Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after any such withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note:

(a) presented for payment by or on behalf of a holder who is liable to the Taxes in respect of the Note by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Note;

(b) presented for payment by or on behalf of a holder of such Note who, at the time of such presentation, is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption and does not make such declaration or claim; or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming (whether or not such is in fact the case) that day to have been a Business Day (as defined in Condition 6.4).

8.2 Interpretation

In these Conditions:

(a) "**Relevant Date**" means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by an Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 13; and

(b) "**Relevant Jurisdiction**" means India or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

Any payments made by the Issuer are required to be within the all-in-cost ceilings prescribed under the ECB Guidelines and in accordance with any specific approvals from the RBI or the authorised dealer bank approval pursuant to the ECB Guidelines, obtained by the Issuer in this regard.

8.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 8 or under any undertakings given in addition to, or in substitution for, this Condition 8 pursuant to the Trust Deed.

9 PRESCRIPTION

Claims in respect of principal and interest will become prescribed unless made within 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 8).

10 EVENTS OF DEFAULT

10.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. in aggregate principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction) shall, give notice to the Issuer that the Notes are, and they shall accordingly immediately become, due and repayable at their principal amount, together with accrued interest as provided in the Trust Deed, in any of the following events ("**Events of Default**"):

(a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of three days in the case of principal or seven days in the case of interest;

(b) if the Issuer fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where the Trustee is of the opinion that the failure is incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days following notice requiring the same to be remedied being given by the Trustee to the Issuer;

(c) if (i) any Indebtedness for Borrowed Money (as defined below in Condition 10.2) of the Issuer or any of its Principal Subsidiaries becomes capable of being declared due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any of its Principal Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment; (iii) any security given by the Issuer or any of its Principal Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer or any of its Principal Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person; provided that no event described in this Condition 10.1(c) shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above of this Condition 10.1(c), amounts to at least U.S.$25,000,000 (or its equivalent in any other currency);

(d) if any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer or any of its Principal Subsidiaries, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of the Noteholders;

(e) if the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of the Noteholders, or the Issuer or any of its Principal Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent;

(f) if proceedings are initiated against the Issuer or any of its Principal Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Principal Subsidiaries or, as the case may be, in relation to the whole or any part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or any part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of any of them, and in any such case (other than the appointment of an administrator or where such proceedings are initiated by the Issuer or, as the case may be, any of its Principal Subsidiaries) is not discharged within 14 days;

(g) if the Issuer or any of its Principal Subsidiaries (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors);

(h) if any government authority or agency condemns, seizes, compulsorily purchases or expropriates all or any material part of the assets or shares of the Issuer or any of its Principal Subsidiaries without fair compensation, unless, and for so long as, the Trustee (acting on the instructions of the Noteholders provided to it by Extraordinary Resolution) is satisfied that such compulsory purchase or expropriation is being contested in good faith and by appropriate proceedings;

(i) if at any time the Government of India ceases to own (directly or indirectly) at least 51.0 per cent. of the voting securities of the Issuer;

(j) a moratorium (which expression shall not include any deferral of principal originally contemplated and made in accordance with the terms of any loan or other financing related agreement) is agreed or declared by the Issuer in respect of any Indebtedness for Borrowed Money (including any obligations arising under guarantees) of the Issuer or any of its Subsidiaries;

(k) if the Issuer or any of its Principal Subsidiaries is or becomes entitled or subject to, or is declared by law or otherwise to be protected by, immunity (sovereign or otherwise) and Condition 18.4 is held to be invalid or unenforceable;

(l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed; or

(m) if any event occurs which, under the laws of any Relevant Jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in Conditions 10.1(d) to 10.1(h) inclusive, 10.1(k) and 10.1(l).

10.2 Interpretation

For the purposes of this Condition 10, "**Indebtedness for Borrowed Money**" means any indebtedness (whether being principal, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit.

11 ENFORCEMENT

11.1 The Trustee may at any time, at its discretion and without notice, take such steps and/or actions and/or institute such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed and the Notes, but it shall not be bound to institute any such proceedings and/or to take any other steps or action in relation to the Trust Deed or the Notes unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least 25 per cent. in aggregate principal amount of the Notes then outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

11.2 No Noteholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

Payments of any amounts outside India by the Issuer under an indemnity clause may require the prior approval of the RBI.

12 REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar upon payment by the claimant of the fees, costs and expenses incurred in connection with the replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require or, as the case may be, the Registrar may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13 NOTICES

All notices to the Noteholders will be valid if mailed to them at their respective addresses in the register of Noteholders maintained by the Registrar and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. In addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange so require, such notice will be published by the Issuer in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange. Any such notice shall be deemed to have been given on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

14 SUBSTITUTION

The Trustee may (but shall not be obliged to), without the consent of the Noteholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition 14) as the principal debtor under the Notes and the Trust Deed of any other company being a Subsidiary of the Issuer, subject to:

(a) the Trustee having received a certificate signed by an Authorised Signatory of the Issuer certifying that the approval of the authorised dealer bank or the RBI, as may be applicable in accordance with the ECB Guidelines and FEMA, has been obtained prior to such substitution;

(b) the Trustee having received a legal opinion from legal counsel of reputable standing, in form and substance satisfactory to the Trustee, stating that the substitute company is an eligible borrower in accordance with the ECB Guidelines or has been otherwise approved in writing by the RBI;

(c) the Notes being unconditionally and irrevocably guaranteed by the Issuer;

(d) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and

(e) certain other conditions set out in the Trust Deed being complied with.

15 MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND AUTHORISATION

15.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of modification or abrogation of any of these Conditions or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee, and shall be convened by the Trustee if requested in writing to do so by Noteholders holding not less than 10 per cent. in aggregate principal amount of the Notes for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in aggregate principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the aggregate principal amount of the Notes held or represented by him or them, except that, at any meeting the business of which includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed (as described in Schedule 3 to the Trust Deed), the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than 66 2/3 per cent., or at any adjourned such meeting not less than 33 1/3 per cent., of the aggregate principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting.

The Trust Deed provides that a resolution in writing signed by or on behalf of the Noteholders of not less than 90 per cent. in aggregate principal amount of the Notes for the time being outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. A resolution passed in writing will be binding on all Noteholders whether or not they participated in such written resolution.

15.2 Modification, Waiver, Authorisation and Determination

The Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders, to (a) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or (b) any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law.

15.3 Trustee to have Regard to Interests of Noteholders as a Class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require on behalf of any Noteholder, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 8 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

15.4 Notification to the Noteholders

Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on the Noteholders and, unless the Trustee agrees otherwise, any modification or substitution shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13.

16 INDEMNIFICATION OF THE TRUSTEE; CERTAIN EXCULPATORY PROVISIONS

16.1 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

Repatriation of proceeds outside India by the Issuer under an indemnity clause may require the prior approval of the RBI in accordance with the extant laws and regulations.

16.2 Reliance

The Trustee may rely without liability to Noteholders, the Issuer or any other person on any report, confirmation, certificate or information from or any advice or opinion of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, certificate, information, advice or opinion, in which event such report, confirmation, certificate, information, advice or opinion shall be binding on the Issuer and the Noteholders.

16.3 Right to Seek Directions

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or giving any such direction, to seek directions from the Noteholders by way of Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Noteholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction where the Trustee is seeking such direction from the Noteholders or in the event that the instructions sought are not provided by the Noteholders. The Trustee shall not be liable to any Noteholder, the Issuer or any other person for any action taken by it in accordance with the instructions of the Noteholders. The Trustee shall be entitled to rely on any direction or instruction of Noteholders (whether given by Extraordinary Resolution or otherwise as contemplated or permitted by the Trust Deed and/or the Notes).

16.4 Performance in relation to the Notes

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer and any other person appointed by the Issuer in relation to the Notes, of the duties and obligations on their part expressed in respect of the same and, unless a responsible officer of the Trustee has express notice in writing to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed.

16.5 No Duty to Monitor

None of the Trustee or any of the Agents shall have any obligation to monitor or take any steps to ascertain whether an Event of Default or a Potential Event of Default or a Relevant Event has occurred and shall not be liable to the Noteholders or any other person for not doing so.

16.6 Independent Appraisal

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and no Noteholder shall rely on the Trustee in resect thereof.

16.7 Trustee Contracting with the Issuer

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of its Subsidiaries and/or any other entity related (directly or indirectly) to the Issuer or any such Subsidiary and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

Repatriation of proceeds outside India by the Issuer under an indemnity clause may require the prior approval of the RBI, in accordance with the extant laws and regulations.

17 FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders create and issue further notes or bonds (whether in bearer or registered form) either (a) having the same terms and conditions in all respects (or in all respects save for the date of issue and the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding Notes constituted by the Trust Deed or any supplemental deed or (b) upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may determine at the time of the issue. Any further notes which are to be consolidated and form a single series with the outstanding Notes constituted by the Trust Deed or any supplemental deed shall be constituted by a deed supplemental to the Trust Deed.

18 GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing Law

The Trust Deed, the Agency Agreement and the Notes and any non-contractual obligations arising out of or in connection with these documents are governed by, and shall be construed in accordance with, English law.

18.2 Jurisdiction of English Courts

The Issuer has, in the Trust Deed, irrevocably agreed for the exclusive benefit of the Trustee and the Noteholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and/or the Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed and/or the Notes) and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed and/or the Notes) arising out of or in connection with the Trust Deed and/or the Notes may be brought in the English courts.

The Issuer has, in the Trust Deed, irrevocably waived any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in the courts of England and any claim that any such Proceedings (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed and the Notes) have been brought in an inconvenient or inappropriate forum and has further irrevocably agreed in the Trust Deed that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

18.3 Appointment of Process Agent

The Issuer has, in the Trust Deed, irrevocably and unconditionally appointed Law Debenture Corporate Services Limited at its principal office for the time being in London as its agent for service of process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing so to act it will appoint such other person as its agent for that purpose.

18.4 Sovereign Immunity

The Issuer has in the Trust Deed irrevocably and unconditionally waived and agreed not to raise with respect to the Trust Deed and the Notes any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and has irrevocably and unconditionally consented to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed and/or the Notes).

19 RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act and is without prejudice to the rights of the Noteholders under Condition 11.2.

THE GLOBAL CERTIFICATE

The Global Certificate contains the following provisions which apply to the Notes in respect of which the Global Certificate is issued, some of which modify the effect of the Conditions of the Notes. Terms defined in the Conditions of the Notes have the same meaning in paragraphs 1 to 6 below.

1 Accountholders

For so long as all of the Notes are represented by the Global Certificate and such Global Certificate is held on behalf of a clearing system, each person (other than another clearing system) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (as the case may be) as entitled to a particular principal amount of the Notes represented by such Global Certificate (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg (as the case may be) as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated as the holder of such principal amount of such Notes (and the expression "**Noteholders**" and references to "**holding of Notes**" and to "**holder of Notes**" shall be construed accordingly) for all purposes other than with respect to payments of principal and interest on such Notes for which purpose the nominee for the relevant clearing system (the "**Relevant Nominee**") shall be deemed to be the holder of such principal amount of the Notes in accordance with and subject to the terms of the Global Certificate and the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the Relevant Nominee.

2 Cancellation

Cancellation of any Note following its redemption or purchase by the Issuer or any of its Subsidiaries will be effected by reduction in the aggregate principal amount of the Notes in the register of Noteholders and by the annotation of the appropriate schedule to the Global Certificate.

3 Payments

The Issuer, subject to and in accordance with the Conditions of the Notes and the Trust Deed, will promise to pay to the Registered Holder on the maturity date specified in Condition 7.1 of the Conditions of the Notes and/or on such earlier date(s) as all or any of the Notes represented by the Global Certificate may become due and repayable in accordance with the Conditions of the Notes and the Trust Deed, the amount payable under the Conditions of the Notes in respect of such Notes on each such date and to pay interest (if any) on the principal amount of the Notes outstanding from time to time represented by the Global Certificate calculated and payable as provided in the Conditions of the Notes and the Trust Deed, save that the calculation is made in respect of the total aggregate amount of the Notes represented by the Global Certificate, together with any other sums payable under the Conditions of the Notes and the Trust Deed.

Payments of interest in respect of Notes represented by the Global Certificate will be made upon presentation or, if no further interest payment falls to be made in respect of the Notes, payments of principal in respect of Notes represented by the Global Certificate will be made against presentation and surrender, of the Global Certificate to or to the order of the Registrar or such other Agent as shall have been notified to the holder of the Global Certificate for such purpose.

Distributions of amounts with respect to book-entry interests in the Global Certificate will be credited, to the extent received by the Principal Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

4 Notices

So long as all the Notes are represented by the Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled Accountholders in substitution for notification as required by the Conditions of the Notes. For so long as the Notes are listed on the SGX-ST, notices shall also be published in the manner required by the rules and regulations of the SGX-ST.

5 Registration of Title

The Global Certificate may be exchanged in whole but not in part (free of charge) for a definitive Note only upon the occurrence of an Exchange Event.

For these purposes, "**Exchange Event**" means that the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 of the Conditions of the Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Certificate) may give notice to the Registrar requesting exchange. Any such exchange shall occur no later than seven business days after the date of receipt of the relevant notice by the Registrar.

The Registrar will not register title to the Notes in a name other than that of the Relevant Nominee who is a holder appearing on the register at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) preceding the due date for any payment of principal, or interest in respect of the Notes.

6 Transfers

Transfers of book-entry interests in the Notes will be effected through the records of Euroclear, Clearstream, Luxembourg and their respective participants in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg and their respective direct and indirect participants.

USE OF PROCEEDS

The net proceeds of the issue of the Notes, amounting to approximately U.S.$899,046,000, will be applied by the Issuer to fund working capital requirements for its normal course of business, in accordance with the ECB Guidelines.

CAPITALISATION

Set out below is the Issuer's total debt, shareholders' equity and capitalisation as of 30 September 2018 as derived from its reviewed consolidated financial statements as of and for the six months ended 30 September 2018 and as adjusted to reflect the issue of the Notes. For additional information, see the Issuer's financial statements and the notes thereto included elsewhere in this Offering Circular.

	As of 30 September 2018			
	Actual		As adjusted	
	(Rs./Billion)	(U.S.$/Billion)	(Rs./Billion)	(U.S.$/Billion)
Consolidated				
Secured Loans				
Bonds & Debentures	10.00	0.14	10.00	0.14
Term Loans	7.22	0.10	7.22	0.10
Loans Repayable on Demand from banks	2.70	0.04	2.70	0.04
CBLO	0.00	0.00	0.00	0.00
Finance Lease Obligations	35.41	0.49	35.41	0.49
Others	3.62	0.05	3.62	0.05
Total secured loans	**58.95**	**0.82**	**58.95**	**0.82**
Unsecured Loans				
Foreign Currency Bonds	94.92	1.31	94.92	1.31
Term Loans from Banks & FII	109.44	1.51	109.44	1.51
Foreign Currency Loans Repayable on Demand	365.57	5.04	365.57	5.04
Rupee loans Repayable on Demand	24.36	0.34	24.36	0.34
Commercial Paper	29.75	0.41	29.75	0.41
Others	5.86	0.08	5.86	0.08
The Notes	0.00	0.00	65.30	0.90
Total unsecured loans	**629.90**	**8.69**	**695.20**	**9.59**
Total indebtedness	**688.85**	**9.51**	**754.15**	**10.41**
Shareholders' equity				
Share Capital	94.79	1.31	94.79	1.31
Reserves and Surplus	1,127.18	15.54	1,127.18	15.54
Total Shareholders' equity	**1,221.97**	**16.85**	**1,221.97**	**16.85**
Total indebtedness and shareholders' equity	**1,910.82**	**26.36**	**1,976.12**	**27.26**

Note:

Except as disclosed herein, there have been no material changes in the Issuer's capitalisation since 30 September 2018.

SELECTED FINANCIAL INFORMATION

The following table sets out a summary of the audited consolidated and non-consolidated financial information of the Issuer as of and for the years ended 31 March 2017 and 2018 and unaudited but reviewed consolidated and non-consolidated financial statements as of and for the six months ended 30 September 2018, which are derived from the Issuer's consolidated and non-consolidated financial statements and notes thereto included elsewhere in this Offering Circular. This information should be read in conjunction with, and is qualified in its entirety by reference to, the Issuer's audited financial statements and the related notes thereto as of and for the years ended 31 March 2017 and 2018 and the Issuer's reviewed financial statements and related notes thereto as of and for the six months ended 30 September 2018 included elsewhere in this Offering Circular. The Issuer's financial statements prepared under Ind AS as of and for the year ended 31 March 2017 were audited by CK Prusty & Associates, J Gupta & Co., S.K. Mehta & Co., and V Sankar Aiyar & Co. and as of and for the year ended 31 March 2018 were audited by CK Prusty & Associates, S.K. Mehta & Co., V Sankar Aiyar & Co., and V. Singhi & Associates and their audit reports in relation thereto are included elsewhere in this Offering Circular.

	For the year ended 31 March			For the six months ended 30 September		
	2017	**2018**	**2018**	**2017**	**2018**	**2018**
	(Billions of Rs.)		(U.S.$/Billion)	(Billions of Rs.)		(U.S.$/Billion)
Consolidated Income Statement						
Revenue from operations	4,537.95	5,155.42	71.06	2,433.04	3,067.83	42.29
Other Income	38.62	34.20	0.47	18.18	12.81	0.18
Total Income	4,576.57	5,189.62	71.53	2,451.22	3,080.64	42.47
Expenses						
Cost of materials consumed	1,798.74	2,172.29	29.94	965.30	1,509.60	20.81
Excise Duty	984.16	940.50	12.96	488.20	457.19	6.30
Purchase of Stock-in-Trade	1,103.77	1,181.16	16.28	555.74	692.91	9.55
Changes in Inventory	(150.92)	15.01	0.21	59.01	(85.48)	(1.18)
Employee benefit expenses	102.63	106.81	1.47	50.79	63.32	0.87
Finance cost	37.21	38.11	0.53	17.15	25.04	0.35
Depreciation and Amortisation	68.06	76.64	1.06	36.69	40.36	0.56
Impairment Losses	0.62	0.04	0.00	0.03	0.00	0.00
Net Loss on de-recognition of financial assets at amortised cost	0.05	0.08	0.00	0.01	0.01	0.00
Other Expenses	359.09	323.59	4.46	154.19	227.29	3.13
Total Expenses	4,303.41	4,854.23	66.91	2,327.11	2,930.24	40.39
Profit before Share of Associate/Joint Venture and Tax	273.16	335.39	4.62	124.11	150.40	2.08
Profit for the period	203.85	226.26	3.12	85.42	105.02	1.45

	As of 31 March			As of 30 September	
	2017	2018	2018	2018	2018
	(Billions of Rs.)		(U.S.$/Billion)	(Billions of Rs.)	(U.S.$/Billion)
Consolidated Balance Sheet					
Equity and Liabilities					
Equity					
(a) Equity Share Capital	47.39	94.79	1.31	94.79	1.31
(b) Other Equity	973.57	1,043.95	14.38	1,127.18	15.53
(c) Non-Controlling Interest	19.05	21.51	0.30	20.85	0.29
Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	255.46	230.60	3.18	220.06	3.03
(ii) Other financial liabilities	4.62	5.71	0.08	6.34	0.09
(b) Provisions	32.26	24.23	0.33	18.72	0.26
(c) Deferred tax liabilities (Net)	68.89	123.68	1.70	145.94	2.01
(d) Other non-current Liabilities	7.52	13.61	0.19	15.71	0.22
Current liabilities					
(a) Financial liabilities					
(i) Borrowings	332.84	390.81	5.39	422.38	5.82
(ii) Trade payables	311.97	367.67	5.07	482.32	6.65
(iii) Other financial liabilities	360.28	384.02	5.29	432.81	5.97
(b) Other current Liabilities	130.29	113.65	1.57	209.13	2.88
(c) Provisions	190.67	142.49	1.96	92.88	1.28
(d) Current tax liabilities (net)	0.80	0.00	0.00	0.27	0.00
Total	2,735.61	2,956.72	40.75	3,289.38	45.34
Assets					
Non-current assets					
(a) Property, plant and equipment	1,149.73	1,229.87	16.95	1,256.76	17.32
(b) Capital work-in-progress	129.93	152.86	2.11	203.14	2.80
(c) Goodwill — On Consolidation	0.01	0.01	0.00	0.01	0.00
(d) Intangible assets	9.84	10.65	0.15	28.80	0.40
(e) Intangible assets under development	37.86	38.44	0.53	43.47	0.60
(f) Equity investment in JV's and Associates	95.52	110.49	1.52	239.71	3.30
(g) Financial Assets					
(i) Other Investments	266.66	255.59	3.52	134.59	1.86
(ii) Loans	10.99	21.59	0.30	23.90	0.33
(iii) Other financial assets	36.60	34.83	0.48	15.83	0.22
(h) Income tax assets (Net)	0.05	13.03	0.18	3.49	0.05
(i) Other non-current assets	35.25	32.62	0.45	36.17	0.49
Current assets					
(a) Inventories	657.24	705.68	9.73	893.45	12.31
(b) Financial Assets					
(i) Investments	74.69	81.99	1.13	84.62	1.17
(ii) Trade receivables	88.99	106.96	1.47	136.43	1.88
(iii) Cash and cash equivalents	3.30	3.19	0.04	26.98	0.37
(iv) Bank Balances other than above	0.80	1.75	0.02	2.99	0.04
(v) Loans	17.65	6.72	0.09	23.39	0.32
(vi) Other financial assets	84.91	112.84	1.56	102.24	1.41
(c) Current tax assets (Net)	0.00	0.01	0.00	0.00	0.00
(d) Other current assets	35.00	35.98	0.50	31.57	0.44
(e) Assets held for Disposal	0.59	1.62	0.02	1.84	0.03
Total	2,735.61	2,956.72	40.75	3,289.38	45.34

	For the year ended 31 March			For the six months ended 30 September		
	2017	2018	2018	2017	2018	2018
	(Billions of Rs.)		(U.S.$/Billion)	(Billions of Rs.)		(U.S.$/Billion)
Non-Consolidated Income Statements						
Revenue from operations	4,454.42	5,064.27	69.80	2,388.36	3,013.13	41.53
Other Income	42.00	34.15	0.47	18.13	16.26	0.22
Total Income	4,496.42	5,098.42	70.27	2,406.49	3,029.39	41.75
Expenses:						
Cost of materials consumed	1,569.51	1,887.80	26.02	843.92	1,311.33	18.07
Excise Duty	855.00	823.89	11.36	428.27	398.04	5.49
Purchase of Stock-in-Trade	1,419.25	1,521.18	20.97	704.73	907.61	12.51
Changes in Inventory	(152.60)	23.28	0.32	63.15	(73.70)	(1.02)
Employee benefit expenses	97.19	100.79	1.39	48.04	60.75	0.84
Finance cost	34.45	34.48	0.48	15.61	22.19	0.31
Depreciation and Amortisation	62.23	70.67	0.97	34.18	35.97	0.50
Impairment Loss	0.00	0.00	0.00	0.00	0.00	0.00
Net Loss on de-recognition of financial assets at amortised cost	0.05	0.08	0.00	0.01	0.01	0.00
Other Expenses	348.13	310.61	4.28	145.78	215.72	2.97
Total Expenses	4,233.21	4,772.78	65.79	2,283.69	2,877.92	39.67
Profit before Tax	263.21	325.64	4.48	122.80	151.47	2.08
Profit for the period	191.06	213.46	2.94	82.45	100.78	1.39

	As of 31 March			As of 30 September	
	2017	2018	2018	2018	2018
	(Billions of Rs.)		(U.S.$/Billion)	(Billions of Rs.)	(U.S.$/Billion)
Non-Consolidated Balance Sheet					
Equity and Liabilities					
Equity					
(a) Equity Share Capital	47.39	94.79	1.31	94.79	1.31
(b) Other Equity	949.90	1,006.92	13.88	1,080.85	14.90
Liabilities					
Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings	203.12	187.18	2.58	175.54	2.42
(ii) Other Financial Liabilities	4.62	5.71	0.08	6.34	0.09
(b) Provisions	29.27	20.23	0.28	5.03	0.07
(c) Deferred tax liabilities (Net)	67.59	120.20	1.66	140.60	1.94
(d) Other non-current Liabilities	7.12	13.55	0.19	15.69	0.22
Total	311.72	346.87	4.79	343.20	4.74
Current liabilities					
(a) Financial Liabilities					
(i) Borrowings	300.73	368.07	5.07	385.75	5.32
(ii) Trade Payables	301.34	331.06	4.56	443.32	6.11
(iii) Other Financial Liabilities	363.48	408.16	5.62	447.96	6.17
(b) Other Current Liabilities	127.75	109.91	1.52	195.03	2.69
(c) Provisions	189.25	141.62	1.95	92.60	1.28
(d) Current tax liabilities (Net)	0.57	0.00	0.00	0.00	0.00
Total	2,592.13	2,807.40	38.70	3,083.50	42.52
Assets					
Non-Current Assets					
(a) Property, plant and equipment	1,069.01	1,128.88	15.56	1,144.76	15.78
(b) Capital work-in-progress	102.23	138.61	1.91	182.94	2.52
(c) Intangible assets	9.79	10.40	0.14	11.33	0.16
(d) Intangible assets under development	5.14	4.87	0.07	6.61	0.09
(e) Financial Assets					
(i) Investments					
Equity investment in JV's and Associates	131.67	137.25	1.89	154.50	2.13
Other Investments	269.43	253.64	3.50	253.96	3.50
(ii) Loans	10.97	20.31	0.28	22.45	0.31
(iii) Other financial assets	34.56	37.65	0.52	24.61	0.34
(f) Income tax assets (Net)	0.05	12.91	0.18	3.49	0.05
(g) Other non-current assets	34.34	32.33	0.45	35.94	0.50
Current Assets					
(a) Inventories	622.41	653.13	9.00	818.95	11.29
(b) Financial Assets					
(i) Investments	71.95	83.99	1.16	82.07	1.13
(ii) Trade receivables	85.02	101.17	1.39	130.54	1.80
(iii) Cash and cash equivalents	0.53	0.54	0.01	19.77	0.27
(iv) Bank Balances other than above	0.34	0.28	0.00	0.42	0.01
(v) Loans	17.48	4.68	0.06	21.15	0.29
(vi) Other financial assets	96.39	152.88	2.12	139.97	1.93
(c) Current tax assets (Net)	0.00	0.02	0.00	0.02	0.00
(d) Other current assets	30.23	32.25	0.44	28.18	0.39
(e) Assets Held for Disposal	0.59	1.62	0.02	1.84	0.03
Total	2,592.13	2,807.40	38.70	3,083.50	42.52

OVERVIEW OF THE OIL INDUSTRY OF INDIA

This information in the section below has been derived in part from various government and private publications or obtained in communications with government ministries in India. This information has not been independently verified by the Issuer or the Joint Lead Managers or any of their respective affiliates or advisers. The information may not be consistent with other information compiled within or outside India. Neither the Issuer nor the Joint Lead Managers have any actual knowledge of any material misstatement contained in this section.

General overview

India ranks as the world's fourth-largest energy producer, accounting for about 5.1 per cent. of global energy (including oil, gas and coal) production per annum. The country is also the world's third-largest primary energy consumer, accounting for about 5.58 per cent. of global energy consumption[1].

India's primary source of energy consumption continues to be coal, which represents over approximately 56% of the country's source of consumption, whereas petroleum products, natural gas, hydro-electricity and others represent approximately 30 per cent., 6 per cent., 4 per cent. and 4 per cent., respectively[2].

In last five financial years (up to 31 March 2018), demand for petroleum products has grown at a compound annual growth rate of about 5.59 per cent.[3].

Highlights in the petroleum and natural gas sector in India[4]:

- India had a total reserve of 594.49 MMT of crude oil and 1,339.57 billion cubic metres of natural gas as of 31 March 2018.
- Gross production volume of crude oil in India amounted to 35.68 MMT for the year ended 31 March 2018.
- Gross production volume of natural gas in India amounted to 32.65 billion cubic metres for the year ended 31 March 2018.
- India's refining capacity stands at 247.60 MMTPA as of 1 April 2018[5].

Pricing Mechanism for Refined Petroleum Products:

Under the Government's Administered Price Mechanism ("**APM**"), petroleum refining and marketing companies were compensated for operating costs and assured a 12 per cent. post-tax return on capital employed. Gradual liberalisation of the petroleum, refining and marketing sector began in the 1990s, with the deregulation of lubricants and the permission for private sector investment in refining. The marketing of Aviation Turbine Fuel ("**ATF**") was deregulated with effect from 1 April 2001. Effective from 1 April 2002, the marketing of transportation fuels was permitted for any company investing or proposing to invest Rs. 20 billion in exploration or production, refining, pipelines or terminals. However, Controlled Products (High Speed Diesel ("**HSD**"), Motor Spirit ("**MS**"), Liquified Petroleum Gas ("**LPG**") (Domestic) and Superior Kerosene Oil ("**SKO**") (Public Distribution System)) continued to be administered by the Government until 31 March 2002.

The APM on refined petroleum products was phased out in 2002 and replaced with the Market Determined Price Mechanism ("**MDPM**") implemented by the Government. Although MDPM was notionally benchmarked to international oil prices, the Government continued to subsidise domestic prices of Controlled Products (i.e. MS, HSD, LPG (Domestic) and SKO (PDS). With effect from 25 June 2010, the Government completely decontrolled the pricing of MS and with effect from 18 October 2014, HSD was also deregulated. Currently, SKO(PDS) and LPG Cylinders for Domestic Use ("**Domestic LPG**") are the only controlled products.

Government control on any petroleum products however does not affect the profitability of refineries. This is because refineries transfer/sell products to marketing at a refinery transfer price, which is linked to international product prices, based on the import parity principle for Kerosene under the PDS ("**PDS Kerosene**") and Domestic LPG. The Government compensates under-recoveries on these products to Public Sector Undertakings Oil Marketing Companies ("**PSU OMC**").

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[1] Source: BP Statistical Review of World Energy June 2018

[2] Source: BP Statistical Review of World Energy June 2018

[3] Source: Petroleum Planning & Analysis Cell

[4] Source: Indian Petroleum & Natural Gas Statistics, September 2018, Ministry Of Petroleum & Natural Gas, Government Of India

[5] Source: Petroleum Planning & Analysis Cell

Recent steps for subsidy rationalisation announced by the Government:

In the last few years, in order to mitigate increasing under-recoveries and consequent subsidy burdens on controlled products, the Government took the steps set out below.

Domestic LPG

- The Government has implemented a direct benefit transfer of LPG ("**DBTL**") scheme in which subsidies on domestic LPG are transferred directly to the bank account of eligible consumers. The scheme has been extended to the entire India with effect from 1 January 2015. The scheme aims to transfer the benefit of this subsidy to intended recipients only, and thus curtail diversions of LPG, resulting in savings in subsidies.
- Subsidies on LPG are further reduced through the promotion of the 'Give-it-up scheme' and restrictions on the availability of subsidies to consumers earning more than Rs. 10 Lakh per annum.
- In July 2016, the Government authorised PSU OMCs to increase the effective price of subsidised domestic LPG by Rs. 2 per cylinder per month (excluding VAT) till the end of that financial year or till a reduction in Government subsidies to "NIL", whichever was earlier. During 2016-17, prices increased by Rs. 14/cylinder.
- In March 2017, the Government authorised PSU OMCs to increase the effective price of subsidised domestic LPG by Rs. 2 per cylinder per month (excluding GST) till the end of that financial year or till a reduction in Government subsidies to "NIL", whichever was earlier. The Government has now revised their instructions such that, with effect from 1 June 2017, prices will now be increased by a further Rs. 2 per cylinder per month to Rs. 4 per cylinder per month. During 2017-18, prices were increased by Rs. 24 per cylinder per month till 30 September 2017.

PDS Kerosene

- In July 2016, the Government authorised PSU OMCs to increase the retail selling price of PDS Kerosene by Rs. 0.25 per litre (excluding state levies) per month, later revised to Rs. 0.25 per litre (excluding state levies) per fortnight during the period from 1 September 2016 to 31 January 2017 and Rs. 0.23/litre on 1 February 2017. During 2016-17, prices were increased by Rs. 3.23 per litre.
- In March 2017, the Government authorised PSU OMCs to increase the retail selling price of PDS Kerosene by Rs. 0.25 per litre (excluding state levies) per fortnight until elimination of under-recovery or until further orders, whichever was earlier. During 2017-18, prices were increased by Rs. 4.50 per litre. During 2018-19, prices were increased by Rs. 3.50 per litre (till 31 October 2018).

For the FY 2018-19

- Domestic LPG: the Government has approved compensation of under-recoveries under the DBTL scheme within a band of Rs. 0/kg to Rs. 15/kg, above which the specific approval of Ministry of Finance would be required.

IOC — Sharing Pattern of Under Realisation on sales of PDS Kerosene and Domestic LPG (In U.S.$ Billions)

	FY16		FY17		FY18	
	PDS SKO	**Domestic LPG**	**PDS SKO**	**Domestic LPG**	**PDS SKO**	**Domestic LPG**
Gross Under-realisation	1.07	—	0.71	—	0.44	—
Upstream Discount	0.12 (11%)	—	0 (0%)	—	0 (0%)	—
Cash Compensation from the Government	0.95 (89%)	—	0.71 (100%)	—	0.44 (100%)	—
Net Under-realisation	0.00 (0%)	—	0.00 (0%)	—	0.00 (0%)	—

BUSINESS

Overview

The Issuer was formed in 1964 through the merger of Indian Refineries Limited and Indian Oil Company Limited. Since that time, the Issuer has vertically integrated its business and now has operations that spans refining, marketing and distribution of petroleum and petrochemical products to exploration and production of oil and gas.

The Issuer owns and operates 11 of India's 23 refineries with a total refining capacity of 80.70 MMTPA, accounting for 33 per cent. of India's domestic refining capacity (according to the Petroleum Planning & Analysis Cell ("**PPAC**")) as of 31 March 2018. The Issuer purchases crude oil which it then refines at its refineries prior to distributing the refined petroleum products to its customers through its network of product pipelines. As of 31 March 2018, the Issuer had a total pipeline network of 13,391 kilometres which included a product pipeline network of 7,950 kilometres, a crude pipeline network of 5,301 kilometres and a gas pipeline network of 140 kilometres. In addition, the Issuer had a 37.41 per cent. market share of petroleum products (according to the PPAC for the fiscal year 2018), and it was the largest refiner (33 per cent. market share for the fiscal year ended 2018) and owner of downstream liquid pipelines (63 per cent. for the fiscal year ended 2018) in India. The Issuer operates one of the largest petroleum marketing and distribution networks in Asia and the largest petrol and diesel station network in India. The Issuer is also engaged in other businesses, such as the manufacturing of petrochemical products, exploration and production ("**E&P**") of crude oil and distribution of natural gas.

As of the date of this Offering Circular, the Issuer had nine subsidiaries, of which seven are wholly-owned, twenty-four joint ventures and one limited liability partnership. The Issuer had consolidated sales (net of discount) of Rs. 5,064.76 billion (U.S.$69.81 billion) and consolidated net profit after tax of Rs. 226.26 billion (U.S.$3.12 billion) for the year ended 31 March 2018 and consolidated total assets of Rs. 2,956.72 billion (U.S.$40.75 billion) as of 31 March 2018 as well as consolidated sales (net of discount) of Rs. 3012.43 billion (U.S.$41.52 billion) and consolidated net profit after tax of Rs. 105.02 billion (U.S.$1.45 billion) for the six months ended 30 September 2018 and consolidated total assets of Rs. 3,289.38 billion (U.S.$45.34 billion) as of 30 September 2018.

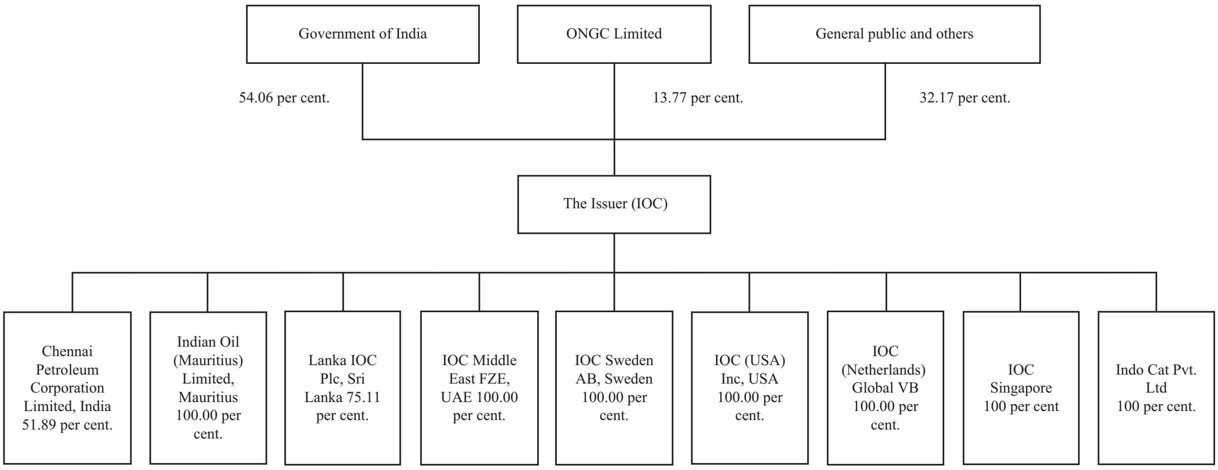
The Issuer is the largest commercial organisation in India. It is also the highest-ranked Indian corporate in the Fortune Global 500 group of companies in 2018, having been ranked 137th. The Issuer is the dominant player in the downstream petroleum sector in India.

As of the date of this Offering Circular, the Government owns 54.06 per cent. of the Issuer's issued share capital. The Issuer's shares have been listed on the Bombay Stock Exchange since 9 August 1995.

History

The Issuer began operations in India in 1964 as Indian Oil Corporation Limited following the merger of Indian Refineries Limited and Indian Oil Company Limited. In 1964, the Issuer entered into the pipeline businesses with the construction of the Guwahati-Siliguri pipeline network. The Issuer then expanded into its refining business through gradual acquisition and construction of refineries throughout India and entered into the bitumen and marine bunker businesses in 1968, its E&P business in 1995, its LNG business in 1997, its overseas retail operations in 2003, its gas marketing, petrochemicals businesses in 2004, its biofuels business in 2006 and its wind and solar energy business in 2009.

The following organisational chart sets out the corporate structure of the Issuer as of 31 March 2018:



Strategy

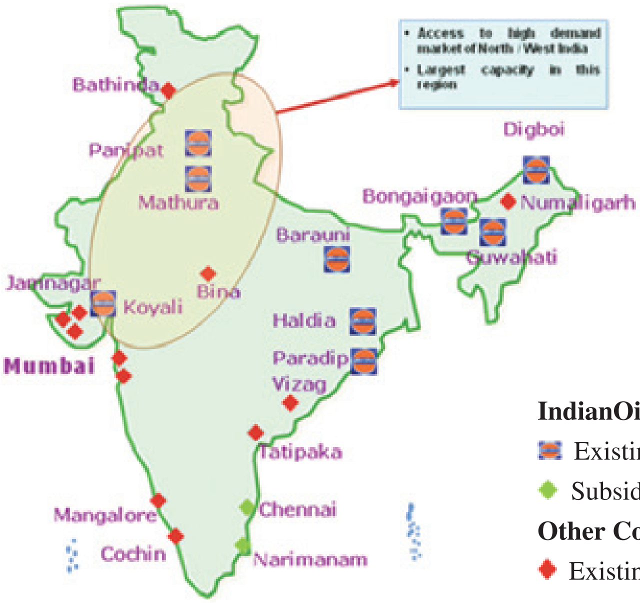
The Issuer has a rolling growth plan that aims to maintain the Issuer's position in the Indian oil refining industry in terms of refining capacity and sales volume. This business plan is under continuous review and adjustments are made in accordance with prevailing market conditions. To achieve this aim, the Issuer has adopted the following strategies:

- ***Reinforcing the competitive advantage of existing businesses through expanding distillation capacities, quality improvement and acquisitions***. The Issuer continuously strives to increase its production capabilities through organic growth, improved efficiencies and acquisitions. The Issuer plans to achieve this through a number of means including (i) the removal of limitations within sections of each refinery that are currently not designed for additional refining capacity, (ii) improve refining capacity, quality, yield and margins of the Issuer's petroleum products through targeted capital expenditure and (iii) improve refining capacity utilisation and achieve improved economies of scale. While the Issuer is primarily focused on operating its oil refineries at high capacities and continuing to improve efficiencies, it also seeks opportunities to build refineries in coastal locations in India that provide the benefits of synergies.
- ***Leveraging on infrastructure and network supremacy***. As at the date of this Offering Circular, the Issuer operates the largest network of crude oil and petroleum product pipelines in the downstream sector in India which are used for the distribution of its end-products to customers, as well as for the delivery of raw materials to its refineries. The Issuer intends to focus on constructing new branches of pipelines to enable it to deliver its products to its customers more efficiently and maximise its pipeline throughput.
- ***Strategically sourcing raw material of varying grades for integrated value enhancement***. The Issuer currently utilises diverse sources of crude oil to reduce dependence on any single supplier. The Issuer intends to continue leveraging its existing supplier relationships to secure the supply of cheaper crude oil whenever possible, whilst continuously striving to increase flexibility of its refining facilities in terms of refining lower quality crude oils with higher total acidic number and high sulphur content.
- ***Integrating value enhancement***. The Issuer has established a number of initiatives to increase the complexity factor of its refining process to generate a larger proportion of higher-margin distillates. In addition, the Issuer intends to maximise the supply of its own naphtha as feedstock to its petrochemical productions.
- ***Expanding peripheral businesses cautiously as opportunities arise***. The Issuer is carefully considering and evaluating strategic expansion opportunities in the exploration and production of oil, natural gas and alternative energy (such as biofuels, solar, wind and nuclear power).
- ***Retail Marketing Strategies.*** The Issuer has taken various steps to enhance its market share under its retail transformation initiative in order to face future competition. This includes Look N' Feel of the ROs, network augmentation and highway, urban and retail propositions. The Issuer is also training RO dealers and their staff for the enhancement of Look N' Feel and service levels at ROs.

Refining

As of 31 March 2018, the Issuer and its subsidiaries owned and operated 11 of the 23 refineries in India, which had a total refining capacity of 80.70 million MMTPA of crude oil and accounted for 33 per cent. of the domestic refining capacity (according to MoPNG). The locations of the Issuer's refineries are set out in the map below.

Refining – Portfolio



♦ **Controls 11 refineries spread across the country (80.70 MMT – 33% of Industry)**

Refining Industry Capacity	247.60 MMTPA
IOCL's share of Total Capacity	33%
IOCL's share among PSUs	51%

♦ **Three of the high capacity Refineries are located in high consumption North/West Indian region**

IndianOil

Existing (69.20 MMT)

Subsidiary Cos. (11.5 MMT)

Other Companies

Existing (166.90 MMT)

Source: Petroleum Planning & Analysis Cell, FYE 2018

The Issuer's refineries are strategically located throughout India, with two in northern India (Panipat and Mathura) and one in western India (Koyali) where India's industrial and agricultural activities are heavily concentrated. These activities consume a large volume of petroleum products as a source of energy for production facilities. About 53.03 per cent. of Indian Oil's refining capacity (excluding subsidiaries) — represented by Koyali, Mathura and Panipat — is located near these high demand areas and currently supply deficient Northern and Western regions of India.

Each of the Issuer's refineries has varying refining capacities and the flexibility to switch between various production processes and grades of crude oils with varying gravity and sulphur specifications, thus allowing the Issuer to purchase crude oil from a wide group of suppliers and maximise profitability. Each refinery is a cracking refinery with high or moderate conversion capacity and its processes include atmospheric and vacuum distillation, visbreaking, catalytic reforming, catalytic cracking, diesel hydrogen treatment, hydrogen generation, sulphur recovery, alkylation and MTBE synthesis. The refineries produce three principal categories of products: (i) refined petroleum products such as high speed diesel, jet fuel, SKO, light petroleum gas, gasoline, bitumen, heavy fuel oil and naphtha, (ii) petrochemical products such as LAB, Px/PTA, MEG/DEG and polymers and (iii) other products such as lubricants and greases and MTBE. See "*Business — Refining — Products*" below.

The following table sets out certain key information regarding the refineries of the Issuer (excluding the refineries of its subsidiaries):

Name and Location of Refinery	Land Space (sq. metres)	Date of Commission
Panipat, Haryana	16,855,156.99	1998
Mathura, Uttar Pradesh	5,976,883.18	1982
Haldia, West Bengal	2,880,673.81	1975
Barauni, Bihar	6,847,442.94	1964
Bongaigaon, Assam	4,387,600.00	1979
Guwahati, Assam	1,982,959.65	1962
Digboi, Assam	12,710,892.74	1901
Gujarat, Gujarat	7,685,020.81	1965
Paradip, Odisha	13,536,734.73	2016

(satat)

Over the last two financial years, the operational efficiency of the Issuer's refineries has improved. The crude oil throughput of the Issuer's refineries had increased from 65.191 MMT for the year ended 31 March 2017 to 69.001 MMT for the year ended 31 March 2018. In addition, the distillate yield had improved from 78.80 per cent. for the year ended 31 March 2017 to 79.6 per cent. for the year ended 31 March 2018.

The following table below indicates certain key operating data of the Issuer's refineries (excluding the refineries of its subsidiaries) for the fiscal years 2016, 2017 and 2018 and for the six months ended 30 September 2018:

	For the year ended 31 March								
	2016			2017			2018		
Refinery	Pro Rated Refining Capacity[1]	Crude Oil Through put[2]	Utilisation Rate[3] per cent.	Pro Rated Refining Capacity[1]	Crude Oil Through put[2]	Utilisation Rate[3] per cent.	Pro Rated Refining Capacity[1]	Crude Oil Through put[2]	Utilisation Rate[3] per cent.
	(in MMT, except percentages)								
Guwahati . .	1.000	0.903	90.30	1.000	0.864	86.40	1.000	1.024	102.40
Barauni	6.000	6.545	109.08	6.000	6.526	108.77	6.000	5.819	96.98
Gujarat	13.700	13.820	100.88	13.700	13.994	102.15	13.700	13.811	100.81
Haldia	7.500	7.776	103.68	7.500	7.689	102.52	7.500	7.655	102.07
Mathura . . .	8.000	8.860	110.75	8.000	9.230	115.38	8.000	9.240	115.50
Panipat	15.000	15.282	101.88	15.000	15.638	104.25	15.000	15.654	104.36
Bongaigaon	2.350	2.442	103.91	2.350	2.486	105.79	2.350	2.402	102.21
Paradip	1.270	0.504	39.69	15.000	8.230	54.87	15.000	12.730	84.87
Digboi	0.650	0.562	86.46	0.650	0.534	82.15	0.650	0.666	102.46
Total	**55.470**	**56.694**	**102.21**	**69.200**	**65.191**	**94.21**	**69.200**	**69.001**	**99.71**

Notes:

(1) The capacity of each refinery is calculated on the basis of 8,000 hours (Paradip refinery – 8,314 hours) of operation per annum which includes any annual scheduled turnaround.

(2) The crude oil throughput means the actual throughput.

(3) The utilisation rate is calculated by the crude oil throughput divided by the refining capacity.

The Issuer strives to continuously upgrade its refineries and plans to invest approximately Rs. 97.32 billion for the year ending 31 March 2019 to increase refining capacity, identify and improve bottlenecks, implement bottom upgrades and improve the quality of its end products. See "Business — Capital Expenditure".

Panipat refinery (situated in the Northern India State of Haryana)

- The initial capacity of Panipat refinery was 6.00 MMTPA, which was subsequently enhanced to 12.00 MMTPA in 2006 and further increased to 15.00 MMTPA in November 2010. This refinery's feedstock is serviced by the Mundra-Panipat pipeline and its petroleum products are distributed through the Panipat-Ambala-Jalandhar, Panipat-Delhi, Panipat-Jalandhar LPG, Panipat-Rewari and Panipat-Bhatinda pipelines. The products are distributed by road and railways as well.
- In 2010, the Issuer upgraded this refinery to enable it to produce European standard MS.
- The Issuer has constructed a naphtha cracker plant with downstream polymer units at the Panipat refinery, which was completed in phases from March 2010 to June 2010. The purpose of this project is to harmonise the existing technologies at this refinery and also utilise the surplus naphtha produced from this refinery as well as the Mathura refinery to generate value-added products such as Monoethylene Glycol ("**MEG**")/Diethylene Glycol ("**DEG**") and polymers. The naphtha cracker plant has a refining capacity of 2.30 MMTPA of naphtha.
- The Issuer is in the process of upgrading the refinery for production of for Bharat Stage VI norms of fuel ("**BS-VI**") fuels. However, the Panipat refinery commenced BS-VI grade auto fuel supplies to the National Capital Territory ("**NCT**") from 1 April 2018.
- The Issuer plans to increase the refining capacity of Panipat refinery from the existing 15.0 MMTPA to 25.0 MMTPA. The expected date of completion is 2023-2024.

Mathura refinery (situated in the Northern India State of UP)

- The initial refining capacity of Mathura refinery was 6.00 MMTPA, which was subsequently increased to 8.00 MMTPA in 2000. This refinery's feedstock is serviced by the Salaya-Mathura pipeline and its petroleum products are distributed through the Mathura-Tundla, Mathura-Delhi, Bijwasan-Panipat Naphtha and Mathura Bharatpur pipeline. The products are distributed by road and railways as well.
- In 2010, the Issuer upgraded this refinery to enable it to produce European standard MS.

- The Issuer is in the process of upgrading the refinery for producing BS VI fuels. The Mathura refinery commenced BS-VI grade auto fuel supplies to the NCT from 1 April 2018.
- The Issuer plans to increase the refining capacity of Mathura refinery from its existing capacity of 8.0 MMTPA to 9.2 MMTPA. The expected date of completion is 2023-2024.

Haldia refinery (situated in the Eastern India State of West Bengal)

- The initial refining capacity of Haldia refinery was 2.50 MMTPA, which was subsequently increased to 6.00 MMTPA by 2002. The capacity was further increased to 7.50 MMTPA in February 2010. This refinery's feedstock is serviced by the Paradip-Haldia-Barauni pipeline and its petroleum products are distributed through the Haldia-Barauni and Haldia-Mourigram-Rajbandh pipelines. The products are distributed by road and railways as well.
- In 2010, the Issuer upgraded this refinery to enable it to produce European standard MS.
- In June 2018, the capacity of the refinery increased from 7.5 to 8.0 MMTPA. Distillate yield also improved from the existing level of 70 per cent. to 80 per cent.
- The Issuer is in the process of upgrading the refinery for producing BS-VI fuels.

Barauni refinery (situated in the Eastern India State of Bihar)

- The initial refining capacity of Barauni refinery was 1.00 MMTPA, which was subsequently enhanced to 6.00 MMTPA in 2003. This refinery's feedstock is serviced by the Paradip-Haldia-Barauni pipeline and its petroleum products are distributed through the Barauni-Kanpur pipeline. The products are distributed by road and railways as well.
- In 2010, the Issuer upgraded this refinery to enable it to produce European standard MS.
- The Issuer is in the process of upgrading the refinery for producing BS-VI fuels.
- The Issuer plans to increase the refining capacity of Barauni refinery from its existing capacity of 6.0 MMTPA to 9.0 MMTPA. The expected date of completion is 2021-2022.

Bongaigaon refinery (situated in the Eastern India State of Assam)

- Bongaigaon refinery was previously owned by Bongaigaon Refinery & Petrochemicals Limited ("**BRPL**"). BRPL merged into the Issuer by way of a scheme of arrangement in 2009. The initial refining capacity of Bongaigaon refinery was 1.00 MMTPA, which was subsequently increased to 2.35 MMTPA in the fiscal year 1996. This refinery's feedstock is serviced by a crude oil feedstock pipeline operated by Oil India Limited ("**Oil India**") and its petroleum products are distributed through the Guwahati-Siliguri pipeline. The products are distributed by road and railways as well.
- The Issuer has completed the upgrade of this refinery to enable it to produce European standard MS in 2011.
- The Issuer plans to increase the refining capacity of the Bongaigaon refinery to 4.5 MMTPA. The preliminary configuration study has been completed and the target date of completion is 2024-2025.
- INDMAX units are being installed at the Bongaigaon refinery to eliminate production of low distillate naphtha & black oil components by converting low value products to high distillate LPG and MS. The expected date of completion of this installation is November 2019.
- The Issuer is in the process of upgrading the refinery for producing BS-VI fuels.

Guwahati refinery (situated in the Eastern India State of Assam)

- The initial refining capacity of Guwahati was 0.75 MMTPA, which was subsequently increased to 1.00 MMTPA in 1986. In fiscal year 2009, Guwahati refinery commenced the production of ATF. This refinery's feedstock is serviced by Oil India and Oil and Natural Gas Corporation Limited ("**ONGC**") pipelines and its petroleum products are distributed through the Guwahati-Siliguri pipeline. The products are distributed by road and railways as well.
- In 2010, the Issuer upgraded this refinery to enable it to produce European standard MS.
- The Issuer plans to increase the refining capacity of the Guwahati refinery to 1.7 MMTPA. The preliminary configuration study has been completed and the target date of completion is 2023-2024.
- The Issuer is in the process of upgrading the refinery for producing BS-VI fuels.

Digboi refinery (situated in the Eastern India State of Assam)

- Digboi refinery is the Issuer's oldest refinery. It was previously owned by Assam Oil Company Limited and assimilated into the Issuer in October 1981 by virtue of the Government's divestment. As of 31 March 2017, it had a refining capacity of 0.65 MMTPA. This refinery's feedstock is serviced by two crude oil feedstock pipelines operated by Oil India and ONGC and its petroleum products are distributed through the Digboi-Tinsukia pipeline. The products are distributed by road as well.
- In 2010, the Issuer upgraded this refinery to enable it to produce European standard MS.
- The Issuer is in the process of upgrading the refinery for producing BS-VI fuels.

Gujarat refinery (situated in the Western India State of Gujarat)

- The initial refining capacity of Gujarat refinery was 1.00 MMTPA, which was gradually increased to 13.70 MMTPA by 2000. This refinery's feedstock is serviced by the Salaya-Mathura pipeline and a crude oil feedstock pipeline operated by ONGC, and its petroleum products are distributed through the Koyali-Ahmedabad, Koyali-Sanganer, Koyali-Dahej and Koyali-Ratlam pipelines. The products are distributed by road and railways as well.
- In 2010, the Issuer upgraded this refinery to enable it to produce European standard MS. The Issuer has further upgraded this refinery in 2011 to improve its distillation yield and enhance its ability to process a higher volume of high sulphur crude oil.
- The Issuer plans to increase the refining capacity of the Gujarat refinery from the existing 13.7 MMTPA to 18.0 MMTPA. The expected date of completion is 2022-2023.
- The Issuer is in the process of upgrading the refinery for producing BS-VI fuels.

Paradip refinery (situated in the Eastern India State of Odisha)

- Paradip Refinery is IOC's eleventh refinery and it was commissioned on 7 February 2016. The refining capacity of Paradip refinery is 15.00 MMTPA.
- The refinery's feedstock is serviced by Single Point Mooring ("**SPM**") facility at the offshore and the petroleum products are distributed through the Paradip-Raipur-Ranchi pipelines. Two more product pipelines viz. Paradip Haldia Durgapur LPG pipeline and Paradip Hyderabad pipeline are under construction. The products are distributed by road, railways and coastal movements as well.
- The Issuer plans to increase the refining capacity of the Paradip refinery from the existing 15.0 MMTPA to 21.0 or 25.0 MMTPA. The expected date of completion is 2024-2025.
- A polypropylene plant is being constructed at Paradip Refinery with an expected completion date in December 2018.
- An ethylene glycol project/unit is being commissioned at Paradip Refinery with an expected completion date in July 2021.
- The Issuer is in the process of upgrading the refinery for producing BS-VI fuels.

Maintenance

Each of the Issuer's 11 refineries at Gujarat, Mathura, Barauni, Haldia, Guwahati, Bongaigaon, Digboi, Paradip, Panipat, and Panipat Naphtha Cracker requires regular maintenance, repair and upgrade shutdowns (referred to as "**turnarounds**") during which they are not in operation. During turnarounds, maintenance and inspection activities with or without revamps are carried out for improving the reliability, energy efficiency and process performance of the process units. The Issuer tries to minimise the effect of these scheduled turnarounds on customer supply by shifting production to alternate refineries and by building inventories of petroleum products prior to the scheduled turnarounds.

The Issuer has a robust Turnaround Management ("**TAM**") system in place, honed over a period of time and has the proven capability to undertake TAM of an entire refinery, including all the process units, utilities and off-sites. The Issuer uses proven project management software such as Microsoft Project and Primavera to execute turnarounds. The Issuer's TAM system generates daily status and exception reports based on a number of criteria, such as activities due to start, activities due to finish and effect of delay in completion of critical and non-critical activities on shutdown schedule. The Issuer also uses the latest technologies to optimise the shutdown duration by conducting healthiness inspection of flare, stacks etc. using drones. The Issuer is also contemplating the use of smart shutdown management software with hand held radio frequency identification ("**RFID**") based devices for scoping, scheduling, monitoring, and producing progress reports. The Risk Based Inspection tool is also utilised for optimising the inspection duration of static equipment.

Regular maintenance turnaround for a primary process unit i.e. CDU is carried out once every four years and maintenance turnarounds are planned a year in advance upon the recommendation/requirement of the Maintenance and Inspection Group, which is fine-tuned on the basis of on-stream inspection and plant operating conditions and then implemented by refinery personnel and third-party contractors. Turnaround works are carried out on a continuous 24-hour basis to minimise unit down time. During the year 2017-18, the Issuer has undertaken planned turnarounds of all the units of the nine refineries and naphtha cracker plant.

During normal operation of the plants, in between two turnarounds, the Issuer utilises Reliability Centred Maintenance systems to ensure operational availability of the equipment and reliability enhancement.

Procurement of Crude Oil

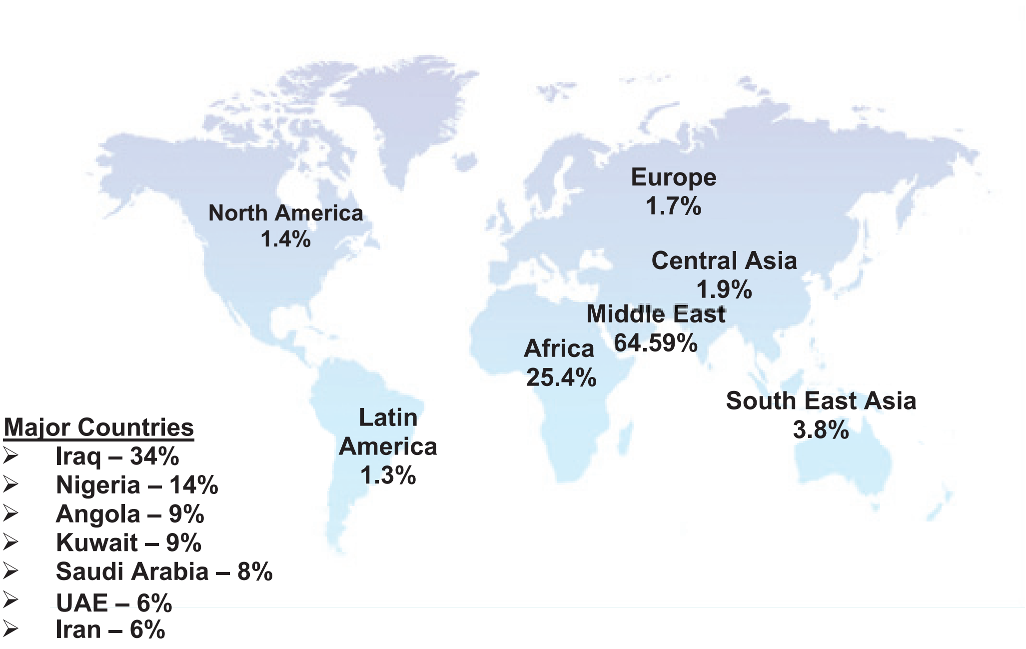
The Issuer obtains approximately 82 per cent. of its crude oil feedstock from overseas. Currently, public sector companies in India such as the Issuer are given an annual allotment of domestic crude oil. Since the production of crude oil is limited in India, the amount allocated to each public sector company is decided by the Government on an annual basis based on certain criteria such as their refinery capacities and functionality, geographical locations and distribution network.

The Issuer's strategy for crude oil procurement is to obtain the bulk of its imported crude oil feedstock through term contracts from national oil companies of oil producing and exporting countries that tend to sell in bulk at uniform official selling prices. As of September 2018, approximately 74 per cent. of its imported crude oil feedstock is procured from the national oil companies of Algeria, Angola, Azerbaijan, Brunei, Iran, Iraq, Kuwait, Qatar, Mexico, Malaysia, Nigeria, Saudi Arabia and United Arab Emirates under term contracts, while the remainder is procured through competitive tenders (termed as spot contracts).

To ensure uninterrupted supply of crude oil to its refineries, the Issuer hedges the risk of supply discontinuance by entering into term contracts for physical cargoes with national oil companies of crude oil producing and exporting countries, where the quantity of crude oil purchased is pre-determined and deliverable against an official selling price to be set at the prevailing market prices of a later date. A typical duration of a term contract is a year and can be renewed by mutual agreement. The Issuer believes that the combination of term and spot contracts gives it both security of supplies and the flexibility to respond to changes in crude requirements due to any unforeseen problems.

During the last three financial years, the Issuer added 22 grades of imported crude oil from various origins across the world to the grades of crude oil (existing grades 48) the Issuer had already been refining in order to reduce its dependency on limited grades of crude oil.

Sourcing of Imported Crude Oil for FY2017-2018



Total crude oil import: 66.9 MMT (including 8.89 MMT for Chennai Petroleum Corporation Ltd.)

Petrochemicals

The Issuer entered the petrochemical business with the Linear Alkaline Benzene ("**LAB**") unit at the Gujarat refinery as its first major petrochemical project. The unit was commissioned in August 2004 and marketing of the product started from September 2004. The capacity of the unit is 120 thousand metric tonnes per annum ("**TMTPA**"), which makes it one of the single largest grassroots LAB units globally. The feedstock (kerosene & benzene) is sourced on a captive basis from Gujarat refinery itself. The Issuer has tie-ups with major customers, domestically as well as globally, besides allied markets. The LAB business has been a success story for the Issuer.

The Paraxylene ("**PX**")/Purified Terephthalic Acid ("**PTA**") complex, with a capacity of 553 TMTPA, at Panipat was the Issuer's second petrochemical project and was commissioned in August 2006. The marketing of the product commenced from September 2006. The feedstock for PX is captive naphtha ex Panipat/Mathura Refineries.

The naphtha cracker project was commissioned in March 2010. This was followed by downstream units in phases and commercial dispatches, which commenced in June 2010. The naphtha cracker has the capacity to process 2.3 MMTPA of naphtha, yielding 857 thousand metric tonnes ("**TMT**") of ethylene and around 650 TMT of propylene, and other co-products like benzene, pyrolysis gasoline (blendable in MS pool), LPG and Carbon Black Feed Stock ("**CBFS**"). The feedstock for the project (naphtha) is sourced captively from Panipat and Mathura. The following table sets forth the key highlights of IOC's petrochemical business:

	2015-16	2016-17	2017-18	30.09.2018
Turnover (USD /Mn)	2,609.80	2,732.87	2,489.20	1,496.87
EBITDA (USD /Mn)	836.18	1,046.11	841.52	439.97
Sales Volume (TMT)				
LAB	100	137	142	76
PTA	511	534	354	259
Polymers	1,221	1,177	1,223	618
MEG/DEG	349	359	308	169
Others	232	246	248	131
Total	**2,413**	**2,453**	**2,275**	**1,253**

Second largest petrochemical capacity in India

- Gujarat: LAB (capacity 120,000 MT); and
- Panipat: Px/PTA (capacity 553,000 MT) & Naphtha Cracker (capacity 1,460,000 MT).

Market share & position in domestic market

- LAB: 31.57 per cent. (1^{st} position);
- PTA: 7.63 per cent. (3^{rd} position);
- Polymers: 17.28 per cent. (2^{nd} position);
- MEG/DEG: 17.41 per cent. (2^{nd} position); and
- Overall: 14.54 per cent. (2^{nd} position).

Details of petrochemical unit capacities as on 30 September 2018

Plant	Location	Capacity
LAB	Gujarat	120
PX/PTA	Panipat	553
Naphtha Cracker	Panipat	857
MEG	Panipat	300
Propylene	Panipat	623

Petrochemicals capital expenditure plan

Project	Capacity (KTA)	Approximately (Rs. Crore)	Expected Date of Completion
MEG at Paradip	357	4,221	2021-22
PX-PTA	1,200	9,137	2022-23
Petcoke gassification based project at Paradip	730	11,000	2023-24
Acrylic Acid/Acrylates and oxo alcohol project at Gujarat	150	4,157	2022-23
Polypropylene plant at Barauni Refinery	200	2,085	2021-22
Polypropylene plant at Gujarat Refinery	420	1,070	2022-23
Polypropylene plant at Panipat Refinery	450	1,150	2023-24
Total	**4,780**	**43,774**	

Products

The Issuer produces a variety of (i) refined petroleum products including high speed diesel, jet fuel/SKO, LPG, MS (gasoline), bitumen, heavy fuel oil and naphtha; (ii) petrochemical products including LAB, Px/PTA, MEG/DEG and polymers, and (iii) other products including lubricants and greases, MTBE, special products and explosives.

The principal refined products and their general uses are described below:

Petroleum Products

- *HSD* — HSD is the second mid-distillate and is commonly referred to as gas oil. HSD is mainly used as fuel in diesel engines.
- *Jet fuel/SKO* — Jet fuel/SKO is a colourless, combustible, straight-run petroleum distillate liquid with its principal use as jet engine fuel. The Issuer's fuel caters to the fuel requirements of the Indian Defence Services and airports in India.
- *LPG* — LPG is a mix of hydrocarbon gases liquefied under pressure and is used as fuel for heating, cooking and lighting. The Issuer's LPG is marketed under the brand name 'AutoGas' for transportation and under the brand name 'Indane' for domestic, commercial and industrial use.
- *MS* — MS or gasoline is the most well-known product derived from the refining of crude oil. It is used mainly as fuel for motor vehicle gasoline engines and sold at retail outlets for direct delivery to automobiles. The Issuer produces different grades of gasoline for supply to the domestic and export markets. The Issuer's higher-grade MS is marketed under the brand name 'XTRAPREMIUM' which contains propriety components including a detergent dispersant, a friction modifier and a corrosion inhibitor.
- *Bitumen* — Bitumen is a common binder for bituminous road constructions. It is a residual product in petroleum refineries after higher fractions like gas, petrol, kerosene and diesel are removed generally by distillation from crude oil.
- *Heavy fuel oil* — Heavy fuel oil is the least valuable product obtained from the refining of crude oil. It is used mainly as fuel for furnaces and bunker for ships. The Issuer produces heavy fuel oil of various specifications depending on its end use.
- *Naphtha* — Naphtha is a flammable distillate liquid of hydrocarbon. Naphtha is used primarily as feedstock for producing a high octane gasoline through the catalytic reforming process. It is also used in the petrochemical industry for producing olefins in steam crackers and in the chemical industry for solvent (cleaning) applications.
- *Other* — Other products currently include intermediate feedstocks (such as catalytic reforming feed and catalytic cracking feed) and sulphur (produced as a by-product of the hydrotreating process).

Petrochemical Products

The Issuer produces a variety of petrochemical products, including LAB, PX/PTA, glycols and polymers. Their general uses are described as follows:

- *LAB* — LAB is a clear colourless liquid produced from kerosene and benzene. It is used mainly as an intermediate in detergent production.
- *PX/PTA* — Paraxylene ("**PX**") is the feedstock for producing Purified Terephthalic Acid ("**PTA**"). PX, itself is produced from naphtha as feedstock. PTA is mainly used as a raw material to manufacture polyester fibre/filaments and polyethylene terephthalate ("**PET**") chips.

- *Glycols* — MEG, DEG and Tri-Ethylene glycols ("**TEG**") are three different types of glycols. MEG is a colourless liquid manufactured from ethylene and is primarily used to manufacture polyester fibre/filaments and PET chips along with PTA. DEG and TEG are produced during the production of MEG as by-products. DEG is used for manufacturing coolants, antifreeze, paints, unsaturated polyester resins etc. and TEG is used for manufacturing paints, additives etc.
- *Polymer* — Polyethylene and polypropylene are two major commodity polymers produced by the Issuer. Major building blocks for polypropylene and polyethylene are propylene and ethylene respectively. Propylene is derived from both naphtha cracker and fluid catalytic cracking ("**FCC**") units while ethylene is only derived from naphtha cracker.
- Polypropylene are of three different types i.e. homopolymer, random co-polymer and impact co-Polymer. They are used in the manufacturing of cement bags, flexible intermediate bulk container bags, geotextiles, furniture items, housewares, automotive components, paint pails, appliances etc.

Polyethylene can be differentiated into Low Density Polyethylene ("**LDPE**"), Linear Low Density Polyethylene ("**LLDPE**") and High Density Polyethylene ("**HDPE**"). The Issuer manufactures LLDPE and HDPE. They are used in manufacturing of HDPE pipes for water transportation, drip laterals, packaging films, fertiliser bags, water tanks, caps and closures, crates, tarpaulins etc.

Other Products

- *Lubricants and Greases* — Lubricants and greases are used to reduce friction between rubbing or rolling surfaces. The Issuer produces a range of lubricants and greases for use in the retail market under the brand name "SERVO" as well as a range of lubricants as bunker supplies at ports, jetties and inner anchorages.
- *MTBE* — MTBE is a volatile, flammable and colourless liquid that is immiscible with water. It is mainly used as a gasoline additive, as an oxygenate and to raise the octane number.
- *Special Products* — The Issuer manufactures a number of petroleum products for specific applications that could be used as feedstock for the chemical industry, raw material in certain industries and solid fuels. These products include raw petroleum coke, paraffin and other types of waxes, mineral turpentine oil, jute batching oil, LABFS, propylene, benzene and sulphur.
- *Explosives* — A mixture of ammonium nitrate and calcium nitrate which is used for blasting in mines.

The following table sets forth the production of various products for the fiscal years 2016, 2017 and 2018:

	Production for the year ended 31 March						Production for the six months ended 30 September	
	2016		2017		2018		2018	
Production	**Volume**	**%**	**Volume**	**%**	**Volume**	**%**	**Volume**	**%**
			(in MMT, except percentages)					
Crude Processing								
High Speed Diesel	26.20	47.53	29.12	48.05	31.47	48.74	16.04	50.03
Jet Fuel/SKO	6.37	11.55	6.51	10.74	6.33	9.81	3.24	10.11
LPG	2.24	4.06	2.72	4.49	2.94	4.55	1.55	4.83
Gasoline	6.60	11.98	8.36	13.79	9.61	14.88	5.05	15.75
Bitumen	2.11	3.82	2.20	3.63	2.28	3.53	1.18	3.68
Heavy Fuel Oil	3.15	5.71	3.28	5.42	3.22	4.98	1.50	4.68
Naphtha	0.85	1.54	1.26	2.08	0.95	1.46	0.37	1.15
Special Products	2.63	4.77	3.25	5.37	3.77	5.84	1.88	5.86
Other	1.74	3.15	0.55	0.91	0.87	1.34	0.15	0.47
Crude Processing Sub Total	**51.87**		**57.26**		**61.43**		**30.96**	
Lubricating Oil	0.49	0.89	0.50	0.82	0.50	0.77	0.09	0.28
Propylene	0.07	0.12	0.07	0.12	0.07	0.11	0.07	0.22
MTBE	0.03	0.05	0.03	0.05	0.03	0.05	0.01	0.03
Naphtha Cracker Plant								
MEG/DEG	0.35	0.64	0.37	0.60	0.31	0.48	0.14	0.44
Polymer	1.27	2.31	1.29	2.12	1.27	1.96	0.50	1.56
C4 Raffinate	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Benzene	0.20	0.36	0.22	0.36	0.22	0.34	0.00	0.00
Butadiene	0.07	0.13	0.09	0.14	0.09	0.14	0.00	0.00
Naphtha Cracker Plant Sub Total	1.90		1.95		1.89		0.64	
LAB	0.10	0.18	0.14	0.23	0.14	0.22	0.05	0.16
PX/PTA	0.52	0.94	0.52	0.87	0.38	0.58	0.18	0.56
Explosives	0.14	0.26	0.13	0.21	0.14	0.22	0.06	0.19
Total	**55.12**	**100.00**	**60.61**	**100.00**	**64.57**	**100.00**	**32.06**	**100.00**

Pipelines

The Issuer owns and operates the largest network of crude oil and petroleum product pipelines in India. The pipeline network as on 31 March 2018 covers 13,251 km (product & crude) with a delivery capacity of 94.19 MMTPA representing approximately 49.04 per cent. of India's downstream sector pipeline capacity. The network includes 7,950 kilometres of product pipelines with a delivery capacity of 45.59 MMTPA and 5,301 kilometres of crude oil feedstock pipelines with a delivery capacity of 48.60 MMTPA. In addition, the Issuer has 140 km of gas pipeline with a capacity of 9.5 MMSCMD.

Common carriers

Common carriers are pipelines for transportation of petroleum, petroleum products and natural gas by more than one entity, as the Petroleum and Natural Gas Regulatory Board (the "**PNG Board**") may declare or authorise from time to time on a non-discriminatory, open access basis. Common carriers include pipelines laid to supply (i) petroleum products or natural gas to a specific consumer; or (ii) crude oil.

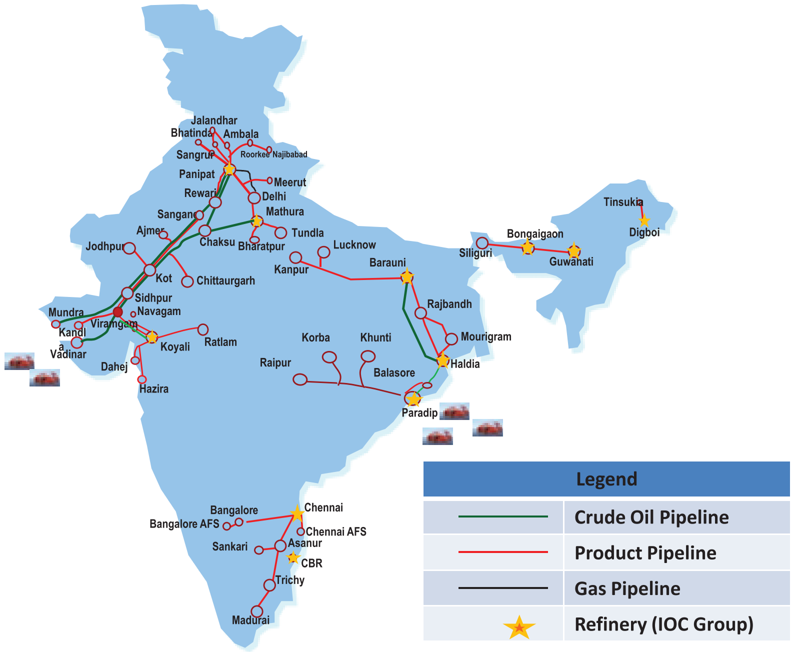
As of 31 March 2018, although the Chennai-Trichy-Madurai pipeline and Paradip Raipur Ranchi Pipeline have been designated as common carriers by the PNG Board, the pipeline's entire capacity is being used by the Issuer.

Other common carrier pipelines are the Devanganothi Devanahalli pipeline (in ATF service) and the Dadri Panipat R-LNG pipeline, capacity of which is also being shared with third parties.

Except for the above, all other pipelines are captive in nature.

The map sets out the Issuer's pipeline network as of 31 March 2018:

IOCL Operating Pipelines



Pipelines Network

Pipeline	Length (km)	Capacity (MMTPA)
Product	7950	45.59
Crude Oil	5301	48.60
Total (liquid)	13251	94.19
Gas	140	9.5 MMSCMD

The following table indicates the Issuer's key pipeline operating data for the fiscal years ended 2016, 2017 and 2018:

Pipelines	Date of Commission	Length (km)	Size (inch)	Installed Capacity(1) (MMTPA) as on 31.3.18	Utilisation(2) (%) Year ended 31 March 2016	2017	2018	Six months ended 30 September 2018
Product Pipelines								
Ex-Guwahati Refinery/ BRPL								
Guwahati — Siliguri pipeline	1964	435	8	1.4	134	140	131	131
Ex-Barauni Refinery								
Barauni — Kanpur pipeline . .	1966/2002/ 2003/2018(3)	856	20/12	3.5	69	72	65	74
Ex-Haldia Refinery								
Haldia — Mourigram — Rajbandh pipeline	1972	277	12	1.35	133	131	135	142
Haldia — Barauni pipeline . . .	1967/2014(3)	526	12	1.25	108	116	119	133
Ex-Mathura Refinery								
Mathura — Delhi pipeline	1982	147	16	3.7	63	71	75	79
Bijwasan — Panipat Naphtha pipeline(*)	2010	111	10	3.7	63	71	75	79
Mathura — Tundla pipeline . .	2003	56	16	1.2	77	56	49	45
Mathura — Bharatpur pipeline	2010	21	88	1.2	77	56	49	45
Ex-Panipat Refinery								
Panipat — Ambala — Jalandhar pipeline	1982/2003(3)	434	14/12	3.5	79	85	87	93
Panipat — Delhi pipeline (PDPL)	1982/2000/ 2012(3)	189	14	3	54	38	37	45
Panipat Bijwasan ATF pipeline(*)	2016(3)	111	10	—	—	—	—	—
Panipat — Rewari pipeline . . .	2004/2014(3)	155	12	2.1	75	78	81	79

Pipelines	Date of Commission	Length (km)	Size (inch)	Installed Capacity[1] (MMTPA) as on 31.3.18	Utilisation[2] (%) Year ended 31 March 2016	2017	2018	Six months ended 30 September 2018
Panipat — Bhatinda pipeline	1996/1999[3]	219	14	1.5	93	100	103	105
Panipat — Jalandhar LPG pipeline	2008	274	10	0.7	80	82	86	83
Ex-Koyali Refinery								
Koyali — Ahmedabad pipeline[#]	1966/2017[3]	79	8	1.1	69	75	14	13
Koyali — Sanganer pipeline	1996/2005/ 2007/2012/ 2017[3]	1300	22/18/16/ 12/10/8	4.6	71	77	95	89
Koyali — Dahej pipeline	2006/2010[3]	197	14/12	2.6	22	19	36	54
Koyali — Ratlam pipeline	2009	265	16	2	69	73	73	71
Ex-CPCL Manali Refinery								
Chennai — Trichy — Madurai pipeline	2005	683	14/12/10	2.3	114	120	124	130
Chennai — ATF pipeline	2008	95	8	0.18	91	103	128	157
Chennai — Bangalore pipeline	2010/2012[3]	290	14/12	2.45	50	60	70	73
Ex-AOD Digboi Refinery								
Digboi — Tinsukia pipeline	1956	75	8/6	1	44	44	53	0
Dedicated Pipelines — operated by Marketing								
Devangonthi — Devanhalli pipeline	2008	36	8	0.66	33	33	64	74
Ex Paradip Refinery								
Paradip Raipur Ranchi Pipeline	2016/2017[3]	1073	18	5	15	18	63	75
Paradip Haldia Durgapur pipeline	2017	157		0.503	0	0	10	22
Crude Oil Pipelines								
Salaya — Mathura pipeline	1978/1997/ 2003/2016/ 2017[3]	2660	42/28/24	25	120	111	105	105
Paradip — Haldia — Barauni pipeline	1999/2009/ 2012/2013/ 2016/2017[3]	1447	48/36/ 30/18	15.2	152	150	108	111
Mundra — Panipat pipeline	1996/2006/ 2008[3]	1194	28/22	8.4	104	103	100	100
Total		13,251						
Gas Pipeline								
Dadri — Panipat RLNG pipeline	2010/2012/ 2014[3]	140	30	9.5 MMSCMD	41	47	46	55
Total Length including Gas pipeline		13391						

• Represents common installed capacity or utilisation, as appropriate

Notes:

(1) The capacity of each pipeline is calculated on the basis of 8,000 hours of operation per annum which includes any annual scheduled turnaround.

(2) Utilisation ratio is calculated by dividing the actual utilisation of the relevant pipeline with the corresponding installed capacity.

(3) The latter date refers to the date of extension/augmentation(s) of the relevant pipeline.

(*) Bijwasan Panipat Naphtha pipeline has been converted into a dedicated ATF pipeline and renamed as Panipat Bijwasan ATF pipeline.

(#) Koyali Ahmedabad Pipeline has been converted into a dedicated ATF pipeline.

Recent Developments and Projects under Implementation

Since the last fiscal year (i.e. 2017-18), the Issuer has commissioned following major facilities:

- Rs. 17.93 billion Paradip — Ranchi — Raipur Product pipeline involving laying of 1069 km of cross country pipeline;
- Rs. 15.84 billion debottlenecking scheme of existing salaya — Mathura crude oil pipeline system and augmenting its capacity from 21 to 25 MMTPA by laying 747 km of looplines; and
- Replacement of 157 km long Koyali — Viramgam section of Koyali — Sanganer Pipeline at a cost of Rs. 2.79 billion.

In recent years, the Issuer has embarked on various projects to expand its network of crude oil and petroleum product pipelines in India. The following table provides a description of the major projects under implementation and the target completion dates:

Pipeline project and description	Description	Project Cost	Capacity	Target Date of completion
Paradip — Haldia — Durgapur LPG Pipeline	The project involves the laying of a 710 km long, 12"/10" diameter LPG pipeline from Paradip to Durgapur via Haldia along with the associated facilities for transportation of LPG from Paradip and Haldia to the Bottling Plants at Balasore, Budge-Budge, Kalyani and Durgapur.	Rs. 9.13 billion	0.85 MMTPA	Completed in November 2018
Augmentation of Paradip — Haldia — Barauni Pipeline	The proposal envisages augmentation of the capacity of the Paradip-Haldia-Barauni pipeline from 11 MMTPA to 15.2 MMTPA. The project involves laying of a 18" diameter, 64 km loop line, a new pump station at Balasore, installation of new pumping units/ replacement of existing pumping units at Paradip/Haldia/Bolpur and construction of additional tanks at Paradip.	Rs. 5.86 billion	11 to 15.2 MMTPA	December 2020
Paradip — Hyderabad Pipeline	Project involves the laying of a 1212 km pipeline for transportation of petroleum products from Paradip in Odisha to Hyderabad in Telangana	Rs. 38.08 billion	4.5 MMTPA	August 2020
Jaipur — Panipat Naphtha Pipeline along with Koyali — Sanganer Pipeline augmentation	Project envisages the transportation of naphtha from Koyali to Jaipur, by augmenting the existing pumping facilities of the Koyali — Sanganer pipeline, and from Jaipur to Panipat refinery, through a new 340 km long pipeline to be laid from Jaipur to Panipat.	Rs. 8.87 billion	0.8 MMTPA	Completed in November 2018
Motihari — Amlekhganj (Nepal) Pipeline	Project involves the laying of a 69 km pipeline from Motihari in India to Amlekhganj in Nepal. This first trans-national pipeline of India will transport petroleum products from Indian refineries to the land-locked Himalayan country of Nepal.	Rs. 3.24 billion	1.3 MMTPA	March 2019

Pipeline project and description	Description	Project Cost	Capacity	Target Date of completion
Koyali — Ahmednagar — Solapur Pipeline Project	Project involves the laying of a 747 km pipeline for transportation of petroleum products from the Koyali refinery in Gujarat to the cities of Manmad, Ahmednagar and Solapur in Maharashtra.	Rs. 19.45 billion	5 MMTPA	August 2021
Ennore — Thiruvallur — Bengaluru — Puducherry — Nagapattinam — Madurai — Tuticorin Natural Gas Pipeline	Project involves the laying of a 1244 km pipeline from the upcoming Ennore LNG Import Terminal for the supply of natural gas to anchor customers and for the city gas distribution systems in the states of Tamil Nadu, Andhra Pradesh and Karnataka.	Rs. 44.97 billion	35 MMSCMD	December 2020
Dhamra — Haldia Refinery Captive Natural Gas Pipeline with Spur line To Paradip Refinery	Project involves the laying of a 357 km pipeline for transportation of natural gas from the upcoming LNG terminal at Dhamra in Odisha to IOC refineries in Haldia and Paradip for its captive use.	Rs. 13.42 billion	11 MMSCMD	December 2021
30" OD Crude Oil Pipeline in H-B section of PHBPL and Conversion of existing 18" twin Pipelines in H-B section from Crude to Product and Gas service	Project involves the laying of a 517 km long 30" crude oil pipeline from Haldia in West Bengal to Barauni in Bihar for the augmentation of the existing Paradip — Hadia — Barauni crude oil pipeline system. The project also includes the conversion of existing smaller diameter crude oil pipelines between Haldia and Barauni of for product and R-LNG services.	Rs. 37.12 billion	Crude: 15.2 to 20.4 MMTPA Product: 3.4 MMTPAR-LNG: 2.21 MMSCMD	June 2021
Augmentation of Mathura Tundla pipeline and its extension for hook-up with Barauni — Kanpur Pipeline at Gawria T Point	Project involves augmenting the capacity of the existing Mathura — Tundla pipeline and its extension by laying a 253 km pipeline for further transportation of petroleum products to the Gawria T Point of the existing Barauni-Kanpur pipeline.	Rs. 6.76 billion	1.2 to 4 MMTPA	December 2021

Other Joint Venture Pipeline Projects

The Issuer has formed two joint ventures with Gujarat State Petronet Limited, Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited for the following pipelines for which authorisation to commence work was issued by the PNG Board on 7 July 2011. The completion schedule for these pipelines is 36 months from the date of authorisation.

- Mallavaram — Bhilwara pipeline (Capacity: 76.25 MMSCMD);
- Mehasana — Bhatinda pipeline (Capacity: 77.11 MMSCMD); and
- Bhatinda — Jammu — Srinagar pipeline (Capacity: 42.22 MMSCMD).

The Issuer's share in the above consortium is 26 per cent.

The total capital cost for the above three pipelines was Rs. 136.46 billion. With debt to equity ratio of 70:30 and a 26 per cent. share, the Issuer's equity contribution will be Rs. 10.64 billion.

The Joint Venture Agreement among consortium partners was signed on 13 October 2011 and the following two companies have been incorporated for these pipeline projects:

- GSPL India Gasnet Ltd. (GIGL) for Mehsana — Bhatinda & Bhatinda — Jammu — Srinagar pipelines; and
- GSPL India Transco Ltd. (GITL) for Mallavaram — Bhopal — Bhilwara — Vijaypur pipeline.

In line with the Government of India's Hydrocarbon Vision 2030 for the North East India, the Issuer has formed a joint venture with four of the major oil and gas public sector undertakings of India (i.e. Oil and Natural Gas Corporation Limited, Gas Authority of India Limited, Oil India Limited and Numaligarh Refinery Limited), to develop and operate a natural gas pipeline grid in the North-east region of India. The pipeline grid would ensure reliability and uninterrupted natural gas supplies to the consumers viz. industrial, commercial, domestic, transport etc. and is expected to boost industrial growth in the region. Provisional authorisation to commence work on the pipeline grid was issued by the PNG Board on 14 September 2018. The completion schedule for the following pipeline grid is 36 months from the date of final authorisation.

- North East Natural Gas Grid (Capacity: nine MMSCMD)

The Issuer's share in the above consortium is 20 per cent.

The total capital cost for the above pipeline grid is Rs. 92.65 billion. With a debt to equity ratio of 70:30 and a 20 per cent. share, the Issuer's equity contribution will be Rs. 5.56 billion.

The Joint Venture Agreement among consortium partners was signed on 20 July 2018 and a company by the name of Indradhanush Gas Grid Limited was registered on 10 August 2018 for the development of this pipeline grid project:

As of 31 March 2018, the Issuer enjoyed 48 per cent. domestic market share of the downstream sector pipeline installed capacity (product pipeline including LPG). The Issuer's competitive advantage stems from the length and reach of its pipeline network. This, however, may change with the implementation of the common-carrier system. See "*Business — Pipelines — Common Carriers*" for details.

Maintenance, Surveillance and Disruptions

The Issuer has structured periodic maintenance programmes for its pipelines in accordance with regulatory requirements, international standards and best practices adopted by pipeline operators across the world. All of the Issuer's pipelines operate according to quality management systems certified to ISO-9001:2015 and maintenance procedures based on a defined rolling plan. The Issuer's entire network is protected against internal and external corrosion. A cathodic protection system is used to monitor the external health of the pipelines. Depending on the reports generated by the cathodic protection system, pipelines that require maintenance are identified, following which coating conditions are then assessed through above-ground surveys. If any major deterioration is detected, the affected pipeline stretch is recoated to protect against external corrosion. In addition, these pipelines undergo periodic pigging and corrosion inhibitors are injected to prevent internal corrosion. The Issuer's pipelines are also subject to periodic in-line inspections using special tools called intelligent or smart pigs to assess the metal loss profile of the pipelines including any corrosion related damage. Surveillance of the pipelines is done by regular patrolling of the Right of Way.

The Issuer uses state-of-the-art supervisory control and data acquisition system at the master control stations to monitor and control its pipeline system parameters across the country. The system is computerised and it monitors and operates the pipeline in an efficient and safe manner from master control stations. The system also includes transient model based leak detection system for environmental safety. A centralised monitoring facility at Pipelines HO, Noida facilitates the monitoring of the operation of all the pipeline system on real time basis.

During the last fiscal year (2017-18) and for the six months ended 30 September 2018, the Issuer experienced three major unscheduled disruptions to its pipelines, which are further described below:

1 Paradip Haldia Barauni Pipeline: Haldia Barauni Pipeline Mainline section (Ch 39.00 km) failed on 8 June 2017 due to leakage (damaged during horizontal directional drilling). Leak clamps were installed.

2 Barauni Kanpur Pipeline: Pipeline failed at Ch. 653.3 km (Gauria — Kanpur section) on 1 December 2017 due to seam failure at 10 o'clock position. Pipe was replaced and the line was resumed on 2 December 2017 as per delivery requirement at Kanpur Terminal.

3 Salaya — Mathura Pipeline (SMPL): Jamnagar — Gauridad section of pipeline failed on 17 June 2017 due to corrosion. However, the pipeline continued to operate through loop line. The failed pipe was repaired immediately and normal supply through both lines was resumed.

Despite the above-mentioned failures, the pipelines ensured uninterrupted supply to various locations of the country.

Sales and Distribution

The Issuer has one of the largest petroleum marketing and distribution networks in Asia and the largest petrol and diesel station network in India. For the fiscal years 2016, 2017, 2018 and the six months ended 30 September 2018, the Issuer sold 93.57 per cent., 93.16 per cent., 94.33 per cent. and 95 per cent., respectively, of its petroleum products to domestic customers which are broadly categorised into (i) bulk consumers and (ii) retail customers. For the fiscal years 2016, 2017, 2018 and the six months ended 30 September 2018, the Issuer sold 35.94 per cent., 36.74 per cent., 37.0 per cent. and 37.07 per cent., respectively, of its total sales volume through its bulk consumer sales division and the remainder through its retail sales division. Bulk consumer sales are, in general, direct sales made to Government-owned entities and private companies. Retail sales are sales made to customers through the Issuer's retail outlets and dealer distribution networks.

The Issuer's overall distribution capacity encompasses about 49,143 sales points incorporating its own franchise as well as independent outlets, consumer pumps, distributors etc.

Marketing Infrastructures (Touchpoints)	Number (as on 30 September 2018)
Terminal/Depots	125
LPG Bottling Plants	91
Aviation Fuel Stations	113
Retail Outlets (including rural retail outlets — Kisan Seva Kendras)	27,325
LPG Distributors	10,839
SKO/LDO Dealers	3,892
Consumer Pumps	6,758
Total	**49,143**

The following table sets out the volume and percentage of the Issuer's total annual gross sales for the periods indicated.

	Fiscal Years ended 31 March						Six months ended 30 September	
	2016		2017		2018		2018	
	(in MMT, except percentages)							
	Volume	(%)	Volume	(%)	Volume	(%)	Volume	(%)
Sales								
Petroleum Products								
High Speed Diesel	35.813	44	35.411	42	36.512	41	18.26	41
Jet Fuel/SKO	8.295	10	7.549	9	7.061	8	3.56	8
LPG	9.194	11	10.124	12	10.843	12	5.58	13
Gasoline	9.468	12	10.146	12	10.868	12	5.80	13
Bitumen	2.631	3	2.678	3	2.723	3	1.34	3
Heavy Fuel Oil	3.108	4	3.307	4	3.240	4	1.61	4
Naphtha	0.473	1	0.652	1	0.756	1	0.49	1
Special Products & Others	3.133	4	3.744	4	4.660	5	2.27	5
Exports	3.575	4	4.849	6	7.274	8	3.02	7
Gas	1.929	2	1.92	2	1.888	2	0.96	2
Petrochemicals	2.413	3	2.453	3	2.275	3	1.25	3
Lubricants & Greases	0.488	1	0.499	1	0.486	1	0.23	1
Explosives	0.144	0	0.158	0	0.177	0	0.08	0
Total	80.664	100	83.490	100	88.763	100	**44.462**	**100**

Bulk Consumer Sales

Sales to bulk consumers mainly comprise of sales to Government-owned entities and private companies.

Government-owned Entities: The Issuer's Government-owned customers include state-owned enterprises and state transport undertakings. In fiscal 2018 and the six months ended 30 September 2018, the Issuer's top three Government-owned customers were the Indian Railways, state transport undertakings, Indian defence forces including the Air Force, Army and Navy. For fiscal 2017 and 2018, the Issuer recorded HSD sales volumes of approximately 4.04 MMT and 4.14 MMT, respectively, to these Government-owned entities.

The Issuer prices its refined petroleum products to Government-owned entities by reference to the trade parity price for MS and HSD and import parity price for other products. Typically, the Issuer obtains long-term volume purchase commitments of around three years from its Government-owned customers. The Issuer enters into a cash-and-carry or credit agreement with each Government-owned customer, which requires payment for purchases to be made on an agreed date each month. In the past, the Issuer in general has not experienced any material difficulty in collecting payments. Where payment delays are anticipated and notified to the Issuer, the Issuer negotiates separate payment terms with the relevant customer on a case-by-case basis.

Private companies: The bulk consumer sales to private companies include sales to customers in the steel, power, infrastructure, mining, fertiliser and aviation industries, as well as to cargo bunkers and liners and industrial and agricultural end users. The Issuer is a major supplier of ATF to more than 250 domestic and international aviation customers. For the year ended 31 March 2018, the Issuer's market share, in terms of volume, of ATF in India was approximately 64.0 per cent. amongst public sector undertaking oil companies and 59.0 per cent. amongst the whole industry (including private oil companies).

The Issuer sells its refined petroleum products to private sector customers by reference to the trade parity price for MS and HSD and import parity price for other products. Generally, the Issuer enters into renewable volume purchase agreements with durations of less than three years with the majority of its private sector customers. The Issuer offers three types of payment terms: (i) advance payment, (ii) payment against unsecured credit or secured credit against bank guarantees and letters of credit and (iii) ad hoc payments at defined intervals. The method and payment schedule (if any) are negotiated individually depending on the relevant customer's credit-worthiness and whether the customer will provide payment security such as bank guarantees.

Distribution: The Issuer sells its refined petroleum products directly to its institutional customers through its distribution network, which comprises of 16 state offices and 36 consumer divisional offices. Apart from its own distribution network, the Issuer also sells its products through the reseller network. In many cases, the Issuer has installed consumer pumps and storage facilities in the customers' premises and supplies are made through railway, tank truck, waterway and, in some cases, pipelines. As of 30 September 2018, the Issuer had installed 6,758 bulk consumer pumps throughout India. The Issuer also hires oil barges, rail tankers and oil trucks for product distribution. The distribution network is supported by 238 storage facilities with a total capacity of approximately 6.500 million kilo litres. These storage facilities include 125 ordinary petroleum depots and 113 aviation depots. In addition, the Issuer has a dedicated customer services department for sales which are backed by experienced officers in the state and divisional offices. These officers coordinate the day-to-day services provided to bulk consumers and provide after sale services, such as maintenance and repairs of consumer pumps and storage facilities to ensure a seamless distribution service.

Retail Sales

For the years ended 31 March 2016, 2017, 2018 and the six months ended 30 September 2018, the Issuer sold approximately 37.47 MMT, 37.93 MMT, 39.87 MMT and 20.34 MMT, respectively, of gasoline and diesel. Gasoline and diesel sales represented approximately 41.58 per cent. of the Issuer's total sales volumes for the year ended 31 March 2018 and 41.32 per cent. of its total sales volumes for the six months ended 30 September 2018 The Issuer is currently India's largest operator in the retail marketing segment, with a network of approximately 27,325 service stations, representing a 43.03 per cent. market share in terms of the number of service stations as at 30 September 2018. The Issuer's retail service stations are located throughout India in cities, towns, highways and rural areas. Through the service station network, the Issuer believes that it is able to maintain product and service quality standards and efficiently manage the retail distribution of its refined petroleum products. Of the 27,325 service stations, 640 are owned and managed by the Issuer, 9,073 are owned by the Issuer and managed by dealers and the remainder are owned and managed by dealers.

Dealers are allowed to use the IndianOil brand name at their service stations in return for agreeing to purchase minimum monthly quantities of gasoline, diesel, other petroleum products as well as the Issuer's branded greases and lubricants. Each dealer also agrees to comply with the operating standards set by the Issuer. The Issuer has minimal support obligations with respect to these service stations. From time to time, the Issuer may purchase a dealer owned and operated service station when it is in the Issuer's interest. The dealership agreement also gives the Issuer the right to revoke the right to use the IndianOil brand name if the station breaches the supply agreement or consistently fails to meet the Issuer's operating standards.

The Issuer plans to open additional service stations in strategic locations and further modernise its service stations. Furthermore, the Issuer plans to open additional convenient stores, car washes and restaurants adjacent to its service stations to provide complimentary services and products. In terms of marketing to retail consumers, the Issuer operates a loyalty programme, provides free air service at all its stations and also sells branded fuels, such as XTRAPREMIUM gasoline and XTRAMILE diesel.

For the year ended 31 March 2018, the Issuer's market share in India in terms of volume of refined petroleum products sold was approximately 37.41 per cent. (as per PPAC).

Other Businesses

The Issuer also engages in a number of other businesses including E&P, natural gas, bio-fuels and alternative energy.

Exploration & Production (E&P)

India is a net importer of crude oil, which is India's single largest import item. The oil and gas industry in India has traditionally been, and continues to be, dominated by public sector companies. In order to encourage the growth of the domestic E&P sector, India introduced a competitive international bidding process called the New Exploration Licensing Policy ("**NELP**"). The first round of NELP was conducted in 1999 and the ninth round was launched in October 2010.

Under NELP, the Government auctions domestic on-land, offshore and deep-water exploration blocks. Companies can bid for blocks either individually or in association with others through an incorporated or unincorporated joint venture. Unlike previous allocation policies, under NELP, E&P companies from the private and the public sector are treated equally and the new acreage is determined by a bidding process. Prior to the introduction of NELP, crude oil and natural gas produced by private sector companies was required to be marketed and transported through public sector entities. However, under NELP, private sector companies are free to sell their shares of crude oil and natural gas in the domestic market.

The Issuer started its E&P business in 1995. As of 30 September 2018, the Issuer was engaged in active exploration activities in 10 domestic blocks (including two coal bed methane blocks and three discovered small field blocks) and 10 overseas acreages. The Issuer conducts a substantial portion of its E&P activities in partnership or joint ventures with international and domestic oil and gas companies. As of 30 September 2018, the Issuer had working interests ranging from 3.0 per cent. to 100.00 per cent. in 10 Indian and 10 overseas E&P projects. Amongst these 20 projects, eight are under production (Carabobo Project, Venezuela; Niobrara Shale Project, USA; PNW Project, Canada; Taas Project, Russia; Vankor Project, Russia; Lower Zakum Offshore concession, UAE; Mukhaizna, Oman and AAP-ON-94/1, Assam), six are under development (OML-142, Nigeria, two Coal Bed Methane Blocks — BK & NK-CBM_2001/1, Jharkhand, three discovered small field blocks (Nohta, Madhya Pradesh; Jeraipathar, Assam & KD, Gujarat Kuch Offshore)), two assets are under appraisal (GK-OSN-2009/1 & 2, Gujarat Kutch Offshore) and four are under exploration blocks (Area 95-96, Libya; Shakthi, Gabon; AA-ONN-2001/2, Mizoram & CB-ONN-2010/6, Gujarat).

Block		Location	Consortium Partners	Operator
A. Domestic Blocks				
1	AA-ONN-2001/2 (Awarded under NELP-III with effect from 29 July 2003)	Mizoram On land	ONGC - 80% IndianOil - 20%	ONGC
2	GK-OSN-2009/1 (Awarded under NELP-VIII with effect from 5 August 2010)	Gujarat Kutch Offshore (Shallow water)	ONGC - 50% IndianOil - 25% Adani Welspun Exploration Limited ("**AWEL**") - 25%	ONGC
3	GK-OSN-2009/2 (Awarded under NELP-VIII with effect from 5 August 2010)	Gujarat Kutch Offshore (Shallow water)	ONGC - 40% IndianOil - 30% AWEL - 30%	ONGC
4	AAP-ON-94/1 (Indian Oil Corporation-OIL India Limited ("**IOC-OIL**") farmed-in on 14 January 2003)	On land Assam-Arunachal Pradesh Block	HOEC - 26.9% IndianOil - 29% Oil India Limited - 44.1%	Hindustan Oil Exploration Company Limited ("**HOEC**")
5	BK-CBM-2001/1 (Awarded under CBM Round – I with effect from 21 February 2003)	Bokaro	ONGC - 80% IndianOil - 20%	ONGC

Block		Location	Consortium Partners	Operator
6	NK-CBM-2001/1 (Awarded under CBM Round – I with effect from 21 February 2003)	North Karanpura	ONGC - 55% Prabha Energy Pvt. Ltd. - 25% IndianOil - 20%	ONGC
7	CB-ONN-2010/6 (Awarded under NELP-IX with effect from 16 February 2013)	Gujarat On land	ONGC - 80% IndianOil - 20%	ONGC
8	AA/ONDSF/ JERAIPATHAR/2016 (Awarded under Discovered Small Field ("**DSF**") bid round 2016)	Onshore DSF Block, Assam	IndianOil - 100%	IndianOil
9	VN/ONDSF/NOHTA/2016 (Awarded under DSF bid round 2016)	Onshore DSF Block, Madhya Pradesh	IndianOil - 100%	IndianOil
10	GK/OSDSF/KD/2016 (Awarded under DSF bid round 2016)	Gujarat Kutch, Offshore DSF Block	IndianOil - 100%	IndianOil
B. Overseas Blocks				
1	Carabobo Project – 1 (Transfer Decree with effect from 29 July 2010)	Venezuela on land	PdVSA - 71% OVL - 11% Repsol - 11% IndianOil Sweden AB - 3.5% OIL - 3.5%	Petro-Carabobo S.A. (Mixed Company)
2	Niobrara Shale Oil Asset, USA (Purchase & Participating Agreement with effect from 4 October 2012)	USA on land	Carrizo (Niobrara) LLC - 60% Haimon Oil & Gas LLC - 10% Oil India (USA) Inc. - 20% IOCL (USA) Inc. - 10%	Carrizo, USA (in most acreages), Noble Energy, USA, Whiting Oil & Gas, USA
3	Pacific North West LNG Project (With effect from 1 January 2013)	Canada British Columbia	Petronas (Progress Energy) - 62% Sinopec - 15% IML (IOC) - 10% Japex - 10% Petroleum Brunei - 3%	Progress Energy
4	Taas Yuryakh Project	Russia Onshore	RN Razvedka i Dobycha - 50.1% BP Russian Investment Ltd. - 20% Taas India Pte Ltd. - 29.9%* *comprises of: - IOCL Singapore Pte. Ltd. - 33.5% - Oil India International Pte. Ltd. - 33.5% - BPRL International Singapore Pte. Ltd. - 33%	Taas Yuryakh Neftegazodobycha

Block		Location	Consortium Partners	Operator
5	Vankor Project	Russia Onshore	Rosneft Oil Company - 51.1% ONGC Videsh Vankorneft Pte Ltd - 25% Vankor India Pte. Ltd. - 23.9%* *comprises of: - IOCL Singapore Pte. Ltd. - 33.5% - Oil India International Pte. Ltd. - 33.5% - BPRL International Singapore Pte. Ltd. - 33%	Vankorneft
6	Lower Zakum (Acquisition: w.e.f. 9.3.2018)	Abu Dhabi Offshore	Falcon Oil & Gas BV - 10% (comprising of: - IndianOil Global BV - 30% - OVL - 40% - BPRL - 30% CNPC - 10% Inpex - 10% Total - 5% ENI - 5% ADNOC - 60%	ADNOC
7	Mukhaizna (Acquisition w.e.f 5.4.2018)	Oman On land	Liwa Energy Limited - 15%, Oman Oil Company S.A.O.C. - 20% Total E&P Oman - 2% Partex (Oman) Corporation - 1% IndianOil Singapore - 17% Occidental Mukhaizna LLC - 45%,	Occidental Mukhaizna LLC
8	Shakthi-II (IOC-OIL farmed-in on 17 April 2006)	Gabon On land	OIL - 50% IndianOil - 50%	OIL
9	Area 95-96 (Awarded with effect from 1 June 2008 under an EPSA)	Libya On land	Sonatrach - 50% IndianOil - 25%OIL - 25%	Sonatrach
10	OPL-205 (OPL with effect from 31 August 2006) (OML-142) (OML effective from 12 June 2009)	Nigeria On land	Summit Oil - 30% Suntera Nigeria 205 Ltd - 70%* *Consortium Partners: - Suntera 50%, - IndianOil 25% - OIL 25%	Summit Oil

In fiscal years 2016, 2017 and 2018 the Issuer incurred Rs. 12.23 billion, Rs. 69.91 billion and Rs. 25.71 billion respectively, of expenses on E&P activities. For the year ending 31 March 2019, the Issuer has provisioned Rs. 29.11 billion for E&P activities.

The Issuer has also relinquished fifteen exploration blocks over the years due to unsuccessful exploration efforts.

Gas

The Issuer is currently in the process of expanding its customer base. The Issuer has sold 1.89 MMT of LNG and with a turnover of Rs. 60.88 billion during the year ended 31 March 2018 as compared to 1.92 MMT and Rs. 55.20 billion for the year ended 31 March 2017 and 1.93 MMT and Rs. 76.50 billion for the year ended 31 March 2016.

LNG Regassification Terminal Project

The Issuer is implementing a LNG Import Storage and Regasification Terminal with capacity of five MMTPA and provision for future expansion to 10 MMTPA at Kamarajar Port, Ennore, Tamil Nadu. The project is being implemented through a Joint Venture Company, IndianOil LNG Pvt. Ltd., promoted by the Issuer.

Subsequent to approval of the Union Cabinet for the leasing of approximately 130 acres of Kamarajar Port Land for the project, a Concession Agreement has been executed with Kamarajar Port Limited (formerly Ennore Port Limited) for taking port land and water front on lease for 30 years for the development of LNG Terminal. The construction activities of the project were started in August 2015 and the project, as on 30 September 2018, has achieved the overall progress of 97.2 per cent.. The LNG Regassification Terminal is expected to be ready for commissioning in December 2018.

The Issuer has also signed a Memorandum of Understanding and Heads of Agreements with Tamil Nadu Industrial Development Corporation Ltd. for the development of Ennore LNG terminal and gas related infrastructure. The Government of Tamil Nadu has already granted the structured package of financial incentives to the Project.

The revised cost of the Project is Rs. 4,317 crore, which is being funded through an equity of Rs. 1,440 crore and debt of Rs. 2,877 crore (Debt: Equity- 2:1).

CGD JV Projects

The Issuer has been operating City Gas Distribution ("**CGD**") businesses through its following two Joint Venture Companies ("**JVCs**"):

(a) Green Gas Ltd. ("**GGL**"), a 50:50 Joint Venture with Gas Authority of India Limited ("**GAIL**") incorporated in 2005, and operating in the Geographical Areas ("**GAs**") of Lucknow & Agra.

(b) Indian-Oil Adani Gas Pvt. Ltd. ("**IOAGPL**"), a 50:50 Joint Venture with Adani Gas Ltd. incorporated in 2013, and operating/implementing CGD Projects in the GAs of Allahabad, Chandigarh, Panipat, Ernakulam, Daman, Udham Singh Nagar, Dharwad, Bulandshahar and South Goa.

In the recently concluded 9th Round of CGD Bidding, the Issuer participated in the bidding on its own and through its two JVCs. It received authorisation of 18 GAs for developing CGD Networks. The details of the GAs are as follows:

(a) GGL: "Faizabad & Sultanpur Districts" and "Unnao (except areas already authorised) District".

(b) IOAGPL: "Panchkula (except areas already authorised), Sirmaur, Shimla & Solan Districts", "Palakkad & Thrissur Districts", "Bulandshahr (except areas already authorised), Aligarh & Hathras Districts", "Allahabad (except areas already authorised), Bhadohi & Kaushambi Districts", "Kozhikode & Wayanad Districts", "Malappuram Districts", "Kannur, Kasargod & Mahe Districts", "Gaya & Nalanda Districts" and "Burdwan District".

(c) IndianOil: "Coimbatore District", "Salem District", "Bokaro, Hazaribagh & Ramgarh Districts", "Jagtial, Peddapalle, Karimnagar & Rajanna Sircilla Districts", "Aurangabad, Kaimur & Rohtas Districts", "Rewa District" and "Guna District".

The Issuer is now operating/implementing CGD projects in total 29 GAs (7 GAs on its own, 18 GAs through IOAGPL and four GAs through GGL).

LNG at Doorstep Project

In the fiscal year 2007, the Issuer successfully implemented the technology innovation project "LNG at Doorstep" which enabled the supply of natural gas to consumers not connected with pipelines. "LNG at Doorstep" involves making LNG available to the end users through cryogenic road transportation system, storage in cryogenic holding tanks and its application by on-site re-gasification through vaporisers without external energy.

Gas Pipeline Project

Indian Oil was also awarded authorisation by the PNG Board for laying a pipeline from Ennore to Nagapattinam with spur lines to Madurai, Bangaluru and Tuticorin, with a total mainline length of about 1,175 km and a capacity of 84.67 MMSCMD. Indian Oil will setup this gas pipeline with 100 per cent. equity to transport the RLNG from its upcoming five MMTPA Ennore LNG Regassification Terminal at Ennore. The Right of Use ("**RoU**") acquisition and other engineering works are in progress. A section of the pipeline is scheduled for completion in synchronisation with the commissioning of Ennore LNG Terminal.

Biofuels

2nd Generation (2G) Ethanol

In order to reduce dependency on imports of crude oil, the Ethanol Blended Petrol ("**EBP**") Programme was announced by Government of India in 2002. Initially, the mandate was for five per cent. blending of ethanol in petrol, which has since been revised to 10% blending. The recently released National Policy on Biofuels — 2018 (NPB-2018) proposes an indicative target of 20 per cent. for the blending of ethanol in petrol by 2030. Presently, ethanol is produced in India mainly from sugarcane molasses. Out of the total ethanol produced from molasses, about one third is available for EBP and the balance ethanol is consumed by potable liquor and chemical industries. Therefore, mandatory ethanol blending target could not be achieved.

In order to increase the availability of ethanol for EBP, there is a need for production of ethanol from an alternative source such as Second Generation Ethanol ("**2G Ethanol**") which is produced from ligno-cellulosic feedstock. These feedstocks include agri-residues like rice & wheat straw, sugarcane bagasse, corn cobs, cotton stalk etc., which are non-edible and but has the potential to contribute to farmers' income. Accordingly, the Issuer is planning to set up three 2G Ethanol Bio-refineries in Panipat (Haryana), Gorakhpur (Uttar Pradesh) and Dahej (Gujarat). The capacity of the proposed plants is 100 kilo litre per day of 2G Ethanol each.

Compressed Bio Gas (CBG)

Waste/Bio-mass sources like agricultural residue, cattle dung, sugarcane press mud, municipal solid waste and sewage treatment plant waste, etc. produce bio-gas through the process of anaerobic decomposition. The bio-gas is purified to remove hydrogen sulfide (H2S), carbon dioxide (CO2), water vapour and CBG, which has methane (CH4) content of more than 90 per cent. The estimated CBG potential from various sources in India is 62 MMT with the total natural gas consumption being 44 MMT in 2017-18.

The CBG plants will be set up by entrepreneurs. The Issuer will provide off-take of the CBG produced. The Issuer will also facilitate the technology for setting up of the plants and purification & up-gradation of biogas to CBG. The Ministry of Petroleum & Natural Gas of India launched the Sustainable Alternative Towards Affordable Transportation scheme (the "**SATAT Scheme**") on CBG on 1 October 2018. An Expression of Interest to procure CBG from by the Oil Marketing Companies (the "**OMCs**") was released on the same date. It is planned that 5000 CBG Plants will be set up under the SATAT scheme by 2023, with annual production of 15 MMT CBG.

Ethanol from Municipal Solid Waste

Municipal Solid Waste can be converted to syngas using plasma enhanced gasification technology. The syngas can be utilised to produce ethanol, methanol, etc. The technology is feed agnostic and can handle all types of biomass, crop residues, pet coke, coal, petroleum residue, shale oil etc. The process can be utilised for the clean destruction of hazardous waste including medical waste while producing Syngas. One of the by-products of the process is vitrified slag, which can be used as construction material.

The Issuer is presently evaluating the plasma enhanced gasification technology and exploring the possibility for setting up a plant.

Renewable Energy

Wind energy: With the commissioning of additional 98.3 MW capacity at Rajasthan and Gujarat during 2016-17, the Issuer's total installed wind capacity now stands at 167.6 MW. During 2017-18, the power generation from renewable energy project is 308 million units (kWh).

Solar Energy: The Issuer has cumulatively put up solar capacity of 40.7 MW, including 22.3 MW grid connected and 18.2 MW off-grid systems. During 2017-18, the power generation from the renewable energy project was 30 million units (kWh).

Solar plant at ROs: The Issuer has set up off-grid solar power plants at 12,067 of its retail outlets ("**ROs**") as on 30 September 2018 with a cumulative installed capacity of 47 MW.

Solar Lantern: The issuer is promoting the sale of solar lanterns through various marketing channels and has cumulatively sold 0.4 million solar lanterns as on 30 September 2018.

Competition

The Issuer faces different competitors in each segment of its business. However, domestically, the Issuer believes that its infrastructure of pipelines, refineries, sales and marketing network provides a competitive advantage over its domestic competitors in the downstream sector.

Refining and Petrochemicals

The Issuer operates and owns 11 out of 23 of India's refineries. It competes with a number of public and private sector companies in the domestic refining market, namely Bharat Petroleum Corporation Limited Group, Hindustan Petroleum Corporation Limited Group, ONGC Limited, Reliance Industries Limited and Nayara Energy Ltd. According to PPAC, the Issuer has emerged as the largest refiner in India in terms of its market share of approximately 33 per cent. of the domestic refining market.

The Issuer intends to strengthen its refining business through the successful implementation of its planned expansion projects, as well as to explore the possibility of developing refineries in coastal areas in India. Currently, all of the Issuer's refineries, except Paradip and Haldia, are located in land-locked areas.

In the petrochemicals market, domestic companies mainly compete with Reliance Industries Limited. Reliance Industries Limited currently refines its petrochemicals mainly in western India. On the other hand, the Issuer's main petrochemical operations are based mainly in northern India. This gives the Issuer a distinctive geographic advantage over Reliance Industries Limited. However, as production capacity in India is currently greater than domestic demand, upstream petrochemical companies must export a portion of their production overseas in competition with other petrochemical companies in the international market.

The principal competitive factors that may affect the Issuer's refining operations are the price of crude oil, refinery efficiency, refinery product mix, product distribution and high transportation costs.

Pipelines

As of 31 March 2018, the Issuer enjoyed a 49.04 per cent. domestic market share in terms of downstream sector pipeline installed capacity according to the PPAC. The Issuer's competitive advantage stems from the length and reach of its pipeline network.

Sales and Distribution

The Issuer competes primarily with Hindustan Petroleum Corp., Bharat Petroleum Corp., Reliance Industries Limited and Nayara and Shell, as well as independent operators for the sale of refined petroleum products to bulk consumers. The Issuer enjoys a dominant market position in bulk consumer sales. Other marketing companies have experienced difficulty in establishing a large market share in sales to bulk consumer customers due to the lack of supporting distribution network such as product-specific pipelines, custom-installed consumer pumps, dedicated oil tankers and barges. In addition, the Issuer's continuing research and development ("**R&D**") efforts to produce custom-blended solutions for bulk consumer customers have also generated continued support from bulk customers. The Issuer plans to maintain its competitive position by maintaining stock levels of each customers' specific demands for uninterrupted distribution and strengthening its distribution network by focusing on coastal areas.

The Issuer's service stations in densely populated urban areas face competition from numerous domestic retail gas service stations, though the Issuer has a higher market share in rural areas of the country. While the Issuer currently enjoys a leadership position in the retail oil sector, competition has increased in all aspects of its retail business. The Issuer's major competitors include Hindustan Petroleum Corp., Bharat Petroleum Corp., Reliance Industries Limited, Nayara and Shell, which accounted for 24.02 per cent., 22.94 per cent., 2.2 per cent., 7.6 per cent. and 0.18 per cent. of all service stations in India, respectively, as of 30 September 2018. Market participants compete primarily on the basis of price, brand name, services offered, efficiency and proximity to customers. Margins on the sale of gasoline and diesel are limited in the domestic market. As a result, competition has developed for higher margin products that can be sold at service stations, including high margin petroleum products such as lube and gasoline additives and non-oil goods and service facilities. The Issuer is in the process of expanding its market for such higher margin products through the development and marketing of convenience stores and other high margin products and facilities under the Issuer's brand names.

In addition, as rural India is growing at a stable rate, the Issuer has implemented a number of initiatives to secure its position in the market by constructing low cost gasoline/diesel retail outlets designed specially to cater for users in rural areas. The Issuer has named these low cost rural retail outlets 'Kisan Seva Kendra'. These outlets (7,678 out of 27,325) are built on a business model similar to that of the Issuer's retail outlets where in addition to sales of diesel and gasoline, the Issuer will also sell other products such as seeds, pesticides, fertilisers, personal goods such as soap, flour, over-the-counter medication, solar lanterns and stoves and as well as banking and insurance products. These rural retail outlets have also proven to serve as vital channels for the Issuer's non-fuel sales, such as lubricants.

Overseas

The Issuer has invested and operates in ten overseas countries and regions: Mauritius, Sri Lanka, USA, Venezuela, the Middle East, Canada, Singapore, UAE, Russia and Oman. In Mauritius, the Issuer competes with Shell, Total and Engen.

Although the Issuer entered the Mauritius oil market in October 2001, the Issuer had captured 25.7 per cent. market share for the year ended 30 September 2018. The Issuer's market share in Mauritius increased from 16.00 per cent. as of 31 March 2007 to 25.7 per cent. as of 30 September 2018.

In Sri Lanka, the only two major operators are Lanka IOC PLC ("**LIOC**") and the state-owned enterprise Ceylon Petroleum Corporation ("**CPC**"). LIOC has grown rapidly in the last 15 years of its operation and as at 30 September 2018 it holds 13.7 per cent. of the retail market share of auto fuel products in Sri Lanka (market share as on 31 March 2018 was 17.5 per cent.).

IOC Sweden AB, IOCL (USA) Inc, IndOil Global BV, Netherlands and IOCL Singapore Pte. Ltd. are four wholly-owned subsidiaries of the Issuer which were established to promote and facilitate the Issuer's overseas E&P investments.

Research & Development

R&D is an integral part of the Issuer's overall operations. The Issuer's total R&D expenditure (Capital & Revenue) over the period of 2014 to 2018 is as below (in Rs. Crore):

Particulars	2017-18	2016-17	2015-16	2014-15
Revenue Expenditure	230.86	217.53	235.86	169.31
Capital Expenditure	85.77	109.57	370.00	93.66
Total Expenditure	316.63	327.10	605.86	262.97

The Issuer conducts R&D activities at its R&D Centre, at Faridabad in Haryana. Spread over across approximately 65 acres of area, the R&D Centre employs 423 employees, out of which 360 are scientists holding advanced degrees to develop new products, processes and technologies that complements the Issuer's business strategy. In recent years, the Issuer's R&D Centre has made the following advances:

Product Processes and Technologies

- INDMAX — INDMAX is a technology developed by the Issuer's R&D division for maximisation of LPG and light distillates from refinery residue. A mega-scale plant of 4.17 MMTPA capacity was commissioned at the Issuer's Paradip refinery in December 2015. This technology won the World Petroleum Congress Award in July 2017.
- OCTAMAX — a 55 KTA OCTAMAX plant employing indigenously developed R&D technology was commissioned at Mathura Refinery in January 2018. The plant is stable and in operation producing high octane gasoline (RON~120) facilitating BS-VI fuel production.
- Delayed Coker technology: IndianOil R&D developed Anode Grade Delayed Coker Technology and successfully commissioned a 600 TMTPA include capacity Coker-A revamp at Barauni Refinery. Significant benefits of the technology are reduction in coke yield by around 4 per cent. with a corresponding increase in distillate yield, 37 per cent. energy savings, and reduction in pollutant emissions, among others.
- IndeDiesel technology for hydrotreating of diesel is suitable for meeting BS-VI specifications. The technology licensed by the R&D Centre has been implemented at the Issuer's refineries at Bogaingaon and Koyali. Product sulphur and cetane number increases were found to be 6-8 ppm and 13.3 respectively against design of 8 ppm sulphur and cetane gain of 12 units.
- The in-house (R&D Centre) has developed catalysts accepted in both the Issuer's refineries as well as other refineries. The average royalty earnings from commercialisation of catalyst technology is Rs. 30-35 lakhs per year. The setting up of an in-house Catalyst Manufacturing Unit with a capacity of 1500 MMTPA for manufacturing diesel hydrotreater catalysts and FCC additive is underway at Panipat and is expected to be completed in the 1st quarter of 2020.
- Marine Oils — the Issuer is one of only six oil companies in the world to have indigenously developed "original equipment manufacturer-approved marine lubricants technology".
- Railroad Oils — the Issuer is the first in India to introduce multi-grade railroad oil to Indian Railways with recurring fuel and oil saving benefits.

- INDAdeptG is a reactive absorption-based technology that uses proprietary adsorbent developed by IOC R&D to reduce the total sulphur of cracked gasoline to less than 10 ppm to meet BS-VI/Euro-VI sulphur specification. INDAdeptg demonstration unit of 35 kilo tonnes per annum was successfully commissioned at Guwahati Refinery, for production of BS-IV gasoline.
- IOC R&D developed light naphtha isomerisation technology (Zeosom) demonstrated at Bongaigoan Refinery.
- Residue Up-gradation Additive (RUA) was developed and successfully demonstrated for increased conversion.
- Issuer is the only company in East of Suez to have developed and demonstrated pipeline pigging technologies for various pipelines-sizes.
- Indane Nano-Cut — Nano-additised for metal cutting. This has gained commercial acceptance.
- Bitumen derivatives — Polymer Modified Bitumen, Crumb Rubber Modified bitumen, bitumen emulsions were developed and customised by the Issuer's R&D Centre for the Indian market. The products are successfully commercialised by the marketing division of the Issuer.
- The Issuer is the first Indian company to have commissioned a multi-feed pilot plant for conversion of lignocellulosic biomass to ethanol.

The Issuer's R&D division continues to provide significant support to the Issuer's refineries in product quality improvement, evaluation of catalysts and additives, health assessment of catalysts, material failure analysis, troubleshooting and in improving overall efficiency of operations.

The R&D Centre is taking various research initiatives in the field of alternative & renewable energy and a dedicated i-CARE Centre is being set at a new campus of the R&D Centre which is expected to be operational by 2020. Research projects of multi-feed gasification, hydrogen and fuel cell, concentrated solar power, production of hydrogen using solar energy, next generation bio fuels, energy storage devices, nano-technology interventions are being pursued by the scientists of the Issuer.

Capital Expenditure

The Issuer's capital expenditure for the fiscal years 2016, 2017 and 2018 amounted to Rs. 143.69 billion, Rs. 207.37 billion and Rs. 203.45 billion, respectively. The budgeted capital expenditure for the year ending 31 March 2019 amounts to Rs. 249.98 billion.

The following table sets out the past and estimated future capital expenditure of each business division for the periods indicated:

	For the year ended 31 March							
	2016		2017		2018		2019 (estimated)	
	(Rs. billions)	(U.S.$ billions)	(Rs. billions)	(U.S.$ billions)	(Rs. billions)	(U.S.$ billions)	(Rs. billions)	(U.S.$ billions)
Name of Business Division								
Refineries	49.97	0.69	52.75	0.73	57.58	0.79	97.32	1.34
Pipelines	12.66	0.17	16.33	0.23	23.84	0.33	26.44	0.36
Sales and Distribution	56.91	0.78	55.97	0.77	63.09	0.87	65.91	0.91
E&P	12.23	0.17	69.91	0.96	25.71	0.35	29.11	0.40
R&D	4.05	0.06	0.44	0.01	0.39	0.01	0.46	0.01
Petrochemicals	2.03	0.03	5.83	0.08	24.63	0.34	24.26	0.33
Gas (including General Business Development)	5.84	0.08	6.14	0.08	8.21	0.11	6.49	0.09
Total	143.69	1.98	207.37	2.86	203.45	2.80	249.98	3.45

Properties

Substantially all of the properties used in connection with the Issuer's business operations (other than substantially all of the land on or underneath where the pipelines are laid) are owned by the Issuer.

As for the pipeline network, where possible, pipelines are laid underneath government-owned land. The Issuer generally pays annual fees for the use of such land. In other cases, the Issuer typically pays landowners for the "right of use" permission to use the pipeline perpetually, pursuant to which a single up-front right of use fee is paid to the landowners, in exchange for which the landowners are required to restrict the future uses of such land.

Trademarks and Intellectual Property

As of 31 October 2018, the Issuer had 676 active patents for its product and processes, of which 238 are in India, 132 are in the United States and 306 are in other countries including France, Germany, Italy, United Kingdom, the Netherlands, Spain, Belgium, Denmark, South Africa, China, Japan, Australia, Canada, Singapore, Saudi Arabia, UAE, Oman, Qatar, Bahrain and Russia. Among the 676 patents, 328 relate to refining processes, 59 relate to lubricants and 289 relate to other areas including synthetic chemistry, fuel & additives, bio-technology, polymers & petrochemical, nanotechnology, alternate energy, material science, domestic appliances among others. In addition, the Issuer has trademarked certain product names and businesses to protect its various brands in both the domestic and international market including “XTRAMILE”, the brand name for the sale and marketing of Issuer’s super diesel, “Autogas” and “Indane” for the sale and marketing of LPG, “Servo” for the sale and marketing of the Issuer’s lubricants and greases, “XTRAPREMIUM” for the sale and marketing of the Issuer’s higher grade gasoline and “PROPEL” for the sale and marketing of the Issuer’s petrochemicals.

Legal Proceedings

The Issuer is currently a party to certain proceedings brought by various government authorities and private parties. The Issuer is one of the largest companies in India and has diversified operations throughout the country. From time to time, the Issuer is involved in various disputes and proceedings. In addition to the litigation disclosed below, the Issuer is also involved in, or is a party to, several other disputes. Other than as described below, the Issuer and its subsidiaries are not involved in any litigation that may (individually or in the aggregate) have a material effect on the financial position of the Issuer.

As of 31 March 2018, the total amount involved in the legal actions (including demands and claims by tax authorities and private parties, and legal and arbitration proceedings) in connection with such claims against the Issuer and its subsidiaries is approximately Rs. 87.75 billion (U.S.$1.21 billion). Since most of these cases are under trial or otherwise pending, it is difficult to estimate the precise amount of loss that the Issuer is likely to sustain as a result of such actions. Even if any judgment or award of the said current pending litigations or arbitrations against the Issuer is adverse to the Issuer, the Issuer does not anticipate that such cases (individually or jointly) would have a material adverse impact on its business, financial condition or operating result.

Insurance

Generally, the Issuer has insurance to cover fire, property damage, business interruption, third party liability (including employee liability), personal accident, mandatory public liability and director’s liability associated with its businesses. Specifically, the Issuer is insured against coastal, tanker movements and transportation of petroleum products including LPG under marine insurance policies. Inventories and buildings are covered under comprehensive insurance policies against fire, earthquake and natural calamities. The need for insurance coverage is reviewed on an annual basis and where necessary, the Issuer obtains insurance policies from both public and private insurance companies. The Issuer considers its insurance to be in accordance with industry standards. Significant damage to any of the Issuer’s refining facilities and pipelines, whether as a result of fire, flooding, earthquakes or other causes, could have a material adverse effect on the Issuer’s business and results of operations.

Health, Safety and Environmental Protection

The Issuer is subject to Indian laws and regulations concerning environmental protection. The principal environmental regulations applicable to industries in India are the Water (Prevention and Control of Pollution) Act, 1974 (Water Act) as amended, the Water Access Act, 1977 (Water Access Act) as amended, the Forest (Conservation Act), 1980 (Forest Conservation Act) as amended, the Air (Prevention and Control of Pollution) Act, 1982 (Air Act) as amended, the Environment (Protection) Act, 1986 as amended and the Hazardous Wastes (Management Handling and Transboundary Movement) Rules, 2008 as amended and the e-waste Rules 2016. Furthermore, environmental regulations require a company to file an Environment Impact Assessment (EIA) with the State Pollution Control Board (“**SPCB**”) and the Ministry of Environment, Forest & Climate Change (“**MoEF&CC**”) before undertaking a project entailing the construction, development or modification of any refinery, system or structure. If the SPCB approves the project, the matter is referred to the MoEF&CC for its final determination. The estimated impact which a project would have on the environment is carefully evaluated before granting clearance. When granting clearance, conditions can be imposed and variations to the proposed project can be directed by the approving authorities. Compliance with applicable environmental regulations is monitored by the SPCB located in each state as well as by the MoEF&CC. No industrial or productive facility may operate without a valid authorisation from the local SPCB office. SPCBs and MoEF&CC routinely inspect industrial and productive facilities to monitor compliance with applicable environmental standards and regulations, including the provisions of various environment Acts. The SPCBs are also empowered to grant authorisation for collection, treatment, storage and disposal of hazardous waste, either to the occupier or the operator of the facility. Violations of relevant environmental regulations are punishable by monetary fines and imprisonment for company officers and controlling persons. The Issuer has obtained the necessary environmental approvals for all existing operations from the SPCB and the MoEF&CC.

The Issuer's production business periodically obtains and renews clearances from the appropriate authorities with respect to environmental matters. The Issuer's production business has received consents to operate under the Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974. Hazardous waste disposal authorisation has also been received from SPCBs. Pollution control and monitoring systems like state-of-the-art effluent treatment plants, air pollution control measures, sophisticated stack gas monitoring and ambient air monitoring analysers, to maintain effluent quality and stack emissions within specified limits have been installed at the Issuer's refineries.

The Issuer has established environmental management systems at all of its refineries, pipelines and major marketing installations which are all certified under ISO-14001 standards. The environmental management system is administered internally by the Issuer's Health, Safety and Environment Department and includes monitoring, measuring and reporting compliance, establishing environment and safety programmes and training personnels in environmental and safety matters.

On 18 March 2008, the MoEF&CC issued a gazette notification relating to the 'Oil Refining Industry' amending the Environment (Protection) Rules 1986. The notification revised the effluent and emissions standards and some of the parameters have become more stringent and certain new parameters were introduced after revision.

The Issuer does not generate any toxic waste from its manufacturing processes and any waste generated are biodegradable and disposed of in accordance with relevant laws and regulations. The Issuer has obtained all necessary pollution and environmental clearances from the applicable regulatory authorities. The Issuer believes that it is in substantial compliance with applicable environmental laws and regulations. As for the new parameters set by the MoEF&CC, while the Issuer believes it is in substantial compliance with most of the parameters, continuous efforts are underway to comply with the remaining parameters.

Allegations of air pollution by the Panipat refinery

The Issuer received a notice on 8 August 2018 from the Odisha State Pollution Control Board ("**OSPCB**") on non-compliance with standards on discharge of effluent quality with respect to biological oxygen demand and total suspended solids. The matter was discussed with OSPCB. As requested by OSPCB, joint sampling was done with them and samples were analysed through M/s SGS, a MoEF&CC approved laboratory. All parameters were found to meet the minimum national standards. The notice was addressed and replied to on 17 August 2018.

The Issuer also received a notice on 21 August 2018 from the Central Pollution Control Board ("**CPCB**") on the same incidence of non-compliance with standards on discharge of effluent quality with respect to biological oxygen demand and total suspended solids, as observed by the OSPCB. The matter was discussed with CPCB. As requested, joint sampling was done with OSPCB and samples were analysed by M/s SGS, a MoEF&CC approved laboratory. Also, as advised by OSPCB, samples were analysed by M/s Centre for Envotech & Management Consultant, a National Accreditation Board for Testing and Calibration Laboratories — accredited laboratory. All parameters were found to be meet the minimum national standards. This notice was addressed and replied to on 17 September 2018.

Following these air pollution allegations, the National Green Tribunal ("**NGT**") issued an order on 15 November 2018 directing a joint team comprising of the Deputy Commissioner, Panipat and representatives from the Central Pollution Control Board ("**CPCB**") and Haryana State Pollution Control Board to monitor ambient air and take water samples at various locations in the vicinity of Panipat Refinery. Subsequently, the CPCB-led team collected samples of ambient air, stack flue gas and treated effluent of effluent treatment plants, from within the refinery, the naphtha cracker plant and the Thirana drain. Ground water samples were also collected from villages Baholi, Sithana and Baljattan.

Results of above collected samples were submitted to the NGT 15 December 2018. As indicated in the NGT order, this report will be considered 5 February 2019.

Subsidiaries and Joint Ventures

Subsidiaries

LIOC

LIOC is the only oil company other than the state-owned CPC that operates retail petrol stations in Sri Lanka. LIOC's main business activities include (i) retail marketing of petroleum products; (ii) bulk supply of petrol, diesel and lubricants to industrial consumers, (iii) provision of bunker oils to shipping vessels and (iv) supply of packed bitumen in Sri Lanka. Presently, LIOC operates about 207 petrol and diesel stations in Sri Lanka, and has a lube marketing network of 21 lube distributors, 311 Servo Shops and 52 Servo service stations across the island. LIOC has a number of facilities including an oil terminal at Trincomalee, which is Sri Lanka's largest petroleum storage facility with a capacity of 1 MMT. LIOC also has a lube blending plant with a capacity of 18,000.00 MTPA and a fuels and lubricants testing laboratory at Trincomalee. LIOC is the second largest supplier of lubricants and greases in Sri Lanka and had a market share of 22 per cent. in terms of volume sold in the lubricants business in Sri Lanka. In addition, LIOC also operates in the highly competitive bunker market, catering to all types of bunker fuels and lubricants in the ports of Colombo and Trincomalee in Sri Lanka. LIOC started its bunkering operations from Trincomalee during 2016-17 after taking time to charter barges and to commission bonded tanks. The total bunkering volume was 310 TMT during 2017-18 with 34 per cent. market share in Sri Lanka. Although the bitumen market in Sri Lanka is very competitive now after the Sri Lankan government issued bitumen import licences to 27 players, LIOC still holds a 49 per cent. market share as on 30 September 2018.

As of 31 March 2018 and 30 September 2018, LIOC's retail market share dropped from 17.5 per cent. to 13.7 per cent. The reason for the drop was a price disparity between LIOC and CPC where LIOC kept its prices higher than the CPC to minimise under recoveries.

LIOC also holds 33 per cent. of the share capital of Ceylon Petroleum Storage Terminals Ltd ("**CPSTL**"), a common user facility in Sri Lanka, while the balance of the issued share capital is held by CPC. CPSTL has two terminals with a combined tank storage capacity of 0.40 MMT, 12 depots and a large bowser fleet for distribution of petroleum products in Sri Lanka.

Indian Oil Mauritius Ltd. ("IOML")

IOML is the Issuer's wholly owned subsidiary in Mauritius. Over the years, IOML has set up a broad marketing infrastructure which includes (a) modern, ISO certified, automated petroleum storage terminal with a 24,000 MT capacity at Mer Rouge to serve as the supply base of petroleum products; (b) ISO certified fuel testing laboratory; (c) bunkering pipelines on quays at the port, as well as supplying through hired barge in the high seas; and (d) 23 retail outlets in the country. In addition, IOML holds 33.17 per cent. equity in aircraft refuelling facilities at the airport, which are jointly owned by the IOML, Shell, Total and Engen. IOML also plans to set up seven new retail outlets in the near future. In addition, IOML is a strategic partner in most project with six per cent. share in equity and holds the contract for operation of the terminal.

Chennai Petroleum Corporation Limited ("CPCL")

CPCL was formed as a joint venture in 1965 between the Government of India, AMOCO India Inc. and National Iranian Oil Company with an installed capacity of 2.50 MMTPA. In 1985, AMOCO India Inc. disinvested in favour of the Government. Subsequent disinvestments by the Government and a public issue of shares by CPCL in 1994 resulted in a further decrease in the Government's stake to 51.89 per cent. As a part of the restructuring scheme by the Government, the Issuer acquired the Government's entire equity stake in CPCL in the fiscal year 2001. Currently, the Issuer holds 51.89 per cent. and Naftiran Intertrade Co. Ltd. holds 15.40 per cent., with the remainder of the equity share capital being held by various institutions and the public.

CPCL has two refineries, one in Manali, Chennai (the "**Manali Refinery**") and the other in Cauvery Basin at Narimanam (the "**Cauvery Basin Refinery**").

The Manali refinery (Chennai) had a refining capacity of 10.50 MMTPA as of 31 March 2018. This refinery's feedstock is serviced by a crude oil feedstock pipeline from the Chennai Port Trust and its petroleum products are distributed through the Issuer's pipelines to terminals of OMCs, Chennai-ATF, Chennai-Trichy-Madurai and Chennai-Bangalore pipelines. The products are also distributed by road and railways. Over the last three fiscal years, the Manali Refinery has refined around 72 per cent of its feedstock consistently into high margin distillate products such as LPG, naphtha, MS, ATF, HSD and SKO.

The Cauvery Basin Refinery had a refining capacity of 1.00 MMTPA as of 31 March 2018. This refinery's feedstock is serviced by the ONGC Limited's onshore wells, the KG Basin and Ravva fields through CPCL's Chidambaranar oil jetty. The petroleum products refined at this refinery are transported by road and railways. Over the last three fiscal years, the Cauveri Basin Refinery has refined around 79 per cent. of its feedstock into high margin distillate products such as LPG, naphtha, HSD and SKO.

The Issuer plans to increase the refining capacity of the Cauvery Basin Refinery from its existing capacity of 1.00 MMTPA to 9 MMTPA. The expected date of completion is 2022-2023.

IOC Middle East FZE, Dubai

The core business of IOC Middle East Dubai is in the marketing of lubricants with a view towards expanding the business to petroleum products in the future. The Issuer has not made forays into the market but is seeking to increase its reach in the entire region. Currently, the Issuer's lubricants are being sold in UAE, Oman, Bahrain, Qatar, Saudi Arabia, Kuwait and Nigeria.

IOC Sweden AB

IOC Sweden AB is a wholly owned subsidiary of the Issuer and was incorporated in Sweden in 2010 to promote and facilitate overseas E&P investments. At present, it holds a 3.5 per cent. stake in Carabobo Heavy Oil project, Venezuela along with five other international oil companies. IOC Sweden AB's share of investment in the project is approximately U.S.$424 million.

IOCL (USA) Inc

IOCL (USA) Inc is a wholly owned subsidiary of the Issuer and was incorporated in USA in 2012 to invest in a 10 per cent. participating interest, in partnership with Carrizo Oil & Gas Inc's., USA to produce Niobrara shale oil/condensate asset in the State of Colorado, USA. IOCL (USA) Inc share of investment in the project is U.S.$132.72 million.

INDOIL Global B.V., Netherlands

INDOIL Global B.V. is a wholly owned subsidiary of the Issuer and was incorporated in Netherlands in 2014. At present, it holds a 10 per cent. stapled interest in Pacific North West LNG project, Canada. INDOIL Global B.V. share of investment in the project is approximately CAD$3.907 billion.

Further, the company has acquired 3 per cent. participating interest in ADNOC's Lower Zakum Concession, Offshore, UAE. INDOIL Global B.V. share of investment in the project is approximately U.S.$245 million.

IOCL Singapore Pte. Ltd.

IOCL Singapore Pte. Ltd. is a wholly owned subsidiary of the Issuer and was incorporated in Singapore in 2016 to invest in limited liability companies Taas-Yuryah Neftegazodobycha and JSC Vankorneft (both in Russia) and to establish a trading operation for the procurement of crude oil and import/export of petroleum products including bunkering, lubricant, petrochemicals and gas for the Issuer.

At present, it holds a 10.0165 per cent. interest in Taas-Yuryah Neftegazodobycha and 8.0065 per cent. interest in JSC Vankorneft, both incorporated in Russia. IOCL Singapore Pte. Ltd's. share of investment in the project is U.S.$1,231 million.

Further, the company acquired 17 per cent. participating interest in Mukhaizna Oil Field, Oman and its share of investment in the project is U.S.$329 million.

For the fiscal year 2018, the details of revenue and profit after tax of subsidiary companies are provided below:

	Revenue	**Profit after Tax**
	(Rs. billion)	
Name		
Lanka IOC PLC	38.49	(0.37)
IndianOil (Mauritius) Limited	13.55	0.22
Chennai Petroleum Corporation Limited	441.89	9.27
IOC Middle East FZE	0.53	0.07
IOC Sweden AB	0.01	(0.01)
IOC (USA) Inc	0.41	(0.19)
IndOil Global B.V.	2.26	(1.01)
IOCL Singapore Pte Limited	16.94	2.82
Indian Catalyst Private Limited	0.00	0.00

Subsidiaries, Joint Ventures, Associates and Partnerships

The Issuer has entered into a number of joint venture opportunities for the exploration and development of various businesses.

The following table sets out certain details relating to the Issuer's subsidiaries, joint ventures and associates as of 30 September 2018.

Name of the Company/Place of Incorporation	Date of incorporation/ Investment	Business Activity	Name of the Promoters	Equity of shareholders
Joint Ventures and Associates				
Avi-Oil India Private Limited/India	4 November 1993	To blend, manufacture and sell synthetic, semi-synthetic and mineral based lubricating oils, greases and hydraulic fluids, related products and specialties for defence and civil aviation uses.	IndianOil	25%
			Balmer Lawrie	25%
			Neden BV, Netherlands	50%
IOT Infrastructure & Energy Services Limited/India	28 August 1996	To build and operate terminal services for petroleum products.	IndianOil	49.38%
			Oiltanking Gmbh, Germany	49.38%
			Others	1.24%
Lubrizol India Private Limited/India	1 April 2000	To manufacture and market chemicals for use as additives in fuels, lubricants and greases.	IndianOil	26%
			Lubrizol Inc, USA	74%
IndianOil Petronas Private Limited/India	3 December 1998	To construct and import facilities for LPG import at Haldia and to engage in parallel marketing of LPG.	IndianOil	50%
			Petronas, Malaysia	50%
Petronet LNG Limited/ India	2 April 1998	Development of facilities for import and regasification of LNG at Dahej and Kochi.	IndianOil	12.5%
			Bharat Petroleum Corporation Ltd ("**BPCL**")	12.5%
			ONGC	12.5%
			GAIL (India) Limited ("**GAIL**")	12.5%
			Public	50.0%

Name of the Company/Place of Incorporation	Date of incorporation/ Investment	Business Activity	Name of the Promoters	Equity of shareholders
Petronet India Limited(PIL)/India(*)	26 May 1997	To implement petroleum products, pipeline projects through special purpose vehicles.	IndianOil	18%
			BPCL	16%
			Hindustan Petroleum Corporation Limited ("**HPCL**")	16%
			Reliance Industries Limited ("**RIL**")	10%
			Essar Oil Ltd. ("**EOL**") (presently Nayara Energy)	10%
			Infrastructure Leasing & Financial Services Ltd ("**IL&FS**")	10%
			State Bank of India ("**SBI**")	10%
			Industrial Credit and Investment Corporation of India ("**ICICI**")	10%
Petronet VK Limited/ India	21 May 1998	To construct and operate a pipeline for transportation of petroleum products from Vadinar to Kandla.	IndianOil	50%
			RIL	15%
			EOL	13%
			SBI	5%
			Gujarat Industrial Investment Corporation Limited ("**GIIC**")	5%
			Kandla Port Trust	5%
			IL&FS	5%
			Canara Bank	2%
Petronet CI Limited/ India(*)	7 December 2007	To construct and operate a pipeline for evacuation of petroleum products from RIL and EOL refineries at Jamnagar as well as from Gujarat Refinery at Koyali to feed the consumption zones at Central India.	IndianOil	26%
			Petronet India	26%
			RIL	26%
			EOL	11%
			BPCL	11%
IndianOil Panipat Power Consortium Limited/ India	6 October 1999	To build and operate its own power generation plant at Panipat utilising Pet coke from Panipat Refinery.	IndianOil	50%
			Scion Exports P. Ltd	50%

Name of the Company/Place of Incorporation	Date of incorporation/ Investment	Business Activity	Name of the Promoters	Equity of shareholders
Green Gas Limited/India	7 October 2005	Gas distribution in Lucknow and Agra.	IndianOil	49.97%
			GAIL	49.97%
			Others	0.06%
IndianOil Sky Tanking Private Limited/India	21 August 2006	Design, finance, construct, operate & maintain aviation fuel facility projects	IndianOil	50%
			Skytanking GmbH, Germany	50%
Delhi Aviation Fuel Facility Private Limited/India	11 August 2009	For designing, developing, construction, operation, management, maintenance and transfer of aviation fuel facility at Indira Gandhi International Airport, Delhi	IndianOil	37%
			BPCL	37%
			DIAL	26%
Indian Synthetic Rubber Private Limited/India	6 July 2010	Implementation of styrene butadiene rubber project at Panipat	IndianOil	50%
			Trimurti Holding Corporation, B.V.I.	50%
IndianOil Adani Gas Private Limited	4 October 2013	City Gas Distribution	IndianOil	50%
			Adani Gas Limited	50%
Mumbai Aviation Fuel Facility Private Limited	9 October 2014	Construction and operations of aviation fuel farm for aircraft fuelling at Mumbai Airport	IndianOil	25%
			MIAL	25%
			HPCL	25%
			BPCL	25%
NPCIL IndianOil Energy Corporation Limited/India	6 April 2011	For developing and operating nuclear power plants for harnessing and developing nuclear energy for generating electricity	IndianOil	26%
			NPCIL	74%
Suntera Nigeria 205 Ltd/ Nigeria	9 May 2006	Investments in oil and gas industry especially in the upstream sector	IndianOil	25%
			Oil India	25%
			Suntera Resources Ltd., Cyprus	50%
GSPL India Transco Limited/India	13 October 2011	To design, construct, develop, operate and maintain of Mallavaram-Bhopal-Bhilwara-Vijaypur inter-state cross country natural gas transportation pipelines.	IndianOil	26%
			GSPL	52%
			HPCL	11%
			BPCL	11%

Name of the Company/Place of Incorporation	Date of incorporation/ Investment	Business Activity	Name of the Promoters	Equity of shareholders
GSPL India Gasnet Limited/India	13 October 2011	To design, construct, develop, operate and maintain Mehsana-Bhatinda & Bhatinda-Jammu-Srinagar inter-state cross country natural gas transportation pipelines.	IndianOil	26%
			GSPL	52%
			HPCL	11%
			BPCL	11%
Hindustan Urvarak and Rasayan Limited/ India	15 June 2016	To establish and operate new fertiliser and chemicals complexes (urea-ammonia and associated chemicals plants) at Gorakhpur and Sindri units of Fertilizer Corporation of India Ltd. ("**FCIL**") and Barauni unit of Hindustan Fertilizer Corporation of India Ltd ("**HFCL**") and to market its products, taking into consideration the assets of FCIL and HFCL at Gorakhpur, Sindri and Barauni	IndianOil	33.33%
			CIL	33.33%
			NTPC	33.33%
			FCIL & HFCL	0.01%
Kochi Salem Pipelines Private Limited/India	22 January 2015	Construction and operation of LPG Pipeline from Kochi — Coimbatore — Erode — Salem	IndianOil	50%
			BPCL	50%
IndianOil LNG Private Limited/India	29 May 2015	Setting up of five MMTPA LNG Terminal at Ennore	IndianOil	50%
			IDFC Alternatives Limited	40%
			ICICI Bank Limited	10%
Ratnagiri Refinery and Petrochemicals Limited/India	22 September 2017	West Coast Refinery and Petrochemical Project with 60 MMTPA capacity in Maharashtra	IndianOil	50%
			HPCL	25%
			BPCL	25%
Indradhanush Gas Grid Limited	10 August 2018	Laying natural gas pipeline connecting Guwahati to major cities in North East of India like Itanagar, Numaligarh, Dimapur, Imphal, Aizwal, Agartala, Shillong, Silchar, Gangtok, etc	IndianOil	20%
			ONGC	20%
			GAIL	20%
			Oil India	20%
			Numaligarh Refinery Limited	20%

Name of the Company/Place of Incorporation	Date of incorporation/ Investment	Business Activity	Name of the Promoters	Equity of shareholders
Limited Liability Partnership				
IndianOil Ruchi Bio Fuels LLP/India	28 May 2010	Implementation of Bio-diesel value-chain project in the state of Uttar Pradesh	IndianOil	50%
			Ruchi Soya Industries Limited	50%
Subsidiaries				
CPCL/India	13 December 1965	Refining of crude oil and manufacture of petroleum & petrochemical products	IndianOil	51.89%
			Nafrtiran Intertrade Co. Ltd.	15.40%
			Others	32.71%
IndianOil (Mauritius) Limited/Mauritius	24 October 2001	Marketing of petroleum, oil and lubricant products	IndianOil	100%
Lanka IOC Plc/Sri Lanka	29 August 2002	Marketing of POL products	IndianOil	75.12%
			Public	24.88%
IOC Middle East FZE/ UAE	19 April 2006	Marketing of lubricants	IndianOil	100%
IOC Sweden AB / Sweden	26 February 2010	For investment in the Carabobo Heavy Oil project in Venezuela	IndianOil	100%
IOC (USA) Inc/USA	1 October 2012	Acquiring 10% stake in Carrizo Asset, USA	IndianOil	100%
IndOil Global BV/ Netherlands	25 February 2014	Acquiring 10 per cent. interest in Pacific North West LNG Project, Canada & 3% interest in ADNOC's Lower Zakum Concession, Offshore, UAE	IndianOil	100%
IOCL Singapore Pte Limited/Singapore	13 May 2016	Investing in limited liability companies Taas-Yuryah Neftegazodobycha in Russia (10.0165 per cent.), JSC Vankorneft in Russia (8.0065 per cent.), Mukhaizna Oil Field, Oman (17 per cent.) and establishment of trading operations for procurement of crude oil and import/export of petroleum products including bunkering, lubricant, petrochemicals and gas for IndianOil	IndianOil	100%
Indo Catalyst Pvt. Ltd./ India[(1)]	1 June 2006	Manufacturing & marketing of FCC catalysts and additives.	IndianOil	100%

Note:

(1) The Issuer has decided to wind up the entity as the partners have not found the joint ventures viable in present business climate.

For fiscal year 2018, the details of revenue and profit after tax of major joint venture companies are provided below:

	Revenue	Profit after Tax
	(Rs/billion)	
Name of joint venture entity		
Avi Oil India Pvt. Ltd.	0.67	0.11
IOT Infrastructure and Energy Services Ltd.	6.06	1.56
Lubrizol India Pvt. Ltd.	9.86	0.96
IndianOil Petronas Pvt. Ltd.	14.06	2.47
Petronet LNG Ltd.	305.99	21.10
Green Gas Ltd.	2.85	0.43
Mumbai Aviation Fuel Facility Private Limited	1.32	0.47
IndianOil Skytanking Ltd.	4.98	0.47
Delhi Aviation Fuel Facility Pvt. Ltd.	1.40	0.49
Indian Synthetic Rubber Limited	11.49	0.15
IndianOil Adani Gas Private Limited	0.32	(0.05)

Employees

As of 31 March 2018, the Issuer had 33,157 employees. The following table sets out the number of employees of the Issuer by business sector as of 31 March 2018:

Refining	13,821
Sales and Marketing	15,822
Pipelines	3,090
R&D	424
Total	33,157

Remuneration

The remuneration of the Issuer's officers is governed by the guidelines issued by the Department of Public Enterprises of the Government. The remunerations of Issuer's workmen are also governed in line with the Long Term Settlement (LTS) signed with the workmen's unions from time to time after negotiations, subject to the overall guidelines from the Department of Public Enterprises, Government of India. As for the remuneration review, the annual increase is in the form of increments at 3 per cent. of Basic Pay (which is the fixed portion of an employee's compensation structure and depends on the employee's designation) and an industrial dearness allowance as per increase/decrease in the All India Consumer Price Index on a quarterly basis. The industrial dearness allowance is given to employees of Public Sector Undertakings and forms a component of salary. It incorporates a fixed percentage of Basic Pay and is aimed at hedging the impact of inflation.

In addition to the basic remuneration comprising of Basic Pay and Industrial Dearness Allowance, the employees are allowed various perks/allowances up to a ceiling of that Basic Pay under cafeteria approach, accommodation facilities/house rent allowance, performance related pay (for officers)/performance linked incentive & productivity incentive scheme (for workmen), medical reimbursement, loans & advances, superannuation benefits (comprising of provident fund, gratuity, pension and post-retirement medical benefit) etc. as per the Issuer's rules from time to time. The cafeteria approach is adopted by profit making enterprises and allows an employee to choose prerequisites and allowances from a given list of allowances. These prerequisites and allowances constitute the cafeteria allowance which is a part of Basic Pay.

Training

The Issuer is committed to developing the capabilities of its employees and facilitates their advancement through training and career planning. The Issuer has strong training and development infrastructure consisting of 23 training centres across India for mid-career skill sets training. In addition, the Issuer has an apex centre for learning called the IndianOil Institute of Petroleum Management with the objective of developing a leadership pipeline through both short term and long-term management programmes. The Issuer has also been sponsoring its middle management officers for management programmes and mid-career MBA programmes at various renowned institutes.

The Issuer was included in the list of top-50 "Great Places to Work" in a nationwide study conducted by the Great Place to Work Institute, India, in partnership with The Economic Times in fiscal 2017-18. The Issuer has also won many accolades for its innovative training practices, viz. National Training Award for innovative training practices by Indian Society for Training & Development and the Leadership, Excellence and Development Award for the flagship leadership competency development programme, termed Project 'Saksham'.

Recruitment

The Issuer has implemented a recruitment policy which is broadly categorised into two categories, recruitment of officers and non-officers. For officers, the Issuer normally recruits at the entry level of management with the officers being promoted as they acquire experience. As of 31 March 2018, about 73 per cent. of the Issuer's officers have professional degrees in engineering, management or chartered accountancy, etc.

Unions

Industrial relations at all refineries and business divisions have been good in recent years and there have been no industrial disturbances. Currently, there are 25 recognised unions in IOC representing workmen from 25 independent regions, establishments, refinery units and plants of the Issuer across the country. All matters pertaining to majority of workmen as well as collective bargaining are done with recognised unions.

Related Party Transactions

The Issuer has not entered into any unusual and material transactions with a member of management or a member of the Board during the fiscal year ended 31 March 2018.

MANAGEMENT AND SHAREHOLDING

Board of Directors

The Issuer's Board of Directors (the "**Board**") consists of 18 directors, which includes the Chairman, seven executive directors and 10 non-executive directors (of which eight are independent directors and two are Government nominee directors). Article 94 of the Issuer's Articles of Association requires the President of India to appoint and nominate directors of the Issuer.

The following table sets out details regarding the composition of the Board as of 30 September 2018.

Name		Position	Other Directorships Held
1.	Shri Sanjiv Singh	Chairman	1. Chennai Petroleum Corporation Limited 2. Hindustan Urvarak & Rasayan Ltd. 3. Ratnagiri Refinery & Petrochemicals Ltd. 4. IOT Infrastructure & Energy Services Ltd.
2.	Shri A. K. Sharma	Director (Finance)	1. IndOil Global B.V. 2. IndOil Montney Ltd. 3. IndianOil (Mauritius) Ltd.
3.	Shri G. K. Satish	Director (Planning & Business Development)	1. Green Gas Ltd. 2. Petronet LNG Ltd. 3. IndOil Global B.V.4. IndOil Montney Ltd.
4.	Dr. S. S. V. Ramakumar	Director (Research & Development)	—
5.	Shri B. V. Rama Gopal	Director (Refineries)	1. Chennai Petroleum Corporation Ltd. 2. Ratnagiri Refinery & Petrochemicals Ltd.
6.	Shri Ranjan Kumar Mohapatra	Director (Human Resources)	Lanka IOC PLC
7.	Shri Gurmeet Singh	Director (Marketing)	—
8.	Shri Akshay Kumar Singh	Director (Pipelines)	—
9.	Shri Ashutosh Jindal	Government Nominee Director	—
10.	Smt. Indrani Kaushal	Government Nominee Director	GAIL (India) Limited
11.	Shri Sanjay Kapoor	Independent Director	—
12.	Shri Parindu K.Bhagat	Independent Director	—
13.	Shri Vinoo Mathur	Independent Director	—
14.	Shri Samirendra Chatterjee	Independent Director	—
15.	Shri Chitta Ranjan Biswal	Independent Director	—
16.	Dr. Jagdish Kishwan	Independent Director	—
17.	Shri Sankar Chakraborti	Independent Director	1. Acuite Ratings & Research Ltd. 2. Smera Gradings & Ratings Pvt. Ltd.
18.	Shri D. S. Shekhawat	Independent Director	—

The Board oversees the overall functioning of the Issuer and has set strategic objectives in order to achieve its vision. The Board lays down the Issuer's policy and oversees the implementation of the Issuer's attainment of its objectives. The Board has constituted various committees to facilitate the smooth and efficient flow of decision making process.

During the period from April to September 2018, five Board meetings were held. The dates of Board meetings are fixed well in advance and intimated to the Board members to enable the directors to plan their schedule accordingly. The directors are also given the option to participate in the meeting through video conferencing and the facility is provided as and when requested. The agenda papers are circulated to the directors well in advance before the meeting. However, certain exigent proposals are tabled at the Board meeting with the approval of the Chairman and consent of directors. For paperless Board meetings, the agenda items are uploaded on a digital platform (known as the Board Portal) which can be accessed by the directors electronically on their device in a secured manner. The agenda items are comprehensive and informative in nature to facilitate deliberations and appropriate decisions at the respective Board meetings.

Presentations are made to the Board on various functional and operational areas of the Issuer such as refineries, pipelines, marketing and other business development activities as well as on major projects, financial highlights and others. The agenda placed before the Board includes the following:

- annual operating plans and capital and revenue budgets;
- quarterly and annual financial results of the Issuer;
- dividend declarations;
- terms of reference of board committees;
- minutes of meetings of the Audit Committee and other committees of the Board, and resolutions passed by circulation;
- investment in any joint venture/subsidiary;
- new projects and expansion plans;
- status of various projects;
- risk management and minimisation processes;
- human resource-related issues;
- safety/security related matters;
- general notices/matters of interest of directors; and
- periodic reports to the Board on:
  - treasury operations;
  - capital expenditure status;
  - risk management;
  - secretarial reports;
  - compliance of laws;
  - disciplinary cases;
  - action taken reports on decisions of the Board;
  - significant developments between two Board meetings;
  - monthly report on share transfers;
  - quarterly compliance reports on corporate governance;
  - quarterly report on share capital audit; and
  - quarterly report on status of investor grievances.

Board minutes are prepared promptly after each Board meeting and thereafter approved by the directors and the Chairman. The approved minutes are then circulated to the concerned department/group for implementation. Action taken reports on the decisions the Board are obtained and submitted to the Board periodically.

Audit Committee

The Audit Committee has been constituted in line with the provisions of regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("**SEBI (LODR)**") and also meets the requirements of the provisions of the Companies Act, 2013. The members of the Audit Committee have requisite financial and management expertise.

The Audit Committee comprised of the following members as on 30 September 2018:

1	Shri Sanjay Kapoor, Independent Director	Chairman
2	Shri Parindu K. Bhagat, Independent Director	Member
3	Shri D. S. Shekhawat, Independent Director	Member

The Terms of Reference of Audit Committee covers all matters specified under the provisions of the Companies Act, 2013 as well as regulation no. 18 (3) read with Part C of Schedule II of the SEBI (LODR), which includes the following:

- overseeing the Issuer'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 along with related party transactions, if any, before submission to the Board;
- approval or any subsequent modification of transactions of the Issuer with related parties;
- reviewing with the management and statutory and internal auditors the adequacy of internal control systems;
- discussion with internal auditors on the annual internal audit programme, significant audit findings and following up on such issues;
- discussion with statutory auditors, before the commencement of each audit, the nature and scope of audit, as well as post-audit discussions to ascertain any areas of concern;
- reviewing the Issuer's financial and risk management policies;
- evaluation of internal financial controls and risk management systems;
- reviewing with the management the observations/comments/assurances of the Comptroller & Auditor General of India;
- reviewing with the management the follow-up action taken on the recommendations of the Parliamentary Committee on Public Undertaking, if any;
- reviewing the cost audit report;
- examining, deciding and dealing with all ethics-related issues of the Issuer; and
- reviewing the functioning of the whistle blower policy.

During the period from April to September 2018, three meetings of the Audit Committee were held.

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 meetings considering the quarterly/annual financial statements and discussing the nature and 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.

Remuneration Committee

As the Issuer is a government company, the appointment and the terms and conditions of appointment (including remuneration) of full-time directors are decided upon by the Government. However, the Board has constituted a Nomination and Remuneration Committee to:

- approve certain prerequisites for full-time Directors and other executives as well as to approve performance related pay to the executives of the Issuer, as per Department of Public Enterprises guidelines;
- create and sanction posts as well as to consider and approve promotions to Grade 'I' (Executive Director) i.e. Senior Management Personnel.

The committee comprised of the following members as on 30 September 2018:

1	Dr. Jagdish Kishwan, Independent Director	Member
2	Shri Chitta Ranjan Biswal, Independent Director	Member
3	Shri Ashutosh Jindal, Govt. Nominee Director	Member
4	Shri Sanjiv Singh, Chairman	Member

During the period from April to September 2018, two meetings of the Nomination & Remuneration Committee were held.

Compensation for Executives and the Board

The salary structure for the Chairman and the executive directors of the Issuer is fixed by the Government as the Issuer is a government company.

During the period from April to September 2018, sitting fees paid for the non-executive independent directors totalled Rs. 2.45 million (U.S.$33,465).

Shareholders' and Investors' Grievance Committee

The committee examines the grievances of stakeholders/investors and the system of redressal of the same. It also approves issuance of share certificates. The Issuer endeavours to resolve complaints/grievances/queries of stakeholders/investors within a reasonable period of time.

The committee comprised of the following members as on 30 September 2018:

1	Shri Sanjay Kapoor, Independent Director	Chairman
2	Shri D.S. Shekhawat, Independent Director	Member
3	Shri A. K. Sharma, Director (Finance)	Member
4	Shri Ranjan Kumar Mohapatra, Director (HR)	Member

No meeting of the committee was held during the period from April to September 2018.

Corporate Social Responsibility & Sustainable Development Committee

The Issuer's corporate social responsibility ("**CSR**") is guided by its corporate vision of caring for the environment and community. The Issuer believes that CSR is its continuing commitment to conduct business in an ethical and sustainable manner and to contribute to the economic well-being of the country, while improving the quality of life of the local community residing in the vicinity of its establishments and society at large.

In line with the above vision, the Board has constituted the Corporate Social Responsibility & Sustainable Development Committee to recommend, monitor and administer activities under the Sustainability and CSR Policy and to oversee its performance/implementation.

The committee comprised of the following members as on 30 September 2018:

1	Shri Parindu Bhagat, Independent Director	Chairman
2	Shri Sankar Chakraborti, Independent Director	Member
3	Shri A. K. Sharma, Director (F)	Member
4	Shri Gurmeet Singh, Director (M)	Member
5	Shri G. K. Satish, Director (P&BD)	Member
6	Shri G. K. Satish, Director (P&BD)	Member

During the period from April to September 2018, two meetings of the committee were held.

Risk Management Committee

The committee was constituted to review risk management processes involving risk assessment and minimisation procedures as well as to approve derivative transactions above U.S.$50 million on a 'mark to market' basis.

The committee comprised of the following members as of 30 September 2018:

1	Shri Sanjiv Singh, Chairman	Chairman
2	Shri A. K. Sharma, Director (Finance)	Member
3	Shri Gurmeet Singh, Director (Marketing)	Member
4	Shri G. K. Satish, Director (P&BD)	Member
5	Shri B. V. Rama Gopal, Director (Refineries)	Member

Projects Evaluation Committee

The committee was constituted to review, evaluate and recommend projects costing over Rs. 2.5 billion to the Board. The Projects Evaluation Committee meets when required and comprises of two non-executive independent directors, one non-executive government director and Director (Finance).

Marketing Strategies & Information Technologies Oversight Committee

The committee was constituted to decide on the strategies, policies, guidelines and take decisions on all matters relating to marketing activities of the Issuer including the revival of dealerships/distributorships and to oversee the implementation of the Issuer's IT strategies. It comprises of two non-executive independent directors, one non-executive Government Nominee Director, Director (Refineries), Director (Finance), Director (Marketing) and Director (Planning & Business Development).

Committee for De-leasing of Immoveable Properties

The committee was constituted to consider the de-leasing of company leased flats, accommodation and other immoveable properties. It comprises of the Chairman, Director (Finance), Director (Human Resources), Director (Marketing) and one non-executive Government Nominee Director.

Contracts Committee

The committee was constituted to review and award contracts as per the approved Delegation of Authority. The committee meets as and when required and comprises the Chairman and all executive directors.

Planning & Projects Committee

The committee was constituted to consider and approve all project proposals above Rs. 1.0 billion and up to Rs. 2.50 billion and comprises of the Chairman and all executive directors of the Issuer.

LNG Sourcing Committee

The committee was constituted to review the terms and condition of LNG Sales and Purchase Agreements and recommend the same to the Board for approval for purchase of LNG on long term basis. It comprises of the Chairman, Director (Finance), Director (Planning & Business Development), Director (Refineries) and one non-executive Government Nominee Director.

Dispute Settlement Committee

The committee was constituted to examine and give recommendations on settlement proposals which have financial implications of more than Rs. 25 crore for the approval of the Board, as per the Issuer's Conciliation Policy. It comprises of two non-executive independent directors, Director (Finance), Concerned Functional Director and, if any, co-opted additional directors.

Shareholdings of the Board

As on 30 September 2018, the executive directors and the Company Secretary hold the following number of shares:

Name	Designation	No. of shares
Shri Sanjiv Singh	Chairman	18,972
Shri A. K. Sharma	Director (Finance)	7,572
Shri G. K. Satish	Director (P&BD)	2,172
Dr. S. S. V. Ramakumar	Director (Research & Development)	8,800
Shri B. V. Rama Gopal	Director (Refineries)	17,380
Shri Ranjan Kumar Mohapatra	Director (Human Resources)	9,600
Shri Gurmeet Singh	Director (Marketing)	2,172
Shri Akshay Kumar Singh	Director (Pipelines)	—
Shri Kamal Kumar Gwalani	Company Secretary	2,000

Principal Shareholders

As of 7 December 2018, the following shareholders hold more than 5 per cent. of the Issuer's issued share capital:

Shareholder	Number of shares held	% of issued
Share capital		
President of India	5,250,171,827	54.06
Oil & Natural Gas Corp Ltd.	1,337,215,256	13.77
Life Insurance Corporation of India	608,159,588	6.20

RELATIONSHIP WITH THE GOVERNMENT AND REGULATORY MATTERS

This section provides a brief overview of the regulatory framework governing activities in the petroleum and natural gas industry in India. The regulations set out below may not be exhaustive, and are only intended to provide general information to potential investors and are neither designed nor intended to be a substitute for professional legal advice.

Oil and Gas Refining and Petrochemicals

The Indian Ministry of Petroleum and Natural Gas ("**MoPNG**") issues guidelines related to petroleum and natural gas which include exploration and production, refining, marketing, import, export, conservation and transportation of oil, gas, and petroleum products. MoPNG established the Directorate General of Hydrocarbons ("**DGH**") in 1993, whose main functions include, in respect of discovered fields, ensuring optimum exploitation, reviewing and approving development plans, work programmes, budgets, reservoir evaluations and advising on mid-course corrections and, in respect of the exploration blocks, appraising work programmes and monitoring exploration activities. MoPNG also controls the Oil Industry Safety Directorate, which develops standards for safety and conducts periodic safety audits of all petroleum-handling facilities, and the Oil Industry Development Board ("**OIDB**"), which provides financial and other assistance for the development of the oil industry. The Oil Industry Safety Directorate *inter alia* prescribes safety standards that apply to oil companies. Companies must also comply with safety regulations prescribed by the Director General of Mines and Safety in respect of onshore petroleum mining installations.

Petroleum Act, 1934 ("Petroleum Act")

The Petroleum Act empowers the Government to frame rules regarding the import, transport, storage, blending, refining and production of petroleum. It further empowers the Government to prescribe standards for pipelines, testing apparatus and storage receptacles for petroleum, and to inspect, make entry and search and certify grades of petroleum involved in a particular establishment.

Petroleum Rules, 2002 ("Petroleum Rules")

The Petroleum Rules require, among other things, a company to obtain permission from the Chief Controller of Explosives for refining, cracking, storing, reforming or blending petroleum. These rules have been further amended as a result of the Petroleum (Amendment) Rules, 2011 dated 1 December 2011 and the Petroleum (Amendment) Rules, 2018 dated 10 August 2018.

Under the Petroleum Rules, no person is permitted to deliver or dispatch any petroleum to anyone in India other than the holder of a storage licence issued under the Petroleum Rules or his authorised agent or a port authority or railway administration or a person who is authorised under the Petroleum Act to store petroleum without a licence. The Petroleum Rules prohibit employment of children under the age of eighteen years and a person who is in a state of intoxication. The Petroleum Rules also seek to regulate the importation of petroleum through licences.

Petroleum and Natural Gas Regulatory Board Act, 2006 ("PNGRB Act")

The PNGRB Act provides for the establishment of the PNG Board, and vests it with the authority to, among other things, (i) regulate refining, processing, storing, transporting (including laying of pipelines), distributing, marketing and importing, exporting and the selling of petroleum, petroleum products and natural gas (but excluding the production of crude oil and natural gas); (ii) monitor prices and take corrective measures to prevent restrictive trade practices; (iii) impose fees and other charges; and (iv) regulate technical and safety standards and specifications relating to petroleum, petroleum products and natural gas.

The objectives of the PNG Board are to protect the interests of consumers and entities engaged in specified activities relating to petroleum, petroleum products and natural gas, to ensure uninterrupted and adequate supply of petroleum, petroleum products and natural gas in all parts of India and to promote a market which values the benefits of competition.

In March 2012, the MoPNG issued guidelines which apply to the "swapping" of natural gas transactions (the "**Swapping Guidelines**") whereby a party (the first party) supplies gas to a second party, at a location specified by the second party, in exchange for the second party supplying the energy equivalent quantity of gas to the first party or first party's representative at another location (along with an appropriate indemnity for so doing). The Swapping Guidelines require that all parties involved be revenue-neutral over the entire length of the pipeline and any swapping of gas would need to conform to the tariff and applicable PNGRB Act and any dispute regarding the same would need to be heard before the PNG Board.

Pricing and Sale of Oil and Natural Gas

The Essential Commodities Act, 1955 empowers the Government to issue notifications to control production, supply and distribution of certain essential commodities, which include petroleum and petroleum products. Pricing of oil and natural gas was based on import parity until the mid-1970s. Prior to 1998, prices of all major petroleum products were fixed pursuant to the APM, which was based on a "cost plus" pricing system under which companies engaging in E&P, refining and marketing were guaranteed fixed returns on their net worth plus a reimbursement which covered eligible operating costs. In 1998, the APM was replaced by the market-determined pricing mechanism coupled with the rationalisation of customs tariff and excise duty rates. Further to a notification by the Government on 6 March 2007, directions were issued to charge uniform pool prices on the supply of regassified liquid natural gas ("**R-LNG**") to all customers under all long term contracts on a non-discriminatory basis.

Since 2007, MoPNG had revised the guidelines for allocation/supply of domestic natural gas to city or local natural gas distribution networks ("**CGD**") entities for the CNG (transport) and PNG (domestic) sectors. Keeping in view the periodical exercise of revising the domestic gas allocations of CGD entities for the CNG and PNG segments, it decided to authorise GAIL for diverting domestic gas from the non-priority sector to meet the requirements of the CNG and PNG segments as per their actual consumption subject to the conditions laid down therein.

In March 2016, MoPNG announced its guidelines on the marketing (including pricing freedom) for gas to be produced from discoveries in deep-water, ultra-deepwater and high pressure — high temperature areas. Pursuant to these guidelines, producers are allowed marketing and pricing freedom for all discoveries in such areas which commenced operations after 1 January 2016. Pricing freedom is subject to a ceiling calculated on the basis of landed prices of alternative fuels.

Guidelines on Sale of Natural Gas by NELP contractors

MoPNG issued a press note prescribing guidelines for the sale of natural gas by NELP contractors ("**Gas Sale Guidelines**") on 25 June 2008. Contractors are permitted to sell gas from NELP to consumers according to marketing priorities determined by the Government and at such price as approved by the Government. A priority of supply of gas (divided on a sector-by-sector basis) exists and remains applicable only among customers who are connected to an existing and available pipeline network connected to the same sources. However, should the customer in a particular sector that is higher in priority not be in a position to take gas when it becomes available, the supply will go to the next sector in the queue in accordance with the Gas Sale Guidelines. The Gas Sale Guidelines also provide that the priority would not impact the process of price discovery as all the customers would participate in the price discovery process and would be eligible for utilising natural gas subject to priority.

Regulations related to Gas Distributions and Gas Pipelines

The Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Gas Distribution Network) Regulations, 2008 ("**Exclusivity Regulations**") was notified by the PNG Board on 19 March 2008. The Exclusivity Regulations apply to any entity which is laying, building, operating or expanding or which proposes to lay, build, operate or expand a city or local natural gas distribution network under the Petroleum and Natural Gas Regulatory Board (Authorising Entities to Lay, Build, Operate, or Expand Natural Gas Pipelines) Regulations, 2008 ("**Pipeline Regulations**"). Under the Exclusivity Regulations, and subject to certain terms and conditions, the PNG Board may allow an entity to exclusively lay, build, or expand CGD network over the economic life of the project, which is normally expected to be 25 years. The PNG Board may also provide the exclusive right to an entity proposing to lay, build, operate or expand a network from the purview of common carrier or contract carrier for a period of five years from the date of authorisation provided that the entity meets the service obligations conditions as stipulated in the Exclusivity Regulations. At the end of the economic life of the project, the PNG Board may consider extending the exclusivity for a further period of 10 years which is dependent upon satisfactory compliance of the service obligation and the relevant entity's quality of service.

The Petroleum and Natural Gas Regulatory Board (Affiliate Code of Conduct for Entities engaged in Marketing of Natural Gas and Laying, Building, Operating or Expanding Natural Gas Pipeline) Regulations, 2008 ("**Affiliate Code of Conduct Regulations**") was notified by the PNG Board on 17 July 2008. The Affiliate Code of Conduct Regulations stipulate the engagement terms for the transportation and marketing of natural gas between an entity and (i) a party other than its affiliates and (ii) its affiliate, in each case, on an arms-length basis. The objectives of the Affiliate Code of Conduct Regulations include the prevention of preferential access or cross-subsidisation of costs between the regulated activity and any other non-regulated activity which could adversely affect fair trade and competition between such entities. In 2014, the Affiliate Code of Conduct Regulations were amended to provide that an entity engaged in both marketing of natural gas and laying, building, operating or expanding pipelines for the transportation of natural gas on a common carrier or contract carrier basis, shall, on or before 31 March 2017, create a separate legal entity so that the activity of transportation of natural gas is carried on by such separate legal entity and the right of first use shall be available to the affiliate of such separate legal entity.

The Petroleum and Natural Gas Regulatory Board (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008 ("**Common Carrier Regulations**") was notified by the PNG Board on 17 July 2008. The Common Carrier Regulations provide that the capacity of a natural gas pipeline shall be (a) as authorised by the PNG Board for new pipelines under the Pipeline Regulations; (b) as determined by the PNG Board under relevant regulations for declaring natural gas pipelines as common or contract carrier or under the Pipeline Tariff regulations as notified by the PNG Board, or (c) as determined by the PNG Board under relevant regulations. The transporter is required to declare and inform the PNG Board of the pipeline's available capacity and such capacity shall be available for use on common or contract carrier basis or both. Furthermore, under the Common Carrier Regulations, the authorised entity is required to formulate a calorific value band which complies with the various prescribed parameters. The Common Carrier Regulations were amended in 2014 and 2015 and now provide that in the event there is any capacity out of the excess 33 per cent capacity that is available at any time due to non-existence of demand, the same may be contracted for a period of one year or more subject to the stipulation that in case any entity seeks booking of the same for a period of less than 1 year the request shall be accommodated after pro rating the same from the common carrier capacity already contracted to other entities for a period of 1 year or more, provided that the pro rating the common carrier capacity shall not exceed the 10 per cent of the total common carrier capacity.

The Petroleum and Natural Gas Regulatory Board (Guiding Principles for Declaring or Authorising Natural Gas Pipeline as Common Carrier or Contract Carrier) Regulations, 2009 ("**Carrier Guiding Principles**") stipulates a transporter's obligations and the interconnection of common or contract carrier natural gas pipelines. The Carrier Guiding Principles was notified by the PNG Board on 21 April 2009. The Carrier Guiding Principles prescribe certain guidelines for declaring any natural gas pipeline as a common or contract carrier for the transportation of natural gas along with guidelines on their capacity and system.

A contract carrier system implies that the capacity in a natural gas pipeline, over and above an entity's own requirement, shall be available to any other entity subject to the latter entering into a firm contract for transportation of a volume of natural gas for a period of minimum one year and such other terms as mutually agreed. A common carrier system implies that the capacity in a natural gas pipeline, over and above an entity's own requirement shall be available to any other entity subject to the latter entering into a firm contract for transportation of a volume of natural gas for a period of less than one year and such other terms as mutually agreed. The contract carrier of common carrier capacity in respect of natural gas pipeline is determined in accordance with the provisions of the Pipeline Regulations. The PNG Board has the power to declare any existing pipeline for transportation of natural gas as a common or contract carrier, if in the opinion of the PNG Board, it is expedient to do so, either by giving wide publicity of its intention by inviting objections. The PNG Board may also provide the entity owing the pipeline an opportunity to be heard within a minimum notice period of 15 days from the close of the invitation for objections.

New Domestic Natural Gas Pricing Guidelines, 2014 ("New Gas Pricing Guidelines")

The Government in 2014 laid down the New Gas Pricing Guidelines for the calculation of wellhead gas price. The calculation of price under the New Gas Pricing Guidelines is based on the volumes of natural gas consumed in the United States of America, Mexico, Canada, European Union, former Soviet Union countries (excluding Russia) and Russia and the average prices of natural gas at the Henry Hub, the National Balancing Point, the Alberta hub and Russia. Gas prices determined under the New Gas Pricing Guidelines are not applicable where prices have been fixed contractually for a certain period of time or when the product sharing contracts ("**PSC**") provide for a specific formula for calculation of natural gas indexation or fixation or to such pre-NELP blocks which do not provide for Government approvals for fixing gas prices. The New Gas Pricing Guidelines have been in effect prospectively since 1 November 2014.

Royalty

The Oilfields (Regulation and Development) Act, 1948, ("**Oilfields Act**") provides for payment of royalties in respect of any mineral oil mined, quarried, excavated or collected from the leased area. The Government may increase the rate of royalty payable for the production of crude oil and natural gas up to limits prescribed by the Oilfields Act by issuing a notification. Alternatively, the Government could also increase prescribed limits by amending the Oilfield Act through an enactment of legislation by the Indian Parliament.

Recognising the higher risks and costs involved in exploration and production from offshore areas, lower royalty rates for such areas have been provided as compared to NELP royalty rates to encourage exploration and production. Under the Oilfields Act and NELP, royalty on crude oil and natural gas is payable as a percentage of wellhead value derived from sales price. The implementation of Hydrocarbon Exploration and Licensing Policy ("**HELP**") proposes to enhance domestic oil and gas production, bring substantial investment in the sector and generate sizable employment. The policy is also aimed at enhancing transparency and reducing administrative discretion.

The uniform licence will enable the contractor to explore conventional as well as unconventional oil and gas resources including coalbed methane, shale gas/oil, tight gas and gas hydrates under a single licence. Under the new regime, the Government will not be concerned with the cost incurred and will receive a share of the gross revenue from the sale of oil and gas.

Oil Cess

The OIDB is constituted under the Oil Industry (Development) Act, 1974. The OIDB receives Government funding out of cess collected on crude oil and natural gas production in India, and provides financial and other assistance for development activities in the oil and natural gas sector in India out of the Oil Industry Development Fund.

The functions of OIDB are, *inter alia*, rendering financial and other assistance for the promotion of all such measures as are conducive to the development of the oil industry. Before rendering any such assistance to any oil industry concern or other person, the OIDB shall have regard to such directions as the Government may issue in this regard. If an oil industry concern or any other person defaults in repayment of any loan or advance or meeting its obligation in relation to any assistance rendered by the OIDB, OIDB may apply to the courts for certain reliefs for recovery of the loan. One of the reliefs available is the transfer of the management of the defaulted oil industrial concern to OIDB.

Excise Duty

Every excise duty leviable under the Central Excise Act, 1944, shall be payable by the person by whom such item is produced, and in case of crude oil, excise shall be collected on the quantity received in a refinery. The proceeds of excise levied under the Central Excise, 1944, are first credited to the Consolidated Fund of India.

Public Distribution Scheme Kerosene and Domestic LPG Subsidy Scheme, 2002

With effect from 1 April 2002, the Government approved the PDS Kerosene and Domestic LPG Subsidy Scheme, 2002 for administering the post APM subsidy on PDS Kerosene and Domestic LPG. The subsidy under the scheme is provided on sales made by participating companies of PDS Kerosene and Domestic LPG. The quantity of PDS Kerosene on which subsidy is allowed for each state is limited to the allocations made by the MoPNG subject to actual quantities sold. PDS Kerosene and Domestic LPG are subsidised from MoPNG's budgetary grants.

The subsidy per selling unit is equal to the difference between the cost price and the issue price per selling unit, and is computed ex-depot for domestic kerosene and ex-bottling plant for LPG.

Petroleum and Natural Gas Regulatory Board (Eligibility Conditions for Registration of LNG Terminal) Rules, 2012

Petroleum and Natural Gas Regulatory Board (Eligibility Conditions for Registration of LNG Terminal) Rules, 2012 provide that any entity intending to establishing or operating an LNG terminal after the date of the establishment of the PNG Board shall be eligible to apply for registration before the PNG Board upon fulfilment of the following conditions, that they: (i) offer at all times, after registration, 20 per cent. Of the higher of its short term (i.e. less than 5 years) uncommitted re-gassification capacity and 0.5 MMTPA, as common carrier capacity, (ii) adhere to technical standards and specifications which are in force as prescribed by the PNG Board, and (iii) furnish a bank guarantee to the PNG Board for an amount equal to the lesser of one per cent. of the estimated project cost of establishing the LNG terminal and Rs. 250 million.

Laying of Pipelines

Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962 (Pipelines Act) as amended

The Pipelines Act establishes the framework governing the acquisition of RoU in land for the purpose of laying pipelines to transport petroleum and minerals and other related matters. The Pipelines Act stipulates the acquisition procedure, the restrictions imposed on the RoU in land, and the compensation payable to persons interested in the land. Any RoU acquisition will be subject to conditions deemed fit by the Government in favour of public interest.

In addition to the Pipelines Act, other rules and regulations governing the laying of pipelines include the Guidelines for Laying Petroleum Product Pipelines, 2002, the Pipeline Regulations and the Carrier Guiding Principles.

Pipeline Tariffs

Under the PNGRB Act, the PNG Board determines the transportation tariffs applicable to (i) common or contract carrier transmission pipelines and (ii) city or local natural gas distribution networks. The tariffs is payable on a zonal basis. All users within the same zone are treated equally without any preferential treatment given to particular users. The PNG Board may separately charge additional compression charge for the compression of natural gas to the extent not included in the tariff. The Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008 ("**Pipeline Tariff Regulations**"), was notified by the PNG Board under the Petroleum and Natural Gas Regulatory Board Act, 2006 on 20 November 2008. The Pipeline Tariff Regulation sets forth the procedure for determining the tariffs applicable to natural gas pipeline (the "**NGS Tariff**"). The Pipeline Tariff Regulations do not apply to (i) any pipeline laid that is dedicated to transport natural gas to a specific customer as opposed to re-selling it further, and (ii) pipelines in a city or local gas distribution network which are regulated by the Pipeline Regulations. Under the Pipeline Tariff Regulations, the NGS Tariff is the sum of (i) the operative expense for the operating of the natural gas pipeline; and (ii) a premium which takes into account the reasonable rate of return of the capital employed, with each of (i) and (ii) to be calculated on a Normative Level basis. In 2014, the Pipeline Tariff Regulations were amended to include a provisions pursuant to which the PNG Board must prior to determination of the NGS Tariff the PNG Board issue a public notice on its website containing a public consultation documents providing an opportunity to stakeholders to participate in the determination of the NGS Tariff. For the purpose of this paragraph, "**Normative Level**" means, in relation to the operating expense and capital (as the case may be), a level that is reasonable and justifiable having taken into amounts incurred to lay, build, operate or expand an efficient natural gas pipeline over its entire economic life (being a period of 25 years commencing from the date when the authorisation is granted or the commencement date of the physical activities) each with respect to the relevant project. Entities subject to the Pipeline Tariff Regulations are required to submit its computation methods for determining the unit NGS tariff over all the tariff zones throughout the economic life of the project. The Pipeline Tariff Regulations also require the entity involved to submit for the PNG Board's approval, the calculations in respect of apportioning of the unit natural gas pipeline tariff over all the tariff zones during the economic life of the project.

The Petroleum and Natural Gas Regulatory Board (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010

The Petroleum and Natural Gas Regulatory Board (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010 apply to entities building, operating and expanding pipelines. These regulations apply to all new and existing pipelines and regulate, among other things, the applicable procedures and pipelines' parameters.

Guidelines on Safety

Petroleum and Natural Gas (Safety in Offshore Operations) Rules, 2008 (Safety Rules)

The Safety Rules, which regulate the safety in offshore oil and gas exploration, exploitation, production, drilling and related matters, were notified by MoPNG under the Oilfields Act on 18 June 2008. The Oil Industry Safety Directorate is the competent authority which exercises powers under the Safety Rules. Under the Safety Rules, the licensees, lessees, or operators (each an "**Operator**") are required to undertake petroleum activities in a safe manner by implementing plans and activities which are not only healthy and safe for an individual but also environmentally friendly. Consent for new and existing mobile or fixed offshore installation is required from the competent authority within the period specified in the Safety Rules. The Safety Rules require operators of offshore installations to report to the competent authority within 30 days of commencement or cessation of operations. Further, the operator of a new offshore installation shall report to the competent authority the date of such commencement on or before the date on which the offshore installation is due to commence operation in relevant waters. The Operator is also responsible for (i) providing health related resources, (ii) establishing a safety management system, (iii) carrying out risk assessment, (iv) maintaining information and records for petroleum activities (including permanent plugging of wells), accidental pollution, recovery incidents, rescue measures and the remedial actions taken, and (v) reporting on the impact of its activities to the environment. In addition to the Safety Rules, the following rules and regulations setting the safety standards for petroleum and natural gas activities remain applicable:

- Petroleum and Natural Gas Regulatory Board (Procedure for Development of Technical Standards and Specifications including Safety Standards) Regulations, 2009 which stipulates the procedures for developing draft standards by technical committees or standard development organisations for activities relating to petroleum, petroleum products and natural gas, which includes the construction and operation of pipeline and infrastructure projects related to downstream petroleum and natural gas sector;

- Petroleum and Natural Gas Regulatory Board (Technical Standards and Specifications including Safety Standards for Natural Gas Pipelines) Regulations, 2009 which stipulates (i) safety matters pertaining to the common carrier or contract carrier natural gas pipelines, including pipeline design, materials and equipment, welding, fabrication, installation, testing, commissioning, operation and maintenance and corrosion control; and (ii) safety requirements for natural gas pipelines; and
- Petroleum and Natural Gas Regulatory Board (Technical Standards and Specifications including Safety Standards for City or Local Natural Gas Distribution Networks) Regulations, 2009 which stipulates the safety aspects of the operation and maintenance of CGD networks.
- Petroleum and Natural Gas Regulatory Board (Integrity Management System for Natural Gas Pipelines) Regulations, 2012 which were notified on 5 November 2012. These regulations shall cover all the existing and new natural gas transmission pipelines, spur lines and dedicated pipelines. These regulations outline the basic features and requirements for developing and implementing an effective and efficient integrity management plan for the natural gas pipeline system.
- Petroleum and Natural Gas Regulatory Board (Codes of Practices for Emergency Response and Disaster Management Plan) Regulations, 2010. These regulations are applicable to, among other things, transportation of petroleum products by road and pipelines, processing installations, petroleum and gas storage facilities and terminals, and liquid petroleum product pipelines. The scope of the these regulations covers identification of emergencies, mitigation measures that attempt to reduce and eliminate the risk of disasters and plans of action when emergencies occur.

Regulation of Exploration and Production of Natural Gas

Under Article 297 of the Constitution of India, the Union of India has jurisdiction over petroleum and natural gas in India, with MoPNG as the principal regulator of E&P of oil and natural gas. MoPNG is responsible for regulating the exploration, production, distribution, marketing and pricing of petroleum resources, including crude oil and natural gas. MoPNG is also responsible for regulating the planning and development of oil field services.

The DGH was established as the MoPNG acknowledged the need of an agency to not only advise the Government, but also to regulate and oversee the upstream activities in the petroleum and natural gas sector and takes into account the balance between environmental, economical and technological development and its overall safety. The upstream petroleum sector was originally dominated by public sector companies where the Government could effectively monitor but as the sector gradually opens to private investment, this invariably leads to an increasing number of private and joint sectors companies entering the field. The need to establish an agency that could effectively supervise the activities of all companies in the sector was therefore pertinent.

Oilfields Act

Oil and natural gas exploration activities are governed by the Oilfields Act, which provides for regulation of oilfields and development of mineral fuel oil resources. Oilfields are areas where any operation for obtaining natural gas and petroleum, crude oil, refined oil, partially refined oil and any petroleum products in liquid or solid state, is to be or is being carried out. Petroleum exploratory licences ("**PEL**") and Petroleum mining leases ("**PML**") with respect to the exploration of mineral oils including crude oil and natural gas are granted under the Oilfields Act. The Oilfields Act vests the Government with the authority to set down rules for the development and conservation of mineral oils, to amend the terms of the PELs and PMLs, and to levy royalty, fees or charges on extraction of mineral oil from areas under the PMLs.

The Mines Act, 1952 (''Mines Act'')

The Mines Act, along with the rules and regulations therein, seeks to regulate the working condition in mines (including oil and natural gas extraction facilities) by providing for measures to be taken for the safety of the workers employed. The Mines Act has been enacted with the objective of providing for the health, safety and welfare of workers employed in the mines against industrial and occupational hazards.

The enactment provides (i) duties, guidelines and standards that are to be maintained during mining operations and management of mines, (ii) hours and limitation of employment, and (iii) leave with wages of mine workers. It empowers the Government to appoint qualified persons as inspectors and chief inspectors of mines who shall have the power to inspect and examine any part of the mine at any time in order to ascertain whether the provisions of the Mines Act, and the rules and regulations therein, are being followed. General disobedience of orders or non-compliance of provisions of the Mines Act may result in both criminal and civil penalties.

The Mines Act is administered through the Directorate General of Mines Safety, which is the regulatory agency for safety in mines and oversees compliance, with the objective of reduction in risk of occupational diseases and casualty to persons employed in mines.

Oil Mines Regulations 2017

The Government has issued the Oil Mines Regulations, 2017 through a notification dated 14 August 2017. These regulations shall be applicable to every oil mine and is extended to the whole of India. The regulations supersede the Oil Mines Regulations, 1984 except with respect to things done or omitted to be done before such supersession. The key features of new regulation are as follows:-

- The owner, agent or manager of a mine shall give notice of commencement of any mining operation to the Chief Inspector of Mines, the Regional Inspector and the District Magistrate accompanied by a plan showing the geographical boundaries of the mine including locations of the installations and other prominent and permanent surface features and a copy of the safety management plan prepared.
- Flammable material shall not be stored within 30 metres of any oil well except for fuel in the tanks of the operation equipment.
- No person shall smoke or be permitted to smoke within 30 metres of any well, separator, petroleum storage tank or other source of flammable gas. The manager shall ensure that "no smoking" area in every mine is clearly demarcated. No naked light or open flame or spark shall be permitted within 30 metres of any well or any place where petroleum is stored except with the permission of the manager.
- The manager of every mine shall maintain separation distance between blocks and production facilities in accordance with the Oil Industries Safety Directorates Standard, or any other standard specified by the Chief Inspector of Mines by a general or special order based on quantitative risk assessment.

Petroleum and Natural Gas Rules, 1959 ("PNG Rules")

The PNG Rules, as notified by the Government under the Oilfields Act, provide the framework for granting PELs and PMLs. The PNG Rules prohibit the prospecting or exploitation of any oil or natural gas unless a license or lease is granted under the PNG Rules. A PEL entitles the licensee to an exclusive right to a lease for extracting oil and gas from the contract area. A PML entitles the lessee to an exclusive right to extract oil and natural gas from the contract area. PELs and PMLs are granted by MoPNG with regards to offshore areas, while onshore areas require both the Government's prior approval and the approval by the relevant state governments. In 2006, the Government amended the PNG Rules to require a licensee or a lessee to provide either the Government or DGH (in its capacity as the Government's designated agency) all data that has been, or will be, obtained under their respective petroleum activities. In 2018, the Central Government amended the PNG Rules to expand the definition of "petroleum" to mean a naturally occurring hydrocarbons, whether in the form of natural gas or in liquid, viscous or solid form, or mixture thereof but does not include coal, ignite and helium occurring in association with petroleum or coal or shale.

NELP

Prior to the introduction of NELP, the issue of licences and PSC were regulated by the Oilfields Act and the PNG Rules, and exploration blocks were offered for exploration and production only to national oil companies.

NELP was formulated by the Government in fiscal year 1997 to provide a level playing field where prospective contractors in both the public and private sectors could compete on equal terms for the award of exploration and mining acreage. The notification of NELP in 1999 had specified that there would be no mandatory state participation through national oil companies. National oil companies could no longer obtain PELs on a nomination basis and will need to compete for PELs. Under NELP, national oil companies no longer receive preferential treatment, and their right to reserve blocks had been removed. National oil companies, together with other companies, are required to pay international price for oil discovery made in blocks which were offered under NELP.

The model PSC ("**Model PSC**") is a model contract between the Government and a licensee or lessee (in each case, a "**Contractor**") with respect to grant of a PEL or PML. The Model PSC, as notified through NELP, is subject to the PNG Rules. Under the Model PSC, the Contractor bears exploration risks and development and production costs in return for a stipulated share of the production. The Contractor's share is affected by the Government's share in a PSC which is determined on a case by case basis further to a competitive bidding process with other Contractors. The Model PSC defines participating interests of contracting parties and designates an operator for the contract area under the PEL or PML. Where the Contractor under the PSC includes more than one company or entity, such entities are required to enter into a joint operating agreement among themselves. The contract period under the PSC includes (i) an exploratory phase which could be further split into two sub-phases, during which the Contractor operates under a PEL, and (ii) a development and production phase, during which the Contractor operates under a PML.

In addition, the PSC requires the Contractor to obtain Government approval for (i) an appraisal programme which appraises any discovery delineates petroleum reservoirs in terms of thickness and lateral extent and determines the quantity of recoverable petroleum, each in respect of the contract area; (ii) a development plan which sets out the plan with respect to its development of each commercial discovery; (iii) an annual work programme for the contracting period; (iv) a minimum work programme with respect to each exploration phase; and (v) any abandonment or site restoration plans. A Contractor signing a PSC is free to market the oil and gas it produces in the domestic market and has the option to amortise exploration and drilling expenditures over a period of ten years from its first commercial production.

Other features as set out in the Model PSC include: (i) a defined procedure for the announcement of hydrocarbon discoveries; (ii) a requirement to prepare appraisal programmes of commercial discoveries made under nomination blocks, as well as development plan of such discoveries, having consulted the DGH within the specified period; (iii) a cost recovery mechanism in favour of the operator and a profit-sharing mechanism in favour of the Government (as opposed to the existing contracts applicable to coal/lignite bed methane blocks where there is no cost recovery mechanism for the operator, and where payment to the Government is performance-linked); and (iv) a dispute resolution mechanism which applies the Arbitration and Conciliation Act, 1996 that is based on the United Nations Commission on International Trade Law model.

Pursuant to the report of the DGH on Hydrocarbon Exploration and Production Activities, 2009-2010, the intention of the Government is to move from NELP to an open acreage licencing policy ("**OALP**"). Under OALP, companies can choose any block for offer at any time without waiting for bid rounds under NELP. The blocks will be awarded to the party giving the best bid at any time of the year. DGH is taking steps to implement OALP. The Ashok Chawla committee on the allocation of natural resources was set up in February 2011 and has recommended following the OALP for allocation of oil and gas blocks in order to bring the exploration business on par with global standards. The recommendations of the Ashok Chawla committee were accepted by the group of ministers headed by Mr. Pranab Mukherjee in October 2011.

Hydrocarbon Exploration and Licensing Policy (''HELP'')

The Government had proposed a new regime in support of its ''Ease of Doing Business'' policy. Since 2014, the Government has launched regulatory reforms aimed at making it easier to do business in India. In a press note dated 10 March 2016, it was provided that the Government shall receive a share of the gross revenue from the sale of oil and gas, amongst other items and would not be concerned with the cost incurred.

Pursuant to the HELP, a graded system of royalty rates have been introduced, in which royalty rates for ultra-deep water areas will be lower than deep water waters which will be lower than shallow water areas. At the same time, royalty rates for onshore areas will not change so that revenues to the state governments are not affected. Recognising the higher risks and costs involved in exploration and production from offshore areas, lower royalty rates for such areas have been proposed as compared to NELP royalty rates to encourage exploration and production in offshore areas. The implementation of HELP will increase domestic oil and gas production, bring substantial investment in the sector and generate sizable employment opportunities. The policy is also aimed at enhancing transparency and reducing administrative discretion.

In addition, the uniform licence proposed under HELP will enable the contractor to explore conventional as well as unconventional oil and gas resources including CBM, shale gas or shale oil, tight gas and gas hydrates under a single licence.

The main facets of HELP are as *inter alia* as follows:

- uniform licence for exploration and production of all forms of hydrocarbons, including oil, gas, coal bed and methane under a single licence and policy framework.

- an open acreage policy — a policy which enables E&P companies to choose the blocks from the designated area. Under this policy, a bidder may apply to the Government seeking exploration of any block not already covered by exploration. The Government will examine the expression of interest and justification. If it is suitable for an award, the Government will call for competitive bids after obtaining necessary environmental and other clearances. This will enable a faster coverage of the available geographical area.

- easy to administer revenue sharing model where the present fiscal system of production sharing based on investment multiple and cost recovery/production linked payment will be replaced by an easy to administer revenue sharing model. The earlier contracts were based on the concept of profit sharing where profits are shared between the Government and the contractor after recovery of cost. Under the profit sharing methodology, it became necessary for the Government to scrutinise cost details of private participants and this led to many delays and disputes.
- marketing and pricing freedom for the crude oil and natural gas produced in the domestic market on an arms-length basis. To safeguard the Government revenue, the Government's share of profit will be calculated based on the higher of the prevailing international crude price and the actual price. Contracts will be based on "biddable revenue sharing", where the bidders will be required to quote revenue share in their bids and this will be a key parameter for selecting the winning bid. The bidders will quote share at two levels of revenue called "lower revenue point" and "higher revenue point". Revenue share for the intermediate points will be calculated by using linear interpolation. The bidder that gives the highest net present value of intermediate revenue share to the Government, calculated using linear interpolation, will be given the highest score under this parameter.

The new policy regime marks a generational shift and modernisation of the oil and gas exploration policy. It is expected to stimulate new exploration activity for oil, gas and other hydrocarbons and eventually reduce import dependence. It is also expected to create substantial new job opportunities in the petroleum sector. The introduction of the concept of revenue sharing is a major step in the direction of ''minimum government maximum governance'', as it will not be necessary for the Government to verify the costs incurred by the contractor. Marketing and pricing freedom will further simplify the process.

Policy Guidelines for Exploration and Exploitation of Shale Gas and Oil

In 2013, MoPNG issued the "Policy Guidelines for Exploration and Exploitation of Shale Gas and Oil by national oil companies ("**NOCs**") under the Nomination Regime, 2013" (the Guidelines) to allow shale gas exploitation and exploration. The Guidelines will be applicable to on land Oil & Gas Nomination acreages with NOCs, and they further provide that NOCs holding PEL/PMLs granted under the Nomination regime can apply for rights to exploit shale gas. NOCs will be required to undertake a minimum work programme with a fixed timeline for shale gas and oil exploration or exploitation. Tax incentives are offered for shale gas exploitation. The Guidelines provide that full exemption from basic customs duty and additional duty of customs for specified goods required in connection with petroleum operations undertaken under petroleum licences or mining leases issued on nomination basis would be available for exploration and exploitation of shale gas and oil.

Guidelines for Management of Oil and Gas Resources

MoPNG issues guidelines for management of oil and gas resources. These guidelines give broad powers to the DGH for management of oil and gas resources. The powers of the DGH include, among other things, monitoring the exploration programme for nomination blocks, monitoring the development of hydrocarbon discoveries, and monitoring oil and gas reservoir management.

Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 (Territorial Waters Act)

The Territorial Waters Act empowers the Government to extend the application of any Central Government legislation to the territorial waters, continental shelf, exclusive economic zone and other maritime zones of India. Accordingly, the Territorial Waters Act provides for the grant of PELs and PMLs by the Government (and in respect of land vested in a state Government, by that state Government with prior approval of the Government) to explore and exploit resources of the continental shelf and the exclusive economic zone.

Coastal Regulation Zone Notifications

MoPNG issued certain notifications on 19 February 1991, 16 August 1994, 9 July 1997 and 12 August 2001 to declare coastal stretches of seas, bays, estuaries, creeks, rivers and backwaters which are influenced by tidal action (in the landward side) up to 500 metres from the high tide line, and the land between the low tide line and high tide line as "Coastal Regulation Zones" ("CRZs") and to impose restrictions on the set up and the expansion of industries, operations or processes in the CRZ. The MOEF&CC issued the CRZ Notification, 2011 on 6 January 2011 which provides a list of prohibited activities and permitted regulated activities within CRZ. The prohibited activities include the manufacturing and handling of oil or disposal of hazardous substances as specified in earlier notifications, excluding facilities for receipt and storage of petroleum products and LNG as specified in the CRZ Notification 2011 and facilities for re-gassification of LNG in areas not classified as CRZ-1.

The MoEF&CC issued a draft CRZ Notification, 2018 on 18 April 2018 which allows India's coasts to be made more accessible to tourism and industrial infrastructure and gives individual States considerable leeway to decide how they should plan such development. The draft notification is currently open for comments and suggestions from stakeholders.

Guidelines for Management of Oil and Gas Resources for Nomination Blocks ("Oil and Gas Nomination Block Management Guidelines")

The Oil and Gas Nomination Block Management Guidelines were announced by the MoPNG in 2007 to regulate nomination blocks where were awarded to national oil companies prior to the introduction of NELP and PSC. Under the Oil and Gas Nomination Block Management Guidelines, national oil companies are required to, among other things, prepare an appraisal programme of their discoveries made under nomination blocks having consulted the DGH under a specific time frame that is similar to the requirement set out in NELP. In addition, national oil companies are required to prepare development plans of their discoveries made under nomination blocks in consultation with DGH.

The Oil and Gas Nomination Block Management Guidelines prescribe the constitution of a management committee comprised of the DGH, representatives from MoPNG and a director-level representative from the relevant national oil company. The Director General, DGH will act as chairman and the DGH is required to review and monitor the progress and performance of national oil companies in accordance with each PEL and international practice. Similar to the PSC requirements, the DGH could also frame procedures for the announcement of hydrocarbon discoveries and the reporting of hydrocarbon reserves. Furthermore, the DGH is responsible for monitoring the development of hydrocarbon discoveries of nomination blocks and health of reservoirs of all producing fields operated by national oil companies. The guidelines also provide that the holder of the PEL or PML will be responsible for ensuring health, safety and environment, site restoration, and adoption of best industry practices and follow statutory requirements for all purposes under licence and mining lease. Royalty, cess and taxes for shale gas and oil would be payable as par with conventional gas/oil being produced from the respective areas, at the prevailing rates, as applicable.

National Resettlement and Rehabilitation Policy, 2007

The National Rehabilitation and Resettlement Policy, 2007 was notified by the Government on 31 October 2007 to rehabilitate and resettle persons (i) affected by the acquisition of land for projects of public purpose or (ii) involuntary displacement due to any other reason. The Government will establish a Rehabilitation and Resettlement Committee to monitor the implementation progress of any scheme or rehabilitation and resettlement of affected families in cases where the involuntary displacement involves (i) 400 or more families en masse in plain areas; (ii) 200 or more families en masse in tribal or hilly areas, blocks of the Desert Development Programme of the Government (the "**DDP**") or areas mentioned in the Fifth or Sixth Schedule to the Constitution of India of the Government. DDP is a programme set up by the Government which aims to (i) combat drought and desertification, (ii) mitigate the adverse effect of drought and desertification on crop production, livestock and people, (iii) encourage restoration of the ecological balance by harnessing, conserving and developing natural resources. The Rehabilitation and Resettlement Committee will also carry out post-implementation social audits.

The National Rehabilitation and Resettlement Policy, 2007, is a revised and improved version of the National Policy on Resettlement and Rehabilitation for Project Affected Families, 2003. Under the National Rehabilitation and Resettlement Policy, 2007, project promoters are required to consider alternative sites before submitting requests for land acquisitions. The area of land to be acquired will also be limited to a minimum size commensurate with the purpose of the project. Projects should, to the extent possible, be set up on wasteland, degraded land or un-irrigated land. The Governments should consider options that would minimise the number of people being displaced, the total area of land to be acquired and the acquisition of agricultural land for non-agricultural projects. In addition, a social impact assessment is required where an involuntary displacement will involve at least 400 families *en masse* in plain areas and 200 families en masse in hills.

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 ("RFTLA Act")

The RFTLA Act has received the assent of the President of India on 26 September 2013 and came into force from 1 January 2014. The key provisions of the RFTLA Act are as follows, viz. (i) RFTLA Act completely replaces the Land Acquisition Act, 1894, (ii) the process for land acquisition involves a social impact assessment and environmental impact assessment survey, preliminary notification stating the intent for acquisition, a declaration of acquisition, and compensation to be given by a certain time, (iii) all acquisitions require rehabilitation and resettlement to be provided to the people affected by the acquisition, (iv) compensation for the owners of the acquired land shall be four times the market value in case of rural areas and two times in case of urban areas, (v) in case of acquisition of land for use by private companies consent of 80 per cent. of the displaced persons will be required and for public private partnerships, consent of 70 per cent. of the displaced people will be required. Purchase of large pieces of land by private companies will require provision of rehabilitation and resettlement, and (v) the provisions of the RFTLA Act shall not apply to acquisitions under 13 existing legislations including, *inter alia*, the Electricity Act, 2003, the Atomic Energy Act, 1962 and the Railways Act, 1989.

Explosives Act, 1884 (the "Explosives Act")

Under the Explosives Act, the Government has the power to regulate the manufacture, possession, use, sale, transport and importation of explosives and grant of licence for the same activities. The Government may prohibit the manufacture, possession or importation of especially dangerous explosives. Any contravention of the Explosives Act or rules made under it, being the Explosives Rules, 1983, may lead to an arrest without warrant and imprisonment for three years, including a fine which may extend up to Rs. 5,000.

Environmental Regulations

The Environmental Protection Act, 1986 ("**Environment Protection Act**"), Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") and the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") provide for the prevention, control and abatement of pollution. Pollution Control Boards ("**PCBs**") have been constituted in all the States in India to exercise the authority provided under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain approvals of the relevant State PCBs for emissions and discharge of effluents into the environment.

The Hazardous Waste (Management, Handling and Trans-boundary Movement) Rules, 2016, enlist processes such as petrochemical processes and pyrolytic operations, crude oil and natural gas production, petroleum refining or re-processing of used oil or recycling of waste oil as processes which generate hazardous waste. The rules impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes in accordance with the steps delineated in the aforementioned rules. It also imposes obligations in respect of the collection, treatment and storage of hazardous wastes on the relevant state government, occupier, operator of a facility or any association of occupiers. Each occupier and operator of any facility generating hazardous waste is required to obtain an authorisation from the relevant state Pollution Control Board for collecting, storing, handling and treating the hazardous waste. Moreover, the relevant state Pollution Control Board is required to monitor the setting up and operation of the common or captive treatment, storage and disposal facility regularly. Further, registration has to be obtained by any person desirous of recycling or reprocessing hazardous wastes. These rules also impose restrictions on import and export of hazardous wastes. The MoEF&CC is the nodal ministry to deal with trans-boundary movement of hazardous wastes.

In addition, the Merchant Shipping Act, 1956 provides for liability arising out of loss or damage caused outside the ship by contamination resulting from escape or discharge of oil from such ship.

Further, the approval of the MoEF&CC is required under Environment Protection Act and/or the Forest (Conservation) Act, 1980 ("**Forest Conservation Act**") for any diversion of forest land in relation to a project or in case the project value exceeds certain specified limits for a new project or expansion of an existing project.

In accordance with the Environmental Impact Assessment Notification, 2006 (under Environmental Protection Act), prior MoEF&CC approval is required if any new project is proposed to be undertaken. The obtaining of prior environment clearance includes four stages and an application for it is made after identification of the prospective project site, but prior to commencement of construction activity. The terms of reference for the EIA are given by MoEF&CC, followed by the EIA carried out through a recognised/authorised agency. For projects that require preparation of an EIA report, public consultation is conducted by the State PCB, prior to submission of a final EIA report.

Foreign Exchange Laws

The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Borrowing or Lending) Regulations, 2018, as amended from time to time, to regulate the borrowing and lending in foreign exchange by a person resident in India including external commercial borrowings ("**ECBs**"). In terms of the Master Directions issued by the RBI on 'External Commercial Borrowings Trade Credit Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers' dated 1 January 2016, as amended ("**ECB Guidelines**"), ECBs can be accessed under two routes: (i) the automatic route and (ii) the approval route. The automatic route does not require a borrower to obtain any RBI approvals, whereas the approval route refers to circumstances where prior RBI approval is mandatory before raising an ECB. The ECB Guidelines are subject to amendment from time to time. Investors are urged to consult their own advisors in connection with the applicability of any Indian laws or regulations.

The ECB Guidelines classify ECBs under three categories:

(a) medium-term foreign currency-denominated ECBs with minimum average maturity of three to five years ("**Track I ECBs**");

(b) long-term foreign currency-denominated ECBs with minimum average maturity of ten years ("**Track II ECBs**"); and

(c) Indian Rupee-denominated ECBs with minimum average maturity of three to five years ("**Track III ECBs**").

Automatic route

Under the automatic route, the following entities have been classified as recognised borrowers for raising Track I ECBs: (i) companies in the manufacturing and software development sectors; (ii) shipping and airline companies; (iii) the Small Industries Development Bank of India; (iv) units in special economic zones in India; and (v) companies in the infrastructure sector, infrastructure finance non-banking financial companies ("**NBFCs**"), asset finance NBFCs, holding companies and core investment companies, including housing finance companies. For Track II ECBs, all entities eligible under Track I ECBs can raise ECBs as well as real estate investment trusts and infrastructure investment trusts coming under the regulatory framework of SEBI. In respect of Track III ECBs, all entities eligible under Track II ECBs can raise ECBs in addition to (i) all NBFCs; (ii) NBFCs micro-finance institutions, not-for-profit companies, societies, trusts and co-operatives, and non-government organisations engaged in micro-finance activities; (iii) companies engaged in miscellaneous services such as research and development, companies supporting infrastructure and companies providing logistics services, and companies engaged in maintenance, repair and overhaul and freight forwarding; and (iv) developers of special economic zones and national manufacturing and investment zones.

The foreign lenders eligible to lend to all three categories of ECBs include: (i) international banks, (ii) international capital markets, (iii) multilateral financial institutions or regional financial institutions and Government-owned development financial institutions, (iv) export credit agencies, (v) suppliers of equipment, (vi) foreign equity holders, and (vii) overseas long-term investors, including prudentially regulated financial entities, pension funds, insurance companies, sovereign wealth funds and financial institutions located in international financial services centres in India. Foreign branches or subsidiaries of Indian banks may only participate in Track I ECBs.

The RBI notification dated 27 April 2018, titled "External Commercial Borrowings (ECB) Policy — Rationalisation and Liberalisation" introduced a negative list for all tracks. The negative list for all tracks would include (i) investment in real estate or purchase of land except when notified by the Government of India, construction and development of special economic zones and industrial parks/integrated townships, (ii) investment in capital market, and (iii) equity investment.

Additionally for tracks I and III, the following negative end uses will also apply except when an ECB is raised from direct and indirect equity holders or from a Group company, and provided that the loan is for a minimum average maturity of five years (i) working capital purposes, (ii) general corporate purposes, and (iii) repayment of Rupee loans. Further, for all tracks, the above mentioned negative end use will also apply on-lending to entities for the above activities.

Further, the maximum amount which can be raised every financial year under the automatic route is: U.S.$750 million or its equivalent for companies in the infrastructure and manufacturing sector, infrastructure finance NBFCs, asset finance NBFCs, holding companies and core investment companies; U.S.$200 million or its equivalent for companies in the software development sector; U.S.$100 million or its equivalent for entities engaged in micro-finance activities; and U.S.$500 million or its equivalent for remaining entities.

The uniform all-in-cost (which includes interest, and other fees and expenses in foreign currency or Indian Rupees but does not include commitment fees, pre-payment fees, or payments for withholding tax in Rupees) ceiling for all three tracks is 450 basis points over the benchmark rate. The benchmark rate will be 6 month USD LIBOR (or applicable benchmark for respective currency) for track I and track II, while it will be prevailing yield of the Government of India securities of corresponding maturity for track III (Rupee ECBs).

On 19 September 2018, RBI has mandated that manufacturing firms can raise ECB up to $50 million with a minimum average maturity period of one year, as compared to three years earlier.

By way of further liberalisation, on 3 October 2018, the RBI decided to permit public sector oil marketing companies to raise ECBs for working capital purposes with minimum average maturity period of 3 or 5 years from all recognised lenders under the automatic route. Further, the individual limit of U.S.$750 million or equivalent and mandatory hedging requirements as per the ECB framework have also been waived for borrowings under this dispensation.

Companies in the infrastructure sector, infrastructure finance NBFCs, asset finance NBFCs, holding companies and core investment companies are required to hedge 100 per cent. of their foreign exchange risk in respect of ECBs at all times. However, RBI by way of a notification dated 26 November, 2018 reduced the mandatory hedge coverage from 100 per cent. to 70 per cent. for ECBs raised under Track I of the ECB framework by eligible borrowers of the ECB Guidelines for a maturity period between 3 and 5 years. The RBI also clarified that ECBs falling within the aforesaid scope but raised prior to 26 November 2018 will be required to mandatorily roll-over their existing hedge(s) only to the extent of 70 per cent of outstanding ECB exposure.

By way of a recent circular issued by the RBI on 6 November 2018, ECB Guidelines have been amended as follows:

Minimum Average Maturity: Reduction in the minimum average maturity requirement for ECBs in the infrastructure space for eligible borrowers under the RBI's Master Direction for ECBs, from 5 years to 3 years; and

Hedging requirements: Reduction in the average maturity requirement from 10 years to 5 years for exemption from mandatory hedging provision applicable to ECBs for eligible borrowers. Accordingly, the ECBs with minimum average maturity period of 3 to 5 years in the infrastructure space will have to meet 100 per cent. mandatory hedging requirement. Further, the RBI has also clarified that ECBs falling under the aforesaid revised provision but raised prior to the date of the aforesaid circular will not be required to roll-over their existing hedges.

Approval route

All ECBs falling outside the automatic route limits are considered by the RBI under the approval route. ECBs which can be obtained with prior RBI approval include, *inter alia*: (i) importing second-hand goods under the Director General of Foreign Trade guidelines for Track I ECBs; and (ii) on lending by the Export-Import Bank of India under Track I ECBs.

Filing and regulatory requirements in relation to issuance of Notes

An ECB borrower is required to obtain a loan registration number ("**LRN**") from the RBI before an issuance of Notes is effected. For allotment of the LRN, ECB borrowers are required to submit completed Form 83 certified by a company secretary or chartered accountant to the AD Bank of the ECB borrower. The AD Bank is then required to forward the completed Form 83 to the RBI.

Any ECB borrower is required to submit an ECB-2 Return on a monthly basis via its AD Bank to the RBI.

Procedure in relation to any change to the Conditions of the Notes

Any change in the Conditions of the Notes after obtaining the LRN require the prior approval of the RBI. An ECB borrower is required to apply to the RBI via its AD Bank to obtain such approvals. Certain changes (such as amendments to the repayment date, currency, the name of the borrower, recognised lender, the purpose for which the ECB is utilised or any change to the AD Bank) may be approved by the AD Bank under a delegated authority from the RBI subject to certain conditions being complied with.

TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase the Notes. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws applicable in India or the country of which they are residents.

Indian Taxation

Taxation of interest

Interest on the Notes may not be subject to taxes in India if the proceeds of the issuance of the Notes are used for the purposes of business carried on by the Issuer outside India. If, however, the proceeds are used for the purposes of the Issuer's business in India, non-resident investors would be liable to pay tax on the interest paid on the Notes at the rate of 5 per cent. under Section 115A of the Income Tax Act, 1961 ("**Income Tax Act**") (plus applicable surcharge and health and education cess). The rates of tax will stand reduced if the beneficial recipient is a resident of a country with which the Government has entered into an agreement for granting relief of tax or for avoidance of double taxation (each a "**Tax Treaty**") and the provisions of such treaty, which provide for the taxation in India of income by way of interest at a rate lower than that stated above, are fulfilled. In case there is any difference between amounts withheld in respect of interest paid on the Notes and the ultimate Indian tax liability for such interest, the non-resident investor would be obligated to pay the additional income-tax or claim refund as the case may be, subject to and in accordance with the provisions of the Income Tax Act.

Taxation of gains arising on disposal

Any gains arising to a non-resident investor from disposal of the Notes held (or be deemed as held) as a capital asset will generally be chargeable to income tax in India if the Notes are regarded as property situated in India. A non-resident investor generally will not be chargeable to income tax in India from disposal of the Notes held as a capital asset provided that the Notes are regarded as being situated outside India. The issue as to where the Notes should properly be regarded as being situate is not free from doubt. The ultimate decision, however, will depend on the view taken by Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. The Indian tax authority may treat the Notes as being situated in India as the Issuer is incorporated in and a resident in India. If the Indian tax authorities treat the Notes as being located in India, then upon disposition of a Note:

(i) a non-resident investor who has held the Notes for a period of more than 36 months immediately preceding the date of their disposal, would be liable to pay a tax at rates of 10 per cent. of the capital gains (plus applicable surcharge and health and education cess) subject to and in accordance with the provisions of the Income Tax Act. These rates are subject to any lower rate provided for in an applicable Tax Treaty

(ii) any non-resident investor who has held the Notes for a lesser period would be liable to pay tax at rates ranging up to 40 per cent. (plus applicable surcharge and health and education cess) of capital gains depending on the legal status of the non-resident investor and his taxable income in India, subject to any lower rate provided for by an applicable Tax Treaty.

(iii) any gains arising to a non-resident investor from disposal of the Notes held as stock-in-trade would be subject to income tax in India to the extent, if any, that the gains are attributable to a "business connection in India" or, in case where a Tax Treaty is applicable, to a "permanent establishment" of the non-resident investor in India. A non-resident investor would be liable to pay Indian tax on such gains at rates of tax ranging up to 40 per cent. (plus applicable surcharge and health and education cess) depending upon the legal status of the non-resident investor and his taxable income in India, subject to any lower rate provided for by a Tax Treaty, subject to any lower rate of tax provided for by an applicable Tax Treaty.

Potential investors should, in any event, consult their own tax advisers on the tax consequences of transfer of the Notes.

Withholding of taxes

(a) Interest paid on Notes

If interest payable on the Notes is subject to tax in India, there is a requirement to withhold tax presently at the rate of 5 per cent. (plus applicable surcharge and health and education cess), subject to any lower rate of tax provided for by an applicable Tax Treaty. Pursuant to the Conditions of the Notes, all payments of, or in respect of, principal and interest on the Notes, will be made free and clear of and without withholding or deduction on account of any present or future taxes within India unless it is required by law, in which case pursuant to Condition 8.1, the Issuer will pay additional amount as may be necessary in order that the net amount received by the investor after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or the deduction, subject to certain exceptions. With respect to interest on the Notes that is not subject to taxes in India (where the proceeds of the issuance of the Notes are used for the purposes of business carried on by the Issuer outside India or otherwise), the Issuer may be required to apply annually for an exemption from withholding tax under section 195(2) of the Income tax Act.

(b) Gains on disposal of Notes

If applicable, under the tax law, tax shall be withheld by the person making any payment to a non-resident on long-term capital gains at 10.0 per cent. (plus applicable surcharge and health and education cess) and short-term capital gains at rates up to 40 per cent. (plus applicable surcharge and health and education cess), depending on the legal status of the recipient of income, subject to any lower rate provided for by a Tax Treaty. Tax payable shall be computed in such manner as prescribed in this regard under the Income Tax Act. For the purpose of tax withholding, the non-resident investor shall be obliged to provide its permanent account number allotted by the tax authorities and all prescribed information/documents, including a tax residency certificate (issued by the tax authorities of the country in which the investor is resident) for claiming the tax treaty benefits. If the investor does not have a permanent account number allotted by Indian tax authorities, tax identification number issued by the authorities of the investor's country of residence, may be submitted along with other with certain other details like name, email id, contact number, address in the country of residence along with tax residency certificate

Taxation of persons ordinarily resident in India

Any income received in respect of the Notes by a person ordinarily resident in India under the provisions of the Income Tax Act may generally be subject to tax in India according to the personal or corporate rate of tax applicable, subject to and in accordance with the provisions of any applicable Tax Treaty.

Wealth Tax

No wealth tax is payable at present in relation to the Notes.

Estate Duty

No estate duty is payable at present in relation to the Notes. There are no inheritance taxes or succession duties currently imposed in respect of the Notes held outside India.

Gift Tax

No gift tax is payable at present in relation to the Notes in India.

Stamp Duty

A transfer of the Notes outside India will not give rise to any Indian stamp duty liability unless brought into India. Stamp duty would be payable if the Notes are brought into India for enforcement or for any other purpose. This stamp duty will have to be paid within a period of 3 months from the date the Notes are first received in India. The amount of stamp duty payable would depend on the applicable Stamp Act of the relevant state where the Notes are brought into.

CLEARING AND SETTLEMENT ARRANGEMENTS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, the Joint Lead Managers, the Trustee or the Agents takes any responsibility for the accuracy of this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Clearing Systems

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Registration and Form

Book-entry interests in the Notes held through Euroclear and Clearstream, Luxembourg will be represented by the Global Certificate registered in the name of a nominee of, and held by, a common depositary for Euroclear and Clearstream, Luxembourg. As necessary, the Registrar will adjust the amounts of Notes on the Register for the accounts of Euroclear or Clearstream, Luxembourg to reflect the amounts of Notes held through Euroclear and Clearstream, Luxembourg, respectively. Beneficial ownership of book-entry interests in Notes will be held through financial institutions as direct and indirect participants in Euroclear, and Clearstream, Luxembourg.

The aggregate holdings of book-entry interests in the Notes in Euroclear and Clearstream, Luxembourg will be reflected in the book-entry accounts of each such institution. Euroclear or Clearstream, Luxembourg, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Notes will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Notes. The Registrar will be responsible for maintaining a record of the aggregate holdings of Notes registered in the name of a common nominee for Euroclear and Clearstream, Luxembourg and/or if individual Certificates are issued in the limited circumstances described under "*The Global Certificate — Registration of Title*", holders of Notes represented by those individual Certificates. The Principal Paying Agent will be responsible for ensuring that payments received by it from the Issuer for holders of book-entry interests in the Notes holding through Euroclear and Clearstream, Luxembourg are credited to Euroclear or Clearstream, Luxembourg, as the case may be.

The Issuer will not impose any fees in respect of holding the Notes; however, holders of book-entry interests in the Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear or Clearstream, Luxembourg.

Clearing and Settlement Procedures

Initial Settlement

Upon their original issue, the Notes will be in global form represented by a Global Certificate. Interests in the Notes will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the Notes through Euroclear and Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the Notes will be credited to Euroclear and Clearstream, Luxembourg participants' securities clearance accounts on the business day following the Closing Date against payment (value as at the Closing Date).

Secondary Market Trading

Secondary market trades in the Notes will be settled by transfer of title to book-entry interests in the Clearing Systems. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear or Clearstream, Luxembourg, as the case may be, in accordance with their respective procedures. Book-entry interests in the Notes may be transferred within Euroclear and within Clearstream, Luxembourg and between Euroclear and Clearstream, Luxembourg in accordance with procedures established for these purposes by Euroclear and Clearstream, Luxembourg. Transfer of book-entry interests in the Notes between Euroclear or Clearstream, Luxembourg may be effected in accordance with procedures established for this purpose by Euroclear and Clearstream, Luxembourg.

General

None of Euroclear or Clearstream, Luxembourg is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

None of the Issuer, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

SUBSCRIPTION AND SALE

Each of Citigroup Global Markets Limited, DBS Bank Ltd., SBICAP (Singapore) Limited, Standard Chartered Bank, and Westpac Banking Corporation (together the "**Joint Lead Managers**") has, pursuant to a Subscription Agreement (the "**Subscription Agreement**") dated 10 January 2019, severally agreed to subscribe or procure subscribers for the respective principal amount of Notes set out opposite its name below, subject to the provisions of the Subscription Agreement:

Name of Joint Lead Manager	Amount (U.S.$)
Citigroup Global Markets Limited	180,000,000
DBS Bank Ltd.	180,000,000
SBICAP (Singapore) Limited	180,000,000
Standard Chartered Bank	180,000,000
Westpac Banking Corporation	180,000,000

Notes will be so subscribed at the issue price of 99.894 per cent. of the principal amount of Notes. The Issuer will be paying a combined management and underwriting commission to the Joint Lead Managers and will reimburse the Joint Lead Managers in respect of certain of their expenses. The Issuer has also agreed to indemnify the Joint Lead Manager against certain liabilities incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the issue price to the Issuer.

United States

The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Notes are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any joint lead manager (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

India

Notes with Minimum Average Maturity of five years

Each of the Joint Lead Managers has represented and agreed, and each further Joint Lead manager will be required to represent and agree that (a) this Offering Circular has not been and will not be registered, produced or published as an offer document (whether a prospectus in respect of a public offer or information memorandum or other offering material in respect of any private placement under the Companies Act, as amended, supplemented or re-enacted from time to time and the rules framed thereunder or any other applicable Indian laws), with the Registrar of Companies, the Securities and Exchange Board of India, the Reserve Bank of India or any other statutory or regulatory body or governmental body of like nature in India save and except any information from part of this Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws; and (b) the Notes have not been and will not be offered or sold in India by means of any document to any person other than the persons permitted to acquire the Notes under Indian law, whether as principal or agent; and (c) this Offering Circular or any other offering document or material relating to the Notes have not been and will not be circulated or distributed, directly or indirectly, to any person or to the public in India which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities in violation of Indian laws; and (d) that this Offering Circular, any material relating to the Notes and the Notes will not be offered or sold, and have not been offered or sold except in compliance with the ECB Guidelines.

Notes with Maturity Average Maturity of 10 years

Each Joint Lead Manager represented and agreed (a) to the restrictions set out in "*Subscription and Sale — India — Notes with Minimum Average Maturity of five years*", and (b) that this Offering Circular, any material relating to the Notes and the Notes will not be offered or sold and have not been offered or sold to any overseas branch or subsidiary of an Indian bank.

Hong Kong

Each Joint Lead Manager has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than to (i) "**professional investors**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA, except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the

SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

General

Neither the Issuer nor any Joint Lead Manager has made any representation that any action will be taken in any jurisdiction by the Joint Lead Managers or the Issuer that would permit a public offering of the Notes, or possession or distribution of this Offering Circular (in preliminary, proof or final form) or any other offering or publicity material relating to the Notes (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN IFRS AND INDAS

*The audited annual financial statements and unaudited, but reviewed, interim financial results of the Issuer appearing in this Offering Circular have been prepared in accordance with IndAS, which differ in certain material respects from international financial reporting standards ("**IFRS**").*

Significant differences exist between IndAS and IFRS, which might be material to the financial information herein. In making an investment decision, investors must rely upon their own examination of the Issuer, the terms of the offering and the financial information. Potential investors should consult their own professional advisers for an understanding of the differences between IndAS and IFRS and how those differences might affect the financial information herein.

The following table summarises the significant differences between IndAS and IFRS insofar as they are relevant to the financial statements of the Issuer presented in this Offering Circular. There can be no assurance that the table below is complete, or that the differences described would give rise to the most material differences between IndAS and IFRS. In addition, the Issuer cannot presently estimate the net effect of applying IFRS to its consolidated or non-consolidated results of operations or financial position, which may result in material adjustments when compared to IndAS.

	IFRS	IndAS
Revenue recognition	IFRS 15 prescribes five step model for revenue recognition. Step 1: Identify the contract(s) with a customer- Contracts may be written, oral or implied by customary business practices, but revenue can be recognised only on those contracts that are enforceable and have commercial substance. Step 2: Identify the separate performance obligations in the contract Performance obligations are explicitly or implicitly promised goods or services in a contract as well those arising from customary business practices. An entity needs to identify performance obligations which are distinct. Step 3: Determine the transaction price- The transaction price is the amount of consideration to which an entity expects to be entitled. It includes variable consideration, impact of significant financing components, fair value of non – cash consideration and impact of consideration payable to the customer. Step 4: Allocate the transaction price to the separate performance obligations — The standard requires allocation of the total contract price to the various performance obligations based on their relative stand- alone selling prices, with limited exceptions.	Similar to IFRS.

	IFRS	IndAS
	Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation — Revenue recognition can occur either over time or at a point in time.. An entity shall recognise the revenue when (or as) the entity satisfies a performance obligation by transferring a promised goods or services. An asset is transferred when (or as) the customer obtains control of that asset. Standard focuses on the control approach to determine revenue recognition as against the 'risk and rewards' model.	
Revenue measurement	When (or as) a performance obligation is satisfied, an entity shall recognise as revenue the amount of the transaction price that is allocated to that performance obligation.	Similar to IFRS.
Presentation for revenues from contracts with customer	When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and customer's payment. An entity shall present any unconditional rights to consideration separately as a receivable.	Similar to IFRS. However an entity shall present separately the amount of excise duty in the statement of profit and loss, as expenses.
Disclosure for revenue for contract.	To disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. It require disclosure of various qualitative and quantitative information	Similar to IFRS. However an entity shall reconcile the amount of revenue recognised in the statement of profit and loss with the contracted price showing separately each of the adjustments made to the contract price, for example, on account of discounts, rebates, refunds, credits, price concessions, incentives performance, bonuses, etc., specifying the nature and amount of each such adjustment separately.
Accounting treatment for changes in Accounting Policies	Retrospective application of changes in accounting policies is done by adjusting the opening balance of the affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new	Similar to IFRS.

	IFRS	IndAS
	accounting policy were always applied. If retrospective application is impracticable for a particular prior period, or for a period before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied needs to be stated.	
Consolidation — Investment in Subsidiaries	The difference between the reporting date of the subsidiary and that of the parent shall be no more than three months.	Similar to IFRS.
	Uniform accounting policies should be followed. No exception is provided.	Similar to IFRS.
Control — Investment in Subsidiary	Investor controls an investee if the investor has the following: (a) power over the investee; (b) exposure or rights, to variable returns from its involvement with the investee; and (c) the ability to use power over the investee to affect the amount of investor's returns.	Similar to IFRS.
Consolidation — Investment in Associates and Joint Ventures	Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.	Similar to IFRS.
	Joint Control: The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.	Similar to IFRS.
	In consolidated financial statements, interest in an associate or joint venture is to be accounted for using the equity method, as described in IAS 28.	Similar to IFRS.
	Uniform accounting policies should be followed. No exception is provided.	Similar to IFRS; however, in case of accounting of interest in associate companies, uniform accounting policies to be followed unless impracticable to do so.
Impairment of Indefinite Life Intangible Assets	Intangible assets having Indefinite life need not be amortised but are required to be tested for impairment at least on an annual basis or earlier if there is an impairment indication.	Similar to IFRS.

	IFRS	IndAS
Financial instruments — Initial measurement	All financial instruments are initially measured at fair value plus or minus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Trade receivables that do not have a significant financing component should initially be measured at transaction price as defined in IFRS 15.	Similar to IFRS.
	Impairment model in IFRS 9 is based on expected credit losses and it applies equally to debt instruments measured at amortised cost and for the assets measured at FVTOCI (The loss allowance is recognised in Other Comprehensive Income and not reduced from carrying amount of financial asset), Expected credit losses (with the exception of purchased or original credit impaired financial assets) are required to be measured through a loss allowance at an amount equal to (a) 12 months expected credit losses, or (b) lifetime expected credit losses if credit risk has increased significantly since initial recognition of financial instrument. Loss allowance in case of trade receivables or contract assets within the scope of IFRS 15 is measured at lifetime expected credit losses.	Similar to IFRS.
	The transaction costs are amortised to profit or loss using the effective interest method.	Similar to IFRS.
Property, Plant and Equipment	Under IFRS, items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with IAS 16 when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory.	Similar to IFRS.
Deferred Taxation	Deferred income taxes are recognised for all taxable temporary differences between accounting and tax base of assets and liabilities except to the extent they arise from (a) initial	Similar to IFRS.

	IFRS	IndAS
	recognition of goodwill or (b) the initial recognition of asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither the accounting nor the tax profit.	
	Deferred tax asset is recognised for carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and tax credits can be utilised.	Similar to IFRS.
	Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised in the same or a different period, outside profit or loss. Therefore, the tax on items recognised in other comprehensive income, or directly in equity, is also recorded in other comprehensive income or in equity, as appropriate.	Similar to IFRS.
Foreign Exchange Differences	Exchange differences arising on translation or settlement of foreign currency monetary items are recognised in profit or loss in the period in which they arise, except when hedge accounting is applied.	Similar to IFRS. However, an entity may continue the policy adopted as per IGAAP for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first IndAS financial reporting period.
First time adoption	IFRS 1 gives detailed guidance on preparation of the first IFRS financial statements. To help overcome a number of practical challenges for a first-time adopter, there are certain mandatory exemptions/voluntary exemptions from the full retrospective application.	IndAS 101 gives detailed guidance on preparation of the first IndAS financial statements. To help overcome a number of practical challenges for a first-time adopter, there are certain mandatory exemptions/voluntary exemptions from the full retrospective application. IndAS 101 gives few additional voluntary exemptions as compared to IFRS. For example, it gives an exemption whereby an entity can continue using its Indian GAAP carrying value of all its property, plant and equipment as deemed cost at transition date, provided that there is no change in functional currency. It also gives an exemption whereby a company

	IFRS	IndAS
		can continue using its accounting policy under previous GAAP for capitalisation/deferral of exchange differences arising on long-term foreign currency monetary items recognised in financial statements for the period ending immediately before the beginning of the first IndAS financial reporting period.
Presentation of financial statements	A complete set of financial statements under IFRS comprises:	A complete set of financial statements under IndAS comprises:
	1 Statement of financial position as at the end of the financial year;	1 Balance sheet as at the end of the financial year;
	2 Statement of profit or loss and other comprehensive income for the financial year — either as single statement or two separate statements;	2 Single statement of profit or loss, with profit or loss and other comprehensive income for the financial year presented in two sections;
	3 Statement of changes in equity;	3 Statement of changes in equity;
	4 Statement of cash flows for the financial year; and	4 Statement of cash flows for the financial year; and
	5 Notes comprising significant accounting policies and other explanatory information.	5 Notes comprising significant accounting policies and other explanatory information.
Comparative figures	Comparative figures are presented for minimum one year.	Comparative figures are presented for minimum one year.
	However, when a change in accounting policy has been applied retrospectively or material items in financial statements have been restated/reclassified which has an impact beyond the comparative period, a statement of financial position is required as at the beginning of the earliest comparative period.	However, when a change in accounting policy has been applied retrospectively or material items in financial statements have been restated/reclassified which has an impact beyond the comparative period, a balance sheet is required as at the beginning of the earliest comparative period.
Formats for presentation of financial statement	IAS 1 does not prescribe any specific format for presentation of financial statement.	Similar to IFRS.
	However, it specifies the minimum line items to be presented in the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in equity.	In addition to above minimum line items as specified in Ind AS 1, the Ministry of Corporate Affairs has issued an IndAS-compliant Schedule III under the Companies Act 2013 which also specifies the minimum line items to be presented in the balance sheet, statement of profit and loss, statement of changes in equity and notes.

	IFRS	IndAS
	IAS 7 provides guidance on the line items to be presented in the cash flow statement.	Similar to IFRS.
Presentation of income statement	An analysis of expenses is presented using a classification based either on the nature of expenses or their function whichever provides information that is reliable and more relevant.	Entities should present an analysis of expenses recognised in profit or loss using a classification based only on the nature of expense.
	If presented by function, specific disclosure by nature are provided in the notes. When items of income or expense are material, their nature and amount are separately disclosed.	IndAS-compliant Schedule III of the Companies Act 2013 also requires an analysis of expenses by nature.
Statement of profit or loss and other comprehensive income	The Statement of Profit or Loss and Other Comprehensive Income includes all items of income and expense (i.e. all 'nonowner' changes in equity) including (a) components of profit and loss and (b) other comprehensive income (i.e. items of income and expense that are not recognised in profit and loss as required or permitted by other IFRSs). These items may be presented either: 1 In a single Statement of Profit or Loss and Other Comprehensive income; or 2 In a separate statement of Profit or Loss (displaying components of Profit and Loss) and Statement of Profit or Loss and Other Comprehensive Income (beginning with profit or loss and displaying components of other comprehensive income). Some of the components of Other Comprehensive Income are: 1 Changes in the revaluation surplus; 2 Foreign exchange translation differences for translating the foreign operations 3 Re-measurements of post-employment benefit obligations; 4 Gains or losses arising on fair valuation of financial assets; 5 Effective portion of gains or losses on hedging instruments in cash flow hedge;	Similar to IFRS. An entity is required to present all items of income and expense including components of other comprehensive income in a period in a single statement of profit and loss.

	IFRS	IndAS
	6 Share of other comprehensive income of investments accounted for using the equity method; 7 Gains or loss for particular liabilities designated at fair value through profit and loss, the amount of change in fair value that is attributable to change in the liability's credit risk; and 8 Foreign currency exchange gains and losses arising on translation of net investment in a foreign operation. These components are grouped into those that, in accordance with other IFRSs (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met.	
Presentation of Statement of Changes inequity	The statement of changes in equity includes the following: 1 Total comprehensive income for the period; 2 The effects on each component of equity of retrospective application/ restatement in accordance with IAS 8; and 3 For each component of equity, a reconciliation between the opening and closing balances, separately disclosing each change.	Similar to IFRS.
Presentation of profit or loss attributable to non-controlling interests	Profit or loss attributable to non-controlling interest and equity holders of the parent are disclosed in the statement of profit or loss and other comprehensive income as allocations of profit or loss and total comprehensive income for the period.	Similar to IFRS.
Statement of cash flow	(i) IAS 7 requires disclosure of the information relating to historical changes in cash & cash equivalent by classifying cash flows during the period from operating, investing and financial activities.	Similar to IFRS

	IFRS	IndAS
	(ii) In case of other than financial entities, IAS 7 gives an option to classify the interest paid and interest and dividends received as item of operating cash flows.	Ind AS does not provide such an option and requires these items to be classified as items of financing activity and, investing activity, respectively.
	(iii) IAS 7 gives an option to classify the dividend paid as an item of operating activity.	However as per IND AS same is to be classified as a part of financing activity only.
Extra ordinary items	Presentation of any items of income or expense as extraordinary is prohibited.	Similar to IFRS.
Correction of prior period items	Material prior period errors are corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts for the prior period(s) presented in which the error occurred, or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.	Similar to IFRS.
Disclosure of critical judgements and capital disclosures	IAS 1 requires disclosure of critical judgements made by the management in applying accounting policies and key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The nature of uncertainty and the carrying amounts of such assets and liabilities at the end of the reporting period are required to be disclosed. It also requires disclosure of information that enables the users of financial statements to evaluate an entity's objectives, policies and processes for managing capital.	Similar to IFRS.
Measurement of investments	Under IFRS 9, the investments are categorised as financial assets and can be classified in the following three categories based on the conditions mentioned therein: 1 Amortised cost; 2 Fair value through profit or loss; and 3 Fair value through other comprehensive income.	Similar to IFRS.

	IFRS	IndAS
Functional currency	IAS 21 requires the assessment of functional currency on the basis of the conditions specified therein. Functional currency is defined as the currency of the primary economic environment in which the entity operates. The functional currency could be different from the currency of the country in which the company is incorporated.	Similar to IFRS.
Employee benefits — actuarial gains and losses and discount rate	IAS 19, Employee Benefits requires the impact of re-measurement in net defined benefit liability (asset) of post-employment benefit plans to be recognised in other comprehensive income (OCI). Re-measurement of net defined benefit liability (asset) comprises actuarial gains or losses, return on plan assets (excluding interest to net asset/liability). Further, the amount recognised in OCI is not reclassified to the Statement of Profit and Loss.	Similar to IFRS.
	Discount rate is determined by reference to market yields at the end of reporting period on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yield on government bonds denominated in that currency should be used.	Discount rate is determined by reference to market yield on market yields at the end of reporting period on government bonds. However, subsidiaries, associates, joint ventures and branches domiciled outside India should use rate determined by reference to market yields on high quality corporate bonds at the end of reporting period. In case such subsidiaries, associates, joint ventures and branches are domiciled in countries where there is no deep market in such bonds, market yield at the end of reporting period on government bonds of that country should be used. The currency and term of government bonds or corporate bonds should be consistent with the currency and estimated term of post-employment benefits.
Business Combination — Goodwill	Goodwill is measured as the difference between: • Aggregate of: (a) the acquisition date fair value of the consideration transferred; (b) amount of non-controlling interest;	Similar to IFRS. However, any gain on bargain purchase is recognised in equity as capital reserve.

	IFRS	IndAS
	(c) in a business combination achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree; and (d) net of acquisition date fair values of the identifiable assets acquired and the liabilities assumed. If the above difference is negative, resultant gain is recognised as bargain purchase in profit and loss.	
Business Combination — Achieved in stages	For business combinations achieved in stages, if the acquirer increases an existing equity interest so as to achieve control of the acquiree, the previously held equity interest is remeasured at acquisition date fair value and any resulting gain or loss is recognised in profit and loss or other comprehensive income, as appropriate.	Similar to IFRS.
Dividend adjustment	Liability for dividends declared to holders of equity instruments is recognised in the period in which the same is approved by appropriate authority. It is a non-adjusting event.	Similar to IFRS.
Government Grant — recognition	Government grants are recognised as income to match them with expenses in respect of the related costs for which they are intended to compensate on a systematic basis.	Similar to IFRS, except grants related to assets, including non-monetary grants at fair value, which should be presented in the balance sheet only by setting up the grant as deferred income. However as per amended Indian Accounting Standard rules effective for the annual periods beginning on or after 1st April 2018, following alternatives are available to entities 1) Govt grant related to assets can be presented by deducting grant from the carrying amount of the asset. 2) Non monetary grant can be recognised at nominal value.
	Government grants are not directly credited to shareholders' interests. Grants related to assets are presented in the balance sheet either by setting up the grant as deferred income or by deducting	

	IFRS	IndAS
	the grant in arriving at the carrying amount of asset.	
Borrowing costs	Similar to Indian GAAP. However, unlike Indian GAAP, there is no bright line for the term 'substantial period'.	Similar to IFRS.
Provisions	A provision is recognised only when a past event has created a legal or constructive obligation, an outflow of resources is probable, and the amount of the obligation can be estimated reliably. A constructive obligation is an obligation that derives from an entity's actions where, by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.	Similar to IFRS.
	When the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the liability.	Similar to IFRS.
Segment reporting	Operating segments are identified based on financial information that is regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in accessing performance.	Similar to IFRS.
Leases	1. Land leases are specifically covered under IAS 17 and accordingly land lease has to be categorised either as finance lease or operating lease and treated accordingly.	Similar to IFRS.
	2. All Leases rentals to be charged to statement of profit and loss on straight line basis in case of operating leases unless another systematic basis is more representative of the time pattern of the user's benefit even if the payments	Lease rentals, in case of operating leases, shall be charged to the statement of profit and loss in accordance with the lease agreements unless the payment to the lessor are structured to increase in line with the expected general inflation to compensate for the

	IFRS	IndAS
	to the lessor are not on that basis.	lessor's expected inflationary cost increases.
Derivative Instruments	IFRS 9 requires all derivatives (including forward exchange contracts) to be measured at fair value on the reporting date with both unrealised gains and unrealised losses being recognised in the income statement for the period in which such changes arise.	Similar to IFRS.
Non-Current Assets held for Sale	IFRS 5 requires non-current assets and disposal group identified as held for sale to be presented separately on face of balance sheet as current asset/liability at lower of cost or fair value less cost to sell.	Similar to IFRS.
Service Concession Arrangements	IAS 11 requires arrangement with grantor that qualifies as Service Concession Arrangements to recognise the consideration as Financial Asset or Intangible Asset, as the case maybe.	Similar to IFRS.

GENERAL INFORMATION

Authorisation

The shareholders of the Issuer have authorised the Board by a resolution dated 11 August 2014 to borrow up to Rs. 1,100,000 million pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any of the Companies Act, 2013. The Board has by a resolution dated 12 August 2014 approved the borrowing limit of the Issuer up to Rs. 1,100,000 million.

Listing

Approval in-principle has been received from the SGX-ST for the listing of and quotation for the Notes. Approval in-principle for the listing and quotation of the Notes is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies or the Notes. Permission will be granted when the Notes have been admitted to the Official List of the SGX-ST. The Notes will be traded in a minimum board lot size of not less than S$200,000 (or its equivalent in other currencies) for as long as the Notes are listed on the SGX-ST.

So long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Certificate is exchanged for Certificates in the definitive form. In addition, in the event that the Global Certificate is exchanged for Certificates in definitive form, announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Certificates in definitive form, including details of the paying agent in Singapore.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for the Notes is XS1936310371. The Common Code for the Notes is 193631037.

No significant change

There has been no significant change in the financial or trading position of the Issuer since 30 September 2018 and there has been no material adverse change in the financial position or prospects of the Issuer since 30 September 2018.

Litigation

Unless otherwise disclosed in this Offering Circular, the Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Offering Circular which may have or have in such period had a significant effect on the financial position of the Issuer.

Auditors CK Prusty & Associates, J Gupta & Co., S.K. Mehta & Co., and V Sankar Aiyar & Co. served as statutory auditors in the year ended 31 March 2017 and audited the Issuer's consolidated and non-consolidated accounts, without qualification, in accordance with generally accepted auditing standards in India for the financial year ended on 31 March 2017. CK Prusty & Associates, S.K. Mehta & Co., V Sankar Aiyar & Co., and V. Singhi & Associates served as statutory auditors in the year ended 31 March 2018 and audited the Issuer's consolidated and non-consolidated accounts, without qualification, in accordance with generally accepted auditing standards in India for the financial year ended on 31 March 2018. The auditors of the Issuer have no material interest in the Issuer.

Documents

So long as the Notes are outstanding, copies of the following documents will be available for inspection (i) from the registered office of the Issuer and (ii) at all reasonable times during normal business hours (being between 9.00 a.m. and 3.00 p.m. (Hong Kong time)) from the principal place of business of the Trustee (being as at the date of this Offering Circular at 39th Floor, Champion Tower, Three Garden Road, Central, Hong Kong) following prior written request and proof of holding satisfactory to the Trustee and, in the case of the documents referred to in (a), (b), (c) and (e), subject to the same first having been provided to the Trustee by the Issuer:

(a) the Memorandum and Articles of Association of the Issuer;

(b) the consolidated and non-consolidated audited financial statements of the Issuer in respect of the financial years ended 31 March 2017 and 2018 (in each case together with the audit reports in connection therewith). The Issuer currently prepares audited consolidated and non-consolidated accounts on an annual basis;

(c) the most recently published audited annual financial statements of the Issuer, the most recently published unaudited, but reviewed, consolidated and non-consolidated financial results (if any) of the Issuer, in each case together with any review reports prepared in connection therewith. The Issuer currently prepares unaudited, but reviewed, non-consolidated financial results on a quarterly basis; and

(d) the Trust Deed and the Agency Agreement; and

(e) a copy of this Offering Circular.

Joint Lead Managers transacting with the Issuer

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

INDEX OF DEFINED TERMS

GLOSSARY OF TECHNICAL TERMS

Unless otherwise indicated in the context, references to:

“**Asp**”	refers to asphalt.
“**ATF**”	refers to aviation turbine fuel.
“**ATU**”	refers to Amine Treating Unit.
“**Bbls/d**”	refers to barrels per day.
“**Bit Eml**”	refers to bitumen emulsion.
“**BS**”	refers to bright spindle.
“**BTU**”	refers to Bitumen Treating Unit.
“**CBFS**”	refers to carbon black feed stock.
“**CDU**”	refers to Crude Distillation Unit.
“**CIDW**”	refers to Catalytic Iso-dewaxing Unit.
“**CRU**”	refers to Catalytic Reforming Unit.
“**DAO**”	refers to de-asphalted oil.
“**DEG**”	refers to diethylene glycol.
“**DHDS**”	refers to Diesel Hydro Desulphurisation Unit.
“**Ext.** ”	refers to extract.
“**FCCU**”	refers to Fluidised Catalytic Cracking Unit.
“**FEU**”	refers to Ferfurol Extraction Unit.
“**FO**”	refers to fuel oil.
“**GO**”	refers to gas oil.
“**HDPE**”	refers to high density polyethylene.
“**HFU**”	refers to Hydro Finishing Unit.
“**HGU**”	refers to Hydrogen Generation Unit.
“**HO**”	refers to heavy oil.
“**HSD**”	refers to high speed diesel.
“**IFO**”	refers to internal fuel oil.
“**IO**”	refers to inter oil.
“**JBO**”	refers to jute batching oil.
“**Kb/d**”	refers to thousands of barrels per day.
“**Kero Cut**”	refers to kerosene cut.
“**KHDS**”	refers to Kero Hydro Desulphurisation Unit.
“**Km**”	refers to kilometre.
“**kWh**”	refers to kilowatt hour.
“**LAB**”	refers to linear alkyl benzene.
“**LABFS**”	refers to linear alkyl benzene feedstock.
“**LDO**”	refers to light diesel oil.
“**LNG**”	refers to liquified natural gas.
“**LO**”	refers to light oil.
“**LPG**”	refers to liquefied petroleum gas.

“**LDPE**”	refers to Low Density Poly Ethelene.
“**LSHS**”	refers to low sulphur heavy stock.
“**LLDPE**”	refers to Linear Low Density Poly Ethelene.
“**MCW**”	refers to micro crystalline wax.
“**MEG**”	refers to monoethylene glycol.
“**MMSCMD**”	refers to million metric standard cubic metre per day.
“**MMT**”	refers to million metric tonnes.
“**MMTPA**”	refers to million metric tonnes per annum.
“**MS**”	refers to motor spirit.
“**MTBE**”	refers to methyl tertiary butyl ether.
“**MTO**”	refers to mineral turpentine oil.
“**MW**”	refers to megawatt.
“**N**”	refers to neutral.
“**NMP**”	refers to N-methyl Pyrolidine (NMP) Extraction Unit.
“**PDA**”	refers to Propane De-asphalting Unit.
“**Px/PTA**”	refers to paraxylene/purified terephthalic acid.
“**RCO**”	refers to reduced crude oil.
“**R-LNG**”	refers to regassified liquid natural gas.
“**RTF**”	refers to Russian turbine fuel.
“**SDU**”	refers to Solvent Dewaxing Unit.
“**S HSD**”	refers to percentage of sulphur in HSD.
“**SKO**”	refers superior kerosene.
“**SO**”	refers to spindle oil.
“**SR**”	refers to short residue.
“**SR Naph**”	refers to straight run naphtha.
“**SRU**”	refers to Sulphur Recovery Unit.
“**St.Run**”	G.O refers to straight run gas oil.
“**S. Wax**”	refers to slack wax.
“**VBU**”	refers to Vis Breaker Unit.
“**VDU**”	refers to Vacuum Distillation Unit.

INDEX TO FINANCIAL STATEMENTS

STANDALONE FINANCIAL STATEMENTS 2016-17

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IndianOil

INDEPENDENT AUDITORS' REPORT

To

The Members of Indian Oil Corporation Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone financial statements of Indian Oil Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information in which are incorporated the returns for the year ended on that date audited by the branch auditors of the company's four branches, at locations of the branches.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind-AS financial statements that give a true and fair view of the state of affairs (financial position),profit or loss (financial performance including other comprehensive income),cash flows and changes in the equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind-AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit (financial performance including other comprehensive income) and its cash flows and the changes in equity for the year ended on that date.

Other Matters

a) The comparative financial information of the company for the year ended 31st March'2016 and the transition date opening balance sheet as at 1st April'2015 included in these standalone Ind-AS financial statements, are based on previously issued statutory financial statements prepared in accordance with Companies (Accounting Standards) Rules, 2016 audited by us for the year ended 31st March 2016, our report dated 27th May 2016, and audited by one of us and two predecessor auditors for the year ended 31st March 2015 whose report dated 29th May 2015, expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

We did not audit the financial statements/information of 4 branches included in the standalone Ind AS financial statements of the Company whose financial statements / financial information reflect total assets of ₹ 38,440.12 crore as at 31st March, 2017 and revenues of ₹ 2,41,849.10 crore for the year ended on that date, as considered in the standalone financial statements. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

b) The standalone Ind AS financial statements include the Company's proportionate share (relating to Jointly controlled operations) in assets ₹ 430.29 crore, liabilities ₹ 132.40 crore, income of ₹ 0.37 crore and expenditure ₹ 90.62 crore and elements making of the cash flow statement and related disclosures contained in the enclosed financial statements and our observations thereon are based on unaudited statements from the operators to the extent available with the Company in respect of 17 blocks in India and overseas and have been certified by the management.

We have also placed reliance on technical / commercial evaluation by the management in respect of categorization of wells as exploratory, development and dry well, allocation of cost incurred on them, liability under new exploration licensing policy (NELP) and nominated blocks for under-performance against agreed Minimum Work Programme.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure 1, a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure 2 on the directions issued by the Comptroller and Auditor General of India.

3. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.

   (c) The reports on the accounts of the branch offices of the Company audited under section 143(8) of the Act, by branch auditors have been sent to us and have been properly dealt with by us in preparing this report

   (d) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (f) We are informed that the provisions of Section 164(2) of the Act in respect of disqualification of directors are not applicable to the Company, being a Government Company in terms of notification no. G.S.R.463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs.

   (g) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure 3.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 36 (B1) to the financial statements;

ii. The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring the amount required to be transferred to Investor Education and Protection Fund by the company, in accordance with the relevant provisions of the Companies Act and Rules made there under by the Company.

iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in Notification SO 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016; and such disclosures are in accordance with the books of account maintained by the Company- Refer Note 50 (4) of the standalone Ind AS financial statements.

For J GUPTA & CO. **Chartered Accountants** **(Firm Regn. No. 314010E)**	**For S.K. MEHTA & CO.** **Chartered Accountants** **(Firm Regn. No. 000478N)**	**For V SANKAR AIYAR & CO.** **Chartered Accountants** **(Firm Regn. No. 109208W)**	**For CK PRUSTY & ASSOCIATES** **Chartered Accountants** **(Firm Regn. No. 323220E)**
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(CA. NANCY MURARKA) **Partner** **M. No. 067953**	**(CA. ROHIT MEHTA)** **Partner** **M. No. 091382**	**(CA. M.S. BALACHANDRAN)** **Partner** **M. No. 024282**	**(CA. GV. JAYABAL)** **Partner** **M. No. 015616**

Place of Signature : New Delhi

Dated : 25th May, 2017

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in Independent Auditors' Report of even date to the members of Indian Oil Corporation Limited on the accounts for the year ended 31st March 2017

(i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) There is a regular programme of physical verification of all fixed assets, other than LPG cylinders and pressure regulators with customers, over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In our opinion and as per the information given by the Management, the discrepancies observed were not material and have been appropriately accounted in the books.

(c) The title/ lease deeds of the immovable properties are held in the name of the Company except cases of Leasehold Land of 20,31,353 square meters having cost of ₹ 119.28 crore and Freehold land of 12,08,962 square meters having cost of ₹ 116.40 crore and buildings having cost of ₹ 5.64 crore, of which title/ lease deeds are pending for execution in the name of the Company.

(ii) The inventory has been physically verified by the management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, during the year, to any companies, firms, limited liability partnerships or other parties covered in register maintained under Section 189 of the Companies Act, 2013.

In view of above, the clauses 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable.

(iv) According to the information and explanations given to us, the Company, being a Government Company, is exempted from the provisions of section 186 as it is engaged in the business of providing infrastructure facilities as provided under Schedule-VI of the Companies Act'2013. According to the information and explanations given to us, there were no transactions during the year to which the provisions of section 185 were applicable.

(v) In our opinion and according to the information and explanations given to us, during the year, the company has not accepted public deposits and no deposits are outstanding at the year end except old cases under dispute aggregating to ₹0.01 crore, where we are informed that the company has complied with necessary directions.

(vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, value added tax, service tax, duty of custom, duty of excise, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on 31st March 2017 for a period of more than six months from the date they became payable.

(b) The disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are annexed in **Appendix A** with this report.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks, and Government or debenture holders.

(ix) According to the information and explanations given to us, the Company has applied the term loans for the purpose for which they were obtained. During the year the Company has not raised any amount through initial public offer or further public offer.

(x) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no material case of frauds by the Company or on the company by its officers or employees has been noticed or reported during the year. However, the Management has informed us of an alleged fraudulent act by an employee of the Company involving an amount of ₹ 0.89 crore in the dispatches of products without generation of invoices and deviation from established procedures. We are further informed that punitive actions are in process against the officials involved.

(xi) As informed, the provisions of Section 197 relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of MCA Notification no. G.S.R. 463 (E) dated 5th June 2015.

(xii) The Company is not a Nidhi Company and hence the requirement of Clause 3 (xii) of the order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions during the year with the related parties were approved by the Audit Committee and are in compliance with sections 177 of the Companies Act, 2013 where applicable and since the said transactions were in the ordinary course of business of the company and were at arm's length basis, the provisions of section 188 are not applicable, and the details have been disclosed in the Standalone Ind AS Financial Statements, as required by the applicable Indian accounting standards;

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For J GUPTA & CO. **Chartered Accountants** **(Firm Regn. No. 314010E)**	**For S.K. MEHTA & CO.** **Chartered Accountants** **(Firm Regn. No. 000478N)**	**For V SANKAR AIYAR & CO.** **Chartered Accountants** **(Firm Regn. No. 109208W)**	**For CK PRUSTY & ASSOCIATES** **Chartered Accountants** **(Firm Regn. No. 323220E)**
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(CA. NANCY MURARKA) **Partner** **M. No. 067953**	**(CA. ROHIT MEHTA)** **Partner** **M. No. 091382**	**(CA. M.S. BALACHANDRAN)** **Partner** **M. No. 024282**	**(CA. GV. JAYABAL)** **Partner** **M. No. 015616**

Place of Signature : New Delhi

Dated : 25th May, 2017

IndianOil

APPENDIX- A

REPORTING AS PER COMPANIES (AUDITORS' REPORT) ORDER 2016 (DISPUTED STATUTORY DUES)

Sl. No.	Name of the Statute / Nature of Dues	Forum Where Dispute is pending	Gross Amount (₹ Crore)	Amount Paid under Protest (₹ Crore)	Amount (net of deposits) (₹ Crore)	Period to which the Amount relates (Financial Years)
1	**CENTRAL EXCISE ACT, 1944**					
	CENTRAL EXCISE	Supreme Court	26.49	-	26.49	2006 to 2016
		High Court	27.97	0.38	27.59	2002 to 2016
		Tribunal	2,040.62	23.81	2,016.81	1991 to 2017
		Revisionary Authority	7.13	0.04	7.09	2000 to 2016
		Appellate Authority (Below Tribunal)	14.01	0.85	13.16	2005 to 2017
		Total	**2,116.22**	**25.08**	**2,091.14**	
2	**CUSTOMS ACT, 1962**					
	CUSTOMS DUTY	Supreme Court	8.98	2.00	6.98	1998 to 2016
		High Court	0.21	-	0.21	2004 to 2005
		Tribunal	66.58	3.07	63.51	1998 to 2016
		Revisionary Authority	0.13	0.01	0.12	2014 to 2015
		Appellate Authority (Below Tribunal)	57.70	-	57.70	2012 to 2016
		Total	**133.60**	**5.08**	**128.52**	
3	**SALES TAX/ VAT LEGISLATIONS**					
	SALES TAX/ VAT/ TURNOVER TAX	Supreme Court	12.98	5.38	7.60	1999 to 2015
		High Court*	3,570.93	116.27	3,454.66	1982 to 2016
		Tribunal	1,656.17	101.17	1,555.00	1988 to 2017
		Revisionary Authority	797.51	85.28	712.23	1990 to 2015
		Appellate Authority (Below Tribunal)	3,893.00	914.21	2,978.79	1992 to 2017
		Total	**9,930.59**	**1,222.31**	**8,708.28**	
4	**INCOME TAX ACT, 1961**					
	INCOME TAX	High Court	426.40	426.40	-	1986 to 2004
		Tribunal	1,836.54	1,582.89	253.65	2001 to 2012
		Appellate Authority (Below Tribunal)	4,151.66	701.07	3,450.59	2007 to 2015
		Total	**6,414.60**	**2,710.36**	**3,704.24**	
5	**FINANCE ACT, 1994**					
	SERVICE TAX	Tribunal	35.12	0.67	34.45	2003 to 2017
		Appellate Authority (Below Tribunal)	8.99	0.08	8.91	2007 to 2017
		Total	**44.11**	**0.75**	**43.36**	
6	**STATE LEGISLATIONS**					
	ENTRY TAX	Supreme Court	28,027.85	15,637.23	12,390.62	1991 to 2017
		High Court	3,716.92	1,149.19	2,567.73	2003 to 2017
		Tribunal	102.53	36.92	65.61	1998 to 2016
		Revisionary Authority	9.50	1.22	8.28	1999 to 2013
		Appellate Authority (Below Tribunal)	8.66	1.88	6.78	2007 to 2016
		Total	**31,865.46**	**16,826.44**	**15,039.03**	
7	**OTHER CENTRAL / STATE LEGISLATIONS**					
	OTHERS COMMERCIAL TAX etc.	Supreme Court	9.10	-	9.10	2004 to 2011
		High Court	69.11	10.00	59.11	2001 to 2009
		Tribunal	1.85	1.85	-	2010 to 2011
		Appellate Authority (Below Tribunal)	10.17	1.17	9.00	1999 to 2016
		Total	90.23	13.02	77.21	
		GRAND TOTAL	**50,594.81**	**20,803.03**	**29,791.78**	

* Includes ₹ 2,216.70 crore which has not been deposited on account of dispute with regard to the deferment of liability. (Refer Point No. 7 of Note-50 of the Standalone Ind-As Financial Statements)

NOTE: Dues include penalty and interest, wherever applicable.

ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT

Directions issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013, indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Indian Oil Corporation Limited (Standalone) for the year 2016-17:

S. No.	Directions	Action Taken	Impact on financial statement
A. Directions			
1	Whether the Company has clear title/ lease deeds for freehold and leasehold respectively? If not, please state the area of freehold and leasehold land for which title/ lease deeds are not avaiable?	The title/ lease deeds for freehold and leasehold land are available and held in the name of the Company except title/ lease deeds of 32,40,315 square meter land (Freehold Land 12,08,962 square meters and Leasehold Land 20,31,353 square meters) are pending for execution in the name of the Company.	NIL
2	Whether there are any cases of waiver/ write off of debts/loans/ interest etc., if yes, the reasons therefor and the amount involved.	According to the information and explanations given to us, there are no material cases of waiver/write off of debts/ loans/interest etc. However, in the normal course of business there are cases of waiver/write off etc. which are based on the facts of each case and specific approval as per "Delegation of Authority". Detail of waiver/ write off is as under: **Particulars** — ₹ in crore Write off of Doubtful Debts — 66.72 Waiver of penalty and interest etc. — 0.47 **Total** — 67.19	NIL
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/ grant(s) from Govt. or other authorities.	Proper records are maintained for inventories lying with third parties and assets received by the company as gift / grants from government or other authorities.	NIL

For J GUPTA & CO. **Chartered Accountants** **(Firm Regn. No. 314010E)**	**For S.K. MEHTA & CO.** **Chartered Accountants** **(Firm Regn. No. 000478N)**	**For V SANKAR AIYAR & CO.** **Chartered Accountants** **(Firm Regn. No. 109208W)**	**For CK PRUSTY & ASSOCIATES** **Chartered Accountants** **(Firm Regn. No. 323220E)**
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(CA. NANCY MURARKA) **Partner** **M. No. 067953**	**(CA. ROHIT MEHTA)** **Partner** **M. No. 091382**	**(CA. M.S. BALACHANDRAN)** **Partner** **M. No. 024282**	**(CA. GV. JAYABAL)** **Partner** **M. No. 015616**

Place of Signature : New Delhi

Dated : 25th May, 2017

ANNEXURE 3 TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF INDIAN OIL CORPORATION LIMITED ON THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Indian Oil Corporation Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles including the Ind AS. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles including the Ind AS, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to four branches audited by the branch auditors, is based on the corresponding reports of the branch auditors.

For J GUPTA & CO. **Chartered Accountants** **(Firm Regn. No. 314010E)**	**For S.K. MEHTA & CO.** **Chartered Accountants** **(Firm Regn. No. 000478N)**	**For V SANKAR AIYAR & CO.** **Chartered Accountants** **(Firm Regn. No. 109208W)**	**For CK PRUSTY & ASSOCIATES** **Chartered Accountants** **(Firm Regn. No. 323220E)**
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(CA. NANCY MURARKA) **Partner** **M. No. 067953**	**(CA. ROHIT MEHTA)** **Partner** **M. No. 091382**	**(CA. M.S. BALACHANDRAN)** **Partner** **M. No. 024282**	**(CA. GV. JAYABAL)** **Partner** **M. No. 015616**

Place of Signature : New Delhi

Dated : 25th May, 2017

BALANCE SHEET AS AT MARCH 31, 2017

(₹ in Crore)

Particulars	Note No.		Mar-2017	Mar-2016	01.04.2015
ASSETS					
Non-current assets					
a) Property, Plant and Equipment	2	**106,900.73**		90,594.59	65,344.83
b) Capital Work-in-Progress	2.1	**10,223.36**		20,329.56	35,742.87
c) Intangible Assets	3	**978.76**		752.38	626.70
d) Intangible Assets Under Development	3.1	**514.46**		695.52	761.72
e) Financial Assets					
i) Investments	4	**40,109.19**		30,085.66	36,161.26
ii) Loans	5	**1,180.89**		1,127.78	1,052.05
iii) Other Financial Assets	6	**3,455.63**		3,253.69	3,019.90
f) Income Tax Assets (Net)	7	**5.47**		455.81	1,048.46
g) Other Non-Current Assets	8	**3,057.08**		2,518.47	2,835.79
			166,425.57	149,813.46	146,593.58
Current assets					
a) Inventories	9	**62,401.14**		38,739.11	45,910.12
b) Financial Assets					
i) Investments	4	**7,195.41**		7,095.74	7,353.83
ii) Trade Receivables	10	**8,502.37**		7,548.60	6,537.88
iii) Cash and Cash Equivalents	11	**52.86**		261.91	101.49
iv) Bank Balances other than above	12	**33.64**		251.03	14.13
v) Loans	5	**1,758.53**		732.86	316.47
vi) Other Financial Assets	6	**9,639.56**		12,551.68	12,812.22
c) Current Tax Assets (Net)	7	**-**		-	75.32
d) Other Current Assets	8	**3,144.84**		3,471.22	3,786.48
		92,728.35		70,652.15	76,907.94
e) Assets Held for Disposal	13	**59.35**		38.56	26.16
			92,787.70	70,690.71	76,934.10
TOTAL			**259,213.27**	**220,504.17**	**223,527.68**
EQUITY AND LIABILITIES					
EQUITY					
a) Equity Share capital	14	**4,739.34**		2,369.67	2,369.67
b) Other Equity	15	**94,989.38**		85,764.64	85,194.55
			99,728.72	88,134.31	87,564.22
LIABILITIES					
Non-current liabilities					
a) Financial Liabilities					
i) Borrowings	16	**20,312.04**		24,937.56	32,705.79
ii) Other Financial Liabilities	17	**20,251.48**		17,509.40	15,089.62
b) Provisions	18	**2,926.98**		2,386.29	2,258.73
c) Deferred tax liabilities (Net)	19	**6,759.23**		6,858.99	5,243.39
d) Other non-current liabilities	20	**712.04**		647.52	574.19
			50,961.77	52,339.76	55,871.72

Particulars	Note No.		Mar-2017	Mar-2016	01.04.2015
Current liabilities					
a) Financial Liabilities					
i) Borrowings	21	**30,072.76**		17,545.81	16,980.86
ii) Trade payables	22	**30,107.48**		22,331.82	29,122.27
iii) Other Financial Liabilities	17	**16,140.37**		20,595.59	15,643.38
b) Other Current Liabilities	20	**13,220.47**		9,773.90	9,275.81
c) Provisions	18	**18,924.73**		9,782.98	9,069.42
d) Current Tax Liabilities (Net)	7	**56.97**		-	-
			108,522.78	80,030.10	80,091.74
TOTAL			**259,213.27**	**220,504.17**	**223,527.68**
Significant Accounting Policies, Estimates & Judgements	1				
Notes on Financial Statements	2-50				

Sd/-
(B. Ashok)
Chairman

Sd/-
(A.K. Sharma)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For J GUPTA & CO.
Chartered Accountants
(Firm Regn. No. 314010E)

Sd/-
(CA. NANCY MURARKA)
Partner
M. No. 067953

For S.K. MEHTA & CO.
Chartered Accountants
(Firm Regn. No. 000478N)

Sd/-
(CA. ROHIT MEHTA)
Partner
M. No. 091382

For V SANKAR AIYAR & CO.
Chartered Accountants
(Firm Regn. No. 109208W)

Sd/-
(CA. M.S. BALACHANDRAN)
Partner
M. No. 024282

For CK PRUSTY & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 323220E)

Sd/-
(CA. GV. JAYABAL)
Partner
M. No. 015616

Place of Signature : New Delhi

Dated : 25th May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2017

(₹ in Crore)

Particulars	Note No.		Mar-2017	Mar-2016
I. Revenue From Operations	23		**445,372.91**	406,827.99
II. Other Income	24		**4,208.58**	2,322.16
III. Total Income (I+II)			**449,581.49**	409,150.15
IV. Expenses:				
Cost of Materials Consumed	25		**156,910.25**	142,265.53
Purchases of Stock-in-Trade			**141,925.49**	143,628.81
Changes in Inventories of Finished Goods, Stock-in-trade and Work-In Progress	26		**(15,259.80)**	3,479.20
Employee Benefits Expense	27		**9,657.89**	7,114.02
Finance Costs	28		**3,445.43**	3,089.89
Depreciation, Amortization and Impairment on :				
a) Tangible Assets		**6,161.81**		4,769.58
b) Intangible Assets		**61.16**		48.99
			6,222.97	4,818.57
Excise Duty			**85,499.75**	59,651.56
Other Expenses	29		**34,858.27**	29,640.28
Total Expenses (IV)			**423,260.25**	393,687.86
V. Profit before Exceptional Items and Tax (III-IV)			**26,321.24**	15,462.29
VI. Exceptional Items (Refer point no. 3 of Note - 50)			**-**	1,364.25
VII. Profit before Tax (V+VI)			**26,321.24**	16,826.54
VIII. Tax Expense:				
Current Tax			**7,460.29**	3,747.89
[includes ₹126.24 crore (2016: ₹132.87 crore) relating to prior years]				
Deferred Tax			**(245.45)**	1,836.42
[includes ₹425.66 (2016: ₹(249.84) crore) relating to prior years]				
IX. Profit For The Year (VII-VIII)			**19,106.40**	**11,242.23**
X. Other Comprehensive Income:	30			
A (i) Items that will not be reclassified to profit or loss			**4,537.97**	(7,140.98)
A (ii) Income Tax relating to items that will not be reclassified to profit or loss			**181.18**	224.88
B (i) Items that will be reclassified to profit or loss			**247.75**	(36.78)
B (ii) Income Tax relating to items that will be reclassified to profit or loss			**(99.41)**	12.72
XI. Total Comprehensive Income for the Year (IX+X) (Comprising Profit/ (Loss) and Other Comprehensive Income for the Year)			**23,973.89**	**4,302.07**

Particulars	Note No.		Mar-2017	Mar-2016
XII. Earning per Equity Share (₹):	32			
(1) Basic			**40.31**	23.72
(2) Diluted			**40.31**	23.72
Face Value Per Equity Share (₹)			**10**	10
Significant Accounting Policies, Estimates & Judgements	1			
Notes on Financial Statements	2-50			

Sd/-
(B. Ashok)
Chairman

Sd/-
(A.K. Sharma)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For J GUPTA & CO.
Chartered Accountants
(Firm Regn. No. 314010E)

Sd/-
(CA. NANCY MURARKA)
Partner
M. No. 067953

For S.K. MEHTA & CO.
Chartered Accountants
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Sd/-
(CA. ROHIT MEHTA)
Partner
M. No. 091382

For V SANKAR AIYAR & CO.
Chartered Accountants
(Firm Regn. No. 109208W)

Sd/-
(CA. M.S. BALACHANDRAN)
Partner
M. No. 024282

For CK PRUSTY & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 323220E)

Sd/-
(CA. GV. JAYABAL)
Partner
M. No. 015616

Place of Signature : New Delhi
Dated : 25th May, 2017

Statement of Changes in Equity for the year ended on 31st March 2017

A Equity Share Capital

(₹ in Crore)

Particulars	Mar-2017	Mar-2016
Balance at the beginning of the year	**2,369.67**	2,369.67
Changes during the year		
Issue of Bonus Shares	**2,369.67**	-
Balance at the end of the year	4,739.34	2,369.67

B Other Equity

	Reserves and Surplus			
	Retained Earnings	Bond redemption reserve	Capital reserve	Insurance reserve
Opening Balance as at 1st April 2015	**63,073.79**	**2,559.19**	**183.08**	**163.48**
Profit for the Year	11,242.23	-	-	-
Other Comprehensive Income	(439.30)*	-	-	-
Total Comprehensive Income	**10,802.93**	**-**	**-**	**-**
Transfer from Bond Redemption Reserve	456.65	(456.65)	-	-
Appropriation towards Interim Dividend	(1,303.44)	-	-	-
Appropriation towards Final Dividend	(1,564.09)	-	-	-
Appropriation towards Corporate Dividend Tax	(585.74)	-	-	-
Appropriation towards Insurance reserve (Net)	(20.00)	-	-	20.00
Appropriation towards Bond redemption reserve	(717.58)	717.58	-	-
Appropriation towards Corporate Social Responsibility Reserve (net)	15.18	-	-	-
Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	-	-	-	-
FCMITDA amortised during the year	-	-	-	-
Transfer from fair Value of Debt Instruments (recycling)	-	-	-	-
Closing Balance as at 31st March 2016	**70,157.70**	**2,820.12**	**183.08**	**183.48**
Profit for the Year	19,106.40	-	-	-
Other Comprehensive Income	(366.04)*	-	-	-
Total Comprehensive Income	**18,740.36**	**-**	**-**	**-**
Transfer from Bond Redemption Reserve	674.79	(674.79)	-	-
Utilized for issue of Bonus Shares (including Issue Expenses)	(2,372.86)			
Appropriation towards Interim Dividend	(8,531.08)	-	-	-
Appropriation towards Final Dividend	(2,014.34)	-	-	-
Appropriation towards Corporate Dividend Tax	(2,177.09)	-	-	-
Appropriation towards Insurance reserve (Net)	(20.00)	-	-	20.00
Appropriation towards Bond redemption reserve	(465.78)	465.78	-	-
Appropriation towards Corporate Social Responsibility Reserve (net)	1.32	-	-	-
Foreign Currency Exchange Gain/(Loss) on Long Term Monetary Items	-	-	-	-
FCMITDA amortised during the year	-	-	-	-
Transfer from fair Value of Debt Instruments (recycling)	-	-	-	-
Closing Balance as at 31st March 2017	**73,993.02**	**2,611.11**	**183.08**	**203.48**

* Re-measurement of Defined Benefit Plans

(₹ in Crore)

	Reserves and Surplus		Items of Other Comrehensive Income		TOTAL
Export Profit reserve	Corporate Social Responsibility Reserve	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Fair value of Equity Instruments	Fair value of Debt Instruments	
53.72	**19.61**	**(104.46)**	**19,461.94**	**(215.80)**	**85,194.55**
-	-	-	-	-	11,242.23
-	-	-	(6,476.80)	(24.06)	(6,940.16)
-	**-**	**-**	**(6,476.80)**	**(24.06)**	**4,302.07**
-	-	-	-	-	-
-	-	-	-	-	(1,303.44)
-	-	-	-	-	(1,564.09)
-	-	-	-	-	(585.74)
-	-	-	-	-	-
-	-	-	-	-	-
-	(15.18)	-	-	-	-
-	-	(613.18)	-	-	(613.18)
-	-	302.76	-	-	302.76
-	-	-	-	31.71	31.71
53.72	**4.43**	**(414.88)**	**12,985.14**	**(208.15)**	**85,764.64**
-	-	-	-	-	19,106.40
-	-	-	5,085.19	148.34	4,867.49
-	**-**	**-**	**5,085.19**	**148.34**	**23,973.89**
-	-	-	-	-	-
					(2,372.86)
-	-	-	-	-	(8,531.08)
-	-	-	-	-	(2,014.34)
-	-	-	-	-	(2,177.09)
-	-	-	-	-	-
-	-	-	-	-	-
-	(1.32)	-	-	-	-
-	-	(77.17)	-	-	(77.17)
-	-	359.63	-	-	359.63
-	-	-	-	63.76	63.76
53.72	**3.11**	**(132.42)**	**18,070.33**	**3.95**	**94,989.38**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

(₹ in Crore)

Particulars		Mar-2017		Mar-2016
A Cash Flow from Operating Activities				
1 Profit Before Tax		**26,321.24**		16,826.54
2 Adjustments for :				
Depreciation and Amortisation	**6,222.97**		4,818.57	
Loss/(Profit) on sale of Assets (net)	**126.88**		142.89	
Loss/(Profit) on sale of Investments (net)	**20.15**		88.08	
Amortisation of Capital Grants	**(16.39)**		(24.22)	
Provision for Probable Contingencies (net)	**7,464.34**		596.36	
MTM Loss/(Gain) arising on financial assets/liabilities as at fair value through profit and loss	**(114.30)**		(63.53)	
Provision for Loss on Investments (net)	**(13.11)**		881.10	
Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores (net)	**34.29**		(26.46)	
MTM Loss/(Gain) on Derivatives	**113.09**		(58.70)	
Foreign Currency Monetary Item Translation and Difference Account	**359.63**		302.76	
Remeasurement of Defined Benefit Plans thru OCI	**(559.76)**		(671.79)	
Interest Income	**(1,759.71)**		(1,583.23)	
Dividend Income	**(1,106.59)**		(564.86)	
Finance costs	**3,445.43**		3,089.89	
		14,216.92		**6,926.86**
3 Operating Profit before Working Capital Changes (1+2)		**40,538.16**		**23,753.40**
4 Change in Working Capital (excluding Cash & Cash Equivalents):				
Trade & Other Receivables	**1,272.63**		(1,380.39)	
Inventories	**(23,668.86)**		7,169.49	
Trade and Other Payables	**16,334.82**		(3,535.10)	
Change in Working Capital		**(6,061.41)**		2,254.00
5 Cash Generated From Operations (3+4)		**34,476.75**		26,007.40
6 Less : Taxes paid		**6,725.52**		3,063.14
7 Net Cash Flow from Operating Activities (5-6)		**27,751.23**		**22,944.26**
B Cash Flow from Investing Activities:				
Proceeds from sale of Property, plant and equipment / Transfer of Assets	**987.96**		335.85	
Purchase of Property, Plant and Equipment	**(5,582.77)**		(4,642.43)	
Expenditure on Construction Work in Progress	**(8,376.82)**		(9,318.13)	
Proceeds from sale of financial instruments (other than working capital)	**2,728.85**		571.92	
Investment in subsidiaries	**(4,747.77)**		(1,047.36)	
Purchase of Other Investments	**(2,586.82)**		(580.93)	
Receipt of government grants (Capital Grant)	**91.90**		112.09	

Particulars		Mar-2017		Mar-2016
Interest Income received on Investments	**1,693.17**		1,587.38	
Dividend Income on Investments	**1,106.59**		564.86	
Net Cash Generated/(Used) in Investing Activities:		**(14,685.71)**		(12,416.75)
C Net Cash Flow From Financing Activities:				
Proceeds from Long-Term Borrowings (Including finance lease)	**-**		3,425.84	
Repayments of Long-Term Borrowings (Including finance lease)	**(10,664.81)**		(7,428.91)	
Proceeds from/(Repayments of) Short-Term Borrowings	**12,526.95**		564.95	
Interest paid	**(2,426.23)**		(3,479.06)	
Dividend/Dividend Tax paid	**(12,707.29)**		(3,449.91)	
Expenses incurred on issuance of Bonus Shares	**(3.19)**		-	
Net Cash Generated/(Used) from Financing Activities:		**(13,274.57)**		(10,367.09)
D Net Change in Cash & Cash Equivalents		**(209.05)**		**160.42**
(A+B+C)				
E-1 Cash & Cash Equivalents as at end of the year		**52.86**		261.91
Less:				
E-2 Cash & Cash Equivalents as at the beginning of year		**261.91**		101.49
NET CHANGE IN CASH & CASH EQUIVALENTS (E 1-2)		**(209.05)**		**160.42**

Notes:

1. Cash Flow Statement is prepared using Indirect Method as per Indian Accounting Standard-7: Cash Flow Statement.
2. Figures for previous year have been regrouped wherever necessary for uniformity in presentation

Sd/-
(B. Ashok)
Chairman

Sd/-
(A.K. Sharma)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For J GUPTA & CO.
Chartered Accountants
(Firm Regn. No. 314010E)

Sd/-
(CA. NANCY MURARKA)
Partner
M. No. 067953

For S.K. MEHTA & CO.
Chartered Accountants
(Firm Regn. No. 000478N)

Sd/-
(CA. ROHIT MEHTA)
Partner
M. No. 091382

For V SANKAR AIYAR & CO.
Chartered Accountants
(Firm Regn. No. 109208W)

Sd/-
(CA. M.S. BALACHANDRAN)
Partner
M. No. 024282

For CK PRUSTY & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 323220E)

Sd/-
(CA. GV. JAYABAL)
Partner
M. No. 015616

Place of Signature : New Delhi

Dated : 25th May, 2017

NOTE-1A: CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES

A. Corporate information

The stand-alone financial statements of "Indian Oil Corporation Limited" ("the Company" or "IOCL") are for the year ended 31st March 2017.

The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai.

IOCL is India's Maharatna national oil company with business interests straddling the entire hydrocarbon value chain - from Refining, Pipeline Transportation and Marketing of Petroleum Products to Research & Development, Exploration & Production, Marketing of Natural Gas and Petrochemicals.

Information on other related party relationships of the Company is provided in Note-37.

The stand-alone financial statements were approved for issue in accordance with a resolution of the Board of directors on 25th May'2017.

B. Standards issued but not yet effective

The MCA has notified Companies (Indian Accounting Standards) (Amendment) Rules, 2017 to amend Ind AS 7 'Statement of Cash flows' and Ind AS 102 "Share-based payment". They shall come into force w.e.f. 1st April 2017. These have not been adopted early by the company and accordingly, have not been considered in the preparation of the financial statements. The company intends to adopt these standards, if applicable, when they become effective. The information that are expected to be relevant to the financial statements is provided below.

- **Amendments to Ind AS 7, Statement of Cash flows**

  The amendment to Ind AS 7 introduces an additional disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Management is of the view that the amendment will have impact only on disclosures in relation to cash flow statement within the financial statements.

- **Amendments to Ind AS 102, Share Based payments**

  The amendment is not relevant for the Company as it does not have any cash-settled share based payments or share based payments with a net-settled feature.

C. Significant Accounting Policies

1. BASIS OF PREPARATION

1.1 The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and with Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and comply in all material aspects with the relevant provisions of the Companies Act'2013.

For all the periods upto 31st March 2016, the financial statements were prepared under historical cost convention in accordance with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. These financial statements for the year ended 31st March 2017 are the first that the Company has prepared in accordance with Ind AS. Refer to note-49 for information on how the Company adopted Ind AS.

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

- Derivative financial instruments.
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The stand-alone financial statements are presented in INR and all values are rounded to the nearest Crores (INR 0,000,000), except when otherwise indicated.

2. FIXED ASSETS

2.1 Property, Plant and Equipment (PPE)

2.1.1 The cost of an item of property, plant and equipment is recognized as an asset if, and only if:

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

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

2.1.2 Fixed Assets are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment.

2.1.3 Technical know-how / license fee relating to plants/facilities and specific software that are integral part of the related hardware are capitalised as part of cost of the underlying asset.

2.1.4 Spare parts are capitalized when they meet the definition of PPE, i.e., when the company intends to use these during more than a period of 12 months.

2.1.5 The acquisition of property, plant and equipment, directly increasing the future economic benefits of any particular existing item of property, plant and equipment, which are necessary for the Company to obtain the future economic benefits from its other assets, are recognized as assets.

2.1.6 On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.2 Construction Period Expenses on Projects

2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously are charged to revenue.

2.2.2 Financing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized on quarterly basis up to the date of capitalization.

2.2.3 Financing cost, if any, incurred on General Borrowings used for projects is capitalized at the weighted average cost. The amount of such borrowings is determined on quarterly basis after setting off the amount of internal accruals.

2.3 Capital Stores (Included in CWIP)

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

2.4 Intangible Assets

2.4.1 Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets and amortized on a straight line basis over the life of the underlying plant / facility.

2.4.2 Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.

2.4.3 Costs incurred on computer software/licenses purchased/ developed resulting in future economic benefits, other than specific software that are integral part of the related hardware, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalised. However, where such computer software is still in development stage, costs incurred during the development stage of such software are accounted as "Intangible Assets Under Development".

2.4.4 Right of ways with indefinite useful lives are not amortised, but are tested for impairment annually at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2.4.5 Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Statement of profit & loss in the period in which the expenditure is incurred.

2.4.6 The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit & loss when the asset is derecognized

2.4.6 On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible assets.

2.5 Depreciation/Amortization

2.5.1 Cost of tangible fixed assets (net of residual value) is depreciated on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in case of following assets:

a) Useful life of 15 years for Plant and Equipment relating to Retail Outlets (other than storage tanks and related equipments) and LPG cylinders & pressure regulators considered based on technical assessment

b) Useful life of 25 years for solar power plant considered based on technical assessment

c) In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II, whichever is lower

d) In case of certain assets of R&D centre useful life is considered based on technical assessment

e) In case of immovable assets constructed on leasehold land, useful life as per Schedule-II or lease period of land (including renewable period) , whichever is lower

Depreciation/amortization is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalization/sale, disposal/or earmarked for disposal. Residual value is generally considered between 0 to 5% of cost of assets except in few cases where it is considered based on transfer value agreed in respective agreement. Further, in case of catalyst with noble metal content, residual value is considered based on the cost of metal content.

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

2.5.2 Assets, other than LPG Cylinders and Pressure Regulators, costing upto ₹5,000/- per item are depreciated fully in the year of capitalization. Further, spares, components like catalyst excluding noble metal content and major overhaul/inspection are also depreciated fully over their respective useful life.

2.5.3 The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3. LEASES

3.1.1 A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

3.1.2 Operating Leases as a lessee:

Lease rentals are recognized as expense on a straight line basis with reference to lease terms and other considerations except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken on lease.; or

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

Contingent rentals are recognised as expenses in the periods in which they are incurred.

3.1.3 Operating Leases as a lessor:

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.; or

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

3.1.4 Finance leases as lessee:

(i) Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

(ii) A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

3.1.5 Finance leases as lessor: All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts are adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment.

3.1.6 The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2015, the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

4. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

5. BORROWING 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.

6. FOREIGN CURRENCY TRANSACTIONS

6.1 The Company's financial statements are presented in Indian Rupee (₹), which is also it's functional currency.

6.2 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.

6.3 Monetary items denominated in foreign currencies (such as cash, receivables, payables etc) outstanding at the end of reporting period, are translated at exchange rates prevailing as at the end of reporting period.

6.4 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 other than those measured at fair value.

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

6.4.1 (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 loans as mentioned in Para (b) (i) below.

(b) **(i) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before 31st March 2016:**

Exchange differences on long-term foreign currency loans relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets . In other cases, exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long-term foreign currency loan by recognition as income or expense in each of such periods.

(ii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after 1st April 2016:

The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after 1st April 2016 is charged off or credited to Statement of profit & loss.

7. INVENTORIES

7.1 Raw Materials & Stock-in-Process

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

7.1.2 Stock in Process is valued at raw 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 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/catalysts, crude oil, certified emission rights (CERs) and own products) towards likely diminution in the value.

7.3.2 Stores & Spares in transit are valued at cost.

7.3.3 Spent Catalysts are valued at lower of the weighted average cost or Net realizable Value.

8. PROVISIONS, CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

8.1 Provisions

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

8.1.2 When the Company expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

8.1.4 **Decommissioning Liability**

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

8.2 Contingent Liabilities

8.2.1 Show-cause Notices issued by various Government Authorities are not considered as Obligation.

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

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

a) a provision is recognized in respect of present obligations where the outflow of resources is probable;

b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

8.3 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account are considered for disclosure.

9. REVENUE RECOGNITION

9.1 Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

However, sales tax/value added tax (VAT) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

9.2 Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

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

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

9.4 Claims (including interest on outstanding) are recognized at cost when there is reasonable certainty regarding its ultimate collection.

9.5 When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract cost incurred for work performed.

When the outcome of construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable to be recovered. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

10. EXCISE DUTY

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

11. TAXES ON INCOME

11.1 Current income tax

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

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

11.2 Deferred tax

11.2.1 Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

11.2.2 The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

11.2.3 Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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

12. EMPLOYEE BENEFITS

12.1 Short Term Benefits:

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

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

a) The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss/ CWIP. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the Company and charged to Statement of Profit and Loss/CWIP.

b) The Company operates defined benefit plans for Gratuity, Post Retirement Medical Benefits, Resettlement, Ex-gratia and AOD pension fund. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year. Out of these plans, Gratuity ,Post Retirement Medical Benefits and AOD pension fund are administered through respective Trusts.

c) Obligations on other longterm employee benefits, viz., leave encashment and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.

d) The Company also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.

12.3 Termination Benefits:

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

12.4 Remeasurements:

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

  Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

13. GRANTS

13.1 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 recognized as income in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

13.2 Revenue Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Revenue related grants (subsidy and budgetary support towards under recoveries) are reckoned in “Revenue from operations” as per the respective schemes notified by Government from time to time, subject to final adjustments as per separate audit wherever applicable. In case of waiver of duty under EPCG license, such grant is considered as revenue grant and recognised in “Other income” in proportion of export obligations actually fulfilled during the accounting period. All other revenue grants has been recorded under “Other Income” except grant in respect of north east excise duty, entry tax exemption and upstream discount for under recoveries on sale of controlled products, which are netted off with the related expense.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate or NIL interest rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

14. OIL & GAS EXPLORATION ACTIVITIES

14.1 Pre-acquisition costs:

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

14.2 Exploration stage:

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

- acquired rights to explore
- exploratory drilling costs

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

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

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

14.3 Development stage:

Acquisition cost relating to projects under development stage are presented as “Capital work-in-progress”.

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

14.4 Production Phase

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

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

14.5 Abandonment Phase

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

15. CURRENT VERSUS NON-CURRENT CLASSIFICATION

15.1 The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

15.2 An asset is treated as current when it is:

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

All other assets are classified as non-current.

15.3 A liability is current when:

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

All other liabilities are classified as non-current

16. NON-CURRENT ASSETS HELD FOR SALE

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

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

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

16.3 Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

17. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

17.1 Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial Assets at amortised cost

- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at fair value through other comprehensive income (FVTOCI)
- Financial assets and derivatives at fair value through profit or loss (FVTPL)

17.1.1 Financial Assets at amortised cost

A financial assets is measured at the amortised cost if both the following conditions are met:

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

17.1.2 Debt instrument at FVTOCI

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

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

17.1.3 Equity instrument at FVTOCI

A. Equity investments (Other than subsidiaries, JVs and associates)

All equity investments in scope of Ind AS 109 are measured at fair value. The company has made an irrevocable election to present subsequent changes in the fair value in other comprehensive income, excluding dividends. The classification is made on initial recognition/transition and is irrevocable.

There is no recycling of the amounts from OCI to P&L, even on sale of investment.

B. Equity investments in subsidiaries, JVs and associates

Investment in subsidiaries, joint ventures and associates are accounted for at cost in standalone financial statements.

17.1.4 Debt Instruments and derivatives at FVTPL

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

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. Interest income on such instruments has been presented under interest income.

17.1.5 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

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

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

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

17.1.6 Impairment of financial assets

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

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

b) Financial guarantee contracts which are not measured as at FVTPL

c) Lease receivables under Ind AS 17

Simplified Approach

The company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

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

General Approach

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- Financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

17.2 Financial liabilities

17.2.1 Initial recognition and measurement.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of liabilities measured at amortised cost net of directly attributable transaction costs.

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

17.2.2 Subsequent measurement

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

A. Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognised in the profit or loss.

B. Financial liabilities at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

C. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

17.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit & loss.

17.3 Embedded derivatives

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

17.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

17.5 Derivative instrument- Initial recognition / subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

17.6 Commodity contracts

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

19. TREASURY SHARES

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

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

20. FAIR VALUE MEASUREMENT

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

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

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

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

20.5 The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

20.6 All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

NOTE-1B: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

JUDGEMENTS

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

Lease classification in case of leasehold land

The Company has obtained various lands from the governments for purpose of plants, facilities and offices. These lands are having various tenures and at the end of lease term, the lease could be extended for another term or the land could be returned to the government authority. Since land has an indefinite economic life, the mangement has considered 99 years and above cases for finance lease if at the inception of the lease, the present value of minimum lease payments are substantialy equal to fair value of leased assets. Furthers cases between 90-99 are also evaluated for finance lease on the basis of principle that present value of the minimum lease payments are substantially equal to fair value of the leased asset. In addition, other indicators such as the lessee's ability to renew lease for another term at substantially below market rent, lessee's option to purchase at price significantly below fair value are also examined for classification of land lease. Leases not meeting the finance lease criteria are classified under operating leases.

Intangible asset under development Acquisition costs and drilling of exploratory well costs are capitalized as intangible asset under development and are reviewed at each reporting date to confirm that exploration drilling is still under way or work has been determined / under way to determine that the discovery is economically viable based on a range of technical & commercial considerations and for establishing development plans and timing , sufficient / reasonable progress is being made. If no future activity is planned on reasonable grounds/timeframes, Intangible asset under development and property acquisition costs is written off. Upon start of production from field and recognition of proved reserves, cost carried as intangible asset under development is transferred to producing properties. Also refer Note-34 for related disclosures.

Contingencies

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

ESTIMATES AND ASSUMPTIONS

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

Defined benefit plans / Other Long term employee benefits

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

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

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer Note-39 for further disclosures of estimates and assumptions.

Impairment of financial assets

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the company's past history and other factors at the end of each reporting period. Also refer Note-40 for impairment analsysis and provision.

NOTE-2: PROPERTY PLANT AND EQUIPMENT

Current Year

(₹ in Crore)

		Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage,Sewage And Water Supply System	Total
Gross Block		(Refer A&F)	(Refer A&F)	(Refer B&F)							
	Gross Block as at 01.04.2016	**1,715.43**	**184.02**	**8,852.32**	**83,351.41**	**578.54**	**34.66**	**338.12**	**91.67**	**89.93**	**95,236.10**
	Additions during the year	221.19	83.93	431.56	4,094.92	170.15	12.65	52.81	1.07	399.59	5,467.87
	Transfers from construction work-in-progress	2.88	14.07	1,101.89	16,389.07	84.87	2.89	50.80	12.12	485.11	18,143.70
	Disposals/ Deductions / Transfers / Reclassifications	1.08	(70.66)	(23.90)	(1,068.26)	(58.25)	(0.69)	(7.18)	(0.09)	(0.10)	(1,228.05)
	Gross Block as at 31.03.2017	**1,940.58**	**211.36**	**10,361.87**	**102,767.14**	**775.31**	**49.51**	**434.55**	**104.77**	**974.53**	**117,619.62**
DEPRECIATION & AMORTISATION	**Depreciation & Amortisation as at 01.04.2016**	**-**	**3.04**	**550.18**	**3,877.22**	**172.54**	**4.13**	**24.24**	**5.23**	**4.93**	**4,641.51**
	Depreciation & Amortisation during the year (Refer D)	-	2.71	635.90	5,198.07	202.44	7.83	68.08	7.94	64.66	6,187.63
	Disposals/ Deductions / Transfers / Reclassifications	-	(2.27)	(0.62)	(52.44)	(50.38)	(1.28)	(3.10)	(0.07)	(0.09)	(110.25)
	Depreciation & Amortisation as at 31.03.2017	**-**	**3.48**	**1,185.46**	**9,022.85**	**324.60**	**10.68**	**89.22**	**13.10**	**69.50**	**10,718.89**
Net Block	**As at 31.03.2017**	**1,940.58**	**207.88**	**9,176.41**	**93,744.29**	**450.71**	**38.83**	**345.33**	**91.67**	**905.03**	**106,900.73**
	As at 31.03.2016	1,715.43	180.98	8,302.14	79,474.19	406.00	30.53	313.88	86.44	85.00	90,594.59

Previous Year

(₹ in Crore)

		Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant And Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage,Sewage And Water Supply System	Total
Gross Block	**Gross Block as at 01.04.2015**	**1,276.06**	**181.67**	**7,373.14**	**55,556.23**	**419.69**	**34.16**	**357.82**	**55.43**	**90.63**	**65,344.83**
	Additions during the year	352.87	2.93	206.55	3,830.77	112.33	1.72	26.07	5.38	0.22	4,538.84
	Transfers from construction work-in-progress	82.71	6.53	1,283.96	24,638.70	84.86	0.59	51.99	33.06	0.29	26,182.69
	Disposals/ Deductions / Transfers / Reclassifications	3.79	(7.11)	(11.33)	(674.29)	(38.34)	(1.81)	(97.76)	(2.20)	(1.21)	(830.26)
	Gross Block as at 31.03.2016	**1,715.43**	**184.02**	**8,852.32**	**83,351.41**	**578.54**	**34.66**	**338.12**	**91.67**	**89.93**	**95,236.10**
DEPRECIATION & AMORTISATION	**Depreciation & Amortisation as at 01.04.2015**	-	-	-	-	-	-	-	-	-	-
	Depreciation & Amortisation during the year	-	1.17	555.70	4,171.11	197.96	4.68	61.80	7.28	4.93	5,004.63
	Disposals/ Deductions / Transfers / Reclassifications	-	1.87	(5.52)	(293.89)	(25.42)	(0.55)	(37.56)	(2.05)	-	(363.12)
	Depreciation & Amortisation as at 31.03.2016	**-**	**3.04**	**550.18**	**3,877.22**	**172.54**	**4.13**	**24.24**	**5.23**	**4.93**	**4,641.51**
Net Block	**As at 31.03.2016**	**1,715.43**	**180.98**	**8,302.14**	**79,474.19**	**406.00**	**30.53**	**313.88**	**86.44**	**85.00**	**90,594.59**
	As at 01.04.2015	1,276.06	181.67	7,373.14	55,556.23	419.69	34.16	357.82	55.43	90.63	65,344.83

A. i) Freehold land includes ₹ **9.51 crore** (2016: ₹ 7.59 crore) lying vacant due to title disputes/ litigation.

B. i) Buildings include ₹ **0.01 crore** (2016: ₹ 0.01 crore) towards value of 1605 (2016: 1605) Shares in Co-operative Housing Societies towards membership of such societies for purchase of flats.

ii) Includes Roads, Bridges etc. (i.e. Assets other than Building) of Gross block amounting to ₹ **1,762.66 crore** (2016: ₹ 1,409.47 crore) and net block amounting to ₹ **1,212.98 crore** (2016: ₹ 1,117.19 crore).

C. The cost of assets are net of VAT CREDIT/CENVAT, wherever applicable.

D. Depreciation and amortisation for the year includes ₹ **25.82 crore** (2016: ₹ 235.05 crore) relating to construction period expenses shown in Note-2.2

E. Railways have claimed transfer of ownership in respect of certain assets provided by the Company at railway premises which has not been accepted by the company and continue to be part of fixed assets of the Company, WDV of such assets is ₹ **67.00 crore** (2016: ₹ 64.25 crore).

F. Land and Buildings include ₹ **186.63 crore** (2016: ₹ 456.76 crore) in respect of which Title / Lease Deeds are pending for execution or renewal.

Details of assets under lease included above:

(₹ in Crore)

Asset Particulars	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.17	W.D.V. as at 31.03.16	W.D.V. as at 01.04.15
Taken on Finance Lease						
Buildings	9.90	0.47	-	9.43	9.67	9.85
Plant and Equipment	4,090.79	468.34	-	3,622.45	3,784.00	3,654.94
Given on Operating Lease						
Buildings	1.00	0.05	-	0.95	0.98	1.00
Plant and Equipment	2.22	0.35	-	1.87	2.89	2.36

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

(₹ in Crore)

Asset Particulars	Name of Joint Owner	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.17	W.D.V. as at 31.03.16	W.D.V. as at 01.04.15
Land - Freehold	HPC/BPC	3.10	-	-	3.10	3.10	3.10
Land - Leasehold	HPC/BPC/BALMER LAWRIE	0.12	0.01	-	0.11	0.12	0.12
Buildings	HPC/BPC/BALMER LAWRIE	29.71	3.05	-	26.66	29.05	10.21
Plant and Equipment	HPC/BPC/GSFC/ IPCL/GNRE	39.38	5.39	-	33.99	33.16	48.40
Railway Sidings	HPC/BPC	9.66	1.90	-	7.76	8.14	8.52
Drainage,Sewage & Water Supply System	GSFC	1.20	0.96	-	0.24	0.25	0.26
Total		**83.17**	**11.31**	**-**	**71.86**	**73.82**	**70.61**

Additions to Gross Block Includes:

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	31.03.17	31.03.16	31.03.17	31.03.16
Buildings	13.07	49.66	27.53	63.10
Plant and Equipment	1,004.79	2,216.80	1,362.03	2,183.12
Office Equipments	0.01	-	0.01	-
Drainage,Sewage & Water Supply System	132.04	-	117.67	-
Total	**1,149.91**	**2,266.46**	**1,507.24**	**2,246.22**

Previous GAAP Gross Block and Accumulated Depreciation for adoption of deemed cost on transition date (Refer Para2 (b) of Note 49):

(₹ in Crore)

Asset Particulars	Gross Block as per Previous GAAP 01.04.2015	Accumulated Depreciation as per Previous GAAP 01.04.2015	Net Block as per Previous GAAP 01.04.2015	Ind As/Other Adjustments 01.04.2015	Gross Block as per Ind As 01.04.2015
Land-Freehold	1,275.74	-	1,275.74	0.32	1,276.06
Land-Leasehold	1,354.21	153.31	1,200.90	(1,019.23)	181.67
Buildings	10,828.54	3,455.62	7,372.92	0.22	7,373.14
Plant and Equipment	103,573.34	48,755.81	54,817.53	738.70	55,556.23
Office Equipments	1,512.65	1,092.96	419.69	-	419.69
Transport Equipment	236.62	202.51	34.11	0.05	34.16
Furniture & Fixtures	745.00	387.18	357.82	-	357.82
Railway Sidings	208.47	153.04	55.43	-	55.43
Drainage, Sewage & Water Supply System	263.38	172.75	90.63	-	90.63
Total	**119,997.95**	**54,373.18**	**65,624.77**	**(279.94)**	**65,344.83**

Lease hold lands have been categorised as finance/operating lease based on the terms of lease arrangements and accordingly carrying value of operating leases have been classified under prepaid rentals (Refer Note 8). Other Ind - As adjustments include adjustment for spares, grants, enabling assets etc.

NOTE-2.1: CAPITAL WORK IN PROGRESS

(₹ in Crore)

Particulars	Note No.		Mar-2017	Mar-2016	01.04.2015
Construction Work in Progress - Tangible Assets					
(Including unallocated capital expenditure, materials at site)					
Balance as at beginning of the year	A	**13,693.66**		24,058.51	24,058.51
Add: Additions during the year		**7,081.20**		9,104.35	-
Less: Allocated during the year		**13,798.49**		19,469.20	-
		6,976.37		13,693.66	24,058.51
Less: Provision for Capital Losses		**20.47**		19.19	11.04
			6,955.90	13,674.47	24,047.47
Capital stores					
Balance as at beginning of the year	B	**1,535.11**		3,817.80	3,817.80
Add: Additions during the year		**2,573.02**		2,409.21	-
Less: Allocated during the year		**2,338.96**		4,691.90	-
		1,769.17		1,535.11	3,817.80
Less: Provision for Capital Losses		**8.10**		2.22	3.82
			1,761.07	1,532.89	3,813.98
Capital Goods in Transit			**371.27**	323.94	269.23
Construction Period Expenses pending allocation:					
Balance as at beginning of the year		**4,798.26**		7,612.19	7,612.19
Add: Net expenditure during the year (Note-2.2)		**683.67**		3,569.63	-
		5,481.93		11,181.82	7,612.19
Less: Allocated during the year		**4,346.81**		6,383.56	-
			1,135.12	4,798.26	7,612.19
TOTAL			**10,223.36**	**20,329.56**	**35,742.87**

Particulars	Note No.		Mar-2017	Mar-2016	01.04.2015
A. Includes Capital Expenditure relating to ongoing Oil & Gas Exploration activities.			**94.34**	28.58	13.28
B. Includes Stock lying with Contractors			**121.28**	164.46	196.37
C. Specific borrowing eligible for capitalisation (Rate)			**1.25% to 9.27%**	0.40% to 9.27%	0.40% to 9.27%
D. Plant and Equipment acquired under Finance Lease			**-**	-	232.51

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

(₹ in Crore)

Particulars	Mar-2017	Mar-2016	01.04.2015
Employee Benefit expenses	**224.71**	294.47	-
Repairs and Maintenance	**5.76**	84.76	-
Consumption of Stores and Spares	**0.01**	2.48	-
Power & Fuel	**171.79**	267.46	-
Rent	**6.81**	76.98	-
Insurance	**13.76**	32.26	-
Rate sand Taxes	**1.16**	0.29	-
Travelling Expenses	**32.37**	36.90	-
Communication Expenses	**1.22**	1.94	-
Printing and Stationery	**0.83**	1.07	-
Electricity and Water Charges	**6.33**	62.64	-
Bank Charges	**0.09**	0.22	-
Technical Assistance Fees	**1.69**	2.23	-
Exchange Fluctuation	**(17.75)**	893.50	-
Finance Cost	**195.99**	852.42	-
Depreciation and Amortization on:			
Tangible Assets	**25.82**	235.05	-
Intangible Assets	**-**	1.73	-
Start Up/Trial Run Expenses (net of revenue)	**(0.15)**	707.78	-
Others	**30.23**	40.92	-
Total Expenses	**700.67**	3,595.10	-
Less: Recoveries	**17.00**	25.47	-
Net Expenditure during the year	**683.67**	**3,569.63**	-

NOTE-3: INTANGIBLE ASSETS

Current Year

(₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
Gross Block	**Gross Block as at 01.04.2016**	**199.83**	**540.42**	**61.25**	**801.50**
	Additions during the year	59.74	42.74	12.42	114.90
	Transfers from Intangible Assets under Development	-	189.35	1.12	190.47
	Disposals/Deductions/Transfers/ Reclassifications	(0.06)	(15.13)	(2.62)	(17.81)
	Gross Block as at 31.03.2017	**259.51**	**757.38**	**72.17**	**1,089.06**
AMORTISATION	**Amortisation as at 01.04.2016**	**0.26**	**28.57**	**20.29**	**49.12**
	Amortisation during the year	0.26	37.05	23.85	61.16
	Disposals/Deductions/Transfers/ Reclassifications	-	(0.17)	0.19	0.02
	Amortisation as at 31.03.2017	**0.52**	**65.45**	**44.33**	**110.30**
Net Block	**As at 31.03.2017**	**258.99**	**691.93**	**27.84**	**978.76**
	As at 31.03.2016	199.57	511.85	40.96	752.38

Previous Year

(₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
Gross Block	**Gross Block as at 01.04.2015**	**151.80**	**449.65**	**25.25**	**626.70**
	Additions during the year	47.04	8.25	19.77	75.06
	Transfers from Intangible Assets under Development	-	84.98	11.83	96.81
	Disposals/Deductions/Transfers/ Reclassifications	0.99	(2.46)	4.40	2.93
	Gross Block as at 31.03.2016	**199.83**	**540.42**	**61.25**	**801.50**
AMORTISATION	**Amortisation as at 01.04.2015**	-	-	-	-
	Amortisation during the year	0.26	29.80	20.66	50.72
	Disposals/Deductions/Transfers/ Reclassifications	-	(1.23)	(0.37)	(1.60)
	Amortisation as at 31.03.2016	**0.26**	**28.57**	**20.29**	**49.12**
Net Block	**As at 31.03.2016**	**199.57**	**511.85**	**40.96**	**752.38**
	As at 01.04.2015	**151.80**	**449.65**	**25.25**	**626.70**

A. Amortisation for the year includes NIL (2016: ₹ 1.73 crore) relating to construction period expenses shown in Note-2.2.

B. Net Block of Intangible assets with indefinite useful life

(₹ in Crore)

	Mar-2017	Mar-2016	01.04.2015
Right of Way	**257.50**	197.82	149.79

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

C. Previous GAAP Gross Block and Accumulated Depreciation for adoption of deemed cost on transition date (Refer Para 2 (b) of Note 49)

(₹ in Crore)

Asset Particulars	Gross Block as per Previous GAAP 01.04.2015	Accumulated Depreciation as per Previous GAAP 01.04.2015	Net Block as per Previous GAAP 01.04.2015	Ind As/Other Adjustments 01.04.2015	Gross Block as per Ind As 01.04.2015
Right of Way	165.26	13.46	151.80	-	151.80
Licenses	1,279.82	830.17	449.65	-	449.65
Computer Software	200.42	175.17	25.25	-	25.25
Total	**1,645.50**	**1,018.80**	**626.70**	**-**	**626.70**

NOTE-3.1: INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

Particulars		Mar-2017	Mar-2016	01.04.2015
Work in Progress - Intangible Assets				
(Including Unallocated Capital Expenditure)				
Balance as at beginning of the year	**827.37**		887.98	887.98
Add: Net expenditure during the year	**126.49**		31.72	-
	953.86		919.70	887.98
Less: Allocated during the year	**224.32**		92.33	-
	729.54		827.37	887.98
Less: Provision for Loss	**215.08**		131.85	126.26
		514.46	695.52	761.72
TOTAL		**514.46**	**695.52**	**761.72**
A. Includes Capital Expenditure (Net) relating to ongoing Oil & Gas Exploration activities.		**275.06**	382.66	385.07

B. Intangible assets under development are mainly in the nature of E&P Blocks and Licences & Computer Softwares.

NOTE-4: INVESTMENTS

Particulars	Investment Currency	Face Value/ Paid up Value	Mar-2017			
			No. of shares	Investment Value	Impairment Loss	Carrying Value
			Nos.	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
				(1)	(2)	(1+2)
NON-CURRENT INVESTMENTS :						
I In Equity Shares						
A In Subsidiaries (At Cost):						
QUOTED:						
Chennai Petroleum Corporation Limited	Indian Rupees	10	77265200	509.33	-	509.33
Lanka IOC PLC (Quoted in Colombo Stock Exchange, Sri Lanka)	Sri Lankan Rupees	10	400000005	194.13	-	194.13
UNQUOTED:						
Indian Oil Mauritius Limited	Mauritian Rupees	100	4882043	75.67	-	75.67
IOC Middle East FZE	Arab Emirates Dirham	1000000	2	2.30	-	2.30
IndianOil Creda Bio Fuels Limited	Indian Rupees	10	18381197	18.38	(18.38)	-
IOC Sweden AB	Swedish Krona	100	4204835	294.03	-	294.03
IOCL (USA) Inc.	USD	0.01	5763538921	336.32	-	336.32
Indian Catalyst Private Limited (formely known as Indo Cat Private Limited)	Indian Rupees	10	15932700	11.18	(4.72)	6.46
IndOil Global B.V.	Canadian Dollars	1	1116302435	6,104.48	(564.27)	5,540.21
IOCL Singapore PTE Ltd	USD	1	712758450	4,738.24	-	4,738.24
Sub-total: (I)(A)				**12,284.06**	**(587.37)**	**11,696.69**
B In Associates (At Cost):						
QUOTED:						
Petronet LNG Limited	Indian Rupees	10	93750000	98.75	-	98.75
UNQUOTED:						
Avi-Oil India Private Limited	Indian Rupees	10	4500000	4.50	-	4.50
Petronet India Limited	Indian Rupees	10	18000000	18.00	-	18.00
Petronet VK Limited	Indian Rupees	10	49999970	26.02	(26.00)	0.02
Sub-total: (I)(B)				**147.27**	**(26.00)**	**121.27**
C In Joint Ventures (At Cost):						
UNQUOTED:						
IOT Infrastructure & Energy Services Limited	Indian Rupees	10	494828289	723.98	(316.66)	407.32
Indian Oil Panipat Power Consortium Limited	Indian Rupees	10	840000	1.99	(1.99)	-
Lubrizol India Private Limited	Indian Rupees	100	960000	118.67	-	118.67
Indian Oil Petronas Private Limited	Indian Rupees	10	134000000	134.00	-	134.00
Petronet CI Limited (under liquidation)	Indian Rupees	10	3744000	3.83	(3.83)	-
Green Gas Limited	Indian Rupees	10	23042250	23.04	-	23.04
IndianOil SkyTanking Private Limited	Indian Rupees	10	25950000	73.28	-	73.28
Suntera Nigeria 205 Limited[a]	Naira rupees	1	2500000	0.05	-	0.05
Delhi Aviation Fuel Facility Private Limited	Indian Rupees	10	60680000	60.68	-	60.68
Indian Synthetic Rubbers Private Limited	Indian Rupees	10	222861375	222.86	-	222.86
NPCIL-IndianOil Nuclear Energy Corporation Limited	Indian Rupees	10	260000	0.26	-	0.26
GSPL India Gasnet Limited	Indian Rupees	10	72025030	72.03	-	72.03
GSPL India Transco Limited	Indian Rupees	10	53300000	53.30	-	53.30
Indian Oil Adani Gas Private Limited	Indian Rupees	10	85000000	85.00	-	85.00
Mumbai Aviation Fuel Farm Facility Private Limited	Indian Rupees	10	38271250	38.27	-	38.27
Kochi Salem Pipeline Private Limited	Indian Rupees	10	55000000	55.00	-	55.00
IndianOil LNG Private Limited	Indian Rupees	10	5000	0.01	-	0.01
Hindustan Urvarak and Rasayan Limited	Indian Rupees	10	5025000	5.03	-	5.03
Indian Oil Ruchi Biofuels LLP **(Capital Fund)**	Indian Rupees		-	1.60	(1.60)	-
Sub-total: (I)(C)				**1,672.88**	**(324.08)**	**1,348.80**

	Mar-2016				01.04.2015			
	No. of shares	Investment Value	Impairment Loss	Carrying Value	No. of shares	Investment Value	Impairment Loss	Carrying Value
	Nos.	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	Nos.	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
		(1)	(2)	(1+2)		(1)	(2)	(1+2)
	77265200	509.33	-	509.33	77265200	509.33	-	509.33
	400000005	194.13	-	194.13	400000005	194.13	-	194.13
	4882043	75.67	-	75.67	4882043	75.67	-	75.67
	2	2.30	-	2.30	2	2.30	-	2.30
	18307197	18.31	(18.31)	-	18233197	18.23	(18.23)	-
	4204835	294.03	-	294.03	4126424	287.74	-	287.74
	5639237528	327.85	-	327.85	5016566453	287.73	-	287.73
	15932700	11.18	-	11.18	15777700	11.03	-	11.03
	1116302435	6,104.48	(564.27)	5,540.21	1116172924	6,103.83	-	6,103.83
	-	-	-	-	-	-	-	-
		7,537.28	**(582.58)**	**6,954.70**		**7,489.99**	**(18.23)**	**7,471.76**
	93750000	98.75	-	98.75	93750000	98.75	-	98.75
	4500000	4.50	-	4.50	4500000	4.50	-	4.50
	18000000	18.00	(18.00)	-	18000000	18.00	(18.00)	-
	25999970	26.00	(26.00)	-	25999970	26.00	(26.00)	-
		147.25	**(44.00)**	**103.25**		**147.25**	**(44.00)**	**103.25**
	270764322	499.92	(316.66)	183.26	265912127	491.67	-	491.67
	840000	1.99	(1.99)	-	840000	1.99	(1.99)	-
	960000	118.67	-	**118.67**	960000	118.67	-	118.67
	134000000	134.00	-	134.00	134000000	134.00	-	134.00
	3744000	3.83	(3.83)	-	3744000	3.83	(3.83)	-
	23042250	23.04	-	23.04	23042250	23.04	-	23.04
	25950000	73.28	-	73.28	17300000	17.30	-	17.30
	62502	-	-	-	62502	-	-	-
	60680000	60.68	-	60.68	60680000	60.68	-	60.68
	222861375	222.86	-	222.86	177890625	177.89	-	177.89
	260000	0.26	-	0.26	260000	0.26	-	0.26
	55125030	55.13	-	55.13	48625030	48.63	-	48.63
	42900000	42.90	-	42.90	36400000	36.40	-	36.40
	45000000	45.00	-	45.00	12300000	12.30	-	12.30
	38271250	38.27	-	38.27	4502500	4.50	-	4.50
	40000000	40.00	-	40.00	2500000	2.50	-	2.50
	5000	0.01	-	0.01	-	-	-	-
	-	-	-	-	-	-	-	-
	-	1.50	(1.50)	-	-	1.40	(1.40)	-
		1,361.34	**(323.98)**	**1,037.36**		**1,135.06**	**(7.22)**	**1,127.84**

	Particulars	Investment Currency	Face Value/ Paid up Value	No. of shares	Mar-2017 Investment Value	Fair Value Adjustment	Fair Value
				Nos.	(₹ in Crore) (1)	(₹ in Crore) (2)	(₹ in Crore) (1+2)
D	**In Others**						
	Investments designated at fair value through OCI:						
	QUOTED:						
	Oil and Natural Gas Corporation Limited	Indian Rupees	5	986885142	1,780.12	16,477.25	18,257.37
	GAIL (India) Limited	Indian Rupees	10	40839548	122.52	1,416.93	1,539.45
	Oil India Limited	Indian Rupees	10	35667400	1,123.52	67.05	1,190.57
	UNQUOTED:						
	International Cooperative Petroleum Association, New York	USD	100	350	0.02	-	0.02
	Haldia Petrochemical Limited	Indian Rupees	10	150000000	150.00	121.20	271.20
	Vadodara Enviro Channel Limited[b] (Formerly Effluent Channel Projects Limited)	Indian Rupees	10	7151	-	-	-
	Woodlands Multispeciality Hospital Limited	Indian Rupees	10	101095	0.10	-	0.10
	Shama Forge Co. Limited[c] (under liquidation)	Indian Rupees	10	100000	-	-	-
	In Consumer Cooperative Societies:						
	Barauni[d]	Indian Rupees	10	250	-	-	-
	Guwahati[e]	Indian Rupees	10	750	-	-	-
	Mathura[f]	Indian Rupees	10	200	-	-	-
	Haldia[g]	Indian Rupees	10	1663	-	-	-
	In Indian Oil Cooperative Consumer Stores Limited, Delhi[h]	Indian Rupees	10	375	-	-	-
	Sub-total: (I)(D)				**3,176.28**	**18,082.43**	**21,258.71**
	Sub-total: (II) [(I)(A)+(I)(B)+(I)(C)+(I)(D)]				**17,280.49**	**17,144.98**	**34,425.47**
II	**In Preference Shares**						
	Investments at fair value through profit or loss						
A	**In Subsidiary Companies:**						
	UNQUOTED:						
	Chennai Petroleum Corporation Limited 6.65% Cum. Redeemable Non Convertible Preference Shares	Indian Rupees	10	1000000000	1,000.00	140.00	1,140.00
	Sub-total: (II)(A)				**1,000.00**	**140.00**	**1,140.00**
B	**In Others**						
	UNQUOTED:						
	Shama Forge Co. Limited[i] (under liquidation) 9.5% Cumulative Redeemable Preference Shares	Indian Rupees	100	5000	-	-	-
	Sub-total: (II)(B)				-	-	-
III	**In Government Securities**						
	Investments at fair value through OCI						
	Quoted: (Note B and C)						
	Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	2065000	2,065.00	(61.46)	2,003.54
	9.15% Govt Stock 2024	Indian Rupees	10000	1948000	2,229.24	(55.27)	2,173.97
	Sub-total: (III)				**4,294.24**	**(116.73)**	**4,177.51**
IV	**In Debentures or Bonds**						
	Investments at fair value through profit or loss						
	Unquoted:						
	IndianOil LNG Pvt Limited Fully and Compulsorily Convertible Debentures	Indian Rupees	1000000	3265	326.50	39.71	366.21
	Sub-total: (IV)				**326.50**	**39.71**	**366.21**
	Total Non Current Investments (I+II+III+IV)				**22,901.23**	**17,207.96**	**40,109.19**
	CURRENT INVESTMENTS:						
	In Government Securities (at fair value through OCI)						
	Quoted:						
	Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	7038020	7,038.02	144.00	7,182.02
	9.15% Govt Stock 2024	Indian Rupees	10000	12000	13.67	(0.28)	13.39
					7,051.69	**143.72**	**7,195.41**

Mar-2016				01.04.2015			
No. of shares	Investment Value	Fair Value Adjustment	Fair Value	No. of shares	Investment Value	Fair Value Adjustment	Fair Value
Nos.	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	Nos.	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
	(1)	(2)	(1+2)		(1)	(2)	(1+2)
657923428	1,780.12	12,306.02	14,086.14	657923428	1,780.12	18,375.36	20,155.48
30629661	122.52	969.12	1,091.64	30629661	122.52	1,065.30	1,187.82
26750550	1,123.52	(286.23)	837.29	26750550	1,123.52	93.49	1,217.01
350	0.02	-	0.02	350	0.02	-	0.02
150000000	150.00	(4.20)	145.80	150000000	150.00	(80.25)	69.75
7151	-	-	-	7151	-	-	-
101095	0.10	-	0.10	101095	0.10	-	0.10
100000	-	-	-	100000	-	-	-
250	-	-	-	250	-	-	-
750	-	-	-	750	-	-	-
200	-	-	-	200	-	-	-
1663	-	-	-	1663	-	-	-
375	-	-	-	375	-	-	-
	3,176.28	**12,984.71**	**16,160.99**		**3,176.28**	**19,453.90**	**22,630.18**
	12,222.15	**12,034.15**	**24,256.30**		**11,948.58**	**19,384.45**	**31,333.03**
1000000000	1,000.00	65.00	1,065.00				
	1,000.00	**65.00**	**1,065.00**		**-**	**-**	**-**
5000	-	-	-	5000	-	-	-
	-	-	-		-	-	-
4770000	4,770.00	(331.99)	4,438.01	5200000	5,200.00	(371.77)	4,828.23
	4,770.00	**(331.99)**	**4,438.01**		**5,200.00**	**(371.77)**	**4,828.23**
3265	326.50	(0.15)	326.35	-	-	-	-
	326.50	**(0.15)**	**326.35**		**-**	**-**	**-**
	18,318.65	**11,767.01**	**30,085.66**		**17,148.58**	**19,012.68**	**36,161.26**
7082020	7,082.02	13.72	7,095.74	7312020	7,312.02	41.81	7,353.83
	7,082.02	**13.72**	**7,095.74**		**7,312.02**	**41.81**	**7,353.83**

(₹ in Crore)

Particulars	Mar-2017	Mar-2016	01.04.2015
Aggregate value of quoted investments	**33,162.52**	28,351.03	35,544.58
Aggregate market value of quoted investments	**39,440.72**	32,031.68	37,636.26
Aggregate value of unquoted investments	**14,142.08**	8,830.37	7,970.51
Aggregate amount of impairment in value of investments	**937.45**	950.56	69.45

(Amount in ₹)

		Mar-2017	Mar-2016	01.04.2015
a	Amount Invested	**5,42,567**	21,897	21,897
b	Amount Invested	**10**	10	10
c	Amount Invested	**100**	100	100
d	Amount Invested	**2,500**	2,500	2,500
e	Amount Invested	**2,500**	2,500	2,500
f	Amount Invested	**2,000**	2,000	2,000
g	Amount Invested	**16,630**	16,630	16,630
h	Amount Invested	**3,750**	3,750	3,750
i	Amount Invested	**100**	100	100

Note: A

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

Name of the Entity	No. of Shares	(₹ Crore)
IOCL Singapore Pte. Limited	712,758,450	4,738.24
IOT Infrastructure & Energy Services Limited	224,063,967	224.06
IndianOil Adani Gas Pvt. Limited	40,000,000	40.00
GSPL India Gasnet Limited	16,900,000	16.90
Kochi Salem Pipelines Private Limited	15,000,000	15.00
GSPL India Transco Limited	10,400,000	10.40
IOCL (USA) INC.	124,301,393	8.47
Petronet VK Limited	24,000,000	0.02
Indian Oil Ruchi Biofuels LLP	-	0.10
Hindustan Urvarak and Rasayan Limited	5,025,000	5.03
IndianOil - CREDA Biofuels Limited	74,000	0.07
Suntera Nigeria 205 Limited	2,437,498	0.05

Note: B

Investment in Oil Marketing Companies GOI Special Bonds consists of:

Nature of Bond	No. of Bonds	Face Value (₹ Crore)	Fair value (₹ Crore)
1. Non-Current Investments:			
6.90% GOI SPECIAL BONDS 2026	1,965,000	1,965.00	1,899.43
8.20% GOI SPECIAL BONDS 2023	100,000	100.00	104.11
Total Non-Current Investments	**2,065,000**	**2,065.00**	**2,003.54**
2. Current investment:			
8.13% GOI SPECIAL BONDS 2021	78,000	78.00	80.79
7.95% GOI SPECIAL BONDS 2025	457,250	457.25	469.58
8.20% GOI SPECIAL BONDS 2023	1,353,510	1,353.51	1,409.09
6.90% GOI SPECIAL BONDS 2026	1,854,930	1,854.93	1,793.02
8.00% GOI SPECIAL BONDS 2026	189,270	189.27	194.87
8.20% GOI SPECIAL BONDS 2024	3,105,060	3,105.06	3,234.67
Total Current Investments	**7,038,020**	**7,038.02**	**7,182.02**

Note: C - Other Disclosures

1 During the year, Oil Marketing Companies 8.20% GOI Special Bonds of face value ₹ 100 crore are reclassified from current to non-current investments and Oil Marketing Companies 8.00% GOI Special Bonds of face value ₹ 405 crore & 6.90% GOI Special Bonds of face value ₹ 2400 crore are reclassified from non current to current investments.

2 Out of Government Securities classified as non-current, the following are pledged in favour of Clearing Corporation of India Ltd. (CCIL) for Loans through Collaterised Borrowings and Lending Obligation (CBLO) of CCIL

(₹ in crore)

Nature of Bond	Mar-2017		Mar-2016		01.04.2015	
	Face Value	Carrying Value	Face Value	Carrying Value	Face Value	Carrying Value
6.90% Oil Marketing Companies GOI Special Bonds 2026	**1,965.00**	**1,899.43**	4,365.00	4,032.70	4,365.00	4,052.90
9.15% GOVT.STOCK 2024	**1,948.00**	**2,173.97**	-	-	-	-

3 Out of Oil Marketing Companies GOI Special Bonds,the following has been earmarked in line with the requirement of Companies (Share Capital and Debentures) Rules, 2014.

(₹ in crore)

Nature of Bond	Mar-2017		Mar-2016		01.04.2015	
	Face Value	Carrying Value	Face Value	Carrying Value	Face Value	Carrying Value
8.20% GOI SPECIAL BONDS 2023	**97.28**	**101.27**				
8.00% GOI SPECIAL BONDS 2026			404.88	405.18		
6.90% GOI Special Bonds 2026					302.42	280.79

NOTE-5: LOANS

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

(₹ in Crore)

Particulars	Non Current				Current			
		Mar-2017	Mar-2016	01.04.2015		Mar-2017	Mar-2016	01.04.2015
Security Deposits								
To Others								
Secured, Considered Good	**2.56**		0.27	0.27	**-**		-	-
Unsecured, Considered Good	**113.24**		113.05	78.97	**133.99**		435.30	100.54
Unsecured, Considered Doubtful	**0.20**		0.20	0.20	**0.28**		0.12	0.22
	116.00		113.52	79.44	**134.27**		435.42	100.76
Less : Provision for Doubtful Deposits	**0.20**		0.20	0.20	**0.28**		0.12	0.22
		115.80	113.32	79.24		**133.99**	435.30	100.54
Loans A								
To Related Parties								
Secured, Considered Good	**0.08**		0.13	0.26	**0.02**		0.04	0.04
Unsecured, Considered Good	**102.57**		100.10	95.62	**609.46**		68.25	49.97
Unsecured, Considered Doubtful	**-**		-	-	**2.25**		2.51	2.51
	102.65		100.23	95.88	**611.73**		70.80	52.52
Less : Provision for Doubtful Loans	**-**		-	-	**2.25**		2.51	2.51
	102.65		100.23	95.88	**609.48**		68.29	50.01
To Others								
Secured, Considered Good	**564.04**		578.93	589.62	**107.46**		122.96	101.62
Unsecured, Considered Good	**398.40**		335.30	287.31	**907.60**		106.31	64.30
Unsecured, Considered Doubtful	**-**		-	-	**2.07**		60.68	59.94
	962.44		914.23	876.93	**1,017.13**		289.95	225.86
Less : Provision for Doubtful Loans	**-**		-	-	**2.07**		60.68	59.94
	962.44		914.23	876.93	**1,015.06**		229.27	165.92
		1,065.09	1,014.46	972.81		**1,624.54**	297.56	215.93
TOTAL		**1,180.89**	**1,127.78**	**1,052.05**		**1,758.53**	**732.86**	**316.47**
A. Includes:								
1. Loans valued at Fair Value thru Profit and Loss (FVTPL)		**102.46**	100.04	95.62		**-**	-	-
2. Due from Directors		**0.19**	0.19	0.26		**0.10**	0.08	0.07
3. Due from Other Officers		**2.30**	2.49	1.77		**1.17**	1.20	1.16

NOTE-6: OTHER FINANCIAL ASSETS

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

(₹ in Crore)

Particulars	Non Current				Current			
		Mar-2017	Mar-2016	01.04.2015		Mar-2017	Mar-2016	01.04.2015
Advances for Investments A								
Joint Ventures	-		11.40	-	-		-	-
Subsidiary Companies	**1.07**		0.07	-	-		-	-
	1.07		11.47	-	-		-	-
Less : Provision for Diminution	**0.07**		0.07	-	-		-	-
		1.00	11.40	-		-	-	-
Amount Recoverable from Central/ State Govt.								
Unsecured, Considered Good		**-**	-	-		**7,748.45**	10,274.56	10,012.54
Finance Lease Receivables		**1.08**	2.19	3.92		**1.11**	1.73	1.74
Deposits for Leave Encashment Fund		**2,856.36**	2,623.95	2,407.32		**-**	-	-
Interest Accrued on Investments/ Bank Deposits/ Loans		**-**	-	-		**196.76**	130.22	134.37
Advance to Employee Benefits Trusts		**557.95**	588.92	559.30		**18.10**	8.12	7.33
Receivables on Agency Sales		**-**	-	-		**1,144.73**	1,593.43	1,978.05
Others B	**39.24**		27.23	49.36	**536.43**		550.11	684.50
Less: Provision for doubtful asset	**-**		-	-	**6.02**		6.49	6.31
		39.24	27.23	49.36		**530.41**	543.62	678.19
TOTAL		**3,455.63**	**3,253.69**	**3,019.90**		**9,639.56**	**12,551.68**	**12,812.22**

A. Advances against equity pending allotment

B. Other Current Financial Assets mainly includes interest receivables from Air India Limited ₹ **330.80 crore** (2016: ₹ 393.07 crore and 01.04.2015: ₹ 481.94 crore).

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

(₹ in Crore)

Particulars	Non Current				Current			
		Mar-2017	Mar-2016	01.04.2015		Mar-2017	Mar-2016	01.04.2015
Income Tax/Current Tax Asset/ (Liability) - Net								
Advance payments for Current Tax	**-**		10,526.39	4,031.06	**16,590.14**		-	4,415.40
Less : Provisions	**-**		10,078.09	2,990.11	**16,649.15**		-	4,340.08
	-		448.30	1,040.95	**(59.01)**		-	75.32
Advance payments for Fringe Benefit Tax	**5.47**		52.03	52.03	**2.04**		-	-
Less : Provisions	**-**		44.52	44.52	**-**		-	-
	5.47		7.51	7.51	**2.04**		-	-
Income Tax/Current Tax Asset/ (Liability) - Net		**5.47**	455.81	1,048.46		**(56.97)**	-	75.32
TOTAL		**5.47**	455.81	1,048.46		**(56.97)**	-	75.32

NOTE-8: OTHER ASSETS

(Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

Particulars	Non Current				Current			
		Mar-2017	Mar-2016	01.04.2015		Mar-2017	Mar-2016	01.04.2015
Advance for Capital Expenditure								
To Related Parties								
Unsecured, Considered Good	**25.78**		40.51	16.38	**-**		-	-
	25.78		40.51	16.38	**-**		-	-
To Others								
Secured, Considered Good	**9.38**		0.67	5.25	**-**		-	-
Unsecured, Considered Good	**875.61**		408.25	832.60	**-**		-	-
Unsecured, Considered Doubtful	**0.09**		0.10	0.10	**-**		-	-
	885.08		409.02	837.95	**-**		-	-
	910.86		449.53	854.33	**-**		-	-
Less: Provision for Doubtful Advance	**0.09**		0.10	0.10	**-**		-	-
		910.77	449.43	854.23		**-**	-	-
Advance Recoverable								
From Related Parties								
Unsecured, Considered Good	**309.09**		331.51	252.81	**29.83**		12.52	8.71
Unsecured, Considered Doubtful	**-**		-	-	**-**		-	-
	309.09		331.51	252.81	**29.83**		12.52	8.71
Less : Provision for Doubtful Advances	**-**		-	-	**-**		-	-
	309.09		331.51	252.81	**29.83**		12.52	8.71
From Others								
Secured, Considered Good	**-**		-	-	**0.34**		0.73	14.03
Unsecured, Considered Good	**-**		-	-	**1,966.36**		2,418.10	2,866.40
Unsecured, Considered Doubtful	**0.33**		0.33	0.33	**6.28**		3.23	3.29
	0.33		0.33	0.33	**1,972.98**		2,422.06	2,883.72
Less : Provision for Doubtful Advances	**0.33**		0.33	0.33	**6.28**		3.23	3.29
	-		-	-	**1,966.70**		2,418.83	2,880.43
		309.09	331.51	252.81		**1,996.53**	2,431.35	2,889.14
Claims Recoverable: A								
From Related Parties								
Unsecured, Considered Good	**-**		-	-	**1.67**		0.33	1.24
Unsecured, Considered Doubtful	**-**		-	-	**2.61**		2.61	2.61
	-		-	-	**4.28**		2.94	3.85
From Others								
Unsecured, Considered Good	**-**		-	-	**998.65**		902.94	778.07
Unsecured, Considered Doubtful	**-**		-	-	**91.17**		99.47	100.28
	-		-	-	**1,089.82**		1,002.41	878.35
Less : Provision for Doubtful Claims	**-**		-	-	**93.78**		102.08	102.89
		-	-	-		**1,000.32**	903.27	779.31
Balance with Customs, Port Trust and Excise Authorities:								
Unsecured, Considered Good		**-**	-	-		**42.85**	46.85	33.01

Particulars	Non Current				Current			
		Mar-2017	Mar-2016	01.04.2015		Mar-2017	Mar-2016	01.04.2015
Gold Coins/ Other Precious Metals	-		-	-	20.92		6.65	6.61
Less : Provision for Diminution in value	-		-	-	0.14		0.14	-
		-	-	-		20.78	6.51	6.61
Deferred Expenses		648.06	658.75	674.58		60.97	62.05	58.44
Prepaid Rentals		1,189.16	1,078.78	1,054.17		23.39	21.19	19.97
TOTAL		**3,057.08**	**2,518.47**	**2,835.79**		**3,144.84**	**3,471.22**	**3,786.48**
A. Includes:								
1. Customs/ Excise Duty/DEPB/Duty Drawback Claims which are in the process of being claimed with the Department.		-	-	-		15.58	10.43	6.12
2. Claims recoverable from Customs Authorities pending for final assessment / settlement.		-	-	-		104.12	100.43	116.15

NOTE-9: INVENTORIES

(₹ in Crore)

Particulars			Mar-2017	Mar-2016	01.04.2015
In Hand :					
Stores, Spares etc.	A	3,101.06		2,927.84	3,111.93
Less : Provision for Losses		140.54		133.71	132.19
			2,960.52	2,794.13	2,979.74
Raw Materials	B		13,162.36	8,006.22	10,305.06
Finished Products	C		24,188.80	15,779.95	14,714.18
Stock in Trade	D		6,075.82	3,144.31	5,630.70
Stock in Process			5,184.53	2,511.55	4,140.46
Barrels and Tins	E		45.84	35.51	32.95
			51,617.87	32,271.67	37,803.09
In Transit :					
Stores, Spares etc.			212.53	140.03	147.80
Raw Materials			7,428.41	4,431.54	5,633.68
Finished Products			990.68	1,166.63	950.66
Stock in Trade			2,151.65	729.24	1,374.89
			10,783.27	6,467.44	8,107.03
TOTAL			**62,401.14**	**38,739.11**	**45,910.12**
Includes-					
A.1 Includes Certified Emmission Reductions (CER's) rights of ₹ 30,249 (2016: ₹ 30,249 and 01.04.2015: ₹ 30,249). Details given in Note-45.					
A.2 Includes stock lying with contractors			20.11	24.47	22.68
B Includes stock lying with others			16.66	7.12	3.95
C Includes stock lying with others			1,178.71	942.03	1,035.86
D Includes stock lying with others			2,021.69	639.84	900.59
E Includes stock lying with others			1.41	1.26	1.22
F Expense recognised for inventories carried at net realisable value.			766.57	290.95	316.47
G Income recognised for inventories carried at net realisable value.			173.52	-	-

NOTE-10: TRADE RECEIVABLES
(At amortised cost)

(₹ in Crore)

Particulars			Mar-2017	Mar-2016	01.04.2015
Outstanding for a period exceeding Six Months from due date:					
From Related Parties					
Unsecured, Considered Good		**3.01**		3.01	0.23
From Others					
Unsecured, Considered Good		**554.10**		486.93	358.50
Unsecured, Considered Doubtful	A	**86.84**		86.25	127.34
		640.94		573.18	485.84
Total		**643.95**		576.19	486.07
Less : Provision for Doubtful Debts	A	**86.84**		86.25	127.34
			557.11	489.94	358.73
Others:					
From Related Parties					
Unsecured, Considered Good		**129.16**		198.03	61.31
Unsecured, Considered Doubtful		**0.10**		0.19	0.02
		129.26		198.22	61.33
From Others					
Secured Considered Good		**50.00**		34.93	48.74
Unsecured, Considered Good		**7,766.10**		6,825.70	6,069.10
Unsecured, Considered Doubtful	B	**7.86**		6.85	6.21
		7,823.96		6,867.48	6,124.05
Total		**7,953.22**		7,065.70	6,185.38
Less : Provision for Doubtful Debts	B	**7.96**		7.04	6.23
			7,945.26	7,058.66	6,179.15
TOTAL			**8,502.37**	**7,548.60**	**6,537.88**
Includes provision as per Expected Credit Loss method in line with accounting policy:					
A. Exceeding Six Months from due date			**0.56**	0.49	0.36
B. Others			**7.95**	7.04	6.18

NOTE-11: CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars			Mar-2017	Mar-2016	01.04.2015
Cash and Cash Equivalents					
Bank Balances with Scheduled Banks :					
Current Account		**13.09**		215.08	26.85
Fixed Deposit - Maturity within 3 months		**0.05**		0.01	0.01
			13.14	215.09	26.86
Bank Balances with Non-Scheduled Banks			**9.75**	11.31	6.60
Cheques, Drafts in hand			**28.08**	31.98	64.08
Cash Balances, Including Imprest	A		**1.89**	3.53	3.95
TOTAL			**52.86**	**261.91**	**101.49**

A) Includes **Nil** (2016: ₹ 0.10 crore and 01.04.2015: Nil) not available for use.

NOTE-12: BANK BALANCES OTHER THAN ABOVE

(₹ in Crore)

Particulars		Mar-2017	Mar-2016	01.04.2015
Fixed Deposit	A	**6.07**	4.99	4.99
Earmarked Balances	B	**27.56**	246.03	9.03
Blocked Account	C	**-**	-	0.10
Other Bank Balances	D	**0.01**	0.01	0.01
TOTAL		**33.64**	**251.03**	**14.13**
A) Earmarked in favour of Statutory Authorities.				
B) Pertains to:				
Buffer Account for DBTL		**-**	233.64	-
Unpaid Dividend/Fractional Share Warrants		**27.56**	12.39	9.03
C) Blocked in pursuance to Hon'ble High Court order.				
D) There exists restrictions on repatriation from bank account in Myanmar.		**0.01**	0.01	0.01

NOTE-13: ASSETS HELD FOR DISPOSAL

(₹ in Crore)

Particulars	Note	Mar-2017	Mar-2016	01.04.2015
Freehold land held for sale	A	**2.21**	1.72	1.65
Building	B	**0.14**	1.02	0.36
Plant and Equipment		**56.12**	35.08	23.11
Office Equipment		**0.83**	0.69	0.89
Transport Equipment		**0.01**	0.01	0.04
Furniture and Fixtures		**0.04**	0.04	0.11
Total		**59.35**	**38.56**	**26.16**

A. the company has surplus land at various locations such as LPG plant , Depots and RO's etc. which is under the process of disposal. The management intends to sell the land. No impairment was recognised on reclassification of land as held for sale as the Company expects that the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount.

B. Includes non current assets retired from active use used in various segments which are planned to be disposed off by the company through tendering process within a year.

C. During the year, the company has recognized impairment loss of ₹ **27.10 crore** (2016: ₹ 43.66 crore) on write-down of the asset to fair value less costs to sell and the same has been shown under the caption 'Other Expenses' in the Statement of Profit & Loss.

NOTE-14: EQUITY SHARE CAPITAL

(₹ in Crore)

Particulars	Mar-2017	Mar-2016	01.04.2015
Authorized:			
600,00,00,000 Equity Shares of ₹ 10 each	**6,000.00**	6,000.00	6,000.00
Issued Subscribed and Paid Up:			
4,85,59,04,964 (2016: 2,42,79,52,482 and 2015: 2,42,79,52,482) Equity Shares of ₹ 10 each fully paid up	**4,855.90**	2,427.95	2,427.95
Less: Shares held under IOC Shares Trust	**116.56**	58.28	58.28
TOTAL	**4,739.34**	**2,369.67**	**2,369.67**
A. Reconciliation of No. of Equity Shares			
Opening Balance	**2,427,952,482**	2,427,952,482	2,427,952,482
Shares Issued (Bonus Shares)	**2,427,952,482**	-	-
Shares bought back	**-**	-	-
Closing Balance	**4,855,904,964**	2,427,952,482	2,427,952,482

B. Terms/Rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 each and is entitled to one vote per share. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the corporation, the holders of equity shares will be entitled to receive the remaining assets of the company in proportion to the number of equity shares held.

C. Details of shareholders holdings more than 5% shares

Name of Shareholder	Mar-2017		Mar-2016		01.04.2015	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
PRESIDENT OF INDIA	**2,784,280,657**	**57.34**	1,422,150,047	58.57	1,664,965,562	68.57
OIL AND NATURAL GAS CORPORATION LIMITED	**668,607,628**	**13.77**	334,303,814	13.77	334,303,814	13.77
LIFE INSURANCE CORPORATION OF INDIA	**375,354,812**	**7.73**	234,956,225	9.68	67,324,039	2.77

During the year 2016-17, President of India disinvested:

i) 7,139,518 shares of the company under "Offer for Sale" in favour of the employees of the Corporation in May 2016.

ii) 33,276,129 equity shares in January 2017 and 12,464,272 equity shares in March 2017 in favour of Central Public Sector Enterprises Exchange Traded Fund.

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

(a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	**Nil**
(b) Aggregate number of shares allotted as fully paid up by way of bonus shares (in October 2016)	**2,427,952,482**
(c) Aggregate number and class of shares bought back	**Nil**

NOTE-15: OTHER EQUITY

(₹ in Crore)

Particulars			Mar-2017	Mar-2016	01.04.2015
Retained Earnings					
General Reserve:					
As per last Account		**70,157.70**		63,073.79	62,646.39
Add: Opening Balance Adjustment due to Ind-AS	A	**-**		-	427.40
Add: Remeasurement of Defined Benefit Plans		**(366.04)**		(439.30)	-
Add : Transfer from Bond Redemption Reserve		**674.79**		456.65	-
Less: Utilized for Issue of Bonus Shares		**2,372.86**		-	-
Add: Appropriation from Surplus		**5,899.43**		7,066.56	-
		73,993.02		70,157.70	63,073.79
Surplus (Balance in Statement of Profit and Loss):					
Profit for the Year		**19,106.40**		11,242.23	-
Less: Appropriations					
Interim Dividend		**8,531.08**		1,303.44	-
Final Dividend		**2,014.34**		1,564.09	-
Corporate Dividend Tax on:					
Interim Dividend		**1,757.13**		266.61	-
Final Dividend		**419.96**		319.13	-
Insurance Reserve (Net)		**20.00**		20.00	-
Bond Redemption Reserve		**465.78**		717.58	-
Corporate Social Responsibility Reserve (Net)	B	**(1.32)**		(15.18)	-
General Reserve		**5,899.43**		7,066.56	-
Balance carried forward to next year		**0.00**		-	-
			73,993.02	70,157.70	63,073.79
Other Reserves					
Bond Redemption Reserve :					
As per last Account		**2,820.12**		2,559.19	2,559.19
Add: Appropriation from Surplus		**465.78**		717.58	-
Less: Transfer to General Reserve		**674.79**		456.65	-
			2,611.11	2,820.12	2,559.19
Capital Reserve :					
As per last Account			**183.08**	183.08	183.08
Insurance Reserve :	C				
As per last Account		**183.48**		163.48	163.48
Less : Recoupment of uninsured fire loss		**-**		-	-
Add: Appropriation from Surplus		**20.00**		20.00	-
			203.48	183.48	163.48
Export Profit Reserve	D		**53.72**	53.72	53.72
Corporate Social Responsibility Reserve:	B				
As per Last Account		**4.43**		19.61	19.61
Add: Appropriation from Surplus		**212.67**		141.50	-
Less: Utilized during the year		**213.99**		156.68	-
			3.11	4.43	19.61
Foreign Currency Monetary Item Translation Difference Account					
As per Last Account		**(414.88)**		(104.46)	(104.46)
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items		**(77.17)**		(613.18)	-
Less: Amortized during the year		**(359.63)**		(302.76)	-
			(132.42)	(414.88)	(104.46)

Particulars		Mar-2017	Mar-2016	01.04.2015
Fair Value Through Other Comprehensive Income :				
Fair Value of Equity Instruments				
As per Last Account	**12,985.14**		19,461.94	19,461.94
Add: Fair value during the year	**5,085.19**		(6,476.80)	-
Less: Transferred to General Reserve	**-**		-	-
		18,070.33	12,985.14	19,461.94
Fair Value of Debt Instruments				
As per Last Account	**(208.15)**		(215.80)	(215.80)
Add: Fair value during the year	**148.34**		(24.06)	-
Less: Transferred to Profit or Loss	**(63.76)**		(31.71)	-
		3.95	(208.15)	(215.80)
TOTAL		**94,989.38**	**85,764.64**	**85,194.55**

A. Refer Note-49.

B. Reserve is created for meeting expenses relating to CSR activities in line with CSR policy of the Company. During the year, an amount of ₹ **212.67 crore** (2016: ₹ 141.50 crore) has been appropriated as per provisions of Companies Act'2013. Out of total available fund for CSR (including unspent amount carried forward from previous year), an amount of ₹ **213.99 crore** (2016: ₹ 156.68 crore) has been spent during the year. Also refer Note-46.

C. Reserve is created to mitigate risk of loss of assets not insured with external insurance agencies.

D. Amount set aside out of profits from exports for availing income tax benefits.

NOTE-16: LONG TERM BORROWINGS

(At Amortised Cost) **(₹ in Crore)**

Particulars		Non Current				Current Maturities*			
			Mar-2017	Mar-2016	01.04.2015		Mar-2017	Mar-2016	01.04.2015
SECURED LOANS									
Bonds:									
Non-Convertible Redeemable Bonds-Series-VIII B	A	**1,070.00**		1,070.00	1,070.00	**63.85**		64.00	63.85
Non-Convertible Redeemable Bonds-Series-IX	B&G	**-**		-	1,600.00	**-**		1,729.10	128.99
Non-Convertible Redeemable Bonds-Series-XIII	C&G	**-**		-	405.00	**-**		429.86	13.19
Non-Convertible Redeemable Bonds-Series-VII B	D&G	**-**		-	-	**-**		-	520.07
Non-Convertible Redeemable Bonds-Series-XII	E&G	**-**		-	-	**-**		-	1,386.23
Non-Convertible Redeemable Bonds-Series-V	F&G	**-**		-	31.60	**-**		33.22	34.83
			1,070.00	1,070.00	3,106.60		**63.85**	2,256.18	2,147.16
Term Loans:									
Oil Industry Development Board (OIDB)	H		**882.48**	1,568.69	1,374.00		**719.50**	552.63	443.99
Finance Lease Obligations	I		**3,605.55**	3,749.62	3,880.43		**147.52**	131.13	117.95
Total Secured Loans			**5,558.03**	6,388.31	8,361.03		**930.87**	2,939.94	2,709.10
UNSECURED LOANS									
Bonds									
Foreign Currency Bonds	J	**8,331.50**		8,582.58	8,051.76	**115.90**		119.79	115.14
Senior Notes (Bank of America)	K&G	**648.55**		1,325.20	1,875.15	**662.09**		684.00	20.47
			8,980.05	9,907.78	9,926.91		**777.99**	803.79	135.61
Term Loans:									
From Banks/ Financial Institutions									
In Foreign Currency Loans	L	**5,773.96**		8,641.47	14,392.85	**2,725.84**		6,628.09	3,122.52
From Others									
In Rupees	M	**-**		-	25.00	**-**		25.00	51.25
			5,773.96	8,641.47	14,417.85		**2,725.84**	6,653.09	3,173.77
Total Unsecured Loans			14,754.01	18,549.25	24,344.76		**3,503.83**	7,456.88	3,309.38
TOTAL LONG-TERM BORROWINGS			**20,312.04**	**24,937.56**	**32,705.79**		**4,434.70**	**10,396.82**	**6,018.48**

* Current maturities (including Finance Lease Obligations) are carried to Note - 17: Other Financial Liabilities.

Secured Loans (Bonds : A - G)

	Particulars	Allotment Date	Coupon Rate	Date of Redemption	Security Details
A	10,700 Bonds of face value of ₹ 10,00,000/- each	10th September 2008	11.00 % p.a. payable annually on 15th September	After 10 years from the date of allotment	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 & IX holders and OIDB.
B	16,000 Bonds of face value of ₹ 10,00,000/- each	11th December 2008	10.70 % p.a. payable annually on 30th June	After 8 years from the date of allotment. During the year 2016-17 these bonds are fully redeemed.	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 & VIII B holders and OIDB.
C	17,000 Bonds of face value of ₹ 10,00,000/- each	6th May 2013	8.14 % p.a. payable annually on 30th June (starting after 18 months) from the date of exercise of first put/call option	After 5 years with put/call option after 18 and 36 months from the date of allotment. During the 2014-15 company has partly excercised the call option for ₹ 1295 crore. During 2016-17, the company has exercised call option for remaining bonds on 6th May 2016	These are secured by way of registered mortgage over the immovable properties of the Company at Gujarat Refinery situated at Vadodara in the State of Gujarat ranking pari passu with Bond Series VIIB & XII holders and OIDB.
D	5,000 Bonds of face value of ₹ 10,00,000/- each	15th September 2005	7.40% p.a. payable annually on 15th September	After 10 years from the date of allotment. During the year 2015-16 these bonds are fully redeemed.	These were secured by way of registered mortgage over the immovable properties of the Company at Gujarat Refinery situated at Vadodara in the state of Gujarat ranking pari passu with Bond Series XII & XIII holders and OIDB.
E	12,950 Bonds of face value of ₹ 10,00,000/- each	30th April 2012	9.35 % p.a. payable annually on 30th June	After 5 years with put/call option after 3rd year from the date of allottment. During the year 2015-16 company has fully excercised call option on 30th April 2015.	These were secured by way of registered mortgage over the immovable properties of the Company at Flat No. A-52, Rishi Krishna Co. Op. Hsg. Soc. Ltd., Linking Road, Oshiwara, Andheri (West), Mumbai 400 058 and immovable properties of the Company at Gujarat Refinery situated at Vadodara in the State of Gujarat ranking pari passu with Bond Series VIIB & XIII holders and OIDB.
F	158 Bonds of face value of ₹ 2,60,00,000/- each	18th July, 2001	10.25% p.a. payable annually on 30th September	Redeemable in 13 equal installments from the end of the 3rd year upto the end of 15th year from the date of allotment. Accordingly, 12th instalment (STRPP M) was paid in July 2016.	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. and immovable properties at Panipat Refinery in the state of Haryana ranking pari passu with Bond Series VIII B & IX holders and OIDB.
G	In line with the requirement of Companies (Share Capital and Debentures) Rules, 2014, the company has earmarked 8.20% Oil Marketing companies GOI Special Bonds 2023 of face value of ₹ 97.28 Crore (2016: 8.00% Oil Marketing companies GOI Special Bonds 2026 of face value of ₹ 404.88 crore, 01.04.2015: 6.90% Oil Marketing companies GOI Special Bonds 2026 of face value of ₹ 302.42 crore) for total bonds value of ₹ 648.55 crore (2016: ₹ 2699.20 crore, 01.04.2015: ₹ 1826.60 crore) maturing in the next financial year.				

Secured Loans (Term Loans : H)

1. Security Details for OIDB Loans:

a) First Charge on the facilities at Paradip Refinery, Odisha.
b) First charge on the facilities at Butadiene Extraction Unit, Panipat, Haryana.
c) First charge on the facilities at FCC Unit at Mathura Refinery, Uttar Pradesh.
d) First charge on the facilities at Paradip-Raipur-Ranchi pipeline
e) First charge on the facilities at SMPL System
f) First charge on the facilities at Paradip-Haldia-Durgapur LPG Pipeline

2. Loan Repayment Schedule against loans from OIDB (Secured)-Term Loans (₹ in Crore)

S.No.	Repayable During	Repayable Amount	Range of Interest Rate
1	2017-18	688.31	8.12% - 9.27%
2	2018-19	425.81	8.12% - 9.27%
3	2019-20	282.81	8.12% - 8.45%
4	2020-21	177.82	8.12% - 8.27%
	Total	**1,574.75**	

I. Finance Lease Obligations

The Finanace Lease Obligations is against assets aquired under Finance Lease. The net carrying value of the same is ₹3698.77 crore.

Unsecured Loans

J. Repayment Schedule of Foreign Currency Bonds

Sl. No.	Particulars of Bonds	Date of Issue	Date of Repayment
1	USD 500 million Reg S bonds	1st August 2013	Payable after 10 years from the date of issue
2	SGD 400 million Reg S bonds	15th October 2012	On the same day, cross currency swap amounting to USD 325.57 Million. Payable after 10 years from the date of issue
3	USD 500 Million Reg S bonds	2nd August 2011	Payable after 10 years from the date of issue

K. Repayment Schedule of Senior Notes (Bank of America)

1 USD 300 Million US Private Placement bonds issued in four tranches of USD 75 Million dt. 6th June, 2nd July, 1st August and 4th September 2007 is payable in three tranches of USD 100 Million each on 1st August 2016, 1st August 2017 and 1st August 2018

L. Repayment Schedule of loans from Banks and financial institutions

Sl. No.	Particulars of Loans	Date of drawal	Date of Repayment
1	USD 250 Million syndication loan	29th Jan 2016	Payable after 5 years from the date of drawal
2	USD 650 Million syndication loan	27th June 2014	
3	USD 120 Million syndication loan	12th March 2013	
4	USD 300 Million syndication loan	13th July 2012	

M. Repayment Schedule of Unsecured-Rupee Loans from OIDB

Sl. No.	Repaid During	Repayable Amount	Range of Interest Rate
1	2016-17	25.00	8.89%

NOTE-17: OTHER FINANCIAL LIABILITIES

(At Amortised Cost unless otherwise stated) (₹ in Crore)

Particulars	Non Current			Current		
	Mar-2017	Mar-2016	01.04.2015	Mar-2017	Mar-2016	01.04.2015
Current maturities of long-term debt (Refer Note - 16)	**-**	-	-	**4,434.70**	10,396.82	6,018.48
Liability for Capital Expenditure	**-**	-	-	**3,844.39**	2,604.68	2,071.65
Liability to Trusts and Other Funds	**-**	-	-	**1,879.79**	1,105.82	1,178.73
Employee Liabilities	**-**	-	-	**1,791.23**	1,198.09	823.61

Particulars		Non Current				Current			
			Mar-2017	Mar-2016	01.04.2015		Mar-2017	Mar-2016	01.04.2015
Liability for Purchases on Agency Basis			**-**	-	-		**1,153.36**	1,611.37	1,951.89
Advances from Government of India for DBTL Scheme			**-**	-	-		**-**	233.64	-
Investor Education & Protection Fund to be credited on the due dates:									
- Unpaid Dividend		**-**		-	-	**27.53**		12.31	8.95
- Unpaid Matured Deposits		**-**		-	-	**0.01**		0.01	0.01
			-	-	-		**27.54**	12.32	8.96
Derivative instruments at fair value through profit or loss			**-**	-	-		**379.03**	363.30	583.38
Security Deposits	A		**20,250.72**	17,508.73	15,087.66		**1,129.21**	1,077.94	977.43
Others			**0.76**	0.67	1.96		**1,501.12**	1,991.61	2,029.25
TOTAL			**20,251.48**	**17,509.40**	**15,089.62**		**16,140.37**	**20,595.59**	**15,643.38**

A. Includes ₹ **1,785.76** crore (2016: ₹ 505.58 crore and 01.04.2015: ₹ 116.52 crore) towards LPG Connection issued under Pradhan Mantri Ujjawala Yojana (PMUY) and Rajiv Gandhi Gramin LPG Vitarak Yojana (RGGLVY) of Government of India.

NOTE-18: PROVISIONS

(₹ in Crore)

Particulars		Non Current				Current			
			Mar-2017	Mar-2016	01.04.2015		Mar-2017	Mar-2016	01.04.2015
Provision for Employee Benefits			**2,923.38**	2,382.96	2,255.38		**373.69**	312.36	282.52
Decommissioning Liability	A		**3.60**	3.33	3.35		**-**	-	-
Contingencies for probable obligations	B	**-**		-	-	**36,418.41**		26,584.61	23,212.50
Less: Deposits		**-**		-	-	**17,867.37**		17,113.99	14,425.60
			-	-	-		**18,551.04**	9,470.62	8,786.90
TOTAL			**2,926.98**	**2,386.29**	**2,258.73**		**18,924.73**	**9,782.98**	**9,069.42**

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

(₹ in Crore)

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Unwinding of discount and changes in the discount rate	Closing Balance
Decommissioning Liability - E&P Blocks	3.33	0.27	-	0.03	0.03	3.60
Previous Year Total	3.35	-	-	0.03	0.01	3.33

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

(₹ in Crore)

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance*
Excise	11.91	-	0.06	0.13	11.72
Sales Tax	1,780.68	867.19	32.47	45.22	2,570.18
Entry Tax	23,716.54	8,041.51	-	-	31,758.05
Others	1,075.48	1,086.25	3.97	79.30	2,078.46
TOTAL	**26,584.61**	**9,994.95**	**36.50**	**124.65**	**36,418.41**
Previous Year Total	23,212.50	3,377.10	0.23	4.76	26,584.61

(₹ in Crore)

Particulars	Mar-2017	
	Addition includes	Utilization/ reversal includes
- capitalized	18.80	54.30
- included in Raw Material	1,236.40	2.30
- included in Finance Cost	1,215.18	-
- included in Employee Benefit Expenses	-	24.32
- Amount transferred from Liabilities to Provisions	1,363.96	-
- Adjusted against Deposits	(1,383.96)	-

* Expected timing of outflow is not ascertainable at this stage, the matters being under dispute/ contingent.

NOTE-19: TAXES

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

(₹ in Crore)

Particulars	As on 01.04.2015	Provided during the year in Statement of Profit & Loss	Provided during the year in OCI (net)	As on 31.03.2016	Provided during the year in Statement of Profit & Loss	Provided during the year in OCI (net)	Balance as on 31.03.2017
Deferred Tax Liability:							
Related to Fixed Assets	10,798.66	2,854.24	-	13,652.90	4,493.30	-	18,146.20
Foreign Currency gain on long term monetary item	52.15	130.05	-	182.20	(114.57)	-	67.63
Total Deferred Tax Liability (A)	**10,850.81**	**2,984.29**	**-**	**13,835.10**	**4,378.73**	**-**	**18,213.83**
Deferred Tax Assets:							
Provision on Inventories, Debtors, Loans and Advance, Investments	196.51	293.38	-	489.89	11.08	-	500.97
Compensation for Voluntary Retirement Scheme	19.86	(4.80)	-	15.06	6.03	-	21.09
43B/40 (a)(ia)/other Disallowances etc.	4,379.02	25.45	-	4,404.47	3,417.50	-	7,821.97
Fair valuation of Equity instruments	8.03	-	(7.61)	0.42	-	(12.54)	(12.12)
Fair value of debt instruments	114.20	-	(4.06)	110.14	-	(133.15)	(23.01)
Others	191.66	(258.39)	232.49	165.76	(34.10)	-	131.66
Total Deferred Tax Assets (B)	**4,909.28**	**55.64**	**220.82**	**5,185.74**	**3,400.51**	**(145.69)**	**8,440.56**
MAT credit entitlement (C)	698.14	1,092.23	-	1,790.37	**1,223.67**	**-**	**3,014.04**
Deferred Tax Liability net of MAT Credit (A-B-C)	**5,243.39**	**1,836.42**	**(220.82)**	**6,858.99**	**(245.45)**	**145.69**	**6,759.23**

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

	Mar-2017 %	Mar-2016 %
Applicable tax rate	**34.608**	**34.608**
Tax effect of income that are not taxable in determining taxable profit	**(8.74)**	(3.89)
Tax effect of expenses that are not deductible in determining taxable profit	**0.79**	1.25
Tax effect on recognition of previously unrecognised allowance/disallowances	**1.91**	1.94
Tax expenses/income related to prior years	**(1.14)**	(0.69)
Difference in tax due to income chargeable to tax at special rates	**(0.02)**	(0.03)
Average Effective Tax Rate	**27.41**	**33.19**

NOTE-20: OTHER LIABILITIES

(₹ in Crore)

Particulars	Non Current			Current		
	Mar-2017	Mar-2016	01.04.2015	Mar-2017	Mar-2016	01.04.2015
Deferred Income	**9.57**	11.45	13.52	**2.18**	2.17	2.25
Government Grants (Refer Note - 47)	**702.47**	636.07	560.67	**16.78**	13.36	7.95
Statutory Liabilities	**-**	-	-	**8,097.60**	6,622.48	5,638.35
Advances from Customers	**-**	-	-	**2,990.09**	2,919.20	3,626.63
Others (Refer point no. 7 of Note - 50)	**-**	-	-	**2,113.82**	216.69	0.63
TOTAL	**712.04**	**647.52**	**574.19**	**13,220.47**	**9,773.90**	**9,275.81**

NOTE-21: BORROWINGS - CURRENT

(₹ in Crore)

Particulars			Mar-2017	Mar-2016	01.04.2015
SECURED LOANS					
Loans Repayable on Demand					
From Banks:	A				
Working Capital Demand Loan		**2,450.53**		-	3,582.42
Cash Credit		**2,667.43**		5,286.39	1,963.54
			5,117.96	5,286.39	5,545.96
From Others:					
Loans through Collaterised Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd. (CCIL)	B		**2,635.14**	2,648.26	2,626.64
Total Secured Loans			**7,753.10**	**7,934.65**	**8,172.60**
UNSECURED LOANS					
Loans Repayable on Demand					
From Banks/ Financial Institutions					
In Foreign Currency		**20,296.79**		9,609.57	7,807.24
In Rupee		**225.56**		1.59	1,001.02
			20,522.35	9,611.16	8,808.26
From Others					
Commercial Papers			**1,797.31**	-	-
Total Unsecured Loans			**22,319.66**	9,611.16	8,808.26
TOTAL SHORT-TERM BORROWINGS			**30,072.76**	**17,545.81**	**16,980.86**
A. Against hypothecation by way of first pari passu charge on Raw Materials, Finished Goods, Stock-in Trade, Sundry Debtors, Outstanding monies, Receivables, Claims, Contracts, Engagements to SBI and HDFC banks.					
B. Against pledging of following to CCIL:					
Government Securities			**3,913.00**	4,365.00	4,365.00
Bank Guarantees			**1,650.00**	1,650.00	1,650.00

NOTE-22: TRADE PAYABLES

(₹ in Crore)

Particulars	Mar-2017	Mar-2016	01.04.2015
Dues to Micro and Small Enterprises	**24.77**	24.31	14.31
Dues to Related Parties	**1,291.08**	1,023.97	2,088.59
Dues to others	**28,791.63**	21,283.54	27,019.37
TOTAL	**30,107.48**	**22,331.82**	**29,122.27**

NOTE-23: REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars		Mar-2017	Mar-2016
Sales (Net of Discounts)	**438,692.40**		399,084.25
Sale of Services	**17.56**		21.24
Other Operating Revenues (Note "23.1")	**1,640.96**		1,311.58
		440,350.92	400,417.07
Net Claim/(Surrender) of SSC		**(207.24)**	(520.94)
Subsidy From Central/State Govt.		**80.02**	46.60
Grant from Government of India		**5,149.21**	6,885.26
TOTAL		**445,372.91**	**406,827.99**

Particulars relating to Revenue Grants are given in point no. A1 and A2 of Note - 47.

NOTE-23.1: OTHER OPERATING REVENUES

(₹ in Crore)

Particulars	Mar-2017	Mar-2016
Sale of Power and Water	**110.74**	116.74
Revenue from Construction Contracts	**13.35**	19.12
Unclaimed / Unspent liabilities written back	**265.49**	38.44
Provision for Doubtful Debts, Advances, Claims, and Stores written back	**93.65**	69.69
Provision for Contingencies written back	**80.23**	4.94
Recoveries from Employees	**27.18**	25.46
Retail Outlet License Fees	**165.93**	164.98
Income from Non Fuel Business	**198.05**	196.40
Commission and Discount Received	**12.83**	8.91
Sale of Scrap	**106.15**	106.63
Income from Finance Leases	**0.40**	0.60
Amortization of Capital Grants	**16.39**	24.22
Commodity Hedging Gain (Net)	**12.34**	-
Terminalling Charges	**74.23**	37.78
Other Miscellaneous Income	**464.00**	497.67
TOTAL	**1,640.96**	**1,311.58**

NOTE-24: OTHER INCOME

(₹ in Crore)

Particulars			Mar-2017	Mar-2016
Interest on:	A			
Financial items:				
Deposits with Banks		**28.03**		0.47
Customers Outstandings		**316.21**		298.44
Oil Companies GOI SPL Bonds/ Other Investments		**910.17**		926.34
Other Financial Items		**374.51**		308.79
Non-Financial items		**130.79**		49.19
			1,759.71	1,583.23

Particulars		Mar-2017	Mar-2016
Dividend: B			
From Related Parties	**250.27**		117.24
From Other Companies	**856.32**		447.62
		1,106.59	564.86
Profit on Sale of Investments (Net)		**43.61**	-
Fair value Gain on Diminution in value of Investment Written Back (Net)		**13.11**	-
Exchange Fluctuations (Net)		**1,107.93**	-
Gain on Derivatives		**-**	58.70
Fair value Gain on Financial instruments classified as FVTPL		**114.30**	63.53
Revenue Grants (Refer point no. A3, A4 and A5 of Note - 47)		**7.96**	4.89
Other Non Operating Income		**55.37**	46.95
TOTAL		**4,208.58**	**2,322.16**
A1. Includes Tax Deducted at Source		**33.67**	32.13
A2. Includes interest received under section 244A of the Income Tax Act.		**111.42**	4.44
A3. Include interest on:			
Current Investments		**696.79**	594.27
Non-Current Investments		**213.38**	332.07
A4. Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss:			
In relation to Financial assets classified at amortised cost		**718.75**	607.70
In relation to Financial assets classified at FVOCI		**879.55**	923.45
Total		**1,598.30**	1,531.15
B1. Dividend Income consists of Dividend on:			
Current Investments		**33.88**	4.31
Non-Current Investments		**1,072.71**	560.55
B2. Dividend on Non Current Investment Includes Dividend from Subsidiaries		**103.41**	25.22

NOTE-25: COST OF MATERIALS CONSUMED

(₹ in Crore)

Particulars	Mar-2017	Mar-2016
Opening Stock	**12,437.76**	15,938.75
Add: Purchases	**165,063.26**	138,764.54
	177,501.02	154,703.29
Less: Closing Stock	**20,590.77**	12,437.76
TOTAL	**156,910.25**	**142,265.53**

Particulars relating to Revenue Grants adjusted in purchases are given in point no. A (2B) and A7 of Note - 47.

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

(₹ in Crore)

Particulars		Mar-2017	Mar-2016
Closing Stock			
Finished Products	**25,179.48**		16,946.58
Stock in Process	**5,184.53**		2,511.55
Stock- in - Trade	**8,227.47**		3,873.55
		38,591.48	23,331.68
Less:			
Opening Stock			
Finished Products	**16,946.58**		15,664.84
Stock in Process	**2,511.55**		4,140.46
Stock - in - Trade	**3,873.55**		7,005.58
		23,331.68	26,810.88
NET INCREASE / (DECREASE)		**15,259.80**	**(3,479.20)**

NOTE-27: EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars	Mar-2017	Mar-2016
Salaries, Wages, Bonus etc	**6,609.74**	5,328.67
Contribution to Provident & Other Funds	**2,162.89**	1,098.95
Voluntary Retirement Compensation	**55.47**	13.49
Staff Welfare Expenses	**829.79**	672.91
TOTAL	**9,657.89**	**7,114.02**

A. Includes ₹ **287.55 crore** (2016: ₹ 82.23 crore) towards corpus fund created for Post Retirement Medical Benefits and other emergency needs in respect of employees retired prior to 01.01.2007 as per DPE guidelines and ₹ **248.07 crore** (2016: ₹ 709.40 crore) towards additional provision for Post Retirement Medical Benefit Scheme for past service prior to 31.12.2006. This also includes expenses amounting to ₹ **25.62 crore** (2016: ₹ 11.52 crore) towards compensation to executives for working in shift duty in the plant / operation area on which the company has taken up the matter with MOP&NG/DPE.

B. Above excludes ₹ **224.71 crore** (2016: ₹ 294.47 crore) included in capital work in progress (Note - 2.1) and ₹ **9.90 crore** (2016: ₹ 7.42 crore) included in CSR expenses (Note-29.1).

C. During the year, the company has recognized an estimated expenses of ₹ **2,093.45 crore** towards revision of employees pay & allowances due w.e.f. 01.01.2017 based on the recommendations by the 3rd Pay Revision Committee. This includes an amount of ₹ **1,256.28 crore** towards estimated liability for likely increase in Gratuity Ceiling and ₹ **364.47 crore** for outstanding leave encashment as on 31st March 2017.

D. Disclosure in compliance with Indian Accounting Standard-19 on "Employee Benefits" is given in Note-35.

NOTE-28: FINANCE COSTS

(₹ in Crore)

Particulars			Mar-2017	Mar-2016
Interest Payments on Financial items:				
Working Capital Loans:				
Bank Borrowings		**306.19**		455.50
Bonds/Debentures		**3.15**		55.82
		309.34		511.32
Other Loans:				
Bank Borrowings		**462.86**		322.62
Bonds/Debentures		**612.35**		331.16
Others		**468.97**		431.58
		1,544.18		1,085.36
Unwinding of Discount		**2.24**		2.08
Others		**25.12**		263.26
		1,880.88		1,862.02
Interest Payments on Non Financial items:				
Unwinding of Discount		**0.03**		0.01
Others	A	**1,430.04**		736.24
		1,430.07		736.25
			3,310.95	2,598.27
Other Borrowing Cost			**7.00**	3.84
Applicable Net (Gain) / Loss on Foreign Currency Transactions and Translation			**127.48**	487.78
TOTAL			**3,445.43**	**3,089.89**
A. Mainly includes interest on Entry Tax Liability			**1,115.33**	432.02
B. Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss			**1,880.88**	1,862.02

NOTE-29: OTHER EXPENSES

(₹ in Crore)

Particulars		Mar-2017	Mar-2016
Consumption:			
a) Stores, Spares and Consumables	**1,376.81**		1,350.17
b) Packages & Drum Sheets	**429.49**		444.22
		1,806.30	1,794.39
Power & Fuel	**15,029.91**		13,331.35
Less : Fuel from own production	**11,119.30**		8,701.77
		3,910.61	4,629.58
Throughput, Processing & Blending Fees, Royalty and Other Charges		**1,418.23**	1,133.69

Particulars		Mar-2017	Mar-2016
Octroi, Other Levies and Irrecoverable taxes		**1,311.62**	1,109.74
Repairs and Maintenance			
i) Plant & Equipment	**2,220.87**		2,171.87
ii) Buildings	**324.15**		226.91
iii) Others	**454.33**		357.16
		2,999.35	2,755.94
Freight, Transportation Charges and Demurrage		**11,831.95**	12,155.35
Office Administration, Selling and Other Expenses (Note-29.1)		**12,511.69**	7,520.97
TOTAL		**35,789.75**	**31,099.66**
Less: Company's use of own Products and Crude		**931.48**	1,459.38
TOTAL (Net)		**34,858.27**	**29,640.28**

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

(₹ in Crore)

Particulars		Mar-2017	Mar-2016
Rent		**659.14**	918.67
Insurance		**105.77**	88.68
Rates & Taxes		**90.25**	88.67
Donations		**3.00**	4.15
Payment to auditors			
As Auditors	**1.53**		1.54
For Taxation Matters	**0.23**		0.17
Other Services(for issuing other certificates etc.)	**0.63**		0.52
For reimbursement of expenses	**0.38**		0.30
		2.77	2.53
Travelling & Conveyance		**576.24**	508.97
Communication Expenses		**62.55**	56.17
Printing & Stationery		**39.31**	37.04
Electricity & Water		**310.56**	288.59
Bank Charges		**19.61**	16.08
Bad Debts, Advances & Claims written off		**66.72**	40.97
Provision/ Loss on Assets sold or written off (Net)		**126.88**	142.89
Technical Assistance Fees		**17.01**	32.09
Exchange Fluctuation (net)		-	1,423.05
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.		**127.94**	43.23
Provision for Diminution/Loss on Revaluation in Investments (net)		-	881.10
Security Force Expenses		**496.21**	410.16
Sales Promotion Expenses (Incl. Commission)		**377.46**	336.14
Handling Expenses		**362.97**	329.86
Expenses on Enabling Facilities		**0.24**	-
Commodity Hedging Losses (Net)		-	16.56
Provision for Probable Contingencies		**7,544.57**	601.30
Exploration & Production Cost		**90.62**	222.75
Loss on Derivatives		**146.54**	-
Amortisation of FC Monetary Item Translation		**359.63**	302.76
Loss on Sale of Investments (Net)		-	56.37
Expenses on Construction Contracts		**11.35**	16.06
Expenses on CSR Activities		**213.99**	156.68
Miscellaneous Expenses		**700.36**	499.45
TOTAL		**12,511.69**	**7,520.97**

A. Expenses Includes:

i) Expenditure on Public Relations and Publicity amounting to ₹ **87.93 crore** (2016: ₹ 74.35 crore) which is inclusive of ₹ **23.10 crore** (2016: ₹ 18.33 crore) on account of Staff and Establishment and ₹ **64.83 crore** (2016: ₹ 56.02 crore) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00020:1 (2016: 0.00019:1)

ii) Entertainment Expenses ₹ **5.15 crore** (2016 : ₹ 4.91 crore).

NOTE-30: OTHER COMPREHENSIVE INCOME

(₹ in Crore)

Particulars		Mar-2017	Mar-2016
Items that will not be reclassified to profit or loss:			
Remeasurement of Defined Benefit Plans	**(559.76)**		(671.79)
Fair value of Equity Instruments	**5,097.73**		(6,469.19)
		4,537.97	(7,140.98)
Income Tax relating to items that will not be reclassified to profit or loss:			
Remeasurement of Defined Benefit Plans	**193.72**		232.49
Fair value of Equity Instruments	**(12.54)**		(7.61)
		181.18	224.88
Items that will be reclassified to profit or loss:			
Fair value of Debt Instruments		**247.75**	(36.78)
Income Tax relating to items that will be reclassified to profit or loss:			
Fair value of Debt Instruments		**(99.41)**	12.72
TOTAL		**4,867.49**	**(6,940.16)**

NOTE-31: DISTRIBUTIONS MADE AND PROPOSED

(₹ in Crore)

	Mar-2017	Mar-2016
Cash dividends on Equity shares declared:		
Final dividend		
Total Final dividend after restatement of bonus shares issued during the current year for 2016: ₹ 4.25 per share (01.04.2015: ₹ 3.30 per share). The dividend per share without restatement of bonus shares for 2016 ₹ 8.50 per share (01.04.2015: ₹ 6.60 per share)	**2,063.76**	1,602.45
Less Final Dividend pertaining to IOC Share trust (refer Note-2)	**49.54**	38.47
Final dividend net of IOC share trust	**2,014.22**	**1,563.98**
DDT on final dividend	**419.96**	319.13
Interim dividend		
Total Interim dividend based on revised number of shares after bonus issue for 2017: ₹ 18 per share (2016: ₹2.75 per share). The dividend per share without restatement of bonus shares for 2016 is ₹ 5.50 per share.	**8,740.63**	1,335.37
Less Interim Dividend pertaining to IOC Share trust (refer Note-2)	**209.81**	32.05
Interim dividend net of IOC share trust	**8,530.82**	**1,303.32**
DDT on interim dividend	**1,757.13**	266.60
Total	**12,722.13**	**3,453.03**
Proposed dividends on Equity shares		
Final proposed dividend for 2017: ₹ 1.00 per share based on revised number of shares after bonus issue (2016: ₹ 4.25 per share). The dividend per share without restatement of bonus shares for 2016 is ₹ 8.50 per share.	**485.59**	2,063.76
Less Proposed Dividend pertaining to IOC Share trust (refer Note-2)	**11.66**	49.54
Final proposed dividend net of IOC share trust	**473.93**	**2,014.22**
DDT on proposed dividend	**98.85**	419.96
	572.78	**2,434.18**

Notes

1. Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31st March'2017.
2. Shares held under IOC Share Trust of face value ₹ **116.56 crore** (Pre-bonus ₹ 58.28 crore) has been netted off from paid up capital.
3. The company has also incurred expenses on distribution of final dividend amounting to ₹ **0.12 crore** (2016: ₹ 0.11 crore) and on distribution of interim dividend amounting to ₹ **0.26 crore** (2016: ₹ 0.12 crore) which has been debited to equity.

NOTE-32: EARNINGS PER SHARE (EPS)

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

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

(₹ in Crore)

Particulars	Mar-2017	Mar-2016
Profit attributable to equity holders	**19,106.40**	11,242.23
Weighted Average number of equity shares used for computing Earning Per Share (Basic) (Refer note-1 and 2)	**4,73,93,45,736**	4,73,93,45,736
Weighted Average number of equity shares used for computing Earning Per Share (Diluted) (Refer note-1 and 2)	**473,93,45,736**	4,73,93,45,736
Earning Per Share (Basic) (₹)	**40.31**	23.72
Earning Per Share (Diluted) (₹)	**40.31**	23.72
Face value per share (₹)	**10.00**	10.00

Notes

1. Shares held under IOC Share Trust of face value ₹ 116.56 crore (Pre-bonus ₹ 58.28 crore) has been netted off from weighted average number of equity shares and EPS is worked out accordingly.
2. Pursuant to the approval of the shareholders, the company has issued bonus shares in the ratio of one equity shares of ₹ 10/- for one existing equity share of ₹ 10/- each in October 2016. Accordingly, earnings per share (EPS) (basic and diluted) of FY 2015-16 have been adjusted on account of bonus shares.

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

The list of investments in subsidiaries, joint ventures and associates are as under:-

Name	Country of Incorporation / Principal place of business	% Equity Interest		
		Mar-2017	Mar-2016	01.04.2015
Subsidiaries				
Chennai Petroleum Corporation Limited	India	**51.89%**	51.89%	51.89%
Indian Catalyst Private Limited	India	**100.00%**	100.00%	100.00%
IndianOil (Mauritius) Limited	Mauritius	**100.00%**	100.00%	100.00%
Lanka IOC PLC	Sri Lanka	**75.12%**	75.12%	75.12%
IOC Middle East FZE	UAE	**100.00%**	100.00%	100.00%
IndianOil- Creda Biofuels Limited	India	**74.00%**	74.00%	74.00%
IOC Sweden AB	Sweden	**100.00%**	100.00%	100.00%
IOCL (USA) Inc.	USA	**100.00%**	100.00%	100.00%
IndOil Global B.V.	Netherlands	**100.00%**	100.00%	100.00%
IOCL Singapore Pte Limited	Singapore	**100.00%**		
Associates				
Petronet LNG Limited	India	**12.50%**	12.50%	12.50%
AVI-OIL India Private Limited	India	**25.00%**	25.00%	25.00%
Petronet India Limited	India	**18.00%**	18.00%	18.00%
Petronet VK Limited	India	**50.00%**	26.00%	26.00%
Joint Ventures				
IOT Infrastructure & Energy Services Limited	India	**49.34%**	48.81%	48.79%
Lubrizol India Private Limited	India	**50.00%**	50.00%	50.00%
Indian Oil Petronas Private Limited	India	**50.00%**	50.00%	50.00%
Green Gas Limited	India	**49.97%**	49.97%	49.97%
IndianOil Skytanking Private Limited	India	**50.00%**	50.00%	33.33%
Suntera Nigeria 205 Limited	Nigeria	**25.00%**	25.00%	25.00%
Delhi Aviation Fuel Facility (Private) Limited	India	**37.00%**	37.00%	37.00%
Indian Synthetic Rubber Private Limited	India	**50.00%**	50.00%	50.00%
NPCIL IndianOil Nuclear Energy Corporation Limited	India	**26.00%**	26.00%	26.00%

Name	Country of Incorporation / Principal place of business	% Equity Interest		
		Mar-2017	Mar-2016	01.04.2015
GSPL India Transco Limited	India	**26.00%**	26.00%	26.00%
GSPL India Gasnet Limited	India	**26.00%**	26.00%	26.00%
IndianOil Adani Gas Private Limited	India	**50.00%**	50.00%	50.00%
Mumbai Aviation Fuel Farm Facility Private Limited	India	**25.00%**	25.00%	25.00%
Kochi Salem Pipelines Private Limited	India	**50.00%**	50.00%	50.00%
IndianOil LNG Private Limited	India	**50.00%**	50.00%	
IndianOil Panipat Power Consortium Limited	India	**50.00%**	50.00%	50.00%
Petronet CI Limited	India	**26.00%**	26.00%	26.00%
IndianOil Ruchi Bio Fuels LLP	India	**50.00%**	50.00%	50.00%
Hindustan Urvarak and Rasayan Limited	India	**29.67%**		

NOTE-33B: INTEREST IN JOINT OPERATIONS

Name	Principal place of business	Proportion of ownership interest		
		Mar-2017	Mar-2016	01.04.2015
E&P BLOCKS				
1) MN-OSN-2000/2#	India	**20.00%**	20.00%	20.00%
2) AA-ONN-2001/2@	India	**20.00%**	20.00%	20.00%
3) MB-OSN-2004/1*	India	**Relinquished**	20.00%	20.00%
4) MB-OSN-2004/2*	India	**Relinquished**	20.00%	20.00%
5) KG-DWN-2005/1*	India	**Relinquished**	20.00%	20.00%
6) GK-OSN-2009/1**	India	**25.00%**	25.00%	20.00%
7) GK-OSN-2009/2	India	**30.00%**	30.00%	30.00%
8) CB-ONN-2010/6	India	**20.00%**	20.00%	20.00%
9) AAP-ON-94/1	India	**29.03%**	29.03%	29.03%
10) BK-CBM-2001/1	India	**20.00%**	20.00%	20.00%
11) NK-CBM-2001/1	India	**20.00%**	20.00%	20.00%
12) FARSI BLOCK IRAN^	Iran	**40.00%**	40.00%	40.00%
13) LIBYA BLOCK 86#	Libya	**50.00%**	50.00%	50.00%
14) LIBYA BLOCK 102/4#	Libya	**50.00%**	50.00%	50.00%
15) SHAKTHI GABON	Gabon	**50.00%**	50.00%	50.00%
16) YEMEN 82#	Yemen	**15.00%**	15.00%	15.00%
17) AREA 95-96	Libya	**25.00%**	25.00%	25.00%
OTHERS				
18) Petroleum India International	India	**27.27%**	27.27%	27.27%

*Block MB-OSN-2004/1, MB-OSN-2004/2 and KG-DWN-2005/1 relinquished during 2016-17

** Particiapting interest changed to 25% for exclusive operations in Appraisal phase on account of non participation by GSPC

^ Negotiations with Iranian Authorities are in progress for the development contract

Blocks are under relinquishment

@ Exploration license of the block has expired, however DGH recommended for entering into Appraisal phase

NOTE-34: DISCLOSURE RELATING TO ACTIVITIES ASSOCIATED WITH EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES (CRUDE OIL, NATURAL GAS ETC.)

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

(₹ in Crore)

Name	Mar-2017	Mar-2016	01.04.2015
(i) Assets	**308.15**	**411.22**	**422.06**
- Property, plant and equipment	**-**	-	-
- Intangible assets	**-**	-	-
- Intangible assets under development	**275.06**	382.66	385.07
- Capital Work in Progress	**0.83**	6.74	8.77
- Other Assets	**32.26**	21.82	28.22
(ii) Liabilities	**109.93**	**114.03**	**145.12**
- Trade payables	**-**	-	-
- Provisions	**2.34**	2.34	3.18
- Other liabilities	**107.59**	111.69	141.94
(iii) Income	**-**	**0.09**	
- Sale of crude oil	**-**	-	
- Sale of natural gas	**-**	-	
- Condensate etc.	**-**	-	
- Other Income	**-**	0.09	
(iv) Expenses	**90.61**	**222.75**	
- Exploration expenditure written off	**26.61**	4.43	
- Other exploration costs	**64.00**	218.32	
- impairment losses	**-**	-	
(v) Cash flow			
- Net cash from/(used) in operating activities	**(78.54)**	(242.92)	
- Net cash from/(used) in investing activities	**(2.22)**	(5.60)	

NOTE-35: EMPLOYEE BENEFITS

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

A. Defined Contribution Plans- General Description

Provident Fund (EPS-95)

During the year, the company has recognised ₹**39.87 crore** (2016 : ₹41.95 crore) as contribution to EPS-95 in the Statment of Profit and Loss/CWIP (included in Contribution to Provident and Other Funds in Note - 27/ Construction period expenses in Note-2.2).

Pension Scheme

During the year, the company has recognised ₹**354.13 crore** (2016 : ₹439.67 crore) towards Defined Contributory Employees Pension Scheme in the Statment of Profit and Loss/CWIP (included in Contribution to Provident and Other Funds in Note - 27/ Construction period expenses in Note-2.2).

B. Defined Benefit Plans- General Description

Provident Fund:

The Company's contribution to the Provident Fund is remitted to separate provident fund trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company. The Company has three Provident Funds maintained by respective PF Trusts in respect of which actuarial valuation is carried out and all three trusts do not have any deficit as on 31st March 2017.

Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the eligible salary for every completed year of service subject to maximum of ₹0.10 crore at the time of separation from the company.

Post Retirement Medical Scheme (PRMS):

PRMS provides medical benefit to retired employees and eligible dependant family members.

Resettlement Allowance:

Resettlement allowance is paid to employees to permanently settle down at a place other than the location of last posting at the time of retirement.

Ex gratia:

Ex-gratia is payable to those employees who have retired before 01-11-1987 and not covered under the pension scheme. Further, for employees who have retired on or after 01-11-1987 and their entitlement under the pension scheme is less than applicable amount under Ex- Gratia Scheme, such employees are also eligible to the extent of shortfall or difference under Ex-gratia scheme. The scheme of ex-gratia has been restricted to cover only those eligible employees who have retired upto 31.12.06, and not thereafter.

Staff Pension fund at AOD:

The Fund is maintained for disbursement of pension to Officers who have joined erstwhile Assam Oil Company before 14-10-1981 and opted to continue the benefit of pension as existing prior to takeover. The company is managing the fund after takeover of the erstwhile Assam Oil Company in the name of IOCL(AOD) Staff Pension Fund.

Workmen Compensation:

The Company pays an equivalent amount of 100 months' salary to the family member of the employee if employee dies while he is on duty. This scheme is not funded by the company. The liability originates out of the Workmen compensation Act and Factory Act.

C. Other Long-Term Employee Benefits - General Description

Leave Encashment:

Each employee is entitled to get 8 earned leaves for each completed quarter of service. Encashment of earned leaves is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation of 300 days. In addition, each employee is entitled to get 5 sick leaves (in lieu of 10 HPL) at the end of every six months. The entire accumulation is permitted for encashment only at the time of retirement. As per DPE/ MOP&NG the maximum ceiling of 300 days should be reckoned including HPL. However, keeping in view operational complications and service agreements the company has continued with the present practice and requested concerned authorities to reconsider the matter.

Long Service Award:

On completion of specified period of service with the company and also at the time of retirement, employees are rewarded with amounts based on the duration of service completed.

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

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

D. During the year, the company has recognized an estimated expenses of **₹2,093.45 crore** towards revision of employees pay & allowances due w.e.f. 01.01.2017 based on the recommendations by the 3rd Pay Revision Committee. This includes an amount of **₹1,256.28 crore** towards estimated liability for likely increase in Gratuity Ceiling and **₹364.47 crore** for outstanding leave encashment as on 31st March 2017. Pending finalization of the same, detailed disclosure as per Ind-As 19 has been made for the liability based on existing ceiling/entitlements.

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

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

(i) Reconciliation of Balance of Defined Benefit Plans

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Defined Obligation at the beginning	**10,310.35** *9,380.60*	**1,428.72** *1,459.86*	**3,515.28** *2,575.58*	**4.31** *5.31*	**82.02** *83.59*	**197.28** *203.12*
Current Service Cost	**352.26** *335.25*	**11.24** *8.09*	**168.24** *116.85*	**0.12** *0.11*	**13.52** *13.84*	- -
Interest Cost	**902.52** *826.06*	**113.73** *116.06*	**283.33** *204.76*	**0.25** *0.36*	**6.53** *6.65*	**15.41** *16.09*
Contribution by employees	**802.30** *799.05*	- -	- -	- -	- -	- -
Net Liability transferred In / (Out)	**64.65** *27.46*	- -	- -	- -	- -	- -
Benefits paid	**(1,093.67)** *(1,058.07)*	**(166.83)** *(153.04)*	**(174.74)** *(151.60)*	**(1.77)** *(1.40)*	**(7.31)** *(5.74)*	**(28.76)** *(28.83)*
Actuarial (gain)/ loss on obligations	- -	**56.61** *(2.25)*	**529.92** *769.69*	**(0.06)** *(0.07)*	**(7.18)** *(16.32)*	**14.49** *6.90*
Defined Benefit Obligation at the end of the year	**11,338.41** *10,310.35*	**1,443.47** *1,428.72*	**4,322.03** *3,515.28*	**2.85** *4.31*	**87.58** *82.02*	**198.42** *197.28*

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

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the beginning of the year	**10,665.55**	**1,852.42**	**2,463.84**	**4.32**	**-**	**-**
	9,688.53	*1,845.81*	*1,419.69*	*5.37*	*-*	*-*
Interest Income	**902.52**	**147.46**	**198.59**	**0.25**	**-**	**-**
	826.06	*146.74*	*112.87*	*0.36*	*-*	*-*
Contribution by employer	**352.26**	**-**	**1,189.23**	**-**	**-**	**-**
	335.25	*-*	*1,008.40*	*-*	*-*	*-*
Contribution by employees	**802.30**	**-**	**1.34**	**-**	**-**	**-**
	799.05	*-*	*1.22*	*-*	*-*	*-*
Net Liability transferred In / (Out)	**64.65**	**-**	**-**	**-**	**-**	**-**
	27.46	*-*	*-*	*-*	*-*	*-*
Benefit paid	**(1,093.67)**	**(166.83)**	**(174.74)**	**(1.77)**	**-**	**-**
	(1,058.07)	*(153.04)*	*(151.60)*	*(1.40)*	*-*	*-*
Re-measurement (Return on plan assets excluding Interest Income)	**0.84**	**9.80**	**24.15**	**0.07**		
	47.27	*12.91*	*73.26*	*(0.01)*		
Fair value of plan assets at the end of the year	**11,694.45**	**1,842.85**	**3,702.41**	**2.87**	**-**	**-**
	10,665.55	*1,852.42*	*2,463.84*	*4.32*	*-*	*-*

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

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the end of the year	**11,694.45**	**1,842.85**	**3,702.41**	**2.87**	**-**	**-**
	10,665.55	*1,852.42*	*2,463.84*	*4.32*	*-*	*-*
Defined Benefit Obligation at the end of the year	**11,338.41**	**1,443.47**	**4,322.03**	**2.85**	**87.58**	**198.42**
	10,310.35	*1,428.72*	*3,515.28*	*4.31*	*82.02*	*197.28*
Amount not recognised in the Balance Sheet (as per para 64 of Ind-As 19)	**(356.04)**	**-**	**-**	**-**	**-**	**-**
	(355.20)	*-*	*-*	*-*	*-*	*-*
Amount recognised in the Balance Sheet	**-**	**(399.38)**	**619.62**	**(0.02)**	**87.58**	**198.42**
	-	*(423.70)*	*1,051.44*	*(0.01)*	*82.02*	*197.28*

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

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Current Service Cost	**352.26**	**11.24**	**168.24**	**0.12**	**13.52**	**-**
	335.25	*8.09*	*116.85*	*0.11*	*13.84*	*-*
Net Interest Cost	**-**	**(33.73)**	**84.74**	**-**	**6.53**	**15.41**
	-	*(30.68)*	*91.89*	*-*	*6.65*	*16.09*
Contribution by Employees	**-**	**-**	**(1.34)**	**-**	**-**	**-**
	-	*-*	*(1.22)*	*-*	*-*	*-*
Expenses for the year	**352.26**	**(22.49)**	**251.64**	**0.12**	**20.05**	**15.41**
	335.25	*(22.59)*	*207.52*	*0.11*	*20.49*	*16.09*

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

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Actuarial (gain)/ loss on Obligations	-	**56.61**	**529.92**	**(0.06)**	**(7.18)**	**14.49**
	-	*(2.25)*	*769.69*	*(0.07)*	*(16.32)*	*6.90*
Re-measurement (Return on plan assets excluding Interest Income)	-	**9.80**	**24.15**	**0.07**	-	-
	-	*12.91*	*73.26*	*(0.01)*	-	-
Net Loss / (Gain) recognized in OCI	-	**46.81**	**505.77**	**(0.13)**	**(7.18)**	**14.49**
	-	*(15.16)*	*696.43*	*(0.06)*	*(16.32)*	*6.90*

(vi) Major Actuarial Assumptions

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Discount rate	**7.29%**	**7.29%**	**7.45%**	**6.40%**	**7.29%**	**7.51%**
	7.96%	*7.96%*	*8.06%*	*7.30%*	*7.96%*	*7.81%*
- As on 01.04.2015	7.95%	7.95%	7.95%	7.80%	7.95%	7.92%
Salary escalation	-	**8.00%**	-	**8.00%**	-	-
	-	*8.00%*	-	*8.00%*	-	-
- As on 01.04.2015	-	8.00%	-	8.00%	-	-
Inflation	-	-	**7.00%**	-	**6.00%**	-
	-	-	*7.00%*	-	*6.00%*	-
- As on 01.04.2015	-	-	7.00%	-	6.00%	-
Average Expected Future Service/ Obligation (Years)	-	**15**	**30**	**2**	**15**	**11**
		14	*30*	*3*	*14*	*11*

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

(vii) Sensitivity on Actuarial Assumptions:

(₹ in Crore)

Loss / (Gain) for:	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Change in Discounting Rate						
Increase by 1%	-	**(97.40)**	**(564.54)**	**(0.03)**	**(9.62)**	**(10.23)**
	-	*(84.58)*	*(429.58)*	*(0.06)*	*(8.09)*	*(8.35)*
Decrease by 1%	-	**104.83**	**730.89**	**0.03**	**11.96**	**6.03**
	-	*96.86*	*547.27*	*0.06*	*9.88*	*9.24*
Change in Salary Escalation						
Increase by 1%	-	**10.94**	-	**0.03**	-	-
	-	*9.44*	-	*0.06*	-	-
Decrease by 1%	-	**(12.98)**	-	**(0.03)**	-	-
	-	*(10.57)*	-	*(0.06)*	-	-
Change in Inflation Rate						
Increase by 1%	-	-	**413.09**		-	-
	-	-	*305.73*		-	-
Decrease by 1%	-	-	**(340.75)**		-	-
	-	-	*(253.62)*		-	-

(viii) **Investment details:**

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Investment with Insurer	**-**	**98.45%**	**92.28%**	**97.27%**
	-	*97.33%*	*55.39%*	*97.27%*
- As on 01.04.2015	-	96.97%	27.59%	98.34%
Self managed investments	**100.00%**	**1.55%**	**7.72%**	**2.73%**
	100.00%	*2.67%*	*44.61%*	*2.73%*
- As on 01.04.2015	100.00%	3.03%	72.41%	1.66%

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

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Government Securities (Central & State)	**43.84%**	**61.39%**	**56.52%**	**2.73%**
	41.65%	*53.14%*	*29.23%*	*2.73%*
- As on 01.04.2015	39.98%	47.36%	15.77%	1.66%
Investment in Equity / Mutual Funds	**2.03%**	**6.82%**	**6.38%**	**-**
	1.02%	*5.79%*	*3.26%*	*-*
- As on 01.04.2015	0.01%	6.01%	1.28%	-
Investment in Debentures / Securities	**43.31%**	**27.07%**	**31.80%**	**-**
	45.78%	*28.42%*	*16.00%*	*-*
- As on 01.04.2015	51.44%	32.98%	7.24%	-
Other approved investments (incl. Cash)	**10.82%**	**4.72%**	**5.30%**	**97.27%**
	11.55%	*12.65%*	*51.51%*	*97.27%*
- As on 01.04.2015	8.57%	13.65%	75.71%	98.34%

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

(₹ in Crore)

Cash Flow Projection from the Fund/ Employer	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
Within next 12 Months	**286.00**	**173.28**	**0.99**	**5.66**	**29.51**
	180.76	*156.75*	*0.07*	*5.92*	*30.93*
Between 2 to 5 Years	**1,001.84**	**798.10**	**2.26**	**22.51**	**93.76**
	609.83	*662.86*	*4.86*	*22.78*	*102.97*
Between 6 to 10 Years	**1,077.19**	**1,210.26**	**-**	**32.38**	**70.03**
	710.30	*872.94*	*-*	*34.98*	*85.14*

NOTE-36: COMMITMENTS AND CONTINGENCIES

A. LEASES

(a) Operating lease-as lessee

(i) Lease Rentals charged to the Statement of profit and loss and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements/arrangements

(₹ in Crore)

Lease Rentals for Non-Cancellable operating leases	Mar-2017	Mar-2016	01.04.2015
(a) Lease rentals recognized during the year (inc. cases as per (iii) below)	**7,944.02**	7,372.57	-
(b) Lease Obligations			
- Within one year	**7,510.99**	7,331.82	5,013.89
- After one year but not more than five years	**16,240.64**	17,133.31	11,008.63
- More than five years	**842.04**	973.62	984.03

These relate to storage tankage facilities for petroleum products, BOO contract for Nitrogen and Hydrogen Plant, QC labarotary at Paradip Refinery and various other leases in substance as mentioned in (iii) below.

(ii) The company has taken certain assets (including lands,office/residential premises) on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements inc. applicable cases as per (iii) below. During the current year, ₹ **366.06 crore** (2016: ₹ 295.83 crore) has been paid towards cancellable Operating Lease. Also refer Note-1B for more details on judgements made for lease classification in case of lands.

(iii) Leases in substance (Operating lease: Company as lessee)

The Company has entered into some contracts which are in substance operating lease contracts. Currently, the Company has booked payment made under these contracts as expenses in the statement of profit and loss. The details in respect of material operating lease arrangements are as under:

(a) IOCL has entered into various agreements with transporters for the movement of petroleum products for different tenures. Under these agreements, specific trucks are identified that are used exclusively for the transport operations of IOCL only.

(b) IOCL has entered into agreements with vessel owners for hiring of vessels for different tenures. Specified vessels are identified in the agreement with reference to the name and description of vessel, which can only be used. Such vessels are dedicated for IOCL's use only for the entire period of arrangement. Further, during the lease period, the owner can let out the specific vessel to any third party only after obtaining IOCL's permission. Hence this arrangement is classified as lease as per Appendix C to Ind AS 17.

(c) BOO agreement with Air Liquide Industries is for supply of oxygen and nitrogen at Panipat Refinery for a period of 18 years. The land is owned by IOCL and the plant is being operated by contractor for supply of oxygen and nitrogen to IOCL. There is a commitment to pay monthly minimum amount as per the agreement. IOCL shall always have first right of use of Nitrogen & Oxygen manufactured at the plant. Nitrogen gas manufactured by the contractor is mainly supplied to IOCL. Hence this arrangement is classified as lease as per Appendix C to Ind AS 17.

Details of expenses booked under various arrangements are as under:

(₹ in Crore)

Operating Lease cases under Appendix C of Ind-AS-17	Mar-2017	Mar-2016
Processing Fee under the head "Other expenses" in relation to lubricants filling arrangement	**0.23**	0.71
Handling expense under the head "Other expenses" in relation to CFA arrangement	**39.53**	25.49
Freight and transportation charges under the head "Other Expenses" in relation to arrangement with transporters	**6,803.45**	6,640.11
Processing Fee and other charges under the head "Other expenses" in relation to terminalling arrangement with GCPTCL	**2.1**	7.72
Processing Fee and other charges under the head "Other expenses" in relation to bottling arrangement with CPCL	**12.24**	11.35
Transportation charges under the head "Other expenses" in relation to Prime Mover Agreement	**5.39**	0.61
Purchase of nitrogen & oxygen for supply of oxygen and nitrogen at Panipat Refinery under " Cost of materials consumed"	**95.97**	106.41
Freight charges under the head "Cost of Materials Consumed"/ "Other expenses" in relation to Time Charter Arrangement	**1,358.03**	845.70

(b) Operating lease-as lessor

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

(₹ in Crore)

	Mar-2017	Mar-2016	01.04.2015
A. Lease rentals recognized as income during the year	**3.95**	4.04	4.85
B. Value of assets given on lease included in tangible assets			
- Gross Carrying Amount	**3.22**	4.12	3.36
- Accumulated Depreciation	**0.40**	0.25	
- Depreciation recognized in the Statement of Profit and Loss	**0.15**	0.25	-

These relate to storage tankage facilities for petroleum products and buildings given on lease.

(c) Finance lease-as lessee

The Company has entered into following material finance lease arrangements:

(i) BOOT agreement with IOT Utkal Energy Services Ltd. in respect of Tankages facility for a period of 15 years. Lessor will transfer ownership to IOCL after 15 Years at Nil value.

(ii) BOOT agreement with IL&FS in respect of Water Intake facility for a period of 25 years. Lessor will transfer ownership to IOCL after 25 Years at Rs.0.01 crore.

(iii) The company has entered into finance lease arrangements with Gujarat Adani Port Limited related to Port facilities at Gujarat for a period of 25 years and 11 months.

(iv) The Company has obtained various lands from the government for purpose of plants, facilities and offices. Lease cases where at the inception of the lease, the present value of minimum lease payments is substantially equal to the fair value of leased assets are considered under finance leases. Also refer Note 1B for more details on judgements made for lease classification.

Disclosure under Finance Lease as Lessee:

(₹ in Crore)

	Mar-2017	Mar-2016	01.04.2015
(i) Minimum lease payments			
- Within one year	**557.28**	555.44	555.45
- After one year but not more than five years	**2,222.27**	2,221.74	2,221.74
- More than five years	**4,819.27**	5,355.79	5,911.22
Total	**7,598.82**	**8,132.97**	**8,688.41**
(ii) Present value of minimum lease payments			
- Within one year	**147.52**	131.13	117.95
- After one year but not more than five years	**766.63**	689.21	619.66
- More than five years	**2,838.92**	3,060.41	3,260.77
Total	**3,753.07**	**3,880.75**	**3,998.38**
Add: Future finance charges	**3,845.75**	4,252.22	4,690.03
Total	**7,598.82**	**8,132.97**	**8,688.41**

The Net Carrying amount of the assets acquired under Finance Lease is disclosed in Note-2 and 2.1.

(d) Finance lease-as lessor

The company has entered into following material finance lease arrangements:

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

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

(₹ in Crore)

	Mar-2017	Mar-2016	01.04.2015
A. Gross Investments in Finance Lease	**432.29**	432.29	432.29
Less: Unearned Finance Income	**0.38**	0.78	1.35
Less: Finance Income Received	**170.76**	170.36	169.79
Less: Minimum Lease payment received	**258.96**	257.23	255.49
Net Investment in Finance Lease as on Date	2.19	3.92	5.66
B. Unearned finance Income	**0.38**	0.78	1.35
C. Present Value of Minimum Lease Payments Receivable			
- Within one year	**1.11**	1.73	1.74
- After one year but not more than five years	**1.08**	2.19	3.91
- More than five years	**-**	-	0.01
Total	**2.19**	**3.92**	**5.66**
D. Break-up of un-earned income			
- Within one year	**0.22**	0.40	0.57
- After one year but not more than five years	**0.16**	0.38	0.78
- More than five years	**-**	-	-
Total	**0.38**	**0.78**	**1.35**

B. CONTINGENT LIABILITIES

B.1 Claims against the Company not acknowledged as debt

Claims against the Company not acknowledged as debt amounting to ₹ **9,251.66 crore** (2016: ₹ 13,746.3 crore; 01.04.2015: ₹ 12,305.87 crore) are as under:

B.1.1 ₹ **152.80 crore** (2016: ₹ 143.04 crore; 01.04.2015: ₹ 150.58 crore) being the demands raised by the Central Excise /Customs/ Service Tax Authorities including interest of ₹ **29.96 crore** (2016: ₹ 25.48 crore; 01.04.2015: ₹ 23.02 crore).

B.1.2 ₹ **73.59 crore** (2016: ₹ 2,465.27 crore; 01.04.2015: ₹ 1,846.75 crore) in respect of demands for Entry Tax from State Governments including interest of ₹ **8.98 crore** (2016: ₹ 40.46 crore; 01.04.2015: ₹ 342.44 crore).

B.1.3 ₹ **2,844.90 crore** (2016: ₹ 4,047.38 crore; 01.04.2015: ₹ 4,215.58 crore) being the demands raised by the VAT/ Sales Tax Authorities including interest of ₹ **1,416.64 crore** (2016: ₹ 2,078.96 crore; 01.04.2015: ₹ 1,482.98 crore).

B.1.4 ₹ **2,363.48 crore** (2016: ₹ 3,953.14 crore; 01.04.2015: ₹ 3,078.52 crore) in respect of Income Tax demands including interest of ₹ **594.57 crore** (2016: ₹975.03 crore; 01.04.2015: ₹256.95 crore).

B.1.5 ₹ **2,656.00 crore** (2016: ₹ 2,122.57 crore; 01.04.2015: ₹ 2,164.17 crore) including ₹ **2,401.88 crore** (2016: ₹ 1,701.53 crore; 01.04.2015: ₹ 1,456.98 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹ **44.24 crore** (2016: ₹ 57.69 crore; 01.04.2015: ₹ 49.75 crore).

B.1.6 ₹ **1,160.89 crore** (2016: ₹ 1,014.90 crore; 01.04.2015: ₹ 850.27 crore) in respect of other claims including interest of ₹ **258.38 crore** (2016: ₹ 251.93 crore; 01.04.2015: ₹ 266.90 crore).

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

B.2 Guarantees excluding financial guarantees

B.2.1 The Company has issued Corporate Guarantee in favour of three beneficiaries i.e. Bolivarian Republic of Venezuela (Republic), The Corporacion Venezolana del Petroleo S.A. and PeTroCarabobo S.A., on behalf of Indoil Netherlands B.V., Netherlands (an associate company) to fulfill the associate company's future obligations of payment of signature bonus / equity contribution / loan to the beneficiaries. The total amount sanctioned by the Board of Directors is USD 424 million. The estimated amount of such obligation (net of amount paid) is ₹ **2,376.09 crore - USD 366.37 million** (2016: ₹ 2,427.56 crore – USD 366.37 million; 01.04.2015: ₹ 2,295.63 crore - USD 367.27 million).

B.2.2 The company has entered into Master Guarantee Agreement, on behalf of its subsidiaries viz. Indoil Global B.V. and Indoil Montney Ltd. for all of its payments and performance obligations under the various Project Agreements entered by the subsidiaries with PETRONAS Carigali Canada B.V. and Progress Energy Canada Ltd. The total amount sanctioned by the Board of Directors is CAD 3924.76 million. The estimated amount of such obligation (net of amount paid) is ₹ **11,570.97 crore** - CAD 2,380.74 million (2016: ₹ 12,201.06 crore – CAD 2,382.11 million; 01.04.2015: ₹ 12,478.71 crore - CAD 2,547.51 million).

B.2.3 The company has issued Corporate Guarantee, on behalf of IndianOil Adani Gas Private Limited (IOAGPL), to the extent of obligations of later company under Performance Bank Guarantee Facility provided to IOAGPL by 'State Bank of India, Syndicate Bank, Canara Bank, Bank of Baroda and Axis bank'. The Company's share of such obligation is estimated at ₹ **2,471.38 crore** (2016: ₹ 2,471.38 crore, 01.04.2015: Nil).

B.2.4 The Company has issued Corporate Guarantee, on behalf of IndianOil LNG Private Limited (IOLPL), to the extent of obligations of IOLPL under Performance Bank Guarantee Facility provided to IOLPL by State Bank of India. The estimated amount of such obligation is at ₹ **11.40 crore** (2016: NIL, 01.04.2015: NIL).

B.3 **Other money for which the company is contingently liable**

Pending decision of the Government, no liability could be determined and provided for in respect of additional compensation, if any, payable to the land owners and the Government for certain lands acquired.

C. COMMITMENTS

C.1 **Capital Commitments**

Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ **12,902.79 crore** (2016: ₹ 7,823.51 crore; 01.04.2015: ₹ 10,243.66 crore).

C.2 **Other Commitments**

The Company has an export obligation to the extent of ₹ **7,865.80 crore** (2016: ₹ 5,124.14 crore; 01.04.2015: ₹ 3,787.84 crore) on account of concessional rate of duty availed under EPCG license scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.

C.3 To meet the direction of Honorable High court of Orissa, the company has a commitment to pay ₹ **280.10 crore** (2016: ₹ 356.54 crore; 01.04.2015: NIL) towards providing high tech ambulances, removal of old anicut and construction of water treatment plant in the state of Orissa . In addition company has to incur cost towards dredging through Orissa Construction Co, a state government agency estimate for which yet to be finalised.

D. CONTINGENT ASSETS

(₹ in Crore)

		Mar-2017	Mar-2016	01.04.2015
a.	A customer had lodged a claim against the company challenging the pricing mechanism of utilities provided. The matter was referred to arbitration and the award is in favour of the company. However, the management believes that the customer may approach the appellate authority and therefore management is treating the award as contingent asset	**96.00**	-	-
b.	Contingent Asset in respect of M/s Khazana Projects and Industries (P) Ltd. for the amount of risk & cost claim along with 15% supervision charges admitted by the Arbitrator in favour of IOCL.	**3.36**	3.24	3.12
	Total	**99.36**	**3.24**	**3.12**

NOTE-37: "RELATED PARTY DISCLOSURES" IN COMPLIANCE WITH IND-AS 24, ARE GIVEN BELOW:

1. Relationship with Entities

A. Details of Subsidiary Companies/ Entities and their Subsidiaries:

1) Chennai Petroleum Corporation Limited
2) IndianOil (Mauritius) Limited
3) Lanka IOC PLC
4) IOC Middle East FZE
5) IndianOil - Creda Biofuels Limited
6) IOC Sweden AB
7) IOCL (USA) Inc.
8) Indian Catalyst Private Limited
9) IndOil Global B.V., Netherlands
10) IOCL Singapore Pte. Ltd.
11) IndOil Montney Limited
12) IOC Cyprus Limited

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

(₹ in Crore)

		Mar-2017	Mar-2016	01.04.2015
•	**Sales** [Mainly includes sales to Chennai Petroleum Corporation Limited - ₹ **660.23 crore** (2016 : ₹ 460.42 crore)].	**690.35**	514.78	
•	**Consultancy Services/ Other Income** [Mainly includes income from Chennai Petroleum Corporation Limited - ₹ **90.02 crore** (2016 : ₹ 22.20 crore) and Lanka IOC PLC - ₹ **22.83 crore** (2016 : ₹ 18.89 crore)]	**135.70**	53.53	
•	**Purchase of Products** [Mainly includes purchases from Chennai Petroleum Corporation Limited - ₹ **36,093.58 crore** (2016 : ₹ 30,516.43 crore)].	**36,093.58**	30,516.43	
•	**Purchase of Chemicals/ Materials** [Mainly includes purchases from Chennai Petroleum Corporation Limited - ₹ **834.98 crore** (2016 : ₹ 841.32 crore)].	**834.98**	841.32	
•	**Handling / Other Expenses** [Mainly includes expenses to Lanka IOC PLC - ₹ **5.46 crore** (2016 : ₹ 2.40 crore)., IOC Middle East FZE - ₹ **2.34 crore** (2016 : ₹ 0.98 crore) and Chennai Petroleum Corporation Limited - ₹ **0.93 crore** (2016 : ₹ 2.06 crore)]	**8.84**	6.03	
•	**Reimbursement of Expenses** [Mainly includes reimbursement to/ from Lanka IOC PLC - ₹ **3.00 crore** (2016 : ₹ 1.91 crore)]. and Indian Oil (Mauritius) Limited - ₹ **1.38 crore** (2016 : ₹ 1.07 crore)]	**4.80**	3.97	
•	**Purchase/ (Sale)/ Acquisition of Fixed Asset incl CWIP** [Mainly includes purchases/ sales/ acquisition from Indian Catalyst Private Limited - ₹ **8.52 crore** (2016 : Nil)]. and Chennai Petroleum Corporation Limited - ₹ **8.00 crore** (2016 : ₹ 11.80 crore)]	**16.52**	11.80	
•	**Provisions made/(written off) during the year** [Mainly includes provision of Indian Catalyst Private Limited - ₹ **4.72 crore** (2016 : Nil)]. and IndOil Global B.V., Netherlands - **NIL** (2016 : ₹ 564.27 crore)]	**4.79**	564.42	
•	**Outstanding Receivables / Loans & Advances** [Mainly includes receivables from Chennai Petroleum Corporation Limited - ₹ **1,148.72 crore** (2016 : ₹ 1,757.64 crore)].	**1,160.20**	1,766.91	1,984.12
•	**Outstanding Payables** [Mainly includes payables to Chennai Petroleum Corporation Limited - ₹ **893.85 crore** (2016 : ₹ 614.87 crore)].	**905.51**	616.95	1,619.91
•	**Investments made during the year** [Mainly includes investment in IOCL Singapore Pte. Ltd. - ₹ **4,738.24 crore** (2016 : Nil)].	**4,746.78**	1,047.29	
•	**Investments in Subsidiaries as on date**	**12,836.69**	8,019.70	7,471.76

Note: Transactions in excess of 10% of the total related party transactions for each type has been disclosed above.

2. **Relationship with Entities**

A.) Details of Joint Ventures (JV) / Associate Entities to IOCL & its subsidiary

1) IOT Infrastructure & Energy Services Limited
2) Lubrizol India Private Limited
3) Petronet VK Limited
4) IndianOil Petronas Private Limited
5) Avi-Oil India Private Limited
6) Petronet India Limited
7) Petronet LNG Limited
8) Green Gas Limited
9) IndianOil Panipat Power Consortium Limited
10) Petronet CI Limited
11) IndianOil LNG Private Limited
12) IndianOil SkyTanking Private Limited
13) Suntera Nigeria 205 Limited
14) Delhi Aviation Fuel Facility Private Limited
15) Indian Synthetic Rubber Private Limited
16) Indian Oil Ruchi Biofuels LLP
17) NPCIL- IndianOil Nuclear Energy Corporation Limited
18) GSPL India Transco Limited
19) GSPL India Gasnet Limited
20) IndianOil - Adani Gas Private Limited
21) Mumbai Aviation Fuel Farm Facility Private Limited
22) Kochi Salem Pipeline Private Limited
23) Hindustan Urvarak & Rasayan Limited
24) Indian Additives Limited
25) National Aromatics & Petrochemicals Corporation Limited
26) Mer Rouge Storage Terminal Company Limited (upto 31.03.2016)
27) INDOIL Netherlands B.V., Netherland
28) Taas India PTE Limited
29) Vankor India PTE Limited
30) Ceylon Petroleum Storage Terminals Limited

B.) Details of Subsidiary to JV's of IOCL

1) IOT Design & Engineering Limited
2) Stewarts and Lloyds of India Limited
3) IOT Infrastructures Private Limited
4) IOT Canada Limited
5) IOT Utkal Energy Services Limited
6) PT IOT EPC Indonesia
7) IOT Engineering Projects Limited
8) Indian Oiltanking Engineering & Construction Services LLC Oman
9) IOT Engineering & Construction Services Pte. Ltd. Singapore
10) IOT Anwesha Engineering & Construction Limited (upto 11.01.2017)
11) JSC KazakhstanCaspishelf
12) IOT VITO MUHENDISLIK INSAAT VE TAAHUT A.S.
13) IndianOil Skytanking Delhi Pvt. Limited
14) IOT Engineering & Construction Services Ltd.

C.) Details of Joint Operations / Assets

1) MN-OSN-2000/2
2) AA-ONN-2001/2
3) MB-OSN-2004/1
4) MB-OSN-2004/2
5) KG-DWN-2005/1
6) GK-OSN-2009/1
7) GK-OSN-2009/2
8) CB-ONN-2010/6
9) AAP-ON-94/1
10) BK-CBM-2001/1
11) NK-CBM-2001/1
12) YEMEN 82
13) LIBYA BLOCK 86
14) AREA 95-96
15) SHAKTHI GABON
16) FARSI BLOCK IRAN
17) LIBYA BLOCK 102/4
18) Petroleum India International
19) LPG Equipment Research Centre

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

1) M/s. JOT Filling Station, Rureke, Punjab (Indian Oil Retail Outlet): Owned by brother of Key Managerial Personnel
2) Shri Harvinder Singh Kainth (Manager, Indian Oil Corporation Limited): Brother of Key Managerial Personnel

3. 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 2A, 2B & 2C above:

(₹ in Crore)

		Mar-2017	Mar-2016	01.04.2015
•	**Sales**	**617.64**	417.45	
	[Mainly Includes sales to Indian Synthetic Rubber Private Limited ₹ **427.90 crore** (2016: ₹ 213.45 crore) and IndianOil Petronas Private Limited ₹ **129.15 crore** (2016: ₹ 125.38 crore)]			
•	**Interest received**	**51.29**	11.56	
	[Mainly includes interest received from IndianOil LNG Private Limited ₹ **45.61 crore** (2016: ₹ 8.23 crore) and Indian Synthetic Rubber Private Limited ₹ **5.54 crore** (2016: ₹ 3.33 crore)]			
•	**Consultancy Services/Other Income**	**211.07**	163.00	
	[Mainly includes Consultancy Service/Other Income from Lubrizol India Private Limited ₹ **48.00 crore** (2016: ₹ 19.20 crore), Indian Synthetic Rubber Private Limited ₹ **44.84 crore** (2016: ₹ 59.27 crore), IndianOil Petronas Private Limited ₹ **41.33 crore** (2016: ₹ 41.96 crore) and Petronet LNG Limited ₹ **27.26 crore** (2016: ₹ 23.33 crore)]			
•	**Purchase of Products**	**7,611.95**	9,471.72	
	[Mainly includes Purchase of Products from Petronet LNG Limited ₹ **7,446.25 crore** (2016: ₹ 9,374.63 crore)]			
•	**Purchase of Chemicals/materials**	**300.14**	345.83	
	[Mainly includes Purchase of chemicals /materials from Lubrizol India Private Limited ₹ **213.39 crore** (2016: ₹ 258.55 crore) and Indian Additives Limited ₹ **86.73 crore** (2016: ₹ 87.28 crore)]			
•	**Interest paid**	**311.76**	328.42	
	[Mainly includes Interest paid to IOT Utkal Energy Services Limited ₹ **311.76 crore** (2016: ₹ 328.42 crore)]			
•	**Handling / Other Expenses**	**822.22**	757.99	
	[Mainly includes Handling / Other Expenses to IndianOil Petronas Private Limited ₹ **351.57 crore** (2016: ₹ 339.89 crore), IndianOil SkyTanking Private Limited ₹ **264.55 crore** (2016: ₹ 261.95 crore) and IOT Infrastructure & Energy Services Limited ₹ **88.19 crore** (2016: ₹ 47.76 crore)]			
•	**Exploration & Production Expenses**	**91.69**	152.81	
	[Exploration & Production Expenses to AA-ONN-2001/2 ₹ **30.97 crore** (2016: ₹ 15.85 crore), GK-OSN-2009/2 ₹ **17.60 crore** (2016: ₹ 12.70 crore), GK-OSN-2009/1 ₹ **14.04 crore** (2016: ₹ 12.25 crore) and CB-ONN-2010/6 ₹ **9.50 crore** (2016: ₹ 0.46 crore)]			
•	**Reimbursement of Expenses**	**21.34**	68.31	
	[Mainly includes Reimbursement of Expenses pertaining to IndianOil Petronas Private Limited ₹ **13.99 crore** (2016: ₹ 2.95 crore) and IndianOil SkyTanking Private Limited ₹ **2.27 crore** (2016: ₹ 2.16 crore)]			
•	**Investments made/ (disinvestments) during the year**	**311.56**	552.78	
	[Includes Investment made in IOT Infrastructure & Energy Services Limited ₹ **224.06 crore** (2016: ₹ 8.25 crore) and IndianOil - Adani Gas Private Limited ₹ **40.00 crore** (2016: ₹ 32.70 crore)]			
•	**Purchase/Acquisition of Fixed Assets including CWIP**	**187.13**	155.29	
	[Includes Purchase/Acquisition of Fixed Assets incl. CWIP from IOT Utkal Energy Services Limited ₹ **116.68 crore** (2016: ₹ 111.14 crore), AAP-ON-94/1 ₹ **50.36 crore** (2016: ₹ 20.79 crore), AA-ONN-2001/2- ₹ **26.61 crore** (2016: ₹ 6.60 crore) and IOT Infrastructures Private Limited ₹ **20.44 crore** (2016: ₹ 0.51 crore)]			
•	**Provisions made/(written off) during the year**	**65.34**	322.35	
	[Mainly includes Provision for dimunition in value of investment in AREA 95-96 ₹ **83.24 crore** (2016: Nil)]			
•	**Outstanding Receivables / Loans & Advances**	**1,258.42**	627.16	501.21
	[Mainly includes Outstanding Receivables / Loans & Advances from IndianOil LNG Private Limited ₹ **578.25 crore** (2016: ₹ 59.42 crore) and Petronet LNG Limited ₹ **332.30 crore** (2016: ₹ 337.08 crore)]			
•	**Outstanding Payables**	**3,366.77**	3,532.49	3,556.69
	[Mainly includes Outstanding payable to IOT Utkal Energy Services Limited ₹ **2,923.37 crore** (2016: ₹ 3,043.80 crore)]			
•	**Investments in JV/ Associates as on date**	**1,836.28**	1,466.96	1,231.09

Note:

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

b) **Details relating to the parties referred to in Item No.2D above:**

(₹ in Crore)

		Mar-2017	Mar-2016	01.04.2015
•	**Sales**			
	M/s. JOT Filling Station	**4.71**	1.75	
•	**Remuneration**			
	Shri Harvinder Singh Kainth	**0.31**	0.11	
•	**Outstanding Receivables / Loans & Advances**			
	M/s JOT Filling Station	**0.08**	-	
	Shri Harvinder Singh Kainth	**0.03**	0.03	
•	**Outstanding Payables**			
	M/s. JOT Filling Station	**-**	0.07	

4. Government related entities where significant transactions carried out

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

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

Nature of Transactions:

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

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

5) Key Managerial Personnel

A. Whole Time Directors / Company Secretary:

1) Shri B. Ashok
2) Shri Sanjiv Singh
3) Shri Debasis Sen (Upto 31.08.2016)
4) Shri A.K.Sharma
5) Shri Verghese Cherian
6) Shri Anish Aggarwal
7) Shri B. S. Canth (w.e.f. 08.10.2015)
8) Shri G. K. Satish (w.e.f. 01.09.2016)
9) Shri S. S. V. Ramakumar (w.e.f. 01.02.2017)
10) Shri Raju Ranganathan

B. Independent Directors

1) Shri Subroto Bagchi (w.e.f. 02.12.2015)
2) Shri Sanjay Kapoor (w.e.f. 02.12.2015)
3) Shri Parindu K. Bhagat (w.e.f. 02.12.2015)
4) Prof. Devang Khakhar (Upto 14.09.2015)
5) Smt. Shyamala Gopinath (Upto 24.06.2015)
6) Shri Shyam Saran (Upto 24.06.2015)

C. Government Nominee Directors

1) Shri A. P. Sawhney
2) Shri Ashutosh Jindal (w.e.f. 12.02.2016)
3) Dr. Archana S. Mathur (upto 28.10.2015)

Details relating to the parties referred to in Item No.5A & 5B above:

Mar-2017

(₹ in Crore)

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remunera-tion	Sitting Fees	Outstanding loans/ advance receivables
A. Whole Time Directors / Company Secretary						
1) Shri B. Ashok	0.60	0.05	0.26	0.91	-	-
2) Shri Sanjiv Singh	0.48	0.05	0.01	0.54	-	0.03
3) Shri Debasis Sen	0.50	0.12	0.43	1.05	-	-
4) Shri A.K.Sharma	0.53	0.05	0.01	0.59	-	0.09
5) Shri Verghese Cherian	0.55	0.05	0.08	0.68	-	0.01
6) Shri Anish Aggarwal	0.58	0.06	0.06	0.70	-	0.05
7) Shri B. S. Canth	0.46	0.05	0.02	0.53	-	0.01
8) Shri G. K. Satish	0.26	0.03	0.08	0.37	-	0.03
9) Shri S. S. V. Ramakumar	0.09	0.01	-	0.10	-	0.07
10)Shri Raju Ranganathan	0.45	0.05	0.13	0.63	-	-
B. Independent Directors						
1) Shri Subroto Bagchi	-	-	-	-	0.14	-
2) Shri Sanjay Kapoor	-	-	-	-	0.14	-
3) Shri Parindu K. Bhagat	-	-	-	-	0.12	-
TOTAL	**4.50**	**0.52**	**1.08**	**6.10**	**0.40**	**0.29**

Mar-2016

(₹ in Crore)

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remunera-tion	Sitting Fees	Outstanding loans/ advance receivables	
						Mar-2016	01.04.2015
A. Whole Time Directors / Company Secretary							
1) Shri B. Ashok	0.34	0.06	0.05	0.45	-	0.01	0.02
2) Shri Sanjiv Singh	0.31	0.04	0.05	0.40	-	0.04	0.05
3) Shri Debasis Sen	0.31	0.04	-	0.35	-	-	-
4) Shri A.K.Sharma	0.38	0.04	0.05	0.47	-	0.11	0.13
5) Shri Verghese Cherian	0.37	0.04	0.02	0.43	-	0.02	0.02
6) Shri Anish Aggarwal	0.38	0.05	-	0.43	-	0.07	0.09
7) Shri B. S. Canth	0.17	0.02	0.01	0.20	-	0.02	
8) Shri Raju Ranganathan	0.31	0.05	0.06	0.42	-	-	0.02
B. Independent Directors							
1) Shri Subroto Bagchi	-	-	-	-	0.03	-	-
2) Shri Sanjay Kapoor	-	-	-	-	0.06	-	-
3) Shri Parindu K. Bhagat	-	-	-	-	0.05	-	-
4) Prof. Devang Khakhar	-	-	-	-	0.06	-	-
5) Smt. Shyamala Gopinath	-	-	-	-	0.02	-	-
6) Shri Shyam Saran	-	-	-	-	0.03	-	-
TOTAL	**2.57**	**0.34**	**0.24**	**3.15**	**0.25**	**0.27**	**0.33**

Notes:

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

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

6) **Trusts**

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

	Name of the Trust	Post Employment Benefit Plan	Mar-2017 Contribution by employer	Mar-2017 Outstanding Receivable/ (Payable)	Mar-2016 Contribution by employer	Mar-2016 Outstanding Receivable/ (Payable)	01.04.2015 Outstanding Receivable/ (Payable)
1	IOCL (Refinery Division) Employees Provident Fund	Provident Fund	154.74	(6.38)	146.33	10.91	16.83
2	Indian Oil Corporation Limited (Assam Oil Division) Employees Provident Fund	Provident Fund	15.70	(9.01)	15.52	19.32	(3.26)
3	Provident Fund for the Employees of Indian Oil Corporation Limited (Marketing Division)	Provident Fund	181.82	(2.57)	173.40	(32.94)	(50.44)
4	IOCL Employees Superannuation Benefit Fund	Pension Scheme	354.13	392.15	439.67	296.48	435.64
5	IOCL Employees Post Retirement Medical Benefit Fund	Post Retirement Medical Scheme	1,189.23	(619.62)	1,008.40	(1,051.44)	(1,155.89)
6	IOCL Employees Group Gratuity Trust	Gratuity	-	399.38	-	423.70	385.95
7	Indian Oil Corporation Limited (Assam Oil Division) Staff Pension Fund	Pension Scheme	-	0.02	-	0.01	0.06

NOTE - 38: SEGMENT INFORMATION

Information regarding Primary Segment Reporting as per Ind-AS 108 for the year ended March 31, 2017 is as under:

(₹ in Crore)

	Mar-2017					Mar-2016				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
Revenue										
External Revenue	419,441.43	19,802.01	6,129.47	-	445,372.91	379,693.59	18,907.13	8,227.27	-	406,827.99
Inter-segment Revenue	7,328.11	24.94	4,902.22	(12,255.27)	(0.00)	6,810.00	26.96	5,484.41	(12,321.37)	0.00
Total Revenue	426,769.54	19,826.95	11,031.69	(12,255.27)	445,372.91	386,503.59	18,934.09	13,711.68	(12,321.37)	406,827.99
Result										
Segment Results excluding Exchange Gain/(Loss)	19,403.84	6,826.78	(39.48)	-	26,191.14	13,893.27	5,191.45	(48.53)	-	19,036.19
Segmental Exchange Gain/(Loss)	565.07	(4.54)	7.14	-	567.67	(1,488.95)	4.79	0.48	-	(1,483.68)
Segment Results	19,968.91	6,822.24	(32.34)	-	26,758.81	12,404.32	5,196.24	(48.05)	-	17,552.51
Less: Unallocable Expenditure										
- Finance Cost					3,445.43					3,089.89
- Loss on Sale of Investments (Net)					-					56.37
- Provision for diminution in Investments (Net)					-					881.10
- Loss on sale and disposal of Assets					126.88					142.89
- Exchange Loss - (Net)					-					-
- Loss on Derivatives					146.54					-
- Amortisation of FC Monetary Item Translation					359.63					302.76
Add: Unallocable Income										
- Interest/Dividend Income					2,866.30					2,148.09
- Profit on Sale of Investments (Net)					43.61					-
- Provision for diminution in Investments written back (Net)					13.11					-
- Exchange Gain - (Net)					540.26					60.63
- Gain on Derivatives					-					58.70
- Fair value gain on Financial instruments classified as FVTPL					114.30					63.53

	Mar-2017					Mar-2016				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
- Revenue Grants					7.96					4.89
- Other non operating income					55.37					46.95
Profit before Exceptional items and Tax					**26,321.24**					**15,462.29**
Exceptional Items					-					1,364.25
Profit Before Tax					**26,321.24**					**16,826.54**
Less: Income Tax (including deferred tax)					7,214.84					5,584.31
Profit After Tax					**19,106.40**					**11,242.23**

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

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

2. Segment Revenue comprises of the following:
   a) Turnover (Inclusive of Excise Duties)
   b) Net Claim/(Surrender) of SSC
   c) Subsidy / Grants received from Governments
   d) Other Operating Revenue
3. Inter segment pricing are at Arm's length basis
4. There are no reportable geographical segments.

	Mar-2017					Mar-2016				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
Other Information										
Segment Assets	190,833.14	14,558.07	2,766.89		**208,158.10**	163,875.04	14,147.35	1,911.51		179,933.90
Corporate Assets										
Investments (Current and Non Current)					**47,304.60**					37,181.40
Advances For Investments					**1.00**					11.40
Advance Tax					**5.47**					455.81
Interest Accrued On Investments/ Bank Deposits					**196.76**					130.22
Loans To Jv/ Subsidiaries Included In Loans And Receivables					**690.98**					167.49
Deposits For Leave Encashment Fund					**2,856.36**					2,623.95
Total Assets					**259,213.27**					**220,504.17**
Segment Liabilities	95,377.28	440.91	1,651.63		**97,469.82**	70,936.98	415.73	914.67		72,267.38
Corporate Liabilities										
Provision For Taxation					**56.97**					-
Borrowings (Short Term and Long Term)					**50,384.80**					42,483.37
Current Maturities Of Long-Term Debt					**4,434.70**					10,396.82
Deferred Tax Liability					**6,759.23**					6,858.99
Derivative Liabiliies					**379.03**					363.30
Total Liabilities					**159,484.55**					**132,369.86**
Capital Employed										
Segment Wise	95,455.86	14,117.16	1,115.26		**110,688.28**	92,938.06	13,731.62	996.84		107,666.52
Corporate					**(10,959.56)**					(19,532.21)
Total Capital Employed					**99,728.72**					**88,134.31**
Capital Expenditure	11,333.97	391.61	658.24	-	**12,383.82**	14,319.25	198.00	69.31	-	14,586.56
Depreciation and Amortization	5,429.81	747.08	46.08	-	**6,222.97**	3,933.42	852.28	32.87	-	4,818.57

Geographical information

(₹ in Crore)

	Revenue from external customers		Non-current assets	
	Mar-2017	Mar-2016	Mar-2017	Mar-2016
India	430,707.38	397,116.98	121,535.01	114,751.15
Outside India	14,665.53	9,711.01	139.38	139.37
Total	**445,372.91**	**406,827.99**	**121,674.39**	**114,890.52**

Revenue from major products and services

(₹ in Crore)

	Mar-2017	Mar-2016
Motor Spirit (MS)	86,686.32	74,787.20
High Speed Diesel (HSD)	224,388.22	195,880.03
Superior Kerosene Oil (SKO)	10,724.95	16,661.25
Liquified Petroleum Gas (LPG)	43,203.35	41,848.36
Aviation Turbine Fuel (ATF)	17,811.80	16,647.87
Others	62,558.27	61,003.28
Total External Revenue	**445,372.91**	**406,827.99**

NOTE-39: FAIR VALUES

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

(₹ in Crore)

	Carrying value			Fair value			Fair value measurement hierarchy level
	As at Mar-2017	As at Mar-2016	As at 01.04.2015	As at Mar-2017	As at Mar-2016	As at 01.04.2015	
Financial assets							
A. FVOCI financial instruments:							
Quoted equity shares	**20,987.39**	16,015.07	22,560.31	**20,987.39**	16,015.07	22,560.31	Level 1
Unquoted equity instrument	**271.32**	145.92	69.87	**271.32**	145.92	69.87	Level 3
Quoted Government securities	**11,372.92**	11,533.75	12,182.06	**11,372.92**	11,533.75	12,182.06	Level 1
B. FVPL financial instruments:							
Non-Convertible Redeemable Preference shares	**1,140.00**	1,065.00	-	**1,140.00**	1,065.00	-	Level 3
Compulsorily Convertible Debentures	**366.21**	326.35	-	**366.21**	326.35	-	Level 3
Loan to Related parties - Suntera	**102.46**	100.04	95.62	**102.46**	100.04	95.62	Level 3
Derivative instruments at fair value through profit or loss	**2.99**	0.04	2.30	**2.99**	0.04	2.30	Level 2
C. Amortised Cost:							
Loans to employees	**1,015.48**	995.06	985.62	**1,067.13**	1,009.29	985.62	Level 2
Financial liabilities							
A. Borrowings:							
Amortised Cost:							
Non-Convertible Redeemable Bonds	**1,133.85**	1,134.00	3,347.46	**1,184.33**	1,194.52	3,480.56	Level 2

	Carrying value			Fair value			Fair value measurement hierarchy level
	As at Mar-2017	As at Mar-2016	As at 01.04.2015	As at Mar-2017	As at Mar-2016	As at 01.04.2015	
Term Loans from Oil Industry Development Board (OIDB)	**1,601.98**	2,146.32	1,894.24	**1,612.05**	2,137.70	1,888.74	Level 2
Finance lease obligation	**3,753.07**	3,880.75	3,998.38	**4,195.95**	4,203.41	4,353.77	Level 2
Foreign Currency Bonds - US Dollars	**6,543.38**	6,683.01	6,302.50	**7,221.43**	7,434.04	7,050.39	Level 1
Foreign Currency Bonds - Singapore Dollars	**1,904.02**	2,019.36	1,864.40	**1,912.72**	2,019.43	1,854.07	Level 2
Senior Notes (Bank of America)	**1,310.64**	2,009.20	1,895.62	**1,343.40**	2,112.95	2,078.59	Level 2
B. Other financial liabilities:							
Fair value through profit and loss (FVPL):							
Derivative instruments at fair value through profit or loss	379.03	363.30	583.38	379.03	363.30	583.38	Level 2

Notes:

1. The management assessed that fair value of Trade Receivables, Cash and Cash Equivalents, Bank Balances, Deposit for Leave Encashment Fund, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Finance lease Receivable, Security Deposit paid and received, Short-term Borrowing, Trade Payables, Floating Rate Borrowings/ Receivables, Other Non-derivative Current Financial Liabilities and Liabilities towards financial guarantees approximate their carrying amounts.
2. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Methods and assumptions

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

A. Level 1 Hierarchy:

(i) **Quoted equity shares:** Closing quoted price (unadjusted) in National Stock Exchange of India Limited

(ii) **Quoted Government securities:** Closing published price (unadjusted) in Clearing Corporation of India Limited

(iii) **Foreign Currency Bonds - US Dollars:** Closing price for the specific bond collected from Bank

B. Level 2 Hierarchy:

(i) **Derivative instruments at fair value through profit or loss:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.

(ii) **Loans to employees:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities.

(iii) **Finance lease obligation:** For obligation arrived based on IRR, implicit rate applicable on the reporting date and for obligation arrived based on incremental borrowing rate, applicable rate for remaining maturity.

(iv) **Non-Convertible Redeemable Bonds, Foreign Currency Bonds - Singapore Dollars and Senior Notes (Bank of America):** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities (Excluding floating rate borrowings).

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

C. **Level 3 Hierarchy:**

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

(ii) **Non Convertible Redeemable Preference shares, Compulsorily Convertible Debentures and Loan to Related parties - Suntera:** The fair value of Preference shares, Debentures and Loan to Suntera is estimated with the help of external valuer by discounting future cash flows. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2017, 31 March 2016 and 1 April 2015 are shown below:

	Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
I	Haldia Petrochemical Limited (included under FVTOCI assets in unquoted equity instruments)	Market Approach with equal weights to Revenue and EBITDA Multiple	Revenue Multiple	**2017: 0.59x - 0.63x (0.61x)** 2016: 0.39x - 0.43x (0.41x) 01.04.2015: 0.58x - 0.62x (0.60x)	0.01x increase/ (decrease) in Revenue Multiple would result in increase/ (decrease) in fair value by: **2017: ₹ 4.60 crore/ ₹ (4.60) crore** 2016: ₹ 9.90 crore/ ₹ (9.90) crore 01.04.2015: ₹ 6.70 crore/ ₹ (6.80) crore
			EBITDA multiple	**2017: 4.8x - 5.2x (5.0x)** 2016: 4.3x - 4.7x (4.5x) 01.04.2015: 7.2x - 7.6x (7.4x)	0.1x increase/ (decrease) in EBITDA Multiple would result in increase/ (decrease) in fair value by: 2017: ₹ 7.30 crore/ ₹ (7.40) crore 2016: ₹ 3.50 crore/ ₹ (3.40) crore 01.04.2015: ₹ 1.70 crore/ ₹ (1.80) crore
II	Non Convertible Redeemable Preference shares	DCF method	Discount Rate (Post tax)	**2017: 5.50% - 6.00% (5.55%)** 2016: 6.00% - 6.50% (6.20%)	0.5% increase/ (decrease) in discount rate would result in (decrease)/ increase in fair value by: **2017: ₹ (34.00) crore/ ₹ 35.00 crore** 2016: ₹ (35.00) crore/ ₹ 37.00 crore
III	Compulsorily Convertible Debentures	Present Value Analysis	Discount Rate	**2017: 7.3% - 9.3% (8.3%)** 2016: 8.4% - 10.4% (9.4%)	0.5% increase/ (decrease) in Discount Rate would result in (decrease)/ increase in fair value by: **2017: ₹ (2.80) crore/ ₹ 2.80 crore** 2016: ₹ (4.00) crore/ ₹ 4.00 crore
IV	Loan to Related party - Suntera	DCF method	Discount Rate	**2017: 13% - 17% (15%)** 2016: 13% - 17% (15%) 01.04.2015: 13% - 17% (15%)	1% increase/ (decrease) in Discount rate would result in (decrease)/ increase in fair value by: **2017: ₹ (5.20) crore/ ₹ 5.20 crore** 2016: ₹ (8.60) crore/ ₹ 8.60 crore 01.04.2015: ₹ (6.90) crore/ ₹ 8.10 crore

Unquoted equity instruments carried at FVOCI includes following investments for which sensitivity disclosure are not disclosed:	Carrying value (₹ in Crore)		
	Mar-2017	Mar-2016	01.04.2015
International Cooperative Petroleum Association, New York (Management does not consider any movement in their fair value on reporting date)	**0.02**	0.02	0.02
Woodlands Multispeciality Hospital Limited (Management does not consider any movement in their fair value on reporting date)	**0.10**	0.10	0.10

Reconciliation of fair value measurement of unquoted equity instruments classified as FVTOCI assets:

Description	Unquoted Equity Instruments
As at 01.04.2015	**69.87**
Purchases	-
Sales	-
Fair Value Changes	76.05
As at 31st March 2016	**145.92**
Purchases	-
Sales	-
Fair Value Changes	125.40
As at 31st March 2017	**271.32**

Reconciliation of fair value measurement of Non Convertible Redeemable Preference shares classified as FVTPL assets:

Description	Non Convertable Redeemable Preference shares
As at 01.04.2015	**-**
Purchases	1,000.00
Sales	-
Fair Value Changes	65.00
As at 31st March 2016	**1,065.00**
Purchases	-
Sales	-
Fair Value Changes	75.00
As at 31st March 2017	**1,140.00**

Reconciliation of fair value measurement of Compulsorily Convertible Debentures classified as FVTPL assets:

Description	Compulsorily Convertible Debentures
As at 01.04.2015	**-**
Purchases	326.50
Sales	-
Fair Value Changes	(0.15)
As at 31st March 2016	**326.35**
Purchases	-
Sales	-
Fair Value Changes	39.86
As at 31st March 2017	**366.21**

Reconciliation of Loan to Suntera classified as FVTPL assets:

Description	Loan to Suntera
As at 01.04.2015	**95.62**
Loan given	-
Loan repaid	-
Fair Value Changes	(1.33)
Exchange Differences	5.75
As at 31st March 2016	**100.04**
Loan given	5.27
Loan repaid	-
Fair Value Changes	(0.56)
Exchange Differences	(2.29)
As at 31st March 2017	**102.46**

NOTE-40: FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial Risk Factors

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

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

The Risk Management Commitee comprised of senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Management Committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies, risk objectives and risk appetite. The company's requirement of crude oil are managed through integarted function handled through its international trade and optimization department. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. As per Company's policy, derivatives contracts are taken only to hedge the various risks that the company is exposed to and not for speculation purpose.

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

A. Market risk

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

The sensitivity analysis in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets and liabilities of foreign operations.

1. Interest rate risk

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

The Company manages to maintain a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market / regulatory constraints etc. As at 31 March 2017, approximately **42%** of the Company's borrowings are at a fixed rate of interest (2016: 43%, 01.04.2015: 49%).

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on floating rate borrowings is as follows:

Currency of Borrowings	Increase / Decrease in basis points	Effect on profit before tax (₹ in crore)	Increase / Decrease in basis points	Effect on profit before tax (₹ in Crore)
	Mar-2017		Mar-2016	
INR	+50	(14.46)	+50	(26.32)
US Dollar	+50	(143.98)	+50	(124.52)
INR	-50	14.46	-50	26.32
US Dollar	-50	143.98	-50	124.52

2. Foreign Curency Risk

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

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

The Company has outstanding forward contract of ₹ **1,702.23 crore** as at 31st March 2017 (2016: ₹ 2,953.71 crore, 01.04.2015: ₹ Nil) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

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

Currency	Increase / Decrease in %	Effect on profit before tax (₹ in crore)	Increase / Decrease in %	Effect on profit before tax (₹ in Crore)
	Mar-2017		Mar-2016	
Forward Contract - US Dollar	+5%	85.11	+5%	147.69
	-5%	(85.11)	-5%	(147.69)
Other Exposures - US Dollar	+5%	(2,761.69)	+5%	(2,261.68)
	-5%	2,761.69	-5%	2,261.68
Other Exposures - SGD	+5%	(95.20)	+5%	(100.97)
	-5%	95.20	-5%	100.97
Cross Currency - USD vs. SGD	+5%	(105.56)	+5%	(107.85)
	-5%	105.56	-5%	107.85

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

3. Commodity price risk

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

Category-wise quantitative data about commodity derivative transactions that are oustanding is given below:

Quantity (in lakh bbls)

Particulars	Mar-2017	Mar-2016	01.04.2015
Swaps on Crude Oil	-	-	4.50
Margin Hedging	3.00	0.50	3.00

The sensitivity to a reasonably possible change in price of crude oil / refinery margin on the outstanding commodity hedging position as on 31st March 2017:

Particulars	Increase / Decrease in %	Effect on profit before tax (₹ in crore)	Increase / Decrease in %	Effect on profit before tax (₹ in Crore)
	Mar-2017		Mar-2016	
Margin Hedging	+10%	-2.28	+10%	-0.52
Margin Hedging	-10%	2.28	-10%	0.52

4. Equity price risk

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

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 271.32 crore. Sensitivity analysis of these investments have been provided in Note-39.

The exposure to listed equity securities at fair value was ₹ 20,987.39 crore. An increase / decrease of 5% on the NSE market index could have an impact of approximately ₹ 1,049.37 crore on the OCI and equity attributable to the Company. These changes would not have an effect on profit or loss.

B. Credit risk

Trade receivables

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

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

(₹ in Crore)

	0 - 90 days	90 days to 6 months	6 months to 1 Year	1 Year to 3 Years	> 3 years	Total
Year ended						
Mar-2017						
Gross Carrying amount	5,010.71	2,942.51	370.67	84.51	188.77	8,597.17
Expected loss rate	0.10%	0.10%	0.10%	0.10%	0.10%	
Expected credit losses	(5.01)	(2.94)	(0.37)	(0.08)	(0.11)	(8.51)
Specific Provision	(0.01)	-	-	-	(86.28)	(86.29)
Carrying amount	**5,005.69**	**2,939.57**	**370.30**	**84.43**	**102.38**	**8,502.37**
Mar-2016						
Gross Carrying amount	3,713.33	3,352.37	301.40	112.77	162.02	7,641.89
Expected loss rate	0.10%	0.10%	0.10%	0.10%	0.10%	
Expected credit losses	(3.70)	(3.34)	(0.30)	(0.13)	(0.06)	(7.53)
Specific Provision	-	-	(0.31)	-	(85.45)	(85.76)
Carrying amount	**3,709.63**	**3,349.03**	**300.79**	**112.64**	**76.51**	**7,548.60**
01.04.2015						
Gross Carrying amount	3,884.04	2,301.34	235.84	67.76	182.47	6,671.45
Expected loss rate	0.10%	0.10%	0.10%	0.10%	0.10%	
Expected credit losses	(3.88)	(2.30)	(0.23)	(0.07)	(0.06)	(6.54)
Specific Provision	(0.05)	-	(0.03)	-	(126.95)	(127.03)
Carrying amount	**3,880.11**	**2,299.04**	**235.58**	**67.69**	**55.46**	**6,537.88**

Financial instruments and cash deposits

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

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March 2017 and 31 March 2016 is the carrying amounts as provided in Note 4,5,6, 11 & 12.

C. Liquidity risk

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

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

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

(₹ in Crore)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Mar-2017						
Borrowings	2,682.75	13,995.62	17,829.09	13,403.24	6,908.80	54,819.50
Trade payables	2,209.39	27,879.22	18.87	-	-	30,107.48
Other financial liabilities	2,021.24	7,781.55	1,475.60	14,651.40	5,600.08	31,529.87
Financial guarantee contracts*	4,645.27	-	-	-	-	4,645.27
Derivatives	-	362.98	16.05	-	-	379.03
	11,558.65	**50,019.37**	**19,339.61**	**28,054.64**	**12,508.88**	**121,481.15**
Mar-2016						
Borrowings	310.25	10,193.89	17,438.49	14,377.95	10,559.61	52,880.19
Trade payables	5,835.58	16,479.52	16.72	-	-	22,331.82
Other financial liabilities	1,742.99	6,884.47	1,180.25	12,291.92	5,217.48	27,317.11
Financial guarantee contracts*	2,418.14	-	-	-	-	2,418.14
Derivatives	-	349.41	13.89	-	-	363.30
	10,306.96	**33,907.29**	**18,649.35**	**26,669.87**	**15,777.09**	**105,310.56**
01.04.2015						
Borrowings	3,723.34	10,847.86	8,428.14	22,557.01	10,148.78	55,705.13
Trade payables	5,004.49	23,937.11	180.67	-	-	29,122.27
Other financial liabilities	2,140.79	6,344.05	541.56	10,543.99	4,545.63	24,116.02
Financial guarantee contracts*	1,509.36	-	-	-	-	1,509.36
Derivatives	-	583.38	-	-	-	583.38
	12,377.98	**41,712.40**	**9,150.37**	**33,101.00**	**14,694.41**	**111,036.16**

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

D. Excessive risk concentration

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

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

E. Collateral

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

NOTE-41: CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's endeavour is to keep the debt equity ratio around 1:1.

(₹ in Crore)

	Mar-2017	Mar-2016	01.04.2015
Borrowings	**54,819.50**	**52,880.19**	**55,705.13**
Equity Share Capital	4,739.34	2,369.67	2,369.67
Reserves and Surplus	94,989.38	85,764.64	85,194.55
Equity	**99,728.72**	**88,134.31**	**87,564.22**
Debt Equity Ratio	**0.55 : 1**	**0.6 : 1**	**0.64 : 1**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

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

In compliance of Regulation 34(3) of SEBI(LODR) Regulations 2015, the required information is given as under:

(₹ in Crore)

			Amount as on			Maximum Amount outstanding during the year ended	
			Mar-2017	Mar-2016	01.04.2015	Mar-2017	Mar-2016
I.		**Loans and Advances in the nature of loans:**					
	A)	**To Subsidiary Companies**					
	B)	**To Associates / Joint Venture**					
	(i)	Petronet V. K. Ltd. (No repayment schedule available)	**19.91**	0.50	0.50	**19.91**	0.50
	(ii)	Suntera Nigeria 205 Ltd. (For Exploration activities) (refer Note-1)	**109.30**	106.46	100.42	**109.30**	106.46
	(iii)	IndianOil LNG Private Limited (For LNG terminal construction)	**495.49**	-	-	**495.49**	-
	C)	**To Firms / Companies in which directors are interested**	**-**	-	-	**-**	-
II.		**Investment by the loanee (as detailed above) in the shares of IOC and its subsidiaries**	**-**	-	-	**-**	-

Note

1. As per the applicable provisions of Accounting Standards, the loan given to Suntera Nigeria 205 Ltd. is measured at fair value through Profit & Loss in the financial statements and fair value of the loan is ₹ **102.46 crore** as on 31.03.2017 (2016: ₹ 100.04 crore, 01.04.2015: ₹ 95.62 crore). Refer Note -39 for further details regarding fair valuation.

NOTE-43: DUES TO MICRO AND SMALL ENTERPRISES

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

(₹ in Crore)

Particulars	Mar-2017	Mar-2016	01.04.2015
Amount due and Payable at the year end			
- Principal	46.72	33.62	32.32
- Interest on above Principal	-	0.01	0.01
Payments made during the year after the due date			
- Principal	-	1.80	3.32
- Interest	-	-	0.05
Interest due and payable for principals already paid	-	0.04	0.10
Total Interest accrued and remained unpaid at year end	-	0.05	0.11

NOTE-44: RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹ **109.57 crore** (2016: ₹ 370 crore) have been capitalized and ₹ **217.53 Crore** (2016 : ₹ 235.86 crore) have been accounted for in the Statment of Profit and Loss during the year. Detailed break up of total expenditure is as under:

A. CAPITAL EXPENSES (FIXED ASSETS)

(₹ in Crore)

S. No.	Asset Block	Gross Block as at 1 Apr 2016	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31 Mar 2017	Work-in-Progress as at 1 Apr 2016	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31 Mar 2017	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	319.23	50.18	-	-	369.41	-	-	-	-	50.18
2	Building, Roads etc	89.14	0.74	3.62	0.16	93.34	7.52	7.51	3.62	11.41	8.25
3	Plant & Equipment	430.94	31.59	21.64	0.85	483.32	22.51	15.17	21.64	16.04	46.76
4	Office Equipment	11.72	2.55	0.68	0.40	14.55	-	0.68	0.68	-	3.23
5	Transport Equipment	0.30	0.34	-	-	0.64	-	-	-	-	0.34
6	Furniture & Fixtures	9.49	0.75	-	0.13	10.11	-	-	-	-	0.75
7	Drainage & Sewage	1.42	-	-	-	1.42	-	-	-	-	-
	Sub Total	**862.24**	**86.15**	**25.94**	**1.54**	**972.79**	**30.03**	**23.36**	**25.94**	**27.45**	**109.51**
	(b) Intangible Assets										
1	Service Concessions	-	-	-	-	-	-	-	-	-	-
2	Right of way	-	-	-	-	-	-	-	-	-	-
3	Licenses / Technical Know-how	0.11	-	-	-	0.11	-	-	-	-	-
4	Computer Software	1.49	0.06	-	-	1.55	-	-	-	-	0.06
	Sub Total	**1.60**	**0.06**	**-**	**-**	**1.66**	**-**	**-**	**-**	**-**	**0.06**
	Total	**863.84**	**86.21**	**25.94**	**1.54**	**974.45**	**30.03**	**23.36**	**25.94**	**27.45**	**109.57**

(₹ in Crore)

S. No.	Asset Block	Gross Block as at 1 Apr 2015	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at 31 Mar 2016	Work-in-Progress as at 1 Apr 2015	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31 Mar 2016	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	318.42	-	-	319.23	-	-	-	-	318.42
2	Building, Roads etc	80.92	0.11	8.11	-	89.14	11.63	4.00	8.11	7.52	4.11
3	Plant & Equipment	373.17	26.98	31.06	0.27	430.94	36.34	17.23	31.06	22.51	44.21
4	Office Equipment	9.33	1.40	1.12	0.13	11.72	-	1.12	1.12	-	2.52
5	Transport Equipment	0.22	0.08	-	-	0.30	-	-	-	-	0.08
6	Furniture & Fixtures	9.29	0.15	0.11	0.06	9.49	-	0.11	0.11	-	0.26
7	Drainage & Sewage	1.42	-	-	-	1.42	-	-	-	-	-
	Sub Total	**475.16**	**347.14**	**40.40**	**0.46**	**862.24**	**47.97**	**22.46**	**40.40**	**30.03**	**369.60**
	(b) Intangible Assets										
1	Service Concessions	-	-	-	-	-	-	-	-	-	-
2	Right of way	-	-	-	-	-	-	-	-	-	-
3	Licenses / Technical Know-how	0.11	-	-	-	0.11	-	-	-	-	-
4	Computer Software	1.05	0.40	0.04	-	1.49	0.04	-	0.04	-	0.40
	Sub Total	**1.16**	**0.40**	**0.04**	**-**	**1.60**	**0.04**	**-**	**0.04**	**-**	**0.40**
	Total	**476.32**	**347.54**	**40.44**	**0.46**	**863.84**	**48.01**	**22.46**	**40.44**	**30.03**	**370.00**

Note:

1 Due to implementation of Ind AS w.e.f. 01.04.2015, the Company has elected to continue with the carrying value for all of Property, Plant and Equipment and Intangible Assets, as recognised in its Indian GAAP financial as deemed cost at the transition date. Accordingly, net block shown under Indian GAAP as on 31.03.2015 has become gross block as on 01.04.2015 in Ind-AS.

B. RECURRING EXPENSES

(₹ in Crore)

Particulars	Mar-2017	Mar-2016
1 Consumption of Stores, Spares & Consumables	10.02	6.68
2 Repairs & Maintenance		
(a) Plant & Machinery	12.21	9.49
(b) Building	7.19	5.96
(c) Others	0.75	0.68
3 Freight, Transportation Charges & demurrage	0.15	0.17
4 Payment to and Provisions for employees	132.33	107.26
5 Office Administration, Selling and Other Expenses	54.86	105.60
6 Interest	0.02	0.02
Total	**217.53**	**235.86**

C. TOTAL RESEARCH EXPENSES

(₹ in Crore)

Particulars	Mar-2017	Mar-2016
Capital Expenditure	109.57	370.00
Recurring Expenditure	217.53	235.86
Total	**327.10**	**605.86**

NOTE-45: DISCLOSURE RELATING TO CERTIFIED EMISSION REDUCTIONS

The disclosure in respect of self-generated Certified Emission Reductions (CERs) is as under:

Particulars	Mar-2017	Mar-2016	01.04.2015
No. of CERs held as inventory	**2,693**	2,693	2693
No. of CERs under certification	**74,045**	74,045	74045
Depreciation and Operating and Maintenance costs of Emission Reduction Equipments expensed during the year (₹ in crore)	**5.86**	5.71	

Stores and Spares etc. in Note 9 - inventories includes CER rights valuing ₹ **30,249** (2016: ₹ **30,249**, 01.04.2015: ₹ 30,249)

NOTE-46: DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

The disclosure in respect of CSR expenditure for FY 2016-17 is as under:

(₹ in Crore)

Particulars	Mar-2017	Mar-2016
(a) Gross amount required to be spent by the company during the year.		
Annual CSR Allocation	**212.67**	141.50
Carry forward from previous year	**4.43**	19.61
Gross amount required to be spent	**217.10**	**161.11**

(b) Amount spent during the year on:

(₹ in Crore)

	Mar-2017			Mar-2016		
	In cash	Yet to be paid In cash**	Total	In cash	Yet to be paid In cash**	Total
(i) Construction/acquisition of any assets						
(ii) On purposes other than (i) above						
Health and Sanitation	13.58	1.14	**14.72**	11.59	2.85	**14.44**
Contribution towards PMUY (16-17) /RGGLVY (15-16)	41.60	-	**41.60**	30.11	-	**30.11**
Flagship Projects-CSR	14.43	-	**14.43**	11.84	4.70	**16.54**
Educational Scholarship	3.89	-	**3.89**	6.21	-	**6.21**
Swachh Bharat	1.66	0.23	**1.89**	41.61	1.13	**42.74**
Education/employment vocational skills	85.69	1.03	**86.72**	17.88	1.58	**19.46**
Administration Expenses, training etc.	10.16	0.02	**10.18**	7.45	-	**7.45**
Drinking Water	4.64	1.95	**6.59**	3.02	0.31	**3.33**
Other expenses	31.22	2.75	**33.97**	15.52	0.88	**16.40**
Total Expenses (ii)	**206.87**	**7.12**	**213.99**	**145.23**	**11.45**	**156.68**
Grand Total (i) and (ii)	**206.87**	**7.12**	**213.99**	**145.23**	**11.45**	**156.68**

**Provisions made for liabilities incurred

NOTE-47: DISCLOSURE ON GOVERNMENT GRANTS

A. Revenue Grants

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

Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ₹ **62.01 crore** (2016: ₹ 27.31 crore) and subsidies on sales of SKO & LPG to customers in Bhutan amounting to ₹ **18.01 crore** (2016: ₹ 19.29 crore) have been reckoned as per the schemes notified by Governments.

2 Compensation against under recoveries

2A The company has accounted for Budgetary Support of ₹ **5,149.21 crore** (2016: ₹ 6,885.26 crore) towards under-recovery on sale of SKO (PDS) in the Statement of Profit and Loss as Revenue Grants.

2B During the previous financial year 2015-16, the Company had received discounts of ₹ 689.62 crore from ONGC/OIL on crude oil purchased and ₹ 173.22 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 SKO (PDS) which were adjusted against purchase of raw material and against purchase of stock in trade respectively. There is no such discount in the financial year 2016-17

3 Grant in respect of revenue expenditure for research projects

During the year, the company has received revenue grant of ₹ **0.73 Crore** (2016: ₹ 2.12 crore) in respect of meeting out revenue expenditure such as Manpower, Consumables, Travel & Contingency etc for research projects undertaken with various agencies.

4 Incentive on sale of power

Company is getting incentive from Department of Renewable Energy, GOI for wind power generation of Electricity at the rate of ₹ 0.50 paise for per unit of power generated. The Company has received grant of ₹ **3.19 crore** during the current year (2016 :₹ 2.77 crore).

5 EPCG Grant

Grant recognized in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Govt. which allows procurement of capital goods including spares for pre production and post production at zero duty subject to an export obligation of 6 times of the duty saved on capital goods procured. The unamortized grant amount as on 31.03.2017 is ₹ **435.72 crore** (2016: ₹ 401.79 crore, 01.04.2015: ₹ 379.19 crore) . The company recognised ₹ **4.04 crore** (2016: NIL) in the statement of profit & loss account as amortisation of revenue grant. The company expects to meet the export obligations and therefore equivalent deferred grant has not been treated as liability.

6 Excise duty benefit in North East

Excise duty exemption of 50% of goods manufactured and cleared from north east refineries has been reckoned at full value in revenue and on net basis in expenses under "Excise Duty" (to the extent of duty paid). Financial impact for the current year is ₹ **3,072.91 crore** (2016: ₹ 2,259.77 crore).

7 Entry Tax exemption

The company has recognised grant on net basis in respect of entry tax exemtion of crude/ Naptha purchased in Panipat Refinery, Panipat Naptha Cracker Complex and Paradip Refinery in cost of materials consumed/ Purchase of Stock-in Trade. Entry tax exemption on crude/Naptha procured in the state of Haryana and Odisha has been received amounting to ₹ **505.84 crore** (2016: ₹ 382.45 crore).

B. Capital Grants

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

The company has received government grant from OIDB (Oil Industry Directorate Board) for strengthening distribution of PDS Kerosene as per the directions of MoP&NG to be used in construction of 20KL underground Tank, Mechanical Dispensing Units & Barrel Shed. The unamortized capital grant amount as on 31.03.2017 is ₹ **1.84 crore** (2016: ₹ 2.12 crore, 01.04.2015: ₹ 2.38 crore) .During the year, company recognised ₹ 0.28 crore (2016: ₹ 0.26 crore) in statement of profit & loss as amortisation of capital grants.

2 **DBTL Capital Grant**

The company has received Government grant for roll out of DBTL scheme launched by MOPNG towards development, acquisition of software/ licenses & data processing equipment for effective implementation of platform for dispensing of subsidy to customers purchasing LPG under DBTL scheme. The unamortized capital grant amount as on 31.03.2017 is ₹ **0.47 crore** (2016: ₹ 1.79 crore, 01.04.2015: Nil) .The company recognised ₹ **1.32 crore** (2016: ₹ 14.97 crore) in the statement of profit & loss account as amortisation of capital grants.

3 **Capital Grant in respect of Excise duty & Custom duty waiver**

The company has received grant in respect of Custom duty waiver on import of capital goods & Excise duty waiver on purchase of goods from local manufacturer in India under the certificate issued by Department of Scientific & Industrial Research (DSIR). The unamortized capital grant amount as on 31.03.2017 is ₹ **44.52 crore** (2016: ₹ 45.27 crore, 01.04.2015: ₹ 42.12 crore). The goods so imported or procured from local manufacturer shall not be transferred or sold for a period of five years from date of installation. The company recognised ₹ **4.78 crore** (2016: ₹ 4.53 crore) in the statement of profit & loss as amortisation of capital grants.

4 **Capital Grant in respect of Research projects**

The company has received capital grant from various agencies in respect of procurement/setting up of Capital assets for research projects undertaken. The unamortized capital grant amount as on 31.03.2017 is ₹ **15.73 crore** (2016: ₹ 17.91 crore, 01.04.2015: ₹ 16.26 crore). The company recognised ₹ **3.00 crore** (2016: ₹ 2.91 crore) in the statement of profit & loss as amortisation of capital grants.

5 **Capital Grant in respect of Entry Tax Exemption from Odisha Govt.**

Entry Tax exemption received from Odisha Government for Paradip Refinery Project has been recognized as Capital Grant and grossed up with the concerned Assets.The unamortized capital grant amount as on 31.03.2017 is ₹ **126.90 crore** (2016: ₹ 131.40 crore, 01.04.2015: ₹ 128.66 crore). The company recognised ₹ **5.66 crore** (2016: ₹ 1.48 crore) in the statement of profit & loss as amortisation of capital grants.

6 **Capital Grant in respect of demonstration unit**

Grant received from OIDB for setting up of demonstration unit at Guwahati refinery with the company's R&D developed IndaDeptG technology. The unamortized capital grant amount as on 31.03.2017 is ₹ **87.41 crore** (2016: ₹ 42.20 crore, 01.04.2015: NIL). The company recognised ₹ **1.09 crore** (2016: NIL) in the statement of profit & loss as amortisation of capital grants.

7 **Capital Grant in respect of interest subsidy**

The company has received capital grant in respect of interest subsidy on loans taken from OIDB. The unamortized capital grant amount as on 31.03.2017 is ₹ **6.67 crore** (2016: ₹ 6.94 crore, 01.04.2015: NIL). The company recognised ₹ **0.26 crore** (2016: ₹ 0.07 crore, 01.04.2015: NIL)) in the statement of profit & loss as amortisation of capital grants.

NOTE-48: CONSTRUCTION CONTRACTS DISCLOSURES

(₹ in Crore)

Particulars	Mar-2017	Mar-2016	01.04.2015
Construction Revenue and Cost			
Construction contract revenue included in "Other Operating Revenue" recognized based on percentage completion method	**13.35**	19.12	-
Construction contract cost included in "Other Expenses"	**11.35**	16.06	-
Amount due from (to) customer under construction contracts			
Amount due from customers under construction contracts	**-**	-	-
Amount due to customers under construction contracts	**-**	-	-
Net	**-**	**-**	**-**
Contracts in progress at the end of the reporting period			
Construction costs incurred plus recognised profits (less recognised losses) to date	**26.44**	23.57	4.54
Less: progress billings	**26.44**	23.57	4.54
Net	**-**	**-**	**-**
Advances received from customers for contract work	**23.40**	25.79	34.77
Retentions held by customers for contract work	**-**	-	-

NOTE-49: FIRST-TIME ADOPTION OF IND AS

These financial statements, for the year ended 31st March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2017, together with the comparative period data as at and for the year ended 31st March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2015, the Company's date of transition to Ind AS. This note explains exemptions availed by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2015 and the financial statements as at and for the year ended 31st March 2016.

Exemptions applied

1. Mandatory exemptions

a) Estimates

The estimates at 1st April 2015 and at 31st March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVTOCI – unquoted equity shares
- FVTOCI – debt securities
- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31st March 2016.

b) De-recognition of financial assets and financial liability

The company has applied the de-recognition requirements under Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Derivative accounting

The Company has applied this exemption and all derivatives measured at fair value at transition date. All deferred gains and losses arising on derivatives under previous GAAP eliminated on the transition date.

d) Classification and measurement of financial instruments

i. Financial assets and liabilities like loan to employees, security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind ASs. Since, it is impracticable for the company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the above financial asset or the financial liability at the date of transition to Ind As by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

ii. The Company has designated quoted and unquoted equity instruments and GOI Special bonds held at 1st April 2015 as fair value through OCI investments.

e) Impairment of financial assets

At the date of transition to Ind ASs, the Company has determined that assessment of significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised.

f) Embedded Derivatives

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date of reassessment.

g) Government Loans

The Company has applied the requirements in Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to Ind ASs and has not recognised the corresponding benefit of the government loan at a below-market rate of interest as a government grant. Accordingly, the Company has used its previous GAAP carrying amount of loan at the date of transition to Ind AS as carrying amount of loan in the opening Ind AS Balance Sheet i.e. Provisions of Ind AS 20 are applied prospectively.

2. Optional exemptions

A. Long Term Foreign Currency Monetary Items

The Company has elected to continue policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in financial statements for period ending immediately before beginning of first Ind AS financial reporting period as per previous GAAP i.e. 1st April 2016.

B. Deemed cost-Previous GAAP carrying amount

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of Property, Plant and Equipment and Intangible Assets, as recognised in its Indian GAAP financial as deemed cost at the transition date.

C. Arrangements containing a lease

i) Arrangement in the nature of leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

ii) Composite leases: (Land and Building elements)

The Company has elected this exemption and assessed the classification of each element (land and building) as finance or an operating lease at the date of transition to Ind AS on the basis of the facts and circumstances existing as at that date.

D. Investment in subsidiaries, Joint ventures and associates

The Company has elected this exemption and opted to continue with the carrying value of investment in subsidiaries, associates and joint ventures, as recognised in its Indian GAAP financials, as deemed cost at the date of transition.

E. Designate of previously recognised financial instrument

The Company has elected this exemption and opted to

- Designate financial asset at FVTPL as per Ind AS 109 based on facts and circumstances as on transition date.
- Designate an investment in equity shares as FVOCI, as per Ind AS 109, based on facts and circumstances exist on transition date.

F. Decommissioning liability

The Company has elected this exemption and changes in a decommissioning, restoration or similar liability added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life.

The Company need not comply with these requirements for changes in such liabilities that occurred before the date of transition to Ind AS. By applying this exemption, the Company has:

- Measured the liability in accordance with Ind AS 37 on the date of transition to Ind AS
- The obligation capitalized as a separate component of PPE, together with the accumulated depreciation from the date the obligation was incurred to the transition date (if any).
- The amount capitalized as part of the cost of the asset is calculated by discounting the liability back to the date the obligation initially arose using the best estimate of historical discount rates.
- The associated accumulated depreciation is calculated by applying the current estimate of the useful life of the asset, using the entity's depreciation policy for the asset.

G. Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from transition date or specific date prior to transition date. Accordingly, the Group has elected to apply Ind AS 103 from specific date i.e. 1st April 2013:

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 1st April 2013. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Company recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

The company has applied same exemption for investment in associates and joint ventures.

The Company has not applied Ind AS 21, The Effects of Changes in Foreign Exchange Rates retrospectively to fair value adjustments that occurred before 1st April 2013 to Ind AS. Such fair value adjustments are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

Reconciliation of profit for the year ended 31 March 2016

(₹ in Crore)

Particulars	Notes	Mar-2016
Net Profit as per previous GAAP (Indian GAAP)		**10,399.03**
Effect for measuring financial assets classified at fair value through profit and loss	1	63.24
Effect for spares classified as Property, plant and equipments	3	132.97
Effect for capitalisation of expenses as enabling assets	4	159.03
Effect of adjustments relating to revenue	5	(77.07)
Re-measurement of Defined Benefit Plans recognized in Other Comprehensive Income (OCI)	8	671.79
Dividend received from share trust	7 (ii)	(70.52)
Fair valuation of Derivative Contracts	6	(3.44)
Others		111.04
Tax impact (net)	9	(143.84)
Net Profit for the period as per Ind AS (A)		**11,242.23**
Other Comprehensive Income		
Change in fair value of equity instruments	2(i)	(6,469.20)
Change in fair value of debt instruments	2(ii)	(36.78)
Re-measurement of Defined Benefit Plans	8	(671.79)
Tax impact (net)	9	237.61
Other Comprehensive Income for the period under Ind AS (B)		**(6,940.16)**
Total Comprehensive Income for the period under Ind AS C = (A+B)		**4,302.07**

Reconciliation of Equity

(₹ in Crore)

Particulars	Notes	01.04.2015	Mar-2016
Equity as per previous GAAP (Indian GAAP)		**67,969.97**	**73,948.73**
Effect for measuring financial assets at fair value through profit and loss	1	(4.81)	58.43
Effect for fair value gain / (loss) on investments in equity shares through other comprehensive income	2(i)	19,453.91	12,984.71
Effect for fair value gain / (loss) on investments in debt instruments	2(ii)	199.92	163.14
Effect for spares classified as property, plant and equipments	3	(75.60)	57.70
Effect for fair valuation of derivatives	6	(376.99)	(380.43)
Effect for capitalisation of expenses as enabling assets	4	-	159.03
Effect of adjustments relating to revenue	5	(176.82)	(253.89)
Proposed dividend and dividend tax reversed	10	1,928.67	2,483.89
Acquisition cost of shares held under IOC share trust netted off	7 (i)	(1,989.78)	(1,989.78)
Others		(142.92)	67.12
Tax Impact (net)	9	778.67	835.66
Equity as per ind AS		**87,564.22**	**88,134.31**

Footnotes to the reconciliation of equity as at 1st April 2015 and 31st March 2016 and profit or loss for the year ended 31st March 2016

1. Financial assets classified at fair value through Profit and loss

(i) Loan given to related parties

Under IGAAP, loan to related parties (Suntera Nigeria 205 Ltd.) has been disclosed as long term loans to related parties and accumulated interest is not recognized considering contingency in recovery. Under Ind AS, such loan has been classified at fair value through profit and loss. Consequent to this, at the transition date the Company has fair valued such loan and difference between fair value and carrying value of loan has been adjusted through retained earnings. Similarily, for the year ended 31st March 2016 impact of fair valuation on such loans has been adjusted in profit and loss.

(ii) Non Convertible redeemable preference shares

Under IGAAP, investment in such preference shares has been recorded at its transaction value. Under Ind AS, such preference shares has been classified at fair value through profit and loss. Consequent to this, at the initial date the Company has fair valued such preference shares difference between fair value and carrying value has been adjusted through retained earnings. Accordingly, the Company is required to fair value such preference shares at each reporting date and the impact of fair valuation as on transition date has been adjusted through retained earnings and for the year ended 31st March 2016 impact has been adjusted in profit and loss.

(iii) Compusorily Convertible Debentures

Under IGAAP, investment in such debentures has been recorded at its transaction value. Under Ind AS, such debentures has been classified at fair value through profit and loss. Consequent to this, the Company is required to fair value such debentures at each reporting date and the impact of fair valuation as on transition date has been adjusted through retained earnings and for the year ended 31st March 2016 impact has been adjusted in profit and loss.

Summary of Above mentioned adjustments:	As on transition date	As on 31st March 2016	For the year ended 31st March 2016
	Adjusted through retained earnings	Impact on retained earnings	Adjusted through profit and loss
Loan given to related parties	(4.81)	(6.42)	(1.61)
Non Convertible redeemable preference shares	-	65.00	65.00
Compulsorily convertible debentures	-	(0.15)	(0.15)
Total	(4.81)	58.43	63.24

2. Financial assets classified at fair value through OCI

(i) Long term investment in Equity shares (other than investment in subsidiaries, associates and Jvs) at fair value through OCI

Under Indian GAAP, the Company has recorded long term investments in unquoted and quoted equity shares as investment and measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTOCI investments. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised through a seperate component of equity in the FVTOCI reserve. Similary, for the year ended 31st March 2016, fair value gain or loss recognised in OCI.

(ii) Debt Instruments - Government of India (GOI) special bonds

Under Indian GAAP, the Company has long term and short term investments in GOI special bonds. Long term investments in such bonds has been recorded at cost less provision for other than temporary diminution in the value of investments. Short term investments in such bonds has been recorded at lower of cost and net realisable value.

Under Ind AS, the Company has designated such investments (long term and short term) as FVTOCI investments. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised through a seperate component of equity in the FVTOCI reserve . Similary, for the year ended 31st March 2016, fair value gain or loss recognised in OCI.

3 Stores and Spares

Spares, other than insurance spares were classified as inventory under existing IGAAP. However under Ind-AS, spare parts are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment. Such stores and spares have been capitalised and depreciated under Ind AS retrospectivey till the transition date and the impact has been adjusted through retained earnings. For the year ended 31st March 2016, the Company has de-recognised the consumption of spares under Ind AS and only depreciation of such spares has been recorded.

4 Enabling Assets

Under Ind AS certain assets have been capitalised as enabling assets since they enable an entity to derive future economic benefits from related assets in excess of what could be derived had those items not been acquired. Consequent to this, such expenses has been derecognised and property, plant and equipments has been recognised and depreciated over the useful life of assets.

5 Revenue Recognition

i. Point of Revenue Recognition:

Under existing GAAP, revenue from sale of goods is recognized generally on dispatch of goods, however, in certain cases, IOCL has continuing managerial involvement up to delivery of goods to the customer, and legal ownership is transferred only upon delivery of goods to the customer. In all such cases, where revenue is recognised on dispatch basis, the revenue is recognised by the Company when the goods are delivered and accepted by the dealer(s)/customer(s). Considering the above, impact has been adjusted through retained earning for de-recoginition of sales/trade recievables and recognition of the corresponding cost of sales/inventories as on 1st April 2015. Similarly, for the year ended 31st March 2016, impact has been adjusted through statement of Profit & Loss.

ii. Target Based Incentive

Under Indian GAAP, target based incentives like bulk discount etc. has been netted off with revenue on actual claim basis. Under Ind AS, such discounts has to be netted off with revenue on estimation basis. Considering the above, as on transition date impact of such provision has been adjusted through retained earnings and for the year ended 31st March 2016, such impact has been adjusted in statement of Profit & Loss.

iii. Customer Loyalty Points

Under Indian GAAP, the Company creates a provision toward its liability in relation to outstanding customer loyalty points. Currently under Indian GAAP, the Company is making provision on full liability basis. Under Ind AS, the Company needs to adjust the liability amount with the likelihood of exercising the option. Therefore, as on transition date provision for customer loyalty points has been decreased by amounting and the corresponding impact has been adjusted through retained earnings and for the year ended 31st March 2016, impact has been adjusted through profit and loss.

Summary of Above mentioned adjustments:	As on transition date	As on 31st March 2016	For the year ended 31st March 2016
	Adjusted through retained earnings		Adjusted through P&L
Point of revenue recognition	(173.51)	(255.84)	(82.33)
Target based incentives	(14.54)	(12.47)	2.07
Customer loyalty points	9.17	9.32	0.15
Others	2.06	5.10	3.04
Total	**(176.82)**	**(253.89)**	**(77.07)**

6 Derivatives

Under Indian GAAP, the Company is following derivative accounting and accordingly recognising mark to market loss in relation to outstanding derivatives as on reporting date. Under Ind AS, the Company is required to fair value outstanding derivatives and is also required to recognise both gain or loss in relation to such derivatives. Consequent to this, a derivative assets or liabilities are recognised and corresponding transition date impact has been adjusted through retained earnings and for the year ended 31st March 2016 impact has been adjusted through statement of Profit & Loss.

7 IOC Share Trust

i. Trust shares

Under IGAAP, pursuant to scheme of amalgamation, Trusts have been set up by IOCL for holding treasury shares in relation to IBP and BRPL mergers. The amount recoverable from such Trusts was appearing under the head "Other Current Assets". IOC Shares Trust does not have a separate legal status and its members have unlimited liability. Therefore, Under Ind AS, such trust has been consolidated in the standalone financial statements of IOCL. Consequent to this, under Ind AS, the shares held by trust shown as deduction from share capital to the extent of face value of such shares and the difference has been adjusted through equity.

ii. Dividend Income on shares held under Trust

Under IGAAP, the dividend income from shares held under the shares trust is accounted for as dividend income under 'Other Income' in the books of IOCL. Under Ind AS, the dividend to the extent it relates to shares held by trust, is presented as deduction from dividend appropriated. Consequent to this, for the year ended March 2016 impact has been adjusted through statement of Profit & Loss.

8 Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on the basis of actuarial valuation. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability)are recognised in OCI. Due to this, for the year ended 31st March 2016, the employee benefit cost is reduced and remeasurement gains / losses on defined benefit plans has been recognized in the OCI.

9 Deferred taxes

Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. Deferred tax adjustments are recognised in relation to the underlying transaction either in retained earnings or a separate component of equity (OCI). The deferred tax impact of ₹ 36.78 crore due to componentization of property, plant and equipments was considered in FY 2015-16 under IGAAP, whereas , the same is recognized from the transition date (01.04.2015) under Ind-AS.

10 Proposed Dividend

Under Indian GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.

In case of the Company, the liability relating to proposed dividend (including dividend distribution tax) has been derecognised against retained earnings as at 1st April 2015. The proposed dividend for the year ended on 31st March 2016 has been recognized under Indian GAAP, has been reduced from Provisions and with a corresponding impact in the retained earnings.

NOTE-50: OTHER DISCLOSURES

1 Purchase of crude oil from 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.

2 Transactions with other Oil Marketing Companies are jointly reconciled on an ongoing basis.

3 Exceptional income of FY 2015-16 includes income of ₹ 1,364.25 crore arising out of recovery of additional state specific surcharge (SSC) towards Uttar Pradesh entry tax paid in earlier years, in pursuance with MOP&NG order dated 30th March 2013.

4 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the table below:-

(₹ in Crore)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	3.30	0.05	3.35
(+) Permitted receipts	48.24	14.50	62.74
(-) Permitted payments	(0.01)	(0.06)	(0.07)
(-) Amount deposited in Banks	(51.50)	(13.52)	(65.02)
Closing cash in hand as on 30.12.2016	**0.03**	**0.97**	**1.00**

(i) The above details do not include details of cash handled at retail outlets and LPG gas agencies operated by dealers, distributors and contractors where the cash are handled and deposited by them in their respective bank accounts.

(ii) The closing balance of SBNs were kept as per order of the court under Superdari in March 2017, said amount has been reversed by clearing corresponding liability. The matter is pending with RBI for depositing the said SBNs in the bank.

5 Pursuant to the decision of 9 judges constitution bench of Honorable Supreme Court of India in the matter of Entry Tax vide its judgment dated 11.11.2016, company has reviewed its existing liability for earlier years and accounted for additional amount of **4,530.37 crore**. Similarly, based on other judicial/ legal developments during the year, another amount of **2,445.00 crore** has been provided towards entry tax/ purchase tax and both the amounts have been accounted under "Provision for probable Contingencies". Further, an amount of **726.93 crore** have been accounted in current year as "Finance Cost".

6 In order to provide clean cooking fuel to the BPL families, Government has approved "Pradhan Mantri Ujjwala Yojana (PMUY)"scheme where free LPG connections are issued by Oil Marketing Companies (OMCs) to the women belonging to the Below Poverty Line (BPL) households as per SECC – 2011 (Rural) database. The Scheme was launched on 1st May 2016. The initial cost of ₹ 1600 towards connection charges would be borne by the Central Government. OMCs would provide an option for EMIs/Loans towards cost of burner and 1st refill to the PMUY consumers. In addition to funding by Central Government, few State Governments have also extended financial support towards cost of Stove and/or 1st refill. The loan amount is recovered from subsidy amount payable to the customers on each refill sale. The amount of subsidy per refill varies from market to market and month to month. The minimum subsidy per refill sale is ₹ 19 and maximum subsidy per refill sale is ₹ 350 during the Financial Year 2016-17.

The amount outstanding as on 31st March 2017 towards claim under PMUY Scheme from Central Government is **229.87 crore** and loan to PMUY consumers is **751.04 crore** (net of recovery through subsidy). Discounting of the loan has not been done due to uncertainty in frequency of refill by consumers and amount of recovery as per applicable subsidy which varies from time to time.

7 Pursuant to Govt. of Odisha withdrawing the incentive scheme of VAT deferment on sale of products of Paradip Refinery, the Company filed writ petition challenging the withdrawal notification before the Hon'ble High Court of Odisha. The Hon'ble High Court of Odisha has kept the withdrawal notification and the demand issued in this regard in abeyance till further orders in the matter. The amount of **2,112.32 crore** (2016: ₹ 215.31 crore), being the VAT liability, has been considered as "Current". As the matter is disputed and subjudice, the same has not been considered for Government Grant accounting. The interest demand of **104.38 crore** on this liability has been considered as contingent liability.

8 There are no significant subsequent events that would require adjustments or disclosures in the Financial Statements as on the Balance Sheet date.

9 Previous year's comparative figures have been regrouped wherever necessary. Figures in brackets indicate deductions.

Sd/-	**Sd/-**	**Sd/-**
(B. Ashok) **Chairman**	**(A.K. Sharma)** **Director (Finance)**	**(Raju Ranganathan)** **Company Secretary**

As per our attached Report of even date

For J GUPTA & CO. **Chartered Accountants** **(Firm Regn. No. 314010E)**	**For S.K. MEHTA & CO.** **Chartered Accountants** **(Firm Regn. No. 000478N)**	**For V SANKAR AIYAR & CO.** **Chartered Accountants** **(Firm Regn. No. 109208W)**	**For CK PRUSTY & ASSOCIATES** **Chartered Accountants** **(Firm Regn. No. 323220E)**
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(CA. NANCY MURARKA) **Partner** **M. No. 067953**	**(CA. ROHIT MEHTA)** **Partner** **M. No. 091382**	**(CA. M.S. BALACHANDRAN)** **Partner** **M. No. 024282**	**(CA. GV. JAYABAL)** **Partner** **M. No. 015616**

Place of Signature : New Delhi

Dated : 25th May, 2017

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2017 ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES

(₹ in Crore)

	Mar-2017	Mar-2016
INCOME :		
1. Recovery of House Rent	**9.48**	8.91
2. Recovery of Utilities-Power and Water	**5.38**	5.88
3. Recovery of Transport Charges	**0.34**	0.28
4. Other Recoveries	**6.89**	7.34
5. Excess of Expenditure over Income	**577.08**	551.76
TOTAL	**599.17**	574.17
EXPENDITURE :		
1. Employee Benefit Expenses	**129.76**	126.53
2. Consumable Stores and Medicines	**47.12**	37.12
3. Repairs and Maintenance	**179.99**	153.63
4. Finance Cost	**19.04**	18.78
5. Depreciation & Amortization	**52.92**	30.90
6. Miscellaneous Expenses :		
Taxes, License Fees, Insurance etc.	**45.28**	54.83
7. Utilities-Power, Water and Gas	**89.15**	117.23
8. Rent	**0.13**	0.17
9. Subsidies for Social & Cultural Activities	**25.27**	28.34
10. Bus Hire Charges	**0.80**	0.50
11. Club and Recreation	**0.03**	-
12. Others	**9.68**	6.14
TOTAL	**599.17**	574.17

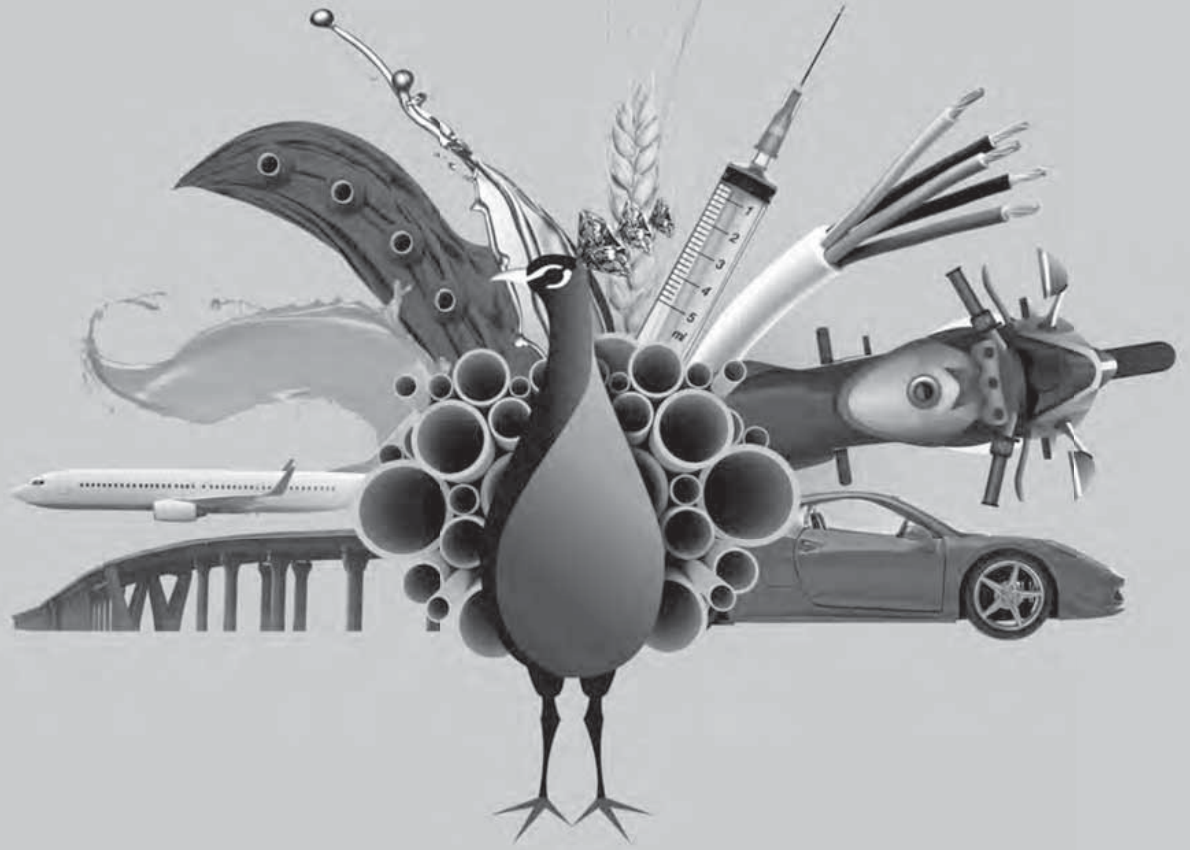
SCHEDULE OF FIXED ASSETS (TOWNSHIP) FOR THE YEAR ENDED 31st March 2017

(₹ in Crore)

Particulars	Gross Block As at 01.04.2016 (At Cost)	Additions during the year (At Cost)	Transfers from Capital work-in-progress (At Cost)	Disposals Deductions Transfers Reclass. (At Cost)	Gross Block As at 31.03.2017 (At Cost)	Depern. & Amorts. during the Year	Total Depern. & Amorts. As at 31.03.2017	Net Depreciated Block	
								As at 31.03.2017	As at 31.03.2016
LAND FREEHOLD	41.16	-	-	-	41.16	-	-	41.16	41.16
LAND-LEASEHOLD	12.16	-	-	-	12.16	0.17	0.33	11.83	12.01
BUILDINGS, ROADS etc.	740.35	76.46	13.82	(3.23)	827.40	45.77	67.27	760.13	718.68
PLANT AND EQUIPMENT	28.20	7.15	0.97	(1.10)	35.22	3.89	6.48	28.74	25.33
OFFICE EQUIPMENTS	13.42	1.90	0.69	(0.12)	15.89	2.09	3.97	11.92	11.48
FURNITURE & FIXTURES	9.27	0.50	0.32	0.08	10.17	0.91	1.67	8.50	8.54
DRAINAGE, SEWAGE & WATER SUPPLY SYSTEMS	2.37	-	-	-	2.37	0.03	0.06	2.31	2.34
TRANSPORT EQUIPMENT	1.04	-	-	-	1.04	0.06	0.71	0.33	0.38
GRAND TOTAL :	**847.97**	**86.01**	**15.80**	**(4.37)**	**945.41**	**52.92**	**80.49**	**864.92**	**819.92**
PREVIOUS YEAR :	**797.92**	**7.94**	**41.47**	**(0.64)**	**850.82**	**30.90**	**30.90**	**819.92**	

CONSOLIDATED FINANCIAL STATEMENTS 2016-17

IndianOil



INDEPENDENT AUDITORS' REPORT

To

The Members of Indian Oil Corporation Limited

Report on the Consolidated IND AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Indian Oil Corporation Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (collectively referred to as "the Group") its joint ventures and associates, comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income) consolidated cash flows and consolidated statement of changes in equity of the Group including share of its joint ventures and associates, in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and its joint ventures and associates, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group its joint ventures and associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to a basis for audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group, its joint ventures and associates as at 31st March, 2017, and consolidated profit (financial performance including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of 9 subsidiaries included in the consolidated Ind AS financial statements, whose financial statements reflect total assets of ₹ 28,159.01 crore and net assets of ₹ 14,989.74 crore , total revenues of ₹ 45,973.16 crore and net cash outflows/(inflows) amounting to ₹ 196.32 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 514.84 crore and Other Comprehensive Income of ₹ 13.33 crore for the year ended 31st March, 2017, as considered in the consolidated Ind AS financial statements, in respect of 21 joint ventures and associates, whose financial statements/financial information have not been audited by us.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.

Certain of these subsidiaries and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and other financial information of subsidiaries, joint ventures and associates as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Ind AS Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Cash Flow Statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

e) On the basis of the reports of the statutory auditors of joint ventures and associates incorporated in India, none of the directors of joint venture and associate companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act. We are informed that the provisions of Section 164(2) of the Act are not applicable to the Holding Company and its subsidiary companies incorporated in India being Government companies in terms of notification no. G.S.R.463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company it's subsidiary companies, associate companies and jointly controlled entities incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure 1"

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, to the extent applicable, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary companies, joint venture and associates, as noted in the 'Other matter' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its joint ventures and associates. Refer Note 33 and 37 to the consolidated Ind AS financial statements.

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There has been no delay in transferring amounts, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, joint ventures and associates incorporated in India, during the year ended 31st March 2017.

iv. The Group has provided requisite disclosures in the financial statements as regards holding and dealings in Specified Bank Notes as defined in Notification SO 3407(E) dated 8th November, 2016 of the Ministry of Finance in respect of the holding company and its subsidiaries incorporated in India, during the period from 8th November 2016 to 30th December 2016; and such disclosures are in accordance with the books of account maintained by the companies- Refer Note 50 (7) of the Consolidated Ind AS financial statements.

For J GUPTA & CO. **Chartered Accountants** **(Firm Regn. No. 314010E)**	**For S.K. MEHTA & CO.** **Chartered Accountants** **(Firm Regn. No. 000478N)**	**For V SANKAR AIYAR & CO.** **Chartered Accountants** **(Firm Regn. No. 109208W)**	**For CK PRUSTY & ASSOCIATES** **Chartered Accountants** **(Firm Regn. No. 323220E)**
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(CA. NANCY MURARKA) **Partner** **M. No. 067953**	**(CA. ROHIT MEHTA)** **Partner** **M. No. 091382**	**(CA. M.S. BALACHANDRAN)** **Partner** **M. No. 024282**	**(CA. GV. JAYABAL)** **Partner** **M. No. 015616**

Place of Signature : New Delhi

Dated : 25th May, 2017

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF EVEN DATE TO THE MEMBERS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, We have audited the internal financial controls over financial reporting of Indian Oil Corporation Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (collectively referred to as "the Group") its joint ventures and associates, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company, its subsidiary companies, joint ventures and associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)".These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, joint ventures and associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2017 except in case of one joint venture where the auditors have qualified their opinion on certain matters which we are informed will not have material impact on the adequacy and operating effectiveness of internal financial control over financial reporting of the Group , based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies and 19 jointly controlled companies/ associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For J GUPTA & CO. **Chartered Accountants** **(Firm Regn. No. 314010E)**	**For S.K. MEHTA & CO.** **Chartered Accountants** **(Firm Regn. No. 000478N)**	**For V SANKAR AIYAR & CO.** **Chartered Accountants** **(Firm Regn. No. 109208W)**	**For CK PRUSTY & ASSOCIATES** **Chartered Accountants** **(Firm Regn. No. 323220E)**
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(CA. NANCY MURARKA) **Partner** **M. No. 067953**	**(CA. ROHIT MEHTA)** **Partner** **M. No. 091382**	**(CA. M.S. BALACHANDRAN)** **Partner** **M. No. 024282**	**(CA. GV. JAYABAL)** **Partner** **M. No. 015616**

Place of Signature : New Delhi

Dated : 25th May, 2017

BALANCE SHEET AS AT MARCH 31, 2017

(₹ in Crore)

S. No.	Particulars	Note No.		Mar-2017	Mar-2016	01.04.2015
	ASSETS					
	Non-current assets					
a.	Property, Plant and Equipment	2	**114,972.98**		99,274.49	73,640.98
b.	Capital Work-in-Progress	2.1	**12,992.67**		22,018.75	36,554.49
c.	Goodwill - On Consolidation		**1.04**		1.04	1.04
d.	Intangible Assets	3	**983.77**		757.85	633.18
e.	Intangible Assets Under Development	3.1	**3,785.73**		4,200.24	3,978.58
f.	Financial Assets					
	i. Investments	4	**36,217.83**		24,089.05	30,382.08
	ii. Loans	5	**1,183.38**		1,133.60	1,057.70
	iii. Other Financial Assets	6	**3,659.90**		3,284.30	3,096.53
g.	Income Tax Assets (Net)	7	**5.47**		455.81	1,048.46
h.	Other Non-Current Assets	8	**3,147.75**		2,605.28	2,912.44
				176,950.52	157,820.41	153,305.48
	Current assets					
a.	Inventories	9	**65,884.33**		42,256.72	49,913.92
b.	Financial Assets					
	i. Investments	4	**7,469.41**		7,095.74	7,353.83
	ii. Trade Receivables	10	**8,899.19**		7,684.50	6,943.23
	iii. Cash and Cash Equivalents	11	**329.50**		734.85	610.77
	iv. Bank Balances other than above	12	**80.25**		315.51	77.49
	v. Loans	5	**1,775.68**		755.70	337.49
	vi. Other Financial Assets	6	**8,490.64**		10,979.38	10,860.65
c.	Current tax assets (Net)	7	**-**		4.01	87.93
d.	Other Current Assets	8	**3,622.17**		3,870.05	4,069.54
			96,551.17		73,696.46	80,254.85
e.	Assets Held for Disposal	13	**59.35**		38.56	26.16
				96,610.52	73,735.02	80,281.01
	TOTAL			**273,561.04**	**231,555.43**	**233,586.49**
	EQUITY AND LIABILITIES					
	EQUITY					
a.	Equity Share capital	14	**4,739.34**		2,369.67	2,369.67
b.	Other Equity	15	**97,356.76**		87,609.94	86,126.18
c.	Non Controlling Interest		**1,904.56**		1,426.04	1,067.40
				104,000.66	91,405.65	89,563.25
	LIABILITIES					
	Non-current liabilities					
a.	Financial Liabilities					
	i. Borrowings	16	**25,545.93**		27,941.30	34,226.67
	ii. Other Financial Liabilities	17	**20,251.48**		17,509.40	15,089.62

S. No.	Particulars	Note No.		Mar-2017	Mar-2016	01.04.2015
b.	Provisions	18	3,225.91		2,634.12	2,424.72
c.	Deferred tax liabilities (Net)	19	6,888.66		6,970.70	5,317.89
d.	Other non-current liabilities	20	752.42		678.39	580.66
				56,664.40	55,733.91	57,639.56
	Current liabilities					
a.	Financial Liabilities					
	i. Borrowings	21	33,284.10		20,207.90	21,160.23
	ii. Trade payables	22	31,169.68		24,336.64	30,946.96
	iii. Other Financial Liabilities	17	15,820.49		19,820.77	15,533.03
b.	Other Current Liabilities	20	13,475.26		10,193.08	9,580.57
c.	Provisions	18	19,066.54		9,857.48	9,162.89
d.	Current Tax Liabilities (Net)	7	79.91		-	-
				112,895.98	84,415.87	86,383.68
	TOTAL			273,561.04	231,555.43	233,586.49
	Significant Accounting Policies, Estimates & Judgements	1				
	Notes on Financial Statements	2-50				

Sd/-
(B. Ashok)
Chairman

Sd/-
(A.K. Sharma)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For J GUPTA & CO.
Chartered Accountants
(Firm Regn. No. 314010E)

Sd/-
(CA. NANCY MURARKA)
Partner
M. No. 067953

For S.K. MEHTA & CO.
Chartered Accountants
(Firm Regn. No. 000478N)

Sd/-
(CA. ROHIT MEHTA)
Partner
M. No. 091382

For V SANKAR AIYAR & CO.
Chartered Accountants
(Firm Regn. No. 109208W)

Sd/-
(CA. M.S. BALACHANDRAN)
Partner
M. No. 024282

For CK PRUSTY & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 323220E)

Sd/-
(CA. GV. JAYABAL)
Partner
M. No. 015616

Place of Signature : New Delhi
Dated : 25th May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2017

(₹ in Crore)

Particulars	Note No.		Mar-2017	Mar-2016
I. Revenue From Operations	23		**453,725.84**	414,821.11
II. Other Income	24		**3,872.39**	2,186.49
III. Total Income (I+II)			**457,598.23**	417,007.60
IV. Expenses:				
Cost of Materials Consumed	25		**179,834.05**	164,178.97
Purchases of Stock-in-Trade			**110,377.10**	117,266.37
Changes in Inventories of Finished Goods, Stock-in-trade and Work-In Progress	26		**(15,092.13)**	3,578.20
Employee Benefits Expense	27		**10,204.02**	7,501.80
Finance Costs	28		**3,721.26**	3,468.99
Depreciation, Amortization and Impairment on :				
a) Tangible Assets		**6,786.71**		5,648.28
b) Intangible Assets		**61.91**		50.11
			6,848.62	5,698.39
Excise Duty			**98,415.73**	68,776.37
Other Expenses	29		**35,973.84**	30,076.51
Total Expenses (IV)			**430,282.49**	400,545.60
V. Profit before Share of profit/(loss) of an associate/ a joint venture and Exceptional Items			**27,315.74**	16,462.00
VI. Share of profit/(loss) of an associate/ a joint venture			**640.06**	245.51
VII. Profit before Exceptional Items and Tax (V+VI)			**27,955.80**	16,707.51
VIII. Exceptional Items (Refer point no. 3 of Note - 50)			**-**	1,364.25
IX. Profit before Tax (VII+VIII)			**27,955.80**	18,071.76
X. Tax Expense:				
Current Tax			**7,794.77**	3,784.21
Deferred Tax			**(224.37)**	1,874.23
XI. Profit For The Year (IX-X)			**20,385.40**	**12,413.32**
Profit for the Year attributable to :				
Equityholders of the Parent			**19,849.49**	12,022.45
Non-Controlling Interest			**535.91**	390.87
XII. Other Comprehensive Income:	30			
A (i) Items that will not be reclassified to profit or loss			**4,533.49**	(7,211.16)

Particulars	Note No.		Mar-2017	Mar-2016
A (ii) Income Tax relating to items that will not be reclassified to profit or loss			**184.98**	225.85
B (i) Items that will be reclassified to profit or loss			**54.09**	224.15
B (ii) Income Tax relating to items that will be reclassified to profit or loss			**(99.41)**	12.72
XIII. Total Comprehensive Income for the Year (XI+XII) (Comprising Profit/ (Loss) and Other Comprehensive Income for the Year)			**25,058.55**	5,664.88
Total Comprehensive Income for the Year (Comprising Profit/ (Loss) and Other Comprehensive Income for the Year) attributable to:				
Equityholders of the Parent			**24,537.39**	5,282.63
Non-Controlling Interest			**521.16**	382.25
XIV. Earning per Equity Share (₹):	32			
(1) Basic			**41.88**	25.37
(2) Diluted			**41.88**	25.37
Face Value Per Equity Share (₹)			**10**	10
Significant Accounting Policies, Estimates & Judgements	1			
Notes on Financial Statements	2 - 50			

Sd/-
(B. Ashok)
Chairman

Sd/-
(A.K. Sharma)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For J GUPTA & CO.
Chartered Accountants
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(CA. M.S. BALACHANDRAN)
Partner
M. No. 024282

For CK PRUSTY & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 323220E)

Sd/-
(CA. GV. JAYABAL)
Partner
M. No. 015616

Place of Signature : New Delhi
Dated : 25th May, 2017

Statement of Changes in Equity for the year ended on 31st March 2017

A Equity Share Capital

(₹ in Crore)

Particulars	Mar-2017	Mar-2016
Balance at the beginning of the year	**2,369.67**	2,369.67
Changes during the year		
Issue of Bonus Shares	**2,369.67**	-
Balance at the end of the year	**4,739.34**	**2,369.67**

B Other Equity

	Reserves and Surplus					
	Retained Earnings	Bond redemption reserve	Capital reserve	Securities Premium	Insurance reserve	Export Profit reserve
Opening Balance as at 1st April 2015	**64,061.28**	**2,570.85**	**338.51**	**88.05**	**163.48**	**53.72**
Opening Balance Adjustment	(50.94)	-	-	-	-	-
Profit for the Year	12,022.45	-	-	-	-	-
Other Comprehensive Income	(443.23)*	-	-	-	-	-
Total Comprehensive Income	**11,579.22**	**-**	**-**	**-**	**-**	**-**
Transfer from Bond Redemption Reserve	456.65	(456.65)	-	-	-	-
Appropriation towards Interim Dividend	(1,303.44)	-	-	-	-	-
Appropriation towards Final Dividend	(1,564.09)	-	-	-	-	-
Appropriation towards Corporate Dividend Tax	(605.01)	-	-	-	-	-
Appropriation towards Insurance reserve (Net)	(20.00)	-	-	-	20.00	-
Appropriation towards Bond redemption reserve	(877.37)	877.37	-	-	-	-
Appropriation towards Corporate Social Responsibility Reserve (net)	13.12	-	-	-	-	-
Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	-	-	-	-	-	-
FCMITDA amortised during the year	-	-	-	-	-	-
Transfer from fair Value of Debt Instruments (recycling)	-	-	-	-	-	-
Addition to Securities Premium During the year	-	-	-	3.32	-	-
Closing Balance as at 31st March 2016	**71,689.42**	**2,991.57**	**338.51**	**91.37**	**183.48**	**53.72**
Opening Balance Adjustment	-	-	-	-	-	-
Profit for the Year	19,849.49	-	-	-	-	-
Other Comprehensive Income	(370.68)*	-	-	-	-	-
Total Comprehensive Income	**19,478.81**	**-**	**-**	**-**	**-**	**-**
Transfer from Bond Redemption Reserve	674.79	(674.79)	-	-	-	-
Utilized for issue of Bonus Shares (including Issue Expenses)	(2,372.86)	-	-	-	-	-
Appropriation towards Interim Dividend	(8,531.08)	-	-	-	-	-
Appropriation towards Final Dividend	(2,014.34)	-	-	-	-	-
Appropriation towards Corporate Dividend Tax	(2,221.04)	-	-	-	-	-
Appropriation towards Insurance reserve (Net)	(20.00)	-	-	-	20.00	-
Appropriation towards Bond redemption reserve	(525.58)	525.58	-	-	-	-
Appropriation towards Corporate Social Responsibility Reserve (net)	(0.26)	-	-	-	-	-
Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	-	-	-	-	-	-
FCMITDA amortised during the year	-	-	-	-	-	-
Transfer from fair Value of Debt Instruments (recycling)	-	-	-	-	-	-
Addition to Securities Premium During the year	-	-	-	-	-	-
Addition to Capital Reserve During the year	-	-	2.53	-	-	-
Closing Balance as at 31st March 2017	**76,157.86**	**2,842.36**	**341.04**	**91.37**	**203.48**	**53.72**

*Re-mesurement of Defined Benefit Plans

(₹ in Crore)

Reserves and Surplus		Items of Other Comrehensive Income			Attributable to Equity-holders of the Parent	Non-Controlling Interest	TOTAL
Corporate Social Responsibility Reserve	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Fair value of Equity Instruments	Fair value of Debt Instruments	Translation Reserve on Consolidation			
20.19	**(104.46)**	**19,651.07**	**(215.80)**	**(500.71)**	**86,126.18**	**1,067.40**	**87,193.58**
-	-	-	-	-	(50.94)	(16.87)	(67.81)
-	-	-	-	-	12,022.45	390.87	12,413.32
-	-	(6,536.71)	(24.06)	264.18	(6,739.82)	(8.62)	(6,748.44)
-	**-**	**(6,536.71)**	**(24.06)**	**264.18**	**5,282.63**	**382.25**	**5,664.88**
-	-	-	-	-	-	-	-
-	-	-	-	-	(1,303.44)	(6.16)	(1,309.60)
-	-	-	-	-	(1,564.09)	-	(1,564.09)
-	-	-	-	-	(605.01)	(0.58)	(605.59)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(13.12)	-	-	-	-	-	-	-
-	(613.18)	-	-	-	(613.18)	-	(613.18)
-	302.76	-	-	-	302.76	-	302.76
-	-	-	31.71	-	31.71	-	31.71
-	-	-	-	-	3.32	-	3.32
7.07	**(414.88)**	**13,114.36**	**(208.15)**	**(236.53)**	**87,609.94**	**1,426.04**	**89,035.98**
-	-	-	-	-	-	-	-
-	-	-	-	-	19,849.49	535.91	20,385.40
-	-	5,089.01	148.34	(178.77)	4,687.90	(14.75)	4,673.15
-	**-**	**5,089.01**	**148.34**	**(178.77)**	**24,537.39**	**521.16**	**25,058.55**
-	-	-	-	-	-	-	-
-	-	-	-	-	(2,372.86)	-	(2,372.86)
-	-	-	-	-	(8,531.08)	(7.50)	(8,538.58)
-	-	-	-	-	(2,014.34)	(28.73)	(2,043.07)
-	-	-	-	-	(2,221.04)	(6.41)	(2,227.45)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
0.26	-	-	-	-	-	-	-
-	(77.17)	-	-	-	(77.17)	-	(77.17)
-	359.63	-	-	-	359.63	-	359.63
-	-	-	63.76	-	63.76	-	63.76
-	-	-	-	-	-	-	-
-	-	-	-	-	2.53	-	2.53
7.33	**(132.42)**	**18,203.37**	**3.95**	**(415.30)**	**97,356.76**	**1,904.56**	**99,261.32**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Crore)

	Particulars		Mar-2017		Mar-2016
A	**Cash Flow from Operating Activities**				
1	Profit Before Tax		**27,955.80**		18,071.76
2	Adjustments for :				
	Share of Profit of Joint Ventures and Associates	**(640.06)**		(245.51)	
	Depreciation, Amortisation and Impairment	**6,848.62**		5,698.39	
	Loss/(Profit) on sale of Assets (net)	**145.03**		191.61	
	Loss/(Profit) on sale of Investments (net)	**20.15**		88.08	
	Amortisation of Capital Grants	**(16.39)**		(24.21)	
	Provision for Probable Contingencies (net)	**7,479.70**		596.36	
	MTM Loss/(gain) arising on financial assets/liabilities as at fair value through profit and loss	**0.56**		1.32	
	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores (net)	**51.38**		(10.62)	
	MTM Loss/(Gain) on Derivatives	**113.09**		(58.70)	
	Foreign Currency Monetary Item Translation Difference Account	**359.63**		302.76	
	Remeasurement of Defined Benefit Plans thru OCI	**(570.88)**		(677.48)	
	Interest Income	**(1,783.62)**		(1,622.12)	
	Dividend Income	**(860.87)**		(450.57)	
	Finance costs	**3,721.26**		3,468.99	
			14,867.60		7,258.30
3	**Operating Profit before Working Capital Changes (1+2)**		**42,823.40**		**25,330.06**
4	**Change in Working Capital (excluding Cash & Cash Equivalents):**				
	Trade & Other Receivables	**411.30**		(1,621.39)	
	Inventories	**(23,636.65)**		7,653.82	
	Trade and Other Payables	**15,603.39**		(2,646.85)	
	Change in Working Capital		**(7,621.96)**		3,385.58
5	Cash Generated From Operations (3+4)		**35,201.44**		28,715.64
6	Less : Taxes paid		**7,033.44**		3,091.41
7	**Net Cash Flow from Operating Activities (5-6)**		**28,168.00**		**25,624.23**
B	**Cash Flow from Investing Activities:**				
	Proceeds from sale of Property, plant and equipment / Transfer of Assets	**986.09**		300.12	
	Purchase of Property, Plant and Equipment	**(5,470.38)**		(5,264.67)	
	Expenditure on Construction Work in Progress	**(9,295.90)**		(11,083.39)	
	Proceeds from sale of financial instruments (other than working capital)	**2,728.85**		571.92	
	Purchase of Other Investments	**(9,267.00)**		(347.82)	
	Receipt of government grants (Capital Grant)	**103.64**		136.57	
	Interest Income received on Investments	**1,717.54**		1,626.26	
	Dividend Income on Investments	**860.87**		450.57	
	Net Cash Generated/(Used) in Investing Activities:		**(17,636.29)**		(13,610.44)

Particulars		Mar-2017		Mar-2016
C Net Cash Flow From Financing Activities:				
Proceeds from Long-Term Borrowings (Including finance lease)	**2,230.56**		4,911.39	
Repayments of Long-Term Borrowings (Including finance lease)	**(10,664.81)**		(8,428.91)	
Proceeds from/(Repayments of) Short-Term Borrowings	**13.076.20**		(952.33)	
Interest paid	**(2,802.18)**		(3,949.55)	
Dividend/Dividend Tax paid	**(12,773.64)**		(3,470.31)	
Expenses incurred on issuance of Bonus Shares	**(3.19)**		-	
Net Cash Generated/(Used) from Financing Activities:		**(10,937.06)**		(11,889.71)
D Net Change in Cash & Cash Equivalents (A+B+C)		**(405.35)**		**124.08**
E - 1 Cash & Cash Equivalents as at end of the year		**329.50**		734.85
Less:				
E - 2 Cash & Cash Equivalents as at the beginning of year		**734.85**		610.77
NET CHANGE IN CASH & CASH EQUIVALENTS (E 1-2)		**(405.35)**		124.08

Notes:
1. Cash Flow Statement is prepared using Indirect Method as per Indian Accounting Standard-7: Cash Flow Statement.
2. Figures for previous year have been regrouped wherever necessary for uniformity in presentation.
3. Changes in cash and cash equivalents for the purposes of consolidated statement of cash flows under Ind AS:

Particulars	Mar-2016	01.04.2015
Cash and cash equivalents as per previous GAAP	1,318.82	845.10
Joint venture - Equity accounting	(583.97)	(234.33)
Cash and cash equivalents for the purpose of statement of cash flows	734.85	610.77

Sd/-
(B. Ashok)
Chairman

Sd/-
(A.K. Sharma)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For J GUPTA & CO.
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Sd/-
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(Firm Regn. No. 323220E)
Sd/-
(CA. GV. JAYABAL)
Partner
M. No. 015616

Place of Signature : New Delhi
Dated : 25th May, 2017

CONSOLIDATED FINANCIAL STATEMENTS

NOTE-1A: CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES

A. Corporate information

The consolidated financial statements comprise financial statements of "Indian Oil Corporation Limited" ("the holding company" or "IOCL") and its subsidiaries (collectively, the Group) for the year ended 31st March 2017.

IOCL is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai.

The Group has business interests straddling the entire hydrocarbon value chain - from refining, pipeline transportation and marketing of petroleum products to Research & Development, Exploration & Production, marketing of natural gas and petrochemicals.

Information on other related party relationships of the Group is provided in Note-38.

The consolidated financial statements were approved for issue in accordance with a resolution of the Board of directors on 25th May'2017.

B. Standards issued but not yet effective

The MCA has notified Companies (Indian Accounting Standards) (Amendment) Rules, 2017 to amend Ind AS 7 'Statement of Cash flows' and Ind AS 102 "Share-based payment". They shall come into force w.e.f. 1st April 2017. These have not been adopted early by the Group and accordingly, have not been considered in the preparation of the financial statements. The Group intends to adopt these standards, if applicable, when they become effective. The information that are expected to be relevant to the financial statements is provided below.

- **Amendments to Ind AS 7, Statement of Cash flows**

  The amendment to Ind AS 7 introduces an additional disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Management is of the view that the amendment will have impact only on disclosures in relation to cash flow statement within the financial statements.

- **Amendments to Ind AS 102, Share Based payments**

  The amendment is not relevant for the Group as it does not have any cash-settled share based payments or share based payments with a net-settled feature.

C. Significant Accounting Policies

1. BASIS OF PREPARATION / CONSOLIDATION

1.1 The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and with Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and comply in all material aspects with the relevant provisions of the Act.

For all the periods upto 31st March 2016, the financial statements were prepared under historical cost convention in accordance with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. These financial statements for the year ended 31st March 2017 are the first that the Group has prepared in accordance with Ind AS. Refer to note-49 for information on how the Group adopted Ind AS.

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

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and
- Contingent consideration

The consolidated financial statements are presented in INR and all values are rounded to the nearest Crores (INR 0,000,000), except when otherwise indicated.

1.2 Basis of consolidation:

1.2.1 Subsidiaries:

The consolidated financial statements comprise the financial statements of the IOCL and its subsidiaries as at 31st March 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if it has:

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

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

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

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

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

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

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

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

Change in the Group's ownership interests in existing subsidiaries

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

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

1.2.2 Investment in associates and joint ventures

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

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

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

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

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

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

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

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

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

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

1.2.3 Interest in Joint operations:

For the interest in joint operations, the Group recognises:

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

2. FIXED ASSETS

2.1 Property, Plant and Equipment (PPE)

2.1.1 The cost of an item of property, plant and equipment is recognized as an asset if, and only if:

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

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

2.1.2 Fixed Assets are stated at an acquisition cost less accumulated depreciation / amortization and cumulative impairment.

2.1.3 Technical know-how / license fee relating to plants / facilities and specific software that are integral part of the related hardware, are capitalised as part of cost of the underlying asset.

2.1.4 Spare parts are capitalized when they meet the definition of PPE, i.e., when the Group intends to use these during more than a period of 12 months.

2.1.5 The acquisition of property, plant and equipment, directly increasing the future economic benefits of any particular existing item of property, plant and equipment, which are necessary for the Group to obtain the future economic benefits from its other assets, are recognized as assets.

2.1.6 On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.2 Construction Period Expenses on Projects

2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with the production / operations simultaneously are charged to revenue.

2.2.2 Financing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized on quarterly basis up to the date of capitalization.

2.2.3 Financing cost, if any, incurred on General Borrowings used for projects is capitalized at the weighted average cost. The amount of such borrowings is determined on quarterly basis after setting off the amount of internal accruals.

2.3 Capital Stores (Included in CWIP)

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

2.4 INTANGIBLE ASSETS

2.4.1 Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets and amortized on a straight line basis over the life of the underlying plant / facility.

2.4.2 Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.

2.4.3 Costs incurred on computer software / licenses purchased / developed resulting in future economic benefits, other than specific software that are integral part of the related hardware, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalised. However, where such computer software is still in development stage, costs incurred during the development stage of such software are accounted as “Intangible Assets Under Development”.

2.4.4 Right of ways with indefinite useful lives are not amortised, but are tested for impairment annually at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2.4.5 Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Statement of profit & loss in the period in which the expenditure is incurred.

2.4.6 The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit & loss when the asset is derecognized

2.4.6 On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognized as of 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible assets.

2.5 Depreciation/Amortization

2.5.1 Cost of tangible fixed assets (net of residual value) is depreciated on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in case of following assets:

a) Useful life of 15 years for Plant and Equipment relating to Retail Outlets (other than storage tanks and related equipments) and LPG cylinders & pressure regulators considered based on technical assessment

b) Useful life of 25 years for solar power plant considered based on technical assessment

c) In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II, whichever is lower

d) In case of certain assets of R&D centre useful life is considered based on technical assessment

e) In case of immovable assets constructed on leasehold land, useful life as per Schedule-II or lease period of land (including renewable period) , whichever is lower

Depreciation/ amortization is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalization/ sale, disposal/ or earmarked for disposal. Residual value is generally considered between 0 to 5% of cost of assets except in few cases where it is considered based on transfer value agreed in respective agreement. Further, in case of catalyst with noble metal content, residual value is considered based on the cost of metal content.

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

2.5.2 Assets, other than LPG Cylinders and Pressure Regulators, costing upto ₹ 5,000/- per item are depreciated fully in the year of capitalization. Further, spare, components like catalyst excluding noble metal content and major overhaul/ inspection are also depreciated fully over their respective useful life.

2.5.3 The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3. LEASES

3.1.1 A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

3.1.2 **Operating Leases as a lessee**

Lease rentals are recognized as expense on a straight line basis with reference to lease terms and other considerations except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken on lease.; or

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

Contingent rentals are recognised as expenses in the periods in which they are incurred.

3.1.3 Operating Leases as a lessor

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.; or

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.1.4 Finance leases as lessee

(i) Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

(ii) A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

3.1.5 **Finance leases as lessor**

All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts are adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment.

3.1.6 The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

4. Impairment of Non-Financial Assets

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

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

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

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

5. BORROWING 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.

6. FOREIGN CURRENCY TRANSACTIONS/TRANSLATION

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

6.2 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.

6.3 Monetary items denominated in foreign currencies (such as cash, receivables, payables etc) outstanding at the end of reporting period, are translated at exchange rates prevailing as at the end of reporting period.

6.4 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 other than those measured at fair value.

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

6.4.1 (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 loans as mentioned in Para (b) (i) below.

(b) **(i) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before 31st March 2016:**

Exchange differences on long-term foreign currency loans relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets . In other cases, exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long-term foreign currency loan by recognition as income or expense in each of such periods.

(ii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after 1st April 2016:

The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after 1st April 2016 is charged off or credited to Statement of profit & loss.

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

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

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

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

7. INVENTORIES

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

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

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

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

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

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

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

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

7.3 Stores and Spares

7.3.1 Stores and Spares (including 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/catalysts, crude oil, certified emission rights (CERs) and own products) towards likely diminution in the value.

7.3.2 Stores & Spares in transit are valued at cost.

7.3.3 Spent Catalysts are valued at lower of the weighted average cost or Net realizable Value.

8. PROVISIONS, CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

8.1 Provisions

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

8.1.2 When the Group expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

8.1.4 Decommissioning Liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

8.2 Contingent Liabilities

8.2.1 Show-cause Notices issued by various Government Authorities are not considered as Obligation.

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

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

a) A provision is recognized in respect of present obligations where the outflow of resources is probable;

b) All other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

8.3 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account are considered for disclosure.

9. REVENUE RECOGNITION

9.1 Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

However, sales tax/ value added tax (VAT) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

9.2 Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

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

9.3 Dividend income is recognized when the Group's right to receive dividend is established.

9.4 Claims (including interest on outstanding) are recognized at cost when there is reasonable certainty regarding its ultimate collection.

9.5 When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract cost incurred for work performed.

When the outcome of construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable to be recovered. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

10. EXCISE DUTY

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

11. TAXES ON INCOME

11.1 Current income tax

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

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

11.2 Deferred tax

11.2.1 Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except (a) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss ; (b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets are recognised in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

11.2.2 The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

11.2.3 Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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

12. EMPLOYEES BENEFITS

12.1 Short Term Benefits

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

12.2 Post-Employment Benefits and Other Long Term Employee Benefits

a) The Group's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss / CWIP. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the Group and charged to Statement of Profit and Loss / CWIP.

b) The Group operates defined benefit plans for Gratuity, Post Retirement Medical Benefits, Resettlement, Ex-gratia and AOD pension fund. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year. Out of these plans, Gratuity, Post Retirement Medical Benefits and AOD pension fund are administered through respective Trusts.

c) Obligations on other long term employee benefits viz leave encashment and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.

d) The Group also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.

12.3 Termination Benefits

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

12.4 Remeasurements

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

13. GRANTS

13.1 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 recognized as income in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

13.2 Revenue Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Revenue related grants (subsidy and budgetary support towards under recoveries) are reckoned in "Revenue from operations" as per the respective schemes notified by Government from time to time, subject to final adjustments as per separate audit wherever applicable. In case of waiver of duty under EPCG license, such grant is considered as revenue grant and recognised in "Other income" in proportion of export obligations actually fulfilled during the accounting period. All other revenue grants has been recorded under "Other Income" except grant in respect of north east excise duty, entry tax exemption and upstream discount for under recoveries on sale of controlled products, which are netted off with the related expense.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate or NIL interest rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

14. OIL & GAS EXPLORATION ACTIVITIES

14.1 Pre-acquisition costs

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

14.2 Exploration stage

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

- acquired rights to explore
- exploratory drilling costs

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

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

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

14.3 Development stage

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

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

14.4 Production Phase

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

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

14.5 Abandonment Phase

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

15. Current versus non-current classification

15.1 The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

15.2 An asset is treated as current when it is:

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

All other assets are classified as non-current.

15.3 A liability is current when

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

All other liabilities are classified as non-current.

16. NON-CURRENT ASSETS HELD FOR SALE

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

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

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

16.3 Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

17. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

17.1 Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial Assets at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at fair value through other comprehensive income (FVTOCI)
- Financial assets and derivatives at fair value through profit or loss (FVTPL)

17.1.1 Financial Assets at amortised cost

A financial assets is measured at the amortised cost if both the following conditions are met:

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

17.1.2 Debt instrument at FVTOCI

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

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

17.1.3 Equity instrument at FVTOCI (Other than subsidiaries, JVs and associates)

All equity investments in scope of Ind AS 109 are measured at fair value. The Group has made an irrevocable election to present subsequent changes in the fair value in other comprehensive income, excluding dividends. The classification is made on initial recognition/transition and is irrevocable.

There is no recycling of the amounts from OCI to P&L, even on sale of investment.

17.1.4 Debt Instruments and derivatives at FVTPL

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

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. Interest income on such instruments has been presented under interest income.

17.1.5 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

17.1.6 Impairment of financial assets

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

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

b) Lease receivables under Ind AS 17

Simplified Approach

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

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

General Approach

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). The balance sheet presentation for various financial instruments is described below:

- **Financial assets measured as at amortised cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

17.2 Financial liabilities

17.2.1 Initial recognition and measurement.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of liabilities measured at amortised cost net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

17.2.2 Subsequent measurement

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

A. Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognised in the profit or loss.

B. Financial liabilities at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

17.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit & loss.

17.3 Embedded derivatives

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

17.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

17.5 Derivative instrument- Initial recognition / subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

17.6 Commodity contracts

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

19. TREASURY SHARES

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

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

20. FAIR VALUE MEASUREMENT

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

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

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

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

20.5 The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

20.6 All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

21. BUSINESS COMBINATIONS AND GOODWILL

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

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

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

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

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

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

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

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

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

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

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

Note-1B: Significant accounting judgements, estimates and assumptions

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

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

JUDGEMENTS

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

Lease classification in case of leasehold land

The Group has obtained various lands from the governments for purpose of plants, facilities and offices. These lands are having various tenures and at the end of lease term, the lease could be extended for another term or the land could be returned to the government authority. Since land has an indefinite economic life, the mangement has considered 99 years and above cases for finance lease if at the inception of the lease, the present value of minimum lease payments are substantialy equal to fair value of leased assets. Furthers cases between 90-99 are also evaluated for finance lease on the basis of principle that present value of the minimum lease payments are substantially equal to fair value of the leased asset. In addition, other indicators such as the lessee's ability to renew lease for another term at substantially below market rent, lessee's option to purchase at price significantly below fair value are also examined for classification of land lease. Leases not meeting the finance lease criteria are classified under operating leases.

Oil & Gas Reserves

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

Intangible asset under development

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

Contingencies

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

ESTIMATES AND ASSUMPTIONS

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

Defined benefit plans/ Other Long term employee benefits

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

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

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

Fair value measurement of financial instruments

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

Impairment of financial assets

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group's past history and other factors at the end of each reporting period. Also refer Note-41 for impairment analsysis and provision.

Provision for decommissioning

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

NOTE-2: PROPERTY PLANT AND EQUIPMENT

Current Year

(₹ in Crore)

		Land-Freehold	Land-Leasehold	Buildings, Roads etc.	Plant And Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage And Water Supply System	Producing Properties	Total
Gross Block		(Refer A&F)	(Refer A&F)	(Refer B&F)								
	Gross Block as at 01.04.2016	**1,845.56**	**196.37**	**9,037.25**	**87,667.32**	**591.92**	**42.87**	**348.12**	**91.69**	**108.67**	**4,871.03**	**104,800.80**
	Additions during the year	223.40	83.93	431.56	4,178.07	176.54	15.60	55.80	1.07	399.59	37.07	5,602.63
	Transfers from construction work-in-progress	2.88	14.07	1,106.99	16,400.39	84.87	2.89	52.53	12.12	485.11	128.09	18,289.94
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	(5.67)	(77.09)	(28.39)	(1,091.89)	(58.65)	(0.84)	(9.02)	(0.09)	(0.10)	(269.88)	(1,541.62)
	Gross Block as at 31.03.2017 (Refer C)	**2,066.17**	**217.28**	**10,547.41**	**107,153.89**	**794.68**	**60.52**	**447.43**	**104.79**	**993.27**	**4,766.31**	**127,151.75**
DEPRECIATION & AMORTISATION	**Depreciation & Amortisation as at 01.04.2016**	**-**	**3.11**	**563.98**	**4,142.33**	**176.22**	**4.82**	**26.33**	**5.23**	**6.06**	**372.64**	**5,300.72**
	Depreciation & Amortisation during the year (Refer D)	-	2.78	648.30	5,477.83	206.86	8.68	70.97	7.94	65.78	280.97	6,770.11
	Disposals/ Deductions / Transfers/ Reclassifications/ FCTR	-	(2.27)	(2.27)	(60.20)	(50.62)	(1.32)	(3.24)	(0.07)	(0.09)	(29.11)	(149.19)
	Depreciation & Amortisation as at 31.03.2017	**-**	**3.62**	**1,210.01**	**9,559.96**	**332.46**	**12.18**	**94.06**	**13.10**	**71.75**	**624.50**	**11,921.64**
IMPAIRMENT	**Impairment Loss as at 01.04.2016**	-	-	-	-	-	-	-	-	-	**225.59**	**225.59**
	Impairment Loss during the year	-	-	14.70	27.53	-	-	-	-	0.19	-	42.42
	Impairment Loss reversed during the year/ FCTR	-	-	-	-	-	-	-	-	-	(10.88)	(10.88)
	Impairment Loss as at 31.03.2017	**-**	**-**	**14.70**	**27.53**	**-**	**-**	**-**	**-**	**0.19**	**214.71**	**257.13**
Net Block	**As at 31.03.2017**	**2,066.17**	**213.66**	**9,322.70**	**97,566.40**	**462.22**	**48.34**	**353.37**	**91.69**	**921.33**	**3,927.10**	**114,972.98**
	As at 31.03.2016	1,845.56	193.26	8,473.27	83,524.99	415.70	38.05	321.79	86.46	102.61	4,272.80	99,274.49

Previous Year

(₹ in Crore)

		Land-Freehold	Land-Leasehold	Buildings, Roads etc.	Plant And Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage And Water Supply System	Producing Properties	Total
Gross Block	**Gross Block as at 01.04.2015**	**1,407.95**	**194.37**	**7,544.98**	**59,557.67**	**428.64**	**40.72**	**364.93**	**55.45**	**109.37**	**3,936.90**	**73,640.98**
	Additions during the year	352.87	2.93	212.15	4,130.93	116.79	3.34	29.17	5.38	0.22	118.75	4,972.53
	Transfers from construction work-in-progress	82.71	6.84	1,292.77	24,655.68	84.86	0.59	51.99	33.06	0.29	627.19	26,835.98
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	2.03	(7.77)	(12.65)	(676.96)	(38.37)	(1.78)	(97.97)	(2.20)	(1.21)	188.19	(648.69)
	Gross Block as at 31.03.2016	**1,845.56**	**196.37**	**9,037.25**	**87,667.32**	**591.92**	**42.87**	**348.12**	**91.69**	**108.67**	**4,871.03**	**104,800.80**
DEPRECIATION & AMORTISATION	**Depreciation & Amortisation as at 01.04.2015**	-	-	-	-	-	-	-	-	-	-	-
	Depreciation & Amortisation during the year	-	1.24	569.67	4,443.85	201.66	5.38	63.94	7.28	6.06	364.26	5,663.34
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	-	1.87	(5.69)	(301.52)	(25.44)	(0.56)	(37.61)	(2.05)	-	8.38	(362.62)
	Depreciation & Amortisation as at 31.03.2016	**-**	**3.11**	**563.98**	**4,142.33**	**176.22**	**4.82**	**26.33**	**5.23**	**6.06**	**372.64**	**5,300.72**
IMPAIRMENT	**Impairment loss as at 01.04.2015**	-	-	-	-	-	-	-	-	-	-	-
	Impairment Loss during the year	-	-	-	-	-	-	-	-	-	219.99	219.99
	Impairment Loss reversed during the year/ FCTR	-	-	-	-	-	-	-	-	-	5.60	5.60
	Impairment loss as at 31.03.2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**225.59**	**225.59**
Net Block	**As at 31.03.2016**	**1,845.56**	**193.26**	**8,473.27**	**83,524.99**	**415.70**	**38.05**	**321.79**	**86.46**	**102.61**	**4,272.80**	**99,274.49**
	As at 01.04.2015	1,407.95	194.37	7,544.98	59,557.67	428.64	40.72	364.93	55.45	109.37	3,936.90	73,640.98

A.i) Freehold land includes ₹ **9.51 crore** (2016: ₹ 7.59 crore) lying vacant due to title disputes/ litigation.

B.i) Buildings include ₹ **0.01 crore** (2016: ₹ 0.01 crore) towards value of **1605** (2016: 1605) Shares in Co-operative Housing Societies towards membership of such societies for purchase of flats.

ii) Includes Roads, Bridges etc. (i.e. Assets other than Building) of Gross block amounting to ₹ **1,762.66 crore** (2016: ₹ 1,409.47 crore) and net block amounting to ₹ **1,212.98 crore** (2016: ₹ 1,117.19 crore).

C. The cost of assets are net of VAT CREDIT/CENVAT, wherever applicable.

D. Depreciation and amortisation for the year includes ₹ **25.82 crore** (2016: ₹ 235.05 crore) relating to construction period expenses shown in Note-2.2

E. Railways have claimed transfer of ownership in respect of certain assets provided by the Company at railway premises which has not been accepted by the company and continueto be part of fixed assets of the Company, WDV of such assets is ₹ **67.00 crores** (2016: ₹ 64.25 crores).

F. Land and Buildings include ₹ **186.82 crore** (2016: ₹ 456.76 crore) in respect of which Title / Lease Deeds are pending for execution or renewal.

Details of assets under lease included above:

(₹ in Crore)

Asset Particulars	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.17	W.D.V. as at 31.03.16	W.D.V. as at 1.04.15
Taken on Finance Lease						
Buildings	**18.16**	**1.18**	-	**16.98**	17.57	18.10
Plant and Equipment	**4,100.75**	**469.37**	-	**3,631.37**	3,793.44	3,664.89
Given on Operating Lease						
Buildings	**1.00**	**0.05**	-	**0.95**	0.98	1.00
Plant and Equipment	**0.96**	**0.19**	-	**0.77**	0.86	0.96

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

(₹ in Crore)

Asset Particulars	Name of Joint Owner	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.17	W.D.V. as at 31.03.16	W.D.V. as at 1.04.15
Land - Freehold	HPC/BPC	**3.10**	**-**	-	**3.10**	3.10	3.10
Land - Leasehold	HPC/BPC/BALMER LAWRIE	**0.12**	**0.01**	-	**0.11**	0.12	0.12
Buildings	HPC/BPC/BALMER LAWRIE	**29.71**	**3.05**	-	**26.66**	29.05	10.21
Plant and Equipment	HPC/BPC/GSFC/ IPCL/GNRE	**39.38**	**5.39**	-	**33.99**	33.16	48.40
Railway Sidings	HPC/BPC	**9.67**	**1.90**	-	**7.77**	8.15	8.53
Drainage,Sewage & Water Supply	GSFC	**1.20**	**0.96**	-	**0.24**	0.25	0.26
Total		**83.18**	**11.31**	-	**71.87**	**73.83**	**70.62**

Additions to Gross Block Includes:

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	Mar-2017	Mar-2016	Mar-2017	Mar-2016
Buildings	**13.07**	49.66	**27.53**	63.10
Plant and Equipment	**1,004.79**	2,216.80	**1,362.03**	2,187.86
Office Equipments	**0.01**	-	**0.01**	-
Drainage,Sewage & Water Supply	**132.04**	-	**117.67**	-
Total	**1,149.91**	**2,266.46**	**1,507.24**	**2,250.96**

Previous GAAP Gross Block and Accumulated Depreciation for adoption of deemed cost on transition date (Refer Para 2(b) of Note 49):

(₹ in Crore)

Asset Particulars	Gross Block as per Previous GAAP 01.04.2015	Accumulated Depreciation as per Previous GAAP 01.04.2015	Net Block as per Previous GAAP 01.04.2015	IndAs/ Other Adjustments 01.04.2015	Gross Block as per IndAs 01.04.2015
Land - Freehold	1,407.63	-	1,407.63	0.32	1,407.95
Land - Leasehold	1,368.46	154.86	1,213.60	(1,019.23)	194.37
Buildings	11,183.11	3,642.95	7,540.16	4.82	7,544.98
Plant and Equipment	111,574.25	52,759.27	58,814.98	742.69	59,557.67
Office Equipments	1,560.71	1,132.07	428.64	-	428.64
Transport Equipment	264.34	223.67	40.67	0.05	40.72
Furniture & Fixtures	767.14	402.21	364.93	-	364.93
Railway Sidings	208.53	153.08	55.45	-	55.45
Drainage,Sewage & Water Supply	287.39	178.02	109.37	-	109.37
Producing Properties	4,266.65	329.75	3,936.90	-	3,936.90
Total	**132,888.21**	**58,975.88**	**73,912.33**	**(271.35)**	**73,640.98**

Leasehold lands have been categorised as finance/ operating lease based on the terms of lease arrangements and accordingly carrying value of operating leases have been classified under prepaid rentals (Refer Note 8). Other Ind-As adjustments include adjustment for spares, grants, enabling assets etc.

NOTE-2.1: CAPITAL WORK IN PROGRESS

(₹ in Crore)

Particulars			Mar-2017	Mar-2016	01.04.2015
Construction Work in Progress - Tangible Assets					
(Including unallocated capital expenditure, materials at site)	A				
Balance as at beginning of the year		**15,368.82**		24,830.86	24,830.86
Add: Additions during the year		**8,244.13**		10,319.16	-
Less: Allocated/ written off during the year		**13,862.44**		19,781.20	-
		9,750.51		15,368.82	24,830.86
Less: Provision for Capital Losses		**52.63**		29.89	11.04
			9,697.88	15,338.93	24,819.82
Capital stores					
Balance as at beginning of the year		**1,562.84**		3,854.74	3,854.74
Add: Additions during the year		**2,640.24**		2,434.55	-
Less: Allocated/ written off during the year		**2,403.59**		4,726.45	-
		1,799.49		1,562.84	3,854.74
Less: Provision for Capital Losses		**11.11**		5.23	6.94
			1,788.38	1,557.61	3,847.80
Capital Goods in Transit			**371.27**	323.94	269.23
Construction Period Expenses pending allocation:					
Balance as at beginning of the year		**4,798.27**		7,617.64	7,617.64
Add: Net expenditure during the year (Note - 2.2)		**800.84**		3,662.06	-
		5,599.11		11,279.70	7,617.64
Less: Allocated during the year		**4,463.97**		6,481.43	-
			1,135.14	4,798.27	7,617.64
TOTAL			**12,992.67**	**22,018.75**	**36,554.49**
A. Includes Capital Expenditure relating to ongoing Oil & Gas Exploration activities.			**94.34**	33.30	25.23
B. Specific borrowing eligible for capitalisation (Rate)			**1.25% to 9.27%**	0.4% to 9.27%	0.4% to 9.27%
C. Plant and Equipment acquired under Finance Lease			**-**	-	232.51

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

(₹ in Crore)

Particulars	Mar-2017	Mar-2016	01.04.2015
Employee Benefit expenses	**237.82**	304.78	-
Repairs and Maintenance	**5.76**	84.76	-
Consumption of Stores and Spares	**0.01**	2.48	-
Power & Fuel	**174.62**	268.23	-
Rent	**6.81**	76.98	-
Insurance	**13.76**	32.26	-
Rates and Taxes	**1.16**	0.29	-
Travelling Expenses	**33.14**	37.57	-
Communication Expenses	**1.22**	1.94	-
Printing and Stationery	**0.83**	1.07	-
Electricity and Water Charges	**6.33**	62.64	-
Bank Charges	**0.09**	0.22	-
Technical Assistance Fees	**1.69**	2.23	-
Exchange Fluctuation	**(17.75)**	893.50	-
Finance Cost	**296.45**	933.10	-
Depreciation and Amortization on:			
Tangible Assets	**25.82**	235.05	-
Intangible Assets	**-**	1.73	-
Start Up/ Trial Run Expenses (net of revenue)	**(0.15)**	707.78	-
Others	**30.23**	40.92	-
Total Expenses	**817.84**	3,687.53	-
Less : Recoveries	**17.00**	25.47	-
Net Expenditure during the year	**800.84**	**3,662.06**	**-**

NOTE-3: INTANGIBLE ASSETS

Current Year

(₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
Gross Block	**Gross Block as at 01.04.2016**	**200.11**	**546.20**	**61.79**	**808.10**
	Additions during the year	**59.74**	**42.74**	**12.73**	**115.21**
	Transfers from Intangible Assets under Development	**-**	**189.32**	**1.12**	**190.44**
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	**(0.06)**	**(15.13)**	**(2.62)**	**(17.81)**
	Gross Block as at 31.03.2017	**259.79**	**763.13**	**73.02**	**1,095.94**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**Amortisation as at 01.04.2016**	**0.26**	**29.32**	**20.67**	**50.25**
	Amortisation during the year	**0.26**	**37.30**	**24.07**	**61.63**
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	**-**	**(0.18)**	**0.19**	**0.01**
	Amortisation as at 31.03.2017	**0.52**	**66.44**	**44.93**	**111.89**
	Impairment loss as at 01.04.2016	-	-	-	**-**
	Impairment Loss during the year	**0.27**	**-**	**0.01**	**0.28**
	Impairment Loss reversed during the year	-	-	-	**-**
	Impairment loss as at 31.03.2017	**0.27**	**-**	**0.01**	**0.28**
Net Block	**As at 31.03.2017**	**259.00**	**696.69**	**28.08**	**983.77**
	As at 31.03.2016	199.85	516.88	41.12	757.85

Previous Year

(₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
Gross Block	**Gross Block as at 01.04.2015**	**152.08**	**455.41**	**25.69**	**633.18**
	Additions during the year	47.04	8.25	19.87	75.16
	Transfers from Intangible Assets under Development	-	85.00	11.83	96.83
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	0.99	(2.46)	4.40	2.93
	Gross Block as at 31.03.2016	**200.11**	**546.20**	**61.79**	**808.10**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**Amortisation as at 01.04.2015**	-	-	-	-
	Amortisation during the year	0.26	30.54	21.04	51.84
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	-	(1.22)	(0.37)	(1.59)
	Amortisation as at 31.03.2016	0.26	29.32	20.67	50.25
	Impairment Losss as at 01.04.2015	-	-	-	-
	Impairment Loss during the year	-	-	-	-
	Impairment Loss reversed during the year	-	-	-	-
	Impairment Loss as at 31.03.2016	-	-	-	-
Net Block	**As at 31.03.2016**	**199.85**	**516.88**	**41.12**	**757.85**
	As at 01.04.2015	152.08	455.41	25.69	633.18

A. Amortisation for the year includes NIL (2016: ₹ 1.73 crore) relating to construction period expenses taken to Note 2.2

B. Net Block of Intangible assets with indefinite useful life

(₹ in Crore)

	Mar-2017	Mar-2016	01.04.2015
Right of Way	**257.78**	198.10	150.07

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

C. Previous GAAP Gross Block and Accumulated Depreciation for adoption of deemed cost on transition date (Refer Para 2(b) of Note 49)

(₹ in Crore)

	Gross Block as per Previous GAAP 01.04.2015	Accumulated Depreciation as per Previous GAAP 01.04.2015	Net Block as per Previous GAAP 01.04.2015	IndAs/ Other Adjustments 01.04.2015	Gross Block as per IndAs 01.04.2015
Right of Way	165.57	13.49	152.08	-	152.08
Licenses	1,319.63	864.22	455.41	-	455.41
Computer Software	216.23	190.07	26.16	(0.47)	25.69
Total	**1,701.43**	**1,067.78**	**633.65**	**(0.47)**	**633.18**

NOTE-3.1: INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

Particulars		Mar-2017	Mar-2016	01.04.2015
Work in Progress - Intangible Assets				
(Including Unallocated Capital Expenditure)				
Balance as at beginning of the year	**4,332.09**		4,104.84	4,104.84
Add: Net expenditure during the year	**200.79**		815.74	-
	4,532.88		4,920.58	4,104.84
Less: Allocated during the year	**532.07**		588.49	-
	4,000.81		4,332.09	4,104.84
Less: Provision for Loss	**215.08**		131.85	126.26
		3,785.73	4,200.24	3,978.58
TOTAL		**3,785.73**	**4,200.24**	**3,978.58**
A Includes Capital Expenditure (Net) relating to ongoing Oil & Gas Exploration activities.		**3,540.35**	3,881.41	3,595.95
B. Intangible assets under development are mainly in the nature of E&P Blocks and Licences & Computer Softwares.				

NOTE-4: INVESTMENTS

Particulars		Investment Currency	Face Value/ Paid up Value	Mar-2017 No. of shares	Mar-2017 Carrying Value	Mar-2016 No. of shares	Mar-2016 Carrying Value	01.04.2015 No. of shares	01.04.2015 Carrying Value
				Nos.	(₹ in Crore)	Nos.	(₹ in Crore)	Nos.	(₹ in Crore)
NON-CURRENT INVESTMENTS :									
I	**In Equity Shares**								
A	**In Subsidiaries** (not consolidated)								
	IndianOil Creda Bio Fuels Limited	Indian Rupees	10	18381197	**18.38**	18307197	18.31	18233197	18.23
	Less Provision for Impairment				**(18.38)**		(18.31)		(18.23)
	Sub-Total: (I) (A)				**-**		-		-
B	**In Associates (Equity Method*):**								
	QUOTED:								
	Petronet LNG Limited	Indian Rupees	10	93750000	**1,022.30**	93750000	832.81	93750000	739.40
	UNQUOTED:								
	Avi-Oil India Private Limited	Indian Rupees	10	4500000	**12.72**	4500000	10.85	4500000	9.01
	Petronet India Limited	Indian Rupees	10	18000000	**19.02**	18000000	13.32	18000000	10.85
	Petronet VK Limited	Indian Rupees	10	49999970	**0.02**	25999970	-	25999970	-
	Investment in BC Shale Gas Partnership	Canadian Dollars			**-**		-		87.38
	Sub-total: (I)(B)				**1,054.06**		**856.98**		**846.64**
C	**In Joint Ventures (Equity Method*):**								
	UNQUOTED:								
	IOT Infrastructure & Energy Services Limited	Indian Rupees	10	494828289	**455.73**	270764322	190.80	265912127	203.15
	Indian Oil Panipat Power Consortium Limited	Indian Rupees	10	840000	**-**	840000	-	840000	-
	Lubrizol India Private Limited	Indian Rupees	100	960000	**275.59**	960000	269.77	960000	249.64

Particulars	Investment Currency	Face Value/ Paid up Value	Mar-2017		Mar-2016		01.04.2015	
			No. of shares	Carrying Value	No. of shares	Carrying Value	No. of shares	Carrying Value
			Nos.	(₹ in Crore)	Nos.	(₹ in Crore)	Nos.	(₹ in Crore)
Indian Oil Petronas Private Limited	Indian Rupees	10	134000000	**418.38**	134000000	353.90	134000000	292.38
Petronet CI Limited (under liquidation)	Indian Rupees	10	3744000	**-**	3744000	-	3744000	-
Green Gas Limited	Indian Rupees	10	23042250	**62.67**	23042250	40.29	23042250	23.07
IndianOil SkyTanking Private Limited	Indian Rupees	10	25950000	**61.77**	25950000	57.57	17300000	35.01
Suntera Nigeria 205 Limited	Naira rupees	1	2500000	**-**	62502	-	62502	-
Delhi Aviation Fuel Facility Private Limited	Indian Rupees	10	60680000	**72.35**	60680000	82.26	60680000	78.82
Indian Synthetic Rubbers Private Limited	Indian Rupees	10	222861375	**44.99**	222861375	23.64	177890625	51.29
NPCIL-IndianOil Nuclear Energy Corporation Limited	Indian Rupees	10	260000	**0.30**	260000	0.29	260000	0.27
GSPL India Gasnet Limited	Indian Rupees	10	72025030	**72.91**	55125030	55.73	48625030	48.94
GSPL India Transco Limited	Indian Rupees	10	53300000	**54.28**	42900000	43.64	36400000	36.94
Indian Oil Adani Gas Private Limited	Indian Rupees	10	85000000	**80.54**	45000000	43.62	12300000	13.33
Mumbai Aviation Fuel Farm Facility Private Limited	Indian Rupees	10	38271250	**42.75**	38271250	33.35	4502500	-
Kochi Salem Pipeline Private Limited	Indian Rupees	10	55000000	**52.36**	40000000	38.68	2500000	2.50
IndianOil LNG Private Limited	Indian Rupees	10	5000	**-**	5000	-		-
Hindustan Urvarak and Rasayan Limited	Indian Rupees	10	5025000	**3.61**				
Indian Oil Ruchi Biofuels LLP **(Capital Fund)**	Indian Rupees			**-**		-		-
Indian Additives Ltd.	Indian Rupees	100	1183401	**139.90**	1183401	119.38	1183401	100.96
National Aromatics and Petrochemical Corporation Limited	Indian Rupees	10	25000	**-**	25000	-	25000	-
Mer Rouge Oil Storage Terminal Co Ltd ("MOST") (Note - B4)	Mauritian Rupees	1000		**-**	5000	0.94	5000	0.87
VANKOR India Pte Ltd	USD	1	568968589	**3,966.82**				
TAAS India Pte Ltd	USD	1	407941730	**2,693.12**				
Sub-total: (I)(C)				**8,498.07**		**1,353.86**		**1,137.17**

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

			Mar-2017		Mar-2016		01.04.2015	
Particulars	Investment Currency	Face Value/ Paid up Value	No. of shares	Fair Value	No. of shares	Fair Value	No. of shares	Fair Value
			Nos.	(₹ in Crore)	Nos.	(₹ in Crore)	Nos.	(₹ in Crore)
D In Others								
Investments designated at fair value through OCI:								
QUOTED:								
Oil and Natural Gas Corporation Limited	Indian Rupees	5	986885142	**18,257.37**	657923428	14,086.14	657923428	20,155.48
GAIL (India) Limited	Indian Rupees	10	40839548	**1,539.45**	30629661	1,091.64	30629661	1,187.82
Oil India Limited	Indian Rupees	10	35667400	**1,190.57**	26750550	837.29	26750550	1,217.01
UNQUOTED:								
International Cooperative Petroleum Association, New York	USD	100	350	**0.02**	350	0.02	350	0.02
Haldia Petrochemical Limited	Indian Rupees	10	150000000	**271.20**	150000000	145.80	150000000	69.75
Vadodara Enviro Channel Limited[a] (Formerly Effluent Channel Projects Limited)	Indian Rupees	10	7151	**-**	7151	-	7151	-
Woodlands Multispeciality Hospital Limited	Indian Rupees	10	101095	**0.10**	101095	0.10	101095	0.10
Shama Forge Co. Limited[b] (under liquidation)	Indian Rupees	10	100000	**-**	100000	-	100000	-
BioTech Consortium India Ltd	Indian Rupees	10	100000	**0.10**	100000	0.10	100000	0.10
Ceylon petroleum storage terminal limited	Sri Lankan Rupees	17.576	250000000	**328.53**	250000000	342.93	250000000	368.33
Pacific NorthWest LNG Limited	Canadian Dollars		10000	**0.49**	10000	0.51	10000	0.49
Carabobo Ingenieria Y Construcciones S.A.	USD		12.1% of Capital Stock	**7.78**	12.1% of Capital Stock	5.85	12.1% of Capital Stock	4.63
Petrocarabobo S.A.	USD		3.5% of Capital Stock	**384.93**	3.5% of Capital Stock	400.88	3.5% of Capital Stock	418.70
Pacific NorthWest LNG Limited Partnership	Canadian Dollars			**209.19**		207.77		147.60
Mer Rouge Oil Storage Terminal Co Ltd ("MOST") Note - B4	Mauritian Rupees	1000	5000	**0.93**				
In Consumer Cooperative Societies:								
Barauni[c]	Indian Rupees	10	250	**-**	250	-	250	-
Guwahati[d]	Indian Rupees	10	750	**-**	750	-	750	-
Mathura[e]	Indian Rupees	10	200	**-**	200	-	200	-
Haldia[f]	Indian Rupees	10	1663	**-**	1663	-	1663	-
In Indian Oil Cooperative Consumer Stores Limited, Delhi[g]	Indian Rupees	10	375	**-**	375	-	375	-
MRL Industrial Cooperative Service Society Ltd	Indian Rupees	10	9000	**0.01**	9000	0.01	9000	0.01
Sub-total: (I)(D)				**22,190.67**		**17,119.04**		**23,570.04**
Sub-total: (I)=[(I)(A)+(I)(B)+(I)(C)+1(D)]				**31,742.80**		**19,329.88**		**25,553.85**

Particulars		Investment Currency	Face Value/ Paid up Value	Mar-2017 No. of shares	Mar-2017 Fair Value	Mar-2016 No. of shares	Mar-2016 Fair Value	01.04.2015 No. of shares	01.04.2015 Fair Value
				Nos.	(₹ in Crore)	Nos.	(₹ in Crore)	Nos.	(₹ in Crore)
II	**In Preference Shares**								
	Investments at fair value through profit or loss								
	In Others								
	UNQUOTED:								
	Shama Forge Co. Limited[h] (under liquidation) 9.5% Cumulative Redeemable Preference Shares	Indian Rupees	100	5000	**-**	5000	-	5000	-
	Sub-total: (II)				**0.00**		**0.00**		**0.00**
III	**In Government Securities Investments at fair value through OCI**								
	Quoted:								
	Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	2065000	**2,003.54**	4770000	4,438.01	5200000	4,828.23
	9.15% Govt Stock 2024	Indian Rupees	10000	1948000	**2,173.97**	-	-	-	-
	Sub-total: (III)				**4,177.51**		**4,438.01**		**4,828.23**
IV	**In Debentures or Bonds**								
	(Investments in JV adjusted for equity method)								
	Unquoted:								
	IndianOil LNG Pvt Limited (Fully and Compulsorily Convertible Debentures)	Indian Rupees	1000000	3265	**297.52**	3265	321.16	-	-
					297.52		321.16		-
	Total Non Current Investments (I+II+III+IV)				**36,217.83**		**24,089.05**		**30,382.08**
CURRENT INVESTMENTS :									
	Unquoted: (at fair value through profit or loss)								
	Unit Trust Investment (NAV)				**274.00**		-		-
	In Government Securities (at fair value through OCI)								
	Quoted:								
	Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	7038020	**7,182.02**	7082020	7,095.74	7312020	7,353.83
	9.15% Govt Stock 2024	Indian Rupees	10000	12000	**13.39**	-	-	-	-
					7,469.41		**7,095.74**		**7,353.83**

(₹ in Crore)

Particulars	Mar-2017	Mar-2016	01.04.2015
Aggregate value of quoted investments	**33,382.61**	28,381.63	35,481.77
Aggregate market value of quoted investments	**36,139.84**	29,899.60	36,350.66
Aggregate value of unquoted investments	**10,304.63**	2,803.16	2,254.14
Aggregate amount of impairment in value of investments	**18.38**	18.31	18.23

NOTE: A

Investment in Oil Marketing Companies GOI Special Bonds consists of:

Nature of Bond	No. of Bonds	Face Value (₹ Crore)	Fair Value (₹ Crore)
1. Non-Current Investments:			
6.90% GOI SPECIAL BONDS 2026	1,965,000	1,965.00	1,899.43
8.20% GOI SPECIAL BONDS 2023	100,000	100.00	104.11
Total Non-Current Investments	**2,065,000**	**2,065.00**	**2,003.54**
2. Current investment:			
8.13% GOI SPECIAL BONDS 2021	78,000	78.00	80.79
7.95% GOI SPECIAL BONDS 2025	457,250	457.25	469.58
8.20% GOI SPECIAL BONDS 2023	1,353,510	1,353.51	1,409.09
6.90% GOI SPECIAL BONDS 2026	1,854,930	1,854.93	1,793.02
8.00% GOI SPECIAL BONDS 2026	189,270	189.27	194.87
8.20% GOI SPECIAL BONDS 2024	3,105,060	3,105.06	3,234.67
Total Current Investments	**7,038,020**	**7,038.02**	**7,182.02**

NOTE-B: OTHER DISCLOSURES

1 During the year, Oil Marketing Companies 8.20% GOI Special Bonds of face value ₹ 100 crore are reclassified from current to non-current investments and Oil Marketing Companies 8.00% GOI Special Bonds of face value ₹ 405 crore & 6.90% GOI Special Bonds of face value ₹ 2400 crore are reclassified from non current to current investments.

2 Out of Government Securities classified as non-current, the following are pledged in favour of Clearing Corporation of India Ltd. (CCIL) for Loans through Collaterised Borrowings and Lending Obligation (CBLO) of CCIL

(₹ in crore)

Nature of Bond	Mar-2017		Mar-2016		01.04.2015	
	Face Value	Carrying Value	Face Value	Carrying Value	Face Value	Carrying Value
6.90% Oil Marketing Companies GOI Special Bonds 2026	**1,965.00**	**1,899.43**	4,365.00	4,032.70	4,365.00	4,052.90
9.15% GOVT.STOCK 2024	**1,948.00**	**2,173.97**	-	-	-	-

3 Out of Oil Marketing Companies GOI Special Bonds,the following has been earmarked in line with the requirement of Companies (Share Capital and Debentures) Rules, 2014:

(₹ in crore)

Nature of Bond	Mar-2017		Mar-2016		01.04.2015	
	Face Value	Carrying Value	Face Value	Carrying Value	Face Value	Carrying Value
8.20% GOI SPECIAL BONDS 2023	**97.28**	**101.27**				
8.00% GOI SPECIAL BONDS 2026			404.88	405.18		
6.90% GOI Special Bonds 2026					302.42	280.79

4 A Joint Venture of a subsidiary company, viz. M/s Mer Rouge Storage Terminal CO Ltd ("MOST"), has not been consolidated. Initially the subsidiary company has a share of 25% in MOST and during the year 2017, there has been a change in shareholding consequent upon the management's decision to participate with 6% of shareholding.

(Amount in ₹)

		Mar-2017	Mar-2016	01.04.2015
a.	Amount Invested	**10**	10	10
b.	Amount Invested	**100**	100	100
c.	Amount Invested	**2,500**	2,500	2,500
d.	Amount Invested	**2,500**	2,500	2,500
e.	Amount Invested	**2,000**	2,000	2,000
f.	Amount Invested	**16,630**	16,630	16,630
g.	Amount Invested	**3,750**	3,750	3,750
h.	Amount Invested	**100**	100	100

NOTE-5: LOANS

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

(₹ in Crore)

Particulars	Long Term				Short Term			
		Mar-2017	Mar-2016	01.04.2015		Mar-2017	Mar-2016	01.04.2015
Security Deposits								
Secured, Considered Good	**2.56**		0.27	0.27	**-**		-	-
Unsecured, Considered Good	**113.24**		113.05	78.97	**143.35**		447.03	110.44
Unsecured, Considered Doubtful	**0.20**		0.20	0.20	**0.28**		0.12	0.22
	116.00		113.52	79.44	**143.63**		447.15	110.66
Less : Provision for Doubtful Deposits	**0.20**		0.20	0.20	**0.28**		0.12	0.22
		115.80	113.32	79.24		**143.35**	447.03	110.44
Loans A								
To Related Parties								
Secured, Considered Good	**0.11**		0.17	0.31	**0.02**		0.05	0.05
Unsecured, Considered Good	**67.55**		65.79	65.54	**601.73**		61.23	48.23
Unsecured, Considered Doubtful	**-**		-	-	**2.25**		2.51	2.51
	67.66		65.96	65.85	**604.00**		63.79	50.79
Less : Provision for Doubtful Loans	**-**		-	-	**2.25**		2.51	2.51
	67.66		65.96	65.85	**601.75**		61.28	48.28
To Others								
Secured, Considered Good	**584.58**		599.75	611.24	**112.13**		127.23	107.44
Unsecured, Considered Good	**415.34**		354.57	301.37	**918.45**		120.16	71.33
Unsecured, Considered Doubtful	**-**		-	-	**2.07**		60.68	59.94
	999.92		954.32	912.61	**1,032.65**		308.07	238.71
Less : Provision for Doubtful Loans	**-**		-	-	**2.07**		60.68	59.94
	999.92		954.32	912.61	**1,030.58**		247.39	178.77
		1,067.58	1,020.28	978.46		**1,632.33**	308.67	227.05
TOTAL		**1,183.38**	**1,133.60**	**1,057.70**		**1,775.68**	**755.70**	**337.49**

NOTE-6: OTHER FINANCIAL ASSETS

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

(₹ in Crore)

Particulars	Long Term	Long Term Mar-2017	Long Term Mar-2016	Long Term 01.04.2015	Short Term	Short Term Mar-2017	Short Term Mar-2016	Short Term 01.04.2015
Advances for Investments A		**188.51**	11.40	-		**-**	-	-
Amount Recoverable from Central/ State Govt.								
Unsecured, Considered Good		**-**	-	-		**7,748.45**	10,274.56	10,012.54
Finance Lease Receivables		**1.08**	2.19	3.92		**1.11**	1.73	1.74
Deposits for Leave Encashment Fund		**2,903.77**	2,670.78	2,483.95		**-**	-	-
Interest Accrued on Investments/ Bank Deposits/ Loans		**-**	-	-		**196.79**	130.71	134.85
Advance to Employee Benefits Trusts		**557.95**	588.92	559.30		**18.10**	8.12	7.33
Claims Recoverable:								
From Related Parties								
Unsecured, Considered Good	**-**		-	-	**-**		8.02	6.99
Unsecured, Considered Doubtful	**-**		-	-	**21.57**		14.40	14.40
	-		-	-	**21.57**		22.42	21.39
From Others								
Unsecured, Considered Good	**-**		-	-	**3.52**		12.55	5.33
Unsecured, Considered Doubtful	**-**		-	-	**5.84**		2.19	4.78
	-		-	-	**9.36**		14.74	10.11
Less : Provision for Doubtful Claims	**-**		-	-	**27.41**		16.59	19.18
		-	-	-		**3.52**	20.57	12.32
Others	**8.59**		11.01	49.36	**528.69**		550.18	698.18
Less: Provision for doubtful asset	**-**		-	-	**6.02**		6.49	6.31
		8.59	11.01	49.36		**522.67**	543.69	691.87
TOTAL		**3,659.90**	**3,284.30**	**3,096.53**		**8,490.64**	**10,979.38**	**10,860.65**

A. Advances against equity pending allotment

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

(₹ in Crore)

Particulars	Non Current				Current			
		Mar-2017	Mar-2016	01.04.2015		Mar-2017	Mar-2016	01.04.2015
Income/Current Tax Asset/ (Liability) - Net								
Advance payments for Current Tax	-		10,526.39	4,031.06	**16,902.68**		26.57	4,430.42
Less : Provisions	-		10,078.09	2,990.11	**16,984.63**		22.56	4,342.49
	-		448.30	1,040.95	**(81.95)**		4.01	87.93
Advance payments for Fringe Benefit Tax	**5.47**		52.03	52.03	**2.04**		-	-
Less : Provisions	-		44.52	44.52	-		-	-
	5.47		7.51	7.51	**2.04**		-	-
Income/Current Tax Asset/ (Liability) - Net		**5.47**	455.81	1,048.46		**(79.91)**	4.01	87.93
TOTAL		**5.47**	**455.81**	**1,048.46**		**(79.91)**	**4.01**	**87.93**

NOTE- 8: OTHER ASSETS

(Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

Particulars	Non Current				Current			
		Mar-2017	Mar-2016	01.04.2015		Mar-2017	Mar-2016	01.04.2015
Advance for Capital Expenditure								
To Related Parties								
Unsecured, Considered Good	25.78		40.55	16.38	-		-	-
	25.78		40.55	16.38	-		-	-
To Others								
Secured, Considered Good	9.38		0.67	5.25	-		-	-
Unsecured, Considered Good	954.68		482.08	889.86	-		-	-
Unsecured, Considered Doubtful	0.09		0.10	0.10	-		-	-
	964.15		482.85	895.21	-		-	-
	989.93		523.40	911.59	-		-	-
Less: Provision for Doubtful Advance	0.09		0.10	0.10	-		-	-
		989.84	523.30	911.49		-	-	-
Advance Recoverable								
From Related Parties								
Unsecured, Considered Good	309.09		331.51	252.81	29.83		13.90	8.71
	309.09		331.51	252.81	29.83		13.90	8.71
Less : Provision for Doubtful Advances	-		-	-	-		-	-
	309.09		331.51	252.81	29.83		13.90	8.71
From Others								
Secured, Considered Good	-		-	-	0.34		0.73	14.03
Unsecured, Considered Good	-		-	-	2,169.56		2,589.61	3,029.38
Unsecured, Considered Doubtful	0.33		0.33	0.33	6.28		3.23	3.29
	0.33		0.33	0.33	2,176.18		2,593.57	3,046.70
Less : Provision for Doubtful Advances	0.33		0.33	0.33	6.28		3.23	3.29
	-		-	-	2,169.90		2,590.34	3,043.41
		309.09	331.51	252.81		2,199.73	2,604.24	3,052.12
Claims Recoverable:								
From Related Parties								
Unsecured, Considered Good	-		-	-	3.88		0.32	1.24
Unsecured, Considered Doubtful	-		-	-	2.61		2.61	2.61
	-		-	-	6.49		2.93	3.85
From Others								
Unsecured, Considered Good	-		-	-	1,260.70		1,123.87	891.65
Unsecured, Considered Doubtful	-		-	-	91.17		99.48	100.28
	-		-	-	1,351.87		1,223.35	991.93
Less : Provision for Doubtful Claims	-		-	-	93.78		102.08	102.89
		-	-	-		1,264.58	1,124.20	892.89
Balance with Customs, Port Trust and Excise Authorities:								
Unsecured, Considered Good		-	-	-		48.59	47.91	36.43

Particulars	Non Current				Current			
		Mar-2017	Mar-2016	01.04.2015		Mar-2017	Mar-2016	01.04.2015
Gold Coins / Other Precious Metals	-		-	-	21.54		7.29	7.28
Less : Provision for Diminution in value	-		-	-	0.22		0.29	-
		-	-	-		21.32	7.00	7.28
Deferred Expenses		665.09	677.17	693.85		63.93	65.07	60.61
Prepaid Rentals		1,183.73	1,073.30	1,054.29		23.77	21.35	20.00
Others	-		-	-	0.25		0.28	0.21
Less: Provision for doubtful asset	-		-	-	-		-	-
		-	-	-		0.25	0.28	0.21
TOTAL		3,147.75	2,605.28	2,912.44		3,622.17	3,870.05	4,069.54

NOTE-9: INVENTORIES

(₹ in Crore)

Particulars		Mar-2017	Mar-2016	01.04.2015
In Hand :				
Stores, Spares etc.	3,326.39		3,158.15	3,330.39
Less : Provision for Losses	168.85		159.81	156.43
		3,157.54	2,998.34	3,173.96
Raw Materials		14,396.97	8,686.92	11,248.91
Finished Products		25,180.30	16,874.27	15,776.87
Stock in Trade		6,354.73	3,515.56	5,972.50
Stock in Process		5,509.93	2,788.28	4,599.72
Barrels and Tins		45.84	35.51	32.95
		54,645.31	34,898.88	40,804.91
In Transit :				
Stores, Spares etc.		226.37	145.39	154.40
Raw Materials		7,867.68	5,292.76	6,627.70
Finished Products		990.68	1,166.63	950.66
Stock in Trade		2,154.29	753.06	1,376.25
		11,239.02	7,357.84	9,109.01
TOTAL		65,884.33	42,256.72	49,913.92
Includes-				
A Expense recognised for inventories carried at net realisable value.		816.46	294.13	321.36
B Income recognised for inventories carried at net realisable value.		173.52	-	-

NOTE-10: TRADE RECEIVABLES

(₹ in Crore)

Particulars		Mar-2017	Mar-2016	01.04.2015
Outstanding for a period exceeding Six Months from due date:				
From Related Parties				
Unsecured, Considered Good	**4.03**		3.02	0.23
From Others				
Unsecured, Considered Good	**562.95**		495.32	381.18
Unsecured, Considered Doubtful	**107.53**		106.69	146.13
	670.48		602.01	527.31
Total	**674.51**		605.03	527.54
Less : Provision for Doubtful Debts	**107.53**		106.69	146.13
		566.98	498.34	381.41
Others:				
From Related Parties				
Unsecured, Considered Good	**121.25**		35.00	60.78
Unsecured, Considered Doubtful	**0.10**		0.19	0.02
	121.35		35.19	60.80
From Others				
Secured Considered Good	**124.98**		126.26	139.11
Unsecured, Considered Good	**8,085.98**		7,024.90	6,361.93
Unsecured, Considered Doubtful	**10.69**		9.71	8.07
	8,221.65		7,160.87	6,509.11
Total	**8,343.00**		7,196.06	6,569.91
Less : Provision for Doubtful Debts	**10.79**		9.90	8.09
		8,332.21	7,186.16	6,561.82
TOTAL		**8,899.19**	**7,684.50**	**6,943.23**

NOTE - 11: CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars			Mar-2017	Mar-2016	01.04.2015
Cash and Cash Equivalents					
Bank Balances with Scheduled Banks :					
Current Account		**171.85**		395.07	210.67
Fixed Deposit - Maturity within 3 months		**0.05**		267.22	315.89
			171.90	662.29	526.56
Bank Balances with Non-Scheduled Banks			**127.62**	37.07	16.18
Cheques, Drafts in hand			**28.08**	31.98	64.08
Cash Balances, Including Imprest	A		**1.90**	3.51	3.95
TOTAL			**329.50**	**734.85**	**610.77**

A) Includes **Nil** (2016: ₹ 0.10 crore and 01.04.2015: Nil) not available for use.

NOTE-12: BANK BALANCES OTHER THAN ABOVE

(₹ in Crore)

Particulars		Mar-2017	Mar-2016	01.04.2015
Fixed Deposit	A	**41.19**	35.58	33.33
Earmarked Balances	B	**39.05**	279.92	44.05
Blocked Account	C	**-**	-	0.10
Other Bank Balances	D	**0.01**	0.01	0.01
TOTAL		**80.25**	**315.51**	**77.49**

Particulars		Mar-2017	Mar-2016	01.04.2015
A) Earmarked in favour of Statutory Authorities.		**6.07**	4.99	4.99
B) Pertains to:				
Buffer Account for DBTL		**-**	233.64	-
Unpaid Dividend/Fractional Share Warrants		**39.05**	46.28	44.05
C) Blocked in pursuance to Hon'ble High Court order.				
D) There exists restrictions on repatriation of ₹ 0.01 crore (2016: ₹ 0.01 crore and 01.04.2015: ₹ 0.01 crore) from bank account in Myanmar.				

NOTE-13: ASSETS HELD FOR DISPOSAL

(₹ in Crore)

Particulars		Mar-2017	Mar-2016	01.04.2015
Freehold land held for sale	A	2.21	1.72	1.65
Building	B	0.14	1.02	0.36
Plant and Equipment		56.12	35.08	23.11
Office Equipment		0.83	0.69	0.89
Transport Equipment		0.01	0.01	0.04
Furniture and Fixtures		0.04	0.04	0.11
Total		**59.35**	**38.56**	**26.16**

A. The Group has surplus land at various locations such as LPG plant , Depots and RO's etc. which is under the process of disposal. The management intends to sell the land. No impairment was recognised on reclassification of land as held for sale as the Group expects that the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount.

B. Includes non current assets retired from active use used in various segments which are planned to be disposed off by the company through tendering process within a year.

C. During the year, the Group has recognized impairment loss of ₹ **27.10 crore** (2016: ₹ 43.66 crore) on write-down of the asset to fair value less costs to sell and the same has been shown under the caption 'Other Expenses' in the "Statement of Profit & Loss".

NOTE-14: EQUITY SHARE CAPITAL

(₹ in Crore)

Particulars	Mar-2017	Mar-2016	01.04.2015
Authorized:			
600,00,00,000 Equity Shares of ₹ 10 each	**6,000.00**	6,000.00	6,000.00
Issued Subscribed and Paid Up:			
4,855,904,964 (2016: 2,427,952,482 and 01.04.2015: 2,427,952,482) Shares of ₹ 10 each fully paid up	**4,855.90**	2,427.95	2,427.95
Less: Shares held under IOC Shares Trust	**116.56**	58.28	58.28
TOTAL	**4,739.34**	**2,369.67**	**2,369.67**
A. Reconciliation of No. of Equity Shares			
Opening Balance	**2,427,952,482**	2,427,952,482	2,427,952,482
Shares Issued (Bonus Shares)	**2,427,952,482**	-	-
Shares bought back	**-**	-	-
Closing Balance	**4,855,904,964**	**2,427,952,482**	**2,427,952,482**

B. Terms/Rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 each and is entitled to one vote per share. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the corporation, the holders of equity shares will be entitled to receive the remaining assets of the company in proportion to the number of equity shares held.

C. Details of shareholders holdings more than 5% shares

Name of Shareholder	Mar-2017		Mar-2016		01.04.2015	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
PRESIDENT OF INDIA	2,784,280,657	57.34	1,422,150,047	58.57	1,664,965,562	68.57
OIL AND NATURAL GAS CORPORATION LIMITED	668,607,628	13.77	334,303,814	13.77	334,303,814	13.77
LIFE INSURANCE CORPORATION OF INDIA	375,354,812	7.73	234,956,225	9.68	67,324,039	2.77

During the year 2016-17, President of India disinvested:

i) 7,139,518 shares of the company under "Offer for Sale" in favour of the employees of the Corporation in May 2016.

ii) 33,276,129 equity shares in January 2017 and 12,464,272 equity shares in March 2017 in favour of Central Public Sector Enterprises Exchange Traded Fund.

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

(a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	Nil
(b) Aggregate number of shares allotted as fully paid up by way of bonus shares (in October 2016)	2,427,952,482
(c) Aggregate number and class of shares bought back	Nil

NOTE-15: OTHER EQUITY

(₹ in Crore)

Particulars			Mar-2017	Mar-2016	01.04.2015
Retained Earnings					
General Reserve:					
As per last Account		**71,420.93**		64,966.82	64,628.80
Add: Opening Balance Adjustment due to Ind-AS	A	**-**		-	338.02
Add: Remeasurement of Defined Benefit Plans		**(370.68)**		(443.23)	-
Add : Transfer from Bond Redemption Reserve		**674.79**		456.65	-
Less: Utilized for Issue of Bonus Shares		**2,372.86**		-	-
Add: Adjustment in Opening Balance		**-**		(50.94)	-
Add: Appropriation from Surplus		**5,854.26**		6,491.63	-
		75,206.44		71,420.93	64,966.82
Surplus (Balance in Statement of Profit and Loss):					
Balance Brought Forward from Last Year's Account		**268.49**		(905.54)	(905.54)
Profit for the Year		**19,849.49**		12,022.45	-
Less: Appropriations					
Interim Dividend		**8,531.08**		1,303.44	-
Final Dividend		**2,014.34**		1,564.09	-
Corporate Dividend Tax on:					
Interim Dividend		**1,764.16**		269.33	-
Final Dividend		**456.88**		335.68	-
Insurance Reserve (Net)		**20.00**		20.00	-
Bond Redemption Reserve		**525.58**		877.37	-
Corporate Social Responsibility Reserve (Net)	B	**0.26**		(13.12)	-
General Reserve		**5,854.26**		6,491.63	-
Balance carried forward to next year		**951.42**		268.49	(905.54)
			76,157.86	71,689.42	64,061.28
Other Reserves					
Bond Redemption Reserve :					
As per last Account		**2,991.57**		2,570.85	2,570.85
Add: Appropriation from Surplus		**525.58**		877.37	-
Less: Transfer to General Reserve		**674.79**		456.65	-
			2,842.36	2,991.57	2,570.85

Particulars			Mar-2017	Mar-2016	01.04.2015
Capital Reserve :					
As per last Account		**338.51**		338.51	338.51
On Consolidation		**2.53**		-	-
			341.04	338.51	338.51
Securities Premium Account :					
As per last Account		**91.37**		88.05	88.05
Addition during the year		**-**		3.32	-
			91.37	91.37	88.05
Insurance Reserve :	C				
As per last Account		**183.48**		163.48	163.48
Add: Appropriation from Surplus		**20.00**		20.00	-
			203.48	183.48	163.48
Export Profit Reserve	D		**53.72**	53.72	53.72
Corporate Social Responsibility Reserve:	B				
As per Last Account		**7.07**		20.19	20.19
Add: Appropriation from Surplus		**217.14**		145.29	-
Less: Utilized during the year		**216.88**		158.41	-
			7.33	7.07	20.19
Foreign Currency Monetary Item Translation Difference Account					
As per Last Account		**(414.88)**		(104.46)	(104.46)
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items		**(77.17)**		(613.18)	-
Less: Amortized during the year		**(359.63)**		(302.76)	-
			(132.42)	(414.88)	(104.46)
Fair Value Through Other Comprehensive Income :					
Fair value of Equity Instruments					
As per Last Account		**13,114.36**		19,651.07	19,651.07
Add: Fair value during the year		**5,089.01**		(6,536.71)	-
Less: Transferred to General Reserve		**-**		-	-
			18,203.37	13,114.36	19,651.07
Fair value of Debt Instruments					
As per Last Account		**(208.15)**		(215.80)	(215.80)
Add: Fair value during the year		**148.34**		(24.06)	-
Less: Transferred to Profit or Loss		**(63.76)**		(31.71)	-
			3.95	(208.15)	(215.80)
Translation Reserve on Consolidation					
As per last Account		**(236.53)**		(500.71)	(500.71)
Add : Translation difference		**(178.77)**		264.18	-
			(415.30)	(236.53)	(500.71)
TOTAL			**97,356.76**	**87,609.94**	**86,126.18**

A. Refer Note - 49.

B. Reserve is created for meeting expenses relating to CSR activities.

C. Reserve is created to mitigate risk of loss of assets not insured with external insurance agencies.

D. Amount set aside out of profits from exports for availing income tax benefits.

NOTE-16: LONG TERM BORROWINGS

(At Amortised Cost)

(₹ in Crore)

Particulars		Long Term				Current Maturities*			
			Mar-2017	Mar-2016	01.04.2015		Mar-2017	Mar-2016	01.04.2015
SECURED LOANS									
Bonds:									
Non-Convertible Redeemable Bonds-Series-VIII B	A	**1,070.00**		1,070.00	1,070.00	**63.85**		64.00	63.85
Non-Convertible Redeemable Bonds-Series-IX	B&H	**-**		-	1,600.00	**-**		1,729.10	128.99
Non-Convertible Redeemable Bonds-Series-XIII	C&H	**-**		-	405.00	**-**		429.86	13.19
Non-Convertible Redeemable Bonds-Series-VII B	D&H	**-**		-	-	**-**		-	520.07
Non-Convertible Redeemable Bonds-Series-XII	E&H	**-**		-	-	**-**		-	1,386.23
Non-Convertible Redeemable Bonds-Series-V	F&H	**-**		-	31.60	**-**		33.22	34.83
			1,070.00	1,070.00	3,106.60		**63.85**	2,256.18	2,147.16
Non Convertible Debentures	G		**1,000.00**	1,000.00	1,000.00		**-**	-	1,000.00
Term Loans:									
Oil Industry Development Board (OIDB)			**882.48**	1,568.69	1,374.00		**719.50**	552.63	443.99
Finance Lease Obligations	J		**3,605.55**	3,752.96	3,886.80		**150.86**	134.15	120.74
Total Secured Loans			**6,558.03**	7,391.65	9,367.40		**934.21**	2,942.96	3,711.89
UNSECURED LOANS									
Bonds:									
Foreign Currency Bonds	K	**8,331.50**		8,582.58	8,051.76	**115.90**		119.79	115.14
Senior Notes (Bank of America)	L&H	**648.55**		1,325.20	1,875.15	**662.09**		684.00	20.47
			8,980.05	9,907.78	9,926.91		**777.99**	803.79	135.61
Term Loans:									
From Banks/ Financial Institutions									
In Foreign Currency Loans	M	**10,007.85**		10,641.87	14,907.36	**2,728.39**		6,630.55	3,122.52
From Others									
In Rupees	N	**-**		-	25.00	**-**		25.00	51.25
			10,007.85	10,641.87	14,932.36		**2,728.39**	6,655.55	3,173.77
Total Unsecured Loans			**18,987.90**	20,549.65	24,859.27		**3,506.38**	7,459.34	3,309.38
TOTAL LONG-TERM BORROWINGS			**25,545.93**	27,941.30	34,226.67		**4,440.59**	10,402.30	7,021.27

* Current maturities (including Finance Lease Obligations) are carried to Note-17: Other Financial Liabilities.

Secured Loans (Bonds : A - G)

	Particulars	Allotment Date	Coupon Rate	Date of Redemption	Security Details
A	10,700 Bonds of face value of ₹ 10,00,000/- each	10th September 2008	11.00 % p.a. payable annually on 15th September	After 10 years from the date of allotment	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 & IX holders and OIDB.
B	16,000 Bonds of face value of ₹ 10,00,000/- each	11th December 2008	10.70 % p.a. payable annually on 30th June	After 8 years from the date of allotment. During the year 2016-17 these bonds are fully redeemed.	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 & VIII B holders and OIDB.

	Particulars	Allotment Date	Coupon Rate	Date of Redemption	Security Details
C	17,000 Bonds of face value of ₹ 10,00,000/- each	6th May 2013	8.14 % p.a. payable annually on 30th June (starting after 18 months) from the date of exercise of first put/call option	After 5 years with put/call option after 18 and 36 months from the date of allotment. During the 2014-15 company has partly excercised the call option for ₹ 1295 crore. During 2016-17, the company has exercised call option for remaining bonds on 06th May 2016	These are secured by way of registered mortgage over the immovable properties of the Company at Gujarat Refinery situated at Vadodara in the State of Gujarat ranking pari passu with Bond Series VIIB & XII holders and OIDB
D	5,000 Bonds of face value of ₹ 10,00,000/- each	15th September 2005	7.40% p.a. payable annually on 15th September	After 10 years from the date of allotment. During the year 2015-16 these bonds are fully redeemed.	These were secured by way of registered mortgage over the immovable properties of the Company at Gujarat Refinery situated at Vadodara in the state of Gujarat ranking pari passu with Bond Series XII & XIII holders and OIDB.
E	12,950 Bonds of face value of ₹ 10,00,000/- each	30th April 2012	9.35 % p.a. payable annually on 30th June	After 5 years with put/call option after 3rd year from the date of allotment. During the year 2015-16 company has fully exercised call option on 30th April 2015.	These were secured by way of registered mortgage over the immovable properties of the Company at Flat No. A-52, Rishi Krishna Co. Op. Hsg. Soc. Ltd., Linking Road, Oshiwara, Andheri (West), Mumbai 400 058 and immovable properties of the Company at Gujarat Refinery situated at Vadodara in the State of Gujarat ranking pari passu with Bond Series VIIB & XIII holders and OIDB.
F	158 Bonds of face value of ₹ 2,60,00,000/- each	18th July 2001	10.25% p.a. payable annually on 30th September	Redeemable in 13 equal instalments from the end of the 3rd year upto the end of 15th year from the date of allotment. Accordingly, 12th instalment (STRPP M) was paid in July 2016.	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. and immovable properties at Panipat Refinery in the state of Haryana ranking pari passu with Bond Series VIII B & IX holders and OIDB.
G1	10,000 Nos. of 9.65% secured Redeemable Non convertible debentures (Series-II) of ₹ 10 Lakh each	10th January 2014	9.65 % p.a. payable annually on 10th January.	Principal repayable at the end of 5 years from date of allotment.	First charge on specific Plant & machinery alongwith the underlying land together with all building & structures standing on land to the extent of ₹ 1,000 crore.
G2	10,000 Nos. of 8.85% secured Redeemable Non convertible debentures (Series-I) of ₹ 10 Lakh each	18th February 2013	8.85 % p.a. payable annually on 18th February.	Principal repayable at the end of 5 years or on the exercise of put/call option either in whole or in part at the end of 3 years from 18.02.2013 being date of allotment. Call option exercised and redeemed on 18.02.2016.	First charge on specific Plant & machinery alongwith the underlying land together with all building & structures standing on land to the extent of ₹ 1,000 crore.
H	In line with the requirement of Companies (Share Capital and Debentures) Rules, 2014, the company has earmarked 8.20% Oil Marketing companies GOI Special Bonds 2023 of face value of ₹ **97.28 Crore** (2016: 8.00% Oil Marketing companies GOI Special Bonds 2026 of face value of ₹ 404.88 crore, 01.04.2015: 6.90% Oil Marketing companies GOI Special Bonds 2026 of face value of ₹ 302.42 crore) for total bonds value of ₹ **648.55** crore (2016: ₹ 2,699.20 crore, 01.04.2015: ₹ 1,826.60 crore) maturing in the next financial year.				

Secured Loans (Term Loans : I)

1. Security Details for OIDB Loans:

a)	First Charge on the facilities at Paradip Refinery, Odisha.
b)	First charge on the facilities at Butadiene Extraction Unit, Panipat, Haryana.
c)	First charge on the facilities at FCC Unit at Mathura Refinery, Uttar Pradesh.
d)	First charge on the facilities at Paradip-Raipur-Ranchi pipeline
e)	First charge on the facilities at SMPL System
f)	First charge on the facilities at Paradip-Haldia-Durgapur LPG Pipeline

2. Loan Repayment Schedule against loans from OIDB (Secured)-Term Loans

(₹ in Crore)

S.No.	Repayable During	Repayable Amount	Range of Interest Rate
1	2017-18	688.31	8.12% - 9.27%
2	2018-19	425.81	8.12% - 9.27%
3	2019-20	282.81	8.12% - 8.45%
4	2020-21	177.82	8.12% - 8.27%
	Total	**1,574.75**	

J. Finance Lease Obligations

The Finanace Lease Obligations is against assets aquired under Finance Lease. The net carrying value of the same is ₹ 3,715.24 crores

Unsecured Loans

K. Repayment Schedule of Foreign Currency Bonds

Sl. No.	Particulars of Bonds	Date of Issue	Date of Repayment
1	USD 500 million Reg S bonds	1st August 2013	Payable after 10 years from the date of issue
2	SGD 400 million Reg S bonds	15th October 2012	On the same day, cross currency swap amounting to USD 325.57 Million. Payable after 10 years from the date of issue
3	USD 500 Million Reg S bonds	2nd August 2011	Payable after 10 years from the date of issue

L. Repayment Schedule of Senior Notes (Bank of America)

1	USD 300 Million US Private Placement bonds issued in four tranches of USD 75 Million dt. 6th June, 2nd July, 1st August and 4th sept. 2007 is payable in three tranches of USD 100 Million each on 1st August 2016, 1st August 2017 and 1st August 2018

M. Repayment Schedule of loans from Banks and financial institutions

Sl. No.	Particulars of Loans	Date of drawal	Date of Repayment
1	USD 250 Million syndication loan	29th Jan 2016	Payable after 5 years from the date of drawal
2	USD 650 Million syndication loan	27th June 2014	
3	USD 120 Million syndication loan	12th March 2013	
4	USD 300 Million syndication loan	13th July 2012	

Sl. No.	Amount	Repayment date / schedule
1	USD 50 Million Loan from SBI	18.09.2019
2	CAD 415.58 Million Loan from SBI	5 year from the date of drawal or 31st March 2021 which ever is earlier
3	USD 300 million	5 years from the date of drawal (31.03.2017) i.e. 31.03.2022

N. Repayment Schedule of Unsecured-Rupee Loans from OIDB

(₹ in Crore)

Sl. No.	Repaid During	Repayable Amount	Range of Interest Rate
1	2016-17	25.00	8.89%
	Total	**25.00**	

NOTE-17: OTHER FINANCIAL LIABILITIES

(At Amortised Cost unless otherwise stated) **(₹ in Crore)**

Particulars		Long Term				Current			
			Mar-2017	Mar-2016	01.04.2015		Mar-2017	Mar-2016	01.04.2015
Current maturities of long-term debt (Refer Note - 16)			-	-	-		**4,440.59**	10,402.30	7,021.27
Interest accrued but not due on borrowings			-	-	-		**22.07**	21.73	32.44
Liability for Capital Expenditure			-	-	-		**4,507.64**	3,262.46	2,724.28
Liability to Trusts and Other Funds			-	-	-		**1,885.22**	1,142.53	1,191.71
Employee Liabilities			-	-	-		**1,871.13**	1,239.24	859.20
Advances from Government of India for DBTL Scheme			-	-	-		-	233.64	-
Investor Education & Protection Fund to be credited on the due dates:									
- Unpaid Dividend		-		-	-	**39.02**		46.20	43.97
- Unpaid Matured Deposits		-		-	-	**0.01**		0.01	0.01
			-	-	-		**39.03**	46.21	43.98
Derivative instruments at fair value through profit or loss			-	-	-		**379.03**	366.77	583.38
Security Deposits	A		**20,250.72**	17,508.73	15,087.66		**1,166.43**	1,106.88	999.70
Others			**0.76**	0.67	1.96		**1,509.35**	1,999.01	2,077.07
TOTAL			**20,251.48**	**17,509.40**	**15,089.62**		**15,820.49**	**19,820.77**	**15,533.03**

A. Includes ₹ **1,785.76 crore** (2016: ₹ 505.58 crore and 01.04.2015: ₹ 116.52 crore) towards LPG Connection issued under Pradhan Mantri Ujjawala Yojana (PMUY) and Rajiv Gandhi Gramin LPG Vitarak Yojana (RGGLVY) of Government of India.

NOTE-18: PROVISIONS

(₹ in Crore)

Particulars		Long Term				Short Term			
			Mar-2017	Mar-2016	01.04.2015		Mar-2017	Mar-2016	01.04.2015
Provision for Employee Benefits			**3,059.43**	2,437.04	2,303.94		499.61	386.72	375.99
Decommissioning Liability	A		**166.48**	197.08	120.78		-	-	-
				-					
Contingencies for probable obligations	B	-		-	-	36,433.51		26,584.61	23,212.50
Less: Deposits		-		-	-	17,867.37		17,113.99	14,425.60
			-	-	-		18,566.14	9,470.62	8,786.90
Other Provisions			-	-	-		0.79	0.14	-
TOTAL			**3,225.91**	**2,634.12**	**2,424.72**		**19,066.54**	**9,857.48**	**9,162.89**

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

(₹ in Crore)

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year**	Unwinding of discount and changes in the discount rate	Closing Balance*
Decommissioning Liability - E&P Blocks	**197.08**	1.80	2.98	33.31	3.89	166.48
TOTAL	**197.08**	1.80	2.98	33.31	3.89	166.48
Previous Year Total	**120.78**	95.20	14.71	6.81	2.62	197.08

** Includes gain on account of transalation amounting to ₹ 8.13 crore (2016: Gain of ₹6.78 crore)

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance*
Excise	11.91	-	0.06	0.13	11.72
Sales Tax	1,780.68	878.25	32.47	45.22	2,581.24
Entry Tax	23,716.54	8,041.51	-	-	31,758.05
Others	1,075.48	1,090.29	3.97	79.30	2,082.50
TOTAL	**26,584.61**	**10,010.05**	**36.50**	**124.65**	**36,433.51**
Previous Year Total	23,212.50	3,377.10	0.23	4.76	26,584.61

(₹ in Crore)

Particulars	March-17	
	Addition includes	Utilization/ reversal includes
- capitalized	18.80	54.30
- included in Raw Material	1,236.40	2.30
- included in Finance Cost	1,215.18	-
- included in Employee Benefit Expenses	-	24.32
- Amount transferred from Liabilities to Provisions	1,363.96	-
- Adjusted against Deposits	(1,383.96)	-
- Adjusted in translation difference	(0.26)	-

* Expected timing of outflow is not ascertainable at this stage, the matters being under dispute / contingent.

NOTE-19: TAXES

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

Particulars	As on 01.04.2015	Provided during the year in Statement of Profit & Loss*	Provided during the year in OCI (net)	As on 31.03.2016	Provided during the year in Statement of Profit & Loss*	Provided during the year in OCI (net)	Balance as on 31.03.2017
Deferred Tax Liability:							
Related to Fixed Assets	11,592.19	3,010.52	-	14,602.71	4,423.37	-	19,026.08
Foreign Currency gain on long term monetary item/ Others	52.15	130.05	-	182.20	(114.57)	-	67.63
Total Deferred Tax Liability (A)	**11,644.34**	**3,140.57**	**-**	**14,784.91**	**4,308.80**	**-**	**19,093.71**
Deferred Tax Assets:							
Provision on Inventories, Debtors, Loans and Advance, Investments	196.79	293.57	-	490.36	35.92	-	526.28
Compensation for Voluntary Retirement Scheme	19.86	(4.80)	-	15.06	6.03	-	21.09
43B/40 (a)(ia)/other Disallowances etc.	4,379.02	137.23	-	4,516.25	3,407.02	-	7,923.27
Carry forward business losses/ Unabsorbed Depreciation	766.13	11.68	-	777.81	(412.45)	-	365.36
Fair valuation of Equity instruments	8.03	-	(7.61)	0.42	-	(12.54)	(12.12)
Fair value of debt instruments	114.20	-	(4.06)	110.14	-	(133.15)	(23.01)
Others	144.28	(263.01)	232.53	113.80	(34.65)	2.96	82.11
Total Deferred Tax Assets (B)	**5,628.31**	**174.67**	**220.86**	**6,023.84**	**3,001.87**	**(142.73)**	**8,882.98**
MAT credit entitlement (C)	**698.14**	**1,092.23**	**-**	**1,790.37**	**1,531.70**	**-**	**3,322.07**
Deferred Tax Liability net of MAT Credit (A-B-C)	**5,317.89**	**1,873.67**	**(220.86)**	**6,970.70**	**(224.77)**	**142.73**	**6,888.66**
*Includes translation reserve due to translation of Opening Balance at closing exchange rate.		**(0.56)**			**(0.40)**		

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

Particulars	Mar-2017 %	Mar-2016 %
Applicable tax rate (%)	**34.608**	**34.608**
Tax effect of income that are not taxable in determining taxable profit:	(8.00)	(3.42)
Tax effect of expenses that are not deductible in determining taxable profit.	0.82	1.22
Tax effect on recognition of previously unrecognised allowance/disallowances	1.30	0.61
Tax expenses/income related to prior years	(1.07)	(0.66)
Difference in tax due to Income chargeable to tax at special rates	(0.03)	(0.05)
Tax impact on share of profit of JVs/ Associates added net of tax in PBT of Group	(0.64)	(0.48)
Tax effect of different or nil tax rates of Group Companies	(0.12)	0.12
Others	0.21	(0.64)
Average Effective Tax Rate	**27.08**	**31.31**

NOTE-20: OTHER LIABILITIES

(₹ in Crore)

Particulars	Long Term			Short Term		
	Mar-2017	Mar-2016	01.04.2015	Mar-2017	Mar-2016	01.04.2015
Deferred Income	**9.57**	11.45	13.52	**2.18**	2.17	2.25
Government Grants (Refer Note 44)	**742.85**	666.94	567.14	**16.78**	13.36	7.95
Statutory Liabilities	**-**	-	-	**8,339.62**	7,028.18	5,924.81
Advances from Customers	**-**	-	-	**3,002.74**	2,932.61	3,644.88
Others (Refer point no. 6 of Note - 50)	**-**	-	-	**2,113.94**	216.76	0.68
TOTAL	**752.42**	**678.39**	**580.66**	**13,475.26**	**10,193.08**	**9,580.57**

NOTE-21: BORROWINGS - CURRENT

(₹ in Crore)

Particulars			Mar-2017	Mar-2016	01.04.2015
SECURED LOANS					
Loans Repayable on Demand					
From Banks:	A				
Working Capital Demand Loan		**2,462.41**		-	4,337.42
Cash Credit		**2,671.88**		5,287.42	1,968.05
Foreign Currency Loans		**-**		26.85	785.41
			5,134.29	5,314.27	7,090.88
From Others:					
Loans through Collaterised Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd. (CCIL)	B		**2,635.14**	2,648.26	2,626.64
Total Secured Loans			**7,769.43**	7,962.53	9,717.52
UNSECURED LOANS					
Loans Repayable on Demand					
From Banks/ Financial Institutions					
In Foreign Currency		**20,322.80**		10,552.34	9,839.80
In Rupee		**3,394.56**		3.03	1,002.91
			23,717.36	10,555.37	10,842.71
From Others					
Commercial Papers		**1,797.31**		700.00	600.00
			1,797.31	700.00	600.00
Total Unsecured Loans			**25,514.67**	12,245.37	11,442.71
TOTAL SHORT-TERM BORROWINGS			**33,284.10**	**20,207.90**	**21,160.23**
A. Against hypothecation by way of first pari passu charge on Raw Materials, Finished Goods, Stock-in Trade, Sundry Debtors, Outstanding monies, Receivables, Claims, Contracts, Engagements to SBI and HDFC banks.					
B. Against pledging of following to CCIL:					
Government Securities			**3,913.00**	4,365.00	4,365.00
Bank Guarantees			**1,650.00**	1,650.00	1,650.00

NOTE-22: TRADE PAYABLES

(₹ in Crore)

Particulars	Mar-2017	Mar-2016	01.04.2015
Dues to Micro and Small Enterprises	**24.86**	25.00	14.39
Dues to Related Parties	**387.30**	414.59	469.00
Dues to others	**30,757.52**	23,897.05	30,463.57
TOTAL	**31,169.68**	**24,336.64**	**30,946.96**

NOTE-23: REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars		Mar-2017	Mar-2016
Sales (Net of Discounts)	**447,029.81**		407,065.20
Sale of Services	**17.57**		23.66
Other Operating Revenues (Note "23.1")	**1,656.47**		1,321.33
		448,703.85	408,410.19
Net Claim/(Surrender) of SSC		**(207.24)**	(520.94)
Subsidy From Central/State Govt.		**80.02**	46.60
Grant from Government of India		**5,149.21**	6,885.26
TOTAL		**453,725.84**	**414,821.11**

Particulars relating to Revenue Grants are given in point no. A1 and A2 of Note - 44.

NOTE-23.1: OTHER OPERATING REVENUES

(₹ in Crore)

Particulars	Mar-2017	Mar-2016
Sale of Power and Water	**112.25**	118.12
Revenue from Construction Contracts	**13.35**	19.12
Unclaimed / Unspent liabilities written back	**269.65**	42.26
Provision for Doubtful Debts, Advances, Claims, and Stores written back	**93.91**	69.69
Provision for Contingencies written back	**80.23**	4.94
Recoveries from Employees	**31.03**	29.50
Retail Outlet License Fees	**165.93**	164.98
Income from Non Fuel Business	**198.05**	196.40
Commission and Discount Received	**10.33**	8.91
Sale of Scrap	**115.81**	113.78
Income from Finance Leases	**0.40**	0.60
Amortization of Capital Grants	**16.39**	24.21
Commodity Hedging Gain (Net)	**12.34**	-
Terminalling Charges	**74.23**	37.78
Other Miscellaneous Income	**462.57**	491.04
TOTAL	**1,656.47**	**1,321.33**

NOTE-24: OTHER INCOME

(₹ in Crore)

Particulars			Mar-2017	Mar-2016
Interest on:	A			
Financial items:				
Deposits with Banks		**30.55**		27.64
Customers Outstandings		**319.09**		303.84
Oil Companies GOI SPL Bonds/ Other Investment		**922.36**		924.89
Other Financial Items		**376.39**		311.16
Non-Financial items		**135.23**		54.59
			1,783.62	1,622.12
Dividend:	B			
From Related Parties		**4.55**		2.95
From Other Companies		**856.32**		447.62
			860.87	450.57
Profit on Sale of Investments (Net)			**43.61**	-
Exchange Fluctuations (Net)			**1,119.04**	-
Gain on Derivatives			**-**	58.70
Revenue Grants (Refer point no. A3, A4 and A5 of Note - 44)			**10.19**	4.97
Other Non Operating Income			**55.06**	50.13
TOTAL			**3,872.39**	**2,186.49**
A1. Includes Tax Deducted at Source			**34.26**	32.13
A2. Includes interest received under section 244A of the Income Tax Act.			**111.42**	4.44
A3. Include interest on:				
Current Investments			**724.29**	594.26
Non-Current Investments			**198.07**	330.63
A4. Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss:				
In relation to Financial assets classified at amortised cost			**726.03**	642.64
In relation to Financial assets classified at FVOCI			**864.24**	922.00
TOTAL			**1,590.27**	1,564.64
B Dividend Income consists of Dividend on:				
Current Investments			**33.88**	4.31
Non-Current Investments			**826.99**	446.26

NOTE-25: COST OF MATERIALS CONSUMED

(₹ in Crore)

Particulars		Mar-2017	Mar-2016
Opening Stock		**13,979.68**	17,876.61
Add: Purchases		**188,119.02**	160,282.04
		202,098.70	178,158.65
Less: Closing Stock		**22,264.65**	13,979.68
TOTAL		**179,834.05**	**164,178.97**

Particulars relating to Revenue Grants adjusted in purchases are given in point no. A (2B) and A7 of Note-44.

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

(₹ in Crore)

Particulars		Mar-2017	Mar-2016
Closing Stock			
Finished Products	**26,170.98**		18,040.90
Stock in Process	**5,509.93**		2,788.28
Stock-in-trade	**8,509.02**		4,268.62
		40,189.93	25,097.80
Less:			
Opening Stock			
Finished Products	**18,040.90**		16,727.53
Stock in Process	**2,788.28**		4,599.72
Stock-in-trade	**4,268.62**		7,348.75
		25,097.80	28,676.00
NET INCREASE / (DECREASE)		**15,092.13**	**(3,578.20)**

NOTE-27: EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars	Mar-2017	Mar-2016
Salaries, Wages, Bonus etc	**6,955.10**	5,634.15
Contribution to Provident & Other Funds	**2,273.25**	1,148.04
Voluntary Retirement Compensation	**55.47**	13.49
Staff Welfare Expenses	**920.20**	706.12
TOTAL	**10,204.02**	**7,501.80**

A. Includes ₹ **287.55 crore** (2016: ₹ 82.23 crore) towards corpus fund created for Post Retirement Medical Benefits and other emergency needs in respect of employees retired prior to 01.01.2007 as per DPE guidelines and ₹ **248.07 crore** (2016: ₹ 709.40 crore) towards additional provision for Post Retirement Medical Benefit Scheme for past service prior to 31.12.2006.

B. Above excludes ₹ **237.82 crore** (2016: ₹ 304.78 crore) included in capital work in progress (Note - 2.1) and ₹ **9.90 crore** (2016: ₹ 7.42 crore) included in CSR expenses (Note - 29.1).

C. During the year, the company has recognized an estimated expenses of ₹ **2,203.45 crore** towards revision of employees pay & allowances due w.e.f. 01.01.2017 based on the recommendations by the 3rd Pay Revision Committee. This includes an amount of ₹ **1,256.28 crore** towards estimated liability for likely increase in Gratuity Ceiling and ₹ **364.47 crore** for outstanding leave encashment as on 31st March 2017.

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

NOTE-28: FINANCE COSTS

(₹ in Crore)

Particulars		Mar-2017	Mar-2016
Interest Payments on Financial items:			
Working Capital Loans:			
Bank Borrowings	323.55		458.66
Bonds/Debentures	3.15		55.82
	326.70		514.48
Other Loans:			
Bank Borrowings	669.91		503.59
Bonds/Debentures	612.35		425.56
Others	468.97		431.58
	1,751.23		1,360.73
Unwinding of Discount	2.81		2.90
Others	25.12		263.26
	2,105.86		2,141.37
Interest Payments on Non Financial items:			
Unwinding of Discount	3.89		2.62
Others	1,435.82		739.25
	1,439.71		741.87
		3,545.57	2,883.24
Other Borrowing Cost		22.73	23.99
Applicable Net (Gain) / Loss on Foreign Currency Transactions and Translation		152.96	561.76
TOTAL		3,721.26	3,468.99
Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss		2,105.86	2,141.37

NOTE-29: OTHER EXPENSES

(₹ in Crore)

Particulars		Mar-2017	Mar-2016
Consumption:			
a) Stores, Spares and Consumables	1,435.53		1,406.12
b) Packages & Drum Sheets	430.51		445.28
		1,866.04	1,851.40
Power & Fuel	17,049.64		15,274.16
Less : Fuel from own production	13,088.96		10,597.20
		3,960.68	4,676.96
Throughput, Processing & Blending Fees, Royalty and Other Charges		1,430.52	1,145.26
Octroi, Other Levies and Irrecoverable taxes		1,480.66	1,239.59
Repairs and Maintenance			
i) Plant & Equipment	2,382.99		2,338.08
ii) Buildings	330.91		231.31
iii) Others	500.42		395.76
		3,214.32	2,965.15
Freight, Transportation Charges and Demurrage		11,945.52	12,315.26
Office Administration, Selling and Other Expenses (Note "29.1")		13,010.41	7,343.03
TOTAL		36,908.15	31,536.65
Less: Company's use of own Products and Crude		934.31	1,460.14
TOTAL (Net)		35,973.84	30,076.51

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

(₹ in Crore)

Particulars		Mar-2017	Mar-2016
Rent		680.38	943.28
Insurance		122.55	112.63
Rates & Taxes		92.76	90.88
Donations		3.00	4.15
Payment to auditors			
As Auditors	3.52		2.77
For Taxation Matters	0.35		0.26
Other Services(for issuing other certificates etc.)	1.20		1.02
For reimbursement of expenses	0.38		0.30
		5.45	4.35
Travelling & Conveyance		601.47	534.63
Communication Expenses		65.35	59.00
Printing & Stationery		40.99	38.88
Electricity & Water		312.49	290.63
Bank Charges		21.83	18.22
Bad Debts, Advances & Claims written off		66.99	42.76
Provision/ Loss on Assets sold or written off (Net)		145.03	191.61
Technical Assistance Fees		23.66	36.50
Exchange Fluctuation (net)		-	1,608.16
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.		145.22	59.07
Provision for Diminution/Loss on Revaluation in Investments (net)		0.07	0.07
Security Force Expenses		521.25	432.33
Sales Promotion Expenses (Incl. Commission)		383.90	342.86
Handling Expenses		423.78	373.94
Expenses on Enabling Facilities		0.24	-
Commodity Hedging Losses (Net)		-	16.56
Terminalling Charges		21.37	21.04
Provision for Probable Contingencies		7,559.93	601.30
Exploration & Production Cost		301.63	461.13
Loss on Derivatives		146.54	-
Fair value Loss on Financial instruments classified as FVTPL		0.56	1.32
Amortisation of FC Monetary Item Translation		359.63	302.76
Loss on Sale of Investments (Net)		-	56.37
Expenses on Construction Contracts		11.35	16.06
Expenses on CSR Activities		216.88	158.41
Miscellaneous Expenses		736.11	524.13
TOTAL		13,010.41	7,343.03

NOTE-30: OTHER COMPREHENSIVE INCOME

(₹ in Crore)

Particulars		Mar-2017	Mar-2016
Items that will not be reclassified to profit or loss:			
Remeasurement of Defined Benefit Plans	**(568.18)**		(673.74)
Fair value of Equity Instruments	**5,104.37**		(6,533.68)
Share of Joint Ventures and associates in Remeasurement of Defined Benefit Plans	**(2.70)**		(3.74)
		4,533.49	(7,211.16)
Income Tax relating to items that will not be reclassified to profit or loss:			
Remeasurement of Defined Benefit Plans	**196.69**		232.54
Fair value of Equity Instruments	**(12.54)**		(7.61)
Share of Joint Ventures and associates in Remeasurement of Defined Benefit Plans	**0.83**		0.92
		184.98	225.85
Items that will be reclassified to profit or loss:			
Fair value of Debt Instruments	**247.75**		(36.78)
Translation Reserve on Consolidation	**(208.87)**		263.58
Share of Joint Ventures and associates in Translation Reserve on Consolidation	**15.21**		(2.65)
		54.09	224.15
Income Tax relating to items that will be reclassified to profit or loss:			
Fair value of Debt Instruments	**(99.41)**		12.72
		(99.41)	12.72
TOTAL		**4,673.15**	**(6,748.44)**

NOTE-31: DISTRIBUTIONS MADE AND PROPOSED

(₹ in Crore)

	Mar-2017	Mar-2016
Cash dividends on Equity shares declared:		
Final dividend - IOCL		
Total Final dividend after restatement of bonus shares issued during the current year for 2016: ₹ 4.25 per share (01.04.2015: ₹ 3.30 per share). The dividend per share without restatement of bonus shares for 2016 ₹ 8.50 per share (01.04.2015: ₹ 6.60 per share)	**2,063.76**	1,602.45
Less: Final Dividend pertaining to IOC Share trust (refer Note-2)	**49.54**	38.47
Final dividend net of IOC share trust	**2,014.22**	1,563.98
DDT on final dividend	**419.96**	319.13
Interim dividend - IOCL		
Total Interim dividend based on revised number of shares after bonus issue for 2017: ₹ 18 per share (2016: ₹ 2.75 per share). The dividend per share without restatement of bonus shares for 2016 is ₹ 5.50 per share.	**8,740.63**	1,335.37
Less: Interim Dividend pertaining to IOC Share trust (refer Note-2)	**209.81**	32.05
Interim dividend net of IOC share trust	**8,530.82**	1,303.32
DDT on interim dividend	**1,757.13**	266.60
Total	**12,722.13**	**3,453.03**
Proposed dividends on Equity shares- IOCL		
Final proposed dividend for 2017: ₹ 1.00 per share based on revised number of shares after bonus issue (2016: ₹ 4.25 per share). The dividend per share without restatement of bonus shares for 2016 is ₹ 8.50 per share.	**485.59**	2,063.76
Less: Proposed Dividend pertaining to IOC Share trust (refer Note-2)	**11.66**	49.54
Final proposed dividend net of IOC share trust	**473.93**	2,014.22
DDT on proposed dividend	**98.85**	419.96
	572.78	**2,434.18**

Notes

1. Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31st March'2017.
2. Shares held under IOC Share Trust of face value ₹ **116.56 crore** (Pre-bonus ₹ 58.28 crore) has been netted off from paid up capital.
3. IOCL has also incurred expenses on distribution of final dividend amounting to ₹ **0.12 crore** (2016: ₹ 0.11 crore) and on distribution of interim dividend amounting to ₹ **0.26 crore** (2016: ₹ 0.12 crore) which has been debited to equity.

NOTE-32: EARNINGS PER SHARE (EPS)

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

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

(₹ in Crore)

Particulars	Mar-2017	Mar-2016
Profit attributable to equity holders of the parent	**19,849.49**	12,022.45
Weighted Average number of equity shares used for computing Earning Per Share (Basic) (Refer note-1 and 2)	**47,393,457,36**	47,393,457,36
Weighted Average number of equity shares used for computing Earning Per Share (Diluted) (Refer note-1 and 2)	**47,393,457,36**	47,393,457,36
Earning Per Share (Basic) (₹)	**41.88**	25.37
Earning Per Share (Diluted) (₹)	**41.88**	25.37
Face value per share (₹)	**10.00**	10.00

Notes

1. Shares held under IOC Share Trust of face value ₹ **116.56 crore** (Pre-bonus ₹ 58.28 crore) has been netted off from weighted average number of equity shares and EPS is worked out accordingly.
2. Pursuant to the approval of the shareholders, the company has issued bonus shares in the ratio of one equity shares of ₹ 10/- for one existing equity share of ₹ 10/- each in October 2016. Accordingly, earnings per share (EPS) (basic and diluted) of FY 2015-16 have been adjusted on account of bonus shares.

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

Information about subsidiaries

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

Name	Principal Activities	Country of Incorporation	% Equity Interest		
			Mar-2017	Mar-2016	01.04.2015
Chennai Petroleum Corporation Limited	Refining of petroleum products	India	51.89%	51.89%	51.89%
Indian Catalyst Private Limited	Manufacturing of FCC catalyst / additive	India	100.00%	100.00%	100.00%
IndianOil (Mauritius) Ltd.	Terminalling, Retailing & Aviation refuelling	Mauritius	100.00%	100.00%	100.00%
Lanka IOC PLC	Retailing, Terminalling & Bunkering	Sri Lanka	75.12%	75.12%	75.12%
IOC Middle East FZE	Lube blending & marketing of lubricants	UAE	100.00%	100.00%	100.00%
IOC Sweden AB	Investment company for E&P Project in Venezuela	Sweden	100.00%	100.00%	100.00%
IOCL (USA) Inc.	Participation in Shale Gas Asset Project	USA	100.00%	100.00%	100.00%
IndOil Global B.V.	Investment company for E&P Project in Canada	Netherlands	100.00%	100.00%	100.00%
IOCL Singapore PTE Limited	Investment company for E&P Project in Russia	Singapore	100.00%	NA	NA

The Holding Company

57.34% of total shares are held by President of India as at March 31, 2017 (2016: 58.57%, 01.04.2015: 68.57%)

Material partly-owned subsidiaries

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

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

Name	Country of Incorporation	Mar-2017	Mar-2016
Chennai Petroleum Corporation Limited	India	48.11%	48.11%
Lanka IOC PLC	Sri Lanka	24.88%	24.88%

2. Information regarding non-controlling interest:

(₹ in Crore)

	Mar-2017	Mar-2016
Accumulated balances of material non-controlling interest:		
Chennai Petroleum Corporation Limited	**1,655.56**	1,187.85
Lanka IOC PLC	**249.00**	238.19
Profit/(loss) allocated to material non-controlling interest:		
Chennai Petroleum Corporation Limited	**505.57**	366.35
Lanka IOC PLC	**30.34**	24.52

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

1. Summarised Balance Sheet:

(₹ in Crore)

	Chennai Petroleum Corporation Limited			Lanka IOC PLC		
	Mar-2017	Mar-2016	01.04.2015	Mar-2017	Mar-2016	01.04.2015
Current assets	**4,659.62**	4,342.93	5,865.06	**692.87**	733.02	692.69
Current liabilities	**5,659.75**	5,881.61	8,256.74	**193.57**	301.13	249.55
Non-current assets	**6,963.27**	6,092.71	5,160.26	**509.06**	532.51	545.31
Non-current liabilities	**2,522.04**	2,085.19	1,058.44	**7.57**	7.12	5.46
Net assets	**3,441.10**	2,468.84	1,710.14	**1,000.79**	957.28	982.99
Accumulated Non-Controlling Interests	**1,655.56**	1,187.85	822.81	**249.00**	238.19	244.59

2. Summarised Statement of Profit and Loss:

(₹ in Crore)

	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	Mar-2017	Mar-2016	Mar-2017	Mar-2016
Revenue From Operations	**40,605.16**	34,970.36	**3,691.56**	3,366.68
Other Income	**4.03**	30.56	**32.29**	28.71
Cost of Material Consumed	**24,255.78**	22,754.04	**-**	-
Purchases of Stock in trade	**159.57**	292.68	**3,257.12**	3,169.61
Changes in inventories of finished goods, stock-in-trade and work in progress	**105.54**	208.42	**128.98**	(69.88)
Employee Benefits Expense	**512.89**	357.01	**23.42**	21.86
Finance Costs	**272.79**	351.71	**9.15**	15.71
Depreciation and amortization expense	**321.34**	273.69	**14.92**	13.77
Excise Duty	**12,915.98**	9,124.81	**-**	-
Other Expenses	**706.83**	885.86	**144.05**	125.20
Profit before exceptional items and tax	**1,358.47**	752.70	**146.21**	119.12
Exceptional Items	**-**	-	**-**	-
Share of Profit of Joint Ventures/Associates	**27.63**	25.61	**-**	-
Profit/(loss) before tax	**1,386.10**	778.31	**146.21**	119.12
Tax expense	**335.29**	16.77	**24.32**	20.52
Profit (Loss) for the period	**1,050.81**	761.54	**121.89**	98.60
Other Comprehensive Income	**(5.68)**	(1.64)	**(48.29)**	(31.73)
Total comprehensive income	**1,045.13**	759.90	**73.60**	66.87
Attributable to Non-Controlling Interests	**505.57**	366.35	**30.34**	24.52
Dividends paid to Non-Controlling Interests	**28.65**	-	**7.50**	6.16

3. Summarised Cash Flow Information:

(₹ in Crore)

	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	Mar-2017	Mar-2016	Mar-2017	Mar-2016
Operating Activities	**618.88**	2,293.21	**69.23**	80.57
Investing Activities	**(1,169.31)**	(1,141.60)	**(277.00)**	(0.91)
Financing Activities	**550.60**	(1,151.81)	**(90.26)**	(109.83)
Currency Translation Difference	**-**	-	**(5.84)**	(6.66)
Net increase/(decrease) in Cash and Cash Equivalents	**0.17**	(0.20)	**(303.87)**	(36.83)

NOTE-33B: INTEREST IN JOINT VENTURE & ASSOCIATES

A. Details of Interest in Joint Venture & Associates as on 31st March 2017 is as under:

Name of entity	Place of Business	% of Ownership Interest	Carrying Amount (₹ in crore)
Joint Venture			
IOT Infrastructure & Energy Services Limited	India	49.34%	455.73
Lubrizol India Private Limited	India	50.00%	275.59
Indian Oil Petronas Private Limited	India	50.00%	418.38
Green Gas Limited	India	49.97%	62.67
Indian Oil Skytanking Private Limited	India	50.00%	61.77
Suntera Nigeria 205 Ltd.	Nigeria	25.00%	-
Delhi Aviation Fuel Facility Private Limited	India	37.00%	72.35
Indian Synthetic Rubber Private Limited	India	50.00%	44.99
Indian Oil Ruchi Biofuels LLP	India	50.00%	-
NPCIL - IndianOil Nuclear Energy Corporation Limited	India	26.00%	0.30
GSPL India Transco Limited	India	26.00%	54.28
GSPL India Gasnet Limited	India	26.00%	72.91
IndianOil Adani Gas Private Limited	India	50.00%	80.54
Mumbai Aviation Fuel Farm Facility Private Limited	India	25.00%	42.75
Kochi Salem Pipelines Private Limited	India	50.00%	52.36
IndianOil LNG Private Limited	India	50.00%	297.52
IndianOil Panipat Power Consortium Limited	India	50.00%	-
Petronet CI Limited	India	26.00%	-
Hinduatan Urvarak and Rasayan Limited	India	29.67%	3.61
Associates			
Avi-Oil India Private Limited	India	25.00%	12.72
Petronet VK Limited	India	50.00%	0.02
Petronet LNG Limited	India	12.50%	1,022.30
Petronet India Limited	India	18.00%	19.02

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

B. Summarised Financials of Material Joint Venture:

I. Summarised Balance Sheet of M/s IOT Infrastructure & Energy Services Limited:

(₹ in Crore)

Particulars	Mar-2017	Mar-2016	01.04.2015
Current assets	**1,079.50**	1,371.34	1,589.53
Current liabilities	**914.08**	1,566.58	1,581.12
Non-current assets	**3,443.58**	3,771.98	3,871.49
Non-current liabilities	**2,687.13**	3,185.84	3,532.38
Net assets	**921.87**	**390.90**	**347.52**
Proportion of the Group's ownership	**454.85**	**190.80**	**169.56**
Carrying amount of the investment	**455.73**	190.80	203.15

The above amounts of assets and liabilities include the followings

(₹ in Crore)

Particulars	Mar-2017	Mar-2016	01.04.2015
Cash and cash equivalents	**79.21**	248.80	202.61
Current Financial Liabilities	**661.67**	1,131.05	1,099.09
Non-current financial liabilities	**2,857.58**	3,061.36	3,375.23

II. Summarised Statement of Profit and Loss of M/s IOT Infrastructure & Energy Services Limited:

(₹ in Crore)

Particulars	Mar-2017	Mar-2016
Revenue From Operations	1,159.82	1,933.74
Other Income	82.30	147.83
Revenue From Operations	**1,242.12**	**2,081.57**
Cost of Material/Service Consumed	331.61	1,077.73
Employee Benefits Expense	120.58	220.02
Finance Costs	321.26	387.04
Depreciation and amortization expense	51.82	120.10
Other Expenses	366.79	306.02
Profit/(loss) Before tax	**50.06**	**(29.34)**
Tax expense:		
Current Tax	9.44	18.79
Deferred Tax	(16.22)	(73.06)
Profit (Loss) for the period	**56.84**	**24.93**
Other Comprehensive Income	26.00	4.46
Total comprehensive income	**82.84**	**29.39**
Group's Share in above:		
Profit (Loss) for the period	28.04	12.17
Other Comprehensive Income	12.83	2.18
Total comprehensive income	40.87	14.35
Dividend received	-	-

C. Summarised Financials of Material Associates:

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

(₹ in Crore)

Particulars	Mar-2017	Mar-2016	01.04.2015
Current assets	4,902.63	3,585.92	2,768.89
Current liabilities	2,162.67	1,585.08	1,301.87
Non-current assets	9,010.96	8,888.72	8,414.39
Non-current liabilities	3,572.53	4,227.10	3,966.24
Net assets	**8,178.39**	**6,662.46**	**5,915.17**
Proportion of the Group's ownership	**1,022.30**	**832.81**	**739.40**
Carrying amount of the investment	1,022.30	832.81	739.40

The above amounts of assets and liabilities include the followings

(₹ in Crore)

Particulars	Mar-2017	Mar-2016	01.04.2015
Cash and cash equivalents	320.99	2,176.71	355.84
Current Financial Liabilities	1,829.40	1,317.25	1,009.42
Non-current financial liabilities	1,450.03	2,232.92	2,568.70

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

(₹ in Crore)

Particulars	Mar-2017	Mar-2016
Revenue From Operations	**24,616.03**	27,133.42
Other Income	**364.10**	187.93
Revenue From Operations	**24,980.13**	27,321.35
Cost of Material/Service Consumed	**21,416.92**	25,075.65
Employee Benefits Expense	**73.86**	71.06
Finance Costs	**209.65**	238.75
Depreciation and amortization expense	**369.07**	321.60
Other Expenses	**532.98**	400.46
Profit/(loss) Before tax	**2,377.65**	1,213.83
Tax expense:		
Current Tax	**512.88**	190.44
Deferred Tax	**141.64**	95.54
Profit (Loss) for the period	**1,723.13**	927.85
Other Comprehensive Income	**(1.79)**	(0.04)
Total comprehensive income	**1,721.34**	927.81
Group's Share in above:		
Profit (Loss) for the period	**215.39**	115.98
Other Comprehensive Income	**(0.22)**	(0.01)
Total comprehensive income	**215.17**	115.98
Dividend received	**23.44**	18.75

D. Details in respect of Immaterial Joint Venture & Associates:

(₹ in Crore)

Particulars	Mar-2017	Mar-2016	01.04.2015
Carrying Amount of Investments			
Joint Ventures	**1,540.02**	1,363.90	832.19
Associates	**31.76**	24.17	19.86
Aggregate amounts of the group's share of immaterial Joint Ventures:			
Share of Profits After Tax	**286.05**	116.66	
Other comprehensive income	**0.75**	(7.56)	
Total comprehensive income	**286.80**	109.10	
Aggregate amounts of the group's share of immaterial Associates:			
Share of Profits After Tax	**13.40**	4.65	
Other comprehensive income	**(0.03)**	(0.09)	
Total comprehensive income	**13.37**	4.56	

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

(₹ in Crore)

Particulars	Mar-2017	Mar-2016	01.04.2015
Joint Venture			
Capital Commitments	**528.76**	255.37	150.17
Contingent Liabilities	**374.38**	293.12	289.40
Associates			
Capital Commitments	**39.97**	50.63	135.62
Contingent Liabilities	**77.47**	63.83	60.44

NOTE-34: INTEREST IN JOINT OPERATIONS

	Principle place of business	Proportion of ownership interest		
		Mar-2017	Mar-2016	01.04.2015
The Group's interest in joint operations is as under:				
E&P BLOCKS				
1) MN-OSN-2000/2#	India	**20.00%**	20.00%	20.00%
2) AA-ONN-2001/2@	India	**20.00%**	20.00%	20.00%
3) MB-OSN-2004/1*	India	**Relinquished**	20.00%	20.00%
4) MB-OSN-2004/2*	India	**Relinquished**	20.00%	20.00%
5) KG-DWN-2005/1*	India	**Relinquished**	20.00%	20.00%
6) GK-OSN-2009/1**	India	**25.00%**	25.00%	20.00%
7) GK-OSN-2009/2	India	**30.00%**	30.00%	30.00%
8) CB-ONN-2010/6	India	**20.00%**	20.00%	20.00%
9) AAP-ON-94/1	India	**29.03%**	29.03%	29.03%
10) BK-CBM-2001/1	India	**20.00%**	20.00%	20.00%
11) NK-CBM-2001/1	India	**20.00%**	20.00%	20.00%
12) FARSI BLOCK IRAN^	Iran	**40.00%**	40.00%	40.00%
13) LIBYA BLOCK 86#	Libya	**50.00%**	50.00%	50.00%
14) LIBYA BLOCK 102/4#	Libya	**50.00%**	50.00%	50.00%
15) SHAKTHI GABON	Gabon	**50.00%**	50.00%	50.00%
16) YEMEN 82#	Yemen	**15.00%**	15.00%	15.00%
17) AREA 95-96	Libya	**25.00%**	25.00%	25.00%
18) BCShale Gas Partnership***	Canada	**0.00%**	0.00%	10.00%
19) North Montney Joint Venture	Canada	**10.00%**	10.00%	10.00%
20) Niobrara Shale Project	USA	**10.00%**	10.00%	10.00%
OTHERS				
21) INDOIL Netherlands B.V.	Netherlands	**50.00%**	50.00%	50.00%
22) Petroleum India International	India	**36.36%**	36.36%	36.36%

*Block MB-OSN-2004/1, MB-OSN-2004/2 and KG-DWN-2005/1 relinquished during 2016-17

** Particiapting interest changed to 25% for exclusive operations in Appraisal phase on account of non participation by GSPC

*** Patnership dissolved w.e.f. 31st December 2015

^ Negotiations with Iranian Authorities are in progress for the development contract

Blocks are under relinquishment

@ Exploration license of the block has expired, however DGH recommended for entering into Appraisal phase

NOTE-35: DISCLOSURE RELATING TO EXPLORATION AND PRODUCTION ACTIVITIES

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

(₹ in Crore)

	Name	Mar-2017	Mar-2016	01.04.2015
(i)	Assets	**308.15**	411.22	422.06
	- Property, plant and equipment	**-**	-	-
	- Intangible assets	**-**	-	-
	- Intangible assets under development	**275.06**	382.66	385.07
	- Capital Work in Progress	**0.83**	6.74	8.77
	- Other Assets	**32.26**	21.82	28.22
(ii)	Liabilities	**109.93**	114.03	145.12
	- Trade payables	**-**	-	-
	- Provisions	**2.34**	2.34	3.18
	- Other liabilities	**107.59**	111.69	141.94
(iii)	Income	**-**	0.09	
	- Sale of crude oil	**-**	-	
	- Sale of natural gas	**-**	-	
	- Condensate etc.	**-**	-	
	- Other Income	**-**	0.09	
(iv)	Expenses	**90.61**	222.75	
	- Exploration expenditure written off	**26.61**	4.43	
	- Other exploration costs	**64.00**	218.32	
	- impairment losses	**-**	-	
(v)	Cash flow			
	- Net cash from/(used) in operating activities	**(78.54)**	(242.92)	
	- Net cash from/(used) in investing activities	**(2.22)**	(5.60)	

B. In compliance of revsied guidance Note on Accounting for Oil and Gas Producing Activities, the required disclosures in respect of reserves are as under:

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

(₹ in Crore)

Assets		Mar-2017		Mar-2016		01.04.2015	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
		Thousand Ton	Million Cubic Meter	Thousand Ton	Million Cubic Meter	Thousand Ton	Million Cubic Meter
A) Proved Reserves							
Niobrara Shale Project, USA	Begining	80.41	16.45	108.79	16.15	100.26	13.52
	Addition	31.19	6.89	(9.19)	8.98	29.73	10.28
	Production	18.97	8.22	19.19	8.68	21.20	7.65
	Balance	**92.63**	**15.12**	**80.41**	**16.45**	**108.79**	**16.15**
Pacific Northwest LNG, Canada	Begining	1,183.88	17,420.68	795.73	11,647.72	475.10	6,950.53
	Addition	322.69	3618.72	424.78	6,317.51	353.52	5,163.07
	Production	38.80	577.64	36.63	544.55	32.89	465.88
	Balance	**1,467.77**	**20,461.76**	**1,183.88**	**17,420.68**	**795.73**	**11,647.72**
Total Proved Reserves		**1,560.40**	**20,476.88**	**1,264.29**	**17,437.13**	**904.52**	**11,663.87**

Assets		Mar-2017		Mar-2016		01.04.2015	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
		Thousand Ton	Million Cubic Meter	Thousand Ton	Million Cubic Meter	Thousand Ton	Million Cubic Meter
B) Proved developed Reserves							
Niobrara Shale Project, USA	Begining	71.07	14.95	74.82	12.13	37.60	6.07
	Addition	9.84	4.68	15.43	11.49	58.42	13.71
	Production	18.97	8.22	19.18	8.67	21.20	7.65
	Balance	**61.94**	**11.41**	**71.07**	**14.95**	**74.82**	**12.13**
Pacific Northwest LNG, Canada	Begining	239.82	3,570.19	175.65	2,396.70	135.84	1,842.75
	Addition	82.68	761.40	100.81	1,718.04	72.71	1,019.83
	Production	38.80	577.64	36.64	544.55	32.90	465.88
	Balance	**283.70**	**3,753.95**	**239.82**	**3,570.19**	**175.65**	**2,396.70**
Total Proved developed Reserves		**345.64**	**3,765.36**	**310.89**	**3,585.14**	**250.47**	**2,408.83**

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

Details	Mar-2017		Mar-2016		01.04.2015	
	Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
	Thousand Ton	Million Cubic Meter	Thousand Ton	Million Cubic Meter	Thousand Ton	Million Cubic Meter
A) Proved Reserves						
U.S.	92.63	15.12	80.41	16.45	108.79	16.15
Canada	1,467.77	20,461.76	1,183.88	17,420.68	795.73	11,647.72
Total Proved Reserves	**1,560.40**	**20,476.88**	**1,264.29**	**17,437.13**	**904.52**	**11,663.87**
B) Proved developed Reserves						
U.S.	61.94	11.41	71.07	14.95	74.82	12.13
Canada	283.70	3,753.95	239.82	3,570.19	175.65	2,396.70
Total Proved developed Reserves	**345.64**	**3,765.36**	**310.89**	**3,585.14**	**250.47**	**2,408.83**

Frequency

The company uses in house study as well as third party agency each year for Reserves certiifcation who adopt latest industry practises for reserve evalaution. For the purpose of estimation of Proved and Proved developed reserves, Determinstic method is used by the company. The annual revision of estimates is based on the yearly exploratory and development activities and results thereof.

NOTE-36: EMPLOYEE BENEFITS

Disclosures in compliance with Ind-As 19 on “Employee Benefits” is as under:

A. Defined Contribution Plans- General Description

Provident Fund (EPS-95)

During the year, the Group has recognised ₹ **42.21 crore** (2016 : ₹ 44.23 crore) as contribution to EPS-95 in the Statement of Profit and Loss/CWIP (included in Contribution to Provident and Other Funds in Note - 27/ Construction period expenses in Note-2.2).

Pension Scheme

During the year, the Group has recognised ₹ **356.99 crore** (2016: ₹ 440.76 crore) towards Defined Contributory Employees Pension Scheme in the Statement of Profit and Loss/CWIP (included in Contribution to Provident and Other Funds in Note - 27/ Construction period expenses in Note-2.2).

B. Defined Benefit Plans- General Description

Provident Fund:

The Group’s contribution to the Provident Fund is remitted to separate provident fund trusts established for this purpose based on a fixed percentage of the eligible employee’s salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Group. The Group has three Provident Funds maintained by respective PF Trusts in respect of which actuarial valuation is carried out and all three trusts do not have any deficit as on 31st March 2017.

Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the eiligible salary for every completed year of service subject to maximum of ₹ 0.10 crore at the time of separation from the Group.

Post Retirement Medical Scheme (PRMS):

PRMS provides medical benefit to retired employees and eligible dependant family members.

Resettlement Allowance:

Resettlement allowance is paid to employees to permanently settle down at a place other than the location of last posting at the time of retirement.

Ex gratia:

Ex-gratia is payable to those employees who have retired before 01.11.1987 and not covered under the pension scheme. Further, for employees who have retired on or after 01.11.1987 and their entitlement under the pension scheme is less than applicable amount under Ex- Gratia Scheme, such employees are also eligible to the extent of shortfall or difference under Ex-gratia scheme. The scheme of ex-gratia has been restricted to cover only those eligible employees who have retired upto 31.12.06, and not thereafter.

Staff Pension fund at AOD:

The Fund is maintained for disbursement of pension to Officers who have joined erstwhile Assam Oil Company before 14-10-1981 and opted to continue the benefit of pension as existing prior to takeover. The Group is managing the fund after takeover of the erstwhile Assam Oil Group in the name of IOCL(AOD) Staff Pension Fund.

Workmen Compensation:

The Group pays an equivalent amount of 100 months’ salary to the family member of the employee if employee dies while he is on duty. This scheme is not funded by the Group. The liability originates out of the Workmen compensation Act and Factory Act.

C. Other Long-Term Employee Benefits - General Description

Leave Encashment:

Each employee is entitled to get 8 earned leaves for each completed quarter of service. Encashment of earned leaves is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation up to 300 days. In addition, each employee is entitled to get 5 sick leaves at the end of every six months. The entire accumulation of sick leaves is permitted for encashment only at the time of retirement.

Long Service Award:

On completion of specified period of service with the company and also at the time of retirement, employees are rewarded with amounts based on the duration of service completed.

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

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

D. During the year, the Group has recognized an estimated expenses of ₹ 2,203.45 crore towards revision of employees pay & allowances due w.e.f. 01.01.2017 based on the recommendations by the 3rd Pay Revision Committee. This includes an amount of ₹ 1,256.28 crore towards estimated liability for likely increase in Gratuity Ceiling and ₹ 364.47 crore for outstanding leave encashment as on 31st March 2017. Pending finalization of the same, detailed disclosure as per Ind-As 19 has been made for the liability based on existing ceiling / entitlements.

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

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

(i) Reconciliation of balance of Defined Benefit Plans

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded
Defined Obligation at the beginning	**10,682.93**	**1,503.86**	**3,515.28**	**4.31**	**50.37**	**82.02**	**197.28**	**2.89**
	9,705.57	*1,533.21*	*2,575.58*	*5.31*	*43.40*	*83.59*	*203.12*	*2.17*
Current Service Cost	**369.33**	**11.91**	**168.24**	**0.12**	**0.97**	**13.52**	**-**	**0.10**
	351.33	*8.61*	*116.85*	*0.11*	*0.84*	*13.84*	-	*0.24*
Interest Cost	**935.13**	**119.73**	**283.33**	**0.25**	**3.98**	**6.53**	**15.41**	**0.36**
	855.35	*121.85*	*204.76*	*0.36*	*3.29*	*6.65*	*16.09*	*0.23*
Contribution by employees	**829.06**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	823.96	-	-	-	-	-	-	-
Net Liability transferred In / (Out)	**64.88**	-	-	-	-	-	-	-
	27.48	-	-	-	-	-	-	-
Benefits paid	**(1,125.15)**	**(170.96)**	**(174.74)**	**(1.77)**	**(2.46)**	**(7.31)**	**(28.76)**	**(0.26)**
	(1,080.76)	*(156.59)*	*(151.60)*	*(1.40)*	*(2.40)*	*(5.74)*	*(28.83)*	*(0.04)*
Actuarial (gain)/ loss on obligations	**-**	**58.90**	**529.92**	**(0.06)**	**6.80**	**(7.18)**	**14.49**	**(0.27)**
	-	*(3.22)*	*769.69*	*(0.07)*	*5.24*	*(16.32)*	*6.90*	*0.29*
Defined Benefit Obligation at the end of the year	**11,756.18**	**1,523.44**	**4,322.03**	**2.85**	**59.66**	**87.58**	**198.42**	**2.82**
	10,682.93	*1,503.86*	*3,515.28*	*4.31*	*50.37*	*82.02*	*197.28*	*2.89*

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

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the beginning of the year	**11,045.14** *10,019.11*	**1,930.21** *1,910.94*	**2,463.84** *1,419.69*	**4.32** *5.37*	**-** *-*	**-** *-*	**-** *-*	**-** *-*
Interest Income	**935.13** *855.35*	**153.67** *151.88*	**198.59** *112.87*	**0.25** *0.36*	**-** *-*	**-** *-*	**-** *-*	**-** *-*
Contribution by employer	**369.33** *351.33*	**-** *8.37*	**1,189.23** *1,008.40*	**-** *-*	**-** *-*	**-** *-*	**-** *-*	**-** *-*
Contribution by employees	**829.06** *823.96*	**-** *-*	**1.34** *1.22*	**-** *-*	**-** *-*	**-** *-*	**-** *-*	**-** *-*
Net Liability transferred In / (Out)	**64.88** *27.48*	**-** *-*	**-** *-*	**-** *-*	**-** *-*	**-** *-*	**-** *-*	**-** *-*
Benefit paid	**(1,125.15)** *(1,080.76)*	**(170.96)** *(156.59)*	**(174.74)** *(151.60)*	**(1.77)** *(1.40)*	**-** *-*	**-** *-*	**-** *-*	**-** *-*
Re-measurement (Return on plan assets excluding Interest Income)	**3.93** *48.67*	**10.20** *15.61*	**24.15** *73.26*	**0.07** *(0.01)*	**-** *-*			**-** *-*
Fair value of plan assets at the end of the year	**12,122.32** *11,045.14*	**1,923.12** *1,930.21*	**3,702.41** *2,463.84*	**2.87** *4.32*	**-** *-*	**-** *-*	**-** *-*	**-** *-*

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

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the end of the year	**12,122.32** *11,045.14*	**1,923.12** *1,930.21*	**3,702.41** *2,463.84*	**2.87** *4.32*	**-** *-*	**-** *-*	**-** *-*	**-** *-*
Defined Benefit Obligation at the end of the year	**11,756.18** *10,682.93*	**1,523.44** *1,503.86*	**4,322.03** *3,515.28*	**2.85** *4.31*	**59.66** *50.37*	**87.58** *82.02*	**198.42** *197.28*	**2.82** *2.89*
Amount not recognised in the Balance Sheet (as per para 64 of Ind-As 19)	**(366.14)** *(362.21)*	**-** *-*	**-** *-*	**-** *-*	**-** *-*	**-** *-*	**-** *-*	**-** *-*
Amount recognised in the Balance Sheet	**-** *-*	**(399.68)** *(426.35)*	**619.62** *1,051.44*	**(0.02)** *(0.01)*	**59.66** *50.37*	**87.58** *82.02*	**198.42** *197.28*	**2.82** *2.89*

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

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded
Current Service Cost	**369.33** *351.33*	**11.91** *8.61*	**168.24** *116.85*	**0.12** *0.11*	**0.97** *0.84*	**13.52** *13.84*	**-** *-*	**0.10** *0.24*

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded
Net Interest Cost	**-** *-*	**(33.94)** *(30.03)*	**84.74** *91.89*	**-** *-*	**3.98** *3.29*	**6.53** *6.65*	**15.41** *16.09*	**0.36** *0.23*
Contribution by Employees	**-** *-*	**-** *-*	**(1.34)** *(1.22)*	**-** *-*	**-** *-*	**-** *-*	**-** *-*	**-** *-*
Expenses for the year	**369.33** *351.33*	**(22.03)** *(21.42)*	**251.64** *207.52*	**0.12** *0.11*	**4.95** *4.13*	**20.05** *20.49*	**15.41** *16.09*	**0.46** *0.47*

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

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded
Actuarial (gain)/ loss on Obligations	**-** *-*	**58.90** *(3.22)*	**529.92** *769.69*	**(0.06)** *(0.07)*	**6.80** *5.24*	**(7.18)** *(16.32)*	**14.49** *6.90*	**(0.27)** *0.29*
Re-measurement (Return on plan assets excluding Interest Income)	**-** *-*	**10.20** *15.61*	**24.15** *73.26*	**0.07** *(0.01)*	**-** *-*	**-** *-*	**-** *-*	**-** *-*
Net Loss / (Gain) recognized in OCI	**-** *-*	**48.70** *(18.83)*	**505.77** *696.43*	**(0.13)** *(0.06)*	**6.80** *5.24*	**(7.18)** *(16.32)*	**14.49** *6.90*	**(0.27)** *0.29*

(vi) Major Actuarial Assumptions

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded*	Funded*	Funded*	Funded*	Non-Funded*	Non-Funded*	Non-Funded*	Non-Funded
Discount rate	**7.29%** *7.96%*	**7.29%** *7.96%*	**7.45%** *8.06%*	**6.40%** *7.30%*	**7.45%** *7.90%*	**7.29%** *7.96%*	**7.51%** *7.81%*	**13.00%** *12.00%*
As on 01.04.2015	7.95%	7.95%	7.95%	7.80%	-	7.95%	7.92%	10.60%
Salary escalation	**-** *-*	**8.00%** *8.00%*	**-** *-*	**8.00%** *8.00%*	**-** *-*	**-** *-*	**-** *-*	**2-8%** *2-8%*
As on 01.04.2015	-	8.00%	-	8.00%	-	-	-	2-4%
Inflation	**-** *-*	**-** *-*	**7.00%** *7.00%*	**-** *-*	**7.00%** *7.00%*	**6.00%** *6.00%*	**-** *-*	**-** *-*
As on 01.04.2015	-	-	7.00%	-	-	6.00%	-	-
Average Expected Future Service/ Obligation (Years)	**-** *-*	**15** *14*	**30** *30*	**2** *3*	**30** *30*	**15** *14*	**11** *11*	**14** *14*

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

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

(vii) Sensitivity on Actuarial Assumptions

(₹ in Crore)

Loss / (Gain) for:	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded
Change in Discounting Rate								
Increase by 1%	**-**	**(102.15)**	**(564.54)**	**(0.03)**	**(9.35)**	**(9.62)**	**(10.23)**	**(0.15)**
	-	*(89.08)*	*(429.58)*	*(0.06)*	*(5.03)*	*(8.09)*	*(8.35)*	-
Decrease by 1%	**-**	**99.78**	**730.89**	**0.03**	**10.64**	**11.96**	**6.03**	**0.17**
	-	*92.09*	*547.27*	*0.06*	*5.57*	*9.88*	*9.24*	-
Change in Salary Escalation								
Increase by 1%	**-**	**11.46**	**-**	**0.03**	**-**	**-**	**-**	**0.18**
	-	*9.92*	-	*0.06*	-	-	-	-
Decrease by 1%	**-**	**(13.53)**	**-**	**(0.03)**	**-**	**-**	**-**	**(0.17)**
	-	*(11.11)*	-	*(0.06)*	-	-	-	-
Change in Inflation Rate								
Increase by 1%	**-**	**-**	**413.09**	**-**	**10.71**	**-**	**-**	**-**
	-	-	*305.73*	-	*3.67*	-	-	-
Decrease by 1%	**-**	**-**	**(340.75)**	**-**	**(9.49)**	**-**	**-**	**-**
	-	-	*(253.62)*	-	*(3.36)*	-	-	-

(viii) Investment details

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Investment with Insurer	**-**	**98.45%**	**92.28%**	**97.27%**
	-	*97.33%*	*55.39%*	*97.27%*
As on 01.04.2015	-	96.97%	27.59%	98.34%
Self managed investments	**100.00%**	**1.55%**	**7.72%**	**2.73%**
	100.00%	*2.67%*	*44.61%*	*2.73%*
As on 01.04.2015	100.00%	3.03%	72.41%	1.66%

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

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Government Securities (Central & State)	**43.57%**	**60.84%**	**56.52%**	**2.73%**
	41.48%	*52.91%*	*29.23%*	*2.73%*
As on 01.04.2015	39.98%	47.36%	15.77%	1.66%
Investment in Equity / Mutual Funds	**2.06%**	**6.87%**	**6.38%**	**-**
	1.02%	*5.94%*	*3.26%*	-
As on 01.04.2015	0.01%	6.01%	1.28%	-
Investment in Debentures / Securities	**43.76%**	**27.57%**	**31.80%**	-
	46.13%	*28.64%*	*16.00%*	-
As on 01.04.2015	51.44%	32.98%	7.24%	-
Other approved investments (incl. Cash)	**10.62%**	**4.72%**	**5.30%**	**97.27%**
	11.36%	*12.51%*	*51.51%*	*97.27%*
As on 01.04.2015	8.57%	13.65%	75.71%	98.34%

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

(₹ in Crore)

Cash Flow Projection from the Fund/ Employer	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Total
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded	
Within next 12 Months	**293.92**	**173.28**	**0.99**	**1.37**	**5.66**	**29.51**	**504.73**
	187.56	*156.75*	*0.07*	*2.77*	*5.92*	*30.93*	*384.00*
Between 2 to 5 Years	**1,036.29**	**798.10**	**2.26**	**7.49**	**22.51**	**93.76**	**1,960.41**
	640.80	*662.86*	*4.86*	*13.33*	*22.78*	*102.97*	*1,447.60*
Between 6 to 10 Years	**1,117.06**	**1,210.26**	**-**	**15.90**	**32.38**	**70.03**	**2,445.63**
	752.94	*872.94*	-	*24.10*	*34.98*	*85.14*	*1,770.10*

Note: General Description of the defined beenfit plans applicable to the Holding Company.

NOTE-37: COMMITMENTS AND CONTINGENCIES

A. LEASES

(a) Operating lease — as lessee

(i) Lease Rentals charged to the Statement of profit and loss and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements/ arrangements

(₹ in Crore)

	Lease Rentals for Non-Cancellable operating leases	Mar-2017	Mar-2016	01.04.2015
(a)	Lease rentals recognized during the year (inc. cases as per (iii) below)	**7,935.34**	7,365.15	-
(b)	Lease Obligations			
	Within one year	**7,509.18**	7,321.05	5,003.96
	After one year but not more than five years	**16,243.41**	17,137.49	10,999.85
	More than five years	**842.05**	985.34	996.20

These relate to storage tankage facilities for petroleum products, BOO contract for Nitrogen and Hydrogen Plant, QC laboratory at Paradip Refinery, land leases and various other leases in substance as mentioned in (iii) below.

(ii) The Group has taken certain assets (including lands,office/residential premises) on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements inc. applicable cases as per (iii) below. During the current year, **₹ 384.33 crore** (2016: ₹ 318.40 crore) has been paid towards cancellable Operating Lease. Also refer Note 1B for more details on judgements made for lease classification in case of lands .

(iii) Leases in substance (Operating lease: Group as lessee)

The Group has entered into some contracts which are in substance operating lease contracts. Currently, the Group has booked payment made under these contracts as expenses in the statement of profit and loss. The details in respect of material operating lease arrangements are as under:

(a) The Group has entered into various agreements with transporters for the movement of petroleum products for different tenures.Under these agreements, specific trucks are identified that are used exclusively for the transport operations of the Group only.

(b) The Group has entered into agreements with vessel owners for hiring of vessels for different tenures. Specified vessels are identified in the agreement with reference to the name and description of vessel, which can only be used. Such vessels are dedicated for the Group's use only for the entire period of arrangement. Further, during the lease period, the owner can let out the specific vessel to any third party only after obtaining The Group's permission. Hence this arrangement is classified as lease as per Appendix C to Ind AS 17.

(c) BOO agreement with Air Liquide Industries is for supply of oxygen and nitrogen at Panipat Refinery for a period of 18 years. The land is owned by the group and the plant is being operated by contractor for supply of oxygen and nitrogen to the Group. There is a commitment to pay monthly minimum amount as per the agreement. The Group shall always have first right of use of Nitrogen & Oxygen manufactured at the plant. Nitrogen gas manufactured by the contractor is mainly supplied to the Group. Hence this arrangement is classified as lease as per Appendix C to Ind AS 17.

Details of expenses booked under various arrangements are as under:

(₹ in Crore)

Operating Lease cases under Appendix C of Ind-AS-17	Mar-2017	Mar-2016
Processing Fee under the head "Other Expenses" in relation to lubricants filling arrangement	**0.23**	0.71
Handling expense under the head "Other Expenses" in relation to CFA arrangement	**39.53**	25.49
Freight and transportation charges under the head "Other Expenses" in relation to arrangement with transporters	**6,803.45**	6,640.11
Processing Fee and other charges under the head "Other Expenses" in relation to terminalling arrangement with GCPTCL	**2.10**	7.72
Transportation charges under the head "Other Expenses" in relation to Prime Mover Agreement	**5.39**	0.61
Purchase of nitrogen & oxygen for supply of oxygen and nitrogen at Panipat Refinery under " Cost of Materials Consumed"	**95.97**	106.41
Freight charges under the head "Cost of Materials Consumed"/ "Other Expenses" in relation to Time Charter Arrangement	**1,358.03**	845.70

(b) Operating lease-as lessor

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

(₹ in Crore)

	Mar-2017	Mar-2016	01.04.2015
A. Lease rentals recognized as income during the year	**0.45**	0.45	-
B. Value of assets given on lease included in Property, Plant and Equipments			
- Gross Carrying Amount	**1.96**	1.96	1.96
- Accumulated Depreciation	**0.24**	0.12	-
- Depreciation recognized in the Statement of Profit and Loss	**0.12**	0.12	-

These relate building and plant and equipment given on lease.

(c) Finance lease-as lessee

The Group has entered into following material finance lease arrangements:

(i) BOOT agreement with IOT Utkal Energy Services Ltd. in respect of Tankages facility for a period of 15 years. Lessor will transfer ownership to The Group after 15 Years at Nil value.

(ii) BOOT agreement with IL&FS in respect of Water Intake facility for a period of 25 years. Lessor will transfer ownership to The Group after 25 Years at ₹ 0.01 crore.

(iii) The Group has entered into finance lease arrangements with Gujarat Adani Port Limited related to Port facilities at Gujarat for a period of 25 years and 11 months.

(iv) The Group has obtained various lands from the governments for purpose of plants, facilities and offices. Lease cases where at the inception of the lease, the present value of minimum lease payments is substantially equal to the fair value of leased assets are considered under finance leases. Also refer Note 1B for more details on judgements made for lease classification.

Disclosure under Finance Lease as Lessee:

(₹ in Crore)

	Mar-2017	Mar-2016	01.04.2015
i. Minimum lease payments			
- Within one year	**560.92**	559.02	559.05
- After one year but not more than five years	**2,222.27**	2,225.38	2,228.96
- More than five years	**4,819.27**	5,355.79	5,911.22
Total	**7,602.46**	**8,140.19**	**8,699.23**
ii. Present value of minimum lease payments			
- Within one year	**150.86**	134.43	121.25
- After one year but not more than five years	**766.63**	692.28	625.50
- More than five years	**2,838.92**	3,060.40	3,260.79
Total	3,756.41	3,887.11	4,007.54
Add: Future finance charges	**3,846.05**	4,253.08	4,691.69
Total	**7,602.46**	**8,140.19**	**8,699.23**

The Net Carrying amount of the assets acquired under Finance Lease is disclosed in Note - 2 and 2.1.

(d) Finance lease-as lessor

The Group has entered into following material finance lease arrangements:

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

(ii) The Group has entered into a lease agreement with Indian Synthetic Rubber Private Limited in which the compay has leased out land for one time upfront payment of ₹ 16.65 crores

(₹ in Crore)

	Mar-2017	Mar-2016	01.04.2015
A. Gross Investments in Finance Lease	**432.29**	**432.29**	**432.29**
Less: Unearned Finance Income	**0.38**	0.78	1.35
Less: Finance Income Received	**170.76**	170.36	169.79
Less: Minimum Lease payment received	**258.96**	257.23	255.49
Net Investment in Finance Lease as on Date	**2.19**	**3.92**	**5.66**
B. Unearned finance Income	**0.38**	0.78	1.35
C. Present Value of Minimum Lease Payments Receivable			
- Within one year	**1.11**	1.73	1.74
- After one year but not more than five years	**1.08**	2.19	3.91
- More than five years	**-**	-	0.01
Total	**2.19**	**3.92**	**5.66**
D. Break-up of un-earned income			
- Within one year	**0.22**	0.40	0.57
- After one year but not more than five years	**0.16**	0.38	0.78
- More than five years	**-**	-	-
Total	**0.38**	**0.78**	**1.35**

B. CONTINGENT LIABILITIES

B.1 Claims against the Group not acknowledged as debt amounting to ₹ **9,935.45 crore** (2016: ₹14,376.75 crore; 01.04.2015: ₹12,692.57 crore) are as under:

B.1.1 ₹ **158.20 crore** (2016: ₹ 148.18 crore; 01.04.2015: ₹ 156.78 crore) being the demands raised by the Central Excise /Customs/ Service Tax Authorities including interest of ₹ **31.86 crore** (2016: ₹ 27.31 crore; 01.04.2015: ₹ 25.59 crore).

B.1.2 ₹ **73.59 crore** (2016: ₹ 2,465.27 crore; 01.04.2015: ₹ 1,846.75 crore) in respect of demands for Entry Tax from State Governments including interest of ₹ **8.98 crore** (2016: ₹ 40.46 crore; 01.04.2015: ₹ 342.44 crore).

B.1.3 ₹ **3,350.82 crore** (2016: ₹ 4,533.70 crore; 01.04.2015: ₹ 4,485.86 crore) being the demands raised by the VAT/ Sales Tax Authorities including interest of ₹ **1,416.64 crore** (2016: ₹ 2,078.96 crore; 01.04.2015: ₹ 1,482.98 crore).

B.1.4 ₹ **2,495.45 crore** (2016: ₹ 4,047.29 crore; 01.04.2015: ₹ 3,149.28 crore) in respect of Income Tax demands including interest of ₹ **620.40 crore** (2016: ₹ 994.98 crore; 01.04.2015: ₹ 264.90 crore).

B.1.5 ₹ **2,696.5 crore** (2016: ₹ 2,167.41 crore; 01.04.2015: ₹ 2,203.63 crore) including ₹ **2,424.30 crore** (2016: ₹ 1,723.73 crore; 01.04.2015: ₹ 1,474.12 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹ **52.52 crore** (2016: ₹ 65.53 crore; 01.04.2015: ₹ 56.68 crore).

B.1.6 ₹ **1,160.89 crore** (2016: ₹ 1,014.90 crore; 01.04.2015: ₹ 850.27 crore) in respect of other claims including interest of ₹ **258.38 crore** (2016: ₹ 251.93 crore; 01.04.2015: ₹ 266.90 crore).

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

B.2 Other money for which the Group is contingently liable

Pending decision of the Government, no liability could be determined and provided for in respect of additional compensation, if any, payable to the land owners and the Government for certain lands acquired.

C. OTHER MONEY FOR WHICH THE GROUP IS CONTINGENTLY LIABLE

C.1 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ **13,731.23 crore** (2016: ₹ 9,383.36 crore; 01.04.2015: ₹ 12,757.70 crore).

C.2 Other Commitments

The Group has an export obligation to the extent of ₹ **8,456.37 crore** (2016: ₹ 5,576.05 crore; 01.04.2015: ₹ 3,916.65 crore) on account of concessional rate of duty availed under EPCG license scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.

C.3 To meet the direction of Honorable High court of Orissa, the Group has a commitment to pay ₹ **280.10 crore** (2016: ₹ 356.54 crore; 01.04.2015: NIL towards providing high tech ambulances, removal of old anicut and construction of water treatment plant in the state of Orissa. In addition, the Group has to incur cost towards dredging through Orissa Construction Co, a state government agency estimate for which yet to be finalised.

D. CONTINGENT ASSETS

(₹ in Crore)

	Mar-2017	Mar-2016	01.04.2015
a. A customer had lodged a claim against the Group challenging the pricing mechanism of utilities provided. The matter was referred to arbitration and the award is in favour of the Group. However, the management believes that the customer may approach the appellate authority and therefore management is treating the award as contingent asset	**96.00**	-	-
b. Contingent Asset in respect of M/s Khazana Projects and Industries (P) Ltd. for the amount of risk & cost claim along with 15% supervision charges admitted by the Arbitrator in favour of the Group.	**3.36**	3.24	3.12
Total	**99.36**	**3.24**	**3.12**

NOTE-38: "RELATED PARTY DISCLOSURES" IN COMPLIANCE WITH IND-AS 24, ARE GIVEN BELOW:

1. Relationship with Entities

A.) Details of Joint Ventures (JV) / Associate Entities to IOCL & its subsidiary

1) IOT Infrastructure & Energy Services Limited
2) Lubrizol India Private Limited
3) Petronet VK Limited
4) IndianOil Petronas Private Limited
5) Avi-Oil India Private Limited
6) Petronet India Limited
7) Petronet LNG Limited
8) Green Gas Limited
9) IndianOil Panipat Power Consortium Limited
10) Petronet CI Limited
11) IndianOil LNG Private Limited
12) IndianOil SkyTanking Private Limited
13) Suntera Nigeria 205 Limited
14) Delhi Aviation Fuel Facility Private Limited
15) Indian Synthetic Rubber Private Limited
16) Indian Oil Ruchi Biofuels LLP
17) NPCIL- IndianOil Nuclear Energy Corporation Limited
18) GSPL India Transco Limited
19) GSPL India Gasnet Limited
20) IndianOil - Adani Gas Private Limited
21) Mumbai Aviation Fuel Farm Facility Private Limited
22) Kochi Salem Pipeline Private Limited
23) Hindustan Urvarak & Rasayan Limited
24) Indian Additives Limited
25) National Aromatics & Petrochemicals Corporation Limited
26) Mer Rouge Storage Terminal Company Limited (upto 31.03.2016)
27) INDOIL Netherlands B.V., Netherland
28) Taas India PTE Limited
29) Vankor India PTE Limited
30) Ceylon Petroleum Storage Terminals Limited

B.) Details of Subsidiary to JV's of IOCL

1) IOT Design & Engineering Limited
2) Stewarts and Lloyds of India Limited
3) IOT Infrastructures Private Limited
4) IOT Canada Limited
5) IOT Utkal Energy Services Limited
6) PT IOT EPC Indonesia
7) IOT Engineering Projects Limited
8) Indian Oiltanking Engineering & Construction Services LLC Oman
9) IOT Engineering & Construction Services Pte. Ltd. Singapore
10) IOT Anwesha Engineering & Construction Limited (upto 11.01.2017)
11) JSC KazakhstanCaspishelf
12) IOT VITO MUHENDISLIK INSAAT VE TAAHUT A.S.
13) IndianOil Skytanking Delhi Pvt. Limited
14) IOT Engineering & Construction Services Ltd.

C.) Details of Joint Operations / Assets

1) MN-OSN-2000/2
2) AA-ONN-2001/2
3) MB-OSN-2004/1
4) MB-OSN-2004/2
5) KG-DWN-2005/1
6) GK-OSN-2009/1
7) GK-OSN-2009/2
8) CB-ONN-2010/6
9) AAP-ON-94/1
10) BK-CBM-2001/1
11) NK-CBM-2001/1
12) FARSI BLOCK IRAN
13) LIBYA BLOCK 86
14) LIBYA BLOCK 102/4
15) SHAKTHI GABON
16) YEMEN 82
17) AREA 95-96
18) Petroleum India International
19) LPG Equipment Research Centre
20) Niobrara Shale Project
21) North Montney Joint Venture

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

1) M/s. JOT Filling Station, Rureke, Punjab (Indian Oil Retail Outlet): Owned by brother of Key Managerial Personnel
2) Shri Harvinder Singh Kainth (Manager, Indian Oil Corporation Limited): Brother of Key Managerial Personnel

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 2A, 2B & 2C above :

(₹ in Crore)

		Mar-2017	Mar-2016	01.04.2015
1	**Sales** [Mainly Includes sales to Indian Synthetic Rubber Private Limited ₹ **427.90 crore** (2016: ₹ 213.45 crore), North Montney Joint Venture ₹ **298.38 crore** (2016: ₹ 241.47 crore) and IndianOil Petronas Private Limited ₹ **129.15 crore** (2016: ₹ 125.38 crore)]	**1,006.07**	738.03	
2	**Interest received** [Mainly includes interest received from IndianOil LNG Private Limited ₹ **45.61 crore** (2016: ₹ 8.23 crore) and Indian Synthetic Rubber Private Limited ₹ **5.54 crore** (2016: ₹ 3.33 crore)]	**51.29**	11.56	
3	**Consultancy Services/Other Income** [Mainly includes Consultancy Service/Other Income from Indian Synthetic Rubber Private Limited ₹ **44.84 crore** (2016: ₹ 59.27 crore)	**75.65**	78.62	
4	**Purchase of Products** [Mainly includes Purchase of Products from Petronet LNG Limited ₹ **7,446.25 crore** (2016: ₹ 9,374.63 crore)]	**7,611.95**	9,471.72	
5	**Purchase of Chemicals/materials** [Mainly includes Purchase of chemicals /materials from Lubrizol India Private Limited ₹ **213.39 crore** (2016: ₹ 258.55 crore) and Indian Additives Limited ₹ **86.73 crore** (2016: ₹ 87.28 crore)]	**300.14**	345.83	
6	**Interest paid** [Mainly includes Interest paid to IOT Utkal Energy Services Limited ₹ **311.76 crore** (2016: ₹ 328.42 crore)]	**311.76**	328.42	
7	**Handling / Other Expenses** [Mainly includes Handling / Other Expenses to IndianOil Petronas Private Limited ₹ **351.57 crore** (2016: ₹ 339.89 crore), IndianOil SkyTanking Private Limited ₹ **264.55 crore** (2016: ₹ 261.95 crore) and IOT Infrastructure & Energy Services Limited ₹ **88.19 crore** (2016: ₹ 47.76 crore)]	**906.60**	838.00	
8	**Exploration & Production Expenses** [Exploration & Production Expenses to North Montney Joint Venture ₹ **192.32 crore** (2016: ₹ 204.35 crore) and AA-ONN-2001/2 ₹ **30.97 crore** (2016: ₹ 15.85 crore)	**306.56**	391.95	
9	**Reimbursement of Expenses** [Mainly includes Reimbursement of Expenses pertaining to IndianOil Petronas Private Limited ₹ **13.99 crore** (2016: ₹ 2.95 crore) and IndianOil SkyTanking Private Limited ₹ **2.27 crore** (2016: ₹ 2.16 crore)]	**21.34**	68.31	
10	**Purchase/Acquisition of Fixed Assets including CWIP** [Includes Purchase/Acquisition of Fixed Assets incl. CWIP from IOT Utkal Energy Services Limited ₹ **116.68 crore** (2016: ₹ 111.14 crore), AAP-ON-94/1 ₹ **50.36 crore** (2016: ₹ 20.79 crore), AA-ONN-2001/2- ₹ **26.61 crore** (2016: ₹ 6.60 crore) and Niobrara Shale Project ₹ **25.05 crore** (2016: ₹ 38.75 crore)]	**224.20**	274.04	
11	**Provisions made/(written off) during the year** [Mainly includes Provision for dimunition in value of investment in AREA 95-96 ₹ **83.24 crore** (2016: Nil)]	**65.34**	322.35	
12	**Outstanding Receivables / Loans & Advances** [Mainly includes Outstanding Receivables / Loans & Advances from IndianOil LNG Private Limited ₹ **578.25 crore** (2016: ₹ 59.42 crore) and Petronet LNG Limited ₹ **332.30 crore** (2016: ₹ 337.08 crore)]	**1,321.46**	718.19	611.88
13	**Outstanding Payables** [Mainly includes Outstanding payable to IOT Utkal Energy Services Limited ₹ **2,923.37 crore** (2016: ₹ 3,043.80 crore)]	**3,421.76**	3,595.50	3,682.25
14	**Investments in JV/ Associates as on date**	**9,849.65**	2,532.00	1,983.81

Note:

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

3. Details relating to the parties referred to in Item No.2D above:

(₹ in Crore)

		Mar-2017	Mar-2016	01.04.2015
1	**Sales**			
	M/s. JOT Filling Station	**4.71**	1.75	-
2	**Remuneration**			
	Shri Harvinder Singh Kainth	**0.31**	0.11	-
3	**Outstanding Receivables / Loans & Advances**			-
	M/s. JOT Filling Station	**0.08**	-	-
	Shri Harvinder Singh Kainth	**0.03**	0.03	-
4	**Outstanding Payables**			
	M/s. JOT Filling Station	-	0.07	-

4. Government related entities where significant transactions carried out

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

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

Nature of Transactions:

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

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

5. Key Managerial Personnel

A. Whole Time Directors / Company Secretary

1) Shri B. Ashok

2) Shri Sanjiv Singh

3) Shri Debasis Sen (Upto 31.08.2016)

4) Shri A.K.Sharma

5) Shri Verghese Cherian

6) Shri Anish Aggarwal

7) Shri B. S. Canth (w.e.f. 08.10.2015)

8) Shri G. K. Satish (w.e.f. 01.09.2016)

9) Shri S. S. V. Ramakumar (w.e.f. 01.02.2017)

10) Shri Raju Ranganathan

B. Independent Directors

1) Shri Subroto Bagchi (w.e.f. 02.12.2015)

2) Shri Sanjay Kapoor (w.e.f. 02.12.2015)

3) Shri Parindu K. Bhagat (w.e.f. 02.12.2015)

4) Prof. Devang Khakhar (Upto 14.09.2015)

5) Smt. Shyamala Gopinath (Upto 24.06.2015)

6) Shri Shyam Saran (Upto 24.06.2015)

C. Government Nominee Directors

1) Shri A. P. Sawhney

2) Shri Ashutosh Jindal (w.e.f. 12.02.2016)

3) Dr. Archana S. Mathur (upto 28.10.2015)

Details relating to the parties referred to in Item No.5A & 5B above :

Mar-2017 (₹ in Crore)

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remuneration	Sitting Fees	Outstanding loans/ advance receivables
A. Whole Time Directors / Company Secretary						
1) Shri B. Ashok	0.60	0.05	0.26	0.91	-	-
2) Shri Sanjiv Singh	0.48	0.05	0.01	0.54	-	0.03
3) Shri Debasis Sen	0.50	0.12	0.43	1.05	-	-
4) Shri A.K.Sharma	0.53	0.05	0.01	0.59	-	0.09
5) Shri Verghese Cherian	0.55	0.05	0.08	0.68	-	0.01
6) Shri Anish Aggarwal	0.58	0.06	0.06	0.70	-	0.05
7) Shri B. S. Canth	0.46	0.05	0.02	0.53	-	0.01
8) Shri G. K. Satish	0.26	0.03	0.08	0.37	-	0.03
9) Shri S. S. V. Ramakumar	0.09	0.01	-	0.10	-	0.07
10) Shri Raju Ranganathan	0.45	0.05	0.13	0.63	-	-
B. Independent Directors						
1) Shri Subroto Bagchi	-	-	-	-	0.14	-
2) Shri Sanjay Kapoor	-	-	-	-	0.14	-
3) Shri Parindu K. Bhagat	-	-	-	-	0.12	-
TOTAL	**4.50**	**0.52**	**1.08**	**6.10**	**0.40**	**0.29**

Mar-2016 (₹ in Crore)

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remuneration	Sitting Fees	Outstanding loans/ advance receivables	
						Mar-2016	01.04.2015
A. Whole Time Directors / Company Secretary							
1) Shri B. Ashok	0.34	0.06	0.05	0.45	-	0.01	0.02
2) Shri Sanjiv Singh	0.31	0.04	0.05	0.40	-	0.04	0.05
3) Shri Debasis Sen	0.31	0.04	-	0.35	-	-	-
4) Shri A.K.Sharma	0.38	0.04	0.05	0.47	-	0.11	0.13
5) Shri Verghese Cherian	0.37	0.04	0.02	0.43	-	0.02	0.02
6) Shri Anish Aggarwal	0.38	0.05	-	0.43	-	0.07	0.09
7) Shri B. S. Canth	0.17	0.02	0.01	0.20	-	0.02	
8) Shri Raju Ranganathan	0.31	0.05	0.06	0.42	-	-	0.02
B. Independent Directors							
1) Shri Subroto Bagchi	-	-	-	-	0.03	-	-
2) Shri Sanjay Kapoor	-	-	-	-	0.06	-	-
3) Shri Parindu K. Bhagat	-	-	-	-	0.05	-	-
4) Prof. Devang Khakhar	-	-	-	-	0.06	-	-
5) Smt. Shyamala Gopinath	-	-	-	-	0.02	-	-
6) Shri Shyam Saran	-	-	-	-	0.03	-	-
TOTAL	**2.57**	**0.34**	**0.24**	**3.15**	**0.25**	**0.27**	**0.33**

Notes :

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

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

6) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

	Name of the Trust	Post Employment Benefit Plan	Mar-2017		Mar-2016		01.04.2015
			Contribution by employer	Outstanding Receivable/ (Payable)	Contribution by employer	Outstanding Receivable/ (Payable)	Outstanding Receivable/ (Payable)
1	IOCL (Refinery Division) Employees Provident Fund	Provident Fund	**154.74**	**(6.38)**	146.33	10.91	16.83
2	Indian Oil Corporation Limited (Assam Oil Division) Employees Provident Fund	Provident Fund	**15.70**	**(9.01)**	15.52	19.32	(3.26)
3	Provident Fund for the Employees of Indian Oil Corporation Limited (Marketing Division)	Provident Fund	**181.82**	**(2.57)**	173.40	(32.94)	(50.44)
4	IOCL Employees Superannuation Benefit Fund	Pension Scheme	**354.13**	**392.15**	439.67	296.48	435.64
5	IOCL Employees Post Retirement Medical Benefit Fund	Post Retirement Medical Scheme	**1,189.23**	**(619.62)**	1,008.40	(1,051.44)	(1,155.89)
6	IOCL Employees Group Gratuity Trust	Gratuity	**-**	**399.38**	-	423.70	385.95
7	Indian Oil Corporation Limited (Assam Oil Division) Staff Pension Fund	Pension Scheme	**-**	**0.02**	-	0.01	0.06

Transactions with CPCL Educational Trust

(₹ in Crore)

	Type of Transactions	Mar-2017	Mar-2016	01.04.2015
1	CSR Expenses	**0.43**	-	
2	Repayment of Loan by trust	**0.25**	-	
3	Interest	**0.02**	0.03	
4	Outstanding Receivable	**-**	0.30	0.27

NOTE-39: SEGMENT INFORMATION

Information regarding Primary Segment Reporting as per Ind-AS 108 for the year ended March 31, 2017 is as under:

(₹ in Crore)

	Mar-2017					Mar-2016				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
Revenue										
External Revenue	427,446.76	19,802.01	6,477.07	-	453,725.84	387,408.76	18,907.13	8,505.22	-	414,821.11
Inter-segment Revenue	7,328.11	24.94	4,902.22	(12,255.27)	-	6,810.00	26.96	5,484.41	(12,321.37)	-
Total Revenue	**434,774.87**	**19,826.95**	**11,379.29**	**(12,255.27)**	**453,725.84**	**394,218.76**	**18,934.09**	**13,989.63**	**(12,321.37)**	**414,821.11**
Result										
Segment Results excluding Exchange Gain/(Loss)	21,224.72	6,826.78	(179.63)	-	27,871.87	17,289.20	5,191.45	(661.56)	-	21,819.09
Segmental Exchange Gain/(Loss)	582.03	(4.54)	7.14	-	584.63	(1,674.06)	4.79	0.48	-	(1,668.79)
Segment Results	**21,806.75**	**6,822.24**	**(172.49)**	**-**	**28,456.50**	**15,615.14**	**5,196.24**	**(661.08)**	**-**	**20,150.30**
Less: Unallocable Expenditure										
- Finance Cost					3,721.26					3,468.99
- Loss on Sale of Investments (Net)					-					56.37
- Provision for diminution in Investments (Net)					0.07					0.07
- Loss on sale and disposal of Assets					145.03					191.61
- Exchange Loss - (Net)					-					1,608.16
- Loss on Derivatives					146.54					-
- Fair value Loss on Financial instruments classified as FVTPL					0.56					1.32
- Amortisation of FC Monetary Item Translation					359.63					302.76
Add: Unallocable Income										
- Interest/Dividend Income					2,644.49					2,072.69
- Profit on Sale of Investments (Net)					43.61					-
- Exchange Gain - (Net)					1,119.04					-
- Gain on Derivatives					-					58.70
- Fair value gain on Financial instruments classified as FVTPL					-					-
- Revenue Grants					10.19					4.97
- Other non operating income					55.06					50.13
Profit before Exceptional items and Tax					27,955.80					16,707.51
Exceptional Items					-					1,364.25
Profit Before Tax					27,955.80					**18,071.76**
Less: Income Tax (including deferred tax)					7,570.40					5,658.44
Profit After Tax					20,385.40					**12,413.32**

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

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

2. Segment Revenue comprises of the following:
   a) Turnover (Inclusive of Excise Duties)
   b) Net Claim/(Surrender) of SSC
   c) Subsidy/Grants received from Governments
   d) Other Operating Revenue

3. Inter segment pricing are at Arm's length basis
4. There are no reportable geographical segments.

Other Information

(₹ in Crore)

	Mar-2017					Mar-2016				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
Segment Assets	200,996.07	14,558.07	10,333.10		**225,887.24**	172,977.13	14,147.35	9,804.92		196,929.40
Corporate Assets										
Investments (Current and Non Current)					**43,687.24**					31,184.79
Advances For Investments					**188.51**					11.40
Advance Tax					**5.47**					459.82
Interest Accrued On Investments/Bank Deposits					**196.79**					130.71
Loans to JV included in Loans and Receivables					**690.98**					167.49
Deposits For Leave Encashment Fund					**2,903.77**					2,670.78
Total Assets					**273,560.00**					**231,554.39**
Segment Liabilities	96,167.08	440.91	2,312.10		**98,920.09**	72,192.81	415.73	1,630.54		74,239.08
Corporate Liabilities										
Provision For Taxation					**79.91**					-
Borrowings (Short Term and Long Term)					**58,830.03**					48,149.20
Current Maturities of Long-Term Debt					**4,440.59**					10,402.30
Deferred Tax Liability					**6,888.66**					6,970.70
Interest Accrued But Not Due On Borrowings					**22.07**					21.73
Derivative Liabiliies					**379.03**					366.77
Total Liabilities					**169,560.38**					**140,149.78**
Capital Employed										
Segment Wise	104,828.99	14,117.16	8,021.00		**126,967.15**	100,784.32	13,731.62	8,174.38		122,690.32
Corporate					**(22,967.53)**					(31,285.71)
Total Capital Employed					**103,999.62**					**91,404.61**
Capital Expenditure	12,732.66	391.61	73.93	-	**13,198.20**	16,135.27	198.00	687.39	-	17,020.66
Depreciation and Amortization	5,774.01	747.08	327.53	-	**6,848.62**	4,228.99	852.28	617.12	-	5,698.39

Geographical Information

(₹ in Crore)

	Revenue from external customers		Non-current assets	
	Mar-2017	Mar-2016	Mar-2017	Mar-2016
India	**430,007.54**	396,593.78	**128,775.58**	121,170.72
Outside India	**23,718.30**	18,227.33	**7,108.36**	7,686.93
Total	**453,725.84**	**414,821.11**	**135,883.94**	**128,857.65**

Revenue from major products and services

(₹ in Crore)

	Mar-2017	Mar-2016
Motor Spirit (MS)	**88,741.94**	76,668.54
High Speed Diesel (HSD)	**227,208.75**	198,493.56
Superior Kerosene Oil (SKO)	**11,019.71**	16,710.95
Liquified Petroleum Gas (LPG)	**43,203.35**	41,848.36
Aviation Turbine Fuel (ATF)	**19,166.29**	17,988.72
Others	**64,385.80**	63,110.98
Total External Revenue	**453,725.84**	**414,821.11**

NOTE-40: FAIR VALUES

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

(₹ in Crore)

	Carrying value			Fair value			Fair value measurement hierarchy level
	Mar-2017	Mar-2016	01.04.2015	Mar-2017	Mar-2016	01.04.2015	
Financial assets							
A. FVOCI financial instruments:							
Quoted equity shares	**20,987.39**	16,015.07	22,560.31	**20,987.39**	16,015.07	22,560.31	Level 1
Unquoted equity instrument	**1,203.28**	1,103.97	1,009.73	**1,203.28**	1,103.97	1,009.73	Level 3
Quoted Government securities	**11,372.92**	11,533.75	12,182.06	**11,372.92**	11,533.75	12,182.06	Level 1
B. FVPL financial instruments:							
Derivative instruments at fair value through profit or loss	**2.99**	0.04	2.30	**2.99**	0.04	2.30	Level 2
Unit Trust Investments	**274.00**	-	-	**274.00**	-	-	Level 1
C. Amortised Cost:							
Loans to employees	**1,068.57**	1,051.57	1,033.39	**1,116.98**	1,065.00	1,031.23	Level 2
Financial liabilities							
A. Borrowings:							
Amortised Cost:							
Non-Convertible Redeemable Bonds/ Debentures	**2,133.85**	2,134.00	5,347.46	**2,225.90**	2,232.09	5,518.36	Level 2
Term Loans from Oil Industry Development Board (OIDB)	**1,601.98**	2,146.32	1,894.24	**1,612.05**	2,137.70	1,888.74	Level 2
Finance lease obligation	**3,756.41**	3,887.11	4,007.54	**4,199.29**	4,209.78	4,362.93	Level 2
Foreign Currency Bonds - US Dollars	**6,543.38**	6,683.01	6,302.50	**7,221.43**	7,434.04	7,050.39	Level 1
Foreign Currency Bonds - Singapore Dollars	**1,904.02**	2,019.36	1,864.40	**1,912.72**	2,019.43	1,854.07	Level 2
Senior Notes (Bank of America)	**1,310.64**	2,009.20	1,895.62	**1,343.40**	2,112.95	2,078.59	Level 2
B. Other financial liabilities:							
Fair value through profit and loss (FVPL):							
Derivative instruments at fair value through profit or loss	**379.03**	366.77	583.38	**379.03**	366.77	583.38	Level 2
Contingent Consideration	**438.54**	460.76	441.99	**438.54**	460.76	441.99	Level 3

Notes:

1. The management assessed that fair value of Trade Receivables, Cash and Cash Equivalents, Bank Balances, Deposit for Leave Encashment Fund, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Finance lease Receivable, Security Deposit paid and received, Short-term Borrowing, Trade Payables, Floating Rate Borrowings/ Receivables, Other Non-derivative Current Financial Liabilities and Liabilities towards financial guarantees approximate their carrying amounts.

2. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Methods and assumptions

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

A. Level 1 Hierarchy:

(i) Quoted equity shares: Closing quoted price (unadjusted) in National Stock Exchange of India Limited

(ii) Quoted Government securities: Closing price (unadjusted) in Clearing Corporation of India Limited

(iii) Foreign Currency Bonds - US Dollars: Closing price for the specific bond collected from Bank

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

B. Level 2 Hierarchy:

(i) **Derivative instruments at fair value through profit or loss:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.

(ii) **Loans to employees:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities

(iii) **Finance lease obligation:** For obligation arrived based on IRR, implicit rate applicable on the reporting date and for obligation arrived based on incremental borrowing rate, applicable rate for remaining maturity.

(iv) **Non-Convertible Redeemable Bonds, Foreign Currency Bonds - Singapore Dollars and Senior Notes (Bank of America):** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities (Excluding floating rate borrowings)

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

C. Level 3 Hierarchy:

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

(ii) **Contingent Consideration:** Fair values of the contingent consideration been estimated by assessing the likelihood of the FID approval. The valuation requires management to make certain assumptions about the probability factor to be applied for valuation of consideration.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March 2017, 31 March 2016 and 1 April 2015 are shown below:

	Description	Valuation Tehcnique	Significant unobservable	Range (Weighted average)	Sensitivity of the input to fair value
I	Haldia Petrochemical Limited (included under FVTOCI assets in unquoted equity instruments)	Market Approach with equal weights to Revenue and EBITDA Multiple	Revenue Multiple	**2017: 0.59x - 0.63x (0.61x)** 2016: 0.39x - 0.43x (0.41x) 01.04.2015: 0.58x - 0.62x (0.60x)	0.01x increase/ (decrease) in Revenue Multiple would result in increase/ (decrease) in fair value by: **2017: ₹4.60 crore/ ₹(4.60) crore** 2016: ₹9.90 crore/ ₹(9.90) crore 01.04.2015: ₹6.70 crore/ ₹(6.80) crore
			EBITDA multiple	**2017: 4.8x - 5.2x (5.0x)** 2016: 4.3x - 4.7x (4.5x) 01.04.2015: 7.2x - 7.6x (7.4x)	0.1x increase/ (decrease) in EBITDA Multiple would result in increase/ (decrease) in fair value by: **2017: ₹7.30 crore/ ₹(7.40) crore** 2016: ₹3.50 crore/ ₹(3.40) crore 01.04.2015: ₹1.70 crore/ ₹(1.80) crore

	Description	Valuation Tehcnique	Significant unobservable	Range (Weighted average)	Sensitivity of the input to fair value
II	Ceylon Petroleum Storage Terminals Limited (included under FVTOCI assets in unquoted equity instruments)	Market Approach with equal weights to Revenue and EBITDA Multiple	Revenue Multiple	**2017: 2.0x - 2.4x (2.2x)** 2016: 2.3x - 2.7x (2.5x) 01.04.2015: 2.1x - 2.5x (2.3x)	0.1x increase (decrease) in Revenue Multiple would result in increase (decrease) in fair value by: **2017: ₹7.30 crore/ ₹(7.30) crore** 2016: ₹7.20 crore/ ₹(7.20) crore 01.04.2015: ₹7.20 crore/ ₹(7.10) crore
			EBITDA multiple	**2017: 7.0x - 9.0x (8.0x)** 2016: 8.6x - 10.6x (9.6x) 01.04.2015: 8.1x - 10.1x (9.1x)	0.5x increase (decrease) in EBITDA Multiple would result in increase (decrease) in fair value by: **2017: ₹8.80 crore/ ₹(8.80) crore** 2016: ₹8.90 crore/ ₹(9.0) crore 01.04.2015: ₹12.10 crore/ ₹(12.10) crore
III	Pacific NorthWest LNG Limited and Pacific NorthWest LNG Limited Partnership (included under FVTOCI assets in unquoted equity instruments)	DCF method	Discount Rate	**2017: 10.0%-11.0% (10.5%)** 2016: 10.0%-11.0% (10.5%) 01.04.2015: 10%-11.0% (10.5%)	0.25% increase (decrease) in the discount rate would result in (decrease) increase in fair value by: **2017: ₹(48.30) crore/ ₹51.00 crore** 2016: ₹(49.40) crore/ ₹52.10 crore 01.04.2015: ₹(46.00) crore/ ₹48.50crore
IV	Petrocarababo S.A. and Carabobo Ingenieria Y Construcciones S.A. (included under FVTOCI assets in unquoted equity instruments)	DCF method	Discount Rate	**2017: 21.0%-25.0% (22.0%)** 2016: 23.0%-27.0% (25.0%) 01.04.2015: 18.0%-22.0% (19.0%)	1% increase (decrease) in the discount rate would result in (decrease) increase in fair value by: **2017: ₹(2.00) crore/ ₹1.60 crore** 2016: ₹(3.00) crore/ ₹2.70 crore 01.04.2015: ₹(6.90) crore/ ₹6.00 crore
V	Contingent Consideration	Probability of FID	Probability of FID	**2017: (90%)** 2016: (90%) 01.04.2015: (90%)	1% increase/ (decrease) in Probability would result in (decrease)/ increase in fair value by: **2017: ₹(4.90) crore/ ₹4.90 crore** 2016: ₹(5.10) crore/ ₹5.10 crore 01.04.2015: ₹(4.90) crore/ ₹4.90 crore

Unquoted equity instruments carried at FVTOCI includes following investments for which sensitivity disclosure are not disclosed:	Carrying value (₹ in Crore)		
	Mar-2017	Mar-2016	01.04.2015
Mer Rouge Oil Storage Terminal Company Limited	**0.93**	-	-
(Since the construction of the facility is in progress, cost of the investment has been treated as the fair value by the management)			
BioTech Consortium India Limited	**0.10**	0.10	0.10
(Management does not consider any movement in their fair value on reporting date)			
MRL Industrial Cooperative Service Society	**0.01**	0.01	0.01
(Management does not consider any movement in their fair value on reporting date)			
International Cooperative Petroleum Association, New York	**0.02**	0.02	0.02
(Management does not consider any movement in their fair value on reporting date)			
Woodlands Multispeciality Hospital Limited	**0.10**	0.10	0.10
(Management does not consider any movement in their fair value on reporting date)			

Reconciliation of fair value measurement of unquoted equity instruments classified as FVTOCI assets:

(₹ in Crore)

Description	Unquoted Equity Instruments
As at 1st April 2015	**1,009.73**
Reclassification from JV to Equity Instruments	-
Purchases	58.40
Sales	-
Fair Value Changes	11.57
Exchange Difference	24.27
As at 31st March 2016	**1,103.97**
Reclassification from JV to Equity Instruments	0.94
Purchases	12.01
Sales	-
Fair Value Changes	132.04
Exchange Difference	(45.68)
As at 31st March 2017	**1,203.28**

Reconciliation of Contingent Consideration classified as FVTPL liability:

Description	Contingent Consideration
As at 1st April 2015	**441.99**
Addition	-
Deletion	-
Fair Value Changes	-
Exchange Differences	18.77
As at 31st March 2016	**460.76**
Addition	-
Deletion	-
Fair Value Changes	-
Exchange Differences	(22.22)
As at 31st March 2017	**438.54**

NOTE-41: FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial Risk Factors

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

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

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

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

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

A. Market Risk

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

The sensitivity analysis in the following sections relate to the position as at 31st March 2017 and 31st March 2016.

The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets and liabilities of foreign operations.

1. Interest Rate Risk

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

The Group manages to maintain a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market / regulatory constraints etc. As at 31st March 2017, approximately 44% of the Group's borrowings are at a fixed rate of interest (2016: 46%, 01.04.2015: 50%).

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on floating rate borrowings is as follows:

Currency of Borrowings	Increase / Decrease in basis points	Effect on profit before tax (₹ in crore)	Increase / Decrease in basis points	Effect on profit before tax (₹ in Crore)
	Mar-2017		Mar-2016	
INR	**+50**	**(14.48)**	+50	(26.33)
US Dollar	**+50**	**(155.18)**	+50	(124.52)
INR	**(50)**	**14.48**	(50)	26.33
US Dollar	**(50)**	**155.18**	(50)	124.52

2. Foreign Curency Risk

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

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

The Group has outstanding forward contract of ₹ **1,702.23 crore** as at 31st March 2017 (2016: ₹ 3,396.99 crore, 01.04.2015: Nil) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

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

Currency	Increase / Decrease	Effect on profit before tax	Effect on OCI before tax	Increase / Decrease	Effect on profit before tax	Effect on OCI before tax
	in %	(₹ in crore)	(₹ in crore)	in%	(₹ in crore)	(₹ in crore)
	Mar-2017			Mar-2016		
Forward Contract - US Dollar	+5%	85.11	-	+5%	169.85	-
	-5%	(85.11)	-	-5%	(169.85)	-
Other Exposures - US Dollar	+5%	(2,836.02)	-	+5%	(2,381.66)	-
	-5%	2,836.02	-	-5%	2,381.66	-
Foreign Subsidiary - Net Assets	+5%	-	(577.11)	+5%	-	(351.18)
	-5%	-	577.11	-5%	-	351.18
Other Exposures - SGD	+5%	(95.20)	-	+5%	(100.97)	-
	-5%	95.20	-	-5%	100.97	-
Cross Currency - USD vs. SGD	+5%	(105.56)	-	+5%	(107.85)	-
	-5%	105.56	-	-5%	107.85	-

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

3. Commodity Price Risk

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

Category-wise quantitative data about commodity derivative transactions that are oustanding is given below:

Quantity (in lakh bbls)

Particulars	Mar-2017	Mar-2016	01.04.2015
Swaps on Crude Oil	-	-	4.50
Margin Hedging	3.00	0.50	3.00

The sensitivity to a reasonably possible change in price of crude oil/refinery margin on the outstanding commodity hedging position as on 31st March 2017:

Particulars	Increase / Decrease in %	Effect on profit before tax (₹ in crore)	Increase / Decrease in %	Effect on profit before tax (₹ in Crore)
	Mar-2017		Mar-2016	
Margin Hedging	**+10%**	**(2.28)**	+10%	(0.52)
Margin Hedging	**-10%**	**2.28**	-10%	0.52

4. Equity Price Risk

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

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 1,203.28 crore. Sensitivity analysis of these investments have been provided in Note 40. The exposure to listed equity securities at fair value was ₹ 20,987.39 crore. An increase/decrease of 5% on the NSE market index could have an impact of approximately ₹ 1,049.37 crore on the OCI and equity attributable to the Group. These changes would not have an effect on profit or loss.

B. Credit Risk

Trade receivables

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

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

(₹ in Crore)

Year Ended	0 - 90 days	90 days to 6 months	6 months to 1 Year	1 Year to 3 Years	> 3 years	Total
Mar-2017						
Gross Carrying amount	5,400.29	2,942.71	393.07	92.67	188.77	9,017.51
Expected credit losses	(7.84)	(2.94)	(0.37)	(0.08)	(0.11)	(11.34)
Specific Provision	(0.01)	-	-	-	(106.97)	(106.98)
Carrying amount	**5,392.44**	**2,939.77**	**392.70**	**92.59**	**81.69**	**8,899.19**
Mar-2016						
Gross Carrying amount	3,843.69	3,352.37	308.22	116.04	180.77	7,801.09
Expected credit losses	(6.56)	(3.34)	(0.30)	(0.13)	(0.06)	(10.39)
Specific Provision	-	-	(0.31)	-	(105.89)	(106.20)
Carrying amount	**3,837.13**	**3,349.03**	**307.61**	**115.91**	**74.82**	**7,684.50**
01.04.2015						
Gross Carrying amount	4,268.57	2,301.34	255.65	68.94	202.95	7,097.45
Expected credit losses	(5.73)	(2.30)	(0.23)	(0.07)	(0.06)	(8.39)
Specific Provision	(0.06)	-	(0.03)	(1.17)	(144.57)	(145.83)
Carrying amount	**4,262.78**	**2,299.04**	**255.39**	**67.70**	**58.32**	**6,943.23**

Financial instruments and cash deposits

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

The Group's maximum exposure to credit risk for the components of the Balance Sheet at 31st March 2017 and 31st March 2016 is the carrying amounts as provided in Note 4,5,6, 11 & 12.

C. Liquidity Risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool. The Group seeks to manage its liquidity requirement by maintaining access to both short term and long term debt markets. In addition, Group has committed credit facilities from banks. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, commercial papers, bank loans, debentures, and finance leases. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

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

(₹ in Crore)

Year ended	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Mar-2017						
Borrowings	2,685.31	17,210.29	17,829.09	19,634.58	5,911.35	63,270.62
Trade payables	2,670.23	28,478.01	21.44	-	-	31,169.68
Other financial liabilities	2,931.48	6,593.40	1,475.99	14,651.40	5,600.08	31,252.35
Derivatives	-	362.98	16.05	-	-	379.03
	8,287.02	**52,644.68**	**19,342.57**	**34,285.98**	**11,511.43**	**126,071.68**
Mar-2016						
Borrowings	312.70	12,859.01	17,438.49	17,381.69	10,559.61	58,551.50
Trade payables	6,240.55	18,077.05	19.04	-	-	24,336.64
Other financial liabilities	2,629.94	5,240.71	1,181.05	12,291.92	5,217.48	26,561.10
Derivatives	-	352.88	13.89	-	-	366.77
	9,183.19	**36,529.65**	**18,652.47**	**29,673.61**	**15,777.09**	**109,816.01**
01.04.2015						
Borrowings	3,876.96	15,404.94	8,899.60	24,231.52	9,995.15	62,408.17
Trade payables	6,477.71	24,286.29	182.96	-	-	30,946.96
Other financial liabilities	2,953.58	4,432.41	542.39	10,543.99	4,545.63	23,018.00
Derivatives	-	583.38	-	-	-	583.38
	13,308.25	**44,707.02**	**9,624.95**	**34,775.51**	**14,540.78**	**116,956.51**

D. Excessive risk concentration

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

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

E. Collateral

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

NOTE-42: CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using debt equity ratio, which is borrowings divided by Equity attributable to equity holders of the parent. The Group's endeavour is to keep the debt equity ratio around 1:1.

(₹ in Crore)

	Mar-2017	Mar-2016	01.04.2015
Borrowings	**63,270.62**	**58,551.50**	**62,408.17**
Equity Share Capital	**4,739.34**	2,369.67	2,369.67
Reserves and Surplus	**97,356.76**	87,609.94	86,126.18
Equity	**102,096.10**	**89,979.61**	**88,495.85**
Debt Equity Ratio	**0.62 : 1**	**0.65 : 1**	**0.71 : 1**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2017 and 31st March 2016.

NOTE-43: DISCLOSURE RELATING TO CERTIFIED EMISSION REDUCTIONS

The disclosure in respect of self-generated Certified Emission Reductions (CERs) is as under:

Particulars	Mar-2017	Mar-2016	01.04.2015
No. of CERs held as inventory	**2693**	2693	2693
No. of CERs under certification	**74045**	74045	74045
Depreciation and Operating and Maintenance costs of Emission Reduction Equipments expensed during the year (₹ in crore)	**5.86**	5.71	

Stores and Spares etc. in Note 9 - inventories includes CER rights valuing ₹ **30,249** (2016: ₹ 30,249, 01.04.2015: ₹ 30,249)

NOTE-44: DISCLOSURE ON GOVERNMENT GRANTS

A. Revenue Grants

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

Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ₹ **62.01 crore** (2016: ₹ 27.31 crore) and subsidies on sales of SKO & LPG to customers in Bhutan amounting to ₹ **18.01 crore** (2016: ₹ 19.29 crore) have been reckoned as per the schemes notified by Governments.

2 Compensation against under recoveries

2A: The Group has accounted for Budgetary Support of ₹ **5,149.21 crore** (2016: ₹ 6,885.26 crore) towards under-recovery on sale of SKO (PDS) in the Statement of Profit and Loss as Revenue Grants.

2B: During the previous financial year 2015-16, the Group had received discounts of ₹ **862.84 crore** from ONGC/OIL on crude oil purchased towards part of the under recovery suffered on sale of SKO (PDS) which were adjusted against purchase of raw material. There is no such discount in the financial year 2016-17.

3 **Grant in respect of revenue expenditure for research projects**

During the year, the Group has received revenue grant of ₹ **0.73 crore** (2016: ₹ 2.12 crore) in respect of meeting out revenue expenditure such as Manpower, Consumables, Travel & Contingency etc for research projects undertaken with various agencies.

4 **Incentive on sale of power**

The Group is getting incentive from Department of Renewable Energy, GOI for wind power generation of Electricity at the rate of ₹ 0.50 paise for per unit of power generated. The Group has received grant of ₹ **3.19 crore** during the current year (2016: ₹ 2.77 crore).

5 **EPCG Grant**

Grant recognized in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Govt. which allows procurement of capital goods including spares for pre production and post production at zero duty subject to an export obligation of 6 times of the duty saved on capital goods procured. The unamortized grant amount as on 31.03.2017 is ₹ **476.10 crore** (2016: ₹ 432.66 crore, 01.04.2015: ₹ 385.66 crore). The Group recognised ₹ **6.27 crore** (2016: ₹ 0.08 crore) in the statement of profit and loss as amortisation of revenue grant. The Group expects to meet the export obligations and therefore equivalent deferred grant has not been treated as liability.

6 **Excise duty benefit in North East**

Excise duty exemption of 50% of goods manufactured and cleared from north east refineries has been reckoned at full value in revenue and on net basis in expenses under "Excise Duty" (to the extent of duty paid). Financial impact for the current year is ₹ **3,072.91 crore** (2016: ₹ 2,259.77 crore).

7 **Entry Tax exemption**

The Group has recognised grant on net basis in respect of entry tax exemtion of crude/Naptha purchased in Panipat Refinery, Panipat Naptha Cracker Complex and Paradip Refinery in cost of materials consumed/Purchase of Stock-in Trade. Entry tax exemption on crude/ Naptha procured in the state of Haryana and Odisha has been received amounting to ₹ **505.84 crore** (2016: ₹ 382.45 crore).

B. Capital Grants

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

The Group has received government grant from OIDB (Oil Industry Directorate Board) for strengthening distribution of PDS Kerosene as per the directions of MoP&NG to be used in construction of 20KL underground Tank, Mechanical Dispensing Units & Barrel Shed. The unamortized capital grant amount as on 31.03.2017 is ₹ **1.84 crore** (2016: ₹ 2.12 crore, 01.04.2015: ₹ 2.38 crore) .During the year, the Group recognised ₹ **0.28 crore** (2016: ₹ 0.26 crore) in statement of profit & loss as amortisation of capital grants.

2 **DBTL Capital Grant**

The Group has received Government grant for roll out of DBTL scheme launched by MOPNG towards development, acquisition of software/ licenses & data processing equipment for effective implementation of platform for dispesning of subsidy to customers purchasing LPG under DBTL scheme. The unamortized capital grant amount as on 31.03.2017 is ₹ **0.47 crore** (2016: ₹ 1.79 crore, 01.04.2015: Nil). The Group recognised ₹ **1.32 crore** (2016: ₹ 14.97 crore) in the statement of profit & loss as amortisation of capital grants.

3 **Capital Grant in respect of Excise duty & Custom duty waiver**

The Group has received grant in respect of Custom duty waiver on import on capital goods & Excise duty waiver on purchase of goods from local manufacturer in India under the certificate issued by Department of Scientific & Industrial Research (DSIR). The unamortized capital grant amount as on 31.03.2017 is ₹ **44.52 crore** (2016: ₹ 45.27 crore, 01.04.2015: ₹ 42.12 crore) The goods so imported or procured from local manufacturer shall not be transferred or sold for a period of five years from date of installation. The Group recognised ₹ **4.78 crore** (2016: ₹ 4.53 crore) in the statement of profit & loss as amortisation of capital grants.

4 **Capital Grant in respect of Research projects**

The Group has received capital grant from various agencies in respect of procurement/ setting up of Capital assets for research projects undertaken. The unamortized capital grant amount as on 31.03.2017 is ₹ **15.73 crore** (2016: ₹ 17.91 crore, 01.04.2015: ₹ 16.26 crore). The Group recognised ₹ **3.00 crore** (2016: ₹ 2.91 crore) in the statement of profit & loss as amortisation of capital grants.

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

Entry Tax exemption received from Odisha Government for Paradip Refinery Project has been recognized as Capital Grant and grossed up with the concerned Assets.The unamortized capital grant amount as on 31.03.2017 is ₹ **126.90 crore** (2016: ₹ 131.40 crore, 01.04.2015: ₹ 128.66 crore). The Group recognised ₹ **5.66 crore** (2016: ₹ 1.48 crore) in the statement of profit & loss as amortisation of capital grants.

6 Capital Grant in respect of demonstration unit

Grant received from OIDB for setting up of demonstration unit at Guwahati refinery with the Group's R&D devloped IndaDeptG technology. The unamortized capital grant amount as on 31.03.2017 is ₹ **87.41 crore** (2016: ₹ 42.20 crore, 01.04.2015: NIL). The Group recognised ₹ **1.09 crore** (2016: NIL) in the statement of profit and loss as amortisation of capital grants.

7 Capital Grant in respect of interest subsidy

The Group has received capital grant in respect of interest subsidy on loans taken from OIDB. The unamortized capital grant amount as on 31.03.2017 is ₹ **6.67 crore** (2016: ₹ 6.94 crore, 01.04.2015: NIL). The Group recognised ₹ **0.26 crore** (2016: ₹ 0.07 crore) in the statement of profit & loss as amortisation of capital grants.

NOTE-45: CONSTRUCTION CONTRACTS DISCLOSURES

(₹ in Crore)

Particulars	Mar-2017	Mar-2016	01.04.2015
Construction Revenue and Cost			
Construction contract revenue included in "Other Operating Revenue" recognized based on percentage of completion method	**13.35**	19.12	-
Construction contract cost included in "Other Expenses"	**11.35**	16.06	-
Amount due from (to) customers under construction contracts			
- Amount due from customers under construction contracts	**-**	-	-
- Amount due to customers under construction contracts	**-**	-	-
Net	**-**	**-**	**-**
Contracts in progress at the end of the reporting period			
Construction costs incurred plus recognised profits (less recognised losses) to date	**26.44**	23.57	4.54
Less: progress billings	**26.44**	23.57	4.54
Net	**-**	**-**	**-**
Advances received from customers for contract work	**23.40**	25.79	34.77
Retentions held by customers for contract work	**-**	-	-

NOTE-46: STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, JV'S AND ASSOCIATES (FORM AOC-I)

PART "A": SUBSIDIARIES

(₹ in Crore)

Sl. No.	1	2	3	4	5	6	7	8	9
Name of the Subsidiary	Chennai Petroleum Corporation Limited	Indian Catalyst Private Limited	IndianOil (Mauritius) Limited	Lanka IOC PLC	IOC Middle East FZE	IOC Sweden AB	IOCL (USA) Inc.	IndOil Global BV.	IOCL Singapore PTE Limited
Date since when subsidiary was acquired	29.03.2001	01.06.2006	24.10.2001	29.08.2002	19.04.2006	26.02.2010	01.10.2012	25.02.2014	13.05.2016
Reporting Currency	INR	INR	MUR	SLR	AED	EURO	USD	CAD	USD
Exchange Rate (INR):									
Closing as on 31.03.2017	-	-	1.8518	0.4276	17.6640	69.3100	64.8550	48.7268	64.8550
Average Rate 2016-17	-	-	1.8982	0.4553	18.2582	73.5943	67.0854	51.0979	67.0854
Share Capital	149.00	15.93	75.67	250.54	2.30	294.03	336.32	6,104.48	4,738.24
Other Equity	3,292.10	(9.47)	176.13	750.25	31.37	98.66	(117.69)	(1,389.99)	191.87
Liabilities	8,181.79	0.01	205.06	201.14	8.67	8.17	7.97	2,637.85	1,918.64
Total Liabilities	11,622.89	6.47	456.86	1,201.93	42.34	400.86	226.60	7,352.34	6,848.75
Total Assets	11,622.89	6.47	456.86	1,201.93	42.34	400.86	226.60	7,352.34	6,848.75
Investments	140.01	-	0.93	602.53	-	392.72	-	209.68	6,659.94
Turnover	40,585.77	-	1,193.51	3,689.72	47.71	2.66	46.56	298.38	-
Profit Before Taxation	1,386.10	(0.01)	24.55	146.21	6.31	(0.58)	(48.84)	(166.32)	84.15
Provision for Taxation	335.29	-	4.27	24.32	-	-	-	-	-
Profit After Taxation	1,050.81	(0.01)	20.28	121.89	6.31	(0.58)	(48.84)	(166.32)	84.15
Proposed Dividend	312.71	-	-	28.46	-	-	-	-	-
Percentage of shareholding	51.89%	100.00%	100.00%	75.12%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Note: One Subsidiary named IndianOil Creda Biofuels Ltd. has not been consolidated as the Management has decided to exit from this company and has accordingly provided for full dimunition in the value of investment.

NOTE-46: PART - "B" : STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (FORM AOC - I)

(₹ in Crore)

1	Name of the Associates / Joint Ventures	IOT Infrastructure & Energy Services Limited	Lubrizol India Private Limited	Indian Oil Petronas Private Limited	Green Gas Limited	Mumbai Aviation Fuel Farm Facility Private Limited	Indian Oil Skytanking Private Limited	Suntera Nigeria 205 Ltd.	Indian Oil Ruchi Biofuels LLP	Delhi Aviation Fuel Facility Private Limited	Indian Synthetic Rubber Private Limited	NPCIL - IndianOil Nuclear Energy Corporation Limited
2	Latest Audited Balance Sheet Date	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.12.2016	31.03.2017	31.03.2017	31.03.2017	31.03.2017
3	Date of which Associate or Joint Venture was associated or acquired	28.08.1996	01.04.2000	03.12.1998	07.10.2005	09.10.2014	21.08.2006	09.05.2006	28.05.2010	28.03.2010	06.07.2010	06.04.2011
4	Shares of Associate / Joint Ventures held by the company on the year end											
i.	No.	494828289	960000	134000000	23042250	38271250	25950000	2500000	Capital Fund	60680000	222861375	260000
ii.	Amount of Investment in Associates / Joint Venture	723.98	118.67	134.00	23.04	38.27	73.28	0.05	1.60	60.68	222.86	0.26
iii.	Extent of Holding %	49.34%	50.00%	50.00%	49.97%	25.00%	50.00%	25.00%	50.00%	37.00%	50.00%	26.00%
5	Description of how there is significant influence	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control
6	Reason why the associate/ joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Networth attributable to Shareholding as per latest audited Balance Sheet	454.85	257.92	490.70	126.34	46.43	61.52	(100.54)	0.00	72.35	63.79	0.30
8	Profit / (Loss) for the year (After Tax)	56.84	124.15	226.14	44.80	26.58	33.43	(42.77)	(0.20)	38.34	78.04	0.06
i.	Considered in Consolidation	28.04	62.07	113.07	22.39	6.65	16.72	(10.69)	(0.10)	14.19	39.02	0.02
ii.	Not Considered in Consolidation	28.80	62.08	113.07	22.41	19.93	16.71	(32.08)	(0.10)	24.15	39.02	0.04

NOTE-46: PART - "B" : STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (FORM AOC - I) (Cont....)

(₹ in Crore)

1	Name of the Associates / Joint Ventures	GSPL India Gasnet Limited	GSPL India Transco Limited	IndianOil Adani Gas Private Limited	Kochi Salem Pipelines Private Limited	Indian Oil LNG Private Limited	Hinduatan Urvarak and Rasayan Limited	Petronet LNG Limited	Avi-Oil India Private Limited	Petronet India Limited	Petronet VK Limited
2	Latest Audited Balance Sheet Date	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017
3	Date of which Associate or Joint Venture was associated or acquired	29.03.2013	29.03.2013	04.10.2013	22.01.2015	29.05.2015	15.06.2016	02.04.1998	04.11.1993	26.05.1997	21.05.1998
4	Shares of Associate / Joint Ventures held by the company on the year end										
i.	No.	72025030	53300000	85000000	55000000	5000	5025000	93750000	4500000	18000000	49999970
ii.	Amount of Investment in Associates / Joint Venture	72.03	53.30	85.00	55.00	0.01	5.03	98.75	4.50	18.00	26.02
iii.	Extent of Holding %	26.00%	26.00%	50.00%	50.00%	50.00%	29.67%	12.50%	25.00%	18.00%	50.00%
5	Description of how there is significant influence	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Associate	Associate	Associate	Associate
6	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Networth attributable to Shareholding as per latest audited Balance Sheet	73.51	54.78	78.08	52.35	(1.23)	3.60	1022.30	12.77	19.02	(82.10)
8	Profit / (Loss) for the year (After Tax)	1.08	0.92	(6.15)	(2.65)	(0.01)	(4.82)	1723.13	10.87	59.32	0.88
i.	Considered in Consolidation	0.28	0.24	(3.08)	(1.33)	(0.01)	(1.43)	215.39	2.72	10.68	0.00
ii.	Not Considered in Consolidation	0.80	0.68	(3.07)	(1.32)	0.00	(3.39)	1507.74	8.15	48.64	0.88

Following associates or joint ventures are yet to commence operations:
i) Suntera Nigeria 205 Ltd.
ii) NPCIL - IndianOil Nuclear Energy Corporation Limited
iii) GSPL India Gasnet Limited
iv) GSPL India Transco Limited
v) Kochi Salem Pipelines Private Limited
vi) Indian Oil LNG Private Limited

Equity Consolidation in respect of following Jointly Controlled Entities have not been consolidated as the Management has decided to exit from these companies and provided for full dimunition in the value of investment:
i) Petronet CI Limited.
ii) IndianOil Panipat Power Consurtium Limited.

NOTE-47: ADDITIONAL INFORMATION FOR CONSOLIDATED FINANCIAL STATEMENTS AS PER SCHEDULE-III TO COMPANIES ACT, 2013

Name of the Entity	Net Assets		Share in Profit/ (loss) after Tax		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Total	Amount (₹ in crore)	As % of Total	Amount (₹ in crore)	As % of Total	Amount (₹ in crore)	As % of Total	Amount (₹ in crore)
Indian Oil Corporation Limited	97.68%	99,728.72	96.26%	19,106.40	103.83%	4,867.49	97.69%	23,973.89
Subsidiaries								
Indian								
Chennai Petroleum Corporation Limited	3.37%	3,441.10	5.29%	1,050.81	-0.12%	(5.68)	4.26%	1,045.13
Indian Catalyst Private Limited	0.01%	6.46	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Foreign								
IndianOil (Mauritius) Limited	0.25%	251.80	0.10%	20.28	-0.03%	(1.60)	0.08%	18.68
Lanka IOC PLC	0.99%	1,000.79	0.61%	121.89	-1.03%	(48.29)	0.30%	73.60
IOC Middle East FZE	0.03%	33.67	0.03%	6.31	-0.02%	(0.81)	0.02%	5.50
IOC Sweeden AB	0.38%	392.69	0.00%	(0.58)	-0.30%	(14.08)	-0.06%	(14.66)
IOCL (USA) Inc.	0.21%	218.63	-0.25%	(48.84)	-0.09%	(4.32)	-0.22%	(53.16)
IndOil Global BV.	4.62%	4,714.49	-0.83%	(166.32)	-5.11%	(239.22)	-1.65%	(405.54)
IOCL Singapore PTE Limited	4.83%	4,930.11	0.42%	84.15	2.30%	107.72	0.78%	191.87
Less: Minority Interests in all subsidiaries	1.87%	1,904.56	2.70%	535.91	-0.31%	(14.75)	2.12%	521.16
Joint Venture								
Indian								
IOT Infrastructure & Energy Services Limited	0.45%	454.85	0.15%	28.04	0.27%	12.83	0.17%	40.87
Lubrizol India Private Limited	0.25%	257.92	0.31%	62.07	-0.03%	(1.52)	0.25%	60.55
Indian Oil Petronas Private Limited	0.48%	490.70	0.58%	113.07	0.00%	(0.01)	0.46%	113.06
Green Gas Limited	0.12%	126.34	0.11%	22.39	0.00%	(0.01)	0.09%	22.38
Indian Oil Skytanking Private Limited	0.06%	61.52	0.08%	16.72	0.00%	(0.02)	0.07%	16.70
Delhi Aviation Fuel Facility Private Limited	0.07%	72.35	0.07%	14.19	0.00%	-	0.06%	14.19
Indian Synthetic Rubber Private Limited	0.06%	63.79	0.20%	39.02	0.00%	0.01	0.16%	39.03
Indian Oil Ruchi Biofuels LLP	0.00%	-	0.00%	(0.10)	0.00%	-	0.00%	(0.10)
NPCIL - IndianOil Nuclear Energy Corporation Limited	0.00%	0.30	0.00%	0.02	0.00%	-	0.00%	0.02
GSPL India Transco Limited	0.05%	54.78	0.00%	0.24	0.00%	-	0.00%	0.24
GSPL India Gasnet Limited	0.07%	73.51	0.00%	0.28	0.00%	-	0.00%	0.28
IndianOil Adani Gas Private Limited	0.08%	78.08	-0.01%	(3.08)	0.00%	-	-0.01%	(3.08)
Mumbai Aviation Fuel Farm Facility Private Limited	0.05%	46.43	0.03%	6.65	0.00%	-	0.03%	6.65
Kochi Salem Pipelines Private Limited	0.06%	52.35	-0.01%	(1.33)	0.00%	-	-0.01%	(1.33)
IndianOil LNG Private Limited	0.00%	(1.23)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Hinduatan Urvarak and Rasayan Limited	0.00%	3.60	-0.01%	(1.43)	0.00%	-	-0.01%	(1.43)
Foreign								
Suntera Nigeria 205 Ltd.	-0.10%	(100.54)	-0.05%	(10.69)	0.05%	2.30	-0.03%	(8.39)
Associates								
Indian								
Avi-Oil India Private Limited	0.01%	12.77	0.01%	2.72	0.00%	(0.03)	0.01%	2.69
Petronet VK Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Petronet LNG Limited	1.00%	1,022.30	1.09%	215.39	0.00%	(0.22)	0.88%	215.17
Petronet India Limited	0.02%	19.02	0.05%	10.68	0.00%	-	0.04%	10.68
Intra Group Eliminations	-13.23%	(13,506.64)	-1.53%	(303.53)	-0.03%	(1.39)	-1.24%	(304.92)
TOTAL	**100.00%**	**102,096.10**	**100.00%**	**19,849.49**	**100.00%**	**4,687.90**	**100.00%**	**24,537.39**

Note:

1. Figures in respect of Joint Operations as mentioned in Note 34 have been included in the financial statements of Indian Oil Corporation Ltd & Subsidiary Companies and in respect of other Joint Ventures/Associates of Subsidiary Companies, the same has been included in the financial statements of respective subsidiary company.
2. Following Companies have not been consolidated in the consolidated financial statements as the Management has decided to exit from these Entities and provided for full dimunition in value of investment:
   a) IndianOil Creda Biofuels Ltd. (Subsidiary)
   b) Petronet CI Ltd. (Joint Venture)
   c) IndianOil Panipat Power Consurtium Ltd. (Joint Venture)
3. A Joint Venture of a subsidiary company, viz. M/s Mer Rouge Storage Terminal CO Ltd ("MOST"), has not been consolidated. Initially the subsidiary company had a share of 25% in MOST and during the year 2017, there has been a change in shareholding consequent upong the management's decision to participate with 6% of shareholding.

NOTE-48: ADDITIONAL DISCLOSURES BY GROUP COMPANIES

Lanka IOC PLC

Super gain tax

As per the provisions of Part III of the Finance Act, No. 10 of 2015 which was certified on 30 October 2015, the Company is liable for Super Gain tax of ₹ 67.90 crore. According to the Act, the super gain tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment which commenced on 1st April 2013. The Act supersedes the requirements of the Sri Lanka Accounting Standards, hence the expense of Super gain tax is accounted in accordance with the requirements of the said Act as recommended by the Statement of Alternative Treatment (SoAT) on Accounting for Super Gain Tax issued by the Institute of Chartered Accountants of Sri Lanka, dated 24 November 2015. Accordingly company has adjusted SGT amount against the brought forward retained earnings as at 1st April 2015 in the Statement of changes in equity.

NOTE-49: FIRST-TIME ADOPTION OF IND AS

These financial statements, for the year ended 31st March 2017, are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2016, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2017, together with the comparative period data as at and for the year ended 31st March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at 1st April 2015, the Group's date of transition to Ind AS. This note explains exemptions availed by the Group in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2015 and the financial statements as at and for the year ended 31st March 2016.

Exemptions applied:

1. Mandatory exemptions;

a) Estimates

The estimates at 1st April 2015 and at 31st March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVTOCI – Equity Shares at fair value through Other Comprehensive Income
- FVTOCI – Debt securities at fair value through Other Comprehensive Income
- Impairment of financial assets based on expected credit loss model

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at 1st April 2015, the date of transition to Ind AS and as of 31st March 2016.

b) De-recognition of financial assets and financial liability

The Group has applied the de-recognition requirements under Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Derivative accounting

The Group has applied this exemption and all derivatives measured at fair value at transition date. All deferred gains and losses arising on derivatives under previous GAAP eliminated on the transition date.

d) Classification and measurement of financial assets:

i. Financial assets and liabilities like loan to employees, security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind ASs. Since, it is impracticable for the Group to apply retrospectively the effective interest method in Ind AS 109, the fair value of the above financial asset or the financial liability at the date of transition to Ind As by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

ii. The Group has designated quoted and unquoted equity instruments and GOI Special bonds held at 1st April 2015 as fair value through OCI investments.

e) Impairment of financial assets:

At the date of transition to Ind ASs, the Group has determined that assessment of significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Group has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised.

f) Embedded Derivatives:

The Group has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date of reassessment.

g) Government Loans:

The Group has applied the requirements in Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to Ind ASs and has not recognised the corresponding benefit of the government loan at a below-market rate of interest as a government grant. Accordingly, the Group has used its previous GAAP carrying amount of loan at the date of transition to Ind ASs as carrying amount of loan in the opening Ind AS Balance Sheet i.e. Provisions of Ind AS 20 are applied prospectively.

h) Non-controlling interests:

The following requirements of Ind AS 110 are required to be applied prospectively from the date of transition to Ind AS:

- To attribute total comprehensive income to non-controlling interests irrespective of whether this results in a deficit balance
- To treat changes in a parents ownership interest as equity transactions
- To apply Ind AS 110 to loss of control of a subsidiary

However, the Company has applied Ind AS 103 from 1st April 2013 and accordingly, the Company has applied above mentioned requirement of Ind AS 110 from 1st April 2013. Prior to 1st April 2013, the Company has applied this exemption.

2. Optional exemptions:

A. Long Term Foreign Currency Monetary Items:

The Group has elected to continue policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in financial statements for period ending immediately before beginning of first Ind AS financial reporting period as per previous GAAP i.e. 1st April 2016.

B. Deemed cost-Previous GAAP carrying amount:

Since there is no change in the functional currency, the Group has elected to continue with the carrying value for all of Property, Plant and Equipment and Intangible Assets, as recognised in its Indian GAAP financial as deemed cost at the transition date.

C. Arrangements containing a lease:-

i) Arrangement in the nature of leases:

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

ii) Composite leases: (Land and Building elements):

The Group has elected this exemption and assessed the classification of each element (land and building) as finance or an operating lease at the date of transition to Ind AS on the basis of the facts and circumstances existing as at that date.

D. Investment in subsidiaries, Joint ventures and associates:

The Group has elected this exemption and opted to continue with the carrying value of investment in subsidiaries, associates and joint ventures, as recognised in its Indian GAAP financials, as deemed cost at the date of transition.

E. Designation of previously recognised financial instrument:

The Group has elected this exemption and opted to:

- Designate financial asset at FVTPL as per Ind AS 109 based on facts and circumstances as on transition date;
- Designate an investment in equity shares as FVOCI, as per Ind AS 109, based on facts and circumstances exist on transition date.

F. Decommissioning liability:

The Group has elected this exemption and changes in a decommissioning, restoration or similar liability added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life.

The Group need not comply with these requirements for changes in such liabilities that occurred before the date of transition to Ind AS. By applying this exemption, the Group has:

- Measured the liability in accordance with Ind AS 37 on the date of transition to Ind AS
- The obligation capitalized as a separate component of PPE, together with the accumulated depreciation from the date the obligation was incurred to the transition date (if any).
- The amount capitalized as part of the cost of the asset is calculated by discounting the liability back to the date the obligation initially arose using the best estimate of historical discount rates.
- The associated accumulated depreciation is calculated by applying the current estimate of the useful life of the asset, using the entity's depreciation policy for the asset.

H. Business combinations:

Ind AS 101 provides the option to apply Ind AS 103 prospectively from transition date or specific date prior to transition date. Accordingly, the Group has elected to apply Ind AS 103 from specific date i.e. 1st April 2013:

Business combination occurred on or before 1st April 2013

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 1st April 2013. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Group recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

The Group has applied same exemption for investment in associates and joint ventures.

The Group has not applied Ind AS 21, The Effects of Changes in Foreign Exchange Rates retrospectively to fair value adjustments that occurred before 1st April 2013 to Ind AS. Such fair value adjustments are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

Business combination occurred after 1st April 2013

The Group has acquired business combination in between period from 1st April 2013 till 1st April 2015 has been restated as per Ind AS 103.

I. Tranisition from full cost method

In respect of the entities following full cost method for oil and gas properties, the Group has elected to measure exploration and evaluation assets at the amount determined under previous GAAP. The Group has tested such exploration and evaluation assets for impairment at the date of transition to Ind AS.

J. Joint ventures – transition from proportionate consolidation to the equity method

The Group has applied Ind AS 101 exemption in relation to consolidation of joint arrangements where there is a transition from proportionately consolidation method to equity method of accounting. The Group has recognised its investment in the joint venture at transition date to Ind AS by measuring it as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition. The Group has tested investment for impairment in accordance with Ind AS 36 at the date of transition to Ind ASs. Any resulting impairment loss recognised as an adjustment to retained earnings at the date of transition to Ind ASs (if any).

If aggregating all previously proportionately consolidated assets and liabilities results in negative net assets, The Group has recognised a liability, if it has legal or constructive obligations in relation to the negative net assets and if no such obligation exists then the Group has recognised to retained earnings at the date of transition to Ind AS. The relevant disclosures are given as under:

1. Assets and Liabilities of Joint Ventures which were previously proportionately consolidated under previous GAAP:

(₹ in Crore)

Proportionate share of assets and liabilities	Mar-2016	01.04.2015
Non-current assets		
Property, plant and equipment	3,167.67	2,661.72
Other non-current assets	1,732.91	1,733.84
Total (A)	**4,900.58**	**4,395.56**
Current assets		
Inventories	231.72	342.52
Trade receivables	458.95	485.42
Current assets	341.97	464.05
Cash and cash equivalents	925.15	536.63
Total (B)	**1,957.79**	**1,828.62**
Total Assets (A+B)	**6,858.37**	**6,224.18**
Non-current liabilities		
Long Term Borrowings	2,378.05	2,493.02
Deferred Tax Liabilities	175.59	152.55
Provisions & Other Long Term Liabilities	204.87	131.68
Total (C)	**2,758.51**	**2,777.25**
Current liabilities		
Short Term Borrowings	277.68	199.53
Trade payables	481.48	507.46
Provisions & Other Current Liabilities	1,269.49	930.53
Total (B)	**2,028.65**	**1,637.52**
Total Liabilities (A+B)	**4,787.16**	**4,414.77**
Net assets / liabilities derecognised	**2,071.21**	**1,809.41**
Impact due to Ind AS transition	(57.07)	(49.46)
Intra-group Eliminations / Adjustments	66.91	(51.31)
Share of net assets recognised under equity method	**2,081.05**	**1,708.64**

2. Statement of Profit & Loss of Joint Ventures which were previously proportionately consolidated under previous GAAP for FY 2015-16:

(₹ in Crore)

Proportionate Share	Mar-2016
Revenue From Operations	6,016.94
Other Income	119.49
Revenue From Operations	**6,136.43**
Cost of Material/Service Consumed	3,875.95
Employee Benefits Expense	196.36
Finance Costs	273.94
Depreciation and amortization expense	165.64
Other Expenses	1,274.07
Profit before tax	**350.47**
Less: Tax expenses:	
Current Tax	137.50
Deferred Tax	3.29
Less: Share of Minority to Joint Ventures	(19.95)
Profit (Loss) for the period as per previous GAAP	**229.63**
Impact due to Ind AS transition	19.73
Share of net profit and loss under Ind AS	**249.36**

3. Impact on account of equity accounting of the Joint ventures & Associates under Ind AS:

(₹ in Crore)

	Mar-2016
Share of profit recognised as per the equity method	249.36
Share of other comprehensive income recognised as per the equity method	(5.47)
Share of Total Comprehensive Income recognised as per the equity method	**243.89**

Reconciliation of Profit For The Year Ended 31st March 2016

(₹ in Crore)

Particulars	Notes	2015-16
Net Profit as per previous GAAP (Indian GAAP)		**11,605.72**
Effect for spares classified as Property, plant and equipments	2	142.62
Effect for capitalisation of expenses as enabling assets	3	159.03
Effect of adjustments relating to revenue	4	(77.07)
Re-measurement of Defined Benefit Plans recognized in Other Comprehensive Income (OCI)	7	677.48
Dividend received from share Trust	6 (ii)	(70.52)
Fair valuation of Derivative Contracts	5	(3.76)
Others		144.40
Tax impact (net)	8	(164.58)
Net Profit for the period as per Ind AS (A)		**12,413.32**
Other Comprehensive Income (net of tax)		
Change in fair value of equity instruments	1(i)	(6,533.68)
Change in fair value of debt instruments	1(ii)	(36.78)
Re-measurement of Defined Benefit Plans	7	(677.48)
Translation Reserve on Consolidation	10	260.93
Tax impact (net)	8	238.57
Other Comprehensive Income for the period under Ind AS (B)		**(6,748.44)**
Total Comprehensive Income for the period under Ind AS C = (A+B)		**5,664.88**

RECONCILIATION OF EQUITY

(₹ in Crore)

Particulars	Notes	01.04.2015	Mar-2016
Equity as per previous GAAP (Indian GAAP)		**68,832.27**	**75,993.96**
Effect for fair value gain / (loss) on investments in equity shares through other comprehensive income	1(i)	19,683.22	13,149.54
Effect for fair value gain / (loss) on investments debt instruments	1(ii)	199.92	163.14
Effect for spares classified as property, plant and equipments	2	(95.19)	47.75
Effect for fair valuation of derivatives	5	(376.99)	(380.75)
Effect for capitalisation of expenses as enabling assets	3	-	159.03
Effect of adjustments relating to revenue	4	(176.82)	(253.89)
Proposed dividend and dividend tax reversed	9	2,023.12	2,555.20
Acquisition cost of shares held under IOC share trust netted off	6 (i)	(1,989.78)	(1,989.78)
Non-Controlling Interest	11	1,067.40	1,426.04
Tax Impact (net)	8	697.14	734.35
Others		(301.04)	(198.94)
Equity as per Ind AS		**89,563.25**	**91,405.65**

Footnotes to the reconciliation of equity as at 1st April 2015 and 31st March 2016 and profit or loss for the year ended 31st March 2016

1. Financial assets classified at fair value through OCI

(i) Long term investment in Equity shares (other than investment in subsidiaries, associates and JVs) at fair value through OCI: Under Indian GAAP, the Group has recorded long term investments in unquoted and quoted equity shares as investment and measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Group has designated such investments as FVTOCI investments. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised through a seperate component of equity in the FVTOCI reserve. Similary, for the year ended 31st March 2016, fair value gain or loss recognised in OCI.

(ii) Debt Instruments - Government of India (GOI) special bonds

Under Indian GAAP, the Group has long term and short term, investments in GOI special bonds. Long term investments in such bonds has been recorded at cost less provision for other than temporary diminution in the value of investments. Short term investments in such bonds has been recorded at lower of cost and net realisable value.

Under Ind AS, the Group has designated such investments (long term and short term) as FVTOCI investments. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised through a seperate component of equity in the FVTOCI reserve . Similary, for the year ended 31st March 2016, fair value gain or loss recognised in OCI.

2 Spares

Spares, other than insurance spares were classified as inventory under existing IGAAP. However under Ind-AS, spare parts are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment. Such stores and spares have been capitalised and depreciated under Ind AS retrospectivey till the transition date and the impact has been adjusted through retained earnings. For the year ended 31st March 2016, the Group has de-recognised the consumption of spares under Ind AS and only depreciation of such spares has been recorded.

3 Enabling Assets

Under Ind AS certain assets have been capitalised as enabling assets since they enable an entity to derive future economic benefits from related assets in excess of what could be derived had those items not been acquired. Consequent to this, such expenses has been derecognised and property, plant and equipments has been recognised and depreciated over the useful life of assets.

4 Revenue Recognition

i. Point of Revenue Recognition

Under existing GAAP, revenue from sale of goods is recognized generally on dispatch of goods, however, in certain cases, The Group has continuing managerial involvement up to delivery of goods to the customer, and legally ownership is transferred only upon delivery of goods to the customer. In all such cases, where revenue is recognised on dispatch basis, the revenue is recognised by the Group when the goods are delivered and accepted by the dealer(s)/customer(s). Considering the above, impact has been adjusted through retained earning for de-recoginition ofsales/trade recievables and recognition of the corresponding cost of sales/inventories as on 1st April 2015. Similarly, for the year ended 31st March 2016, impact has been adjusted through statement of Profit and Loss.

ii. Target Based Incentive

Under Indian GAAP, target based incentives like bulk discount etc. has been netted off with revenue on actual claim basis. Under Ind AS, such discounts has to be netted off with revenue on estimation basis. Considering the above, as on transition date impact of such provision has been adjusted through retained earnings and for the year ended 31st March 2016, such impact has been adjusted in statement of Profit and Loss.

iii. Customer Loyalty Points

Under Indian GAAP, the Group creates a provision toward its liability in relation to outstanding customer loyalty points. Currently under Indian GAAP, the Group is making provision on full liability basis. Under Ind AS, the Group needs to adjust the liability amount with the likelihood of exercising the option needs to be adjusted. Therefore, as on transition date provision for customer loyalty points has been decreased by amounting and the corresponding impact has been adjusted through retained earnings and for the year ended 31st March 2016, impact has been adjusted through profit and loss.

Summary of Above mentioned adjustments:	As on transition date	As on Mar-2016	For the year ended Mar-2016
	Adjusted through retained earnings		Adjusted through P&L
Point of revenue recognition	(173.51)	(255.84)	(82.33)
Target based incentives	(14.54)	(12.47)	2.07
Customer loyalty points	9.17	9.32	0.15
Others	2.06	5.10	3.04
Total	**(176.82)**	**(253.89)**	**(77.07)**

5 **Derivatives**

Under Indian GAAP, the Group is following derivative accounting and accordingly recognising mark to market loss in relation to outstanding derivatives as on reporting date. Under Ind AS, the Group is required to fair value of outstanding derivatives and is also required to recognise both gain or loss in relation to such derivatives. Consequent to this, a derivative assets or liabilities are recognised and corresponding transition date impact has been adjusted through retained earnings and for the year ended 31st March 2016 impact has been adjusted through statement of Profit & Loss.

6 **IOC Share Trust**

(i) Trust shares

Under IGAAP, pursuant to scheme of amalgamation, Trusts have been set up by IOCL for holding treasury shares in relation to IBP and BRPL mergers. The amount recoverable from such Trusts was appearing under the head "Other Current Assets". IOC Shares Trust does not have a separate legal status and its members have unlimited liability. Therefore, Under Ind AS, such trust has been consolidated in the standalone financial statements of IOCL. Consequent to this, Under Ind AS, the shares held by trust shown as deduction from share capital to the extent of face value of such shares and the difference has been adjusted through equity.

(ii) Dividend Income on shares held under Trust

Under IGAAP, The dividend income from shares held under the shares trust is accounted for as dividend income under 'Other Income' in the books of IOCL. Under Ind AS, the dividend to the extent it relates to shares held by trust, is presented as deduction from dividend appropriated. Consequent to this, for the year ended March 2016 impact has been adjusted through statement of Profit & Loss

7 **Defined benefit liabilities**

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on the basis of actuarial valuation. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in OCI. Due to this, for the year ended 31st March 2016, the employee benefit cost is reduced and remeasurement gains/losses on defined benefit plans has been recognized in the OCI.

8 **Deferred taxes**

Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in relation to the underlying transaction either in retained earnings or a separate component of equity (OCI). The deferred tax impact of ₹ 36.78 crore due to componentization of property, plant and equipments was considered in FY 2015-16 under IGAAP, whereas , the same is recognized from the transition date (01.04.2015) under Ind-AS.

9 **Proposed Dividend**

Under Indian GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Group (usually when approved by shareholders in a general meeting) or paid.

In case of the Group, the liability relating to proposed dividend (including dividend distribution tax) has been derecognised against retained earnings as at 1st April 2015. The proposed dividend for the year ended on 31st March 2016 has been recognized under Indian GAAP, has been reduced from Provisions and with a corresponding impact in the retained earnings.

10 **Translation Reserve on Consolidation**

Under Indian GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes foreign exchange differences arising on translation of foreign operations.

11 **Non-Controlling Interest**

Under previous GAAP, Non-Controlling Interest (minority) is required to be presented separately from equity. Under IndAS, Non-Controlling Interest is reported as a separate item within equity.

NOTE-50: OTHER DISCLOSURES

1 Purchase of crude oil from 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.

2 Transactions with other Oil Marketing Companies are jointly reconciled on an ongoing basis.

3 Exceptional income of FY 2015-16 includes income of ₹ 1,364.25 crore arising out of recovery of additional state specific surcharge (SSC) towards Uttar Pradesh entry tax paid in earlier years, in pursuance with MOP&NG order dated 30th March 2013.

4 Pursuant to the decision of 9 judges constitution bench of Honorable Supreme Court of India in the matter of Entry Tax vide its judgment dated 11.11.2016, the Group has reviewed its existing liability for earlier years and accounted for additional amount of ₹ 4,530.37 crore. Similarly, based on other judicial/legal developments during the year, another amount of ₹ 2,445.00 crore has been provided towards entry tax/purchase tax and both the amounts have been accounted under "Provision for probable Contingency". Further, an amount of ₹ 726.93 crore have been accounted in current year as "Finance Cost".

5 In order to provide clean cooking fuel to the BPL families, Government has approved "Pradhan Mantri Ujjwala Yojana (PMUY)"scheme where free LPG connections are issued by Oil Marketing Companies (OMCs) to the women belonging to the Below Poverty Line (BPL) households as per SECC – 2011 (Rural) database. The Scheme was launched on 1st May 2016. The initial cost of ₹ 1,600 towards connection charges would be borne by the Central Government. OMCs would provide an option for EMIs/Loans towards cost of burner and 1st refill to the PMUY consumers. In addition to funding by Central Government, few State Governments have also extended financial support towards cost of Stove and/or 1st refill. The loan amount is recovered from subsidy amount payable to the customers on each refill sale. The amount of subsidy per refill varies from market to market and month to month. The minimum subsidy per refill sale is ₹ 19 and maximum subsidy per refill sale is ₹ 350 during the Financial Year 2016-17.

The amount outstanding as on 31st March 2017 towards claim under PMUY Scheme from Central Government is ₹ 229.87 Crore and loan to PMUY consumers is ₹ 751.04 Crore (net of recovery through subsidy). Discounting of the loan has not been done due to uncertainty in frequency of refill by consumers and amount of recovery as per applicable subsidy which varies from time to time.

6 Pursuant to Govt. of Odisha withdrawing the incentive scheme of VAT deferment on sale of products of Paradip Refinery, the Group filed writ petition challenging the withdrawal notification before the Hon'ble High Court of Odisha. The Hon'ble High Court of Odisha has kept the withdrawal notification and the demand issued in this regard in abeyance till further orders in the matter. The amount of ₹ **2,112.32 crore** (2016: ₹ 215.31 crore), being the VAT liability, has been considered as "Current". As the matter is disputed and subjudice, the same has not been considered for Government Grant accounting. The interest demand of ₹ 104.38 crore on this liability has been considered as contingent liability.

7 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 in respect of Holding Company and its subsidiaries incorporated in India, are provided in the Table below:

(₹ in Crore)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	4.08	0.05	**4.13**
(+) Permitted receipts	48.24	14.68	**62.92**
(-) Permitted payments	(0.01)	(0.20)	**(0.21)**
(-) Amount deposited in Banks	(52.28)	(13.56)	**(65.84)**
Closing cash in hand as on 30.12.2016	**0.03**	**0.97**	**1.00**

(i) The above details do not include details of cash handled at retail outlets and LPG gas agencies operated by dealers, distributors and contractors where the cash are handled and deposited by them in their respective bank accounts.

(ii) The closing balance of SBNs were kept as per order of the court under Superdari. In March 2017, said amount has been reversed by clearing corresponding liability. The matter is pending with RBI for depositing the said SBNs in the bank.

8 There are no significant subsequent events that would require adjustments or disclosures in the Financial Statements as on the Balance Sheet date.

9 Previous year's comparative figures have been regrouped wherever necessary. Figures in brackets indicate deductions.

Sd/-
(B. Ashok)
Chairman

Sd/-
(A.K. Sharma)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For J GUPTA & CO.
Chartered Accountants
(Firm Regn. No. 314010E)
Sd/-
(CA. NANCY MURARKA)
Partner
M. No. 067953

For S.K. MEHTA & CO.
Chartered Accountants
(Firm Regn. No. 000478N)
Sd/-
(CA. ROHIT MEHTA)
Partner
M. No. 091382

For V SANKAR AIYAR & CO.
Chartered Accountants
(Firm Regn. No. 109208W)
Sd/-
(CA. M.S. BALACHANDRAN)
Partner
M. No. 024282

For CK PRUSTY & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 323220E)
Sd/-
(CA. GV. JAYABAL)
Partner
M. No. 015616

Place : New Delhi

Dated : 25th May, 2017

STANDALONE

FINANCIAL STATEMENTS

2017-18

इंडियनऑयल

IndianOil

INDEPENDENT AUDITORS' REPORT

To

The Members of Indian Oil Corporation Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Indian Oil Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information in which are incorporated the returns for the year ended on that date audited by the branch auditor of the Company's one branch, namely R&D division situated at Faridabad, Haryana, India.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in the equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made there under.

We conducted our audit of standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income) and its cash flows and the changes in equity for the year ended on that date.

Other Matters

a) We did not audit the financial statements/information of one branch included in the standalone Ind AS financial statements of the

Company whose financial statements / financial information reflect total assets of ₹ 895.90 crores as at 31st March, 2018 and total revenues of ₹ 19.08 crores for the year ended on that date, as considered in the standalone Ind AS financial statements. The financial statements/information of this branch have been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditor.

b) The standalone Ind AS financial statements include the Company's proportionate share (relating to Jointly controlled operations) in assets ₹ 447.04 crores, liabilities ₹ 115.50 crores, income of ₹ 18.92 crores and expenditure ₹ 41.01 crores and elements making of the cash flow statement and related disclosures contained in the enclosed standalone Ind AS financial statements and our observations thereon are based on unaudited statements from the operators to the extent available with the Company in respect of 14 blocks in India and overseas and have been certified by the management.

We have also placed reliance on technical / commercial evaluations by the management in respect of categorization of wells as exploratory, development and dry well, allocation of cost incurred on them, liability under New Exploration Licensing Policy (NELP) and nominated blocks for under-performance against agreed Minimum Work Programme.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub- section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure 1" a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "Annexure 2" on the directions issued by the Comptroller and Auditor General of India.

3. As required by Section 143 (3) of the Act, we report that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branch not visited by us;

   (c) the report on the accounts of the branch office of the Company audited under section 143(8) of the Act, by branch auditor have been sent to us and have been properly dealt with by us in preparing this report;

   (d) the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the Branch not visited by us;

   (e) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (f) we have been informed that the provisions of Section 164(2) of the Act in respect of disqualification of directors are not applicable to the Company, being a Government Company in terms of notification no. G.S.R.463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India;

   (g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 3";

   (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 36 B.1 to the standalone Ind AS financial statements;

      ii. The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring the amounts required to be transferred to Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Act and the Rules made there under.

For S. K. MEHTA & CO. **Chartered Accountants** **Firm Regn. No. 000478N**	**For V SANKAR AIYAR & CO.** **Chartered Accountants** **Firm Regn. No. 109208W**	**For CK PRUSTY & ASSOCIATES** **Chartered Accountants** **Firm Regn. No. 323220E**	**For V. SINGHI & ASSOCIATES** **Chartered Accountants** **Firm Regn. No. 311017E**
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(CA. ROHIT MEHTA) **Partner** **M. No. 091382**	**(CA. G SANKAR)** **Partner** **M. No. 046050**	**(CA. CHANDRAKANTA PRUSTY)** **Partner** **M. No. 057318**	**(CA. ANIRUDDHA SENGUPTA)** **Partner** **M. No. 051371**

Place of Signature: New Delhi

Date: 22nd May 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in Independent Auditors' Report of even date to the members of Indian Oil Corporation Limited on the standalone Ind AS financial statements for the year ended 31st March 2018

(i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) There is a regular programme of physical verification of all fixed assets, other than LPG cylinders and pressure regulators with customers, over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. In our opinion and as per the information given by the Management, the discrepancies observed were not material and have been appropriately accounted for in the books.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title/ lease deeds of the immovable properties are held in the name of the Company except in cases given below:

Particulars	Number of cases	Gross Block/ Value (₹ in Crore)	Net Block/ Value (₹ in Crore)
Leasehold Land- Operating leases	16	36.53	32.67
Leasehold Land- Finance leases	9	35.59	31.51
Leasehold Land- Total	**25**	**72.12**	**64.18**
Freehold Land	21	170.76	170.76
Building	7	5.59	5.13

(ii) In our opinion and according to the information and explanations given to us, the inventory (excluding inventory lying with third parties and material in transit) has been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, during the year, to any companies, firms, limited liability partnerships or other parties covered in register maintained under Section 189 of the Act.
In view of the above, reporting under clause 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company is exempted from the provisions of section 186 of the Act as it is engaged in the business of providing infrastructure facilities as provided under Schedule-VI of the Act. There were no transactions during the year to which the provisions of section 185 of the Act were applicable.

(v) In our opinion and according to the information and explanations given to us, during the year, the Company has not accepted deposits from the public in terms of the provisions of sections 73 to 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014, as amended and other relevant provisions of the Act and no deposits are outstanding at the year end except old cases under dispute aggregating to ₹ 0.01 crore, where we are informed that the Company has complied with necessary directions.

(vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act, read with Companies (Cost Records & Audit) Rules, 2014, as amended and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, value added tax, service tax, duty of custom, duty of excise, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on 31st March, 2018 for a period of more than six months from the date they became payable.

(b) The disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are annexed in "Appendix A" with this report.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks, Government or debenture holders.

(ix) According to the information and explanations given to us, the Company has applied the term loans for the purpose for which those were obtained. During the year the Company has not raised moneys through initial public offer or further public offer (including debt instruments).

(x) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no material case of frauds by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) The provisions of Section 197 read with Schedule V of the Act, relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of Ministry of Corporate Affairs Notification no. G.S.R. 463 (E) dated 5th June, 2015.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and therefore, the reporting under Clause 3 (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given by the management, all transactions during the year with the related parties were approved by the Audit Committee and are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone Ind AS financial statements, as required by the applicable Indian accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and therefore provisions of Section 42 of the Act are not applicable to the Company during the year.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions specified under section 192 of the Act with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S. K. MEHTA & CO. **Chartered Accountants** **Firm Regn. No. 000478N**	**For V SANKAR AIYAR & CO.** **Chartered Accountants** **Firm Regn. No. 109208W**	**For CK PRUSTY & ASSOCIATES** **Chartered Accountants** **Firm Regn. No. 323220E**	**For V. SINGHI & ASSOCIATES** **Chartered Accountants** **Firm Regn. No. 311017E**
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(CA. ROHIT MEHTA) **Partner** **M. No. 091382**	**(CA. G SANKAR)** **Partner** **M. No. 046050**	**(CA. CHANDRAKANTA PRUSTY)** **Partner** **M. No. 057318**	**(CA. ANIRUDDHA SENGUPTA)** **Partner** **M. No. 051371**

Place of Signature: New Delhi

Date: 22nd May 2018

REPORTING AS PER COMPANIES (AUDITORS' REPORT) ORDER 2016 (DISPUTED STATUTORY DUES)

Appendix - A

Sl. No.	Name of the Statute	Nature of Dues	Forum Where Dispute is pending	Gross Amount (₹ Crore)	Amount Paid under Protest (₹ Crore)	Amount (net of deposits) (₹ Crore)	Period to which the Amount relates (Financial Years)
1	**CENTRAL EXCISE ACT, 1944**	CENTRAL EXCISE					
			Supreme Court	98.89	10.00	88.89	1989 to 2007
			High Court	14.74	0.38	14.36	1992 to 2017
			Tribunal	1,825.57	23.24	1,802.33	1998 to 2017
			Revisionary Authority	7.14	0.04	7.10	2000 to 2016
			Appellate Authority (Below Tribunal)	48.88	0.87	48.01	1988 to 2017
			Total	**1,995.22**	**34.53**	**1,960.69**	
2	**CUSTOMS ACT, 1962**	CUSTOMS DUTY					
			Supreme Court	8.98	2.00	6.98	1998 to 2001
			High Court	2.10	2.05	0.05	2004 to 2017
			Tribunal	60.17	1.02	59.15	1994 to 2005
			Revisionary Authority	0.13	0.01	0.12	2011 to 2011
			Appellate Authority (Below Tribunal)	85.22	0.22	85.00	1994 to 2017
			Total	**156.60**	**5.30**	**151.30**	
3	**SALES TAX/ VAT LEGISLATIONS**	SALES TAX/ VAT/ TURNOVER TAX					
			Supreme Court	13.87	-	13.87	1986 to 2004
			High Court	1,279.96	85.70	1,194.26	1982 to 2017
			Tribunal	2,393.07	503.71	1,889.36	1984 to 2018
			Revisionary Authority	896.07	93.68	802.39	1979 to 2011
			Appellate Authority (Below Tribunal)	3,432.28	600.41	2,831.87	1978 to 2017
			Total	**8,015.25**	**1,283.50**	**6,731.75**	
4	**INCOME TAX ACT, 1961**	INCOME TAX					
			Supreme Court				
			High Court	428.31	428.31	-	1986 to 2006
			Tribunal	2,033.40	1,783.29	250.11	2003 to 2013
			Revisionary Authority	-	-	-	
			Appellate Authority (Below Tribunal)	1,218.24	35.21	1,183.03	2007 to 2015
			Total	**3,679.95**	**2,246.81**	**1,433.14**	
5	**FINANCE ACT, 1994**	SERVICE TAX					
			Tribunal	494.64	0.51	494.13	1996 to 2016
			Appellate Authority (Below Tribunal)	10.65	0.13	10.52	2001 to 2017
			Total	**505.29**	**0.64**	**504.65**	

Sl. No.	Name of the Statute	Nature of Dues	Forum Where Dispute is pending	Gross Amount (₹ Crore)	Amount Paid under Protest (₹ Crore)	Amount (net of deposits) (₹ Crore)	Period to which the Amount relates (Financial Years)
6	**STATE LEGISLATIONS**	ENTRY TAX					
			Supreme Court	3.08	-	3.08	1991 to 2002
			High Court	26,056.29	16,963.18	9,093.11	1999 to 2018
			Tribunal	1,753.66	220.70	1,532.96	2001 to 2015
			Revisionary Authority	9.50	6.76	2.74	1999 to 2013
			Appellate Authority (Below Tribunal)	11.38	3.63	7.75	1998 to 2015
			Total	**27,833.91**	**17,194.27**	**10,639.64**	
7	**OTHER CENTRAL / STATE LEGISLATIONS**	OTHERS COMMERCIAL TAX etc.					
			Supreme Court	9.78	-	9.78	2005 to 2011
			High Court	69.23	10.00	59.23	2001 to 2013
			Revisionary Authority	7.64	3.35	4.29	2010 to 2010
			Appellate Authority (Below Tribunal)	21.74	1.27	20.47	1999 to 2018
			Total	**108.39**	**14.62**	**93.77**	
			GRAND TOTAL	**42,294.61**	**20,779.67**	**21,514.94**	

Note: Dues include penalty and interest, wherever applicable.

ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in Independent Auditors' Report of even date to the members of Indian Oil Corporation Limited on the standalone Ind AS financial statements for the year ended 31st March 2018

Directions issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013, indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Indian Oil Corporation Limited (Standalone) for the year ended 31st March, 2018:

<table>
<tr><th>Sl. No.</th><th>Directions</th><th>Action Taken</th><th>Impact on Ind AS financial statements</th></tr>
<tr><td>1</td><td>Whether the Company has clear title/ lease deeds for freehold and leasehold respectively? If not, please state the area of freehold and leasehold land for which title/ lease deeds are not available?</td><td>The title/lease deeds for freehold and leasehold land are available and held in the name of the Company except title/lease deeds in 46 cases of 2222170 square meters land (Freehold Land in 21 cases of 1088528 square meters and Leasehold Land in 25 cases of 1133642 square meters) are pending for execution in the name of the Company.</td><td>NIL</td></tr>
<tr><td>2</td><td>Whether there are any cases of waiver/ write off of debts/loans/ interest etc., if yes, the reasons there for and the amount involved.</td><td>According to the information and explanations given to us, there are no material cases of waiver/write off of debts/ loans/interest etc. However, in the normal course of business there are cases of waiver/write off etc. which are based on the facts of each case and specific approval as per "Delegation of Authority". Details of waiver/ write off during the year is as under:
<table><tr><th>Particulars</th><th>₹ in crore</th></tr><tr><td>Write off of Doubtful Debts</td><td>8.09</td></tr><tr><td>Write off of Doubtful Advances</td><td>2.39</td></tr><tr><td>Total</td><td>10.48</td></tr></table></td><td>NIL</td></tr>
<tr><td>3</td><td>Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from Govt. or other authorities.</td><td>In our opinion proper records are maintained for inventories lying with third parties and also for assets received by the Company as gift / grants from government or other authorities.</td><td>NIL</td></tr>
</table>

For S. K. MEHTA & CO.	For V SANKAR AIYAR & CO.	For CK PRUSTY & ASSOCIATES	For V. SINGHI & ASSOCIATES
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn. No. 000478N	Firm Regn. No. 109208W	Firm Regn. No. 323220E	Firm Regn. No. 311017E
Sd/-	Sd/-	Sd/-	Sd/-
(CA. ROHIT MEHTA)	(CA. G SANKAR)	(CA. CHANDRAKANTA PRUSTY)	(CA. ANIRUDDHA SENGUPTA)
Partner	Partner	Partner	Partner
M. No. 091382	M. No. 046050	M. No. 057318	M. No. 051371

Place of Signature: New Delhi

Date: 22nd May 2018

ANNEXURE 3 TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in Independent Auditors' Report of even date to the members of Indian Oil Corporation Limited on the standalone Ind AS financial statements for the year ended 31st March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Indian Oil Corporation Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statements for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles including the Ind AS. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles including the Ind AS, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one branch audited by the branch auditor, is based on the corresponding report of the branch auditor.

For S. K. MEHTA & CO. **Chartered Accountants** **Firm Regn. No. 000478N**	**For V SANKAR AIYAR & CO.** **Chartered Accountants** **Firm Regn. No. 109208W**	**For CK PRUSTY & ASSOCIATES** **Chartered Accountants** **Firm Regn. No. 323220E**	**For V. SINGHI & ASSOCIATES** **Chartered Accountants** **Firm Regn. No. 311017E**
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(CA. ROHIT MEHTA) **Partner** **M. No. 091382**	**(CA. G SANKAR)** **Partner** **M. No. 046050**	**(CA. CHANDRAKANTA PRUSTY)** **Partner** **M. No. 057318**	**(CA. ANIRUDDHA SENGUPTA)** **Partner** **M. No. 051371**

Place of Signature: New Delhi

Date: 22nd May 2018

BALANCE SHEET AS AT MARCH 31, 2018

(₹ in Crore)

Particulars	Note No.		March-2018	March-2017
ASSETS				
Non-current Assets				
a) Property, Plant and Equipment	2	**112,887.65**		106,900.73
b) Capital Work-in-Progress	2.1	**13,860.99**		10,223.36
c) Intangible Assets	3	**1,039.67**		978.76
d) Intangible Assets Under Development	3.1	**487.44**		514.46
e) Financial Assets				
i) Investments	4			
Equity investment in Subsidiaries, JV's and Associates		**13,724.65**		13,166.76
Other Investments		**25,364.29**		26,942.43
ii) Loans	5	**2,031.01**		1,096.83
iii) Other Financial Assets	6	**3,764.56**		3,455.63
f) Income Tax Assets (Net)	7	**1,291.33**		5.47
g) Other Non-Current Assets	8	**3,233.35**		3,434.27
			177,684.94	166,718.70
Current Assets				
a) Inventories	9	**65,313.21**		62,240.87
b) Financial Assets				
i) Investments	4	**8,399.32**		7,195.41
ii) Trade Receivables	10	**10,116.52**		8,502.37
iii) Cash and Cash Equivalents	11	**53.65**		52.86
iv) Bank Balances other than above	12	**27.71**		33.64
v) Loans	5	**467.51**		1,747.93
vi) Other Financial Assets	6	**15,288.16**		9,639.38
c) Current Tax Assets (Net)	7	**2.04**		-
d) Other Current Assets	8	**3,225.17**		3,022.76
		102,893.29		92,435.22
Assets Held for Disposal	13	**161.68**		59.35
			103,054.97	92,494.57
TOTAL			**280,739.91**	**259,213.27**
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share Capital	14	**9,478.69**		4,739.34
b) Other Equity	15	**100,692.33**		94,989.38
			1,10,171.02	99,728.72
LIABILITIES				
a) Financial Liabilities				
i) Borrowings	16	**18,717.60**		20,312.04
ii) Other Financial Liabilities	17	**570.96**		461.92
b) Provisions	18	**2,023.32**		2,926.98
c) Deferred Tax Liabilities (Net)	19	**12,019.57**		6,759.23
d) Other Non-Current Liabilities	20	**1,355.16**		712.04
			34,686.61	31,172.21

BALANCE SHEET AS AT MARCH 31, 2018

(₹ in Crore)

Particulars	Note No.		March-2018	March-2017
Current Liabilities				
a) Financial Liabilities				
i) Borrowings	21	**36,807.56**		30,072.76
ii) Trade Payables	22	**33,106.05**		30,134.29
iii) Other Financial Liabilities	17	**40,815.69**		36,348.12
b) Other Current Liabilities	20	**10,991.38**		12,775.47
c) Provisions	18	**14,161.60**		18,924.73
d) Current Tax Liabilities (Net)	7	**-**		56.97
			135,882.28	128,312.34
TOTAL			**280,739.91**	**259,213.27**
Significant Accounting Policies, Estimates & Judgements	1A & 1B			
Accompanying Notes to Financial Statements	2-49			

For and on Behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(Sanjiv Singh)	**(A. K. Sharma)**	**(Kamal Kumar Gwalani)**
Chairman	**Director (Finance)**	**Company Secretary**
DIN - 05280701	**DIN - 06665266**	**ACS - 13737**

As per our attached Report of even date

For S. K. MEHTA & CO.	For V SANKAR AIYAR & CO.	For CK PRUSTY & ASSOCIATES	For V. SINGHI & ASSOCIATES
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn. No. 000478N	Firm Regn. No. 109208W	Firm Regn. No. 323220E	Firm Regn. No. 311017E
Sd/-	Sd/-	Sd/-	Sd/-
(CA. ROHIT MEHTA)	(CA. G SANKAR)	(CA. CHANDRAKANTA PRUSTY)	(CA. ANIRUDDHA SENGUPTA)
Partner	Partner	Partner	Partner
M. No. 091382	M. No. 046050	M. No. 057318	M. No. 051371

Place of Signature: New Delhi

Date: 22nd May 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Crore)

Particulars	Note No.		March-2018	March-2017
I. Revenue From Operations	23		**5,06,427.59**	4,45,441.90
II. Other Income	24		**3,414.62**	4,200.62
III. Total Income (I+II)			**5,09,842.21**	**4,49,642.52**
IV. Expenses:				
Cost of Materials Consumed	25		**188,780.12**	156,950.55
Excise Duty			**82,388.89**	85,499.75
Purchases of Stock-in-Trade			**152,117.55**	141,925.49
Changes in Inventories of Finished Goods, Stock-in-trade and Stock-In Process	26		**2,327.50**	(15,259.80)
Employee Benefits Expense	27		**10,079.41**	9,718.92
Finance Costs	28		**3,448.44**	3,445.43
Depreciation and Amortization on :				
a) Tangible Assets		**6,994.57**		6,161.81
b) Intangible Assets		**72.44**		61.16
			7,067.01	6,222.97
Net Loss on de-recognition of Financial Assets at Amortised Cost			**7.96**	4.68
Other Expenses	29		**31,061.05**	34,813.29
Total Expenses (IV)			**4,77,277.93**	**4,23,321.28**
V. Profit before Tax (III-IV)			**32,564.28**	26,321.24
VI. Tax Expense:				
Current Tax [includes (₹ 318.87) crore (2017: ₹ 126.24 crore) relating to prior years]			**7,276.45**	7,460.29
Deferred Tax [includes Nil (2017: ₹ 425.66 crore) relating to prior years]			**3,941.71**	(245.45)
VII. Profit For The Year (V-VI)			**21,346.12**	19,106.40
VIII. Other Comprehensive Income:	30			
A (i) Items that will not be reclassified to profit and loss			**208.15**	4,537.97
A (ii) Income Tax relating to items that will not be reclassified to profit and loss			**358.66**	181.18
B (i) Items that will be reclassified to profit and loss			**(232.42)**	247.75
B (ii) Income Tax relating to items that will be reclassified to profit and loss			**62.97**	(99.41)
IX. Total Comprehensive Income for the Year (VII+VIII) (Comprising Profit/ (Loss) and Other Comprehensive Income for the Year)			**21,743.48**	**23,973.89**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Crore)

Particulars	Note No.		March-2018	March-2017
X. Earning per Equity Share (₹):	32			
(1) Basic			**22.52**	20.16
(2) Diluted			**22.52**	20.16
Face Value Per Equity Share (₹)			**10**	**10**
Significant Accounting Policies, Estimates & Judgements	1A & 1B			
Accompanying Notes to Financial Statements	2 - 49			

For and on Behalf of Board of Directors

Sd/-	**Sd/-**	**Sd/-**
(Sanjiv Singh)	**(A. K. Sharma)**	**(Kamal Kumar Gwalani)**
Chairman	**Director (Finance)**	**Company Secretary**
DIN - 05280701	**DIN - 06665266**	**ACS - 13737**

As per our attached Report of even date

For S. K. MEHTA & CO.	**For V SANKAR AIYAR & CO.**	**For CK PRUSTY & ASSOCIATES**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	**Chartered Accountants**	**Chartered Accountants**	**Chartered Accountants**
Firm Regn. No. 000478N	**Firm Regn. No. 109208W**	**Firm Regn. No. 323220E**	**Firm Regn. No. 311017E**
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(CA. ROHIT MEHTA)	**(CA. G SANKAR)**	**(CA. CHANDRAKANTA PRUSTY)**	**(CA. ANIRUDDHA SENGUPTA)**
Partner	**Partner**	**Partner**	**Partner**
M. No. 091382	**M. No. 046050**	**M. No. 057318**	**M. No. 051371**

Place: New Delhi

Dated: 22nd May, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Crore)

	Particulars		March-2018		March-2017
A	**Cash Flow from Operating Activities**				
1	Profit Before Tax		**32,564.28**		26,321.24
2	Adjustments for :				
	Depreciation and Amortisation	**7,067.01**		6,222.97	
	Loss/(Profit) on sale of Assets (net)	**157.22**		126.88	
	Loss/(Profit) on sale of Investments (net)	**(92.00)**		20.15	
	Amortisation of Capital Grants	**(30.86)**		(16.39)	
	Provision for Probable Contingencies (net)	**(3,246.53)**		7,413.50	
	MTM Loss/(gain) arising on financial assets/liabilities as at fair value through profit and loss	**81.07**		(114.30)	
	Provision for Loss on Investments (net)	**(18.38)**		(13.11)	
	Bad Debts, Advances & Claims written off	**10.48**		66.72	
	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores (net)	**308.54**		34.29	
	MTM Loss/(Gain) on Derivatives	**(130.42)**		113.09	
	Foreign Currency Monetary Item Translation Difference Account	**111.13**		359.63	
	Remeasurement of Defined Benefit Plans thru OCI	**246.64**		(559.76)	
	Interest Income	**(1,782.03)**		(1,759.71)	
	Dividend Income	**(1,096.62)**		(1,106.59)	
	Finance costs	**3,448.44**		3,445.43	
			5,033.69		14,232.80
3	Operating Profit before Working Capital Changes (1+2)		**37,597.97**		40,554.04
4	Change in Working Capital (excluding Cash & Cash Equivalents):				
	Trade & Other Receivables	**(6,051.30)**		1,082.61	
	Inventories	**(3,094.32)**		(23,497.37)	
	Trade and Other Payables	**4,852.51**		16,385.66	
	Change in Working Capital		**(4,293.11)**		(6,029.10)
5	Cash Generated From Operations (3+4)		**33,304.86**		34,524.94
6	Less : Taxes paid		**6,881.06**		6,725.52
7	Net Cash Flow from Operating Activities (5-6)		**26,423.80**		27,799.42
B	**Cash Flow from Investing Activities:**				
	Proceeds from sale of Property, plant and equipment / Transfer of Assets	**389.15**		959.42	
	Purchase of Property, Plant and Equipment	**(7,554.56)**		(5,554.23)	
	Expenditure on Construction Work in Progress	**(9,631.26)**		(8,425.19)	
	Proceeds from sale of financial instruments (other than working capital)	**829.00**		2,728.85	
	Investment in subsidiaries	**(1,611.13)**		(4,747.77)	
	Purchase of Other Investments	**(1,141.56)**		(2,586.82)	
	Receipt of government grants (Capital Grant)	**54.09**		91.90	
	Interest Income received on Investments	**1,790.97**		1,693.35	
	Dividend Income on Investments	**1,096.62**		1,106.59	
	Net Cash Generated/(Used) in Investing Activities:		**(15,778.68)**		(14,733.90)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Crore)

	Particulars		March -2018		March -2017
C	**Net Cash Flow From Financing Activities:**				
	Proceeds from Long-Term Borrowings (Including finance lease)	**2,602.44**		(0.00)	
	Repayments of Long-Term Borrowings (Including finance lease)	**(6,151.31)**		(10,664.81)	
	Proceeds from/(Repayments of) Short-Term Borrowings	**6,734.80**		12,526.95	
	Interest paid	**(2,417.98)**		(2,426.23)	
	Dividend/Dividend Tax paid	**(11,408.49)**		(12,707.29)	
	Expenses incurred on issuance of Bonus Shares	**(3.79)**		(3.19)	
	Net Cash Generated/(Used) from Financing Activities:		**(10,644.33)**		(13,274.57)
D	**Net Change in Cash & Cash Equivalents (A+B+C)**		**0.79**		**(209.05)**
E-1	Cash & Cash Equivalents as at end of the year		**53.65**		52.86
	Less:				
E-2	Cash & Cash Equivalents as at the beginning of year		**52.86**		261.91
	NET CHANGE IN CASH & CASH EQUIVALENTS (E 1-2)		**0.79**		**(209.05)**

Notes:

1 Net Cash Flow From Financing Activities includes following non-cash changes:

Particulars	2017-18	2016-17
(Gain)/ Loss due to changes in exchange rate	368.84	(681.91)
Increase in Lease liabilities due to new leases	3.25	1.68
Total	**372.09**	**(680.23)**

2 Cash Flow Statement is prepared using Indirect Method as per Indian Accounting Standard-7: Cash Flow Statement.

3 Figures for previous year have been regrouped wherever necessary for uniformity in presentation.

For and on Behalf of Board of Directors

Sd/-
(Sanjiv Singh)
Chairman
DIN - 05280701

Sd/-
(A. K. Sharma)
Director (Finance)
DIN - 06665266

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

As per our attached Report of even date

For S. K. MEHTA & CO.
Chartered Accountants
Firm Regn. No. 000478N
Sd/-
(CA. ROHIT MEHTA)
Partner
M. No. 091382

For V SANKAR AIYAR & CO.
Chartered Accountants
Firm Regn. No. 109208W
Sd/-
(CA. G SANKAR)
Partner
M. No. 046050

For CK PRUSTY & ASSOCIATES
Chartered Accountants
Firm Regn. No. 323220E
Sd/-
(CA. CHANDRAKANTA PRUSTY)
Partner
M. No. 057318

For V. SINGHI & ASSOCIATES
Chartered Accountants
Firm Regn. No. 311017E
Sd/-
(CA. ANIRUDDHA SENGUPTA)
Partner
M. No. 051371

Place: New Delhi
Date: 22nd May, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH 2018

A Equity Share Capital

	March-2018	March-2017
Balance at the beginning of the year	**4,739.34**	2,369.67
Changes in during the year		
Issue of Bonus Shares	**4,739.35**	2,369.67
Balance at the end of the year	**9,478.69**	4,739.34

B Other Equity

	Reserves and Surplus			
	Retained Earnings	Bond redemption reserve	Capital reserve	Insurance reserve
Opening Balance as at 1st April 2016	**70,157.70**	**2,820.12**	**183.08**	**183.48**
Profit for the Year	19,106.40	-	-	-
Other Comprehensive Income	(366.04)*	-	-	-
Total Comprehensive Income	**18,740.36**	**-**	**-**	**-**
Transfer from Bond Redemption Reserve	674.79	(674.79)	-	-
Utilized for issue of Bonus Shares (including Issue Expenses)	(2,372.86)			
Appropriation towards Interim Dividend	(8,531.08)	-	-	-
Appropriation towards Final Dividend	(2,014.34)	-	-	-
Appropriation towards Corporate Dividend Tax	(2,177.09)	-	-	-
Appropriation towards Insurance reserve (Net)	(20.00)	-	-	20.00
Appropriation towards Bond redemption reserve	(465.78)	465.78	-	-
Appropriation towards Corporate Social Responsibility Reserve (net)	1.32	-	-	-
Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	-	-	-	-
FCMITDA amortised during the year	-	-	-	-
Transfer from fair Value of Debt Instruments (recycling)	-	-	-	-
Closing Balance as at 31st March 2017	**73,993.02**	**2,611.11**	**183.08**	**203.48**

Reserves and Surplus			Items of Other Comrehensive Income		Total
Export Profit reserve	Corporate Social Responsibility Reserve	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Fair value of Equity Instruments	Fair value of Debt Instruments	
53.72	**4.43**	**(414.88)**	**12,985.14**	**(208.15)**	**85,764.64**
-	-	**-**	-	-	19,106.40
-	-	**-**	5,085.19	148.34	4,867.49
-	**-**	**-**	**5,085.19**	**148.34**	**23,973.89**
-	-	**-**	-	-	-
					(2,372.86)
-	-	**-**	-	-	(8,531.08)
-	-	**-**	-	-	(2,014.34)
-	-	**-**	-	-	(2,177.09)
-	-	**-**	-	-	-
-	-	**-**	-	-	-
-	(1.32)	**-**	-	-	-
-	-	**(77.17)**	-	-	(77.17)
-	-	**359.63**	-	-	359.63
-	-	**-**	-	63.76	63.76
53.72	**3.11**	**(132.42)**	**18,070.33**	**3.95**	**94,989.38**

IndianOil

	Reserves and Surplus			
	Retained Earnings	Bond redemption reserve	Capital reserve	Insurance reserve
Profit for the Year	21,346.12	**-**	**-**	**-**
Other Comprehensive Income	161.28*	-	-	-
Total Comprehensive Income	**21,507.40**	**-**	**-**	**-**
Transfer from Bond Redemption Reserve	162.12	(162.12)	-	-
Utilized for issue of Bonus Shares (including Issue Expenses)	(4,743.14)			
Appropriation towards Interim Dividend	(9,004.90)	-	-	-
Appropriation towards Final Dividend	(474.06)	-	-	-
Appropriation towards Corporate Dividend Tax	(1,921.17)	-	-	-
Appropriation towards Insurance reserve (Net)	(20.00)	-	-	20.00
Appropriation towards Bond redemption reserve	(503.49)	503.49	-	-
Appropriation towards Corporate Social Responsibility Reserve (net)	3.11	-	-	-
Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	-	-	-	-
FCMITDA amortised during the year	-	-	-	-
Transfer from fair Value of Debt Instruments (recycling)	-	-	-	-
Closing Balance as at 31st March 2018	**78,998.89**	**2,952.48**	**183.08**	**223.48**

* Remeasurement of Defined Benefit Plans

For and on Behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(Sanjiv Singh)	**(A. K. Sharma)**	**(Kamal Kumar Gwalani)**
Chairman	**Director (Finance)**	**Company Secretary**
DIN - 05280701	**DIN - 06665266**	**ACS - 13737**

Reserves and Surplus			Items of Other Comrehensive Income		Total
Export Profit reserve	Corporate Social Responsibility Reserve	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Fair value of Equity Instruments	Fair value of Debt Instruments	
-	-	-	-	-	21,346.12
-	-	-	405.53	(169.45)	397.36
-	-	-	405.53	(169.45)	21,743.48
-	-	-	-	-	-
					(4,743.14)
-	-	-	-	-	(9,004.90)
-	-	-	-	-	(474.06)
-	-	-	-	-	(1,921.17)
-	-	-	-	-	-
-	-	-	-	-	-
-	(3.11)	-	-	-	-
-	-	(24.48)	-	-	(24.48)
-	-	111.13	-	-	111.13
-	-	-	-	16.09	16.09
53.72	(0.00)	(45.77)	18,475.86	(149.41)	100,692.33

As per our attached Report of even date

For S. K. MEHTA & CO.
Chartered Accountants
Firm Regn. No. 000478N

Sd/-
(CA. ROHIT MEHTA)
Partner
M. No. 091382

For V SANKAR AIYAR & CO.
Chartered Accountants
Firm Regn. No. 109208W

Sd/-
(CA. G SANKAR)
Partner
M. No. 046050

For CK PRUSTY & ASSOCIATES
Chartered Accountants
Firm Regn. No. 323220E

Sd/-
(CA. CHANDRAKANTA PRUSTY)
Partner
M. No. 057318

For V. SINGHI & ASSOCIATES
Chartered Accountants
Firm Regn. No. 311017E

Sd/-
(CA. ANIRUDDHA SENGUPTA)
Partner
M. No. 051371

Place: New Delhi
Date: 22nd May, 2018

NOTE-1A SIGNIFICANT ACCOUNTING POLICIES

I. Corporate information

The financial statements of "Indian Oil Corporation Limited" ("the Company" or "IOCL") are for the year ended March 31, 2018.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai.

IOCL is India's Maharatna national oil company with business interests straddling the entire hydrocarbon value chain – from Refining, Pipeline Transportation and Marketing of Petroleum Products to Research & Development, Exploration & Production, Marketing of Natural Gas and Petrochemicals.

Information on other related party relationships of the Company is provided in Note-37.

The financial statements have been approved for issue in accordance with a resolution of the Board of directors on May 22, 2018.

II. Significant Accounting Policies

1. BASIS OF PREPARATION

1.1 The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 & Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and comply in all material aspects with the relevant provisions of the Companies Act'2013 and Companies (Amendment) Act,2017.

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

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer serial no. 17 of accounting policy regarding financial instruments),

1.3 The stand-alone financial statements are presented in Indian Rupees (INR) which is Company's presentation and functional currency and all values are rounded to the nearest Crores (up to two decimals) except when otherwise indicated.

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

2.1 Property, Plant and Equipment (PPE)

2.1.1 The cost of an item of property, plant and equipment is recognized as an asset if, and only if:

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

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

2.1.2 PPE are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment except freehold land which is stated at historical cost.

2.1.3 Technical know-how / license fee relating to plants/facilities and specific software that are integral part of the related hardware are capitalised as part of cost of the underlying asset.

2.1.4 Spare parts are capitalized when they meet the definition of PPE, i.e., when the Company intends to use these during more than a period of 12 months.

2.1.5 The acquisition of PPE, directly increasing the future economic benefits of any particular existing item of property, plant and equipment, which are necessary for the Company to obtain the future economic benefits from its other assets, are recognized as assets.

2.1.6 On transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

2.2 Capital work in progress (CWIP)

A Construction Period Expenses on Projects

2.2.1. Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously are charged to revenue.

2.2.2 Financing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized on quarterly basis up to the date of capitalization.

2.2.3 Financing cost, if any, incurred on General Borrowings used for projects is capitalized at the weighted average cost. The amount of such borrowings is determined on quarterly basis after setting off the amount of internal accruals.

B Capital Stores

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

2.3 Intangible assets

2.3.1 Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets and amortized on a straight line basis over the life of the underlying plant/ facility.

2.3.2 Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.

2.3.3 Costs incurred on computer software/licenses purchased/ developed resulting in future economic benefits, other than specific software that are integral part of the related hardware, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalised. However, where such computer software is still in development stage, costs incurred during the development stage of such software are accounted as "Intangible Assets Under Development".

2.3.4 Right of ways with indefinite useful lives are not amortised, but are tested for impairment annually at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2.3.5 Intangible Assets acquired separately are measured on initial recognition at cost. The cost of Intangible Assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Statement of profit and loss in the period in which the expenditure is incurred.

2.3.6 The useful lives of Intangible Assets are assessed as either finite or indefinite. Intangible Assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the Intangible Asset may be impaired. The amortisation period and the amortisation method for an Intangible Asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized

2.3.7 On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible Assets recognized as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible assets.

4 Depreciation/Amortization

2.4.1 Cost of PPE (net of residual value) excluding freehold land is depreciated on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in case of the following assets:

a) Useful life of 15 years for Plant and Equipment relating to Retail Outlets (other than storage tanks and related equipments), LPG cylinders and pressure regulators considered based on technical assessment

b) Useful life of 25 years for solar power plant considered based on technical assessment

c) In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II, whichever is lower

d) In case of certain assets of R&D Centre useful life is considered based on technical assessment

e) In case of immovable assets constructed on leasehold land, useful life as per Schedule-II or lease period of land (including renewable period) , whichever is lower

f) In case of spare parts, useful life is considered based on the technical assessment

Depreciation/ amortization is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalization/ sale, disposal/ or earmarked for disposal. Residual value is generally considered between 0 to 5% of cost of assets except in few cases where it is considered based on transfer value agreed in respective agreement. Further, in case of catalyst with noble metal content, residual value is considered based on the cost of metal content.

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

2.4.2 Assets, other than LPG Cylinders and Pressure Regulators, costing upto ₹ 5,000/- per item are depreciated fully in the year of capitalization. Further, spares, components like catalyst excluding noble metal content and major overhaul/ inspection are also depreciated fully over their respective useful life.

2.4.3 The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

3. LEASES

3.1 A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

3.2 Operating Leases as a Lessee:

Lease rentals are recognized as expense on a straight line basis with reference to lease terms and other considerations except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken on lease.; or

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

Contingent rentals are recognised as expenses in the periods in which they are incurred.

3.3 Operating Leases as a Lessor:

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.; or

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

3.4 Finance Leases as Lessee:

(i) Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

(ii) A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

3.5 Finance Leases as Lessor: All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts are adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment.

3.6 The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

4. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

5. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of the qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised to the Statement of Profit and Loss in the period in which they are incurred.

6. FOREIGN CURRENCY TRANSACTIONS

6.1 The Company's financial statements are presented in Indian

Rupee (₹), which is also it's functional currency.

6.2 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.

6.3 Monetary items denominated in foreign currencies (such as cash, receivables, payables etc) outstanding at the end of reporting period, are translated at exchange rates prevailing on that date.

6.4 Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc.) are recorded at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.

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

6.5 (a) Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency loans as mentioned in Para (b) (i) below.

(b) (i) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016:

Exchange differences on long-term foreign currency loans relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets . In other cases, exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long-term foreign currency loan by recognising as gain or loss in the Statement of Profit and Loss.

(ii) **Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1,2016:**

The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 is accounted for in the Statement of Profit and Loss.

7. INVENTORIES

7.1 Raw Materials & Stock-in-Process

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

7.1.2 Stock in Process is valued at raw materials cost plus conversion 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 materials cost and processing cost.

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

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

7.3 Stores and Spares

7.3.1 Stores and Spares (including 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/catalysts, crude oil, certified emission rights (CERs) rights and own products) towards likely diminution in the value.

7.3.2 Stores & Spares in transit are valued at cost.

8. PROVISIONS, CONTINGENCIES & CONTIGENT ASSETS

8.1 Provisions

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

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

8.1.3 If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Increase in carrying amount of provisions, where interest rate is specified, are accounted in finance cost to the extent of increase attributable to passage of time.

8.1.4 **Decommissioning Liability**

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

8.2 Contingent Liabilities and Contingent assets

8.2.1 Show-cause Notices issued by various Government Authorities are not considered as Obligation.

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

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

a) a provision is recognized in respect of present obligations where the outflow of resources is probable;

b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

8.2.4 Estimated amount of contracts remaining to be executed on capital account are considered for disclosure.

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

9. REVENUE RECOGNITION

9.1 Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

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

9.2 Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

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

9.3 Interest income from financial assets is recognised using effective interest rate (EIR) method.

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

9.5 Claims (including interest on outstanding) are recognized at cost when there is reasonable certainty regarding its ultimate collection.

9.6 When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract cost incurred for work performed.

When the outcome of construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

10. EXCISE DUTY

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

11. TAXES ON INCOME

11.1 Current Income Tax

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

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

11.2 Deferred Tax

11.2.1 Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

11.2.2 The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

11.2.3 Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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

12. EMPLOYEE BENEFITS

12.1 Short Term Benefits:

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

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

a) The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to the Statement of Profit and Loss/ CWIP. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the Company and charged to the Statement of Profit and Loss/CWIP.

b) The Company operates defined benefit plans for Gratuity, Post Retirement Medical Benefits, Resettlement, Ex-gratia and AOD pension fund. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year. Out of these plans, Gratuity, Post Retirement Medical Benefits and AOD pension fund are administered through respective Trusts.

c) Obligations on other long term employee benefits viz leave encashment and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.

d) The Company also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.

12.3 Termination Benefits:

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

12.4 Remeasurements:

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements in respect of other long term benefits are recognised in the statement of profit and loss.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- ► Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ► Net interest expense or income

13. GRANTS

13.1 Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

13.2 Grant relating to assets (Capital Grants)

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

13.3 Grant related to Income (Revenue Grants)

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

Subsidy and budgetary support towards under recoveries are reckoned in "Revenue from operations" as per schemes notified by Government from time to time, subject to final adjustments, wherever applicable.

Company has treated waiver of duty under EPCG scheme as revenue grant as the condition of meeting the export obligations is a primary condition of availing the grant as per the EPCG Scheme. The above grant is set up by recording the assets at gross value and corresponding grant amount as deferred income. Such grant is recognised in "Other Operating Revenues" in proportion of export obligations actually fulfilled during the accounting period.

Revenue grants are generally recorded under "Other Operating Revenues" except grant in respect of north east excise duty and entry tax exemption, which are netted off with the related expense.

13.4 When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate or NIL interest rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. Classification of the grant is made considering the terms and condition of the grant i.e. whether grants relates to assets or otherwise.

14. OIL & GAS EXPLORATION ACTIVITIES

14.1 Pre-acquisition costs:

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

14.2 Exploration stage:

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

- acquired rights to explore

- exploratory drilling costs

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

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

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

14.3 Development stage:

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

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

14.4 Production Phase

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

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

14.5 Abandonment Phase

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

15. CURRENT VERSUS NON-CURRENT CLASSIFICATION

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

15.2 An asset is treated as current when it is:

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

All other assets are classified as non-current.

15.3 A liability is treated as current when:

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

All other liabilities are classified as non-current.

16. NON-CURRENT ASSETS HELD FOR SALE

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

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

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

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

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

17. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

17.1 Financial Assets

Initial recognition and measurement

All Financial Assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial Asset.

Subsequent measurement

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

- Financial Assets at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at fair value through other comprehensive income (FVTOCI)
- Financial Assets and derivatives at fair value through profit or loss (FVTPL)

17.1.1 **Financial Assets at amortised cost**

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

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

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

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

17.1.2 **Debt Instrument at FVTOCI**

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

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the Equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

17.1.3 **Equity Instrument at FVTOCI**

A. Equity Investments (Other than subsidiaries, JVs and associates)

All equity investments in scope of Ind AS 109 are measured at fair value. The Company has made an irrevocable election to present subsequent changes in the fair value in other comprehensive income, excluding dividends. The classification is made on initial recognition/transition and is irrevocable.

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

B. Equity investments in subsidiaries, JVs and associates

Investments in subsidiaries, joint ventures and associates are accounted for at cost in the financial statements and the same are tested for impairment in case of any indication of impairment.

17.1.4 **Debt Instruments and derivatives at FVTPL**

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

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Interest income on such instruments has been presented under interest income.

17.1.5 **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Balance Sheet) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

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

17.1.6 **Impairment of Financial Assets**

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

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

b) Financial guarantee contracts which are not measured as at FVTPL

c) Lease receivables under Ind AS 17

Simplified Approach

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

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

General Approach

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

- ►Financial Assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- ► Financial Guarantee contracts: ECL is presented as a provision in the Balance Sheet, i.e. as a liability.
- ►Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

17.2 Financial Liabilities

17.2.1 **Initial recognition and measurement.**

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost, as appropriate.

All Financial Liabilities are recognised initially at fair value and, in the case of liabilities measured at amortised cost net of directly attributable transaction costs.

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

17.2.2 **Subsequent measurement**

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

A. Financial Liabilities at fair value through profit or loss

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

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

B. Financial liabilities at amortized cost

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

C. Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make the payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

17.2.3 **Derecognition**

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

17.3 Embedded Derivatives

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

17.4 Offsetting of Financial Instruments

Financial Assets and Financial Liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

17.5 Derivative Instrument- Initial recognition / subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

17.6 Commodity contracts

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss.

18. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

19. TREASURY SHARES

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

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

20. FAIR VALUE MEASUREMENT

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

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

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

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

20.5 The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

20.6 All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

21. EARNINGS PER SHARE

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

III. Amendments to Standards effective April 1,2017

Amendments to Ind AS 7, Statement of Cash flows

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes. The adoption of the amendment has resulted into additional disclosures in relation to cash flow statement.

Amendments to Ind AS 102, Share Based payments

The amendment to Ind AS 102 is not relevant for the Company as it does not have any cash-settled share based payments or share based payments with a net-settled feature.

IV. Standards issued but not yet effective

Amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates.

The amendment to Ind AS 21, Foreign currency transactions and advance consideration clarifies the date of the transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Company will adopt the amendments w.e.f April 1, 2018. The effect on adoption of Ind AS 21 is expected to be insignificant

Ind AS 115, Revenue from Contract with Customers

MCA has notified Ind AS 115 (Revenue from Contracts with Customers) on March 28, 2018 as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. Ind-AS 115 supersedes Ind-AS 11 Construction Contracts and Ind-AS 18 Revenue. According to the new standard, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Ind-AS 115 establishes a five step model that will apply to revenue earned from a contract with a customer.

The standard allows for two methods of adoption: 1) retrospectively to each prior period presented with or without practical expedients, or 2) retrospectively with cumulative effect of adoption as an adjustment to opening retained earnings in the period of adoption. The standard is effective for periods beginning on or after April 1, 2018. Early adoption is not permitted. The Company will adopt this standard retrospectively with cumulative effect of adoption as an adjustment to opening retained earnings effective April 1, 2018.

The Company charges non-refundable fees for new retail outlets from dealers. Under the existing Ind-AS-18, these are recorded as Income immediately on receipt whenever a new dealership agreement is signed. As per Ind-AS-115, receipt of non-refundable fees does not result in transfer of any promised good or service to the customer and therefore, this is to be considered as an advance payment for performance obligations to be satisfied in future. Hence, non-refundable fees are recognized as revenue when those future goods or services are provided to dealers. As goods are sold on regular basis to customer over the dealership agreement, the same will be amortised over the dealership period. The estimated reduction of ₹129 crore is expected in Profit before tax in the Financial Year 2018-19. No significant impact is expected in the opening retained earnings during 2018-19.

NOTE–1B: SIGNIFICANT ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and Intangible Assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

JUDGEMENTS

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

Lease classification in case of leasehold land

The Company has obtained various lands from the governments for the purpose of plants, facilities and offices. These lands are having various tenures and at the end of lease term, the lease could be extended for another term or the land could be returned to the government authority. Since land has an indefinite economic life, the mangement has considered 99 years and above cases for finance lease if at the inception of the lease, the present value of minimum lease payments are substantialy equal to fair value of leased assets. Further cases between 90-99 are also evaluated for finance lease on the basis of principle that present value of the minimum lease payments are substantially equal to fair value of the leased asset. In addition, other indicators such as the lessee's ability to renew lease for another term at substantially below market rent, lessee's option to purchase at price significantly below fair value are also examined for classification of land lease. Leases not meeting the finance lease criteria are classified under operating leases.

Intangible Asset under Development

Acquisition costs and drilling of exploratory well costs are capitalized as intangible asset under development and are reviewed at each reporting date to confirm that exploration drilling is still under way or work has been determined / under way to determine that the discovery is economically viable based on a range of technical & commercial considerations and for establishing development plans and timing , sufficient / reasonable progress is being made. If no future activity is planned on reasonable grounds / timeframes, Intangible asset under development and property acquisition costs is written off. Upon start of production from field and recognition of proved reserves, cost carried as intangible asset under development is transferred to producing properties. Also refer Note-34 for related disclosures.

Contingencies

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

ESTIMATES AND ASSUMPTIONS

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

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

Defined benefit plans/ Other Long term employee benefits

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

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

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer note 39 for further disclosures of estimates and assumptions.

Impairment of Financial Assets

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the company's past history and other factors at the end of each reporting period. Also refer Note-40 for impairment analsysis and provision.

NOTE - 2 PROPERTY PLANT AND EQUIPMENT

Current Year

(₹ in Crore)

		Land - Freehold (Refer A&F)	Land - Leasehold (Refer A&F)	Buildings, Roads etc. (Refer B&F)	Plant And Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage And Water Supply System	Producing Properties	Total
Gross Block	**Gross Block as at 01.04.2017**	**1,940.58**	**211.36**	**10,361.87**	**102,767.14**	**775.31**	**49.51**	**434.55**	**104.77**	**974.53**	**-**	**117,619.62**
	Additions during the year	926.74	53.48	184.86	6,011.13	214.56	6.23	39.53	8.93	15.21	-	7,460.67
	Transfers from construction work-in-progress	0.09	2.09	1,089.38	4,625.39	86.31	0.51	36.02	22.88	129.88	178.23	6,170.78
	Disposals/ Deductions / Transfers / Reclassifications	(21.15)	20.41	(82.67)	(716.05)	(13.1)	0.75	19.77	5.78	(0.67)	-	(786.93)
	Gross Block as at 31.03.2018	**2,846.26**	**287.34**	**11,553.44**	**112,687.61**	**1,063.08**	**57.00**	**529.87**	**142.36**	**1,118.95**	**178.23**	**130,464.14**
DEPRECIATION AMORTISATION	**Depreciation & Amortisation as at 01.04.2017**	**-**	**3.48**	**1,185.46**	**9,022.85**	**324.6**	**10.68**	**89.22**	**13.1**	**69.5**	**-**	**10,718.89**
	Depreciation & Amortisation during the year (Refer D)	-	4.49	571.45	6,081.91	212.54	6.53	67.6	9.2	40.91	2.28	6,996.91
	Disposals/ Deductions / Transfers / Reclassifications	-	9.72	(53.71)	(116.17)	(10.23)	2.91	23.12	5.13	(0.08)	-	(139.31)
	Depreciation & Amortisation as at 31.03.2018	**-**	**17.69**	**1,703.2**	**14,988.59**	**526.91**	**20.12**	**179.94**	**27.43**	**110.33**	**2.28**	**17,576.49**
Net Block	**Net Block as at 31.03.2018**	**2,846.26**	**269.65**	**9,850.24**	**97,699.02**	**536.17**	**36.88**	**349.93**	**114.93**	**1,008.62**	**175.95**	**112,887.65**

Previous Year

(₹ in Crore)

		Land - Freehold (Refer A&F)	Land - Leasehold (Refer A&F)	Buildings, Roads etc. (Refer B&F)	Plant And Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage And Water Supply System	Producing Properties	Total
Gross Block	**Gross Block as at 01.04.2016**	**1,715.43**	**184.02**	**8,852.32**	**8,3351.41**	**578.54**	**34.66**	**338.12**	**91.67**	**89.93**	**-**	**95,236.1**
	Additions during the year	221.19	83.93	431.56	4,094.92	170.15	12.65	52.81	1.07	399.59	-	5,467.87
	Transfers from construction work-in-progress	2.88	14.07	1,101.89	16,389.07	84.87	2.89	50.8	12.12	485.11	-	18,143.7
	Disposals/ Deductions / Transfers / Reclassifications	1.08	(70.66)	(23.9)	(1068.26)	(58.25)	(0.69)	(7.18)	(0.09)	(0.1)	-	(1,228.05)
	Impact of IND-AS application											
	Gross Block as at 31.03.2017	**1,940.58**	**211.36**	**10,361.87**	**102,767.14**	**775.31**	**49.51**	**434.55**	**104.77**	**974.53**	**-**	**117,619.62**
DEPRECIATION & AMORTISATION	**Depreciation & Amortisation as at 01.04.2016**	**-**	**3.04**	**550.18**	**3,877.22**	**172.54**	**4.13**	**24.24**	**5.23**	**4.93**	**-**	**4,641.51**
	Depreciation & Amortisation during the year (Refer D)	-	2.71	635.9	5,198.07	202.44	7.83	68.08	7.94	64.66	-	6,187.63
	Disposals/ Deductions / Transfers / Reclassifications	-	(2.27)	(0.62)	(52.44)	(50.38)	(1.28)	(3.1)	(0.07)	(0.09)	-	(110.25)
	Depreciation & Amortisation as at 31.03.2017	**-**	**3.48**	**1,185.46**	**9,022.85**	**324.6**	**10.68**	**89.22**	**13.1**	**69.5**	**-**	**10,718.89**
Net Block	**Net Block as at 31.03.2017**	**1,940.58**	**207.88**	**9,176.41**	**93,744.29**	**450.71**	**38.83**	**345.33**	**91.67**	**905.03**	**-**	**106,900.73**

A. i) Freehold land includes ₹21.26 crore (2017: ₹9.51 crore) lying vacant due to title disputes/ litigation.

ii) Out of the Freehold land measuring 1364.01 acres at Mathura and Agra regions, land measuring 50 acres (approx) has been acquired by NHAI as a part of the NH2 widening project for which the determination of value of compensation is pending. Accordingly, the value of land amounting to ₹1.19 crore is continued to be included in Freehold land

iii) Addition to Freehold land includes ₹731.53 crores on account of additional amount provided on settlement of land compensation cases.

B. i) Buildings include ₹0.01 crore ((2017: ₹0.01 crore) towards value of 1605 ((2017: 1605) Shares in Co-operative Housing Societies towards membership of such societies for purchase of flats.

ii) Includes Roads, Bridges etc. (i.e Assets other than Building) of Gross block amounting to ₹2038.43 crore ((2017: ₹1785.69 crore) and net block amounting to ₹1271.09 crore (2017: ₹1230.24 crore).

C. During the year ₹ 942.39 crore has been availed as VAT CREDIT /CENVAT/GST ITC out of capital expenditure on CWIP/ assets. The cost of assets are net of VAT CREDIT / CENVAT/GST ITC. wherever applicable.

D. Depreciation and amortisation for the year includes ₹2.34 crore (2017: ₹25.82 crore) relating to construction peried expenses shown Note-2.2.

E. Railways have claimed transfer of ownership in respect of certain assets provided by the Company at railway premises which has not been accepted by the company and continue to be part of fixed assets of the Company. WDV of such assets is ₹ 70.63 crores (2017: ₹ 67.00 crores)

F. Land and Building includes ₹ 211.94 crore (2017: ₹186.63 crore) in respect of which Title / Lease Deeds are pending for execution or renewal

G. For details regarding hypothecation/ pledge of assets. refer Note-16.

Details of assets under lease included in the above (other than leasehold land): **(₹ in Crore)**

Asset Particulars	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.18	W.D.V. as at 31.03.17
Taken on Finance Lease					
Buildings	9.9	0.71	-	**9.19**	9.43
Plant and Equipment	3,966.38	489.43	-	**3,476.95**	3,622.45
Transport Equipment	3.25	0.64	-	**2.61**	-
Given on Operating Lease					
Building	2.14	0.17	-	**1.97**	0.95
Plant and Equipment	2.12	0.46	-	**1.66**	1.87

Details of Company's share of Jointly Owned Assets included in the above: **(₹ in Crore)**

Asset Particulars	Name of Joint Owner	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.18	W.D.V. as at 31.03.17
Land - Freehold	HPC/BPC	3.27	-		3.27	3.1
Land - Leasehold	HPC/BPC/BALMER LAWRIE	-	-	-	-	0.11
Buildings	HPC/BPC/BALMER LAWRIE	31.75	4.86	-	26.89	26.66
Plant and Equipment	HPC/BPC/GSFC/IPCL/GNRE	50.07	7.61	-	42.46	33.99
Railway Sidings	GSFC	10.33	2.66	-	7.67	7.76
Drainage,Sewage & Water Supply		0.26	0.02	-	0.24	0.24
Total		**95.68**	**15.15**	**-**	**80.53**	**71.86**

Additions to Gross Block Includes: (₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	31.03.18	31.03.17	31.03.18	31.03.17
Land - Freehold	-	-	-	-
Land - Leasehold	-	-	-	-
Buildings	**1.40**	13.07	**0.39**	27.53
Plant and Equipment	**153.39**	1,004.79	**136.49**	1,362.03
Office Equipment	-	0.01	**0.04**	0.01
Transport Equipment	-	-	-	-
Furniture & Fixtures	-	-	-	-
Railway Sidings	-	-	-	-
Drainage, Sewage & Water Supply	**18.65**	132.04	**8.78**	117.67
Total	**173.44**	**1,149.91**	**145.70**	**1,507.24**

NOTE-2.1: CAPITAL WORK IN PROGRESS

(₹ in Crore)

Particulars			March-2018	March-2017
Construction Work in Progress - Tangible Assets				
(Including unallocated capital expenditure, materials at site)				
Balance as at beginning of the year	A	**6,976.37**		13,693.66
Add: Additions during the year		**8,899.29**		7,081.20
Less: Allocated/ Adjusted during the year		**5,942.04**		13,798.49
		9,933.62		6,976.37
Less: Provision for Capital Losses		**20.09**		20.47
			9,913.53	6,955.90
Capital stores				
Balance as at beginning of the year	B	**1,769.17**		1,535.11
Add: Additions during the year		**3,074.85**		2,573.02
Less: Allocated/ Adjusted during the year		**2,162.35**		2,338.96
		2,681.67		1,769.17
Less: Provision for Capital Losses		**7.72**		8.10
			2,673.95	1,761.07
Capital Goods in Transit			**597.63**	371.27
Construction Period Expenses pending allocation:				
Balance as at beginning of the year		**1,135.12**		4,798.26
Add: Net expenditure during the year (Note - 2.2)		**454.40**		683.67
		1,589.52		5,481.93
Less: Allocated/ Adjusted during the year		**913.64**		4,346.81
			675.88	1,135.12
TOTAL			**13,860.99**	**10,223.36**
A. Includes Capital Expenditure relating to ongoing Oil & Gas E&P activities.			**54.73**	94.34
B. Include Stock lying with Contractors			**108.84**	121.28
C. Specific borrowing eligible for capitalisation (Rate)			**1.80% to 9.27%**	1.25% to 9.27%

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

(₹ in Crore)

Particulars		March-2018	March-2017
Employee Benefit expenses		**310.43**	224.71
Repairs and Maintenance		**2.87**	5.76
Consumption of Stores and Spares		**1.89**	0.01
Power & Fuel		**2.81**	171.79
Rent		**8.58**	6.81
Insurance		**15.33**	13.76
Rates and Taxes		**2.61**	1.16
Travelling Expenses		**34.19**	32.37
Communication Expenses		**1.11**	1.22
Printing and Stationery		**0.72**	0.83
Electricity and Water Charges		**2.73**	6.33
Bank Charges		**0.11**	0.09
Technical Assistance Fees		**0.74**	1.69
Exchange Fluctuation		**(2.68)**	(17.75)
Finance Cost		**19.25**	195.99
Depreciation and Amortization on:			
Tangible Assets		**2.34**	25.82
Start Up/ Trial Run Expenses (net of revenue)		**-**	(0.15)
Others		**54.03**	30.23
Total Expenses		**457.06**	700.67
Less : Recoveries		**2.66**	17.00
Net Expenditure during the year		**454.40**	**683.67**

NOTE-3: INTANGIBLE ASSETS

Current Year (₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
GROSS BLOCK	**Gross Block as at 01.04.2017**	**259.51**	**757.38**	**72.17**	**1,089.06**
	Additions during the year	41.46	26.08	26.34	93.88
	Transfers from Intangible Assets under Development	18.82	0.23	21.49	40.54
	Disposals/ Deductions / Transfers / Reclassifications	(0.24)	(0.39)	(0.52)	(1.15)
	Gross Block as at 31.03.2018	**319.55**	**783.3**	**119.48**	**1,222.33**
AMORTISATION	**Amortisation as at 01.04.2017**	**0.52**	**65.45**	**44.33**	**110.30**
	Amortisation during the year	2.47	40.83	29.14	72.44
	Disposals/ Deductions / Transfers / Reclassifications	-	0.26	(0.34)	(0.08)
	Amortisation as at 31.03.2018	**2.99**	**106.54**	**73.13**	**182.66**
	Net Block as at 31.03.2018	**316.56**	**676.76**	**46.35**	**1,039.67**

Previous Year (₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
GROSS BLOCK	**Gross Block as at 01.04.2016**	**199.83**	**540.42**	**61.25**	**801.50**
	Additions during the year	59.74	42.74	12.42	114.90
	Transfers from Intangible Assets under Development	-	189.35	1.12	190.47
	Deductions / Transfers / Reclassifications	(0.06)	(15.13)	(2.62)	(17.81)
	Gross Block as at 31.03.2017	**259.51**	**757.38**	**72.17**	**1,089.06**
AMORTISATION	**Amortisation as at 01.04.2016**	**0.26**	**28.57**	**20.29**	**49.12**
	Amortisation during the year	0.26	37.05	23.85	61.16
	Disposals/ Deductions / Transfers/ Reclassifications	-	(0.17)	0.19	0.02
	Amortisation as at 31.03.2017	**0.52**	**65.45**	**44.33**	**110.30**
	Net Block as at 31.03.2017	**258.99**	**691.93**	**27.84**	**978.76**

A. Net Block of Intangible assets with indefinite useful life (₹ in Crore)

	At 31st March 2018	At 31st March 2017
Right of Way	**298.72**	257.50

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

B. Details of Company's share of Jointly Owned Assets Included in the above: (₹ in Crore)

Assets Particulars	Name of joint owner	Gross Block	Accumulated Depreciation and Amortisation	WDV as at 31.03.18	WDV as at 31.03.17
Computer Software	HPC/BPC	0.50	**0.12**	**0.38**	-
Total		**0.50**	**0.12**	**0.38**	**-**

NOTE-3.1: INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

Particulars		March-2018	March-2017
Work in Progress - Intangible Assets			
(Including Unallocated Capital Expenditure)			
Balance as at beginning of the year	**729.54**		827.37
Add: Net expenditure during the year	**101.67**		126.49
	831.21		953.86
Less: Allocated/ Adjusted during the year	**103.96**		224.32
	727.25		729.54
Less: Provision for Loss	**239.81**		215.08
		487.44	514.46
TOTAL		**487.44**	**514.46**

A. Includes Capital Expenditure (Net) relating to ongoing Oil & Gas E&P activities.	**196.68**	275.06

B. Intangible assets under development are mainly in the nature of E&P Blocks and Licenses & Computer Softwares.

NOTE-4: INVESTMENTS

Particulars	Investment Currency	Face Value/ Paid up Value	March 2018 Number	March 2018 Paid Up Value ₹
NON-CURRENT INVESTMENTS :				
I In Equity Shares				
A In Subsidiaries (At Cost):				
QUOTED:				
Chennai Petroleum Corporation Limited	Indian Rupees	10	77265200	10
Lanka IOC PLC	Sri Lankan Rupees	10	400000005	10
(Quoted in Colombo Stock Exchange,Sri Lanka)				
UNQUOTED:				
Indian Oil Mauritius Limited	Mauritian Rupees	100	4882043	100
IOC Middle East FZE	Arab Emirates Dirham	1000000	2	1000000
IndianOil Creda Bio Fuels Limited (Dissolved on 08.03.2018)	Indian Rupees	10	-	-
IOC Sweden AB	Swedish Krona	100	4204835	100
IOCL (USA) Inc.	USD	0.01	5763538921	0.01
Indian Catalyst Private Limited (formely known as Indo Cat Private Limited)	Indian Rupees	10	15932700	10
IndOil Global B.V.	Canadian Dollars	1	1116302435	1
IOCL Singapore PTE Ltd	USD	1	730990136	1
Sub- Total: (i)(A)				
B In Associates (At Cost):				
QUOTED:				
Petronet LNG Limited	Indian Rupees	10	187500000	10
UNQUOTED:				
Avi-Oil India Private Limited	Indian Rupees	10	4500000	10
Petronet India Limited (Refer point no. 4 of Note: C)	Indian Rupees	0.10	18000000	0.10
cPetronet VK Limited	Indian Rupees	10	50000000	10
Sub-total: (I)(B)				
C In Joint Ventures (At Cost):				
UNQUOTED:				
IOT Infrastructure & Energy Services Limited	Indian Rupees	10	494828289	10
Indian Oil Panipat Power Consortium Limited	Indian Rupees	10	840000	10
Lubrizol India Private Limited	Indian Rupees	100	499200	100
Indian Oil Petronas Private Limited	Indian Rupees	10	134000000	10
Petronet CI Limited (under liquidation)	Indian Rupees	10	3744000	10
Green Gas Limited	Indian Rupees	10	23042250	10
IndianOil SkyTanking Private Limited	Indian Rupees	10	25950000	10
Suntera Nigeria 205 Limited	Naira rupees	1	2500000	1
Delhi Aviation Fuel Facility Private Limited	Indian Rupees	10	60680000	10
Indian Synthetic Rubbers Private Limited	Indian Rupees	10	222861375	10
NPCIL-IndianOil Nuclear Energy Corporation Limited	Indian Rupees	10	260000	10
GSPL India Gasnet Limited	Indian Rupees	10	100625030	10
GSPL India Transco Limited	Indian Rupees	10	99060000	10
Indian Oil Adani Gas Private Limited	Indian Rupees	10	124000000	10
Mumbai Aviation Fuel Farm Facility Private Limited	Indian Rupees	10	41888750	10
Kochi Salem Pipeline Private Limited	Indian Rupees	10	75000000	10
IndianOil LNG Private Limited	Indian Rupees	10	5000	10
(Also refer point no. C.2 of Note 36)				
Hindustan Urvarak and Rasayan Limited	Indian Rupees	10	333250000	10
Ratnagiri Refineries & Petrochemicals Limited	Indian Rupees	10	50000000	10
Indian Oil Ruchi Biofuels LLP (Capital Fund)	Indian Rupees		-	0
Sub-total: (I)(C)				
Total Investments in Subsidiaries, Associates & JVs [(I)(A)+(I)(B)+(I)(C)]				

March 2018			March 2017				
Investment Value	Impairment Loss/Fair Value Adjustment	Fair Value	Number	Paid Up Value	Investment Value	Impairment Loss/Fair Value Adjustment	Fair Value
(₹ in Crore)	(₹ in Crore)	(₹ in Crore)		₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
(1)	(2)	(1+2)			(1)	(2)	(1+2)
509.33	-	509.33	77265200	10	509.33	-	509.33
194.13	-	194.13	400000005	10	194.13	-	194.13
75.67	-	75.67	4882043	100	75.67	-	75.67
2.30	-	2.30	2	1000000	2.30	-	2.30
-	-	-	18381197	10	18.38	(18.38)	-
294.03	-	294.03	4204835	100	294.03	-	294.03
336.32	-	336.32	5763538921	0.01	336.32	-	336.32
11.18	(4.72)	6.46	15932700	10	11.18	(4.72)	6.46
6,104.48	(564.27)	5,540.21	1116302435	1	6,104.48	(564.27)	5,540.21
4,855.71	-	4,855.71	712758450	1	4,738.24	-	4,738.24
12,383.15	**(568.99)**	**11,814.16**			**12,284.06**	**(587.37)**	**11,696.69**
98.75	-	98.75	93750000	10	98.75	-	98.75
4.50	-	4.50	4500000	10	4.50	-	4.50
0.18	-	0.18	18000000	10	18.00	-	18.00
26.02	(26.00)	0.02	49999970	10	26.02	(26.00)	0.02
129.45	**(26.00)**	**103.45**			**147.27**	**(26.00)**	**121.27**
723.98	(316.66)	407.32	494828289	10	723.98	(316.66)	407.32
1.99	(1.99)	-	840000	10	1.99	(1.99)	-
61.71	-	61.71	960000	100	118.67	-	118.67
134.00	-	134.00	134000000	10	134.00	-	134.00
3.83	(3.83)	-	3744000	10	3.83	(3.83)	-
23.04	-	23.04	23042250	10	23.04	-	23.04
73.28	-	73.28	25950000	10	73.28	-	73.28
0.05	-	0.05	2500000	1	0.05	-	0.05
60.68	-	60.68	60680000	10	60.68	-	60.68
222.86	-	222.86	222861375	10	222.86	-	222.86
0.26	-	0.26	260000	10	0.26	-	0.26
100.63	-	100.63	72025030	10	72.03	-	72.03
99.06	-	99.06	53300000	10	53.30	-	53.30
124.00	-	124.00	85000000	10	85.00	-	85.00
41.89	-	41.89	38271250	10	38.27	-	38.27
75.00	-	75.00	55000000	10	55.00	-	55.00
0.01	-	0.01	5000	10	0.01	-	0.01
333.25	-	333.25	5025000	10	5.03	-	5.03
50.00	-	50.00	-	0	-	-	-
1.60	(1.60)	-	-	0	1.60	(1.60)	-
2,131.12	**(324.08)**	**1,807.04**			**1,672.88**	**(324.08)**	**1,348.80**
14,643.72	**(919.07)**	**13,724.65**			**14,104.21**	**(937.45)**	**13,166.76**

	Particulars	Investment Currency	Face Value/ Paid up Value	March 2018 Number	March 2018 Paid Up Value
					₹
D	**In Others**				
	Investments designated at fair value through OCI:				
	QUOTED:				
	Oil and Natural Gas Corporation Limited	Indian Rupees	5	986885142	5
	GAIL (India) Limited	Indian Rupees	10	54452730	10
	Oil India Limited	Indian Rupees	10	53501100	10
	UNQUOTED:				
	International Cooperative Petroleum Association, New York	USD	100	350	100
	Haldia Petrochemical Limited	Indian Rupees	10	150000000	10
	Vadodara Enviro Channel Limited [a] (Formerly Effluent Channel Projects Limited)	Indian Rupees	10	7151	10
	Woodlands Multispeciality Hospital Limited	Indian Rupees	10	101095	10
	Shama Forge Co. Limited [b] (under liquidation)	Indian Rupees	10	100000	10
	In Consumer Cooperative Societies:				
	Barauni [c]	Indian Rupees	10	250	10
	Guwahati [d]	Indian Rupees	10	750	10
	Mathura [e]	Indian Rupees	10	200	10
	Haldia [f]	Indian Rupees	10	1663	10
	In Indian Oil Cooperative Consumer Stores Limited, Delhi [g]	Indian Rupees	10	375	10
	Sub-total: (I)(D)				
	Sub-total: (I) = [(I)(A)+(I)(B)+(I)(C)+(I)(D)]				
II	**In Preference Shares**				
	Investments at fair value through profit and loss				
A	**In Subsidiary Companies:**				
	UNQUOTED:				
	Chennai Petroleum Corporation Limited 6.65% Cum. Redeemable Non Convertible Preference Shares	Indian Rupees	10	500000000	10
	Sub-total: (II)(A)				
B	**In Others**				
	UNQUOTED:				
	Shama Forge Co. Limited [h] (under liquidation) 9.5% Cumulative Redeemable Preference Shares	Indian Rupees	100	5000	100
	Sub-total: (II)(B)				
III	**In Government Securities**				
	Investments at fair value through OCI				
	Quoted: (Note B and C)				
	Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	460000	10000
	9.15% Govt Stock 2024	Indian Rupees	10000	1960000	10000
	7.35% Govt.Stock 2024	Indian Rupees	10000	695000	10000
	Sub-total: (III)				

March 2018			March 2017				
Investment Value	Impairment Loss/Fair Value Adjustment	Fair Value	Number	Paid Up Value	Investment Value	Impairment Loss/Fair Value Adjustment	Fair Value
(₹ in Crore)	(₹ in Crore)	(₹ in Crore)		₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
(1)	(2)	(1+2)			(1)	(2)	(1+2)
1,780.12	15,766.70	17,546.82	986885142	5	1,780.12	16,477.25	18,257.37
122.52	1,666.53	1,789.05	40839548	10	122.52	1,416.93	1,539.45
1,123.52	33.97	1,157.49	35667400	10	1,123.52	67.05	1,190.57
0.02	-	0.02	350	100	0.02	-	0.02
150.00	576.75	726.75	150000000	10	150.00	121.20	271.20
-	-	-	7151	10	-	-	-
0.10	-	0.10	101095	10	0.10	-	0.10
-	-	-	100000	10	-	-	-
-	-	-	250	10	-	-	-
-	-	-	750	10	-	-	-
-	-	-	200	10	-	-	-
-	-	-	1663	10	-	-	-
-	-	-	375	10	-	-	-
3,176.28	**18,043.95**	**21,220.23**			**3,176.28**	**18,082.43**	**21,258.71**
17,820.00	**17,124.88**	**34,944.88**			**17,280.49**	**17,144.98**	**34,425.47**
500.00	48.38	548.38	1000000000	10	1,000.00	140.00	1,140.00
500.00	**48.38**	**548.38**			**1,000.00**	**140.00**	**1,140.00**
-	-	-	5000	100	-	-	-
0.00	**0.00**	**0.00**			**0.00**	**0.00**	**0.00**
460.00	(4.20)	455.80	2065000	10000	2,065.00	(61.46)	2,003.54
2,242.91	(123.70)	2,119.21	1948000	10000	2,229.24	(55.27)	2,173.97
704.04	(12.58)	691.46	-	-	-	-	-
3,406.95	**(140.48)**	**3,266.47**			**4,294.24**	**(116.73)**	**4,177.51**

Particulars		Investment Currency	Face Value/ Paid up Value	March 2018	
				Number	Paid Up Value
					₹
IV	**In Debentures or Bonds**				
	Investments at fair value through profit and loss				
	Unquoted:				
	IndianOil LNG Pvt Limited	Indian Rupees	1000000	3265	1000000
	Fully and Compulsorily Convertible Debentures				
	(Also refer point no. C.2 of Note 36)				
	Sub-total: (IV)				
	Total Other Investments [(I)(D)+(II)+(III)+(IV)]				
	Total Non Current Investments (I+II+III+IV)				
	CURRENT INVESTMENTS:				
	In Government Securities (at fair value through OCI)				
	Quoted:				
	Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	7906020	10000
	9.15% Govt Stock 2024	Indian Rupees	10000	0	-
	In Preference Shares				
	Investments at fair value through profit and loss				
	In Subsidiary Companies:				
	UNQUOTED:				
	Chennai Petroleum Corporation Limited		**10**	**500000000**	**10**
	6.65% Cum. Redeemable Non Convertible Preference Shares				
				Total	

March 2018			March 2017				
Investment Value	Impairment Loss/Fair Value Adjustment	Fair Value	Number	Paid Up Value	Investment Value	Impairment Loss/Fair Value Adjustment	Fair Value
(₹ in Crore)	(₹ in Crore)	(₹ in Crore)		₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
(1)	(2)	(1+2)			(1)	(2)	(1+2)
326.50	**2.71**	**329.21**	**3265**	**1000000**	**326.50**	**39.71**	**366.21**
326.50	**2.71**	**329.21**			**326.50**	**39.71**	**366.21**
7,409.73	**17,954.56**	**25,364.29**			**8,797.02**	**18,145.41**	**26,942.43**
22,053.45	**17,035.49**	**39,088.94**			**22,901.23**	**17,207.96**	**40,109.19**
7,906.01	(40.38)	7,865.63	7038020	10000	7,038.02	144.00	7,182.02
-	-	-	12000	10000	13.67	(0.28)	13.39
500.00	**33.69**	**533.69**	**-**	**-**	**-**	**-**	**-**
8,406.01	**(6.69)**	**8,399.32**			**7,051.69**	**143.72**	**7,195.41**

(₹ in Crore)

Particulars	March-2018	March-2017
Aggregate value of quoted investments	**32,427.67**	33,162.52
Aggregate market value of quoted investments	**38,999.10**	39,440.72
Aggregate value of unquoted investments	**15,060.59**	14,142.08
Aggregate amount of impairment in value of investments	**919.07**	937.45

Followings are not reflected above due to rounding off:- **(Amount in ₹)**

	Particulars	March-2018	March-2017
a	Investment Amount	**10**	10
b	Investment Amount	**100**	100
c	Investment Amount	**2,500**	2,500
d	Investment Amount	**2,500**	2,500
e	Investment Amount	**2,000**	2,000
f	Investment Amount	**16,630**	16,630
g	Investment Amount	**3,750**	3,750
h	Investment Amount	**100**	100

Note: A

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

Name of the Entity	No. of Shares	(₹ in Crore)
7.35% Govt.Stock 2024	695000	704.04
Hindustan Urvarak and Rasayan Limited	328225000	328.22
IOCL Singapore Pte. Limited	18231686	117.47
Ratnagiri Refinery & Petrochemicals Limited	50000000	50.00
GSPL India Transco Limited	45760000	45.76
IndianOil Adani Gas Private Limited	39000000	39.00
GSPL India Gasnet Limited	28600000	28.60
Kochi Salem Pipelines Private Limited	20000000	20.00
Mumbai Aviation Fuel Farm Facility Private Limited	3617500	3.62
IndianOil - CREDA Bio Fuels Limited	74000	0.07

Note: B

Investment in Oil Marketing Companies GOI Special Bonds consists of:

Nature of Bond	No. of Bonds	Face Value (₹ in Crore)	Fair value (₹ in Crore)
1. Non-Current Investments:			
6.90% GOI SPECIAL BONDS 2026	200,000	200.00	189.29
8.20% GOI SPECIAL BONDS 2023	260,000	260.00	266.51
Total Non-Current Investments	**460,000**	**460.00**	**455.80**
2. Current investment:			
8.13% GOI SPECIAL BONDS 2021	78,000	78.00	79.85
7.95% GOI SPECIAL BONDS 2025	457,250	457.25	462.03
8.20% GOI SPECIAL BONDS 2023	1,193,510	1,193.51	1,223.39
6.90% GOI SPECIAL BONDS 2026	2,882,930	2,882.93	2,728.61
8.00% GOI SPECIAL BONDS 2026	189,270	189.27	191.34
8.20% GOI SPECIAL BONDS 2024	3,105,060	3,105.05	3,180.41
Total Current Investments	**7,906,020**	**7,906.01**	**7,865.63**

Note: C - Other Disclosures

1. During the year, Oil Marketing Companies 8.20% GOI Special Bonds of investment value ₹ 160 crore & 9.15% Govt. Stock 2024 of investment value ₹ 13.67 crore are reclassified from current to non-current investments and Oil Marketing Companies 6.90% GOI Special Bonds of investment value ₹ 1028 crore & CPCL 6.65% Cum. Redeemable Non Convertible Preference Shares of investment value ₹ 500 crore are reclassified from non current to current investments.
2. Out of Government Securities classified as non-current, the following are pledged in favour of Clearing Corporation of India Ltd. (CCIL) for Loans through Collaterised Borrowings and Lending Obligation (CBLO) of CCIL.

(₹ in crore)

Nature of Bonds	March-2018		March-2017	
	Face Value	Carrying Value	Face Value	Carrying Value
6.90% Oil Marketing Companies GOI Special Bonds 2026	**200.00**	**189.29**	1,965.00	1,899.43
9.15% GOVT.STOCK 2024	**1,960.00**	**2,119.21**	1,948.00	2,173.97
7.35% GOVT.STOCK 2024	**695.00**	**691.46**	-	-

3. Out of Oil Marketing Companies GOI Special Bonds,the following has been earmarked in line with the requirement of Companies (Share Capital and Debentures) Rules, 2014.

(₹ in crore)

Nature of Bonds	March-2018		March-2017	
	Face Value	Carrying Value	Face Value	Carrying Value
8.20% GOI SPECIAL BONDS 2023	**258.27**	**264.74**	97.28	101.27

4. During the year, Petronet India Limited (a JV company) has made the reduction in share capital from face value of ₹10/- each to ₹ 0.10/- each by paying off / returning the paid up capital to the extent of ₹ 9.90/- per share.

NOTE-5: LOANS

(Unsecured, Considered Good at amortised cost unless otherwise stated) **(₹ in Crore)**

Particulars	Non Current			Current		
	March 2018		March 2017	March 2018		March 2017
Security Deposits						
To Others						
Secured, Considered Good	**0.06**		2.56	**0.13**		-
Unsecured, Considered Good	**123.08**		113.24	**120.90**		123.39
Unsecured, Considered Doubtful	**0.20**		0.20	**1.38**		0.28
	123.34		116.00	**122.41**		123.67
Less : Provision for Doubtful Deposits	**0.20**		0.20	**1.38**		0.28
		123.14	115.80		**121.03**	123.39
Loans **A**						
To Related Parties						
Secured, Considered Good	**0.10**		0.08	**0.05**		0.02
Unsecured, Considered Good	**120.69**		102.57	**89.69**		609.46
Unsecured, Considered Doubtful	**-**		-	**2.25**		2.25
	120.79		102.65	**91.99**		611.73
Less : Provision for Doubtful Loans	**-**		-	**2.25**		2.25
	120.79		102.65	**89.74**		609.48
To Others						
Secured, Considered Good	**656.39**		564.04	**103.62**		107.46
Unsecured, Considered Good	**1,130.69**		314.34	**153.12**		907.60
Unsecured, Considered Doubtful	**162.16**		-	**0.86**		2.07
	1,949.24		878.38	**257.60**		1,017.13
Less : Provision for Doubtful Loans	**162.16**		-	**0.86**		2.07
	1,787.08		878.38	**256.74**		1,015.06
		1,907.87	981.03		**346.48**	1,624.54
TOTAL		**2,031.01**	1,096.83		**467.51**	1,747.93
A. Includes:						
1. Loans valued at Fair Value through Profit and Loss (FVTPL)		**120.56**	102.46		**-**	-
2. Due from Directors		**0.23**	0.19		**0.11**	0.10
3. Due from Other Officers		**2.08**	2.30		**1.42**	1.17

NOTE-6: OTHER FINANCIAL ASSETS

(Unsecured, Considered Good at amortised cost unless otherwise stated) **(₹ in Crore)**

Particulars		Non Current			Current		
		March 2018		March 2017		March 2018	March 2017
Advances for Investments	A						
Joint Ventures		-		-	-		-
Subsidiary Companies		**1,494.66**		1.07	-		-
		1,494.66		1.07	-		-
Less : Provision for Diminution		-		0.07	-		-
			1,494.66	1.00			-
Amount Recoverable from Central/ State Government							
Unsecured, Considered Good			**-**	-		**9,438.97**	7,748.45
Finance Lease Receivables			**0.38**	1.08		**0.69**	1.11
Deposits for Leave Encashment Fund			**2,088.11**	2,856.36		**-**	-
Interest Accrued on Investments/ Bank Deposits/ Loans			**-**	-		**187.64**	196.58
Advance to Employee Benefits Trusts			**147.42**	557.95		**121.96**	64.85
Receivables on Agency Sales			**-**	-		**4,020.25**	1,144.73
Others	B	**33.99**		39.24	**1,524.87**		489.68
Less: Provision for doubtful asset		-		-	**6.22**		6.02
			33.99	39.24		**1,518.65**	483.66
TOTAL			**3,764.56**	3,455.63		**15,288.16**	9,639.38

A. Advances for equity pending allotment and mainly includes share application money of ₹1493.11 crore to IndOil Global BV. paid in March 2018.

'B. Mainly includes:

1. Amount held with bank for purchase of foreign currency for value date 02.04.2018.	907.92	-
2. Interest receivables from Air India Limited	465.04	330.80

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

(₹ in Crore)

Particulars	Non Current			Current		
	March 2018		March 2017	March 2018		March 2017
Income Tax/Current Tax Asset/ (Liability) - Net						
Advance payments for Current Tax	**21,367.83**		5.47	**2.04**		16,592.18
Less : Provisions	**20,076.50**		-	**-**		16,649.15
		1,291.33	**5.47**		**2.04**	(56.97)
TOTAL		**1,291.33**	**5.47**		**2.04**	**(56.97)**
Includes amount relating to Fringe Benefit Tax		**5.47**	5.47		**2.04**	2.04

NOTE-8: OTHER ASSETS

(Unsecured, Considered Good unless otherwise stated) (₹ in Crore)

Particulars	Non Current			Current		
		March 2018	March 2017		March 2018	March 2017
Advances for Capital Expenditure						
To Related Parties						
Unsecured, Considered Good	8.77		25.78	-		-
	8.77		25.78	-		-
To Others						
Secured, Considered Good	-		9.38	-		-
Unsecured, Considered Good	757.32		923.98	-		-
Unsecured, Considered Doubtful	0.09		0.09	-		-
	757.41		933.45	-		-
	766.18		959.23	-		-
Less: Provision for Doubtful Advances	0.09		0.09	-		-
		766.09	959.14		-	-
Advances Recoverable						
From Related Parties						
Unsecured, Considered Good	286.52		309.09	24.78		29.83
	286.52		309.09	24.78		29.83
From Others						
Secured, Considered Good	-		-	0.16		0.34
Unsecured, Considered Good	219.51		219.51	1,722.71		1,620.25
Unsecured, Considered Doubtful	0.33		0.33	3.10		6.28
	219.84		219.84	1,725.97		1,626.87
Less : Provision for Doubtful Advances	0.33		0.33	3.10		6.28
	219.51		219.51	1,722.87		1,620.59
		506.03	528.60		1,747.65	1,650.42
Claims Recoverable: A						
From Related Parties						
Unsecured, Considered Good	-		-	3.43		1.67
Unsecured, Considered Doubtful	-		-	2.61		2.61
	-		-	6.04		4.28
From Others						
Unsecured, Considered Good	-		-	624.22		635.11
Unsecured, Considered Doubtful	-		-	203.46		91.17
	-		-	827.68		726.28
Less : Provision for Doubtful Claims	-		-	206.07		93.78
		-	-		627.65	636.78
Balance/ Deposits with Government Authorities						
Unsecured, Considered Good		-	-		439.04	416.98
Gold/ Other Precious Metals	-		-	162.70		192.40
Less : Provision for Diminution in value	-		-	13.04		11.36
		-	-		149.66	181.04
Deferred Expenses		630.47	648.06		187.72	60.97
Prepaid Rentals		1,330.76	1,298.47		73.45	76.57
TOTAL		**3,233.35**	**3,434.27**		**3,225.17**	**3,022.76**
A. Includes:						
1. Customs/ Excise Duty/DEPB/Duty Drawback Claims which are in the process of being claimed with the Department.						
2. Claims recoverable from Customs Authorities		-	-		6.10	15.58
pending for final assessment / settlement.		-	-		67.27	104.12

NOTE-9: INVENTORIES

(₹ in Crore)

Particulars			March 2018	March 2017
In Hand :				
Raw Materials	A		**17,663.39**	13,162.36
Stock in Process			**4,921.77**	5,184.53
Finished Products	B		**22,051.01**	24,188.80
Stock in Trade	C		**7,255.76**	6,075.82
Stores, Spares etc.	D	**3,220.11**		2,929.57
Less : Provision for Losses		**151.30**		129.32
			3,068.81	2,800.25
Barrels and Tins	E		**41.66**	45.84
			55,002.40	51,457.60
In Transit :			**8,119.15**	7,428.41
Raw Materials			**896.89**	990.68
Finished Products			**1,138.55**	2,151.65
Stock in Trade			**156.22**	212.53
Stores, Spares etc.			**10,310.81**	10,783.27
TOTAL			**65,313.21**	**62,240.87**
Includes-				
A. Includes stock lying with others			**2.91**	16.66
B. Includes stock lying with others			**1,125.07**	1,178.71
C. Includes stock lying with others			**1,499.10**	2,021.69
D.1 Includes Certified Emission Reductions (CER's) rights - Nil (2017: ₹ 30249). Details given in Note-45.				
D.2 Includes stock lying with contractors			**6.93**	9.55
E. Includes stock lying with others			**1.01**	1.41
F. Amount of write down of inventories carried at NRV and recognised as expense.			**740.89**	766.57
G. Amount of reversal of write down of inventories recognised as income.			**0.01**	1.73
H. Valuation of inventories are done as per point no. 7 of significant accounting policies (Note-1).				
I. For hypothecation details refer Note-21.				

NOTE-10: TRADE RECEIVABLES

(At amortised cost)

(₹ in Crore)

Particulars			March 2018	March - 2017
From Related Parties		**111.00**		132.17
Unsecured, Considered Good		**0.09**		0.10
Unsecured, Considered Doubtful		**111.09**		132.27
From Others				
Secured Considered Good		**50.00**		50.00
Unsecured, Considered Good		**9,955.52**		8,320.20
Unsecured, Considered Doubtful		**84.33**		94.70
		10,089.85		8,464.90
Total		**10,200.94**		8,597.17
Less : Provision for Doubtful Debts	A	**84.42**		94.80
			10,116.52	8,502.37
TOTAL			**10,116.52**	**8,502.37**

A. Includes provision as per Expected Credit Loss method in line with accounting policy	**10.14**	8.52

NOTE-11: CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars		March 2018	March - 2017
Bank Balances with Scheduled Banks :			
Current Account	**25.44**		13.09
Fixed Deposit - Maturity within 3 months	**0.37**		0.05
		25.81	13.14
Bank Balances with Non-Scheduled Banks		**2.43**	9.75
Cheques, Drafts in hand		**22.92**	28.08
Cash Balances, Including Imprest		**2.49**	1.89
TOTAL		**53.65**	**52.86**

NOTE-12: BANK BALANCES OTHER THAN ABOVE

(₹ in Crore)

Particulars		March 2018	March - 2017
Fixed Deposits	A	**8.49**	6.07
Earmarked Balances	B	**19.21**	27.56
Other Bank Balances	C	**0.01**	0.01
	TOTAL	**27.71**	**33.64**
A) Earmarked in favour of Statutory Authorities.			
B) Pertains to Unpaid Dividend/Fractional Share Warrants		**19.21**	27.56
C) There exist restrictions on repatriation from bank account in Myanmar.		**0.01**	0.01

NOTE-13: ASSETS HELD FOR DISPOSAL

(₹ in Crore)

Particulars	Note	March-2018	March-2017
Freehold land held for sale	A	**2.21**	2.21
Building		**0.43**	0.14
Plant and Equipment		**158.28**	56.12
Office Equipment	B	**0.63**	0.83
Transport Equipment		**0.02**	0.01
Furniture and Fixtures		**0.11**	0.04
Total		**161.68**	**59.35**

A. The Company has surplus land at various locations such as LPG plant , Depots and RO's etc. which is under the process of disposal. The management intends to sell the land. No impairment was recognised on reclassification of land as held for sale as the Company expects that the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount.

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

C. During the year, the company has recognized impairment loss of ₹ **97.91 crore** (2017: ₹ 27.10 crore) on write-down of the asset to fair value less costs to sell and the same has been shown under the caption 'Other Expenses' in the Statement of Profit and Loss.

NOTE -14: EQUITY SHARE CAPITAL

(₹ in Crore)

Particulars	March-2018	March-2017
Authorized:		
15,00,00,00,000(2017:6,00,00,00,000) Equity Shares of ₹ 10 each	**15,000.00**	6,000.00
Issued Subscribed and Paid Up:		
9,71,18,09,928(2017:4,85,59,04,964) Equity Shares of ₹ 10 each fully paid up	**9,711.81**	4,855.90
Less: Equity Shares held under IOC Shares Trust 23,31,18,456(2017:11,65,59,228) Equity Share of ₹ 10 each fully paid up	**233.12**	116.56
TOTAL	**9,478.69**	**4,739.34**
A. Reconciliation of No. of Equity Shares		
Opening Balance	**4,855,904,964**	2,427,952,482
Shares Issued (Bonus Shares)	**4,855,904,964**	2,427,952,482
Shares bought back	-	-
Closing Balance	**9,711,809,928**	**4,855,904,964**

B. Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having par value of ₹ 10 each and is entitled to one vote per share. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the corporation, the holders of equity shares will be entitled to receive the remaining assets of the company in proportion to the number of equity shares held

C. Details of shareholders holdings more than 5% shares

Name of Shareholder	March-2018		March-2017	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
THE PRESIDENT OF INDIA	**5,533,436,444**	**56.98**	2,784,280,657	57.34
OIL & NATURAL GAS CORPORATION LIMITED	**1,337,215,256**	**13.77**	668,607,628	13.77
LIFE INSURANCE CORPORATION OF INDIA	**530,228,840**	**5.46**	375,354,812	7.73

During the year 2017-18, The President of India disinvested 1,75,62,435 equity shares in November 2017 in favour of BHARAT 22 ETF.

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

(a) Aggregate number and class of shares alloted as fully paid up pursuant to contract(s) wtihout payment being received in cash	NIL
(b) Aggregate number of shares alloted as fully paid up by way of bonus shares:	
• During FY 2016-17(October 2016) in ratio of 1:1	2,42,79,52,482
• During FY 2017-18(March 2018) in ratio of 1:1	4,85,59,04,964
(c) Aggregate number and class of shares bought back	NIL

NOTE -15: OTHER EQUITY

(₹ in Crore)

Particulars			March-2018	March-2017
Retained Earnings				
General Reserve:				
As per last Account		**73,993.02**		70,157.70
Add: Remeasurement of Defined Benefit Plans		**161.28**		(366.04)
Add : Transfer from Bond Redemption Reserve		**162.12**		674.79
Less: Utilized for Issue of Bonus Shares including expenses (net of tax)		**4,743.14**		2,372.86
Add: Appropriation from Surplus		**9,425.61**		5,899.43
			78,998.89	73,993.02
Surplus (Balance in Statement of Profit and Loss):				
Profit for the Year		**21,346.12**		19,106.40
Less: Appropriations				
Interim Dividend		**9,004.90**		8,531.08
Final Dividend		**474.06**		2,014.34
Corporate Dividend Tax on:				
Interim Dividend		**1,873.27**		1,757.13
Final Dividend		**47.90**		419.96
Insurance Reserve (Net)		**20.00**		20.00
Bond Redemption Reserve		**503.49**		465.78
Corporate Social Responsibility Reserve (Net)	A	**(3.11)**		(1.32)
General Reserve		**9,425.61**		5,899.43
Balance carried forward to next year			**(0.00)**	-
			78,998.89	73,993.02
Other Reserves				
Bond Redemption Reserve :				
As per last Account		**2,611.11**		2,820.12
Add: Appropriation from Surplus		**503.49**		465.78
Less: Transfer to General Reserve		**162.12**		674.79
			2,952.48	2,611.11
Capital Reserve :				
As per last Account			**183.08**	183.08

(₹ in Crore)

Particulars			March-2018	March-2017
Insurance Reserve :	B			
As per last Account		**203.48**		183.48
Less : Recoupment of uninsured fire loss		**-**		-
Add: Appropriation from Surplus		**20.00**		20.00
			223.48	203.48
Export Profit Reserve	C		**53.72**	53.72
Corporate Social Responsibility Reserve:	A			
As per Last Account		**3.11**		4.43
Add: Appropriation from Surplus		**327.94**		212.67
Less: Utilized during the year		**331.05**		213.99
			-	**3.11**
Foreign Currency Monetary Item Translation Difference Account				
As per Last Account		**(132.42)**		(414.88)
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items		**(24.48)**		(77.17)
Less: Amortized during the year		**(111.13)**		(359.63)
			(45.77)	(132.42)
Fair Value Through Other Comprehensive Income :				
Fair value of Equity Instruments				
As per Last Account		**18,070.33**		12,985.14
Add: Fair value during the year		**405.53**		5,085.19
Less: Transferred to General Reserve		**-**		-
			18,475.86	18,070.33
Fair value of Debt Instruments				
As per Last Account		**3.95**		(208.15)
Add: Fair value during the year		**(169.45)**		148.34
Less: Transferred to statement of profit and loss		**(16.09)**		(63.76)
			(149.41)	3.95
TOTAL			**100,692.33**	**94,989.38**

A. Reserve is created for meeting expenses relating to CSR activities in line with CSR policy of the Company. During the year, an amount of ₹ **327.94 crore** (2017: ₹ 212.67 crore) has been appropriated as per provisions of Companies Act'2013. Out of total available fund for CSR (including unspent amount carried forward from previous year), an amount of ₹ **331.05 crore** (2017: ₹ 213.99 crore) has been spent during the year. Also refer Note-46.

B. Reserve is created to mitigate risk of loss of assets not insured with external insurance agencies.

C. Amount set aside out of profits from exports for availing income tax benefits.

NOTE-16: LONG TERM BORROWINGS

(At Amortised Cost)

(₹ in Crore)

Particulars		Non Current			Current Maturities*		
			March 2018	March 2017		March 2018	March 2017
SECURED LOANS							
Bonds:							
Non-Convertible Redeemable Bonds-Series-VIII B	A&B		-	1,070.00		**1,133.85**	63.85
Term Loans:							
Oil Industry Development Board (OIDB)	C		**458.39**	882.48		**425.81**	719.50
Finance Lease Obligations	D		**3,453.88**	3,605.55		**167.60**	147.52
Total Secured Loans			**3,912.27**	5,558.03		**1,727.26**	930.87
UNSECURED LOANS							
Bonds:							
Foreign Currency Bonds	E	**8,502.93**		8,331.50	**116.76**		115.90
Senior Notes (Bank of America)	F&B	-		648.55	**658.60**		662.09
			8,502.93	8,980.05		**775.36**	777.99
Term Loans:							
From Banks/ Financial Institutions							
In Foreign Currency Loans	G	**5,823.54**		5,773.96	**2.13**		2,725.84
From Government							
In Rupees	H	**478.86**		-	-		-
			6,302.40	5,773.96		**2.13**	2,725.84
Total Unsecured Loans			**14,805.33**	14,754.01		**777.49**	3,503.83
TOTAL LONG-TERM BORROWINGS			**18,717.60**	**20,312.04**		**2,504.75**	**4,434.70**

*Current maturities (including Finance Lease Obligations) are carried to Note - 17: Other Financial Liabilities.

Secured Loans (Bonds : A - B)

	Particulars	Allotment Date	Coupon Rate	Date of Redemption	Security Details
A	10,700 Bonds of face value of ` 10,00,000/- each	10th September 2008	11.00 % p.a. payable annually on 15th September	After 10 years from the date of allotment	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.

B	In line with the requirement of Companies (Share Capital and Debentures) Rules, 2014, the company has earmarked 8.20% Oil Marketing companies GOI Special Bonds 2023 of face value of ₹ **258.27 Crore** (2017: ₹ 97.28 Cro re) for total bonds value of ₹ **1721.80 crore** (2017: ₹ 648.55 crore) maturing in the next financial year.

C. Secured Term Loans

1. Security Details for OIDB Loans:

a) First Charge on the facilities at Paradip Refinery, Odisha.
b) First charge on the facilities at Butadiene Extraction Unit, Panipat, Haryana.
c) First charge on the facilities at FCC Unit at Mathura Refinery, Uttar Pradesh.
d) First charge on the facilities at Paradip-Raipur-Ranchi pipeline
e) First charge on the facilities at SMPL System
f) First charge on the facilities at Paradip-Haldia- Durgapur LPG Pipeline

2. Loan Repayment Schedule against loans from OIDB (Secured)-Term Loans

S.No.	Repayable During	Repayable Amount	Range of Interest Rate
1	2018-19	425.81	8.12% - 9.27%
2	2019-20	282.81	8.12% - 8.45%
3	2020-21	177.82	8.12% - 8.27%
	Total	**886.44**	

D. Finance Lease Obligations

The Finanace Lease Obligations is against assets aquired under Finance Lease. The net carrying value of the same is ₹ **3555 crores** (2017: ₹ 3698.77 crore).

Unsecured Loans

E. Repayment Schedule of Foreign Currency Bonds

S.No.	Particulars of Bonds	Date of Issue	Date of Repayment
1	USD 500 million Reg S bonds	1st August 2013	Payable after 10 years from the date of issue
2	SGD 400 million Reg S bonds	15th October 2012	On the same day, cross currency swap amounting to USD 325.57 Million. Payable after 10 years from the date of issue
3	USD 500 Million Reg S bonds	2nd August 2011	Payable after 10 years from the date of issue

F. Repayment Schedule of Senior Notes (Bank of America)

1	USD 300 Million US Private Placement bonds issued in four tranches of USD 75 Million dt. 6th June, 2nd July, 1st August and 4th sept. 2007 are payable in three tranches of USD 100 Million each on 1st August 2016, 1st August 2017 and 1st August 2018

G. Repayment Schedule of loans from Banks and Financial Institution

Sl. No.	Particulars of Loans	Date of drawal	Date of Repayment
1	USD 300 Million syndication loan	29th Sept 2017	Payable after 5 years from the date of drawal
2	USD 250 Million syndication loan	29th Jan 2016	
3	USD 650 Million syndication loan (USD 300 Million repaid on 29th Sept 2017)	27th June 2014	

H. Repayment Schedule of Unsecured Interest Free Loans from Govt of Odisha

1. Interest free loan given by Odisha Government for 15 years disbursed in quarterly installment of ₹175 crore starting from 01.04.2016 repayable after 15 years. The first installment of loan for the period April 2016 to December 2017 of ₹ 1225 crore has been received on 15.01.2018 and thereafter ₹175 crore is received every quarter. Total loan disbused till now is ₹ 1400 crore which is repayable after 15 years from the quarter for which the same is given i.e. in quarterly installments starting from last week of June 2031 onwards. This loan being interest free loan is discounted for fair value and Government grant accounting is done. Also refer Note-47.

NOTE-17: OTHER FINANCIAL LIABILITIES

(₹ in Crore)

(At Amortised Cost unless otherwise stated)

Particulars	Non Current			Current		
		March-2018	March-2017		March-2018	March-2017
Current maturities of long-term debt (Refer Note - 16)		-	-		**2,504.75**	4,434.70
Liability for Capital Expenditure		-	-		**3,625.27**	3,844.39
Liability to Trusts and Other Funds		-	-		**1,176.97**	1,879.79
Employee Liabilities		-	-		**3,317.63**	1,791.23
Liablity For Purchases on Agency Basis		-	-		**3,985.44**	1,153.36
Investor Education & Protection Fund to be credited on the due dates:						
- Unpaid Dividend	-		-	**19.17**		27.53
- Unpaid Matured Deposits	-		-	**0.01**		0.01
		-	-		**19.18**	27.54
Derivative instruments at fair value through profit and loss		**-**	-		**221.40**	379.03
Security Deposits A		**570.13**	461.16		**23,404.51**	20,918.77
Others		**0.83**	0.76		**2,560.54**	1,919.31
TOTAL		**570.96**	**461.92**		**40,815.69**	**36,348.12**
A. LPG Deposits reclassified as current in line with industry practice and includes towards:						
1. LPG Connection issued under Pradhan Mantri Ujjwala Yojna (PMUY) and Rajiv Gandhi Gramin LPG Vitrak Yojna (RGGLVY) of Government of India.		**-**	-		**2,811.53**	1,785.76
2. Deposit free LPG connections funded by Chennai Petroleum Corporation Limited.		**-**	-		**0.57**	-

NOTE-18: PROVISIONS

(₹ in Crore)

Particulars		Non Current			Current	
		March-2018	March -2017		March-2018	March-2017
Provision for Employee Benefits		2,019.66	2,923.38		293.03	373.69
Decommissioning Liability A		3.66	3.60		-	-
Contingencies for probable obligations B	-		-	32,320.69		36,418.41
Less: Deposits	-		-	18,452.12		17,867.37
		-	-		13,868.57	18,551.04
TOTAL		**2,023.32**	**2,926.98**		**14,161.60**	**18,924.73**

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

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Unwinding of discount and changes in the discount rate	Closing Balance
Decommissioning Liability - E&P Blocks	3.60	0.08	-	0.03	0.01	3.66
Previous Year Total	**3.33**	**0.27**	-	**0.03**	0.03	3.60

B. In compliance of Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under : (₹ in Crore)

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance*
Excise	11.72	8.63	5.03	-	15.32
Sales Tax/ GST	2,570.18	141.34	1.75	0.03	2,709.74
Entry Tax	31,758.05	1,199.51	2,288.35	2,933.26	27,735.95
Others	2,078.46	919.30	824.84	313.24	1,859.68
TOTAL	**36,418.41**	**2,268.78**	**3,119.97**	**3,246.53**	**32,320.69**
Previous Year Total	26,584.61	9,994.95	36.50	124.65	36,418.41

	Addition includes
- capitalized	163.02
- included in Raw Material	470.71
- included in Finance Cost	1,049.71
- included in Employee Benefit Expenses	4.33
- included in Other Expenses	581.01

* Expected timing of outflow is not ascertainable at this stage, the matters being under dispute/ contingent.

NOTE-19: TAXES

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

(₹ in Crore)

Particulars	As on 31.03.2017	Provided during the year in the Statement of Profit and Loss	Provided during the year in OCI (net)	Balance as on 31.03.2018
Deferred Tax Liability:				
Related to Fixed Assets	18,146.20	2,029.79	-	20,175.99
Foreign Currency gain on long term monetary item	67.63	(51.64)	-	15.99
Total Deferred Tax Liability (A)	**18,213.83**	**1,978.15**	**-**	**20,191.98**
Deferred Tax Assets:				
Provision on Inventories, Trade Receivable, Loans and Advance, Investments	500.97	124.64	-	625.61
Compensation for Voluntary Retirement Scheme	21.09	(7.06)	-	14.03
43B/40 (a)(ia)/other Disallowances etc.	7,821.97	(2,012.12)	-	5,809.85
Fair valuation of Equity instruments	(12.12)	-	444.02	431.90
Fair value of debt instruments	(23.01)	-	54.44	31.43
Others	131.66	(69.02)	-	62.64
Total Deferred Tax Assets (B)	**8,440.56**	**(1,963.56)**	**498.46**	**6,975.46**
MAT credit entitlement (C)	**3,014.04**	**(1,817.09)**	**-**	**1,196.95**
Deferred Tax Liability net of MAT Credit (A-B-C)	**6,759.23**	**5,758.80**	**(498.46)**	**12,019.57**

Note: In view of applicability of long term capital gain tax on listed equity shares w.e.f. 01.02.2018, the company has created deferred tax asset of ₹499.08 crore on the fair value loss amounting to ₹4,284.71 crore occurred between 01.02.2018 to 31.03.2018.

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

	March-2018 %	March-2017 %
Applicable tax rate	34.608	34.608
Tax effect of income that are not taxable in determining taxable profit	(2.22)	(8.74)
Tax effect of expenses that are not deductible in determining taxable profit	1.05	0.79
Tax effect on recognition of previously unrecognised allowance/disallowances	1.61	1.91
Tax expenses/income related to prior years	(0.98)	(1.14)
Difference in tax due to income chargeable to tax at special rates	(0.03)	(0.02)
Difference due to change in Rate of Tax	0.41	-
Average Effective Tax Rate	**34.45**	**27.41**

NOTE -20: OTHER LIABILITIES

(₹ in Crore)

Particulars	Non Current		Current	
	March-2018	March-2017	March-2018	March-2017
Deferred Income	**6.58**	9.57	**1.82**	2.18
Government Grants (Refer Note 47)	**1,348.58**	702.47	**84.99**	16.78
Statutory Liabilities	**-**	-	**7,488.53**	9,764.91
Advances from Customers	**-**	-	**3,413.49**	2,990.09
Others	**-**	-	**2.55**	1.51
TOTAL	**1,355.16**	**712.04**	**10,991.38**	**12,775.47**

NOTE-21: BORROWINGS - CURRENT

(₹in Crore)

Particulars			March-2018		March-2017
SECURED LOANS					
Loans Repayable on Demand	A				
From Banks:					
Working Capital Demand Loan		**6,102.85**		2,450.53	
Cash Credit		**347.62**		2,667.43	
			6,450.47		5,117.96
From Others:					
Loans through Collaterised Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd. (CCIL)	B		**2,635.01**		2,635.14
Total Secured Loans			**9,085.48**		**7,753.10**
UNSECURED LOANS					
Loans Repayable on Demand					
From Banks/ Financial Institutions					
In Foreign Currency		**20,821.89**		20,296.79	
In Rupee		**3,900.54**		225.56	
			24,722.43		20,522.35
From Others					
Commercial Papers			**2,999.65**		1,797.31
Total Unsecured Loans			**27,722.08**		22,319.66
TOTAL SHORT-TERM BORROWINGS			**36,807.56**		**30,072.76**

A. Against hypothecation by way of first pari passu charge on Raw Materials, Finished Goods, Stock-in Trade, Trade Receivables, Outstanding monies, Receivables, Claims, Contracts, Engagements to SBI and HDFC banks.

B. Against pledging of following to CCIL:

Government Securities	**2,855.00**	3,913.00
Bank Guarantees	**1,650.00**	1,650.00

NOTE-22: TRADE PAYABLES

(₹ in Crore)

Particulars	March-2018	March-2017
Dues to Micro and Small Enterprises	**23.84**	24.77
Dues to Related Parties	**2,272.00**	1,291.08
Dues to others	**30,810.21**	28,818.44
TOTAL	**33,106.05**	**30,134.29**

NOTE-23: REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	March-2018		March-2017
Sale of Products and Crude	**507,654.41**		446,466.54
Less: Discounts	**10,253.98**		7,774.14
Sales (Net of Discounts)	**497,400.43**		438,692.40
Sale of Services	**96.16**		78.59
Other Operating Revenues (Note "23.1")	**5,660.45**		1,648.92
		503,157.04	440,419.91
Net Claim/(Surrender) of SSC		**(6.90)**	(207.24)
Subsidy From Central/State Government		**81.11**	80.02
Grant from Government of India		**3,196.34**	5,149.21
TOTAL		**506,427.59**	**445,441.90**

Particulars relating to Revenue Grants are given in Note - 47.

NOTE-23.1: OTHER OPERATING REVENUES

(₹ in Crore)

Particulars	March-2018	March-2017
Sale of Power and Water	**176.38**	110.74
Revenue from Construction Contracts	**5.78**	13.35
Unclaimed / Unspent liabilities written back	**87.07**	265.49
Provision for Doubtful Debts, Advances, Claims, and Stores written back	**53.44**	93.65
Provision for Contingencies written back	**3,246.53**	80.23
Recoveries from Employees	**16.15**	27.18
Retail Outlet License Fees	**849.08**	165.93
Income from Non Fuel Business	**186.02**	198.05
Commission and Discount Received	**7.47**	12.83
Sale of Scrap	**139.11**	106.15
Income from Finance Leases	**0.20**	0.40
Amortization of Capital Grants	**30.86**	16.39
Revenue Grants (Refer Note - 47)	**236.20**	7.96
Commodity Hedging Gain (Net)	**-**	12.34
Terminalling Charges	**72.61**	74.23
Other Miscellaneous Income	**553.55**	464.00
TOTAL	**5,660.45**	**1,648.92**

NOTE-24: OTHER INCOME

(₹ in Crore)

Particulars		March-2018		March-2017
Interest on:	A			
Financial items:				
Deposits with Banks		**6.72**		28.03
Customers Outstandings		**328.78**		316.21
Oil Companies GOI SPL Bonds/ Other Investment		**905.37**		910.17
Other Financial Items		**500.91**		374.51
Non-Financial items		**40.25**		130.79
			1,782.03	1,759.71
Dividend:	B			
From Related Parties		**376.33**		250.27
From Other Companies		**720.29**		856.32
			1,096.62	1,106.59
Profit on Sale of Investments (Net)	C		**108.09**	43.61
Fair value Gain on Investment/ Provision Written Back (Net)			**18.38**	13.11
Exchange Fluctuations (Net)			**304.07**	1,107.93
Gain on Derivatives			**46.40**	-
Fair value Gain on Financial instruments classified as FVTPL			**-**	114.30
Other Non Operating Income			**59.03**	55.37
TOTAL			**3,414.62**	**4,200.62**
A 1. Includes Tax Deducted at Source			**13.55**	33.67
A 2. Includes interest received under section 244A of the Income Tax Act.			**22.96**	111.42
A 3. Include interest on:				
Current Investments			**616.44**	696.79
Non-Current Investments			**288.93**	213.38
A 4. Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss:				
In relation to Financial assets classified at amortised cost			**836.41**	718.75
In relation to Financial assets classified at FVOCI			**874.75**	879.55
B 1. Dividend Income consists of Dividend on:				
Current Investments			**14.08**	33.88
Non-Current Investments			**1,082.54**	1,072.71
B.2 Dividend on Non Current Investment Includes Dividend from Subsidiaries			**259.03**	103.41
C. Includes Gain/(Loss) reclassified from Fair Value of Deb Instruments Reserve			**(24.60)**	(98.59)

NOTE-25: COST OF MATERIALS CONSUMED

(₹ in Crore)

Particulars	March-2018	March-2017
Opening Stock	**20,590.77**	12,437.76
Add: Purchases	**193,971.89**	165,103.56
	214,562.66	177,541.32
Less: Closing Stock	**25,782.54**	20,590.77
TOTAL	**188,780.12**	**156,950.55**

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

(₹ in Crore)

Particulars		March-2018	March-2017
Closing Stock			
Finished Products	**22,947.90**		25,179.48
Stock in Process	**4,921.77**		5,184.53
Stock- in - trade	**8,394.31**		8,227.47
		36,263.98	38,591.48
Less:			
Opening Stock			
Finished Products	**25,179.48**		16,946.58
Stock in Process	**5,184.53**		2,511.55
Stock - in - Trade	**8,227.47**		3,873.55
		38,591.48	23,331.68
NET INCREASE / (DECREASE)		**(2,327.50)**	**15,259.80**

NOTE-27: EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars	March-2018	March-2017
Salaries, Wages, Bonus etc	**7,576.49**	6,670.77
Contribution to Provident & Other Funds	**1,516.55**	2,162.89
Voluntary Retirement Compensation	**1.22**	55.47
Staff Welfare Expenses	**985.15**	829.79
TOTAL	**10,079.41**	**9,718.92**

A. Includes ₹ **16.74 Crore**(2017:₹25.62 Crore) towards compensation to executives for working in shift in the plant/operation area on which the company has taken up the matter with MOP&NG /DPE.

B. Excludes ₹ **310.43 crore** (2017: ₹224.71 crore) included in capital work in progress (Note - 2.2) (out of which ₹ **0.54 crore** (2017: ₹ 0.90 crore) paid to executives working in grass root projects till commercial production, where the company has taken up the matter with MOP&NG) and ₹ **13.94 crore** (2017: ₹ 9.90 crore) included in CSR expenses (Note - 29.1).

C. Includes ₹ **240.47 crore** (2017:Nil) towards SABF contribution for past services prior to 31.12.2006

D. Disclosure in compliance with Indian Accounting Standard-19 on "Employee Benefits" is given in Note - 35.

NOTE-28: FINANCE COSTS

(₹ in Crore)

Particulars		March-2018	March-2017
Interest Payments on Financial items:			
Working Capital Loans:			
Bank Borrowings	**427.21**		306.19
Bonds/Debentures	**-**		3.15
	427.21		309.34
Other Loans:			
Bank Borrowings	**442.10**		462.86
Bonds/Debentures	**590.58**		612.35
Others	**491.55**		467.67
	1,524.23		1,542.88
Unwinding of Discount	**9.54**		3.54
Others	**128.53**		25.12
	2,089.51		1,880.88
Interest Payments on Non Financial items:			
Unwinding of Discount	**0.01**		0.03
Others **A**	**1,079.36**		1,430.04
	1,079.37		1,430.07
		3,168.88	3,310.95
Other Borrowing Cost		**5.49**	7.00
Applicable Net (Gain) / Loss on Foreign Currency Transactions and Translation		**274.07**	127.48
TOTAL		**3,448.44**	**3,445.43**
A. Mainly includes:			
Interest on Entry Tax Liability		**787.60**	**1115.33**
Interest expenses u/s 234 B and 234C		**95.28**	**137.48**
Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss		2,089.51	1,880.88

NOTE-29: OTHER EXPENSES

(₹ in Crore)

Particulars	March-2018		March-2017
Consumption:			
a) Stores, Spares and Consumables	**1,495.14**		1,376.81
b) Packages & Drum Sheets	**405.04**		429.49
		1,900.18	1,806.30
Power & Fuel	**17,754.78**		15,040.45
Less : Fuel from own production	**12,978.28**		11,119.30
		4,776.50	3,921.15
Throughput, Processing & Blending Fees, Royalty and Other Charges		**1,479.88**	1,418.23
Octroi, Other Levies and Irrecoverable taxes		**1,463.46**	1,362.89
Repairs and Maintenance			
i) Plant & Equipment	**2,895.47**		2,220.87
ii) Buildings	**288.97**		324.15
iii) Others	**460.26**		454.33
		3644.70	2999.35

(₹ in Crore)

Particulars	March-2018		March-2017
Freight, Transportation Charges and Demurrage		**12,395.03**	11,831.95
Office Administration, Selling and Other Expenses (Note "29.1")		**6,023.62**	12,404.90
TOTAL		**31,683.37**	**35,744.77**
Less: Company's use of own Products and Crude		**622.32**	931.48
TOTAL (Net)		**31,061.05**	**34,813.29**

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

(₹ in Crore)

Particulars	March-2018		March-2017
Rent		**1,109.19**	659.14
Insurance		**105.99**	105.77
Rates & Taxes		**121.70**	90.25
Donations		**10.91**	3.00
Payment to auditors			
As Auditors	**1.60**		1.53
For Taxation Matters	**0.41**		0.23
Other Services(for issuing other certificates etc.)	**0.59**		0.63
For reimbursement of expenses	**0.38**		0.38
		2.98	2.77
Travelling & Conveyance		**652.41**	576.24
Communication Expenses		**62.20**	62.55
Printing & Stationery		**39.59**	39.31
Electricity & Water		**351.89**	310.56
Bank Charges		**27.84**	19.61
Advances & Claims written off		**2.52**	62.04
Provision/ Loss on Assets sold or written off (Net)		**157.22**	126.88
Technical Assistance Fees		**22.18**	17.01
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.		**361.98**	127.94
Security Force Expenses		**719.52**	496.21
Sales Promotion Expenses (Including Commission)		**338.04**	377.46

(₹ in Crore)

Particulars	March-2018	March-2017
Handling Expenses	**460.06**	362.97
Expenses on Enabling Facilities	**0.36**	0.24
Commodity Hedging Losses (Net)	**31.79**	-
Provision for Probable Contingencies	-	7,493.73
Exploration & Production Cost	**41.01**	90.62
Loss on Derivatives	-	146.54
Fair value Loss on Financial instruments classified as FVTPL	**81.07**	-
Amortisation of FC Monetary Item Translation	**111.13**	359.63
Expenses on Construction Contracts	**5.25**	11.35
Expenses on CSR Activities	**331.05**	213.99
Miscellaneous Expenses	**875.74**	649.09
TOTAL	**6,023.62**	**12,404.90**

A. Expenses Includes:

i) Expenditure on Public Relations and Publicity amounting to ₹ **172.91 crore** (2017: ₹ 87.93 crore) which is inclusive of ₹ **56.34 crore** (2017: ₹ 23.10 crore) on account of Staff and Establishment and ₹ **116.57 crore** (2017: ₹ 64.83 crore) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is **0.00035:1** (2017: 0.0002:1)

NOTE-30: OTHER COMPREHENSIVE INCOME

(₹ in Crore)

Particulars		March-2018	March-2017
Items that will not be reclassified to profit and loss:			
Remeasurement of Defined Benefit Plans	**246.64**		(559.76)
Fair value of Equity Instruments	**(38.49)**		5,097.73
		208.15	4,537.97
Income Tax relating to items that will not be reclassified to profit and loss:			
Remeasurement of Defined Benefit Plans	**(85.36)**		193.72
Fair value of Equity Instruments (Refer Note-19)	**444.02**		(12.54)
		358.66	181.18
Items that will be reclassified to profit and loss:			
Fair value of Debt Instruments		**(232.42)**	247.75
Income Tax relating to items that will be reclassified to profit and loss:			
Fair value of Debt Instruments		**62.97**	(99.41)
TOTAL		**397.36**	**4,867.49**

NOTE–31: DISTRIBUTIONS MADE AND PROPOSED

(₹ in Crore)

Particulars	March-2018	March-2017
Cash dividends on Equity Shares declared:		
Final dividend		
Total Final dividend during the current year for 31 March 2017: ₹ 1.00 per share (31 March 2016: ₹4.25 per share after restatement for bonus shares).	**485.59**	2,063.76
Less Final Dividend pertaining to IOC Share trust (refer Note-2)	**11.66**	49.54
Final dividend net of IOC share trust	**473.93**	2,014.22
DDT on final dividend	**47.90**	419.96
Interim dividend		
Total Interim dividend for 31 March 2018: ₹19.00 per share before bonus issue (31 March 2017: ₹18.00 per share).	**9,226.22**	8,740.63
Less Interim Dividend pertaining to IOC Share trust (refer Note-2)	**221.46**	209.81
Interim dividend net of IOC share trust	**9,004.76**	**8,530.82**
DDT on interim dividend	**1,873.27**	1,757.13
Total	**11,399.86**	**12,722.13**
Proposed dividends on Equity shares		
Final proposed dividend for 31 March 2018: ₹2.00 per share (31 March 2017: ₹0.50 per share after adjustment of bonus issue). The dividend per share without restatement of bonus shares for 31 March'2017 is ₹1.00 per share.	**1,942.36**	485.59
Less Proposed Dividend pertaining to IOC Share trust (refer Note-2)	**46.64**	11.66
Final proposed dividend net of IOC share trust	**1,895.72**	**473.93**
DDT on proposed dividend	**399.26**	47.90
	2,294.98	521.83

Notes

1. Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31 March, 2018.
2. Shares held under IOC Share Trust of face value ₹**233.12 crore** (Pre-bonus ₹116.56 crore) has been netted off from paid up capital.
3. The Company has also incurred expenses on distribution of final dividend amounting to ₹**0.13 crore** (2017: ₹0.12 crore) and on distribution of interim dividend amounting to ₹**0.14 crore** (2017: ₹0.26 crore) which has been debited to equity.

NOTE–32: EARNINGS PER SHARE (EPS)

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

The following reflects the profit and number of shares used in the basic and diluted EPS computations: **(₹ in Crore)**

Particulars	March-2018	March-2017
Profit attributable to equity holders	**21,346.12**	19,106.40
Weighted Average number of equity shares used for computing Earning Per Share (Basic) (Refer Note 1 and 2 below)	**9,478,691,472**	9,478,691,472
Weighted Average number of equity shares used for computing Earning Per Share (Diluted) (Refer Note 1 and 2 below)	**9,478,691,472**	9,478,691,472
Earning Per Share (Basic) (₹)	**22.52**	20.16
Earning Per Share (Diluted) (₹)	**22.52**	20.16
Face value per share (₹)	**10.00**	10.00

Notes

1. Equity Shares held under IOC Share Trust of face value ₹**233.12 crore** (Pre-bonus ₹116.56 crore) has been netted off from weighted average number of equity shares and EPS is worked out accordingly.
2. Pursuant to the approval of the shareholders, the company has issued bonus shares in the ratio of one Equity Shares of ₹10/- each for one existing equity share of ₹10/- each in March 2018. Accordingly, earnings per share (EPS) (basic and diluted) of FY 2016-17 have been adjusted on account of bonus shares.

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

The list of investments in subsidiaries, joint ventures and associates are as under-

Name	Country of Incorporation/ Principal place of business	% Equity Interest	
		March-2018	March-2017
Subsidiaries			
Chennai Petroleum Corporation Limited	India	**51.89%**	51.89%
Indian Catalyst Private Limited	India	**100.00%**	100.00%
IndianOil (Mauritius) Ltd.	Mauritius	**100.00%**	100.00%
Lanka IOC PLC	Sri Lanka	**75.12%**	75.12%
IOC Middle East FZE	UAE	**100.00%**	100.00%
IndianOil- Creda Biofuels Ltd.(Dissolved on 08.03.2018)	India	**-**	74.00%
IOC Sweden AB	Sweden	**100.00%**	100.00%
IOCL (USA) Inc.	USA	**100.00%**	100.00%
IndOil Global B.V.	Netherlands	**100.00%**	100.00%
IOCL Singapore Pte Ltd	Singapore	**100.00%**	100.00%
Associates			
Petronet LNG Limited	India	**12.50%**	12.50%
AVI-OIL India Private Limited	India	**25.00%**	25.00%
Petronet India Limited	India	**18.00%**	18.00%
Petronet VK Limited	India	**50.00%**	50.00%
Joint Ventures			
IOT Infrastructure & Energy Services Limited	India	**49.38%**	49.34%
Lubrizol India Private Limited	India	**26.00%**	50.00%
Indian Oil Petronas Private Limited	India	**50.00%**	50.00%
Green Gas Limited	India	**49.97%**	49.97%
IndianOil Skytanking Private Limited	India	**50.00%**	50.00%

Name	Country of Incorporation/ Principal place of business	% Equity Interest	
		March-2018	March-2017
Suntera Nigeria 205 Limited	Nigeria	**25.00%**	25.00%
Delhi Aviation Fuel Facility (Private) Limited	India	**37.00%**	37.00%
Indian Synthetic Rubber Private Limited	India	**50.00%**	50.00%
NPCIL IndianOil Nuclear Energy Corporation Limited	India	**26.00%**	26.00%
GSPL India Transco Limited	India	**26.00%**	26.00%
GSPL India Gasnet Limited	India	**26.00%**	26.00%
IndianOil Adani Gas Private Limited	India	**50.00%**	50.00%
Mumbai Aviation Fuel Farm Facility Private Limited	India	**25.00%**	25.00%
Kochi Salem Pipelines Private Limited	India	**50.00%**	50.00%
IndianOil LNG Private Limited	India	**50.00%**	50.00%
IndianOil Panipat Power Consortium Ltd.	India	**50.00%**	50.00%
Petronet CI LTD (Under Liquidation)	India	**26.00%**	26.00%
IndianOil Ruchi Bio Fuels LLP	India	**50.00%**	50.00%
Hindustan Urvarak and Rasayan Ltd.	India	**29.67%**	29.67%
Ratnagiri Refinery & Petrochemicals Ltd. (Incorporated on 22.09.2017)	India	**50.00%**	-

NOTE–33B: INTEREST IN JOINT OPERATIONS

(₹ in Crore)

Name	Principle place of business	Proportion of ownership interest	
		March-2018	March-2017
E&P BLOCKS			
1) MN-OSN-2000/2#	India	**20.00%**	20.00%
2) AA-ONN-2001/2@	India	**20.00%**	20.00%
3) GK-OSN-2009/1**	India	**25.00%**	25.00%
4) GK-OSN-2009/2	India	**30.00%**	30.00%
5) CB-ONN-2010/6#	India	**20.00%**	20.00%
6) AAP-ON-94/1	India	**29.03%**	29.03%
7) BK-CBM-2001/1	India	**20.00%**	20.00%
8) NK-CBM-2001/1	India	**20.00%**	20.00%
9) FARSI BLOCK IRAN^	Iran	**40.00%**	40.00%
10) LIBYA BLOCK 86#	Libya	**50.00%**	50.00%
11) LIBYA BLOCK 102/4#	Libya	**50.00%**	50.00%
12) SHAKTHI GABON	Gabon	**50.00%**	50.00%
13) YEMEN 82*	Yemen	**Relinquished**	15.00%
14) AREA 95-96~	Libya	**25.00%**	25.00%
OTHERS			
15) Petroleum India International	India	**27.27%**	27.27%

*Block Yemen 82 relinquished during 2017-18

** Participating interest changed to 25% for exclusive operations in Appraisal phase on account of non participation by GSPC
^ The project 's exploration period ended on 24 June 2009. Negotiations with Iranian Authorities are in progress for development of the Block

Blocks are under relinquishment.

~ Under Force Majeure since 20.05.2014

@ Exploration License expired on 07.10.2015 and approval of entry into Appraisal phase awaited from MoP&NG through DGH.

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

Iocl share of financial position of above joint operations is as under: **(₹ in Crore)**

Particulars	March-2018	March-2017
Assets	**451.25**	434.55
PPE (including Producing Properties)	**178.23**	-
Capital Work in Progress	**54.73**	94.34
Intangible Asset under Development (Net of Provisions)	**196.68**	275.06
Other Assets (Net of Provisions)	**21.61**	65.15
Liabilities & Provisions	**115.50**	**132.40**
Liabilities	**111.84**	128.80
Provisions	**3.66**	3.60
Incomes	**19.00**	**2.29**
Sale of Products (Net of Own Consumption)	**18.45**	-
Other Income	**0.55**	2.29
Expenditure	**41.14**	**90.93**
Expenditure written off (incl exploration related)	**1.57**	26.93
Other Costs (incl exploration related)	**39.57**	64.00
Commitments	**782.45**	**870.57**
Contingent Liabilities	**-**	**0.13**

NOTE–34: DISCLOSURE RELATING EXPLORATION AND PRODUCTION ACTIVITIES

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

(₹ in Crore)

	Name	March-2018	March-2017
(i)	**Assets**	**204.92**	**308.15**
	- Property, plant and equipment	-	-
	- Intangible assets	-	-
	- Intangible assets under development	**196.68**	275.06
	- Capital Work in Progress	**0.73**	0.83
	- Other Assets	**7.51**	32.26
(ii)	**Liabilities**	**98.58**	**109.93**
	- Trade payables	-	-
	- Provisions	**2.31**	2.34
	- Other liabilities	**96.27**	107.59
(iii)	**Income**	**0.39**	**-**
	- Sale of crude oil	-	-
	- Sale of natural gas	-	-
	- Condensate etc.	-	-
	- Other Income	**0.39**	-
(iv)	**Expenses**	**39.74**	**90.61**
	- Exploration expenditure written off	**1.44**	26.61
	- Other exploration costs	**38.30**	64.00
(v)	**Cash flow**		
	- Net cash from/(used) in operating activities	**(24.52)**	**(78.54)**
	- Net cash from/(used) in investing activities	**82.63**	**(2.22)**

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

During the year, Dirok field of Pre-NELP block AAP-ON-94/1 commenced production of gas and condensate on 26th August 2017 having producing life cycle of 20 years. Indian Oil has the participating interest of 29.03% in the block.

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

Assets		March-2018	
		Crude Oil, Condensate, NGLs	Natural Gas
		TMT	Million Cubic Meter
A) Proved Reserves			
Assam AAP-ON-94/1	Begining	48.34	1730.51
	Addition	0.00	0.00
	Production	0.92	15.25
	Balance	**47.42**	**1715.26**
Total Proved Reserves		**47.42**	**1,715.26**

Assets		March-2018	
		Crude Oil, Condensate, NGLs	Natural Gas
B) Proved developed Reserves			
Assam AAP-ON-94/1	Begining	48.34	1384.41
	Addition	0.00	0.00
	Production	0.92	15.25
	Balance	47.42	1369.16
Total Proved developed Reserves		**47.42**	**1369.16**

Net Proved Reserves & Proved developed Reserves of Crude Oil, Condensate, Natural Gas Liquids and Gas on geographical basis:

Details	March-2018	
	Crude Oil, Condensate, NGLs	Natural Gas
	TMT	Million Cubic Meter
A) Proved Reserves		
India	47.42	1715.26
Total Proved Reserves	**47.42**	**1715.26**
B) Proved developed Reserves		
India	47.42	1369.16
Total Proved developed Reserves	**47.42**	**1369.16**

Frequency

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

NOTE–35: EMPLOYEE BENEFITS

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

A. Defined Contribution Plans- General Description

Provident Fund (EPS-95)

During the year, the company has recognised **₹39.66 crore** (2017 : ₹39.88 crore) as contribution to EPS-95 in the Statment of Profit and Loss/CWIP (included in Contribution to Provident and Other Funds in Note - 27/ Construction period expenses in Note-2.2).

Pension Scheme

During the year, the company has recognised **₹516.68 crore** (2017 : ₹354.13 crore) towards Defined Contributory Employees Pension Scheme in the Statment of Profit and Loss/CWIP (included in Contribution to Provident and Other Funds in Note - 27 Construction period expenses in Note-2.2).

B. Defined Benefit Plans- General Description

Provident Fund:

The Company's contribution to the Provident Fund is remitted to separate provident fund trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the company. The company has three Provident Funds maintained by respective PF Trusts in respect of which actuarial valuation is carried out and all three trusts do not have any deficit as on 31st March 2018.

Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the eiligible salary for every completed year of service subject to maximum of ₹ 0.20 crore at the time of separation from the company. Besides, the ceiling of gratuity increases by 25% whenever IDA rises by 50%.

Post Retirement Medical Scheme (PRMS):

PRMS provides medical benefit to retired employees and eligible dependant family members.

Resettlement Allowance:

Resettlement allowance is paid to employees to permanently settle down at a place other than the location of last posting at the time of retirement.

Ex gratia:

Ex-gratia is payable to those employees who have retired before 01-11-1987 and not covered under the pension scheme. Further, for employees who have retired on or after 01-11-1987 and their entitlement under the pension scheme is less than applicable amount under Ex- Gratia Scheme, such employees are also eligible to the extent of shortfall or difference under Ex-gratia scheme. The scheme of ex-gratia has been restricted to cover only those eligible employees who have retired upto 31.12.06, and not thereafter.

Staff Pension fund at AOD:

The Fund is maintained for disbursement of pension to Officers who have joined erstwhile Assam Oil Company before 14-10-1981 and opted to continue the benefit of pension as existing prior to takeover. The Company is managing the fund after takeover of the erstwhile Assam Oil company in the name of IOCL(AOD) Staff Pension Fund.

Workmen Compensation:

The company pays an equivalent amount of 100 months' salary to the family member of the employee if employee dies while he is on duty. This scheme is not funded by the company. The liability originates out of the Workmen compensation Act and Factory Act.

C. Other Long-Term Employee Benefits - General Description

Leave Encashment:

Each employee is entitled to get 8 earned leaves for each completed quarter of service. Encashment of earned leaves is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation of 300 days. In addition, each employee is entitled to get 5 sick leaves (in lieu of 10 HPL) at the end of every six months. The entire accumulation is permitted for encashment only at the time of retirement. DPE had clarified that sick leave cannot be encashed, though Earned Leave (EL) and Half Pay Leave (HPL) could be considered for encashment on retirement subject to the overall limit of 300 days. MOP&NG has advised the company to comply with the DPE Guidelines. However, keeping in view operational complications and service agreements the company has continued with the present practice and requested concerned authorities to reconsider the matter.

Long Service Award:

On completion of specified period of service with the company and also at the time of retirement, employees are rewarded with amounts based on the duration of service completed.

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

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

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

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

(i) Reconciliation of balance of Defined Benefit Plans

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non -Funded	Non-Funded
Defined Obligation at the beginning	**11,338.41** *10,310.35*	**1,443.47** *1,428.72*	**4,322.03** *3,515.28*	**2.85** *4.31*	**87.58** *82.02*	**198.42** *197.28*
Current Service Cost	**401.03** *352.26*	**20.77** *11.24*	**197.94** *168.24*	**0.06** *0.12*	**13.96** *13.52*	- -
Past Service Cost	- -	**1,288.12** -	- -	- -	**40.78** -	- -
Interest Cost	**1,122.62** *902.52*	**105.23** *113.73*	**321.99** *283.33*	**0.12** *0.25*	**6.38** *6.53*	**14.90** *15.41*
Contribution by employees	**983.70** *802.03*	- -	- -	- -	- -	- -
Net Liability transferred In / (Out)	**67.52** *64.65*	- -	- -	- -	- -	- -
Benefits paid	**(1,066.71)** *(1,093.67)*	**(149.97)** *(166.83)*	**(180.16)** *(174.74)*	**(1.82)** *(1.77)*	**(6.16)** *(7.31)*	**(27.32)** *(28.76)*
Actuarial (gain)/ loss on obligations	- -	**50.03** *56.61*	**(99.86)** *529.92*	**0.02** *(0.06)*	**(20.20)** *(7.18)*	**4.55** *14.49*
Defined Benefit Obligation at the end of the year	**12,846.57** *11,338.41*	**2,657.59** *1,443.47*	**4,561.94** *4,322.03*	**1.23** *2.85*	**122.34** *87.58*	**190.55** *198.42*

(ii) Reconciliation of balance of Fair Value of Plan Assets **(₹ in Crore)**

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	**Funded**	**Funded**	**Funded**	**Non -Funded**	**Non-Funded**
Fair Value of Plan Assets at the beginning of the year	**11,694.45**	**1,842.85**	**3,702.41**	**2.87**	-	-
	10,665.55	*1,852.42*	*2,463.84*	*4.32*	-	-
Interest Income	**1,122.62**	**134.34**	**275.83**	**0.12**	-	-
	902.52	*147.46*	*198.59*	*0.25*	-	-
Contribution by employer	**401.03**	-	**772.23**	-	-	-
	352.26	-	*1,189.23*	-	-	-
Contribution by employees	**983.70**	-	**1.18**	-	-	-
	802.30	-	*1.34*	-	-	-
Net Liability transferred In / (Out)	**67.52**	-	-	-	-	-
	64.65	-	-	-	-	-
Benefit paid	**(1,066.71)**	**(149.97)**	**(180.16)**	**(1.82)**	-	-
	(1,093.67)	*(166.83)*	*(174.74)*	*(1.77)*	-	-
Re-measurement (Return on plan assets excluding Interest Income)	**(99.77)**	**10.31**	**70.74**	**0.07**	-	-
	0.84	*9.80*	*24.15*	*0.07*	-	-
Fair value of plan assets at the end of the year	**13,102.84**	**1,837.53**	**4,642.23**	**1.24**	-	-
	11,694.45	*1,842.85*	*3,702.41*	*2.87*	-	-

(iii) Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation **(₹ in Crore)**

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	**Funded**	**Funded**	**Funded**	**Non -Funded**	**Non-Funded**
Fair Value of Plan Assets at the end of the year	**13,102.84**	**1,837.53**	**4,642.23**	**1.24**	-	-
	11,694.45	*1,842.85*	*3,702.41*	*2.87*	-	-
Defined Benefit Obligation at the end of the year	**12,846.57**	**2,657.59**	**4,561.94**	**1.23**	**122.34**	**190.55**
	11,338.41	*1,443.47*	*4,322.03*	*2.85*	*87.58*	*198.42*
Amount not recognised in the Balance Sheet (as per para 64 of Ind-As 19)	**(256.27)**	-	-	-	-	-
	(356.04)	-	-	-	-	-
Amount recognised in the Balance Sheet	-	**820.06**	**(80.29)**	**(0.01)**	**122.34**	**190.55**
	-	*(399.38)*	*619.62*	*(0.02)*	*87.58*	*198.42*

(iv) Amount recognised in Statement of Profit and Loss / Contruction Period Expenses **(₹ in Crore)**

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non -Funded	Non-Funded
Current Service Cost	**401.03** *352.26*	**20.77** *11.24*	**197.94** *168.24*	**0.06** *0.12*	**13.96** *13.52*	- -
Past Service Cost	- -	**1,288.12** -	- -	- -	**40.78** -	- -
Net Interest Cost	- -	**(29.11)** (33.73)	**46.16** *84.74*	- -	**6.38** *6.53*	**14.90** *15.41*
Contribution by employees	- -	- -	**(1.18)** **(1.34)**	- -	- -	- -
Expenses for the year	**401.03** *352.26*	**1,279.78** *(22.49)*	**242.92** *251.64*	**0.06** *0.12*	**61.12** *20.05*	**14.90** *15.41*

The Past service cost in respect of Gratuity includes ₹1,256.28 crore for which provisional liability has already been provided during previous year.

(v) Amount recognised in Other Comprehensive Income (OCI) **(₹ in Crore)**

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non -Funded	Non-Funded
Actuarial (gain)/ loss on Obligations - Due to change in assumptions	- -	**(81.03)** *62.09*	**192.00** 577.13	- *0.03*	**(7.62)** *6.67*	**4.55** *2.47*
Actuarial (gain)/ loss on Obligations - Due to Experience	- -	**31.00** *(5.48)*	**(291.86)** *(47.21)*	**0.02** *(0.09)*	**(12.58)** *(13.85)*	- *12.02*
Re- measurement (Retun on plan assets excluding interest income	- -	**10.31** *9.80*	**70.74** *24.15*	**0.07** *0.07*	- -	- -
Net Loss / (Gain) recognized in OCI	- -	**(60.34)** *46.81*	**(170.60)** *505.77*	**(0.05)** *(0.13)*	**(20.20)** *(7.18)*	**4.55** *14.49*

(vi) Major Actuarial Assumptions

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Discount rate	**7.78%** *7.29%*	**7.78%** *7.29%*	**7.76%** *7.45%*	**6.60%** *6.40%*	**7.78%** *7.29%*	**7.82%** *7.51%*
Salary escalation	- -	**8.00%** *8.00%*	- -	**8.00%** *8.00%*	- -	- -
Inflation	- -	- -	**8.00%** *7.00%*	- -	**6.00%** *6.00%*	- -
Average Expected Future Service / Obligation (Years)	- -	**15** *15*	**30** *30*	**2** *2*	**15** *15*	**9** *11*

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

(vii) Sensitivity on Actuarial Assumptions: **(₹ in Crore)**

Loss / Gain for :	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Change in Discounting Rate						
Increase by 1%	- -	**(149.02)** *(97.40)*	**(607.15)** *(564.54)*	**(0.01)** *(0.03)*	**(13.34)** *(9.62)*	**(7.34)** *(10.23)*
Decrease by 1%	- -	**171.68** *104.83*	**790.46** *730.89*	**0.01** *0.03*	**16.66** *11.96*	**8.04** *6.03*
Change in Salary Escalation						
Increase by 1%	- -	**38.95** *10.94*	- -	**0.01** *0.03*	- -	- -
Decrease by 1%	- -	**(43.60)** *(12.98)*	- -	**(0.01)** *(0.03)*	- -	- -
Change in Inflation Rate						
Increase by 1%	- -	- -	**467.36** *413.09*	- -	- -	- -
Decrease by 1%	- -	- -	**(383.10)** *(340.75)*	- -	- -	- -

(viii) Investment details:

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Investment with Insurer	- -	**98.47%** *98.45%*	**93.95%** *92.28%*	**97.27%** *97.27%*
Self managed investments	**100.00%** *100.00%*	**1.53%** *1.55%*	**6.05%** *7.72%*	**2.73%** 2.73%

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

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Government Securities (Central & State)	**44.12%** *43.84%*	**69.33%** *61.39%*	**65.19%** *56.52%*	**2.73%** *2.73%*
Investment in Equity / Mutual Funds	**4.66%** *2.03%*	**5.43%** *6.82%*	**5.18%** *6.38%*	- -
Investment in Debentures / Securities	**41.13%** *43.31%*	21.60% *27.07%*	**25.57%** *31.80%*	- -
Other approved investments (incl. Cash)	**10.09%** *10.82%*	**3.64%** *4.72%*	**4.06%** *5.30%*	**97.27%** *97.27%*

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

Cash Flow Projection from the Fund/Employer	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
Within next 12 Months	**489.04** *286.00*	**183.81** *173.28*	**0.02** *0.99*	**9.01** *5.66*	**33.03** *29.51*
Between 2 to 5 Years	**1073.84** *1,001.84*	**780.53** *798.10*	**1.36** *2.26*	**33.17** *22.51*	**106.74** *93.76*
Between 6 to 10 Years	**1,101.98** *1077.19*	**1,098.67** *1,210.26*	- -	**43.84** *32.38*	**82.83** *70.03*

Note–36: COMMITMENTS AND CONTINGENCIES

A. LEASES

(a) Operating lease-as Lessee

(i) Lease Rentals charged to the Statement of profit and loss and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements/ arrangements

(₹ in Crore)

	Lease Rentals for Non-Cancellable operating leases	March-2018	March-2017
(a)	Lease rentals recognized during the year (incl. applicable cases as per (iii) below)	**8,237.03**	7,944.02
(b)	Lease Obligations		
	- Within one year	**6,807.13**	7,510.99
	- After one year but not more than five years	**9,936.12**	16,240.64
	- More than five years	**626.81**	842.04

These relate to storage tankage facilities for petroleum products, BOO contract for Nitrogen and Hydrogen Plant, QC labarotary at Paradip Refinery and various other leases in substance as mentioned in (iii) below.

(ii) The company has taken certain assets (including lands,office/residential premises) on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements Incl. applicable cases as per (iii) below. During the current year, **₹1038.21 crore** (2017: ₹366.06 crore) has been paid towards cancellable Operating Lease. Also refer Note 1B for more details on judgements made for lease classification in case of lands.

(iii) Leases in substance (Operating lease: Company as lessee)

The Company has entered into some contracts which are in substance operating lease contracts. Currently, the company has booked payment made under these contracts as expenses in the statement of profit and loss. The details in respect of material operating lease arrangements are as under:

a) IOCL has entered into various agreements with transporters for the movement of petroleum products for different tenures Under these agreements, specific trucks are identified that are used exclusively for the transport operations of IOCL only.

(b) IOCL has entered into agreements with vessel owners for hiring of vessels for different tenures. Specified vessels are identified in the agreement with reference to the name and description of vessel, which can only be used. Such vessels are dedicated for IOCL's use only for the entire period of arrangement. Further, during the lease period, the owner can let out the specific vessel to any third party only after obtaining IOCL's permission. Hence this arrangement is classified as lease as per Appendix C to Ind AS 17.

(c) BOO agreement with Air Liquide Industries is for supply of oxygen and nitrogen at Panipat Refinery for a period of 18 years. The land is owned by IOCL and the plant is being operated by contractor for supply of oxygen and nitrogen to IOCL. There is a commitment to pay monthly minimum amount as per the agreement. IOCL shall always have first right of use of Nitrogen & Oxygen manufactured at the plant. Nitrogen gas manufactured by the contractor is mainly supplied to IOCL. Hence this arrangement is classified as lease as per Appendix C to Ind AS 17.

Details of expenses booked under various arrangements are as under:

(₹ in Crore)

Operating Lease cases under Appendix C of Ind-AS-17	March-2018	March-2017
Processing Fee under the head "Other expenses" in relation to lubricants filling arrangement	**0.19**	0.23
Handling expense under the head "Other expenses" in relation to CFA arrangement	**38.48**	39.53
Freight and transportation charges under the head "Other Expenses" in relation to arrangement with transporters	**7,505.79**	6,803.45
Processing Fee and other charges under the head "Other expenses" in relation to terminalling arrangement with GCPTCL	**9.12**	2.10

Processing Fee and other charges under the head "Other expenses" in relation to bottling arrangement with CPCL	**11.25**	12.24
Transportation charges under the head "Other expenses" in relation to Prime Mover Agreement	**6.83**	5.39
Purchase of nitrogen & oxygen for supply of oxygen and nitrogen at Panipat Refinery under " Cost of materials consumed"	**77.25**	95.97
Freight charges under the head "Cost of Materials Consumed"/"Other expenses" in relation to Time Charter Arrangement	**803.74**	1,358.03

b) Operating lease - as Lessor

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

(₹ in Crore)

	March-2018	March-2017
A. Lease rentals recognized as income during the year	**5.57**	3.95
B. Value of assets given on lease included in tangible assets		
- Gross Carrying Amount	**4.26**	3.22
- Accumulated Depreciation	**0.63**	0.40
- Depreciation recognized in the Statement of Profit and Loss	**0.15**	0.15

These relate to storage tankage facilities for petroleum products and buildings given on lease.

(c) Finance lease - was Lessee

The company has entered into following material finance lease arrangements:

(i) BOOT agreement with IOT Utkal Energy Services Ltd. in respect of Tankages facility for a period of 15 years. Lessor will transfer ownership to IOCL after 15 Years at Nil value.

(ii) BOOT agreement with IL&FS in respect of Water Intake facility for a period of 25 years. Lessor will transfer ownership to IOCL after 25 Years at ₹ 0.01 crore.

(iii) The company has entered into finance lease arrangements with Gujarat Adani Port Limited related to Port facilities at Gujarat for a period of 25 years and 11 months.

(iii) The Company has obtained various lands from the governments for purpose of plants, facilities and offices. Lease cases where at the inception of the lease, the present value of minimum lease payments is substantially equal to the fair value of leased assets are considered under finance leases. Also refer Note 1B for more details on judgements made for lease classification.

Disclosure under Finance Lease as Lessee:

(₹ in Crore)

	March-2018	March-2017
(i) Minimum lease payments		
- Within one year	**562.06**	557.28
- After one year but not more than five years	**2,229.72**	2,222.27
- More than five years	**4,279.84**	4,819.27
Total	**7,071.62**	**7,598.82**

(ii) Present value of minimum lease payments		
- within one year	**167.60**	147.52
- After one year but not more than five years	**856.53**	766.63
- More than five years	**2,597.35**	2,838.92
Total	**3,621.48**	**3,753.07**
Add: Future finance charges	**3,450.14**	3,845.75
Total	**7,071.62**	**7,598.82**

The Net Carrying amount of the assets acquired under Finance Lease is disclosed in Note – 2

(d) Finance lease - as Lessor

The company has entered into following material finance lease arrangements:

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

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

(₹in Crore)

	March-2018	March-2017
A. Gross Investments in Finance Lease	**432.28**	**432.29**
Less: Unearned Finance Income	**0.16**	0.38
Less: Finance Income Received	**170.98**	170.76
Less: Minimum Lease payment received	**260.07**	258.96
Net Investment in Finance Lease as on Date	**1.07**	**2.19**
B. Unearned finance Income	**0.16**	**0.38**
C. Present Value of Minimum Lease Payments Receivable		
- Within one year	**0.69**	1.11
- After one year but not more than five years	**0.38**	1.08
- More than five years	**0.00**	0.00
Total	**1.07**	**2.19**
D. Break-up of un-earned income		
- Within one year	**0.11**	0.22
- After one year but not more than five years	**0.05**	0.16
- More than five years	**0.00**	0.00
Total	**0.16**	**0.38**

B. CONTINGENT LIABILITIES

B.1 Claims against the Company not acknowledged as debt

Claims against the Company not acknowledged as debt amounting to ₹ **8025.58 crore** (2017: ₹9251.66 crore) are as under:

B.1.1 ₹**373.35 crore** (2017: ₹152.8 crore;) being the demands raised by the Central Excise /Customs/ Service Tax Authorities including interest of ₹**19.58 crore** (2017: ₹29.96 crore.)

B.1.2 ₹**31.23 crore** (2017: ₹73.59 crore) in respect of demands for Entry Tax from State Governments including interest of ₹**3.07 crore** (2017: ₹8.98 crore).

B.1.3 ₹**2773.87 crore** (2017: ₹2844.9 crore) being the demands raised by the VAT/ Sales Tax Authorities including interest of ₹**1332.72 crore** (2017: ₹1416.64 crore).

B.1.4 ₹**1834.36 crore** (2017: ₹2363.48 crore;) in respect of Income Tax demands including interest of ₹**614.06 crore** (2017: ₹594.57 crore)**.**

B.1.5 ₹**2005.42 crore** (2017: ₹2656 crore) including ₹**1616.36 crore** (2017: ₹2401.88 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹**155.86 crore** (2017: ₹44.24 crore).

B.1.6 ₹**1007.35 crore** (2017: ₹1160.89 crore) in respect of other claims including interest of ₹**405.84 crore** (2017: ₹258.38 crore).

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

B.2 Guarantees excluding financial guarantees

B.2.1 The Company has issued Corporate Guarantee in favour of three beneficiaries i.e. Bolivarian Republic of Venezuela (Republic), The Corporacion Venezolana del Petroleo S.A. and PeTroCarabobo S.A., on behalf of Indoil Netherlands B.V., Netherlands (an associate company) to fulfill the associate company's future obligations of payment of signature bonus / equity contribution/ loan to the beneficiaries. The total amount sanctioned by the Board of Directors is USD 424 million. The estimated amount of such obligation (net of amount paid) is ₹**2,387.99 crore - USD 366.37 million** (2017: ₹2,376.09 crore - USD 366.37 million).

B.2.2 The Company has entered into Master Guarantee Agreement, on behalf of its subsidiaries viz. Indoil Global B.V. and Indoil Montney Ltd. for all of its payments and performance obligations under the various Project Agreements entered by the subsidiaries with PETRONAS Carigali Canada B.V. and Progress Energy Canada Ltd. The total amount sanctioned by the Board of Directors is CAD 3,924.76 million. The estimated amount of such obligation (net of amount paid) is ₹ **4,588.28 crore** - CAD 905.65 million (2017: 11,570.97 crore - CAD 2,380.74 million). In 2017, the sanctioned amount is reduced by CAD 1,462 million due to winding down of LNG plant.

B.2.3 The company has issued Corporate Guarantee, on behalf of IndianOil Adani Gas Private Limited (IOAGPL), to the extent of obligations of later company under Performance Bank Guarantee Facility provided to IOAGPL by 'State Bank of India, Syndicate Bank, Canara Bank, Bank of Baroda and Axis bank'. The Company's share of such obligation is estimated at ₹ **3,280.94 crore** (2017: ₹ 2,471.38 crore).

B.2.4 The Company has issued Corporate Guarantee, on behalf of IndianOil LNG Private Limited (IOLPL), to the extent of obligations of IOLPL under Performance Bank Guarantee Facility provided to IOLPL by State Bank of India. The estimated amount of such obligation is at ₹ **11.40 crore** (2017: ₹ 11.40 crore).

B.3 Other money for which the company is contingently liable

Pending decision of the Government, no liability could be determined and provided for in respect of additional compensation, if any, payable to the land owners and the Government for certain lands acquired.

C. COMMITMENTS

C.1 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹**14748.6 crore** (2017: ₹ **12902.79 crore)**."Capital Commitments in respect of Joint Operations are disclosed in Note 33B.

C.2 Other Commitments

C.2.1 The Company has an export obligation to the extent of ₹ **2822.44 crore** (2017: ₹ 5325.89 crore) on account of concessional rate of duty availed under EPCG license scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.

C.2.2 To meet the direction of Honourable High court of Orissa, the company has a commitment to pay ₹**280.1 crore** (2017: ₹280.1 crore) towards providing high tech ambulances, removal of old anicut and construction of water treatment plant in the state of Orissa . In addition the company has to incur cost towards dredging through Orissa Construction Co , a state government agency estimate for which yet to be finalised."

C.2.3 IndianOil LNG Private Limited (IOLPL), the JV company, has entered into Debenture Subscription Agreement with ICICI Bank (ICICI), in which, the Company (IOCL), as promoter of IOLPL, has provided put option under which ICICI has option to sell Compulsory Convertible Debenture (CCD) to the Company (IOCL) before the expiry date. In addition to this, the Company, at the sole discretion, has right to acquire CCD from ICICI on or before the expiry date. The company's (IOCL) share of such obligation is ₹ **949.05 Crore** (2017: ₹ 341.28 Crore).

C.2.4 The Company through IOCL Singapore Pte Ltd has entered into an agreement with Shell Overseas Holding Ltd to acquire 17% participating interest in the Mukhaizna Oil Field, Oman by acquiring 100% of the share capital in Shell Exploration & Production Oman Ltd (SEPOL). The Company has outstanding investment commitment of ₹ 2144.42 Crore payable as on 31 March 2018. The acquisition of SEPOL was completed on 05th April 2018.

D. CONTINGENT ASSETS

(₹ in Crore)

		March-2018	March-2017
a.	A customer had lodged a claim against the company challenging the pricing mechanism of utilities provided. The matter was referred to arbitration and award was given in favour of the company. During the year Customer has approached Honourable High court challenging the award of arbitration and the case is pending with Honourable High court for final adjudication. Honourable High court vide its interim orders dated 28.08.2017 and 19.04.2018 has directed the customer to deposit the principal amount and interest amount respectively in the Registry of the court. Court has also directed that the amount deposited by the customer shall be released to the company upon furnishing an unconditional Bank Guarantee of the equivalent amount. The management has treated a portion of the same as contingent asset pending adjudication of matter with Honourable High Court.	**112.98**	96.00
b.	Contingent Asset in respect of M/s Khazana Projects and Industries (P) Ltd. for the amount of risk & cost claim along with 15% supervision charges admitted by the Arbitrator in favour of the company.	**3.48**	3.36
	Total	**116.46**	**99.36**

NOTE–37: RELATED PARTY DISCLOSURES

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

1. Relationship with Entities

A) Details of Subsidiary Companies/ Entities and their Subsidiaries:

1) Chennai Petroleum Corporation Limited
2) IndianOil (Mauritius) Limited
3) Lanka IOC PLC
4) IOC Middle East FZE
5) IndianOil - CREDA Biofuels Limited
6) Indian Catalyst Private Limited
7) IOC Sweden AB
8) IOCL (USA) INC.
9) IndOil Global B.V., Netherlands
10) IOCL Singapore Pte. Limited
11) IndOil Montney Limited
12) IOC Cyprus Limited

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

(₹ in Crore)

		March-2018	March-2017
1	Sales of Products / Services [Includes sales to Chennai Petroleum Corporation Limited ₹ **525.90 crore** (2017: ₹ 668.61 crore) and Lanka IOC PLC ₹ **186.63 crore** (2017: ₹ 30.36 crore)]	**720.98**	703.90
2	Other Operating Revenue / Other Income [Includes Other Operating Revenue / Other Income from Chennai Petroleum Corporation Limited ₹ **242.33 crore** (2017: ₹ 81.80 crore)]	**284.35**	127.48
3	Purchase of Products [Includes Purchase of Products from Chennai Petroleum Corporation Limited ₹ **39,009.04 crore** (2017: ₹ 36,093.58 crore)]	**39,009.04**	36,093.58
4	Purchase of Chemicals/ Materials [Includes Purchase of Chemicals/ Materials from IOCL Singapore Pte. Limited ₹ **1,695.21 crore** (2017: Nil) and Chennai Petroleum Corporation Limited ₹ **858.39 crore** (2017: ₹ 825.60 crore)]	**2,553.60**	834.98
5	Handling/ Other Expenses [Includes Handling/ Other Expenses to Chennai Petroleum Corporation Limited ₹ **6.97 crore** (2017: ₹ 0.93 crore) and Lanka IOC PLC ₹ **4.58 crore** (2017: ₹ 5.46 crore)]	**13.34**	8.84
6	Reimbursement of Expenses [Includes Reimbursement of Expenses pertaining toChennai Petroleum Corporation Limited ₹ **43.96 crore** (2017: ₹ 0.05 crore)]	**43.96**	0.07
7	Investments made/ (sold) during the year [Includes Investment made in IOCL Singapore Pte. Limited ₹ **117.47 crore** (2017: ₹ 4,738.24 crore)]	**117.54**	4,746.78
8	Purchase/(Sale)/ Acquisition of Fixed Assets including CWIP {Includes Purchase/Sale/ Acquisition of Fixed Assets incl. CWIP from Chennai Petroleum Corporation Limited ₹ **0.11 crore** (2017: ₹ 8.00 crore)}	**0.11**	16.52
9	Provisions made/ (write back) during the year {includes provision made/ (write back) in Indian Oil -CREDA Biofuels Limited **₹0.07 crore** (2017: ₹ 0.07 crore)}	**0.07**	4.79
10	Outstanding Receivables/ Loans & Advances { includes outstanding Receivable / Loan & Advance from Chennai Petroleum Corporation Limited ₹ **4,023.60 crore** (2017: ₹1,148.71 crore) and IndOil Global B.V. Netherlands **₹1,493.11 crore** (2017: ₹0.40 crore)}	**5,542.93**	1,160.20

11	Outstanding Payables {Includes Outstanding payable to Chennai petroleum Corporation Limited **₹1,323.22 crore** (2017: ₹893.85 crore} and IOCL Singapore Pte. Limited **₹427.45 crore** {2017: Nil}	**1,761.13**	905.51
12	Investment in Subsidiaries as on date	**12,896.23**	**12,836.69**

Note: 1) Transactions in excess of 10% of the total related party transactions for each type has been disclosed above.

2) In case of Subsidiary Companies constituted/acquired during the period, transactions w.e.f. date of constitution / acquisition is disclosed.

3) In case of Subsidiary Companies which have been closed/divested during the period, transactions up to the date of closure / disinvestment only are disclosed.

2. Relationship with Entities

A) Details of Joint Ventures (JV) / Associate Entities to IOCL & its subsidiary

1) IOT Infrastructure & Energy Services Limited
2) Lubrizol India Private Limited
3) Petronet VK Limited
4) IndianOil Petronas Private Limited
5) Avi-Oil India Private Limited
6) Petronet India Limited
7) Petronet LNG Limited
8) Green Gas Limited
9) IndianOil Panipat Power Consortium Limited
10) Petronet CI Limited
11) IndianOil LNG Private Limited
12) IndianOil SkyTanking Private Limited
13) Suntera Nigeria 205 Limited
14) Delhi Aviation Fuel Facility Private Limited
15) Indian Synthetic Rubber Private Limited
16) Indian Oil Ruchi Biofuels LLP
17) NPCIL- IndianOil Nuclear Energy Corporation Limited
18) GSPL India Transco Limited
19) GSPL India Gasnet Limited
20) IndianOil - Adani Gas Private Limited
21) Mumbai Aviation Fuel Farm Facility Private Limited
22) Kochi Salem Pipeline Private Limited
23) Hindustan Urvarak & Rasayan Limited
24) Ratnagiri Refinery & Petrochemicals Limited
25) Indian Additives Limited
26) National Aromatics & Petrochemicals Corporation Limited
27) INDOIL Netherlands B.V., Netherland
28) Taas India PTE Limited
29) Vankor India PTE Limited
30) Ceylon Petroleum Storage Terminals Limited
31) Falcon Oil & Gas B.V.

B) Details of Subsidiary to JV's of IOCL

1) IOT Engineering & Construction Services Ltd.
2) Stewarts and Lloyds of India Limited
3) IOT Infrastructures Private Limited
4) IOT Canada Limited
5) IOT Utkal Energy Services Limited
6) PT IOT EPC Indonesia
7) IOT Engineering Projects Limited
8) Indian Oiltanking Engineering & Construction Services LLC Oman
9) IOT Engineering & Construction Services Pte. Ltd. Singapore
10) JSC KazakhstanCaspishelf
11) IOT VITO MUHENDISLIK INSAAT VE TAAHUT A.S.
12) IndianOil Skytanking Delhi Pvt. Limited
13) IOT Anwesha FZE

C) The following transactions were carried out with the related parties in the ordinary course of business: **(₹ in Crore)**

		March-2018	March-2017
1	**Sales of Products / Services** [Includes sales to Indian Synthetic Rubber Private Limited **₹ 484.07 crore** (2017: ₹ 431.43 crore) and IndianOil Petronas Private Limited **₹ 273.56 crore** (2017: ₹ 132.75 crore)]	**815.37**	637.64
2	**Interest received** [Includes interest received from IndianOil LNG Private Limited **₹ 39.24 crore** (2017: ₹ 45.61 crore) and Indian Synthetic Rubber Private Limited **₹ 6.39 crore** (2017: ₹ 5.54 crore)]	**45.63**	51.15

3	**Other Operating Revenue/ Other Income** [Includes Other Operating Revenue / Other Income from Indian Synthetic Rubber Private Limited ₹ **75.30 crore** (2017: ₹ 42.73 crore), Petronet LNG Limited ₹ **51.46 crore** (2017: ₹ 27.26 crore) and IndianOil Petronas Private Limited ₹ **26.80 crore** (2017: ₹ 40.20 crore)]	**204.23**	205.90
4	**Purchase of Products** [Includes Purchase of Products from Petronet LNG Limited ₹ **5,820.32 crore** (2017: ₹ 7,446.25 crore)]	**5,950.04**	7,540.73
5	**Purchase of Chemicals/ Materials** [Includes Purchase of Chemicals/ Materials from Petronet LNG Limited ₹ **3,080.47 crore** (2017: Nil)]	**3,485.52**	371.36
6	**Interest paid** [Includes Interest paid to IOT Utkal Energy Services Limited ₹ **299.64 crore** (2017: ₹ 311.76 crore)]	**299.64**	311.76
7	**Handling/ Other Expenses** [Includes Handling/ Other Expenses to IndianOil Skytanking Private Limited ₹ **351.20 crore** (2017: ₹ 264.55 crore), IndianOil Petronas Private Limited ₹ **290.44 crore** (2017: ₹ 351.57 crore), IOT Infrastructure & Energy Services Limited ₹ **93.02 crore** (2017: ₹ 88.19 crore) and Mumbai Aviation Fuel Farm Facility Private Limited ₹ **89.91 crore** (2017: ₹ 79.65 crore)]	**872.20**	822.22
8	**Reimbursement of Expenses** [Includes Reimbursement of Expenses pertaining toIndianOil Petronas Private Limited ₹ **2.56 crore** (2017: ₹ 11.52 crore) and IOT Infrastructure & Energy Services Limited ₹ **0.99 crore** (2017: ₹ 0.05 crore)]	**4.09**	13.34
9	**Investments made/ (sold) during the year** [Includes Investment made/ (sold) in Hindustan Urvarak and Rasayan Limited ₹ **328.23 crore** (2017: ₹ 5.03 crore), Lubrizol India Private Limited ₹ **(56.96) crore** (2017: Nil), Ratnagiri Refinery & Petrochemicals Limited ₹ **50.00 crore** (2017: Nil) and GSPL India Transco Limited ₹ **45.76 crore** (2017: ₹ 10.40 crore)]	**440.43**	311.56
10	**Purchase/(Sale)/Acquisition of Fixed Assets including CWIP** [Includes Purchase/Acquisition of Fixed Assets incl. CWIP from IOT Utkal Energy Services Limited ₹ **6.04 crore** (2017: Nil) and IOT Infrastructure & Energy Services Limited ₹ **1.11 crore** (2017: ₹ 15.08 crore)]	**7.15**	15.78
11	**Provisions made/ (write back) during the year** [Includes Provision made/ (write back) in Petronet India Limited ₹ **Nil** (2017: ₹(18.00) crore]	**-**	(17.90)
12	**Outstanding Receivables/ Loans & Advances** [Includes Outstanding Receivables/ Loans & Advances from Petronet LNG Limited ₹ **307.61 crore** (2017: ₹ 332.30 crore), Suntera Nigeria 205 Limited ₹ **113.58 crore** (2017: ₹ 109.30 crore), Petronet VK Limited ₹ **82.40 crore** (2017: ₹ 21.66 crore) and Indian Synthetic Rubber Private Limited ₹ **63.86 crore** (2017: ₹ 110.66 crore)]	**610.83**	1,208.66
13	**Outstanding Payables** [Includes Outstanding payable to IOT Utkal Energy Services Limited ₹ **2,817.97 crore** (2017: ₹ 2,923.37 crore) and Petronet LNG Limited ₹ **464.43 crore** (2017: ₹ 295.66 crore)]	**3,362.18**	3,339.89
14	**Investments in JV/ Associates as on date**	**2,239.70**	1,836.28

Note:

1) Transactions in excess of 10% of the total related party transactions for each type have been disclosed above.

2) In case of Joint Venture/ Subsidiary Companies constituted/acquired during the period, transactions w.e.f. date of constitution / acquisition is disclosed.

3) In case of Joint Venture / Subsidiary Companies which have been closed/divested during the period, transactions up to the date of closure / disinvestment only are disclosed.

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

1) M/s. JOT Filling Station, Rureke, Punjab (Indian Oil Retail Outlet): Owned by brother of Key Managerial Personnel

2) Shri Harvinder Singh Kainth (Manager, Indian Oil Corporation Limited): Brother of Key Managerial Personnel

3) Mindtree Limited (Company): Managed by Key Managerial Personnel

Details relating to the parties referred to in Item No.3 above: **(₹ in Crore)**

		March-2018	March-2017
1	**Sales of Products** / Services		
	M/s. JOT Filling Station	**3.46**	4.71
	M/s. Mindtree Limited	**0.09**	-
2	**Remuneration**		
	Shri Harvinder Singh Kainth	**0.40**	0.31
3	**Outstanding Receivables**/ Loans & Advances		
	M/s JOT Filling Station	**-**	0.08
	Shri Harvinder Singh Kainth	**0.09**	0.03

4. Government related entities where significant transactions carried out

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

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

Nature of Transactions :

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

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

5) Key Managerial Personnel

A. Whole Time Directors/ Company Secretary

1) Shri Sanjiv Singh
2) Shri B. Ashok (upto 31.05.2017)
3) Shri A.K. Sharma
4) Shri Anish Aggarwal
5) Shri B. S. Canth (upto 31.01.2018)
6) Shri G. K. Satish (w.e.f. 01.09.2016)
7) Shri S. S. V. Ramakumar (w.e.f. 01.02.2017)
8) Shri B V Rama Gopal (w.e.f. 12.02.2018)
9) Shri Ranjan Kumar Mohapatra (w.e.f. 19.02.2018)
10) Shri Verghese Cherian (upto 31.10.2017)
11) Shri Kamal Kumar Gwalani (w.e.f. 01.09.2017)
12) Shri Raju Ranganathan (upto 31.08.2017)

B. Independent Directors

1) Shri Sanjay Kapoor
2) Shri Parindu K. Bhagat
3) Shri Vinoo Mathur (w.e.f. 22.09.2017)
4) Shri Samirendra Chatterjee (w.e.f. 22.09.2017)
5) Shri Vivek Rae (w.e.f. 22.09.2017)
6) Shri Chitta Ranjan Biswal (w.e.f. 22.09.2017)
7) Dr. Jagdish Kishwan (w.e.f. 22.09.2017)
8) Shri Sankar Chakraborti (w.e.f. 22.09.2017)
9) Dr. B. Mahadevan (w.e.f. 22.09.2017 and upto 19.03.2018)
10) Shri Dharmendra S. Shekhawat (w.e.f. 22.09.2017)
11) Shri Subroto Bagchi (upto 29.06.2017)

C. Government Nominee Directors

1) Shri Ashutosh Jindal
2) Smt. Urvashi Sadhwani (w.e.f. 27.10.2017)
3) Shri A. P. Sawhney (Upto 22.06.2017)

D) Details relating to the parties referred to in item No. 5A & 5B above:

March -2018 **(₹ in Crore)**

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remuneration	Sitting Fees	Outstanding Loans (Gross)/ Advance Receivables
A. Whole Time Directors/ Company Secretary						
1) Shri Sanjiv Singh	0.57	0.07	0.27	0.91	-	0.02
2) Shri B. Ashok	0.30	0.11	0.30	0.71	-	-
3) Shri A.K. Sharma	0.64	0.07	0.16	0.87	-	0.07
4) Shri Anish Aggarwal	0.72	0.17	0.59	1.48	-	-
5) Shri B. S. Canth	0.53	0.15	0.49	1.17	-	-
6) Shri G. K. Satish	0.53	0.07	0.12	0.72	-	0.01
7) Shri S. S. V. Ramakumar	0.53	0.07	0.05	0.65	-	0.03
8) Shri B V Rama Gopal	0.09	0.01	-	0.10	-	0.01
9) Shri Ranjan Kumar Mohapatra	0.08	0.01	-	0.09	-	0.23
10) Shri Verghese Cherian	0.41	0.13	0.47	1.01	-	-
11) Shri Kamal Kumar Gwalani	0.34	0.04	0.18	0.56	-	0.22
12) Shri Raju Ranganathan	0.21	0.12	0.28	0.61	-	-
B. Independent Directors						
1) Shri Sanjay Kapoor	-	-	-	-	0.16	-
2) Shri Parindu K. Bhagat	-	-	-	-	0.15	-
3) Shri Vinoo Mathur	-	-	-	-	0.05	-
4) Shri Samirendra Chatterjee	-	-	-	-	0.04	-
5) Shri Vivek Rae	-	-	-	-	0.04	-
6) Shri Chitta Ranjan Biswal	-	-	-	-	0.04	-
7) Dr.Jagdish Kishwan	-	-	-	-	0.05	-
8) Shri Sankar Chakraborti	-	-	-	-	0.05	-
9) Dr. B. Mahadevan	-	-	-	-	0.02	-
10) Shri Dharmendra S. Shekhawat	-	-	-	-	0.05	-
11) Shri Subroto Bagchi	-	-	-	-	0.05	-
TOTAL	**4.95**	**1.02**	**2.91**	**8.88**	**0.70**	**0.59**

March-2017 (₹ in Crore)

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remuneration	Sitting Fees	Outstanding Loans (Gross)/ Advance Receivables
A. Whole Time Directors/ Company Secretary						
1) Shri Sanjiv Singh	0.48	0.05	0.01	0.54	-	0.03
2) Shri B. Ashok	0.60	0.05	0.26	0.91	-	-
3) Shri A.K. Sharma	0.53	0.05	0.01	0.59	-	0.09
4) Shri Anish Aggarwal	0.58	0.06	0.06	0.70	-	0.05
5) Shri B. S. Canth	0.46	0.05	0.02	0.53	-	0.01
6) Shri G. K. Satish	0.26	0.03	0.08	0.37	-	0.03
7) Shri S. S. V. Ramakumar	0.09	0.01	-	0.10	-	0.07
10) Shri Verghese Cherian	0.55	0.05	0.08	0.68	-	0.01
12) Shri Raju Ranganathan	0.45	0.05	0.13	0.63	-	-
B. Independent Directors						
1) Shri Sanjay Kapoor	-	-	-	-	0.14	-
2) Shri Parindu K. Bhagat	-	-	-	-	0.12	-
3) Shri Subroto Bagchi	-	-	-	-	0.14	-
TOTAL	**4.00**	**0.40**	**0.65**	**5.05**	**0.40**	**0.29**

Notes :

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

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

3) Refer Note 5 for Present value of Outstanding Loans/ Advance Receivables from Directors

6) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

	Name of the Trust	Post Employment Benefit Plan	March-2018		March-2017	
			Contribution by employer	Outstanding Receivable/ (Payable)	Contribution by employer	Outstanding Receivable/ (Payable)
1	IOCL (Refinery Division) Employees Provident Fund	Provident Fund	**181.28**	**(19.79)**	154.74	(6.38)
2	Indian Oil Corporation Limited (Assam Oil Division) Employees Provident Fund	Provident Fund	**20.31**	**(7.21)**	15.70	(9.01)
3	Provident Fund for the Employees of Indian Oil Corporation Limited (Marketing Division)	Provident Fund	**199.44**	**(5.81)**	181.82	(2.57)
4	IOCL Employees Superannuation Benefit Fund	Pension Scheme	**592.22**	**143.97**	354.13	392.15
5	IOCL Employees Post Retirement Medical Benefit Fund	Post Retirement Medical Scheme	**772.23**	**80.29**	1,189.23	(619.62)
6	IOCL Employees Group Gratuity Trust	Gratuity	**-**	**(820.06)**	-	399.38
7	Indian Oil Corporation Limited (Assam Oil Division) Staff Pension Fund	Pension Scheme	**-**	**0.01**	-	0.02

NOTE - 38: SEGMENT INFORMATION

Primary Segment Reporting as per Ind-AS 108 for the year ended March 31, 2018 is as under:

(₹ in Crore)

	March 2018					March 2017				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
Revenue										
External Revenue	481,168.43	18,033.84	7,225.32	-	506,427.59	419,510.42	19,802.01	6,129.47	-	445,441.90
Inter-segment Revenue	8,413.76	25.32	53.94	(8,493.02)	0.00	7,328.11	24.94	4,902.22	(12,255.27)	0.00
Total Revenue	**489,582.19**	**18,059.16**	**7,279.26**	**(8,493.02)**	**506,427.59**	**426,838.53**	**19,826.95**	**11,031.69**	**(12,255.27)**	**445,441.90**
Result										
Segment Results excluding Exchange Gain/(Loss)	27,290.46	5,255.84	401.22	-	32,947.52	19,411.80	6,826.78	(39.48)	-	26,199.10
Segmental Exchange Gain/(Loss)	276.79	(29.62)	6.60	-	253.77	565.07	(4.54)	7.14	-	567.67
Segment Results	**27,567.25**	**5,226.22**	**407.82**	-	**33,201.29**	**19,976.87**	**6,822.24**	**(32.34)**	-	**26,766.77**
Less: Unallocable Expenditure										
- Finance Cost					3,448.44					3,445.43
- Loss on sale and disposal of Assets					157.22					126.88
- Loss on Derivatives					-					146.54
- Fair value Loss on Financial instruments classified as FVTPL					81.07					-
- Amortisation of FC Monetary Item Translation					111.13					359.63
Add: Unallocable Income										
- Interest/Dividend Income					2,878.65					2,866.30
- Profit on Sale of Investments (Net)					108.09					43.61
- Provision for diminution in Investments written back (Net)					18.38					13.11
- Exchange Gain - (Net)					50.30					540.26
- Gain on Derivatives					46.40					-
- Fair value gain on Financial instruments classified as FVTPL					-					114.30
- Other non operating income					59.03					55.37
Profit Before Tax					32,564.28					**26,321.24**
Less: Income Tax (including deferred tax)					11,218.16					**7,214.84**
Profit After Tax					21,346.12					**19,106.40**

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

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

2. Segment Revenue comprises of the following:
   a) Turnover (Inclusive of Excise Duties)
   b) Net Claim/(Surrender) of SSC
   c) Subsidy / Grants received from Governments
   d) Other Operating Revenue
3. Inter segment pricing are at Arm's length basis
4. There are no reportable geographical segments.

Other Information

(₹ in Crore)

	March 2018					March 2017				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
Segment Assets	2,10,379.74	14,665.15	2,944.62		**227,989.51**	**190,833.32**	**14,558.07**	**2,766.89**		**208,158.28**
Corporate Assets										
Investments (Current and Non Current)					**47,488.26**					47,304.60
Advances For Investments					**1,494.66**					1.00
Advance Tax					**1,293.37**					5.47
Interest Accrued On Investments/ Bank Deposits					**187.64**					196.58
Loans To JV/ Subsidiaries Included In Loans and Receivables					**198.36**					690.98
Deposits For Leave Encashment Fund					**2,088.11**					2,856.36
Total Assets					**280,739.91**					**259,213.27**
Segment Liabilities	98,598.87	557.05	1,142.09		**100,298.01**	95,377.28	440.91	1,651.63		**97,469.82**
Corporate Liabilities										
Provision For Taxation										56.97
Borrowings (Short Term and Long Term)					**55,525.16**					50,384.80
Current Maturities Of Long-Term Debt					**2,504.75**					4,434.70
Deferred Tax Liability					**12,019.57**					6,759.23
Derivative Liabiliies					**221.40**					379.03
Total Liabilities					**1,70,568.89**					**159,484.55**
Capital Employed										
Segment Wise	1,11,780.87	14,108.10	1,802.53		**127,691.50**	95,456.04	14,117.16	1,115.26		110,688.46
Corporate					**(17,520.48)**					(10,959.74)
Total Capital Employed					**110,171.02**					**99,728.72**
Capital Expenditure	15,253.59	1,257.75	77.07	-	**16,588.41**	11,333.97	391.61	658.24	-	12,383.82
Depreciation and Amortization	6,154.43	851.02	61.56	-	**7,067.01**	5,429.81	747.08	46.08	-	6,222.97

Geographical Information

(₹ in Crore)

	Revenue from external Customers		Non Current assets	
	March-18	March-17	March-18	March-17
India	**481,941.19**	430,776.37	**131,369.68**	121,912.20
Outside India	**24,486,40**	14,665.53	**139.42**	139.38
Total	**506,427.59**	**445,441.90**	**131,509.10**	**122,051.58**

Revenue from major products and services

(₹ in Crore)

	2017-18	2016-17
Motor Spirit (MS)	**98,114.75**	86,686.32
High Speed Diesel (HSD)	**253,447.23**	224,388.22
Superior Kerosene Oil (SKO)	**11,166.51**	10,724.95
Liquified Petroleum Gas (LPG)	**53,101.38**	43,203.35
Aviation Turbine Fuel (ATF)	**22,648.05**	17,811.80
Others	**67,949.67**	62,627.26
Total External Revenue	**506,427.59**	**445,441.90**

NOTE -39: FAIR VALUES

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

(₹ in Crore)

	Carrying Value		Fair Value		Fair Value measurement hierarchy level
	As at 31-March-18	As at 31-March-17	As at 31-March-18	As at 31-March-17	
Financial assets					
A. FVOCI financial instruments:					
Quoted equity shares	**20,493.36**	20,987.39	**20,493.36**	20,987.39	Level 1
Unquoted equity instrument	**726.87**	271.32	**726.87**	271.32	Level 3
Quoted Government securities	**11,132.10**	11,372.92	**11,132.10**	11,372.92	Level 1
B. FVPL financial instruments:					
Non Convertible Redeemable Preference shares	**1,082.07**	1,140.00	**1,082.07**	1,140.00	Level 3
Compulsorily Convertible Debentures	**329.21**	366.21	**329.21**	366.21	Level 3
Loan to Related parties - Suntera	**120.56**	102.46	**120.56**	102.46	Level 3
Derivative instruments at fair value through profit or loss	**-**	2.99	**-**	2.99	Level 2
C. Amortised Cost:					
Loans to employees	**1,159.11**	1,015.48	**1,156.86**	1,067.13	Level 2
PMUY Loan	**754.75**	-	**764.91**	-	Level 2
Financial liabilities					
A. Borrowings:					
Amortised Cost:					
Non-Convertible Redeemable Bonds	**-**	1,133.85	**-**	1,184.33	Level 2
Term Loans from Oil Industry Development Board (OIDB)	**884.20**	1,601.98	**894.00**	1,612.05	Level 2
Finance lease obligation	**3,621.48**	3,753.07	**4,281.39**	4,195.95	Level 2
Foreign Currency Bonds - US Dollars	**6,578.88**	6,543.38	**6,994.10**	7,221.43	Level 1
Foreign Currency Bonds - Singapore Dollars	**2,040.81**	1,904.02	**2,008.20**	1,912.72	Level 2
Senior Notes (Bank of America)	**-**	1,310.64	**-**	1,343.40	Level 2
Loan from Odisha Government	**478.86**	-	**469.46**	-	Level 2
B. Other financial liabilities:					
Fair value through profit and loss (FVPL):					
Derivative instruments at fair value through profit or loss	**221.40**	379.03	**221.40**	379.03	Level 2

NOTE:

1. The management assessed that fair value of Trade Receivables, Cash and Cash Equivalents, Bank Balances, Deposit for Leave Encashment Fund, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Finance lease Receivable, Security Deposit paid and received, Short-term Borrowing (including Current Maturities), Trade Payables, Floating Rate Borrowings/ Receivables, Other Non-derivative Current Financial Liabilities and Liabilities towards financial guarantees approximate their carrying amounts.
2. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Methods and assumptions

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

A. Level 1 Hierarchy:

(i) **Quoted equity shares:** Closing quoted price (unadjusted) in National Stock Exchange of India Limited

(ii) **Quoted Government securities:** Closing published price (unadjusted) in Clearing Corporation of India Limited

(iii) **Foreign Currency Bonds - US Dollars:** Closing price for the specific bond collected from Bank

B. Level 2 Hierarchy:

(i) Derivative instruments at fair value through profit or loss: Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.

(ii) **Loans to employees, PMUY Loan:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities.

(iii) **Finance lease obligation:** For obligation arrived based on IRR, implicit rate applicable on the reporting date and for obligation arrived based on incremental borrowing rate, applicable rate for remaining maturity.

(iv) **Non-Convertible Redeemable Bonds, Foreign Currency Bonds - Singapore Dollars and Senior Notes (Bank of America), Loan from Odisha Government:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities (Excluding floating rate borrowings).

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

C. Level 3 Hierarchy:

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

(ii) **Non Convertible Redeemable Preference shares, Compulsorily Convertible Debentures and Loan to Related parties - Suntera:** Fair value of Preference shares, Debentures and Loan to Suntera is estimated with the help of external valuer by discounting future cash flows. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2018 and 31 March 2017 are shown below:

	Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
I	Haldia Petrochemical Limited (included under FVTOCI assets in unquoted equity instruments)	Market Approach with equal weights to Revenue and EBITDA Multiple	Rev enue Multiple	**31.03.18: 0.85x - 0.89x (0.87x)** 31.03.17: 0.59x - 0.63x (0.61x)	0.01x increase/ (decrease) in Revenue Multiple would result in increase/ (decrease) in fair value by: **31.03.18: ₹5.5 crore/ ₹(5.4) crore** 31.03.17: ₹4.6 crore/ ₹(4.6) crore
			EBITDA multiple	**31.03.18: 6.5x - 6.9x (6.7x)** 31.03.17: 4.8x - 5.2x (5.0x)	0.1x increase/ (decrease) in EBITDA Multiple would result in increase/ (decrease) in fair value by: **31.03.18: ₹6.8 crore/ ₹(6.7) crore** 31.03.17: ₹7.3 crore/ ₹(7.4) crore
II	Non Convertible Redeemable Preference shares	DCF method	Discount Rate (Post tax)	**31.03.18: 5.60% - 6.60% (6.14%)** 31.03.17: 5.1% - 6.10% (5.55%)	0.5% increase/ (decrease) in discount rate would result in (decrease)/ increase in fair value by: **31.03.18: ₹(15) crore/ ₹16 crore** 31.03.17: ₹(34) crore/ ₹35 crore
III	Compulsorily Convertible Debentures	Present Value Analysis	Discount Rate	**31.03.18: 7.3% - 9.3% (8.3%)** 31.03.17: 7.3% - 9.3% (8.3%)	0.5% increase/ (decrease) in Discount Rate would result in (decrease)/ increase in fair value by: **31.03.18: ₹(1.4) crore/ ₹1.4 crore** 31.03.17: ₹(2.8) crore/ ₹2.8 crore
IV	Loan to Related party - Suntera	DCF method	Discount Rate	**31.03.18: 12% - 16% (14%)** 31.03.17: 13% - 17% (15%)	1% increase/ (decrease) in Discount rate would result in (decrease)/ increase in fair value by: **31.03.18: ₹(5.2) crore/ ₹5.2 crore** 31.03.17: ₹(5.2) crore/ ₹5.2 crore

Unquoted equity instruments carried at FVOCI includes following investments for which sensitivity disclosure are not disclosed:	Carrying value (₹ in Crore)	
	31-March-18	31-March-17
Woodlands Multispeciality Hospital Limited	**0.10**	0.10
International Cooperative Petroleum Association, New York	**0.02**	0.02

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

Description	FVTOCI Assets		FVTOCI Assets	
	Unquoted Equity Shares	Non Convertible Redeemable Preference shares	Compulsorily Convertible Debentures	Loan to Suntera
Balance as at 31 March 2017	**271.32**	**1,140.00**	**366.21**	**102.46**
Addition	-	-	-	3.69
Deletion	-	-	-	-
Fair Value Changes	455.55	(57.93)	(37.00)	13.86
Exchange Difference	-	-	-	0.55
Balance as at 31 March 2018	**726.87**	**1,082.07**	**329.21**	**120.56**

NOTE – 40 FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial Risk Factors

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

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

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

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

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

A. Market risk

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

The sensitivity analysis in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets and liabilities of foreign operations.

1. Interest rate risk

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

The Company manages to maintian a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market/ regulatory constraints etc. As at 31 March 2018, approximately 49% of the Company's borrowings are at a fixed rate of interest (31 March 2017: 37%).

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on floating rate borrowings is as follows:

Currency of Borrowings	Increase/ Decrease in basis points	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in basis points	Effect on profit before tax (₹ in Crore)
	March-2018		March-2017	
INR	**+50**	**(15.00)**	+50	(27.64)
US Dollar	**+50**	**(133.24)**	+50	(143.98)
INR	**-50**	**15.00**	-50	27.64
US Dollar	**-50**	**133.24**	-50	143.98

2. Foreign currency risk

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

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

The Company has outstanding forward contract of **₹4,210.75 crore** as at 31 March 2018 (31 March 2017: ₹1,702.22 crore) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

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

Currency	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)
	March-2018		March-2017	
Forward Contract - US Dollar	**+5%**	**210.54**	+5%	85.11
	-5%	**(210.54)**	-5%	(85.11)
Other Exposures - US Dollar	**+5%**	**(2,699.12)**	+5%	(2761.69)
	-5%	**2,699.12**	-5%	2,761.69
Other Exposures - SGD	**+5%**	**(102.04)**	+5%	(95.20)
	-5%	**102.04**	-5%	95.20
Cross Currency - USD vs. SGD	**+5%**	**(106.11)**	+5%	(105.56)
	-5%	**106.11**	-5%	105.56

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

3. Commodity price risk

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

Category-wise quantitative data about commodity derivative transactions that are oustanding is given below:

Quantity (in lakh bbls)

Particulars	March-2018	March-2017
Margin Hedging	**94.25**	3.00

The sensitivity to a reasonably possible change in price of crude oil/ refinery margin on the outstanding commodity hedging position as on March-2018:

Particulars	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)
	March-2018		March-2017	
Margin Hedging	**+10%**	**(96.20)**	+10%	(2.28)
Margin Hedging	**-10%**	**96.20**	-10%	2.28

4. Equity price risk

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

At the reporting date, the exposure to unlisted equity securities at fair value was **₹726.87 crore**. Sensitivity analysis of these investments have been provided in Note-39.

The exposure to listed equity securities valued at fair value was **₹20,493.36 crore**. An increase / decrease of 5% on the NSE market index could have an impact of approximately ₹1,024.67 crore on the OCI and equity attributable to the Company. These changes would not have an effect on profit or loss.

B. Credit risk

Trade receivables

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

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

(₹ in Crore)

	0 - 90 days	91 days to 6 months	Above 6 months to 1 Year	Above 1 Year to 3 Years	> 3 years	Total
Year ended 31 March 2018						
Gross Carrying amount	8,244.82	1,018.67	630.27	86.40	220.78	10,200.94
Expected loss rate	0.10%	0.10%	0.10%	0.10%	0.10%	
Expected credit losses	(8.24)	(1.02)	(0.63)	(0.09)	(0.16)	(10.14)
Specific Provision	-	-	-	-	(74.28)	(74.28)
Carrying amount	**8,236.58**	**1,017.65**	**629.64**	**86.31**	**146.34**	**10,116.52**
Year ended 31 March 2017						
Gross Carrying amount	5,010.71	2,942.51	370.67	84.51	188.77	8,597.17
Expected loss rate	0.10%	0.10%	0.10%	0.10%	0.10%	
Expected credit losses	(5.01)	(2.94)	(0.37)	(0.08)	(0.12)	(8.52)
Specific Provision	-	-	-	-	(86.28)	(86.28)
Carrying amount	**5,005.70**	**2,939.57**	**370.30**	**84.43**	**102.37**	**8,502.37**

Financial instruments and cash deposits

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

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March 2018 and 31 March 2017 is the carrying amounts as provided in Note 4, 5, 6, 11 & 12.

C. Liquidity risk

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

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

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

(₹ in Crore)

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31 March 2018						
Borrowings	6,452.42	17,307.91	15,551.98	12,401.37	6,316.23	58,029.91
Trade payables	2,287.36	29,778.12	1,040.57	-	-	33,106.05
Other financial liabilities	25,368.55	9,671.10	3,003.99	523.42	47.54	38,614.60
Financial guarantee contracts*	5,325.19	-	-	-	-	5,325.19
Derivatives	-	221.40	-	-	-	221.40
	39,433.52	**56,978.53**	**19,596.54**	**12,924.79**	**6,363.77**	**135,297.15**
Year ended 31 March 2017						
Borrowings	2,682.75	13,995.62	17,829.09	13,403.24	6,908.80	54,819.50
Trade payables	2,236.20	27,879.22	18.87	-	-	30,134.29
Other financial liabilities	22,214.41	7,796.13	1,475.60	461.92	-	31,948.06
Financial guarantee contracts*	4,645.27	-	-	-	-	4,645.27
Derivatives	-	362.98	16.05	-	-	379.03
	31,778.63	**50,033.95**	**19,339.61**	**13,865.16**	**6,908.80**	**121,926.15**

* Based on the maximum amount that can be called for under the financial guarantee contract. Includes other commitments disclosed in C.2.3.

D. Excessive risk concentration

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

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

E. Collateral

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

NOTE–41: CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's endeavour is to keep the debt equity ratio around 1:1.

(₹ in Crore)

	March-2018	March-2017
Borrowings	**58,029.91**	54,819.50
Equity Share Capital	**9,478.69**	4,739.34
Reserves and Surplus	**100,692.33**	94,989.38
Equity	**110,171.02**	**99,728.72**
Debt Equity Ratio	**0.53 : 1**	**0.55 : 1**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

NOTE–42: DISCLOSURES AS REQUIRED BY REGULATION 34(3) OF SEBI(LODR) REGULATIONS 2015

In compliance of Regulation 34(3) of SEBI(LODR) Regulations 2015, the required information is given as under:

(₹ in Crore)

			Amount as on		Maximum Amount outstanding during the year ended	
			March-2018	March-2017	March-2018	March-2017
I.		**Loans and Advances in the nature of loans:**				
	A)	**To Subsidiary Companies**				
	B)	**To Associates /Joint Venture**				
	(i)	Petronet V. K. Ltd. (No repayment schedule available)	**77.86**	19.91	**77.86**	19.91
	(ii)	Suntera Nigeria 205 Ltd. (For Exploration activities) (Refer Note-1)	**113.58**	109.30	**113.77**	109.30
	(iii)	IndianOil LNG Private Limited (For LNG terminal construction)	**-**	495.49	**495.49**	495.49
	C)	**To Firms/Companies in which directors are interested**	**-**	-	**-**	-
II.		**Investment by the loanee (as detailed above) in the shares of IOC and its subsidiaries**	**-**	-	**-**	-

Note

1 As per the applicable provisions of Accounting Standards, the loan given to Suntera Nigeria 205 Ltd. is measured at fair value through Statement of Profit and Loss in the financial statements and fair value of the loan is ₹ **120.56 crore** as on 31.03.2018 (2017: ₹ 102.46 crore). Refer Note -39 for further details regarding fair valuation.

NOTE–43: DUES TO MICRO AND SMALL ENTERPRISES

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

(₹in Crore)

Particulars	March-2018	March-2017
Amount due and Payable at the year end		
- Principal *	**25.27**	46.72
- Interest on above Principal	**-**	-
Payments made during the year after the due date		
- Principal	**0.41**	-
- Interest	**-**	-
Interest due and payable for principals already paid	**0.02**	-
Total Interest accrued and remained unpaid at year end	**0.02**	-

* ₹1.31 Crore coming under Note 17: Other Financial Liabilities.(2017: ₹ 21.86 Crore)

Note – 44: RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of **₹ 85.77 crore** (2017: ₹109.57 crore) have been capitalized and **₹ 230.86 Crore** (2017 : ₹ 217.53 crore) have been accounted for in the Statment of Profit and Loss during the year. Detailed break up of total expenditure is as under:

A. CAPITAL EXPENSES (FIXED ASSETS)

S.No.	Asset Block	Gross Block as at 1 April- 2017	Additions during the year	Transferred from CWIP	Transfer/Deduction/ Disposal during the year
1	2	3	4	5	6
	(a) Fixed Assets				
1	Land - Free Hold	369.41	23.73	-	-
2	Building, Roads etc	93.34	1.31	6.50	0.09
3	Plant & Equipment	483.32	31.85	16.28	0.70
4	Office Equipment	14.55	2.88	0.99	2.26
5	Transport Equipment	0.64	0.45	-	0.01
6	Furniture & Fixtures	10.11	0.70	0.70	0.10
7	Drainage & Sewage	1.42	-	-	-
	Sub Total	**972.79**	**60.92**	**24.47**	**3.16**
	(b) Intangible Assets				
1	Right of way	-	-	-	-
2	Licenses / Technical Know-how	0.11	-	-	-
3	Computer Software	1.55	0.28	-	-
		1.66	0.28	-	-
	Total	**974.45**	**61.20**	**24.47**	**3.16**

S.No.	Asset Block	Gross Block as at 1 April- 2016	Additions during the year	Transferred from CWIP	Transfer/Deduction/ Disposal during the year
1	2	3	4	5	6
	(a) Fixed Assets				
1	Land - Free Hold	319.23	50.18	-	-
2	Building, Roads etc	89.14	0.74	3.62	0.16
3	Plant & Equipment	430.94	31.59	21.64	0.85
4	Office Equipment	11.72	2.55	0.68	0.40
5	Transport Equipment	0.30	0.34	-	-
6	Furniture & Fixtures	9.49	0.75	-	0.13
7	Drainage & Sewage	1.42	-	-	-
	Sub Total	**862.24**	**86.15**	**25.94**	**1.54**
	(b) Intangible Assets				
1	**Right of way**	-	-	-	-
2	Licenses / Technical Know-how	0.11	-	-	-
3	Computer Software	1.49	0.06	-	-
	Sub Total	1.60	0.06	-	-
	Total	**863.84**	**86.21**	**25.94**	**1.54**

(₹in Crore)

Gross Block as at 31 March-2018	Work-in-Progress as at 1 April-2017	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31 March-2018	Total Capital Expenditure
7 = (3+4+5-6)	8	9	10	11 = (8+9-10)	12=(4+5+11-8)
393.14	-	-	-	-	23.73
101.06	11.41	1.37	6.50	6.28	2.68
530.75	16.04	20.70	16.28	20.46	52.55
16.16	-	0.99	0.99	-	3.87
1.08	-	-	-	-	0.45
11.41	-	1.51	0.70	0.81	2.21
1.42	-	-	-	-	-
1,055.02	**27.45**	**24.57**	**24.47**	**27.55**	**85.49**
-	-	-	-	-	-
0.11	-	-	-	-	-
1.83	-	-	-	-	0.28
1.94	-	-	-	-	0.28
1,056.96	**27.45**	**24.57**	**24.47**	**27.55**	**85.77**

Gross Block as at 31 March-2017	Work-in-Progress as at 1 April-2016	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31 March-2017	Total Capital Expenditure
7 = (3+4+5-6)	8	9	10	11 = (8+9-10)	12=(4+5+11-8)
369.41	-	-	-	-	50.18
93.34	7.52	7.51	3.62	11.41	8.25
483.32	22.51	15.17	21.64	16.04	46.76
14.55	-	0.68	0.68	-	3.23
0.64	-	-	-	-	0.34
10.11	-	-	-	-	0.75
1.42	-	-	-	-	-
972.79	**30.03**	**23.36**	**25.94**	**27.45**	**109.51**
-	-	-	-	-	-
0.11	-	-	-	-	-
1.55	-	-	-	-	0.06
1.66	-	-	-	-	0.06
974.45	**30.03**	**23.36**	**25.94**	**27.45**	**109.57**

B. RECURRING EXPENSES

(₹ in Crore)

Particualrs	March-2018	March-2017
1 Consumption of Stores, Spares & Consumables	**10.38**	10.02
2 Repairs & Maintenance		
(a) Plant & Machinery	**9.16**	12.21
(b) Building	**7.69**	7.19
(c) Others	**1.02**	0.75
3 Freight, Transportation Charges & demurrage	**0.08**	0.15
4 Payment to and Provisions for employees	**141.76**	132.33
5 Office Administration, Selling and Other Expenses	**60.75**	54.86
6 Interest	**0.02**	0.02
Total	**230.86**	**217.53**

C. TOTAL RESEARCH EXPENSES

(₹ in Crore)

Particualrs	March-2018	March-2017
Capital Expenditure	**85.77**	109.57
Recurring Expenditure	**230.86**	217.53
Total	**316.63**	**327.10**

NOTE–45: DISCLOSURE RELATING TO CERTIFIED EMISSION REDUCTIONS

The disclosure in respect of self-generated Certified Emission Reductions (CERs) is as under :

Particulars	March-2018	March-2017
No. of CERs held as inventory	**0**	2693
No. of CERs under certification	**0**	74045
Depreciation and Operating and Maintenance costs of Emission Reduction Equipments expensed during the year (₹ in crore)	-	5.86

Considering realisablity of CERs, the same has not been carried in inventory.

The disclosure in respect of self-generated Renewable Energy Certificates (REC) is as under :

Particulars	March-2018	March-2017
No. of RECs in hand	**76032**	0
No. of RECs under certification	**38907**	0

Total number of RECs in hand as well as under certification have been utilised/adjusted against Renewable Purchase Obligation (RPO).

NOTE–46: DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

The disclosure in respect of CSR expenditure is as under:

(₹ in Crore)

Particulars	March-2018	March-2017
(a) Gross amount required to be spent by the company during the year.		
Annual CSR Allocation	**327.94**	212.67
Carry forward from previous year	**3.11**	4.43
Gross amount required to be spent	**331.05**	217.10

(b) Amount spent during the year on: (₹ in Crore)

Particulars	March-2018			March-2017		
	In cash	Yet to be paid In cash**	Total	In cash	Yet to be paid In cash**	Total
(i) Construction/acquisition of any assets						
(ii) On purposes other than (i) above						
Health and Sanitation	**18.73**	**0.61**	**19.34**	13.58	1.14	14.72
Contribution towards PMUY	**76.43**	**-**	**76.43**	41.60	-	41.60
Flagship Projects-CSR	**13.28**	**1.60**	**14.88**	14.43	-	14.43
Educational Scholarship	**4.01**	**-**	**4.01**	3.89	-	3.89
Swachh Bharat	**4.67**	**0.47**	**5.14**	1.66	0.23	1.89
Education/employment vocational skills	**59.22**	**2.44**	**61.66**	85.69	1.03	86.72
Administration Expenses, training etc.	**14.72**	**-**	**14.72**	10.16	0.02	10.18
Drinking Water	**8.25**	**0.56**	**8.81**	4.64	1.95	6.59
Promotion of National Heritage, Art and Culture	**68.51**	**37.11**	**105.62**	21.93	-	21.93
Other expenses	**19.31**	**1.13**	**20.44**	9.29	2.75	12.04
Total Expenses (ii)	**287.13**	**43.92**	**331.05**	206.87	7.12	213.99
Grand Total (i) and (ii)	**287.13**	**43.92**	**331.05**	**206.87**	**7.12**	**213.99**

**Provisions made for liabities incurred

NOTE–47: DISCLOSURE ON GOVERNMENT GRANTS

A. Revenue Grants

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

Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ₹ **63.65 crore** (2017: ₹ 62.01 crore) and subsidies on sales of SKO and LPG to customers in Bhutan amounting to ₹ **17.46 crore** (2017: ₹ 18.01 crore) have been reckoned as per the schemes notified by Governments.

2 **Compensation against under recoveries**

The company has accounted for Budgetary Support of ₹ **3196.34 crore** (2017: ₹ 5149.21 crore) towards under-recovery on sale of SKO (PDS) in the Statement of Profit and Loss as Revenue Grants.

3 **Grant in respect of revenue expenditure for research projects**

During the year, the company has received revenue grant of ₹ **1.53 crore** (2017: ₹ 0.73 crore) in respect of meeting out revenue expenditure such as Manpower, Consumables, Travel & Contingency etc for research projects undertaken with various agencies.

4 **Incentive on sale of power**

Company is getting incentive from Department of Renewable Energy, GOI for wind power generation of Electricity at the rate of ₹ 0.50 paise for per unit of power generated. The Company has received grant of ₹ **2.51 crore** during the current year (2017: ₹ 3.19 crore).

5 **EPCG Grant**

Grant recognized in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Govt. which allows procurement of capital goods including spares for pre production and post production at zero duty subject to an export obligation of 6 times of the duty saved on capital goods procured. The unamortized grant amount as on 31.03.2018 is ₹ **241.42 crore** (2017: ₹ 435.72 crore) . During the year, the company has recognised ₹ **232.16 crore** (2017: ₹ 4.04 crore) in the statement of profit and loss as amortisation of revenue grant. The company expects to meet the export obligations and therefore equivalent deferred grant has not been treated as liability.

6 **Excise duty benefit in North East**

Excise duty exemption of 50% of goods manufactured and cleared from north east refineries has been reckoned at full value in revenue and on net basis in expenses under 'Excise Duty' (to the extent of duty paid). Financial impact for the current year is ₹ **3050.90 crore** (2017: ₹ 3072.91 crore).

7 **Entry Tax exemption**

The company has recognised grant on net basis in respect of entry tax exemption of crude/ Naptha purchased in Panipat Refinery, Panipat Naptha Cracker Complex and Paradip Refinery in cost of materials consumed/ Purchase of Stock-in Trade. Entry tax exemption on crude/Naptha procured in the state of Haryana and Odisha has been received amounting to ₹ **162.32 crore** (2017: ₹ 505.84 crore).

B. Capital Grants

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

The company has received government grant from OIDB (Oil Industry Directorate Board) for strengthening distribution of PDS Kerosene as per the directions of MoP&NG to be used in construction of 20KL underground Tank, Mechanical Dispensing Units and Barrel Shed. The unamortized capital grant amount as on 31.03.2018 is ₹ **1.56 crore** (2017: ₹ 1.84 crore). During the year, the company has recognised ₹ **0.27 crore** (2017: ₹ 0.28 crore) in statement of profit and loss as amortisation of capital grants.

2 **DBTL Capital Grant**

The company has received Government grant for roll out of DBTL scheme launched by MOPNG towards development, acquisition of software/licenses & data processing equipment for effective implementation of platform for dispesning of subsidy to customers purchasing LPG under DBTL scheme. The unamortized capital grant amount as on 31.03.2018 is **NIL** (2017: ₹ 0.47 crore). During the year, the company has recognised ₹ **0.47 crore** (2017: ₹ 1.32 crore) in the statement of profit and loss as amortisation of capital grants.

3 **Capital Grant in respect of Excise duty,Custom duty and GST waiver**

The company has received grant in respect of Custom duty waiver on import on capital goods,Excise duty waiver and GST waiver on purchase of goods from local manufacturer in India under the certificate issued by Department of Scientific and Industrial Research (DSIR). The unamortized capital grant amount as on 31.03.2018 is ₹ **44.75 crore** (2017: ₹ 44.52 crore) The goods so imported or procured from local manufacturer shall not be transferred or sold for a period of five years from date of installation. During the year, the company has recognised ₹ **5.2 crore** (2017: ₹ 4.78 crore) in the statement of profit and loss as amortisation of capital grants.

4 **Capital Grant in respect of Research projects**

The company has received capital grant from various agencies in respect of procurement/ seeting up of Capital assets for research projects undertaken. The unamortized capital grant amount as on 31.03.2018 is ₹ **15.33 crore** (2017: ₹ 15.73 crore). During the year, the company has recognised ₹ **2.82 crore** (2017: ₹ 3 crore) in the statement of profit and loss as amortisation of capital grants.

5 **Capital Grant in respect of Entry Tax Exemption from Odisha Govt.**

Entry Tax exemption received from Odisha Government for Paradip Refinery Project has been recognized as Capital Grant and grossed up with the concerned Assets.The unamortized capital grant amount as on 31.03.2018 is ₹ **121.62 crore** (2017: ₹ 126.9 crore). During the year, the company has recognised ₹ **5.28 crore** (2017: ₹ 5.66 crore) in the statement of profit and loss as amortisation of capital grants.

6 **Capital Grant in respect of demonstration unit**

Grant received from OIDB for setting up of demonstration unit at Guwahati refinery with the company's R&D devloped IndaDeptG technology. The unamortized capital grant amount as on 31.03.2018 is ₹ **83.04 crore** (2017: ₹ 87.41 crore). During the year, the company has recognised ₹ **4.38 crore** (2017: ₹ 1.09 crore) in the statement of profit and loss as amortisation of capital grants.

7 **Capital Grant in respect of interest subsidy**

The company has received capital grant in respect of interest subsidy on loans taken from OIDB. The unamortized capital grant amount as on 31.03.2018 is ₹ **6.4 crore** (2017: ₹ 6.67 crore). During the year, the company has recognised ₹ **0.27 crore** (2017: ₹ 0.26 crore) in the statement of profit and loss as amortisation of capital grants.

8 **Capital Grant in form of Interest Free Loan**

The company has received capital grant in the form of interest free loans from Odisha Government for a period of 15 years. The unamortized capital grant amount as on 31.03.2018 is ₹ **915.94 crore** (2017: NIL). During the year, the company has recognised ₹ **11.96 crore** (2017: NIL) in the statement of profit and loss account as amortisation of capital grants.

9 **Capital Grant in respect of Solar Power Generation**

The company has received capital financial assistance from Ministry of New and Renewable Energy in respect of procurement and installation of Solar Panels for Power Generation.The unamortized capital grant amount as on 31.03.2018 is ₹ **3.51 crore** (2017: ₹ 0 crore). During the year, the company has recognised ₹ **0.21 crore** (2017: NIL) in the statement of profit and loss as amortisation of capital grants.

NOTE–48: CONSTRUCTION CONTRACTS DISCLOSURES

(₹ in Crore)

Particulars	March-2018	March-2017
Construction Revenue and Cost		
Construction contract revenue included in "Other Operating Revenue" recognized based on percentage of completion method	**5.78**	13.35
Construction contract cost included in "Other Expenses"	**5.25**	11.35
Amount due from (to) customers under construction contracts		
- Amount due from customers under construction contracts	**0.00**	0.00
- Amount due to customers under construction contracts	**0.00**	0.00
Net	**0.00**	0.00
Contracts in progress at the end of the reporting period		
Construction costs incurred plus recognised profits (less recognised losses) to date	**14.86**	26.44
Less: progress billings	**14.86**	26.44
Net	**0.00**	0.00
Advances received from customers for contract work	**45.31**	23.40
Retentions held by customers for contract work	**0.00**	0.00

NOTE–49: OTHER DISCLOSURES

1 During the year, the company has settled its liability for Entry Tax in the state of Haryana including interest thereon under "The Haryana One Time Settlement Scheme for Recovery of Outstanding Dues, 2017" and consequently an amount of ₹ 2813.96 Crore, being provision no more required, has been written back and included in provision for contingencies written back in other operating revenues (Refer Note 23.1).

2 As per Memorandum of Understanding (MOU) dated 16.02.2004 with Odisha Government, fiscal incentive were granted for Paradip Refinery project including interest free loan equivalent to Sales Tax payable to the state of Odisha for a period of 11 years from the date of commercial production which was later withdrawn by Odisha Government on 22.02.2017 and the matter was in dispute. The dispute has since been resolved and a revised interest free loan agreement has been signed with Odisha government dated 25.09.2017 where in Odisha government shall provide an interest free loan of ₹ 700 Crores per year for 15 years in quarterly installments of ₹175 Crores starting from 01.04.2016 repayable after 15 years. The first installment of loan for the period April 16 – December 17 of ₹ 1225 Crores and for the period Jan 18 – March 18 of ₹ 175 Crores has been received on 15.01.2018 and 31.03.2018 respectively. This loan, being interest free, is fair valued and related government grant is accounted for in line with the accounting policy.

3 The revision of Employees Pay and Allowances was due w.e.f 01.01.2017 and the presidential directive were issued on 13.10.2017 for implementation of the same. While most of the dues In respect of executives have been settled and the same for workmen's is under finalisation where liabilities have been ascertained on similar lines. An amount of ₹1150 Crore has been carried as liability as on 31.03.2018 towards pending dues on this account.

4 Goods and Services Tax (GST) has been implemented w.e.f 01.07.2017 wherein some of the petroleum products are still outside its ambit. Accordingly, GST is being levied on some products as against Excise Duty applicable hitherto. Since, excise duty is included in revenue and GST is not included in revenue. Thus to ensure comparability on applicable products, sales excluding excise duty is ₹ 495613.83 Crore and ₹431374.60 Crore for the year ended 31 March 2018 and 31 March 2017 respectively.

5 Consequent upon Honourable Allahabad High Court order dated 4th May 2018 in the matter of UP Entry Tax, the commercial tax authorities of Uttar Pradesh have raised demand for payment of arrears of unpaid entry tax and interest thereon. Based on such demand notices the company has made an additional provision of ₹ 293.71 crores towards interest on entry tax and ₹ 0.37 crores towards entry tax, over and above provision of ₹ 20,619.78 crores made upto 31.03.2018 including interest of ₹ 5379.58 crores. Against the provision of entry tax and interest thereon the company has already made payment of ₹11,947.61 upto

31.03.2018. The company has paid additional principal amount of Entry tax of ₹ 3292.97 crores on 8th, 9th and 11th May 2018 and filled petition in the Honourable Allahabad High court, challenging the levy of interest. The company is evaluating other legal remedies available in the matter of up Entry Tax and shall take appropriate measure in due course.

6 In order to provide clean cooking fuel to BPL families, Government has approved "Pradhan Mantri Ujjwala Yojana (PMUY)" scheme where free LPG connections are issued by Oil Marketing Companies (OMCs) to the women belonging to the Below Poverty Line (BPL) households as per SECC -2011 (Rural) database. The scheme was launched on 1st May 2016. The initial cost of ₹ 1600/- towards connections charges would be borne by the Central Government for each card holder. OMCs would provide an option for EMI/Loans towards cost of burner and 1st refill to the PMUY consumers. In addition to the funding by the Central Government, few State Governments have also extended financial support towards cost of stove and/or 1st refill. The loan amount is recovered from the subsidy amount payable to the customers on each refill sale. The amount of subsidy per refill varies from market to market and month to month. The minimum subsidy per refill sale is ₹ 164 and maximum subsidy per refill sale is ₹ 414/- during the financial year 2017-18.

The amount of outstanding as on 31st March 2018 towards claim under PMUY claim from Central Government is ₹ **446.35 Crore** (₹ 229.87 Crore as on 31st March 2017) and loan from PMUY consumers is ₹ **1099.70 Crore** (₹ 751.04 Crore as on 31st March 2017) (net of recovery through subsidy). During the year, discounting of the loan has been done based on assumption of 4 refills in a year and deferment of recovery by one year and average subsidy of ₹ 180 per cylinder as loan recovery. Out of above loan a provision for doubtful amounting to ₹ **162.06 Crore** (Nil 31st March 2017) has also been created during the year in respect of beneficiaries who have not taken refill for last one year.

7 M/s Indian Oil CREDA Biofuels Ltd, a joint venture company formed with Chhattisgarh Renewable Energy Developement Agency (CREDA) for Jatropha Plantation, has been struck off from the Register of the Companies and dissolved during the year 2017-18. The entire investment of ₹ 18.46 Crore has been written off and netted under the head "Profit on sale of investments (Net) in other income. Further, provision recognised for dimunition in value of investment in past of ₹ 18.38 Crore is written back in other income under the head "Fair value gain on investement/ Provision written back (Net)" (Refer Note 24)

8 During the year company has sold 24% stake in equity investment of Lubrizol India Private Limited (a JV company) for a sale consideration of ₹ 214.27 crore (cost of ₹ 56.96 crore) and accordingly has recognised a profit of ₹ 157.31 crore in Other Income under Head "Profit on Sale of Investments (Net)". Consequent to this, IOCL stake in the JV company has came down to 26%.

9 During the year, a not for profit company, namely, Ujjwala Plus Foundation, has been incorporated under section 8 of Companies Act 2013. The company is limited by Guarantee of IOCL (₹ 0.10 Crore), BPCL (₹ 0.05 Crore) and HPCL (₹ 0.05 Crore) with no Share Capital and a joint venture agreement is executed between all three parties. The company is formed to administer the "Ujjavala plus" scheme of Government of India. Since no party has any rights in net assets of Ujjwala Plus Foundation, the Company has not considered this as a joint venture.

10 Pursuant to the Board approval for formation of a Joint Venture company between Indian Oil Corporation Ltd and Coal India Ltd for transfer of explosives business to the said venture company on slump sale basis at a value of ₹ 311 crore (Net Assets WDV of ₹ 61.55 Crore), consent of Niti Ayog has been received for the proposed formation of JV vide their letter dated 27 April 2018. As on 31 March 2018, the explosive business continued to be in operation.

11 Purchase of crude oil from Oil India Limited and 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.

12 Transactions with other Oil Marketing Companies are jointly reconciled on an ongoing basis.

13 There are no significant subsequent events that would require adjustments or disclosures in the Financial Statements as on the Balance Sheet date.

14 Previous year's comparative figures have been regrouped wherever necessary. Figures in brackets indicate deductions.

For and on Behalf of Board of Directors

Sd/-	**Sd/-**	**Sd/-**
(Sanjiv Singh)	**(A. K. Sharma)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN - 05280701	DIN - 06665266	ACS -13737

As per our attached Report of even date

For S.K. MEHTA & CO.	**For V SANKAR AIYAR & CO.**	**For CK PRUSTY & ASSOCIATES**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn. No. 000478N	Firm Regn. No. 109208W	Firm Regn. No. 323220E	Firm Regn. No. 311017E
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(CA. ROHIT MEHTA)	**(CA. G SANKAR)**	**(CA. CHANDRAKANTA PRUSTY)**	**(CA. ANIRUDDHA SENGUPTA)**
Partner	Partner	Partner	Partner
M. No. 091382	M. No. 046050	M. No. 057318	M. No. 051371

Place : New Delhi
Date : 22nd May, 2018

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018 ON PROVISION OF TOWNSHIP,EDUCATION, MEDICAL AND OTHER FACILITIES

(₹ in Crore)

PARTICULARS	March-2018	March-2017
INCOME :		
1. Recovery of House Rent	11.17	9.48
2. Recovery of Utilities-Power and Water	3.79	5.38
3. Recovery of Transport Charges	0.14	0.34
4. Other Recoveries	7.74	6.89
5. Excess of Expenditure over Income	598.66	577.08
TOTAL :	**621.49**	**599.17**
EXPENDITURE :		
1. Employee Benefit Expenses	140.11	129.76
2. Consumable Stores and Medicines	72.63	47.12
3. Repairs and Maintenance	156.64	179.99
4. Finance Cost	17.91	19.04
5. Depreciation & Amortization	45.67	52.92
6. Miscellaneous Expenses Taxes, License Fees, Insurance etc.	48.48	45.28
7. Utilities-Power, Water and Gas	99.92	89.15
8. Rent	0.23	0.13
9. Subsidies for Social & Cultural Activities	30.74	25.27
10. Bus Hire Charges	0.45	0.80
11. Club and Recreation	-	0.03
12. Others	8.71	9.68
TOTAL	**621.49**	**599.17**

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT (TOWNSHIP) FOR THE YEAR ENDED 31st MARCH 2018

(₹ in Crore)

PARTICULARS	Gross Block As at 01.04.2017	Additions during the year	Transfers from Capital work-in-progress	Disposals/ Deductions/ Transfers/ Reclassifications	Gross Block As at 31.3.2018	Depreciation & Amortization During the Year	Deprereciation & Amortization As at 31.03.2018	As at 31.3.2018	As at 31.3.2017
LAND FREEHOLD	41.16	67.30	-	(0.07)	108.39	-	-	108.39	41.16
LAND-LEASEHOLD	12.16	-	-	(0.20)	11.96	0.16	0.45	11.51	11.83
BUILDINGS, ROADS etc.	827.40	1.48	97.32	(4.12)	922.08	36.74	103.75	818.33	760.13
PLANT AND EQUIPMENT	35.22	2.91	12.95	0.36	51.44	3.53	10.04	41.40	28.74
OFFICE EQUIPMENTS	15.89	3.59	1.86	(1.50)	19.84	3.05	6.28	13.56	11.92
FURNITURE & FIXTURES	10.17	1.80	3.10	(0.11)	14.96	2.12	3.67	11.29	8.50
DRAINAGE, SEWAGE & WATER SUPPLY SYSTEMS	2.37	-	0.51	-	2.88	0.02	0.08	2.80	2.31
TRANSPORT EQUIPMENT	1.04	-	-	(0.04)	1.00	0.05	0.74	0.26	0.33
GRAND TOTAL :	**945.41**	**77.08**	**115.74**	**(5.68)**	**1,132.55**	**45.67**	**125.01**	**1,007.54**	**864.92**
PREVIOUS YEAR :	**847.97**	**86.01**	**15.80**	**(4.37)**	**945.41**	**52.92**	**80.49**	**864.92**	

CONSOLIDATED

FINANCIAL STATEMENTS

2017-18

इंडियनऑयल

IndianOil

INDEPENDENT AUDITORS' REPORT

To

The Members of Indian Oil Corporation Limited

Report on the Consolidated IND AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Indian Oil Corporation Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (collectively referred to as "the Group") and its joint ventures and associates, comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income) consolidated cash flows and consolidated changes in equity of the Group including share of its joint ventures and associates, in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and its joint ventures and associates, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its joint ventures and associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to the Other Matters paragraph below, is sufficient and appropriate to a basis for audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group, its joint ventures and associates as at 31st March, 2018, and consolidated profit (financial performance including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of 9 subsidiaries included in the consolidated Ind AS financial statements, whose financial statements reflect total assets of ₹ 33,709.76 crore and net assets of ₹ 17,842.36 crore, as at 31st March, 2018, total revenues of ₹ 51,500.30 crore and net cash outflows/(inflows) amounting to ₹ 11.41 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 548.52 crore and Other Comprehensive Income of ₹ (32.42) crore for the year ended 31st March, 2018, as considered in the consolidated Ind AS financial statements, in respect of 22 joint ventures and associates, whose financial statements / financial information have not been audited by us.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

Certain of these subsidiaries and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These converted financial statements have been certified by Chartered Accountants in India appointed by the Company for the specific purpose and have been relied upon by us. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the reports of other auditors as mentioned above.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and other financial information of subsidiaries, joint ventures and associates as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Cash Flow Statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the reports of the statutory auditors of joint ventures and associates incorporated in India, none of the directors of joint venture and associate companies incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act. We are informed that the provisions of Section 164(2) of the Act are not applicable to the Holding Company and its subsidiary companies incorporated in India being Government companies in terms of notification no. G.S.R.463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company it's subsidiary companies, associate companies and jointly controlled entities incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure 1"

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, to the extent applicable, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary companies, joint venture and associates, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its joint ventures and associates. Refer Note 33 and 37 to the consolidated Ind AS financial statements.

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There has been no delay in transferring amounts, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, joint ventures and associates incorporated in India, during the year ended 31st March-2018.

For S. K. MEHTA & CO. **Chartered Accountants** **Firm Regn. No. 000478N**	**For V SANKAR AIYAR & CO.** **Chartered Accountants** **Firm Regn. No. 109208W**	**For CK PRUSTY & ASSOCIATES** **Chartered Accountants** **Firm Regn. No. 323220E**	**For V. SINGHI & ASSOCIATES** **Chartered Accountants** **Firm Regn. No. 311017E**
Sd/- **(CA. ROHIT MEHTA)** **Partner** **M. No. 091382**	**Sd/-** **(CA. G SANKAR)** **Partner** **M. No. 046050**	**Sd/-** **(CA. CHANDRAKANTA PRUSTY)** **Partner** **M. No. 057318**	**Sd/-** **(CA. ANIRUDDHA SENGUPTA)** **Partner** **M. No. 051371**

Place of Signature: New Delhi

Dated: 22nd May, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF EVEN DATE TO THE MEMBERS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31ST March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March-2018, We have audited the internal financial controls over financial reporting of Indian Oil Corporation Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (collectively referred to as "the Group") its joint ventures and associates, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company, its subsidiary companies, joint ventures and associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports\ referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, joint ventures and associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March , 2018 except in case of one jointly venture where the auditors have qualified their opinion on certain matters which we are informed will not have material impact on the adequacy and operating effectiveness of internal financial control over financial reporting of the Group, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies and 20 jointly controlled companies/ associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For S. K. MEHTA & CO.	**For V SANKAR AIYAR & CO.**	**For CK PRUSTY & ASSOCIATES**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	**Chartered Accountants**	**Chartered Accountants**	**Chartered Accountants**
Firm Regn. No. 000478N	**Firm Regn. No. 109208W**	**Firm Regn. No. 323220E**	**Firm Regn. No. 311017E**
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(CA. ROHIT MEHTA)	**(CA. G SANKAR)**	**(CA. CHANDRAKANTA PRUSTY)**	**(CA. ANIRUDDHA SENGUPTA)**
Partner	**Partner**	**Partner**	**Partner**
M. No. 091382	**M. No. 046050**	**M. No. 057318**	**M. No. 051371**

Place of Signature: New Delhi

Dated: 22nd May, 2018

BALANCE SHEET AS AT MARCH 31ST, 2018

(₹ in Crore)

Sl No.	Particulars	Note No.		March - 2018	March - 2017
	ASSETS				
	Non-current Assets				
a.	Property, Plant and Equipment	2	**1,22,987.42**		1,14,972.98
b.	Capital Work-in-Progress	2.1	**15,286.08**		12,992.67
c.	Goodwill - On Consolidation		**1.04**		1.04
d.	Intangible Assets	3	**1,064.54**		983.77
e.	Intangible Assets Under Development	3.1	**3,844.30**		3,785.73
f.	Equity investment in JV's and Associates	4	**11,048.51**		9,552.13
g.	Financial Assets				
	i) Investments (Other than Investment in JV and Associates)	4	**25,558.76**		26,665.70
	ii) Loans	5	**2,158.71**		1,099.31
	iii) Other Financial Assets	6	**3,483.25**		3,659.94
h.	Income Tax Assets (Net)	7	**1,302.93**		5.47
i.	Other Non-Current Assets	8	**3,262.30**		3,524.92
				189,997.84	177,243.66
	Current Assets				
a.	Inventories	9	**70,567.90**		65,724.06
b.	Financial Assets				
	i) Investments	4	**8,198.78**		7,469.41
	ii) Trade Receivables	10	**10,696.48**		8,899.19
	iii) Cash and Cash Equivalents	11	**318.90**		329.50
	iv) Bank Balances other than above	12	**175.38**		80.25
	v) Loans	5	**672.08**		1,765.09
	vi) Other Financial Assets	6	**11,284.11**		8,490.41
c.	Current Tax Assets (Net)	7	**0.91**		-
d.	Other Current Assets	8	**3,598.23**		3,500.12
			105,512.77		96,258.03
	Assets Held for Disposal	13	**161.68**		59.35
				1,05,674.45	96,317.38
	TOTAL			**2,95,672.29**	2,73,561.04
	EQUITY AND LIABILITIES				
	EQUITY				
a.	Equity Share capital	14	**9,478.69**		4,739.34
b.	Other Equity	15	**104,395.13**		97,356.76
c.	Non Controlling Interest		**2,151.22**		1,904.56
				1,16,025.04	104,000.66
	LIABILITIES				
	Non-current liabilities				
a.	Financial Liabilities				
	i) Borrowings	16	**23,060.51**		25,545.93
	ii) Other Financial Liabilities	17	**570.96**		461.92

	Particulars	Note No.		March - 2018	March - 2017
b.	Provisions	18	2,422.65		3,225.91
c.	Deferred tax liabilities (Net)	19	12,367.85		6,888.66
d.	Other non-current liabilities	20	1,361.21		752.42
				39,783.18	36,874.84
	Current liabilities				
a.	Financial Liabilities				
	i) Borrowings	21	39,080.51		33,284.10
	ii) Trade payables	22	36,766.69		31,196.50
	iii) Other Financial Liabilities	17	38,402.82		36,028.27
b.	Other Current Liabilities	20	11,364.62		13,030.22
c.	Provisions	18	14,249.43		19,066.54
d.	Current Tax Liabilities (Net)	7	-		79.91
				139,864.07	132,685.54
	TOTAL			295,672.29	273,561.04
	Significant Accounting Policies, Estimates & Judgements	1A & 1B			
	Accompanying Notes to Financial Statements	2 - 49			

For and on Behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(Sanjiv Singh)	**(A. K. Sharma)**	**(Kamal Kumar Gwalani)**
Chairman	**Director (Finance)**	**Company Secretary**
DIN - 05280701	**DIN - 06665266**	**ACS - 13737**

As per our attached Report of even date

For S. K. MEHTA & CO.	For V SANKAR AIYAR & CO.	For CK PRUSTY & ASSOCIATES	For V. SINGHI & ASSOCIATES
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 000478N)	(Firm Regn. No. 109208W)	(Firm Regn. No. 323220E)	(Firm Regn. No. 311017E)
Sd/-	Sd/-	Sd/-	Sd/-
(CA. ROHIT MEHTA)	(CA. G SANKAR)	(CA. CHANDRAKANTA PRUSTY)	(CA. ANIRUDDHA SENGUPTA)
Partner	Partner	Partner	Partner
M. No. 091382	M. No. 046050	M. No. 057318	M. No. 051371

Place: New Delhi

Dated: 22nd May, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31ST, 2018

(₹ in Crore)

Particulars	Note No.		March - 2018	March - 2017
I. Revenue From Operations	23		**515,541.89**	453,794.73
II. Other Income	24		**3,419.88**	3,862.20
III. Total Income (I+II)			**518,961.77**	457,656.93
IV. Expenses:				
Cost of Materials Consumed	25		**217,228.51**	179,874.35
Excise Duty			**94,050.07**	98,415.73
Purchases of Stock-in-Trade			**118,116.41**	110,377.10
Changes in Inventories of Finished Goods, Stock-in-trade and Stock-In Process	26		**1,501.48**	(15,092.13)
Employee Benefits Expense	27		**10,680.70**	10,262.76
Finance Costs	28		**3,810.51**	3,721.26
Depreciation and Amortization on :				
a) Tangible Assets		**7,589.66**		6,744.29
b) Intangible Assets		**73.88**		61.63
			7,663.54	6,805.92
Impairment Losses			**4.33**	61.79
Net Loss on de-recognition of financial assets at amortised cost			**7.96**	4.68
Other Expenses	29		**32,359.19**	35,909.73
Total Expenses (IV)			**485,422.70**	430,341.19
V. Profit before Share of profit/(loss) of an associate/ a joint venture and Exceptional Items (III-IV)			**33,539.07**	27,315.74
VI Share of profit/(loss) of an associate/ a joint venture			**911.15**	640.06
VII. Profit before Tax (V+VI)			**34,450.22**	27,955.80
VIII. Tax Expense:				
Current Tax			**7,648.32**	7,794.77
Deferred Tax			**4,175.55**	(224.37)
IX. Profit For The Year (VII-VIII)			**22,626.35**	20,385.40
Profit for the Year attributable to :				
Equityholders of the Parent			**22,189.45**	19,849.49
Non-Controlling Interest			**436.90**	535.91
X. Other Comprehensive Income:	30			
A (i) Items that will not be reclassified to profit and loss			**64.43**	4,533.49
A (ii) Income Tax relating to items that will not be reclassified to profit and loss			**355.21**	184.98
B (i) Items that will be reclassified to profit and loss			**455.55**	54.09
B (ii) Income Tax relating to items that will be reclassified to profit and loss			**62.97**	(99.41)
XI. Total Comprehensive Income for the Year (IX+X) (Comprising Profit/ (Loss) and Other Comprehensive Income for the Year)			**23,564.51**	**25,058.55**

Particulars	Note No.		March - 2018	March - 2017
Total Comprehensive Income for the Year (Comprising Profit/ (Loss) and Other Comprehensive Income for the Year) attributable to:				
Equityholders of the Parent			**23,129.24**	24,537.39
Non-Controlling Interest			**435.27**	521.16
XIII. Earning per Equity Share (₹):	32			
(1) Basic			**23.41**	20.94
(2) Diluted			**23.41**	20.94
Face Value Per Equity Share (₹)			**10**	10
Significant Accounting Policies, Estimates & Judgements	1A & 1B			
Accompanying Notes to Financial Statements	2 - 49			

For and on Behalf of Board of Directors

Sd/-	**Sd/-**	**Sd/-**
(Sanjiv Singh)	**(A. K. Sharma)**	**(Kamal Kumar Gwalani)**
Chairman	**Director (Finance)**	**Company Secretary**
DIN - 05280701	**DIN - 06665266**	**ACS - 13737**

As per our attached Report of even date

For S. K. MEHTA & CO.	**For V SANKAR AIYAR & CO.**	**For CK PRUSTY & ASSOCIATES**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	**Chartered Accountants**	**Chartered Accountants**	**Chartered Accountants**
(Firm Regn. No. 000478N)	**(Firm Regn. No. 109208W)**	**(Firm Regn. No. 323220E)**	**(Firm Regn. No. 311017E)**
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(CA. ROHIT MEHTA)	**(CA. G SANKAR)**	**(CA. CHANDRAKANTA PRUSTY)**	**(CA. ANIRUDDHA SENGUPTA)**
Partner	**Partner**	**Partner**	**Partner**
M. No. 091382	**M. No. 046050**	**M. No. 057318**	**M. No. 051371**

Place: New Delhi

Dated: 22nd May, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST March-2018

	Particulars		March - 2018		March - 2017
A	**Cash Flow from Operating Activities**				
1	Profit Before Tax		**34,450.22**		27,955.80
2	Adjustments for :				
	Share of Profit of Joint Ventures and Associates	**(911.15)**		(640.06)	
	Depreciation and Amortisation	**7,667.87**		6,867.71	
	Loss/(Profit) on sale of Assets (net)	**160.77**		125.95	
	Loss/(Profit) on sale of Investments (net)	**(15.27)**		20.15	
	Amortisation of Capital Grants	**(30.86)**		(16.39)	
	Provision for Probable Contingencies (net)	**(3,250.51)**		7,428.86	
	MTM Loss/(gain) arising on financial assets/liabilities at fair value through profit and loss	**(459.51)**		0.56	
	Fair Value Gain on Investment / Provision on Investment (Net)	**(18.45)**		-	
	Bad Debts, Advances & Claims written off	**10.50**		66.99	
	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores (net)	**313.62**		51.38	
	MTM Loss/(Gain) on Derivatives	**(130.42)**		113.09	
	Foreign Currency Monetary Item Translation Difference Account	**111.13**		359.63	
	Remeasurement of Defined Benefit Plans thru OCI	**256.16**		(570.88)	
	Interest Income	**(1,827.52)**		(1,783.62)	
	Dividend Income	**(735.09)**		(860.87)	
	Finance costs	**3,810.51**		3,721.26	
			4,951.78		14,883.76
3	**Operating Profit before Working Capital Changes (1+2)**		**39,402.00**		**42,839.56**
4	**Change in Working Capital (excluding Cash & Cash Equivalents):**				
	Trade & Other Receivables	**(3,178.86)**		220.93	
	Inventories	**(4,870.47)**		(23,465.16)	
	Trade and Other Payables	**5,033.53**		15,654.23	
	Change in Working Capital		**(3,015.80)**		(7,590.00)
5	Cash Generated From Operations (3+4)		**36,386.20**		35,249.56
6	Less : Taxes paid		**7,304.54**		7,033.44
7	**Net Cash Flow from Operating Activities (5-6)**		**29,081.66**		**28,216.12**
B	**Cash Flow from Investing Activities:**				
	Proceeds from sale of Property, plant and equipment / Transfer of Assets	**4,415.29**		957.54	
	Purchase of Property, Plant and Equipment	**(10,526.65)**		(5,441.84)	
	Expenditure on Construction Work in Progress	**(11,918.19)**		(9,344.27)	
	Proceeds from sale of financial instruments (other than working capital)	**752.27**		2,728.85	
	Purchase of Other Investments	**(2434.55)**		(9266.93)	
	Receipt of government grants (Capital Grant)	**21.99**		103.64	
	Interest Income received on Investments	**1,836.05**		1,717.73	
	Dividend Income on Investments	**735.09**		860.87	
	Net Cash Generated/(Used) in Investing Activities:		**(17,118.70)**		(17,684.41)

	Particulars		March - 2018		March - 2017
C	**Net Cash Flow From Financing Activities:**				
	Proceeds from Long-Term Borrowings (Including finance lease)	**2,709.59**		2,230.56	
	Repayments of Long-Term Borrowings (Including finance lease)	**(6,151.31)**		(10,664.81)	
	Proceeds from/(Repayments of) Short-Term Borrowings	**5,796.41**		13,076.20	
	Interest paid	**(2,857.28)**		(2,802.18)	
	Dividend/Dividend Tax paid	**(11,467.18)**		(12,773.64)	
	Expenses incurred on issuance of Bonus Shares	**(3.79)**		(3.19)	
	Net Cash Generated/(Used) from Financing Activities:		**(11,973.56)**		(10,937.06)
D	**Net Change in Cash & Cash Equivalents (A+B+C)**		**(10.60)**		**(405.35)**
E - 1	Cash & Cash Equivalents as at end of the year		**318.90**		329.50
	Less:				
E - 2	Cash & Cash Equivalents as at the beginning of year		**329.50**		734.85
	NET CHANGE IN CASH & CASH EQUIVALENTS (E 1-2)		**(10.60)**		**(405.35)**

Notes:

1 Net Cash Flow From Financing Activities includes following non-cash changes:

	Particulars	2017-18	2016-17
	(Gain)/ Loss due to changes in exchange rate	370.46	(692.05)
	Increase in Lease liabilities due to new leases	3.25	1.68
	Total	**373.71**	**(690.37)**

2 Cash Flow Statement is prepared using Indirect Method as per Indian Accounting Standard-7: Cash Flow Statement.

3 Figures for previous year have been regrouped wherever necessary for uniformity in presentation.

For and on Behalf of Board of Directors

Sd/-
(Sanjiv Singh)
Chairman
DIN - 05280701

Sd/-
(A. K. Sharma)
Director (Finance)
DIN - 06665266

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

As per our attached Report of even date

For S. K. MEHTA & CO.
Chartered Accountants
(Firm Regn. No. 000478N)
Sd/-
(CA. ROHIT MEHTA)
Partner
M. No. 091382

For V SANKAR AIYAR & CO.
Chartered Accountants
(Firm Regn. No. 109208W)
Sd/-
(CA. G SANKAR)
Partner
M. No. 046050

For CK PRUSTY & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 323220E)
Sd/-
(CA. CHANDRAKANTA PRUSTY)
Partner
M. No. 057318

For V. SINGHI & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 311017E)
Sd/-
(CA. ANIRUDDHA SENGUPTA)
Partner
M. No. 051371

Place: New Delhi

Dated: 22nd May, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31ST March-2018

A Equity Share Capital

(₹ in Crore)

	March-2018	March-2017
Balance at the beginning of the year	**4,739.34**	2,369.67
Changes in during the year		
Issue of Bonus Shares	**4,739.35**	2,369.67
Balance at the end of the year	**9,478.69**	**4,739.34**

B Other Equity

	Reserves and Surplus						
	Retained Earnings	Bond redemption reserve	Capital Reserve/ Capital Redemption Reserve	Securities Premium	Insurance reserve	Export Profit reserve	Corporate Social Responsibility Reserve
Opening Balance as at 1st April 2016	**71,689.42**	**2,991.57**	**338.51**	**91.37**	**183.48**	**53.72**	**7.07**
Profit for the Year	19,849.49	-	-	-	-	-	-
Other Comprehensive Income	(370.68)*	-	-	-	-	-	-
Total Comprehensive Income	**19,478.81**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer from Bond Redemption Reserve	674.79	(674.79)	-	-	-	-	-
Utilized for issue of Bonus Shares (including Issue Expenses)	(2,372.86)	-	-	-	-	-	-
Appropriation towards Interim Dividend	(8,531.08)	-	-	-	-	-	-
Appropriation towards Final Dividend	(2,014.34)	-	-	-	-	-	-
Appropriation towards Corporate Dividend Tax	(2,221.04)	-	-	-	-	-	-
Appropriation towards Insurance reserve (Net)	(20.00)	-	-	-	20.00	-	-
Appropriation towards Bond redemption reserve	(525.58)	525.58	-	-	-	-	-
Appropriation towards Corporate Social Responsibility Reserve (net)	(0.26)	-	-	-	-	-	0.26
Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	-	-	-	-	-	-	-
FCMITDA amortised during the year	-	-	-	-	-	-	-
Transform from fair value of Debt instruments (recycling)	-	-	-	-	-	-	-
Addition to capital reserve during the year	-	-	2.53	-	-	-	-
Closing Balance as at 31st March, 2017	**76,157.86**	**2,842.36**	**341.04**	**91.37**	**203.48**	**53.72**	**7.33**
Opening Balance Adjustment	(0.82)	-	-	-	-	-	-
Profit for the Year	22,189.45	-	-	-	-	-	-
Other Comprehensive Income	164.52 *	-	-	-	-	-	-
Total Comprehensive Income	**22,353.97**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer from Bond Redemption Reserve	162.13	(162.13)	-	-	-	-	-

(₹ in Crore)

	Items of Other Comrehensive Income			Attributable to Equityholders of the Parent	Non-Controlling Interest	TOTAL
Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Fair value of Equity Instruments	Fair value of Debt Instruments	Translation Reserve on Consolidation			
(414.88)	**13,114.36**	**(208.15)**	**(236.53)**	**87,609.94**	**1,426.04**	**89,035.98**
-	-	-	-	19,849.49	535.91	20,385.40
-	5,089.01	148.34	(178.77)	4,687.90	(14.75)	4,673.15
-	**5,089.01**	**148.34**	**(178.77)**	**24,537.39**	**521.16**	**25,058.55**
-	-	-	-	-	-	-
-	-	-	-	(2,372.86)	-	(2,372.86)
-	-	-	-	(8,531.08)	(7.50)	(8,538.58)
-	-	-	-	(2,014.34)	(28.73)	(2,043.07)
-	-	-	-	(2,221.04)	(6.41)	(2,227.45)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(77.17)	-	-	-	(77.17)	-	(77.17)
359.63	-	-	-	359.63	-	359.63
-	-	63.76	-	63.76	-	63.76
-	-	-	-	2.53	-	2.53
(132.42)	**18,203.37**	**3.95**	**(415.30)**	**97,356.76**	**1,904.56**	**99,261.32**
-	-	-	-	(0.82)	-	(0.82)
-	-	-	-	22,189.45	436.90	22,626.35
-	252.86	(169.45)	691.86	939.79	(1.63)	938.16
-	**252.86**	**(169.45)**	**691.86**	**23,129.24**	**435.27**	**23,564.51**
-	-	-	-	-	-	-

	Reserves and Surplus						
	Retained Earnings	Bond redemption reserve	Capital Reserve/ Capital Redemption Reserve	Securities Premium	Insurance reserve	Export Profit reserve	Corporate Social Responsibility Reserve
Utilised for issue of Bonus Shares (Including Issue Expenses	(4743.14)	-	-	-	-	-	-
Appropriation towards Interim Dividend	(9,004.90)	-	-	-	-	-	-
Appropriation towards Final Dividend	(474.06)	-	-	-	-	-	-
Appropriation towards corporate dividend tax	(1,968.37)	-	-	-	-	-	-
Appropriation towards Insurance reserve (Net)	(20.00)		-	-	20.00	-	-
Appropriation towards Bond redemption reserve	(546.62)	546.62	-	-	-	-	-
Appropriation towards Corporate Social Responsibility Reserve (net)	6.55	-	-	-	-	-	(6.55)
Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	-	-	-	-	-	-	-
FCMITDA amortised during the year	-	-	-	-	-	-	-
Transfer from fair Value of Equity Instruments	(222.00)	-	-	-	-	-	-
Transfer from fair Value of Debt Instruments (recycling)	-	-	-	-	-	-	-
Addition to Securities Premium During the year	-	-	-	(14.63)	-	-	-
Addition to Capital Reserve/ Capital Redeumption Reserve during the year	(74.32)	-	86.63	-	-	-	-
Closing Balance as at 31st March 2018	**81,626.28**	**3,226.85**	**427.67**	**76.74**	**223.48**	**53.72**	**0.78**

For and on Behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(Sanjiv Singh)	**(A. K. Sharma)**	**(Kamal Kumar Gwalani)**
Chairman	**Director (Finance)**	**Company Secretary**
DIN - 05280701	**DIN - 06665266**	**ACS - 13737**

	Items of Other Comrehensive Income			Attributable to Equityholders of the Parent	Non-Controlling Interest	TOTAL
Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Fair value of Equity Instruments	Fair value of Debt Instruments	Translation Reserve on Consolidation			
-	-	-		(4.743.14)	-	(4,743.14)
-	-	-		(9,004.90)	(6.95)	(9,011.85)
-	-	-		(474.06)	(150.44)	(624.50)
-	-	-	-	(1,968.37)	(31.21)	(1,999.58)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(24.48)	-	-	-	(24.48)	-	(24.48)
111.13	-	-	-	111.13	-	111.13
-	222.00	-	-	-	-	-
-	-	16.09	-	16.09	-	16.09
-	-	-			-	(14.63)
-	-	-			-	12.31
(45.77)	**18,678.23**	**(149.41)**	**276.56**	**104,395.13**	**2,151.22**	**106,546.35**

As per our attached Report of even date

For S. K. MEHTA & CO.	For V SANKAR AIYAR & CO.	For CK PRUSTY & ASSOCIATES	For V. SINGHI & ASSOCIATES
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 000478N)	(Firm Regn. No. 109208W)	(Firm Regn. No. 323220E)	(Firm Regn. No. 311017E)
Sd/-	Sd/-	Sd/-	Sd/-
(CA. ROHIT MEHTA)	(CA. G SANKAR)	(CA. CHANDRAKANTA PRUSTY)	(CA. ANIRUDDHA SENGUPTA)
Partner	Partner	Partner	Partner
M. No. 091382	M. No. 046050	M. No. 057318	M. No. 051371

Place: New Delhi

Dated: 22nd May, 2018

CONSOLIDATED FINANCIAL STATEMENTS

NOTE-1A: SIGNIFICANT ACCOUNTING POLICIES

I. Corporate information

The financial statements comprise financial statements of "Indian Oil Corporation Limited" ("the holding company" or "IOCL") and its subsidiaries (collectively, the Group) for the year ended 31 March 2018.

IOCL is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai.

The Group has business interests straddling the entire hydrocarbon value chain – from Refining, Pipeline Transportation and Marketing of Petroleum Products to Research & Development, Exploration & Production, Marketing of Natural Gas and Petrochemicals.

Information on other related party relationships of the Group is provided in Note-38.

The consolidated financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 22nd May'2018.

II. Significant Accounting Policies

1. BASIS OF PREPARATION/ CONSOLIDATION

1.1 The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 & Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and comply in all material aspects with the relevant provisions of the Companies Act'2013 and Companies (Amendment) Act,2017.

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

- Derivative financial instruments,
- Certain Financial Assets and liabilities measured at fair value (refer serial no. 17 of accounting policy regarding financial instruments) and
- Contingent consideration

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

1.2 Basis of consolidation:

1.2.1 Subsidiaries:

The consolidated financial statements comprise the financial statements of the IOCL and its subsidiaries as at 31 March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if it has:

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

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

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

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

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

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

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

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

Change in the Group's ownership interests in existing subsidiaries

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

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

1.2.2 Investment in associates and joint ventures

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

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

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

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

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

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

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

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

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

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

1.2.3 Interest in Joint operations:

For the interest in joint operations, the Group recognises:

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

2. FIXED ASSETS

2.1 Property, Plant and Equipment and Intangible Assets

2.1.1 The cost of an item of property, plant and equipment is recognized as an asset if, and only if:

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

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

2.1.2 PPE are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment except freehold land which is stated at historical cost.

2.1.3 Technical know-how / license fee relating to plants/facilities and specific software that are integral part of the related hardware are capitalised as part of cost of the underlying asset.

2.1.4 Spare parts are capitalized when they meet the definition of PPE, i.e., when the Group intends to use these during more than a period of 12 months.

2.1.5 The acquisition of PPE, directly increasing the future economic benefits of any particular existing item of property, plant and equipment, which are necessary for the Group to obtain the future economic benefits from its other assets, are recognized as assets.

2.1.6 On transition to Ind AS, the Group has elected to continue with the carrying value of all of its PPE recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.2 Capital work in progress (CWIP)

A Construction Period Expenses on Projects

2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously are charged to revenue.

2.2.2 Financing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized on quarterly basis up to the date of capitalization.

2.2.3 Financing cost, if any, incurred on General Borrowings used for projects is capitalized at the weighted average cost. The amount of such borrowings is determined on quarterly basis after setting off the amount of internal accruals.

B Capital Stores

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

2.3 INTANGIBLE ASSETS

2.3.1 Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets and amortized on a straight line basis over the life of the underlying plant/ facility.

2.3.2 Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.

2.3.3 Costs incurred on computer software/licenses purchased/ developed resulting in future economic benefits, other than specific software that are integral part of the related hardware, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalised. However, where such computer software is still in development stage, costs incurred during the development stage of such software are accounted as "Intangible Assets Under Development".

2.3.4 Right of ways with indefinite useful lives are not amortised, but are tested for impairment annually at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2.3.5 Intangible Assets acquired separately are measured on initial recognition at cost. The cost of Intangible Assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

2.3.6 The useful lives of Intangible Assets are assessed as either finite or indefinite. Intangible Assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on Intangible Assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized

2.3 .7 On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Intangible Assets recognized as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

2.4 Depreciation/Amortization

2.4.1 Cost of PPE (net of residual value) excluding freehold land is depreciated on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in case of the following assets:

a) Useful life of 15 years for Plant and Equipment relating to Retail Outlets (other than storage tanks and related equipments), LPG cylinders and pressure regulators considered based on technical assessment

b) Useful life of 25 years for solar power plant considered based on technical assessment

c) In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II, whichever is lower

d) In case of certain assets of R&D Centre useful life is considered based on technical assessment

e) In case of immovable assets constructed on leasehold land, useful life as per Schedule-II or lease period of land (including renewable period) , whichever is lower

f) In case of spare parts, useful life is considered based on the technical assessment

Depreciation/ amortization is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalization/ sale, disposal/ or earmarked for disposal. Residual value is generally considered between 0 to 5% of cost of assets except in few cases where it is considered based on transfer value agreed in respective agreement. Further, in case of catalyst with noble metal content, residual value is considered based on the cost of metal content.

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

2.4.2 Assets, other than LPG Cylinders and Pressure Regulators, costing upto ₹ 5,000/- per item are depreciated fully in the year of capitalization. Further, spares, components like catalyst excluding noble metal content and major overhaul/ inspection are also depreciated fully over their respective useful life.

2.4.3 The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

3. LEASES

3.1 A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

3.2 Operating Leases as a Lessee:

Lease rentals are recognized as expense on a straight line basis with reference to lease terms and other considerations except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken on lease.; or

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

Contingent rentals are recognised as expenses in the periods in which they are incurred.

3.3 Operating Leases as a Lessor:

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.; or

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.4 Finance Leases as Lessee:

(i) Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

(ii) A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

3.5 Finance Leases as Lessor: All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts are adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment.

3.6 The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

4. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

5. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of the qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised to the Statement of Profit and Loss in the period in which they are incurred.

6. FOREIGN CURRENCY TRANSACTIONS/ TRANSALATION

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

6.2 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.

6.3 Monetary items denominated in foreign currencies (such as cash, receivables, payables etc) outstanding at the end of reporting period, are translated at exchange rates prevailing on that date.

6.4 Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc.) are recorded at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.

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

6.5 (a) Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency loans as mentioned in Para (b) (i) below.

(b) **(i) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016:** Exchange differences on long-term foreign currency loans relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets . In other cases, exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long-term foreign currency loan by recognising as gain or loss in the Statement of Profit and Loss.

(ii) **Exchange differences pertaining to long term after April 1, 2016:** The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 is accounted for in the Statement of Profit and Loss.

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

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

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

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

7. INVENTORIES

7.1 Raw Materials & Stock-in-Process

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

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

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

7.2 Finished Products and Stock-in-Trade

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

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

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

7.3 Stores and Spares

7.3.1 Stores and Spares (including 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/ catalysts, crude oil, certified emission rights (CERs) rights and own products) towards likely diminution in the value.

7.3.2 Stores & Spares in transit are valued at cost.

8. PROVISIONS, CONTINGENCIES & CONTIGENT ASSETS

8.1 Provisions

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

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

8.1.3 If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Increase in carrying amount of provisions, where interest rate is specified, are accounted in finance cost to the extent of increase attributable to passage of time.

8.1.4 Decommissioning Liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

8.2 Contingent Liabilities and Contingent assets

8.2.1 Show-cause Notices issued by various Government Authorities are not considered as Obligation.

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

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

a) A provision is recognized in respect of present obligations where the outflow of resources is probable;

b) All other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

8.2.4 Estimated amount of contracts remaining to be executed on capital account are considered for disclosure.

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

9. REVENUE RECOGNITION

9.1 Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

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

9.2 Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

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

9.3 Interest income from Financial Assets is recognised using effective interest rate (EIR) method.

9.4 Dividend income is recognized when the Group's right to receive dividend is established.

9.5 Claims (including interest on outstanding) are recognized at cost when there is reasonable certainty regarding its ultimate collection.

9.6 When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract cost incurred for work performed.

When the outcome of construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

10. EXCISE DUTY

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

11. TAXES ON INCOME

11.1 Current Income Tax

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

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

11.2 Deferred Tax

11.2.1 Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except :

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

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

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

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

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

11.2.2 The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

11.2.3 Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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

12. EMPLOYEE BENEFITS

12.1 Short Term Benefits:

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

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

a) The Group's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to the Statement of Profit and Loss/ CWIP. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the Group and charged to the Statement of Profit and Loss/CWIP.

b) The Group operates defined benefit plans for Gratuitym, Post Retirement Medical Benefits, Resettlement, Ex-gratia and AOD pension fund. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year. Out of these plans, Gratuity ,Post Retirement Medical Benefits and AOD pension fund are administered through respective Trusts.

c) Obligations on other long term employee benefits viz leave encashment and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.

d) The Group also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.

12.3 Termination Benefits:

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

12.4 Remeasurements:

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements in respect of other long term benefits are recognised in the statement of profit and loss.

Past service costs are recognised in profit or loss on the earlier of:

- ► The date of the plan amendment or curtailment, and
- ► The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- ► Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ► Net interest expense or income

13. GRANTS

13.1 Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

13.2 Grant relating to assets (Capital Grants)

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

13.3 Grant related to Income (Revenue Grants)

Revenue grants are recognised in the Statement of Profit and loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Subsidy and budgetary support towards under recoveries are reckoned in "Revenue from operations" as per schemes notified by Government from time to time, subject to final adjustments, wherever applicable.

Company has treated waiver of duty under EPCG scheme as revenue grant as the condition of meeting the export obligations is a primary condition of availing the grant as per the EPCG Scheme. The above grant is set up by recording the assets at gross value and corresponding grant amount as deferred income. Such grant is recognised in "Other Operating Revenues" in proportion of export obligations actually fulfilled during the accounting period.

Revenue grants are generally recorded under "Other Operating Revenues" except grant in respect of north east excise duty and entry tax exemption, which are netted off with the related expense.

13.4 When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate or NIL interest rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. Classification of the grant is made considering the terms and condition of the grant i.e. whether grants relates to assets or otherwise.

14. OIL & GAS EXPLORATION ACTIVITIES

14.1 Pre-acquisition costs:

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

14.2 Exploration stage:

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

- acquired rights to explore

- exploratory drilling costs

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

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

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

14.3 Development stage:

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

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

14.4 Production Phase

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

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

14.5 Abandonment Phase

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

15. CURRENT VERSUS NON-CURRENT CLASSIFICATION

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

15.2 An asset is treated as current when it is:

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

All other assets are classified as non-current.

15.3 A liability is treated as current when:

- ► It is expected to be settled in normal operating cycle
- ► It is held primarily for the purpose of trading

- ► It is due to be settled within twelve months after the reporting period, or
- ► There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

16. NON-CURRENT ASSETS HELD FOR SALE

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

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

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

16.3 Non-current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

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

17. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

17.1 Financial Assets

Initial recognition and measurement

All Financial Assets are recognised initially at fair value plus, in the case of Financial Assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

- o Financial Assets at amortised cost
- o Debt instruments at fair value through other comprehensive income (FVTOCI)
- o Equity instruments at fair value through other comprehensive income (FVTOCI)
- o Financial Assets and derivatives at fair value through profit or loss (FVTPL)

17.1.1 Financial Assets at amortised cost

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

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

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

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

17.1.2 Debt Instrument at FVTOCI

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

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

17.1.3 Equity Instrument at FVTOCI (Other than subsidiaries, JVs and associates)

All equity investments in scope of Ind AS 109 are measured at fair value. The Group has made an irrevocable election to present subsequent changes in the fair value in other comprehensive income, excluding dividends. The classification is made on initial recognition/transition and is irrevocable.

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

17.1.4 Debt Instruments and derivatives at FVTPL

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

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Interest income on such instruments has been presented under interest income.

17.1.5 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Balance Sheet) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

17.1.6 Impairment of Financial Assets

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

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

b) Lease receivables under Ind AS 17

Simplified Approach

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

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

General Approach

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- **Financial Assets measured as at amortised cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVTOCI:** Since Financial Assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

17.2 Financial Liabilities

17.2.1 Initial recognition and measurement.

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost, as appropriate.

All financial Liabilities are recognised initially at fair value and, in the case of liabilities measured at amortised cost net of directly attributable transaction costs.

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

17.2.2 Subsequent measurement

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

A. Financial Liabilities at fair value through profit or loss

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

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

B. Financial Liabilities at amortized cost

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

17.2.3 Derecognition

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

17.3 Embedded derivatives

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

17.4 Offsetting of Financial Instruments

Financial Assets and financial Liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

17.5 Derivative Instrument- Initial recognition / subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as financial liabilities when the fair value is negative.

17.6 Commodity contracts

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss.

18. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

19. TREASURY SHARES

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

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

20. FAIR VALUE MEASUREMENT

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

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

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

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

20.5 The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

20.6 All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

21. EARNINGS PER SHARE

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

22. BUSINESS COMBINATIONS AND GOODWILL

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

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

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

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

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

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

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

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

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

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

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

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

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

III. Amendments to Standards effective April 1, 2017

Amendments to Ind AS 7, Statement of Cash flows

Effective April1, 2017, the Group adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes. The adoption of the amendment has resulted into additional disclosures in relation to cash flow statement.

Amendments to Ind AS 102, Share Based payments

The amendment to Ind AS 102 is not relevant for the Company as it does not have any cash-settled share based payments or share based payments with a net-settled feature.

IV. Standards issued but not yet effective

Amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

The amendment to Ind AS 21, Foreign currency transactions and advance consideration clarifies the date of the transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Group will adopt the amendments w.e.f. April 1, 2018. The effect on adoption of Ind AS 21 is expected to be insignificant

Ind AS 115, Revenue from Contract with Customers

MCA has notified Ind AS 115 (Revenue from Contracts with Customers) on March 28, 2018 as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. Ind-AS 115 supersedes Ind-AS 11 Construction Contracts and Ind-AS 18 Revenue. According to the new standard, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Ind-AS 115 establishes a five step model that will apply to revenue earned from a contract with a customer.

The standard allows for two methods of adoption: 1) retrospectively to each prior period presented with or without practical expedients, or 2) retrospectively with cumulative effect of adoption as an adjustment to opening retained earnings in the period of adoption. The standard is effective for periods beginning on or after April 1, 2018. Early adoption is not permitted. The Group will adopt this standard retrospectively with cumulative effect of adoption as an adjustment to opening retained earnings effective April 1, 2018.

The Group charges non-refundable fees for new retail outlets from dealers. Under the existing Ind-AS-18, these are recorded as Income immediately on receipt whenever a new dealership agreement is signed. As per Ind-AS-115, receipt of non-refundable fees does not result in transfer of any promised good or service to the customer and therefore, this is to be considered as an advance payment for performance obligations to be satisfied in future. Hence, non-refundable fees are recognized as revenue when those future goods or services are provided to dealers. As goods are sold on regular basis to customer over the dealership agreement, the same will be amortised over the dealership period. The estimated reduction of ₹129 crore is expected in Profit before tax in the Financial Year 2018-19. No significant impact is expected in the opening retained earnings during 2018-19.

Note – 1B: Significant Accounting Estimates & Judgements

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

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

JUDGEMENTS

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

Lease classification in case of leasehold land

The Group has obtained various lands from the governments for purpose of plants, facilities and offices. These lands are having various tenures and at the end of lease term, the lease could be extended for another term or the land could be returned to the government authority. Since land has an indefinite economic life, the mangement has considered 99 years and above cases for finance lease if at the inception of the lease, the present value of minimum lease payments are substantialy equal to fair value of leased assets. Further cases between 90-99 are also evaluated for finance lease on the basis of principle that present value of the minimum lease payments are substantially equal to fair value of the leased asset. In addition, other indicators such as the lessee's ability to renew lease for another term at substantially below market rent, lessee's option to purchase at price significantly below fair value are also examined for classification of land lease. Leases not meeting the finance lease criteria are classified under operating leases.

Oil & Gas Reserves

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

Intangible asset under development

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

Contingencies

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

ESTIMATES AND ASSUMPTIONS

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

Defined benefit plans/ Other Long term employee benefits

The cost of the defined benefit plans and other long term employee benefit plans are determined using actuarial valuations.

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

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

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

Fair value measurement of financial instruments

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

Impairment of Finnancial Assets

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group's past history and other factors at the end of each reporting period. Also refer Note-41 for impairment analsysis and provision.

Provision for decommissioning

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

NOTE-2 PROPERTY PLANT AND EQUIPMENT

Current Year

(₹ in Crore)

		Land - Freehold (Refer A&F)	Land - Leasehold (Refer A&F)	Buildings, Roads etc. (Refer B&F)	Plant And Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage And Water Supply System	Producing Properties	Total
Gross Block	**Gross Block as at 01.04.2017**	**2066.17**	**217.28**	**10,547.41**	**107,153.89**	**794.68**	**60.52**	**447.43**	**104.79**	**993.27**	**4,766.31**	**127,151.75**
	Additions during the year	931.00	53.48	230.49	8,325.19	221.73	7.62	44.89	8.93	16.78	36.51	9876.62
	Transfers from construction work-in-progress	0.09	2.09	1095.76	4,636.25	86.31	0.51	39.36	22.88	129.88	239.71	6252.84
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	(23.20)	20.41	(83.83)	(711.95)	(13.49)	0.60	19.22	5.76	(0.67)	178.53	(608.62)
	Gross Block as at 31.03.2018 (Refer C)	**2,974.06**	**293.26**	**11,789.83**	**119,403.38**	**1,089.23**	**69.25**	**550.9**	**142.36**	**1,139.26**	**5,221.06**	**142,672.59**
DEPRECIATION & AMORTISATION	**Depreciation & Amortisation as at 01.04.2017**	-	3.62	1,210.01	9,559.96	332.46	12.18	94.06	13.1	71.75	624.5	11,921.64
	Depreciation & Amortisation during the year (Refer D)	-	4.56	582.84	6422.19	217.7	7.59	70.64	9.20	41.90	235.38	7,592.00
	Disposals/ Deductions / Transfers/ Reclassifications/ FCTR	-	9.72	(53.97)	(115.67)	(10.45)	2.90	22.93	5.13	(0.08)	21.95	(117.54)
	Depreciation & Amortisation as at 31.03.2018	**-**	**17.9**	**1,738.88**	**15,866.48**	**539.71**	**22.67**	**187.63**	**27.43**	**113.57**	**881.83**	**19,396.1**
IMPAIRMENT	**Impairment as at 01.04.2017**	-	-	14.70	27.53	-	-	-	-	0.19	214.71	257.13
	Impairment Loss during the year	-	-	0.06	23.35	-	-	-	-	-	-	23.41
	Impairment Loss reversed during the year/ FCTR	-	-	-	-	-	-	-	-	-	8.53	8.53
	Impairment Loss as at 31.03.2018	-	-	14.76	50.88	-	-	-	-	0.19	223.24	289.07
	As at 31.03.2018	**2,974.06**	**275.36**	**10,036.19**	**103,486.02**	**549.52**	**46.58**	**363.27**	**114.93**	**1,025.50**	**4,115.99**	**122,987.42**

Previous Year

		Land - Freehold (Refer A&F)	Land - Leasehold (Refer A&F)	Buildings, Roads etc. (Refer B&F)	Plant And Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage And Water Supply System	Producing Properties	Total
Gross Block	**Gross Block as at 01.04.2016**	**1,845.56**	**196.37**	**9,037.25**	**87,667.32**	**591.92**	**42.87**	**348.12**	**91.69**	**108.67**	**4,871.03**	**104,800.8**
	Additions during the year	223.40	83.93	431.56	4,178.07	176.54	15.60	55.80	1.07	399.59	37.07	5,602.63
	Transfers from construction work-in-progress	2.88	14.07	1,106.99	16,400.39	84.87	2.89	52.53	12.12	485.11	128.09	18,289.94
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	(5.67)	(77.09)	(28.39)	(1,091.89)	(58.65)	(0.84)	(9.02)	(0.09)	(0.10)	(269.88)	(1,541.62)
	Gross Block as at 31.03.2017	**2,066.17**	**217.28**	**1,0547.41**	**107,153.89**	**794.68**	**60.52**	**447.43**	**104.79**	**993.27**	**4766.31**	**127,151.75**
DEPRECIATION & AMORTISATION	**Depreciation & Amortisation as at 01.04.2016**	-	3.11	563.98	4142.33	176.22	4.82	26.33	5.23	6.06	372.64	5300.72
	Depreciation & Amortisation during the year	-	2.78	648.3	5477.83	206.86	8.68	70.97	7.94	65.78	280.97	6770.11
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	-	(2.27)	(2.27)	(60.2)	(50.62)	(1.32)	(3.24)	(0.07)	(0.09)	(29.11)	(149.19)
	Depreciation & Amortisation as at 31.03.2017	**-**	**3.62**	**1,210.01**	**9,559.96**	**332.46**	**12.18**	**94.06**	**13.10**	**71.75**	**624.5**	**1,1921.64**
IMPAIRMENT	**Impairment as at 01.04.2016**	-	-	-	-	-	-	-	-	-	225.59	225.59
	Impairment Loss during the year	-	-	14.70	27.53	-	-	-	-	0.19	-	42.42
	Impairment Loss reversed during the year/ FCTR	-	-	-	-	-	-	-	-	-	(10.88)	(10.88)
	Impairment as at 31.03.2017	**-**	**-**	**14.70**	**27.53**	**-**	**-**	**-**	**-**	**0.19**	**214.71**	**257.13**
	Net Block as at 31.03.2017	**2,066.17**	**213.66**	**9,322.70**	**97,566.40**	**462.22**	**48.34**	**353.37**	**91.69**	**921.33**	**3,927.10**	**114,972.98**

A. i) Freehold land includes ₹**21.26 crore** (2017: ₹9.51 crore) lying vacant due to title disputes/ litigation.

ii) Out of the Freehold land measuring 1364.01 acres at Mathura and Agra regions forming part of Note No.2, land measuring 50 acres (approx) has been acquired by NHAI as a part of the NH2 widening project for which the determination of value of compensation is pending. Accordingly, the value of land amounting to ₹**1.19 crore** is continued to be included in Freehold land.

iii) Addition to Freehold land includes ₹**731.53 crores** (2017: Nil) on account of additional amount provided on settlement of land compensation cases.

B. i) Buildings include ₹**0.01 crore** (2017: ₹0.01 crore) towards value of 1605 (2017: 1605) Shares in Co-operative Housing Societies towards membership of such societies for purchase of flats.

ii) Includes Roads, Bridges etc. (i.e. Assets other than Building) of Gross block amounting to ₹**2038.43 crore (**2017: ₹1785.69 crore) and net block amounting to ₹**1271.09 crore** (2017: ₹1230.24 crore).

C. The cost of assets are net of VAT CREDIT/CENVAT/ GST ITC, wherever applicable.

D. Depreciation and amortisation for the year includes ₹ **2.34 crore** (2017: ₹ 25.82 crore) relating to construction period expenses shown in Note-2.2

E. Railways have claimed transfer of ownership in respect of certain assets provided by the Company at railway premises which has not been accepted by the company and continue to be part of fixed assets of the Company, WDV of such assets is ₹**70.63 crores** (2017: ₹67.00 crores).

F. Land and Buildings include ₹**212.12 crore** (2017: ₹ 186.82 crore) in respect of which Title / Lease Deeds are pending for execution or renewal.

G. For details regarding hypothecation/ pledge of assets, refer Note-16.

Details of assets under lease included above:

(₹ in Crore)

Asset Particulars	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.2018	W.D.V. as at 31.03.2017
Taken on Finance Lease					
Buildings	9.90	0.71	-	**9.19**	16.98
Plant and Equipment	3,966.38	489.43	-	**3,476.95**	3,631.37
Transport Equipment	3.25	0.64	-	**2.61**	-
Given on Operating Lease					
Buildings	2.14	0.17	-	**1.97**	0.95
Plant and Equipment	0.96	0.26	-	**0.70**	0.77

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

(₹ in Crore)

Assets Particulars	Name of Joint Owner	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.2018	W.D.V. as at 31.03.2017
Land - Freehold	HPC/BPC	3.27	-	-	**3.27**	3.10
Land - Leasehold	HPC/BPC/ BALMER LAWRIE	-	-	-	**-**	0.11
Buildings	HPC/BPC/ BALMER LAWRIE	31.75	4.86	-	**26.89**	26.66
Plant and Equipment	HPC/BPC/ GSFC/IPCL/ GNRE	50.07	7.61	-	**42.46**	33.99
Railway Sidings	HPC/BPC	10.34	2.66	-	**7.68**	7.77
Drainage,Sewage & Water Supply	GSFC	0.26	0.02	-	**0.24**	0.24
Total		**95.69**	**15.15**	**-**	**80.54**	**71.87**

Additions to Gross Block Includes:

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	31.03.2018	**31.03.2017**	**31.03.2018**	**31.03.2017**
Buildings	1.40	13.07	**5.47**	27.53
Plant and Equipment	153.39	1004.79	**313.31**	1362.03
Office Equipments	-	0.01	**0.04**	0.01
Drainage,Sewage & Water Supply	18.65	132.04	**8.78**	117.67
Total	**173.44**	**1149.91**	**327.6**	**1507.24**

NOTE-2.1: CAPITAL WORK IN PROGRESS

(₹ in Crore)

Particulars		March-2018		March-2017
Construction Work in Progress - Tangible Assets				
(Including unallocated capital expenditure, materials at site)				
Balance as at beginning of the year	A	**9,750.51**		15,368.82
Add: Additions during the year		**9,883.75**		8,244.13
Less: Allocated/ Adjusted during the year		**8,274.68**		13,862.44
		11,359.58		9,750.51
Less: Provision for Capital Losses		**33.17**		52.63
			11,326.41	9,697.88
Capital stores				
Balance as at beginning of the year		**1,799.49**		1,562.84
Add: Additions during the year		**3,369.20**		2,640.24
Less: Allocated/ Adjusted during the year		**2,471.97**		2,403.59
		2,696.72		1,799.49
Less: Provision for Capital Losses		**10.73**		11.11
			2,685.99	1,788.38
Capital Goods in Transit			**597.79**	371.27
Construction Period Expenses pending allocation:				
Balance as at beginning of the year		**1,135.14**		4,798.27
Add: Net expenditure during the year (Note - 2.2)		**573.64**		800.84
		1,708.78		5,599.11
Less: Allocated/ Adjusted during the year		**1,032.89**		4,463.97
			675.89	1,135.14
TOTAL			**15,286.08**	**12,992.67**
A. Includes Capital Expenditure relating to ongoing Oil & Gas E&P activities.			**54.73**	94.34
B. Specific borrowing eligible for capitalisation (Rate)			**1.80% to 9.27%**	1.25% to 9.27%

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

(₹ in Crore)

Particulars	March-2018	March-2017
Employee Benefit expenses	**328.47**	237.82
Repairs and Maintenance	**2.87**	5.76
Consumption of Stores and Spares	**1.89**	0.01
Power & Fuel	**25.56**	174.62
Rent	**8.58**	6.81
Insurance	**15.33**	13.76
Rates and Taxes	**2.61**	1.16
Travelling Expenses	**35.19**	33.14
Communication Expenses	**1.11**	1.22
Printing and Stationery	**0.72**	0.83
Electricity and Water Charges	**2.73**	6.33
Bank Charges	**0.11**	0.09
Technical Assistance Fees	**0.74**	1.69
Exchange Fluctuation	**(2.68)**	(17.75)
Finance Cost	**96.70**	296.45
Depreciation and Amortization on:		
Tangible Assets	**2.34**	25.82
Start Up/ Trial Run Expenses (net of revenue)	**-**	(0.15)
Others	**54.03**	30.23
Total Expenses	**576.30**	817.84
Less : Recoveries	**2.66**	17.00
Net Expenditure during the year	**573.64**	**800.84**

NOTE-3 INTANGIBLE ASSETS

Current Year

(₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
Gross Block	**Gross Block as at 01.04.2017**	**259.79**	**763.13**	**73.02**	**1095.94**
	Additions during the year	41.46	47.18	26.55	115.19
	Transfers from Intangible Assets under Development	18.82	0.23	21.49	40.54
	Disposals/Deductions/Transfers/ Reclassifications/ FCTR	(0.25)	(0.38)	(0.52)	(1.15)
	Gross Block as at 31.03.2018 (Refer C)	**319.82**	**810.16**	**120.54**	**1250.52**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**Total Amortisation as at 01.04.2017**	0.52	66.44	44.93	111.89
	Amortisation during the year	2.47	42.12	29.29	73.88
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	-	0.27	(0.34)	(0.07)
	Total Amortisation as at 31.03.2018	**2.99**	**108.83**	**73.88**	**185.7**
	Total Impairment as at 01.04.2017	0.27	-	0.01	0.28
	Impairment Loss during the year	-	-	-	-
	Impairment Loss reversed during the year	-	-	-	-
	Total Impairment as at 31.03.2018	0.27	-	0.01	0.28
	Net Block as at 31.03.2018	**316.56**	**701.33**	**46.65**	**1064.54**

Previous Year

		Right of Way	Licenses	Computer Software	Total
Gross Block	**Gross Block as at 01.04.2016**	**200.11**	**546.2**	**61.79**	808.1
	Additions during the year	59.74	42.74	12.73	115.21
	Transfers from Intangible Assets under Development	-	189.32	1.12	190.44
	Disposals/ Deductions/ Transfers/ Reclassifications/ FCTR	(0.06)	(15.13)	(2.62)	(17.81)
	Gross Block as at 31.03.2017	**259.79**	**763.13**	**73.02**	**1095.94**
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**Amortisation as at 01.04.2016**	**0.26**	**29.32**	20.67	50.25
	Amortisation during the year	0.26	37.3	24.07	61.63
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	-	(0.18)	0.19	0.01
	Amortisation as at 31.03.2017	**0.52**	**66.44**	**44.93**	**111.89**
	Impairment Losss as at 01.04.2016	**-**	**-**	**-**	-
	Impairment Loss during the year	0.27	-	0.01	0.28
	Impairment Loss reversed during the year	-	-	-	-
	Impairment Loss as at 31.03.2017	**0.27**	**-**	**0.01**	**0.28**
	Net Block as at 31.03.2017	**259.00**	**696.69**	**28.08**	**983.77**

A. Net Block of Intangible assets with indefinite useful life

(₹ in Crore)

	March-2018	March-2017
Right of Way	**298.72**	257.78
Right of way for laying pipelines are acquired on a perpetual basis.		

NOTE-3.1: INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

Particulars		March-2018	March-2017
Work in Progress - Intangible Assets			
(Including Unallocated Capital Expenditure)			
Balance as at beginning of the year	**4,000.81**		4,332.09
Add: Net expenditure during the year	**158.59**		200.79
	4,159.40		4,532.88
Less: Allocated/ Adjusted during the year	**75.29**		532.07
	4,084.11		4,000.81
Less: Provision for Loss	**239.81**		215.08
		3,844.30	3,785.73
TOTAL		**3,844.30**	3,785.73
A Includes Capital Expenditure (Net) relating to ongoing Oil & Gas E&P activities.		**3,553.53**	**3,540.35**

B Intangible assets under development are mainly in the nature of E&P Blocks and Licenses & Computer Softwares.

NOTE-4: INVESTMENTS

(₹ in Crore)

Particulars	Investment Currency	Face Value/ Paid up Value	March-2018 Number	March-2018 Carrying Value (₹ in Crore)	March-2017 Number	March-2017 Carrying Value (₹in Crore)
NON-CURRENT INVESTMENTS :						
I In Equity Shares						
A In Subsidiaries (not consolidated)						
IndianOil Creda Bio Fuels Limited (Dissolved on 08.03.2018)	Indian Rupees	10	-	-	18381197	18.38
Less: Provision for Impairment				-		(18.38)
Sub-total: (I)(A)				-		-
B In Associates (Equity Method*):						
QUOTED:						
Petronet LNG Limited	Indian Rupees	10	**187500000**	**1,226.41**	93750000	1,022.30
UNQUOTED:						
Avi-Oil India Private Limited	Indian Rupees	10	**4500000**	**14.62**	4500000	12.72
Petronet India Limited	Indian Rupees	0.10 (2017: 10)	**18000000**	**0.49**	18000000	19.02
Petronet VK Limited	Indian Rupees	10	**50000000**	**0.02**	49999970	0.02
Sub-total: (I)(B)				**1,241.54**		**1,054.06**
C In Joint Ventures (Equity Method*):						
UNQUOTED:						
IOT Infrastructure & Energy Services Limited	Indian Rupees	10	**494828289**	**500.53**	494828289	455.73
Indian Oil Panipat Power Consortium Limited	Indian Rupees	10	**840000**	-	840000	-
Lubrizol India Private Limited	Indian Rupees	100	**499200**	**153.20**	960000	275.59
Indian Oil Petronas Private Limited	Indian Rupees	10	**134000000**	**509.74**	134000000	418.38
Petronet CI Limited (under liquidation)	Indian Rupees	10	**3744000**	-	3744000	-
Green Gas Limited	Indian Rupees	10	**23042250**	**81.64**	23042250	62.67
IndianOil SkyTanking Private Limited	Indian Rupees	10	**25950000**	**71.80**	25950000	61.77
Suntera Nigeria 205 Limited	Naira rupees	1	**2500000**	-	2500000	-
Delhi Aviation Fuel Facility Private Limited	Indian Rupees	10	**60680000**	**75.85**	60680000	72.35
Indian Synthetic Rubbers Private Limited	Indian Rupees	10	**222861375**	**72.03**	222861375	44.99
NPCIL-IndianOil Nuclear Energy Corporation Limited	Indian Rupees	10	**260000**	**0.32**	260000	0.30

Particulars			March-2018		March-2017	
	Investment Currency	Face Value/ Paid up Value	Number	Carrying Value	Number	Carrying Value
				(₹ in Crore)		(₹in Crore)
GSPL India Gasnet Limited	Indian Rupees	10	**100625030**	**101.74**	72025030	72.91
GSPL India Transco Limited	Indian Rupees	10	**99060000**	**100.39**	53300000	54.28
Indian Oil Adani Gas Private Limited	Indian Rupees	10	**124000000**	**116.95**	85000000	80.54
Mumbai Aviation Fuel Farm Facility Private Limited	Indian Rupees	10	**41888750**	**55.83**	38271250	42.75
Kochi Salem Pipeline Private Limited	Indian Rupees	10	**75000000**	**71.31**	55000000	52.36
IndianOil LNG Private Limited	Indian Rupees	10	**5000**	**-**	5000	-
Hindustan Urvarak and Rasayan Limited	Indian Rupees	10	**333250000**	**332.16**	5025000	3.61
Ratnagiri Refineries & Petrochemicals Limited	Indian Rupees	10	**50000000**	**40.59**	-	-
Indian Oil Ruchi Biofuels LLP (Capital Fund)	Indian Rupees	-	**-**	**-**	-	-
Indian Additives Ltd.	Indian Rupees	100	**1183401**	**152.44**	1183401	139.90
National Aromatics and Petrochemical Corporation Limited	Indian Rupees	10	**25000**	**-**	25000	-
VANKOR India Pte Ltd	USD	1	**568968589**	**4,460.09**	568968589	3,966.82
TAAS India Pte Ltd	USD	1	**407941730**	**2,899.11**	407941730	2,693.12
Falcon Oil & Gas BV	USD	1	**30**	**11.25**	-	-
Sub-total: (I)(C)				**9,806.97**		**8,498.07**
Total Investments in Subsidiaries, Associates & JVs [(I)(A)+(I)(B)+(I)(C)]				**11048.51**		**9,552.13**
D In Others						
Investments designated at fair value through OCI:						
QUOTED:						
Oil and Natural Gas Corporation Limited	Indian Rupees	5	**986885142**	**17,546.82**	986885142	18,257.37
GAIL (India) Limited	Indian Rupees	10	**54452730**	**1,789.05**	40839548	1,539.45
Oil India Limited	Indian Rupees	10	**53501100**	**1,157.49**	35667400	1,190.57

Particulars	Investment Currency	Face Value/ Paid up Value	March-2018 Number	March-2018 Carrying Value (₹ in Crore)	March-2017 Number	March-2017 Carrying Value (₹in Crore)
UNQUOTED:						
International Cooperative Petroleum Association, New York	USD	100	**350**	**0.02**	350	0.02
Haldia Petrochemical Limited	Indian Rupees	10	**150000000**	**726.75**	150000000	271.20
Vadodara Enviro Channel Limited[a] (Formerly Effluent Channel Projects Limited)	Indian Rupees	10	**7151**	**-**	7151	-
Woodlands Multispeciality Hospital Limited	Indian Rupees	10	**101095**	**0.10**	101095	0.10
Shama Forge Co. Limited[b] (under liquidation)	Indian Rupees	10	**100000**	**-**	100000	-
BioTech Consortium India Ltd.	Indian Rupees	10	**100000**	**0.10**	100000	0.10
Ceylon petroleum storage terminal limited	Sri Lankan Rupees	17.576	**250000000**	**319.20**	250000000	328.53
Pacific NorthWest LNG Limited	Canadian Dollars		**10000**	**-**	10000	0.49
Carabobo Ingenieria Y Construcciones S.A.	USD		**12.1% of Capital Stock**	**5.78**	12.1% of Capital Stock	7.78
Petrocarabobo S.A.	USD		**3.5% of Capital Stock**	**467.50**	3.5% of Capital Stock	384.93
Pacific NorthWest LNG Limited Partnership	Canadian Dollars			**-**		209.19
Mer Rouge Oil Storage Terminal Co Ltd ("MOST") Note - B4	Mauritian Rupees	1000	**5000**	**2.66**	5000	0.93
In Consumer Cooperative Societies:						
Barauni[c]	Indian Rupees	10	**250**	**-**	250	-
Guwahati[d]	Indian Rupees	10	**750**	**-**	750	-
Mathura[e]	Indian Rupees	10	**200**	**-**	200	-
Haldia[f]	Indian Rupees	10	**1663**	**-**	1663	-
In Indian Oil Cooperative Consumer Stores Limited, Delhi[g]	Indian Rupees	10	**375**	**-**	375	-
MRL Industrial Cooperative Service Society Ltd	Indian Rupees	10	**9000**	**0.01**	9000	0.01
Sub-total: (I)(D)				**22,015.48**		**22,190.67**
Sub-total: (I)=[(I)(A)+(I)(B)+(I)(C)+(1)(D)]				**33,063.99**		**31,742.80**
II In Preference Shares						
Investments at fair value through profit or loss						

Particulars	Investment Currency	Face Value/ Paid up Value	March-2018 Number	March-2018 Carrying Value (₹ in Crore)	March-2017 Number	March-2017 Carrying Value (₹in Crore)
UNQUOTED:						
Shama Forge Co. Limited[h] (under liquidation)	Indian Rupees	100	**5000**	**-**	5000	-
9.5% Cumulative Redeemable Preference Shares						
Sub-total: (II)				**0.00**		**0.00**
III In Government Securities						
Investments at fair value through OCI						
Quoted:						
Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	**460000**	**455.80**	2065000	2,003.54
9.15% Govt Stock 2024	Indian Rupees	10000	**1960000**	**2,119.21**	1,948,000	2,173.97
7.35% Govt Stock 2024	Indian Rupees	10000	**695000**	**691.46**	-	-
Sub-total: (III)				**3266.47**		**4,177.51**
IV In Debentures or Bonds						
(Investments in JV adjusted for equity method)						
Unquoted:						
IndianOil LNG Pvt Limited	Indian Rupees	1000000	**3265**	**276.81**	3,265	297.52
(Fully and Compulsorily Convertible Debentures)						
Sub-total: (IV)				**276.81**		297.52
Total Other Investments [(I)(D)+(II)+(III)+(IV)]				**25,558.76**		**26,665.70**
Total Non Current Investments (I+II+III+IV)				**36,607.27**		**36,217.83**
CURRENT INVESTMENTS :						
Unquoted: (at fair value through profit or loss)						
Unit Trust Investment (NAV)				**333.15**		274.00
In Government Securities (at fair value through OCI)						
Quoted:						
Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	**7906020**	**7,865.63**	7038020	7,182.02
9.15% Govt Stock 2024	Indian Rupees	10000	**-**	**-**	12,000	13.39
				8,198.78		**7,469.41**

(₹ in Crore)

Particulars	March-2018	March-2017
Aggregate value of quoted investments	**32,851.87**	33,382.61
Aggregate market value of quoted investments	**35,955.77**	36,139.84
Aggregate value of unquoted investments	**11,954.18**	10,304.63
Aggregate amount of impairment in value of investments	-	18.38

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

Note: A

Investment in Oil Marketing Companies GOI Special Bonds consists of: (₹ in Crore)

Nature of Bond	No. of Bonds	Face Value	Fair value
1. Non-Current Investments:			
6.90% GOI SPECIAL BONDS 2026	200,000	200.00	189.29
8.20% GOI SPECIAL BONDS 2023	260,000	260.00	266.51
Total Non-Current Investments	**460,000**	**460.00**	**455.80**
2. Current investment:			
8.13% GOI SPECIAL BONDS 2021	78,000	78.00	79.85
7.95% GOI SPECIAL BONDS 2025	457,250	457.25	462.03
8.20% GOI SPECIAL BONDS 2023	1,193,510	1,193.51	1,223.39
6.90% GOI SPECIAL BONDS 2026	2,882,930	2,882.93	2,728.61
8.00% GOI SPECIAL BONDS 2026	189,270	189.27	191.34
8.20% GOI SPECIAL BONDS 2024	3,105,060	3,105.05	3,180.41
Total Current Investments	**7,906,020**	**7,906.01**	**7,865.63**

Note: B - Other Disclosures

1 During the year, Oil Marketing Companies 8.20% GOI Special Bonds of investment value ₹ 160.00 crore & 9.15% Govt. Stock 2024 of investment value ₹ 13.67 crore are reclassified from current to non-current investments and Oil Marketing Companies 6.90% GOI Special Bonds of investment value ₹ 1028 crore are reclassified from non current to current investments.

2 Out of Government Securities classified as non-current, the following are pledged in favour of Clearing Corporation of India Ltd. (CCIL) for Loans through Collaterised Borrowings and Lending Obligation (CBLO) of CCIL

(₹ in crore)

Nature of Bonds	March-2018		March-2017	
	Face Value	Carrying Value	Face Value	Carrying Value
6.90% Oil Marketing Companies GOI Special Bonds 2026	**200.00**	**189.29**	1,965.00	1,899.43
9.15% GOVT.STOCK 2024	**1,960.00**	**2,119.21**	1,948.00	2,173.97
7.35% GOVT.STOCK 2024	**695.00**	**691.46**	-	-

3 Out of Oil Marketing Companies GOI Special Bonds,the following has been earmarked in line with the requirement of Companies (Share Capital and Debentures) Rules, 2014.

Nature of Bonds	March-2018		March-2017	
	Face Value	Carrying Value	Face Value	Carrying Value
8.20% GOI SPECIAL BONDS 2023	**258.27**	**264.74**	97.28	101.27

4 A Joint Venture of a subsidiary company, viz. M/s Mer Rouge Storage Terminal CO Ltd ("MOST"), has not been consolidated. Initially the subsidiary company has a share of 25% in MOST and during the year 2017, there has been a change in shareholding consequent upon the management's decision to participate with 6% of shareholding.

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

(Amount in ₹)

	Particulars	March-2018	March-2017
a	Investment Amount	**10**	10
b	Investment Amount	**100**	100
c	Investment Amount	**2,500**	2,500
d	Investment Amount	**2,500**	2,500
e	Investment Amount	**2,000**	2,000
f	Investment Amount	**16,630**	16,630
g	Investment Amount	**3,750**	3,750
h	Investment Amount	**100**	100

NOTE-5: LOANS

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

Particulars	Non Current			Current		
	March-2018		March-2017	March-2018		March-2017
Security Deposits						
Secured, Considered Good	**0.06**		2.56	**0.13**		-
Unsecured, Considered Good	**124.01**		113.24	**130.48**		132.76
Unsecured, Considered Doubtful	**0.20**		0.20	**1.38**		0.28
	124.27		116.00	**131.99**		133.04
Less : Provision for Doubtful Deposits	**0.20**		0.20	**1.38**		0.28
		124.07	115.80		**130.61**	132.76
Loans						
To Related Parties						
Secured, Considered Good	**0.13**		0.11	**0.06**		0.02
Unsecured, Considered Good	**209.08**		67.55	**270.78**		601.73
Unsecured, Considered Doubtful	**-**		-	**2.25**		2.25
	209.21		67.66	**273.09**		604.00
Less : Provision for Doubtful Loans	**-**		-	**2.25**		2.25
	209.21		67.66	**270.84**		601.75
To Others						
Secured, Considered Good	**677.71**		584.58	**109.27**		112.13
Unsecured, Considered Good	**1,147.72**		331.27	**161.36**		918.45
Unsecured, Considered Doubtful	**162.16**		-	**0.86**		2.07
	1,987.59		915.85	**271.49**		1,032.65
Less : Provision for Doubtful Loans	**162.16**		-	**0.86**		2.07
	1,825.43		915.85	**270.63**		1,030.58
		2,034.64	983.51		**541.47**	1,632.33
TOTAL		**2,158.71**	**1,099.31**		**672.08**	**1,765.09**

NOTE-6: OTHER FINANCIAL ASSETS

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

Particulars	Non Current			Current		
		March-2018	March-2017		March-2018	March-2017
Advances for Investments (A)		**1,186.55**	188.51		**-**	-
Amount Recoverable from Central/State Government						
Unsecured, Considered Good		**-**	-		**9,438.97**	7,748.45
Finance Lease Receivables		**0.38**	1.08		**0.69**	1.11
Deposits for Leave Encashment Fund		**2,135.91**	2,903.77		**-**	-
Interest Accrued on Investments/ Bank Deposits/ Loans		**-**	-		**188.07**	196.60
Advance to Employee Benefits Trusts		**147.42**	557.95		**121.96**	64.85
Claims Recoverable:						
From Related Parties						
Unsecured, Considered Good	**-**		-	**-**		-
Unsecured, Considered Doubtful	**-**		-	**21.59**		21.57
	-		-	**21.59**		21.57
From Others						
Unsecured, Considered Good	**-**		-	**24.51**		3.52
Unsecured, Considered Doubtful	**-**		-	**6.50**		5.84
	-		-	**31.01**		9.36
Less : Provision for Doubtful Claims	**-**		-	**28.09**		27.41
		-	-		**24.51**	3.52
Others (B)	**12.99**		8.63	**1,516.13**		481.90
Less: Provision for doubtful asset	**-**		-	**6.22**		6.02
		12.99	8.63		**1,509.91**	475.88
TOTAL		**3,483.25**	**3,659.94**		**11,284.11**	**8,490.41**

A. Advances for equity pending allotment

B. Mainly includes:

	March-2018	March-2017
1. Amount held with bank for purchase of foreign currency for value date 02.04.2018	**907.92**	**-**
2. Interest reciveables from Air India Limited	**465.04**	**330.80**

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

(₹ in Crore)

Particulars	Non Current			Current		
		March-2018	March-2017		March-2018	March-2017
Income/Current Tax Asset/ (Liability) - Net						
Advance payments for Current Tax	**22,034.06**		5.47	**2.04**		16,904.72
Less : Provisions	**20,731.13**		-	**1.13**		16,984.63
Income/Current Tax Asset/ (Liability) - Net		**1,302.93**	5.47		**0.91**	(79.91)
TOTAL		**1,302.93**	**5.47**		**0.91**	**(79.91)**

NOTE-8: OTHER ASSETS

(Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

Particulars	Non Current			Current		
		March-2018	March-2017		March-2018	March-2017
Advances for Capital Expenditure						
To Related Parties						
Unsecured, Considered Good	**8.78**		25.78	-		-
	8.78		25.78	-		-
To Others						
Secured, Considered Good	-		9.38	-		-
Unsecured, Considered Good	**772.63**		1,003.05	-		-
Unsecured, Considered Doubtful	**0.09**		0.09	-		-
	772.72		1,012.52	-		-
	781.50		1,038.30	-		-
Less: Provision for Doubtful Advances	**0.09**		0.09	-		-
		781.41	1,038.21	-	-	-
Advances Recoverable						
From Related Parties						
Unsecured, Considered Good	**286.52**		309.09	**24.78**		**29.83**
From Others						
Secured, Considered Good	-		-	**0.16**		**0.34**
Unsecured, Considered Good	**219.51**		219.51	**1,807.69**		**1,823.46**
Unsecured, Considered Doubtful	**0.33**		0.33	**3.10**		**6.28**
	219.84		219.84	**1,810.95**		**1,830.08**
Less : Provision for Doubtful Advances	**0.33**		0.33	**3.10**		**6.28**
	219.51		219.51	**1,807.85**		1,823.80
		506.03	528.60		**1,832.63**	1,853.63
Claims Recoverable:						
From Related Parties						
Unsecured, Considered Good	-		-	**3.43**		3.88
Unsecured, Considered Doubtful	-		-	**2.61**		2.61
	-		-	**6.04**		**6.49**

(₹ in Crore)

Particulars	Non Current			Current		
		March-2018	March-2017		March-2018	March-2017
From Others						
Unsecured, Considered Good	-		-	**878.64**		897.16
Unsecured, Considered Doubtful	-		-	**203.46**		91.17
	-		-	**1,082.10**		988.33
Less : Provision for Doubtful Claims	-			**206.07**		93.78
		-	-		**882.07**	901.04
Balance/ Deposits with Government Authorities						
Unsecured, Considered Good		**-**	-		**469.07**	422.72
Gold / Other Precious Metals	-		-	**163.32**		193.03
Less : Provision for Diminution in value	-		-	**13.09**		11.44
		-	-		**150.23**	181.59
Deferred Expenses		**649.50**	665.09		**189.97**	63.93
Prepaid Rentals		**1,325.36**	1,293.02		**73.97**	76.96
Others		**-**	-		**0.29**	0.25
TOTAL		**3,262.30**	**3,524.92**		**3,598.23**	**3,500.12**

NOTE-9: INVENTORIES

(₹ in Crore)

Particulars		March-2018	March-2017
In Hand :			
Raw Materials		**19,153.62**	14,396.97
Stock in Process		**5,403.10**	5,509.93
Finished Products		**23,493.25**	25,180.30
Stock in Trade		**7,755.08**	6,354.73
Stores, Spares etc.	**3,473.76**		3,154.90
Less : Provision for Losses	**184.26**		157.63
		3,289.50	2,997.27
Barrels and Tins		**41.66**	45.84
		59,136.21	54,485.04
In Transit :			
Raw Materials		**9,228.31**	7,867.68
Finished Products		**896.89**	990.68
Stock in Trade		**1,140.13**	2,154.29
Stores, Spares etc.		**166.36**	226.37
		11,431.69	11,239.02
TOTAL		**70,567.90**	**65,724.06**
A. Amount of write down of inventories carried at NRV and recognised as expense		**743.44**	816.46
B. Amount of reversal of write down of inventories recognised as income		**0.01**	1.73

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

D. For hypothecation details refer Note-21

NOTE -10: TRADE RECEIVABLES

(At amortised cost) (₹ in Crore)

Particulars		March-2018	March-2017
From Related Parties			
Unsecured, Considered Good	**91.98**		125.28
Unsecured, Considered Doubtful	**0.09**		0.10
	92.07		125.38
From Others			
Secured Considered Good	**150.00**		124.98
Unsecured, Considered Good	**10,454.50**		8,648.93
Unsecured, Considered Doubtful	**107.34**		118.22
	10,711.84		8,892.13
Total	**10,803.91**		**9,017.51**
Less : Provision for Doubtful Debts	**107.43**		118.32
		10,696.48	8,899.19
TOTAL		**10,696.48**	**8,899.19**

NOTE-11: CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars		March-2018	March-2017
Bank Balances with Scheduled Banks :			
Current Account	**244.57**		171.85
Fixed Deposit - Maturity within 3 months	**0.37**		0.05
		244.94	171.90
Bank Balances with Non-Scheduled Banks		**48.54**	127.62
Cheques, Drafts in hand		**22.92**	28.08
Cash Balances, Including Imprest		**2.50**	1.90
TOTAL		**318.90**	**329.50**

NOTE-12: BANK BALANCES OTHER THAN ABOVE

(₹ in Crore)

Particulars		March-2018	March-2017
Fixed Deposit	A	**152.86**	41.19
Earmarked Balances	B	**22.51**	39.05
Other Bank Balances	C	**0.01**	0.01
TOTAL		**175.38**	**80.25**
A) Earmarked in favour of Statutory Authorities.		**8.49**	6.07
B) Pertains to Unpaid Dividend/Fractional Share Warrants		**22.51**	39.05
C) There exists restrictions on repatriation from bank account in Myanmar		**0.01**	0.01

NOTE–13: ASSETS HELD FOR DISPOSAL

(₹in Crore)

Particulars	Note	March-2018	March-2017
Freehold land held for sale	A	**2.21**	2.21
Building	B	**0.43**	0.14
Plant and Equipment	B	**158.28**	56.12
Office Equipment	B	**0.63**	0.83
Transport Equipment	B	**0.02**	0.01
Furniture and Fixtures	B	**0.11**	**0.04**
Total		**161.68**	**59.35**

A. The Group has surplus land at various locations such as LPG plant, Depots and RO's etc. which is under the process of disposal. The management intends to sell the land. No impairment was recognised on reclassification of land as held for sale as the Group expects that the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount.

B. Includes non current assets retired from active use used in various segments which are planned to be disposed off by the company through tendering process within a year.

C. During the year, the Group has recognized impairment loss of ₹97.91 crore (2017: ₹27.10 crore) on write-down of the asset to fair value less costs to sell and the same has been shown under the caption 'Other Expenses' in the Statement of Profit & Loss.

NOTE-14: EQUITY SHARE CAPITAL

(₹ in Crore)

Particulars	March-2018	March-2017
Authorized:		
15,00,00,00,000(2017:6,00,00,00,000) Equity Shares of ₹ 10 each	**15,000.00**	6,000.00
Issued Subscribed and Paid Up:		
9,71,18,09,928(2017:4,85,59,04,964) Shares of ₹ 10 each fully paid up	**9,711.81**	4,855.90
Less: Equity Shares held under IOC Shares Trust 23,31,18,456(2017:11,65,59,228) Equity Share of ₹ 10 each fully paid up	**233.12**	116.56
TOTAL	**9,478.69**	**4,739.34**
A. Reconciliation of No. of Equity Shares		
Opening Balance	**4,855,904,964**	2,427,952,482
Shares Issued (Bonus Shares)	**4,855,904,964**	2,427,952,482
Shares bought back	**-**	-
Closing Balance	**9,711,809,928**	**4,855,904,964**

B. Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having par value of ₹ 10 each and is entitled to one vote per share. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the corporation, the holders of equity shares will be entitled to receive the remaining assets of the company in proportion to the number of equity shares held

C. Details of shareholders holdings more than 5% shares

Name of Shareholder	March-2018		March-2017	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
THE PRESIDENT OF INDIA	**5,533,436,444**	**56.98**	2,784,280,657	57.34
OIL & NATURAL GAS CORPORATION LIMITED	**1,337,215,256**	**13.77**	668,607,628	13.77
LIFE INSURANCE CORPORATION OF INDIA	**530,228,840**	**5.46**	375,354,812	7.73

During the year 2017-18, The President of India disinvested 1,75,62,435 equity shares in November 2017 in favour of BHARAT 22 ETF.

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

(a) Aggregate Number and class of shares alloted as fully paid up pursuant to contract(s) wtihout payment being received in cash	Nil
(b) Aggregate Number of shares alloted as fully paid up by way of bonus shares	
. During FY 2016-17(Octber 2016) in ratio of 1:1	2,427, 952, 482
. During FY 2017-18 (Mar 2018) in ratio of 1:1	4,855,904,964
(c) Aggregate Number and class of shares bought back	Nil

NOTE-15: OTHER EQUITY

(₹ in Crore)

Particulars			March-2018	March-2017
Retained Earnings				
General Reserve:				
As per last Account		**75,206.44**		71,420.93
Add: Remeasurement of Defined Benefit Plans		**164.52**		(370.68)
Add : Transfer from Bond Redemption Reserve		**162.13**		674.79
Less: Utilized for Issue of Bonus Shares including expenses (net of tax)		**4,743.14**		2,372.86
Add : Transfer from Items not reclassified to Profit or Loss		**(222.00)**		-
Add: Appropriation from Surplus		**9,558.98**		5,854.26
			80,126.93	75,206.44
Surplus (Balance in Statement of Profit and Loss):				
Balance Brought Forward from Last Year's Account		**951.42**		268.49
Profit for the Year		**22,189.45**		19,849.49
Add: Opening Balance Adjustment		**(0.82)**		-
Less: Appropriations				
Interim Dividend		**9,004.90**		8,531.08
Final Dividend		**474.06**		2,014.34
Corporate Dividend Tax on:				
Interim Dividend		**1,873.27**		1,764.16
Final Dividend		**95.10**		456.88
Insurance Reserve (Net)		**20.00**		20.00
Bond Redemption Reserve		**546.62**		525.58
Capital Reserve		**74.32**		-
Corporate Social Responsibility Reserve (Net)	A	**(6.55)**		0.26
General Reserve		**9,558.98**		5,854.26
Balance carried forward to next year			**1499.35**	951.42
			81,626.28	76,157.86

Other Reserves				
Bond Redemption Reserve :				
As per last Account		**2,842.36**		2,991.57
Add: Appropriation from Surplus		**546.62**		525.58
Less: Transfer to General Reserve		**162.13**		674.79
			3,226.85	2,842.36
Capital Redemption Reserve			**0.41**	-
Capital Reserve :				
As per last Account		**341.04**		338.51
Add: On Consolidation		**86.22**		2.53
			427.26	341.04
Securities Premium Account :				
As per last Account		**91.37**		91.37
Addition during the year		**(14.63)**		-
			76.74	91.37
Insurance Reserve :	B			
As per last Account		**203.48**		183.48
Add: Appropriation from Surplus		20.00		20.00
			223.48	203.48
Export Profit Reserve	C		53.72	53.72
Corporate Social Responsibility Reserve:	**A**			
As per Last Account		**7.33**		7.07
Add: Appropriation from Surplus		**333.94**		217.14
Less: Utilized during the year		**340.49**		216.88
			0.78	7.33
Foreign Currency Monetary Item Translation Difference Account				
As per Last Account		**(132.42)**		(414.88)
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items		**(24.48)**		(77.17)
Less: Amortized during the year		**(111.13)**		(359.63)
			(45.77)	(132.42)
Fair Value Through Other Comprehensive Income :				
Fair value of Equity Instruments				
As per Last Account		**18,203.37**		13,114.36
Add: Fair value during the year		**252.86**		5,089.01
Less: Transferred to General Reserve		**(222.00)**		-
			18,678.23	18,203.37
Fair value of Debt Instruments				
As per Last Account		**3.95**		(208.15)
Add: Fair value during the year		**(169.45)**		148.34
Less: Transferred to statement of profit and loss		**(16.09)**		(63.76)
			(149.41)	3.95
Translation Reserve on Consolidation				
As per last Account		**(415.30)**		(236.53)
Add : Translation difference		**691.86**		(178.77)
			276.56	(415.30)
TOTAL			**104,395.13**	**97,356.76**

A. Reserve is created for meeting expenses relating to CSR activities.
B. Reserve is created to mitigate risk of loss of assets not insured with external insurance agencies.
C. Amount set aside out of profits from exports for availing income tax benefits.

NOTE-16: LONG TERM BORROWINGS

(At Amortised Cost)

(₹ in Crore)

Particulars		Non Current			Current Maturities*		
			March-2018	March-2017		March-2018	March-2017
SECURED LOANS							
Bonds:							
Non-Convertible Redeemable Bonds-Series-VIII B	A & B		-	1,070.00		**1,133.85**	63.85
Non Convertible Debentures	C		-	1,000.00		**1,000.00**	-
Term Loans:							
Oil Industry Development Board (OIDB)	D		**458.39**	882.48		**425.81**	719.50
Finance Lease Obligations	E		**3,453.88**	3,605.55		**167.60**	150.86
Total Secured Loans			**3,912.27**	6,558.03		**2,727.26**	934.21
UNSECURED LOANS							
Bonds:							
Foreign Currency Bonds	F	**8,502.93**		8,331.50	**116.76**		115.90
Senior Notes (Bank of America)	G & B	-		648.55			662.09
					658.60		
			8,502.93	8,980.05		**775.36**	777.99
Term Loans:							
From Banks/ Financial Institutions							
In Foreign Currency Loans	H	**10,166.45**		10,007.85	**6.15**		2,728.39
From Government							
In Rupees	I	**478.86**		-	-		-
			10,645.31	10,007.85		**6.15**	2,728.39
Total Unsecured Loans			**19,148.24**	18,987.90		**781.51**	3,506.38
TOTAL LONG-TERM BORROWINGS			**23,060.51**	**25,545.93**		**3,508.77**	**4,440.59**

* Current maturities (including Finance Lease Obligations) are carried to Note - 17: Other Financial Liabilities.

NOTE-16: LONG TERM BORROWINGS (Contd…)

Secured Loans (Bonds : A - B)

	Particulars	Allotment Date	Coupon Rate	Date of Redemption	Security Details
A	10,700 Bonds of face value of ₹ 10,00,000/- each	10th September 2008	11.00 % p.a. payable annually on 15th September	After 10 years from the date of allotment	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.

B In line with the requirement of Companies (Share Capital and Debentures) Rules, 2014, the company has earmarked 8.20% Oil Marketing companies GOI Special Bonds 2023 of face value of ₹ 258.27 Crore (2017: ₹ 97.28 Crore) for total bonds value of ₹ 1721.80 crore (2017: ₹ 648.55 crore) maturing in the next financial year.

C	10,000 Nos. of 9.65% secured Redeemable Non convertible debentures (Series-II) of ₹ 10 Lakh each	10th January 2014	9.65 % p.a. payable annually on 10th January	Principal replayable at the end of 5 years from date of allotment	First change on specific Plant & machinery alongwith the underlying land together with all building & structures standing on land to the extent of ₹ 1,000 crore.

D Secured Term Loans

1. **Security Details for OIDB Loans:**

a)	First Charge on the facilities at Paradip Refinery, Odisha.
b)	First charge on the facilities at Butadiene Extraction Unit, Panipat, Haryana.
c)	First charge on the facilities at FCC Unit at Mathura Refinery, Uttar Pradesh.
d)	First charge on the facilities at Paradip-Raipur-Ranchi pipeline
e)	First charge on the facilities at SMPL System
f)	First charge on the facilities at Paradip-Haldia- Durgapur LPG Pipeline

NOTE-16: LONG TERM BORROWINGS (Contd…)

Secured Loans (Bonds : A - B)

2. Loan Repayment Schedule against loans from OIDB (Secured)-Term Loans

(₹ in Crore)

S.No.	Repayable During	Repayable Amount	Range of Interest Rate
1	2018-19	425.81	8.12% - 9.27%
2	2019-20	282.81	8.12% - 8.45%
3	2020-21	177.82	8.12% - 8.27%
	TOTAL	**886.44**	

E. Finance Lease Obligations

The Finanace Lease Obligations is against assets aquired under Finance Lease. The net carrying value of the same is ₹ 3555.00 crores (2017: ₹ 3715.24 crore).

Unsecured Loans

F. Repayment Schedule of Foreign Currency Bonds

S.No.	Particulars of Bonds	Date of Issue	Date of Repayment
1	USD 500 million Reg S bonds	1st August 2013	Payable after 10 years from the date of issue
2	SGD 400 million Reg S bonds	15th October 2012	On the same day, cross currency swap amounting to USD 325.57 Million. Payable after 10 years from the date of issue
3	USD 500 Million Reg S bonds	2nd August 2011	Payable after 10 years from the date of issue

G. Repayment Schedule of Senior Notes (Bank of America)

1 USD 300 Million US Private Placement bonds issued in four tranches of USD 75 Million dt. 6th June, 2nd July, 1st August and 4th sept. 2007 are payable in three tranches of USD 100 Million each on 1st August 2016, 1st August 2017 and 1st August 2018

H. Repayment Schedule of loans from Banks and Financial Institutions

Sl. No.	Particulars of Loans	Date of drawal	Date of Repayment
1	USD 300 Million syndication loan	29th Sept 2017	Payable after 5 years from the date of drawal
2	USD 250 Million syndication loan	29th Jan 2016	
3	USD 650 Million syndication loan (USD 300 Million repaid on 29th Sept 2017)	27th June 2014	

Sl. No.	Amount	Repayment date / Schedule
1	USD 50 Million Loan from SBI	18.09.2019
2	CAD 415.58 Million Loan from SBI	5 year from the date of drawal or 31st March 2021 which ever is earlier
3	US$ 300 million	5 years from the date of drawal(31.03.2017) i.e. 31.03.2022

I. Repayment Schedule of Unsecured Interest Free Loans from Govt of Odisha

1	Interest free loan given by Odisha Government for 15 years disbursed in quarterly installment of ₹ 175 crore starting from 01.04.2016 repayable after 15 years. The first installment of loan for the period April 2016 to December 2017 of ₹ 1225 crore has been received on 15.01.2018 and thereafter ₹ 175 crore is received every quarter. Total loan disbused till now is ₹ 1400 crore which is repayable after 15 years from the quarter for which the same is given i.e. in quarterly installements starting from last week of June 2031 onwards. This loan being interest free loan is discounted for fair value and Government grant accounting is done. Also refer Note-47.

NOTE-17: OTHER FINANCIAL LIABILITIES

(At Amortised Cost unless otherwise stated) (₹ in Crore)

Particulars	Non Current			Current		
		March-2018	March-2017		March-2018	March-2017
Current maturities of long-term debt (Refer Note - 16)		**-**	-		**3,508.77**	4,440.59
Interest accrued but not due on borrowings		**-**	-		**22.29**	22.07
Liability for Capital Expenditure		**-**	-		**3,930.34**	4,507.64
Liability to Trusts and Other Funds		**-**	-		**1,185.57**	1,885.22
Employee Liabilities		**-**	-		**3,465.83**	1,871.13
Investor Education & Protection Fund to be credited on the due dates:						
- Unpaid Dividend	**-**		-	**19.17**		39.02
- Unpaid Matured Deposits	**-**		-	**0.01**		0.01
		-	-		**19.18**	39.03
Derivative instruments at fair value through profit and loss		**-**	-		**221.40**	379.03
Security Deposits		**570.13**	461.16		**23,446.78**	20,955.99
Liability for Dividend		**-**	-		**3.30**	-
Others		**0.83**	0.76		**2,599.36**	1,927.57
TOTAL		**570.96**	**461.92**		**38,402.82**	**36,028.27**

NOTE-18: PROVISIONS

(₹ in Crore)

Particulars		Non Current			Current		
			March-2018	March-2017		March-2018	March-2017
Provision for Employee Benefits			**2,253.22**	3,059.43		**369.76**	499.61
Decommissioning Liability	A		**169.43**	166.48		**-**	-
Contingencies for probable obligations	B	-		-	**32,406.83**		36,433.51
Less: Deposits		-		-	**18,527.21**		17,867.37
			-	-		**13,879.62**	18,566.14
Other Provisions			**-**	-		**0.05**	0.79
TOTAL			**2,422.65**	**3,225.91**		**14,249.43**	**19,066.54**

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

(₹ in Crore)

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year**	Unwinding of discount and changes in the discount rate	Closing Balance
Decommissioning Liability - E&P Blocks	**166.48**	0.42	2.63	(1.08)	4.08	169.43
TOTAL	**166.48**	**0.42**	**2.63**	**(1.08)**	**4.08**	**169.43**
Previous Year Total	**197.08**	1.80	2.98	33.31	3.89	166.48

** Includes gain on account of transalation amounting to ₹ 6.24 crore (2017: Gain of ₹8.13 crore)

(₹ in Crore)

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year**	Closing Balance*
Excise	11.72	8.63	5.03	-	15.32
Sales Tax / GST	2,581.24	141.34	1.75	0.03	2,720.80
Entry Tax	31,758.05	1,199.50	2,288.35	2,933.26	27,735.94
Others	2,082.50	994.39	824.84	317.28	1,934.77
TOTAL	**36,433.51**	**2,343.86**	**3,119.97**	**3,250.57**	**32,406.83**
Previous Year Total	**26,584.61**	10,010.05	36.50	124.65	36,433.51

** Includes transalation difference of ₹ 0.06 crore.

(₹ in Crore)

Particulars	March-2018 Addition includes
- capitalized	**163.02**
- included in Raw Material	**470.71**
- included in Finance Cost	**1,073.62**
- included in Employee Benefit Expenses	**4.33**
- included in Other Expenses	**581.01**
- shown as provison for tax	**51.17**

* Expected timing of outflow is not ascertainable at this stage, the matters being under dispute/ contingent.

NOTE-19: TAXES

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

(₹ in Crore)

Particulars	As on 31.03.2017	Provided during the year in Statement of Profit and Loss *	Provided during the year in OCI (net)	Balance as on 31.03.2018
Deferred Tax Liability:				
Related to Fixed Assets	19,026.08	2,205.83	-	21,231.91
Foreign Currency gain on long term monetary item	67.63	(51.64)	-	15.99
Total Deferred Tax Liability (A)	**19,093.71**	**2,154.19**	**-**	**21,247.90**
Deferred Tax Assets:				
Provision on Inventories, Debtors, Loans and Advance, Investments	526.28	125.05	-	651.33
Compensation for Voluntary Retirement Scheme	21.09	(7.06)	-	14.03
43B/40 (a)(ia)/other Disallowances etc.	7,923.27	(1,942.13)	(3.29)	5,977.85
Carry Forward Business Losses/ Unabsorbed Depreciation	365.36	(359.89)	-	5.47
Remeasurement of defined benefit plan	-	0.06	0.08	0.14
Fair valuation of Equity instruments	(12.12)	-	444.02	431.90
Fair value of debt instruments	(23.01)	-	54.44	31.43
Others	82.11	(129.79)	-	(47.68)
Total Deferred Tax Assets (B)	**8,882.98**	**(2,313.76)**	**495.25**	**7,064.47**
MAT credit entitlement (C) **	**3,322.07**	**(1,506.49)**	**-**	**1,815.58**
Deferred Tax Liability net of MAT Credit (A-B-C)	**6,888.66**	**5,974.44**	**(495.25)**	**12,367.85**
* Includes translation reserve due to translation of opening balance at closing exchange rate		**0.44**		
** Includes ESC of LIOC		**18.64**		

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

Particulars	March-2018 %	March-2017 %
Applicable tax rate	**34.608**	**34.608**
Tax effect of income that are not taxable in determining taxable profit	(1.80)	(8.00)
Tax effect of expenses that are not deductible in determining taxable profit	1.15	0.82
Tax effect on recognition of previously unrecognised allowance/disallowances	1.37	1.30
Tax expenses/income related to prior years	(0.79)	(1.07)
Difference in tax due to income chargeable to tax at special rates	(0.02)	(0.03)
Tax impact on share of profit of JVs/ Associates added net of tax in PBT of Group	(0.57)	(0.64)
Tax effect of different or nil tax rates of Group Companies	(0.06)	(0.12)
Difference due to change in Rate of Tax	0.41	-
Others	0.02	0.21
Average Effective Tax Rate	**34.32**	**27.08**

NOTE-20: OTHER LIABILITIES

(₹ in Crore)

Particulars	Non Current		Current	
	March-2018	March-2017	March-2018	March-2017
Deferred Income	**6.58**	**9.57**	1.82	2.18
Government Grants (Refer Note 44)	**1,354.63**	**742.85**	84.99	16.78
Statutory Liabilities	-	-	7,860.00	10,006.93
Advances from Customers	-	-	3,415.22	3,002.74
Others	-	-	2.59	1.59
TOTAL	**1,361.21**	**752.42**	**11,364.62**	**13,030.22**

NOTE-21: BORROWINGS - CURRENT

(₹ in Crore)

Particulars			March-2018	March-2017
SECURED LOANS				
Loans Repayable on Demand				
From Banks:	A			
Working Capital Demand Loan		**6,102.85**		2,462.41
Cash Credit	B	**2,410.62**		2,671.88
Foreign Currency Loans		**43.17**		-
			8,556.64	5,134.29
From Others:				
Loans through Collaterised Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd. (CCIL)			**2,635.01**	2,635.14
Total Secured Loans			**11,191.65**	**7769.43**
UNSECURED LOANS				
Loans Repayable on Demand				
From Banks/ Financial Institutions				
In Foreign Currency		**20,981.53**		20,322.80
In Rupee		**3,907.68**		3,394.56
			24,889.21	23,717.36
From Others				
Commercial Papers		**2,999.65**		1,797.31
			2,999.65	1,797.31
Total Unsecured Loans			**27,888.86**	**25,514.67**
TOTAL SHORT-TERM BORROWINGS			**39,080.51**	**33,284.10**
A. Against hypothecation by way of first pari passu charge on Raw Materials, Finished Goods, Stock-in Trade, Sundry Debtors, Outstanding monies, Receivables, Claims, Contracts, Engagements to SBI and HDFC banks.				
B. Against pledging of following to CCIL:				
Government Securities			**2855.00**	3913.00
Bank Guarantees			**1650.00**	1650.00

NOTE-22: TRADE PAYABLES

(₹ in Crore)

Particulars		March-2018	March-2017
Dues to Micro and Small Enterprises		**23.96**	24.86
Dues to Related Parties		**527.30**	387.30
Dues to others		**36,215.43**	30,784.34
TOTAL		**36,766.69**	**31,196.50**

NOTE-23: REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars		March-2018	March-2017
Sales (Net of Discounts)	**506,476.10**		447,029.82
Sale of Services	**78.49**		76.26
Other Operating Revenues (Note "23.1")	**5,716.75**		1,666.66
		512,271.34	448,772.74
Net Claim/(Surrender) of SSC		**(6.90)**	(207.24)
Subsidy From Central/State Government		**81.11**	80.02
Grant from Government of India		**3,196.34**	5,149.21
TOTAL		**515,541.89**	**453,794.73**

Particulars relating to Revenue Grants are given in Note - 44.

NOTE-23.1: OTHER OPERATING REVENUES

(₹ in Crore)

Particulars		March-2018	March-2017
Sale of Power and Water		**178.15**	112.25
Revenue from Construction Contracts		**5.78**	13.35
Unclaimed / Unspent liabilities written back		**89.40**	269.65
Provision for Doubtful Debts, Advances, Claims, and Stores written back		**53.69**	93.91
Provision for Contingencies written back		**3,250.51**	80.23
Recoveries from Employees		**18.79**	31.03
Retail Outlet License Fees		**849.08**	165.93
Income from Non Fuel Business		**188.17**	198.05
Commission and Discount Received		**4.98**	10.33
Sale of Scrap		**152.13**	115.81
Income from Finance Leases		**0.20**	0.40
Amortization of Capital Grants		**30.86**	16.39
Revenue Grants (Refer point no. A3, A4 and A5 of Note - 44)		**270.08**	10.19
Commodity Hedging Gain (Net)		**-**	12.34
Terminalling Charges		**72.61**	74.23
Other Miscellaneous Income		**552.32**	462.57
TOTAL		**5,716.75**	**1,666.66**

NOTE-24: OTHER INCOME

(₹ in Crore)

Particulars			March-2018	March-2017
Interest on:	A			
Financial items:				
Deposits with Banks		**14.12**		30.55
Customers Outstandings		**330.80**		319.09
Oil Companies GOI SPL Bonds/ Other Investment		**926.48**		922.36
Other Financial Items		**511.86**		376.39
Non-Financial items		**44.26**		135.23
			1,827.52	1,783.62
Dividend:	B			
From Related Parties		**14.80**		4.55
From Other Companies		**720.29**		856.32
			735.09	860.87
Profit on Sale of Investments (Net)	C		**31.36**	43.61
Fair value Gain on Investment/ Provision Written Back (Net)			**18.38**	-
Exchange Fluctuations (Net)			**245.02**	1,119.04
Gain on Derivatives			**46.40**	-
Fair value Gain on Financial instruments classified as FVTPL			**459.51**	-
Other Non Operating Income			**56.60**	55.06
TOTAL			**3,419.88**	**3,862.20**
A 1. Includes Tax Deducted at Source			**13.55**	34.26
A 2. Includes interest received under section 244 A of the Income Tax Act.			**22.96**	111.42
A 3. Include interest on:				
Current Investments			**652.86**	724.29
Non-Current Investments			**273.62**	198.07
A 4. Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss:				
In relation to Financial assets classified at amortised cost			**856.78**	726.03
In relation to Financial assets classified at FVOCI			**895.86**	864.24
B Dividend Income consists of Dividend on:				
Current Investments			**14.08**	33.88
Non-Current Investments			**721.01**	826.99
C. Includes Gain/(Loss) reclassified from Fair Value of Debt Instruments Reserve			**(24.60)**	(98.59)

NOTE-25: COST OF MATERIALS CONSUMED

(₹ in Crore)

Particulars	March-2018	March-2017
Opening Stock	**22,264.65**	13,979.68
Add: Purchases	**223,345.79**	188,159.32
	245,610.44	202,139.00
Less: Closing Stock	**28,381.93**	22,264.65
TOTAL	**217,228.51**	**179,874.35**

Particulars relating to Revenue Grants adjusted in purchases are given in Note - 44.

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

(₹ in Crore)

Particulars		March-2018	March-2017
Closing Stock			
Finished Products	**24,390.14**		26,170.98
Stock in Process	**5,403.10**		5,509.93
Stock- in - trade	**8,895.21**		8,509.02
		38,688.45	40,189.93
Less:			
Opening Stock			
Finished Products	**26,170.98**		18,040.90
Stock in Process	**5,509.93**		2,788.28
Stock - in - Trade	**8,509.02**		4,268.62
		40,189.93	25,097.80
NET INCREASE / (DECREASE)		**(1,501.48)**	**15,092.13**

NOTE-27: EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars			March-2018	March-2017
Salaries, Wages, Bonus etc			**7,980.69**	7,013.84
Contribution to Provident & Other Funds			**1,670.42**	2,273.25
Voluntary Retirement Compensation			**1.22**	55.47
Staff Welfare Expenses			**1,028.37**	920.20
TOTAL			**10,680.70**	**10,262.76**

A. Includes ₹**16.74 Crore**(2017: ₹25.62 Crore) towards compensation to executives for working in shift in the plant/operations area on which the company has taken up the matter with MOP&NG /DPE.

B. Excludes ₹**328.47 crore** (2017: ₹237.82 crore) included in capital work in progress (Note - 2.2) Out of which ₹**0.54 crore**(2017: ₹ 0.90 crore) paid to executives working in grass root projects till comercial production, where the company has taken up the matter with MOP & NG. and ₹**13.94 crore** (2017: ₹9.90 crore) included in CSR expenses (Note - 29.1).

D. Includes ₹**240.47 crore** (2017:Nil) towards SABF contribution for past service prior to 31.12.2006

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

NOTE-28: FINANCE COSTS

(₹ in Crore)

Particulars		March-2018	March-2017
Interest Payments on Financial items:			
Working Capital Loans:			
Bank Borrowings	432.76		323.55
Bonds/Debentures	-		3.15
	432.76		326.70
Other Loans:			
Bank Borrowings	700.71		669.91
Bonds/Debentures	618.24		612.35
Others	491.55		467.68
	1,810.50		1,749.94
Unwinding of Discount	9.84		4.10
Others	128.53		25.12
	2,381.63		2,105.86
Interest Payments on Non Financial items:			
Unwinding of Discount	4.08		3.89
Others	1,109.59		1,435.82
	1,113.67		1,439.71
		3,495.30	3,545.57
Other Borrowing Cost		24.38	22.73
Applicable Net (Gain) / Loss on Foreign Currency Transactions and Translation		290.83	152.96
TOTAL		3,810.51	3,721.26
Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss		2,381.63	2,105.86

NOTE-29: OTHER EXPENSES

(₹ in Crore)

Particulars		March-2018	March-2017
Consumption:			
a) Stores, Spares and Consumables	1,573.06		1,435.53
b) Packages & Drum Sheets	406.03		430.51
		1,979.09	1,866.04
Power & Fuel	20,420.51		17,060.18
Less : Fuel from own production	15,589.54		13,088.96
		4,830.97	3,971.22
Throughput, Processing & Blending Fees, Royalty and Other Charges		1,491.35	1,430.52
Octroi, Other Levies and Irrecoverable taxes		1,621.60	1,531.93
Repairs and Maintenance			
i) Plant & Equipment	3,050.18		2,382.99
ii) Buildings	295.97		330.91
iii) Others	513.94		500.42
		3,860.09	3,214.32
Freight, Transportation Charges and Demurrage		12,818.86	11,945.52
Office Administration, Selling and Other Expenses (Note "29.1")		6,402.30	12,884.49
TOTAL		33,004.26	36,844.04
Less: Company's use of own Products and Crude		645.07	934.31
		32,359.19	35,909.73
TOTAL (Net)		32,359.19	35,909.73

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

(₹ in Crore)

Particulars		March-2018	March-2017
Rent		**1,126.38**	680.38
Insurance		**120.30**	122.55
Rates & Taxes		**124.33**	92.76
Donations		**10.91**	3.00
Payment to auditors			
As Auditors	**2.77**		3.52
For Taxation Matters	**0.52**		0.35
Other Services(for issuing other certificates etc.)	**0.70**		1.20
For reimbursement of expenses	**0.38**		0.38
		4.37	5.45
Travelling & Conveyance		**676.10**	601.47
Communication Expenses		**65.58**	65.35
Printing & Stationery		**41.33**	40.99
Electricity & Water		**353.83**	312.49
Bank Charges		**30.45**	21.83
Advances & Claims written off		**2.54**	62.31
Provision/ Loss on Assets sold or written off (Net)		**160.77**	125.95
Technical Assistance Fees		**30.26**	23.66
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.		**367.31**	145.22
Provision for Diminution/Loss on Revaluation in Investments (net)		**-**	0.07
Security Force Expenses		**750.76**	521.25
Sales Promotion Expenses (Including Commission)		**341.45**	383.90
Handling Expenses		**515.71**	423.78
Expenses on Enabling Facilities		**0.36**	0.24
Commodity Hedging Losses (Net)		**31.79**	-
Terminalling Charges		**21.34**	21.37
Provision for Probable Contingencies		**-**	7,509.09
Exploration & Production Cost		**265.56**	301.63
Loss on Derivatives		**-**	146.54
Fair value Loss on Financial instruments classified as FVTPL		**-**	0.56
Amortisation of FC Monetary Item Translation		**111.13**	359.63
Expenses on Construction Contracts		**5.25**	11.35
Expenses on CSR Activities		**340.49**	216.88
Miscellaneous Expenses		**904.00**	684.79
TOTAL		**6,402.30**	**12,884.49**

NOTE-30: OTHER COMPREHENSIVE INCOME

(₹ in Crore)

Particulars		March-2018	March-2017
Items that will not be reclassified to profit and loss:			
Remeasurement of Defined Benefit Plans	**255.51**		(568.18)
Fair value of Equity Instruments	**(191.73)**		5,104.37
Share of Joint Ventures and associates in Remeasurement of Defined Benefit Plans	**0.65**		(2.70)
		64.43	4,533.49
Income Tax relating to items that will not be reclassified to profit and loss:			
Remeasurement of Defined Benefit Plans	**(88.57)**		196.69
Fair value of Equity Instruments	**444.02**		(12.54)
Share of Joint Ventures and associates in Remeasurement of Defined Benefit Plans	**(0.24)**		0.83
		355.21	184.98
Items that will be reclassified to profit and loss:			
Fair value of Debt Instruments	**(232.42)**		247.75
Translation Reserve on Consolidation	**721.18**		(208.87)
Share of Joint Ventures and associates in Translation Reserve on Consolidation	**(33.21)**		15.21
		455.55	54.09
Income Tax relating to items that will be reclassified to profit and loss:			
Fair value of Debt Instruments	**62.97**		(99.41)
		62.97	(99.41)
TOTAL		**938.16**	**4,673.15**

NOTE–31: DISTRIBUTIONS MADE AND PROPOSED

(₹ in Crore)

	March-2018	March-2017
Cash dividends on Equity Shares declared:		
Final dividend		
Total Final dividend during the current year for 31 March-2017: ₹ 1.00 per share (31 March 2016: ₹ 4.25 per share after restatement for bonus shares).	**485.59**	2,063.76
Less Final Dividend pertaining to IOC Share trust (refer Note-2)	**11.66**	49.54
Final dividend net of IOC share trust	**473.93**	**2,014.22**
DDT on final dividend	**47.90**	419.96
Interim dividend		
Total Interim dividend for 31 March-2018: ₹ 19.00 per share before bonus issue (31 March-2017: ₹ 18.00 per share).	**9,226.22**	8,740.63
Less Interim Dividend pertaining to IOC Share trust (refer Note-2)	**221.46**	209.81
Interim dividend net of IOC share trust	**9,004.76**	**8,530.82**
DDT on interim dividend	**1,873.27**	1,757.13
Total	**11,399.86**	**12,722.13**
Proposed dividends on Equity shares		
Final proposed dividend for 31 March-2018: ₹ 2.00 per share (31 March-2017: ₹ 0.50 per share after adjustment of bonus issue). The dividend per share without restatement of bonus shares for 31 March-2017 is ₹ 1.00 per share.	**1,942.36**	485.59
Less Proposed Dividend pertaining to IOC Share trust (refer Note-2)	**46.64**	11.66
Final proposed dividend net of IOC share trust	**1,895.72**	473.93
DDT on proposed dividend	**399.26**	47.90
	2,294.98	**521.83**

Notes

1. Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31 March-2018.
2. Shares held under IOC Share Trust of face value ₹233.12 crore (Pre-bonus ₹ 116.56 crore) has been netted off from paid up capital.
3. The Company has also incurred expenses on distribution of final dividend amounting to ₹ 0.13 crore (2017: ₹ 0.12 crore) and on distribution of interim dividend amounting to ₹ 0.14 crore (2017: ₹ 0.26 crore) which has been debited to equity.

NOTE–32: EARNINGS PER SHARE (EPS)

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

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

(₹ in Crore)

Particulars	March-2018	March-2017
Profit attributable to equity holders	**22,189.45**	19,849.49
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	**94,786,914,72**	94,786,914,72
Weighted Average number of equity shares used for computing Earning Per Share (Diluted)	**94,786,914,72**	94,786,914,72
Earning Per Share (Basic) (₹)	**22.52**	20.16
Earning Per Share (Diluted) (₹)	**22.52**	20.16
Face value per share (₹)	**10.00**	10.00

Notes

1. Equity Shares held under IOC Share Trust of face value ₹233.12 crore (Pre-bonus ₹116.56 crore) has been netted off from weighted average number of equity shares and EPS is worked out accordingly.
2. Pursuant to the approval of the shareholders, the company has issued bonus shares in the ratio of one Equity Shares of ₹10/- each for one existing equity share of ₹10/- each in March-2018. Accordingly, earnings per share (EPS) (basic and diluted) of FY 2016-17 have been adjusted on account of bonus shares.

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

Information about subsidiaries

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

Name	Principal Activities	Country of Incorporation	% Equity Interest	
			March-2018	March-2017
Chennai Petroleum Corporation Limited	Refining of petroleum products	India	**51.89%**	51.89%
Indian Catalyst Private Limited	Manufacturing of FCC catalyst / additive	India	**100.00%**	100.00%
IndianOil (Mauritius) Ltd.	Terminalling, Retailing & Aviation refuelling	Mauritius	**100.00%**	100.00%
Lanka IOC PLC	Retailing, Terminalling & Bunkering	Sri Lanka	**75.12%**	75.12%
IOC Middle East FZE	Lube blending & marketing of lubricants	UAE	**100.00%**	100.00%
IOC Sweden AB	Investment company for E&P Project in Venezuela	Sweden	**100.00%**	100.00%
IOCL (USA) Inc.	Participation in Shale Gas Asset Project	USA	**100.00%**	100.00%
IndOil Global B.V.	Investment company for E&P Project in Canada	Netherlands	**100.00%**	100.00%
IOCL Singapore PTE Limited	Investment company for E&P Project in Russia	Singapore	**100.00%**	100.00%

The Holding Company

56.98% of total shares are held by President of India as at March 31, 2018 (31 March 3017: 57.34%)

Material partly-owned subsidiaries

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

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

Name	Country of incorporation	March-2018	March-2017
Chennai Petroleum Corporation Limited	India	**48.11%**	48.11%
Lanka IOC PLC	Sri Lanka	**24.88%**	24.88%

2. Information Regarding None - Controlling Intrest :

(₹ in Crore)

	March-2018	March-2017
Accumulated balances of material non-controlling interest:		
Chennai Petroleum Corporation Limited	**1,922.93**	1,655.56
Lanka IOC PLC	**228.29**	249.00
Profit/(loss) allocated to material non-controlling interest:		
Chennai Petroleum Corporation Limited	**446.07**	505.57
Lanka IOC PLC	**(9.17)**	30.34

NOTE–33A: GROUP INFORMATION AND MATERIAL PARTLY-OWNED SUBSIDIARIES (CONTD…)

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

1. Summarised Balance Sheet: (₹ in Crore)

	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	March-2018	March-2017	March-2018	March-2017
Current assets	**6,687.88**	4,659.62	**965.18**	692.87
Current liabilities	**9,038.26**	5,659.75	**567.76**	193.57
Non-current assets	**7,618.14**	6,963.27	**520.98**	509.06
Non-current liabilities	**1,270.77**	2,522.04	**0.83**	7.57
Net assets	**3,996.99**	**3,441.10**	**917.57**	**1,000.79**
Accumulated Non-Controlling Interests	**1,922.93**	1,655.56	**228.29**	249.00

2. Summarised Statement of Profit and Loss: (₹ in Crore)

	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	March-2018	March-2017	March-2018	March-2017
Revenue From Operations	**44,189.18**	40,607.39	**3,849.40**	3,691.56
Other Income	**30.78**	20.89	**53.91**	32.29
Cost of Material Consumed	**29,313.45**	24,255.78	**-**	-
Excise Duty	**11,661.19**	12,915.98	**-**	-
Purchases of Stock in trade	**400.62**	159.57	**3,988.59**	3,257.12
Changes in inventories of finished goods, stock-in-trade and work in progress	**(606.67)**	105.54	**(216.82)**	128.98
Employee Benefits Expense	**581.75**	512.89	**21.04**	23.42
Finance Costs	**320.86**	272.79	**9.79**	9.15
Depreciation and amortization expense	**340.20**	278.64	**15.14**	14.92
Impairment Losses	**4.33**	61.79	**-**	-
Net Loss on de-recognition of financial assets at amortised cost	**-**	-	**-**	-
Other Expenses	**751.24**	706.83	**123.79**	144.05
Profit before exceptional items and tax	**1,452.99**	1,358.47	**(38.22)**	146.21
Exceptional Items	**-**	-	**-**	-
Share of Profit of Joint Ventures/Associates	**19.54**	27.63	**-**	-
Profit/(loss) before tax	**1,472.53**	1,386.10	**(38.22)**	146.21
Tax expense	**545.31**	335.29	**(1.31)**	24.32
Profit (Loss) for the period	**927.22**	**1,050.81**	**(36.91)**	**121.89**
Other Comprehensive Income	**6.26**	(5.68)	**(18.33)**	(48.29)
Total comprehensive income	**933.48**	1,045.13	**(55.24)**	73.60
Attributable to Non-Controlling Interests	**446.07**	505.57	**(9.17)**	30.34
Dividends paid to Non-Controlling Interests	**150.44**	28.65	**6.95**	7.50

3. Summarised Cash Flow Information: (₹ in Crore)

	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	March-2018	March-2017	March-2018	March-2017
Operating Activities	**2,756.69**	608.74	**(115.12)**	69.23
Investing Activities	**(969.20)**	(1,169.31)	**(35.82)**	(277.00)
Financing Activities	**(1,787.71)**	560.74	**145.79**	(90.26)
Currency Translation Difference	**-**	-	**(0.49)**	(5.84)
Net increase/(decrease) in Cash and Cash Equivalents	**(0.22)**	0.17	**(5.64)**	(303.87)

NOTE-33 B: INTEREST IN JOINT VENTURE & ASSOCIATES

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

Name of entity	Place of Business	% of Ownership Interest	Carrying Amount (₹ in crore)
Joint Venture			
IOT Infrastructure & Energy Services Limited	India	49.38%	500.53
Lubrizol India Private Limited	India	26.00%	153.20
Indian Oil Petronas Private Limited	India	50.00%	509.74
Green Gas Limited	India	49.97%	81.64
Indian Oil Skytanking Private Limited	India	50.00%	71.80
Suntera Nigeria 205 Ltd.	Nigeria	25.00%	-
Delhi Aviation Fuel Facility Private Limited	India	37.00%	75.85
Indian Synthetic Rubber Private Limited	India	50.00%	72.03
Indian Oil Ruchi Biofuels LLP	India	50.00%	-
NPCIL - IndianOil Nuclear Energy Corporation Limited	India	26.00%	0.32
GSPL India Transco Limited	India	26.00%	100.39
GSPL India Gasnet Limited	India	26.00%	101.74
IndianOil Adani Gas Private Limited	India	50.00%	116.95
Mumbai Aviation Fuel Farm Facility Private Limited	India	25.00%	55.83
Kochi Salem Pipelines Private Limited	India	50.00%	71.31
IndianOil LNG Private Limited	India	50.00%	276.81
IndianOil Panipat Power Consortium Limited	India	50.00%	-
Petronet CI Limited (under liquidation)	India	26.00%	-
Hinduatan Urvarak and Rasayan Limited	India	29.67%	332.16
Ratnagiri Refinery & Petrochemicals Limited	India	50.00%	40.59
Associates			
Avi-Oil India Private Limited	India	25.00%	14.62
Petronet VK Limited	India	50.00%	0.02
Petronet LNG Limited	India	12.50%	1,226.41
Petronet India Limited	India	18.00%	0.49

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

B. Summarised Financials of Material Joint Venture:

I. Summarised Balance Sheet of M/s IOT Infrastructure & Energy Services Limited:

(₹ in Crore)

Particulars	March-2018	March-2017
Current assets	**949.05**	1,058.96
Current liabilities	**784.90**	918.27
Non-current assets	**3,319.46**	3,464.12
Non-current liabilities	**2,471.83**	2,682.94

Particulars	March-2018	March-2017
Net assets	**1,011.78**	921.87
Proportion of the Group's ownership	**499.65**	454.85
Carrying amount of the investment	**500.53**	455.73
The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	**50.54**	79.21
Current Financial Liabilities	**562.44**	661.67
Non-current financial liabilities	**2,392.41**	2,587.58

II. Summarised Statement of Profit and Loss of M/s IOT Infrastructure & Energy Services Limited:

(₹ in Crore)

Particulars	March-2018	March-2017
Revenue From Operations	**605.50**	1,159.82
Other Income	**130.41**	82.30
Revenue From Operations	**735.91**	**1,242.12**
Cost of Material/Service Consumed	**29.32**	331.58
Employee Benefits Expense	**80.47**	120.58
Finance Costs	**265.27**	321.26
Depreciation and amortization expense	**30.70**	51.83
Other Expenses	**181.35**	366.82
Profit/(loss) Before tax	**148.80**	**50.05**
Tax expense:		
Current Tax	**13.63**	9.44
Deferred Tax	**(21.24)**	(16.22)
Profit (Loss) for the year	**156.41**	**56.83**
Other Comprehensive Income	**(65.67)**	26.00
Total comprehensive income	**90.74**	**82.83**
Group's Share in above:		
Profit (Loss) for the period	**77.24**	37.50
Other Comprehensive Income	**(32.40)**	12.83
Total comprehensive income	**44.84**	40.87
Dividend received	-	-

C. Summarised Financials of Material Associates:

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

(₹ in Crore)

Particulars	March-2018	March-2017
Current assets	**7,027.10**	4,902.63
Current liabilities	**2,860.22**	2,162.67
Non-current assets	**8,717.43**	9,010.96
Non-current liabilities	**3,073.02**	3,572.53
Net assets	**9,811.29**	8,178.39
Proportion of the Group's ownership	**1,226.41**	1,022.30
Carrying amount of the investment	**1,226.41**	1,022.30

Particulars	March-2018	March-2017
The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	**855.30**	320.99
Current Financial Liabilities	**2,401.34**	1,829.40
Non-current financial liabilities	**733.41**	1,450.03

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

(₹ in Crore)

Particulars	March-2018	March-2017
Revenue From Operations	**30,598.62**	24,616.03
Other Income	**317.40**	346.64
Revenue From Operations	**30,916.02**	**24,962.67**
Cost of Material/Service Consumed	**26,690.19**	21,416.92
Employee Benefits Expense	**91.20**	73.86
Finance Costs	**162.99**	209.65
Depreciation and amortization expense	**411.65**	369.07
Other Expenses	**472.29**	515.52
Profit/(loss) Before tax	**3,087.70**	2,377.65
Tax expense:		
Current Tax	**659.31**	512.88
Deferred Tax	**317.95**	141.64
Profit (Loss) for the year	**2,110.44**	**1,723.13**
Other Comprehensive Income	**0.52**	(1.79)
Total comprehensive income	**2,110.96**	**1,721.34**
Group's Share in above:		
Profit (Loss) for the period	**263.81**	215.39
Other Comprehensive Income	**0.07**	(0.22)
Total comprehensive income	**263.88**	215.17
Dividend received	**46.88**	23.44

D. Details in respect of Immaterial Joint Venture & Associates:

(₹ in Crore)

Particulars	March-2018	March-2017
Carrying Amount of Investments		
Joint Ventures	**2,060.36**	1,540.02
Associates	**15.13**	31.76
Aggregate amounts of the group's share of immaterial Joint Ventures:		
Share of Profits After Tax	**204.39**	258.01
Other comprehensive income	**(0.10)**	0.75
Total comprehensive income	**204.29**	258.76
Aggregate amounts of the group's share of immaterial Associates:		

Particulars	March-2018	March-2017
Share of Profits After Tax	**3.08**	13.40
Other comprehensive income	**0.01**	(0.03)
Total comprehensive income	**3.09**	13.37

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

(₹ in Crore)

Particular	March-2018	March-2017
Joint Venture		
Capital Commitments	**1,014.71**	1,449.33
Contingent Liabilities	**554.32**	361.71
Associates		
Capital Commitments	**21.31**	39.97
Contingent Liabilities	**90.90**	77.47

NOTE–34: INTEREST IN JOINT OPERATIONS

	Principle place of business	Proportion of ownership interest	
		March-2018	March-2017
The Group`s interest in joint operations is as under			
E&P BLOCKS			
1) MN-OSN-2000/2#	India	**20.00%**	20.00%
2) AA-ONN-2001/2@	India	**20.00%**	20.00%
3) GK-OSN-2009/1**	India	**25.00%**	25.00%
4) GK-OSN-2009/2	India	**30.00%**	30.00%
5) CB-ONN-2010/6	India	**20.00%**	20.00%
6) AAP-ON-94/1	India	**29.03%**	29.03%
7) BK-CBM-2001/1	India	**20.00%**	20.00%
8) NK-CBM-2001/1	India	**20.00%**	20.00%
9) FARSI BLOCK IRAN^	Iran	**40.00%**	40.00%
10) LIBYA BLOCK 86#	Libya	**50.00%**	50.00%
11) LIBYA BLOCK 102/4#	Libya	**50.00%**	50.00%
12) SHAKTHI GABON	Gabon	**50.00%**	50.00%
13) YEMEN 82*	Yemen	**Relinquished**	15.00%
14) AREA 95-96~	Libya	**25.00%**	25.00%
15) North Monteny Joint Venture	Canada	**10.00%**	10.00%
16) Niobrara Shale Project	USA	**10.00%**	10.00%
OTHERS			
17) INDOIL Netherlands B.V.	Netherlands	**50.00%**	50.00%
18) Petroleum Indian International	India	**36.36%**	36.36%

*Block Yemen 82 relinquished during 2017-18

** Participating interest changed to 25% for exclusive operations in Appraisal phase on account of non participation by GSPC

^ The project 's exploration period ended on 24 June 2009. Negotiations with Iranian Authorities are in progress for development of the Block

Blocks are under relinquishment.

~ Under Force Majeure since 20.05.2014

@ Exploration License expired on 07.10.2015 and approval of entry into Appraisal phase awaited from MoP&NG through DGH.

B. The Group share of financial position of joint operations is as under:

(₹ in Crore)

	March-2018	March-2017
Assets	**8,337.66**	**8,205.65**
- PPE (Including Producing properties)	**4,119.17**	3,928.19
- Capital Work in Progress	**54.73**	94.34
- Intangible asset under development (Net of Provisions)	**3,553.53**	3,540.34
- Other Assets	**610.23**	642.77
Liabilities & Provisions	**2,434.49**	**786.81**
- Liabilities	**2,265.06**	620.33
- Provisions	**169.43**	166.48
Income	**740.93**	**359.04**
- Sale of products (Net on own consumption)	**286.29**	347.60
- Other Income	**454.64**	11.44
Expenditure	**578.72**	**656.74**
- Expenditure written off (including exploration related)	**6.57**	29.69
- Other costs (including exploration related)	**572.15**	627.06
Commitments	**782.45**	870.57
Contingment liabilities	**-**	0.13

NOTE–35: DISCLOSURE RELATING EXPLORATION AND PRODUCTION ACTIVITIES

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

(₹ in Crore)

	Name	March-2018	March-2017
(i)	**Assets**	**204.92**	**308.15**
	- Property, plant and equipment	**-**	-
	- Intangible assets	**-**	-
	- Intangible assets under development	**196.68**	275.06
	- Capital Work in Progress	**0.73**	0.83
	- Other Assets	**7.51**	32.26
(ii)	**Liabilities**	**98.58**	**109.93**
	- Trade payables	**-**	-
	- Provisions	**2.31**	2.34
	- Other liabilities	**96.27**	107.59
(iii)	**Income**	**0.39**	**-**
	- Sale of crude oil	**-**	-
	- Sale of natural gas	**-**	-
	- Condensate etc.	**-**	-
	- Other Income	**0.39**	-
(iv)	**Expenses**	**39.74**	**90.61**
	- Exploration expenditure written off	**1.44**	26.61
	- Other exploration costs	**38.30**	64.00
(v)	**Cash flow**		
	- Net cash from/(used) in operating activities	**(24.52)**	(78.54)
	- Net cash from/(used) in investing activities	**82.63**	(2.22)

B. In compliance of revised guidance Note on Accounting for Oil and Gas Producing Activities, the required disclosures in respect of reserves are as under:

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

(₹ in Crore)

Assets		March-2018		March-2017	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate NGLs	Natural Gas
		TMT	Million Cubic Meter	TMT	Million Cubic Meter
A) Proved Reserves					
Niobrara Shale Project, USA	Begining	**92.63**	**15.12**	80.41	16.45
	Addition/(Reduction)	**32.48**	**12.79**	31.19	6.89
	Production	**18.70**	**8.37**	18.97	8.22
	Balance	**106.41**	**19.54**	**92.63**	**15.12**
North Montney Joint Venture	Begining	**1,467.77**	**20,461.76**	1,183.88	17,420.68
(Also Refer Note 48)	Addition/(Reduction)	**(754.75)**	**(11,815.81)**	322.69	3,618.72
	Production	**30.06**	**482.66**	38.80	577.64
	Balance	**6,82.96**	**8,163.29**	**1,467.77**	**20,461.76**
Assam AAP-ON-94/1*	Begining	**48.34**	**1730.51**	0.00	0.00
	Addition/(Reduction)	**0.00**	**0.00**	0.00	0.00
	Production	**0.92**	**15.25**	0.00	0.00
	Balance	**47.42**	**1,715.26**	**0.00**	**0.00**
Total Proved Reserves		**836.79**	**9,898.09**	1,560.40	20,476.88
B) Proved developed Reserves					
Niobrara Shale Project, USA	Begining	**61.94**	**11.41**	71.07	14.95
	Addition/(Reduction)	**26.55**	**10.67**	9.84	4.68
	Production	**18.70**	**8.37**	18.97	8.22
	Balance	**69.79**	**13.71**	**61.94**	**11.41**
North Montney Joint Venture	Begining	**283.71**	**3,753.95**	239.82	3,570.19
(Also Refer Note 48)	Addition/(Reduction)	**(20.85)**	**117.15**	82.68	761.40
	Production	**30.06**	**482.66**	38.80	577.64
	Balance	**232.80**	**3,388.44**	**283.70**	**3,753.95**
Assam AAP-ON-94/1*	Begining	**48.34**	**1,384.41**	0.00	0.00
	Addition/(Reduction)	**0.00**	**0.00**	0.00	0.00
	Production	**0.92**	**15.25**	0.00	0.00
	Balance	**47.42**	**1369.16**	**0.00**	**0.00**
Total Proved developed Reserves		**350.01**	**4,771.31**	**345.64**	**3,765.36**

*During the year, Dirok field of Pre-NELP block AAP-ON-94/1 commenced production of gas and condensate on 26th August 2017 having producing life cycle of 20 years. Indian Oil has the participating interest of 29.03% in the block.

Net Proved Reserves & Proved developed Reserves of Crude Oil, Condensate, Natural Gas Liquids and Gason geographical Basis:

(₹ in Crore)

Details	March-2018		March-2017	
	Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
	TMT	Million Cubic Meter	TMT	Million Cubic Meter
A) Proved Reserves				
U.S.	**106.41**	**19.54**	92.63	15.12
Canada	**682.96**	**8,163.29**	1,467.77	20,461.76
India	**47.42**	**1,715.26**	0.00	0.00
Total Proved Reserves	**836.79**	**9,898.09**	**1,560.40**	**20,476.88**
B) Proved developed Reserves				
U.S.	**69.79**	**13.71**	61.94	11.41
Canada	**232.80**	**3,388.44**	283.70	3,753.95
India	**47.42**	**1,369.16**	0.00	0.00
Total Proved developed Reserves	**350.01**	**4,771.31**	**345.64**	**3,765.36**

Frequency

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

NOTE–36: EMPLOYEE BENEFITS

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

A. Defined Contribution Plans- General Description

Provident Fund (EPS-95)

During the year, the Group has recognised ₹ 42.00 crore (2017 : ₹ 42.16 crore) as contribution to EPS-95 in the Statment of Profit and Loss/CWIP (included in Contribution to Provident and Other Funds in Note - 27/ Construction period expenses in Note-2.2) .

Pension Scheme

During the year, the Group has recognised ₹ 538.83 crore (2017 : ₹ 376.99 crore) towards Defined Contributory Employees Pension Scheme in the Statment of Profit and Loss/CWIP (included in Contribution to Provident and Other Funds in Note - 27/ Construction period expenses in Note-2.2).

B. Defined Benefit Plans- General Description

Provident Fund:

The Group's contribution to the Provident Fund is remitted to separate provident fund trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Group. The Group has three Provident Funds maintained by respective PF Trusts in respect of which actuarial valuation is carried out and all three trusts do not have any deficit as on 31st March-2018.

Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the eiligible salary for every completed year of service subject to maximum of ₹ 0.20 crore at the time of separation from the company. Besides, the ceiling of gratuity increases by 25% whenever IDA rises by 50%.

Post Retirement Medical Scheme (PRMS):

PRMS provides medical benefit to retired employees and eligible dependant family members.

Resettlement Allowance:

Resettlement allowance is paid to employees to permanently settle down at a place other than the location of last posting at the time of retirement.

Ex gratia:

Ex-gratia is payable to those employees who have retired before 01-11-1987 and not covered under the pension scheme. Further, for employees who have retired on or after 01-11-1987 and their entitlement under the pension scheme is less than applicable amount under Ex- Gratia Scheme, such employees are also eligible to the extent of shortfall or difference under Ex-gratia scheme. The scheme of ex-gratia has been restricted to cover only those eligible employees who have retired upto 31.12.06, and not thereafter.

Staff Pension fund at AOD:

The Fund is maintained for disbursement of pension to Officers who have joined erstwhile Assam Oil Company before 14-10-1981 and opted to continue the benefit of pension as existing prior to takeover. The Group is managing the fund after takeover of the erstwhile Assam Oil Group in the name of IOCL(AOD) Staff Pension Fund.

Workmen Compensation:

The Group pays an equivalent amount of 100 months' salary to the family member of the employee if employee dies while he is on duty. This scheme is not funded by the Group. The liability originates out of the Workmen compensation Act and Factory Act.

C. Other Long-Term Employee Benefits - General Description

Leave Encashment:

Each employee is entitled to get 8 earned leaves for each completed quarter of service. Encashment of earned leaves is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation of 300 days. In addition, each employee is entitled to get 5 sick leaves (in lieu of 10 HPL) at the end of every six months. The entire accumulation is permitted for encashment only at the time of retirement. DPE had clarified that sick leave cannot be encashed, though Earned Leave (EL) and Half Pay Leave (HPL) could be considered for encashment on retirement subject to the overall limit of 300 days. MOP&NG has advised the company to comply with the DPE Guidelines. However, keeping in view operational complications and service agreements the company has continued with the present practice and requested concerned authorities to reconsider the matter.

Long Service Award:

On completion of specified period of service with the company and also at the time of retirement, employees are rewarded with amounts based on the duration of service completed.

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

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

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

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

(i) Reconciliation of balance of Defined Benefit Plans

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non - Funded	Non-Funded	Non-Funded
Defined Obligation at the beginning	**11,756.18** *10,682.93*	**1,523.44** *1,503.86*	**4,322.03** *3,515.28*	**2.85** *4.31*	**59.66** *50.37*	**87.58** *82.02*	**198.42** *197.28*	**2.82** *2.89*
Current Service Cost	**420.95** *369.33*	**21.66** *11.91*	**197.94** *168.24*	**0.06** *0.12*	**3.32** *0.97*	**13.96** *13.52*	- -	**0.15** *0.10*
Past Service Cost	- -	**1,354.35** -	- -	- -	**103.77** -	**40.78** -	- -	- -
Interest Cost	**1,159.20** *935.13*	**111.04** *119.73*	**321.99** *283.33*	**0.12** *0.25*	**4.45** *3.98*	**6.38** *6.53*	**14.90** *15.41*	**0.36** *0.36*
Contribution by employees	**1,014.48** *829.06*	- -	- -	- -	- -	- -	- -	- -
Net Liability transferred In / (Out)	**68.01** *64.88*	- -	- -	- -	- -	- -	- -	- -
Benefits paid	**(1,101.01)** *(1,125.15)*	**(154.67)** *(170.96)*	**(180.16)** *(174.74)*	**(1.82)** *(1.77)*	**(3.49)** *(2.46)*	**(6.16)** *(7.31)*	**(27.32)** *(28.76)*	**(0.14)** (0.26)
Actuarial (gain)/ loss on obligations	- -	**(55.61)** *58.90*	**(99.86)** *529.92*	**0.02** *(0.06)*	**(3.40)** *6.80*	**(20.20)** *(7.18)*	**4.55** *14.49*	**0.49** *(0.27)*
Defined Benefit Obligation at the end of the year	**13,317.81** *11,756.18*	**2,800.21** *1,523.44*	**4,561.94** *4,322.03*	**1.23** *2.85*	**164.31** *59.66*	**122.34** *87.58*	**190.55** *198.42*	**3.68** *2.82*

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

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non - Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the beginning of the year	**12,122.32** *11,045.14*	**1,923.12** *1,930.21*	**3,702.41** *2,463.84*	**2.87** *4.32*	- -	- -	- -	- -
Interest Income	**1,159.20** *935.13*	**140.17** *153.67*	**275.83** *198.59*	**0.12** *0.25*	- -	- -	- -	- -
Contribution by employer	**420.95** *369.33*	- -	**772.23** *1,189.23*	- -	- -	- -	- -	- -
Contribution by employees	**1,014.48** *829.06*	- -	**1.18** *1.34*	- -	- -	- -	- -	- -
Net Liability transferred In / (Out)	**68.01** *64.88*	- -	- -	- -	- -	- -	- -	- -
Benefit paid	**(1,101.01)** *(1,125.15)*	**(154.67)** *(170.96)*	**(180.16)** *(174.74)*	**(1.82)** *(1.77)*	- -	- -	- -	- -
Re-measurement (Return on plan assets excluding Interest Income)	**(99.29)** *3.93*	**10.76** *10.20*	**70.74** *24.15*	**0.07** *0.07*	- -	- -	- -	- -
Fair value of plan assets at the end of the year	**13,584.66** *12,122.32*	**1,919.38** *1,923.12*	**4,642.23** *3,702.41*	**1.24** *2.87*	- -	- -	- -	- -

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

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non - Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the end of the year	**13,584.66** *12,122.32*	**1,919.38** *1,923.12*	**4,642.23** *3,702.41*	**1.24** *2.87*	- -	- -	- -	- -
Defined Benefit Obligation at the end of the year	**13,317.81** *11,756.18*	**2,800.21** *1,523.44*	**4,561.94** *4,322.03*	**1.23** *2.85*	**164.31** *59.66*	**122.34** *87.58*	**190.55** *198.42*	**3.68** *2.82*
Amount not recognised in the Balance Sheet (as per para 64 of Ind-As 19)	**(266.85)** *(366.14)*	- -	- -	- -	- -	- -	- -	- -
Amount recognised in the Balance Sheet	- -	**880.83** *(399.68)*	**(80.29)** *619.62*	**(0.01)** *(0.02)*	**164.31** *59.66*	**122.34** *87.58*	**190.55** *198.42*	**3.68** *2.82*

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

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non -Funded	Non-Funded	Non-Funded
Current Service Cost	**420.95**	**21.66**	**197.94**	**0.06**	**3.32**	**13.96**	**-**	**0.15**
	369.33	*11.91*	*168.24*	*0.12*	*0.97*	*13.52*	-	*0.10*
Past Service Cost	**-**	**1,354.35**	**-**	**-**	**103.77**	**40.78**	**-**	**-**
	-	-	-	-	-	-	-	-
Net Interest Cost	**-**	**(29.13)**	**46.16**	**-**	**4.45**	**6.38**	**14.90**	**0.36**
	-	*(33.94)*	*84.74*	-	*3.98*	*6.53*	*15.41*	*0.36*
Contribution by Employees	-	-	**(1.18)**	-	-	-	-	-
	-	-	*(1.34)*	-	-	-	-	-
Expenses for the year	**420.95**	**1,346.88**	**242.92**	**0.06**	**111.54**	**61.12**	**14.90**	**0.51**
	369.33	*(22.03)*	*251.64*	*0.12*	*4.95*	*20.05*	*15.41*	*0.46*

The Past service cost in respect of Gratuity includes ₹1,322.91 crore for which provisional liability has already been provided during previous year.

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

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non - Funded	Non-Funded	Non-Funded
Actuarial (gain)/ loss on Obligations - Due to change in assumptions	-	**(86.61)**	**192.00**	-	**(3.40)**	**(7.62)**	**4.55**	**(0.20)**
	-	*64.38*	*577.13*	*0.03*	*6.80*	*6.67*	*2.47*	*(0.47)*
Actuarial (gain)/ loss on Obligations - Due to Experience	-	**31.00**	**(291.86)**	**0.02**	-	**(12.58)**	-	**0.69**
	-	*(5.48)*	*(47.21)*	*(0.09)*	-	*(13.85)*	*12.02*	*0.20*
Re-measurement (Return on plan assets excluding Interest Income)	-	**10.76**	**70.74**	**0.07**	-	-	-	-
	-	*10.20*	*24.15*	*0.07*	-	-	-	-
Net Loss / (Gain) recognized in OCI	**-**	**(66.37)**	**(170.60)**	**(0.05)**	**(3.40)**	**(20.20)**	**4.55**	**0.49**
	-	*48.70*	*505.77*	*(0.13)*	*6.80*	*(7.18)*	*14.49*	*(0.27)*

(vi) Major Actuarial Assumptions

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded*	Funded*	Funded*	Funded*	Non-Funded	Non-Funded*	Non-Funded*	Non-Funded
Discount rate	**7.78%**	**7.78%**	**7.76%**	**6.60%**	**7.76%**	**7.78%**	**7.82%**	**11.50%**
	7.29%	*7.29%*	*7.45%*	*6.40%*	*7.45%*	*7.29%*	*7.51%*	*13.00%*
Salary escalation	-	**8.00%**	-	**8.00%**	-	-	-	**1-6%**
	-	*8.00%*	-	*8.00%*	-	-	-	*2-8%*
Inflation	-	-	**8.00%**	-	**7.00%**	**6.00%**	-	-
	-	-	*7.00%*	-	*7.00%*	*6.00%*	-	-
Average Expected Future Service/ Obligation (Years)	-	**15**	**30**	**2**	**16**	**15**	**9**	**14**
	-	*15*	*30*	*2*	*16*	*15*	*11*	-

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

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

(vii) Sensitivity on Actuarial Assumptions:

(₹ in Crore)

Loss/ (Gain) for:	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Gratuity
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded
Change in Discounting Rate								
Increase by 1%	-	**(152.78)**	**(607.15)**	**(0.01)**	**(24.68)**	**(13.34)**	**(7.34)**	**(0.15)**
	-	*(99.78)*	*(564.54)*	*(0.03)*	*(9.35)*	*(9.62)*	*(10.23)*	*(0.15)*
Decrease by 1%	-	**175.66**	**790.46**	**0.01**	**27.98**	**16.66**	**8.04**	**0.17**
	-	*107.36*	*730.89*	*0.03*	*10.64*	*11.96*	*6.03*	*0.17*
Change in Salary Escalation								
Increase by 1%	-	**39.82**	-	**0.01**	-	-	-	**0.18**
	-	*11.20*	-	*0.03*	-	-	-	*0.18*
Decrease by 1%	-	**(44.51)**	-	**(0.01)**	-	-	-	**(0.17)**
	-	*(13.26)*	-	*(0.03)*	-	-	-	*(0.17)*
Change in Inflation Rate								
Increase by 1%	-	-	**467.36**	-	**28.26**	-	-	-
	-	-	*413.09*	-	*10.71*	-	-	-
Decrease by 1%	-	-	**(383.10)**	-	**(25.10)**	-	-	-
	-	-	*(340.75)*	-	*(9.49)*	-	-	-

(viii) Investment details:

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Investment with Insurer	-	**98.45%**	**93.95%**	**97.27%**
	-	*97.33%*	*92.28%*	*97.27%*
Self managed investments	**100.00%**	**1.55%**	**6.05%**	**2.73%**
	100.00%	*2.67%*	*7.72%*	*2.73%*

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

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Government Securities (Central & State)	**44.12%**	**68.24%**	**65.19%**	**2.73%**
	43.57%	*60.84%*	*56.52%*	*2.73%*
Investment in Equity / Mutual Funds	**4.68%**	**5.40%**	**5.18%**	-
	2.06%	*6.87%*	*6.38%*	-
Investment in Debentures / Securities	**41.23%**	**22.69%**	**25.57%**	-
	43.76%	*27.57%*	*31.80%*	-
Other approved investments (incl. Cash)	**9.96%**	**3.66%**	**4.06%**	**97.27%**
	10.62%	*4.72%*	*5.30%*	*97.27%*

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

(₹ In Crore)

Cash Flow Projection from the Fund/Employer	Gratuity	PRMS	Staff Pension Fund at AOD	PRMS	Resettlement Allowance	Ex-Gratia	Total
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded	
Within next 12 Months	**507.04**	**183.81**	**0.02**	**4.19**	**9.01**	**33.03**	**737.10**
	293.92	*173.28*	*0.99*	*1.37*	*5.66*	*29.51*	*504.73*
Between 2 to 5 Years	**1,142.29**	**780.53**	**1.36**	**23.20**	**33.17**	**106.74**	**2,087.29**
	1,036.29	*798.10*	*2.26*	*7.49*	*22.51*	*93.76*	*1,960.41*
Between 6 to 10 Years	**1,168.56**	**1,098.67**	-	**47.12**	**43.84**	**82.83**	**2,441.02**
	1,117.06	*1,210.26*	-	*15.90*	*32.38*	*70.03*	*2,445.63*

Note:

1. General Description of the defined beenfit plans applicable to the Holding Company.

NOTE–37: COMMITMENTS AND CONTINGENCIES

A. LEASES

(a) Operating lease — as Lessee

(i) Lease Rentals charged to the Statement of profit and loss and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements/ arrangements

(₹ in Crore)

Lease Rentals for Non-Cancellable operating leases	March-2018	March-2017
(a) Lease rentals recognized during the year (incl. applicable cases as per (iii) below)	**8228.94**	7935.34
(b) Lease Obligations		
Within one year	**6810.15**	7509.18
After one year but not more than five years	**9942.26**	16243.41
More than five years	**637.25**	842.05

These relate to storage tankage facilities for petroleum products, BOO contract for Nitrogen and Hydrogen Plant, QC labaratory at Paradip Refinery, land leases and various other leases in substance as mentioned in (iii) below.

(ii) The Group has taken certain assets (including lands,office/residential premises) on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements incl. applicable cases as per (iii) below. During the current year, ₹1051.84 crore (2017: ₹384.33 crore) has been paid towards cancellable Operating Lease. Also refer Note 1B for more details on judgements made for lease classification in case of lands .

(iii) Leases in substance (Operating lease: Group as lessee)

The Group has entered into some contracts which are in substance operating lease contracts. Currently, the Group has booked payment made under these contracts as expenses in the statement of profit and loss. The details in respect of material operating lease arrangements are as under:

(a) The Group has entered into various agreements with transporters for the movement of petroleum products for different tenures. Under these agreements, specific trucks are identified that are used exclusively for the transport operations of the Group only.

(b) The Group has entered into agreements with vessel owners for hiring of vessels for different tenures. Specified vessels are identified in the agreement with reference to the name and description of vessel, which can only be used. Such vessels are dedicated for the Group's use only for the entire period of arrangement. Further, during the lease period, the owner can let out the specific vessel to any third party only after obtaining The Group's permission. Hence this arrangement is classified as lease as per Appendix C to Ind AS 17.

(c) BOO agreement with Air Liquide Industries is for supply of oxygen and nitrogen at Panipat Refinery for a period of 18 years. The land is owned by the group and the plant is being operated by contractor for supply of oxygen and nitrogen to the Group. There is a commitment to pay monthly minimum amount as per the agreement. The Group shall always have first right of use of Nitrogen & Oxygen manufactured at the plant. Nitrogen gas manufactured by the contractor is mainly supplied to the Group. Hence this arrangement is classified as lease as per Appendix C to Ind AS 17.

Details of expenses booked under various arrangements are as under:

(₹ in Crore)

Operating Lease cases under Appendix C of Ind-AS-17	March-2018	March-2017
Processing Fee under the head "Other expenses" in relation to lubricants filling arrangement	**0.19**	0.23
Handling expense under the head "Other expenses" in relation to CFA arrangement	**38.48**	39.53
Freight and transportation charges under the head "Other Expenses" in relation to arrangement with transporters	**7505.79**	6803.45
Processing Fee and other charges under the head "Other expenses" in relation to terminalling arrangement with GCPTCL	**9.12**	2.10
Transportation charges under the head "Other expenses" in relation to Prime Mover Agreement	**6.83**	5.39
Purchase of nitrogen & oxygen for supply of oxygen and nitrogen at Panipat Refinery under " Cost of materials consumed"	**77.25**	95.97
Freight charges under the head "Cost of Materials Consumed"/ "Other expenses" in relation to Time Charter Arrangement	**803.74**	1358.03

(b) Operating lease — as Lessor

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

(₹ in Crore)

	March-2018	March-2017
A. Lease rentals recognized as income during the year	**2.86**	0.45
B. Value of assets given on lease included in Property, Plant and Equipments		
- Gross Carrying Amount	**3.10**	1.96
- Accumulated Depreciation	**0.43**	0.24
- Depreciation recognized in the Statement of Profit and Loss	**0.08**	0.12

These relate building and plant and equipment given on lease.

(c) Finance lease — as Lessee

The Group has entered into following material finance lease arrangements:

(i) BOOT agreement with IOT Utkal Energy Services Ltd. in respect of Tankages facility for a period of 15 years. Lessor will transfer ownership to The Group after 15 Years at Nil value.

(ii) BOOT agreement with IL&FS in respect of Water Intake facility for a period of 25 years. Lessor will transfer ownership to The Group after 25 Years at Rs.0.01 crore.

(iii) The Group has entered into finance lease arrangements with Gujarat Adani Port Limited related to Port facilities at Gujarat for a period of 25 years and 11 months.

(iv) The Group has obtained various lands from the governments for purpose of plants, facilities and offices. Lease cases where at the inception of the lease, the present value of minimum lease payments is substatitally equal to the fair value of leased assets are considered under finance leases. Also refer Note 1B for more details on judgements made for lease classification.

Disclosure under Finance Lease as Lessee: (₹ in Crore)

		March-2018	March-2017
(i)	Minimum lease payments		
	- Within one year	**562.06**	560.92
	- After one year but not more than five years	**2229.72**	2222.27
	- More than five years	**4279.84**	4819.27
	Total	**7071.62**	**7602.46**
(ii)	Present value of minimum lease payments		
	- Within one year	**167.60**	150.86
	- After one year but not more than five years	**856.53**	766.63
	- More than five years	**2597.35**	2838.92
	Total	**3621.48**	3756.41
	Add: Future finance charges	**3450.14**	3846.05
	Total	**7071.62**	**7602.46**

The Net Carrying amount of the assets acquired under Finance Lease is disclosed in Note – 2

(d) Finance lease — as lessor

The Group has entered into following material finance lease arrangements:

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

(ii) The Group has entered into a lease agreement with Indian Synthetic Rubber Private Limited in which the compay has leased out land for one time upfront payment of ₹ 16.65 crores

(₹ in Crore)

	March-2018	March-2017
A. Gross Investments in Finance Lease	**432.28**	**432.29**
Less: Unearned Finance Income	**0.16**	0.38
Less: Finance Income Received	**170.98**	170.76
Less: Minimum Lease payment received	**260.07**	258.96
Net Investment in Finance Lease as on Date	**1.07**	2.19
B.Unearned finance Income	**0.16**	0.38
C. Present Value of Minimum Lease Payments Receivable		
- Within one year	**0.69**	1.11
- After one year but not more than five years	**0.38**	1.08
- More than five years	**0.00**	0.00
TOTAL	**1.07**	**2.19**
D. Break-up of un-earned income		
- Within one year	0.11	0.22
- After one year but not more than five years	0.05	0.16
- More than five years	0.00	0.00
TOTAL	**0.16**	**0.38**

B. CONTINGENT LIABILITIES

B.1 Claims against the Group not acknowledged as debt

Claims against the Group not acknowledged as debt amounting to ₹ 8775.01 crore (2017: ₹9935.45 crore) are as under:

B.1.1 ₹**398.56 crore** (2017: ₹158.2 crore) being the demands raised by the Central Excise /Customs/ Service Tax Authorities including interest of ₹**27.66 crore** (2017: ₹31.86 crore).

B.1.2 ₹**31.23 crore** (2017: ₹73.59 crore) in respect of demands for Entry Tax from State Governments including interest of ₹**3.07 crore** (2017: ₹8.98 crore).

B.1.3 ₹**3303.86 crore** (2017: ₹3350.82 crore) being the demands raised by the VAT/ Sales Tax Authorities including interest of ₹**1332.72 crore** (2017: ₹1416.64 crore).

B.1.4 ₹**1990.52 crore** (2017: ₹2495.45 crore) in respect of Income Tax demands including interest of ₹**662.08 crore** (2017: ₹620.4 crore).

B.1.5 ₹**2043.49 crore** (2017: ₹2696.5 crore) including ₹1618.75 crore (2017: ₹2424.3 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹**164.54 crore** (2017: ₹52.52 crore).

B.1.6 ₹**1007.35 crore** (2017: ₹1160.89 crore) in respect of other claims including interest of ₹**405.84 crore** (2017: ₹258.38 crore).

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

B.2 Other money for which the Group is contingently liable

Pending decision of the Government, no liability could be determined and provided for in respect of additional compensation, if any, payable to the land owners and the Government for certain lands acquired.

C. COMMITMENTS

C.1 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹**15919.84 crore** (2017: ₹13731.23 crore) Capital Commitments in respect of Joint Operations are disclosed in Note 34.

C.2 Other Commitments

C.2.1 The Group has an export obligation to the extent of ₹**2923.89 crore** (2017: ₹5916.46 crore) on account of concessional rate of duty availed under EPCG license scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.

C.2.2 To meet the direction of Honourable High court of Orissa, the Group has a commitment to pay ₹**280.1 crore** (2017: ₹280.1 crore) towards providing high tech ambulances, removal of old anicut and construction of water treatment plant in the state of Orissa . In addition, the Group has to incur cost towards dredging through Orissa Construction Co , a state government agency estimate for which yet to be finalised.

C.2.3 IndianOil LNG Private Limited (IOLPL), the JV company, has entered into Debenture Subscription Agreement with ICICI Bank (ICICI), in which, the Company (IOCL), as promoter of IOLPL, has provided put option under which ICICI has option to sell Compulsory Convertible Debenture (CCD) to the Company (IOCL) before the expiry date. In addition to this, the Company, at the sole discretion, has right to acquire CCD from ICICI on or before the expiry date. The Group's (IOCL) share of such obligation is ₹ **949.05 Crore** (2017: ₹ 341.28 Crore).

C.2.4 The Group through IOCL Singapore Pte Ltd has entered into an agreement with Shell Overseas Holding Ltd to acquire 17% participating interest in the Mukhaizna Oil Field, Oman by acquiring 100% of the share capital in Shell Exploration & Production Oman Ltd (SEPOL). The Company has outstanding investment commitment of ₹**2144.42 Crore** as on 31 March-2018. The acquisition of SEPOL was completed on 05th April 2018.

C.2.5 The Group has issued Corporate Guarantee, on behalf of IndianOil Adani Gas Private Limited (IOAGPL), to the extent of obligations of later company under Performance Bank Guarantee facility provided to IOAGPL by 'State Bank of India, Syndicate Bank, Canara Bank, Bank of Baroda, Allahabad Bank, IndusInd Bank, Jammu and Kashmir Bank and Axis bank'. The Company's share of such obligation is estimated at ₹**3,280.94 crore** (2017: ₹2,471.38 crore).

C.2.6 The Group has issued Corporate Guarantee, on behalf of IndianOil LNG Private Limited (IOLPL), to the extent of obligations of IOLPL under Performance Bank Guarantee facility provided to IOLPL by State Bank of India. The estimated amount of such obligation is at ₹ **11.40 crore** (2017 ₹11.40 crore).

C.2.7 The Group has entered into Signature Bonus Agreement with Republic of Venezuela payable on achievement of various project milestones. The estimated amount of such obligation is at ₹373.18 crore (2017: ₹368.89 crore).

D. CONTINGENT ASSETS

(₹ in Crore)

		March-2018	March-2017
a.	A customer had lodged a claim against the Group challenging the pricing mechanism of utilities provided. The matter was referred to arbitration and award was given in favour of the Group. During the year customer has approached Honuorable High court challenging the award of arbitration and the case is pending with Honourable High court for final adjudication. Honourable High court vide its interim orders dated 28.08.2017 and 19.04.2018 has directed the customer to deposit the principal amount and interest amount respectively in the Registry of the court. Court has also directed that the amount deposited by the customer shall be released to the Group upon furnishing an unconditional Bank Guarantee of the equivalent amount. The management has treated a portion of the same as contingent asset pending adjudication of matter with Honourable High Court.	**112.98**	96.00
b.	Contingent Asset in respect of M/s Khazana Projects and Industries (P) Ltd. for the amount of risk & cost claim along with 15% supervision charges admitted by the Arbitrator in favour of IOCL.	**3.48**	3.36
	Total	**116.46**	**99.36**

NOTE–38: RELATED PARTY DISCLOSURES

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

1. Relationship with Entities

A) Details of Joint Ventures (JV) / Associate Entities to IOCL & its subsidiary

1) IOT Infrastructure & Energy Services Limited
2) Lubrizol India Private Limited
3) Petronet VK Limited
4) IndianOil Petronas Private Limited
5) Avi-Oil India Private Limited
6) Petronet India Limited
7) Petronet LNG Limited
8) Green Gas Limited
9) IndianOil Panipat Power Consortium Limited
10) Petronet CI Limited
11) IndianOil LNG Private Limited
12) IndianOil SkyTanking Private Limited
13) Suntera Nigeria 205 Limited
14) Delhi Aviation Fuel Facility Private Limited
15) Indian Synthetic Rubber Private Limited
16) Indian Oil Ruchi Biofuels LLP
17) NPCIL- IndianOil Nuclear Energy Corporation Limited
18) GSPL India Transco Limited
19) GSPL India Gasnet Limited
20) IndianOil - Adani Gas Private Limited
21) Mumbai Aviation Fuel Farm Facility Private Limited
22) Kochi Salem Pipeline Private Limited
23) Hindustan Urvarak & Rasayan Limited
24) Ratnagiri Refinery & Petrochemicals Limited
25) Indian Additives Limited
26) National Aromatics & Petrochemicals Corporation Limited
27) INDOIL Netherlands B.V., Netherland
28) Taas India PTE Limited
29) Vankor India PTE Limited
30) Ceylon Petroleum Storage Terminals Limited
31) Falcon Oil & Gas B.V.

B) Details of Subsidiary to JV's of IOCL

1) IOT Engineering & Construction Services Ltd.
2) Stewarts and Lloyds of India Limited
3) IOT Infrastructures Private Limited
4) IOT Canada Limited
5) IOT Utkal Energy Services Limited
6) PT IOT EPC Indonesia
7) IOT Engineering Projects Limited
8) Indian Oiltanking Engineering & Construction Services LLC Oman
9) IOT Engineering & Construction Services Pte. Ltd. Singapore
10) JSC KazakhstanCaspishelf
11) IOT VITO MUHENDISLIK INSAAT VE TAAHUT A.S.
12) IndianOil Skytanking Delhi Pvt. Limited
13) IOT Anwesha FZE

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

		March-2018	March-2017
1	**Sales of Products / Services** [Includes sales to Indian Synthetic Rubber Private Limited ₹ **484.07 crore** (2017: ₹ 431.43 crore) and IndianOil Petronas Private Limited ₹ **273.56 crore** (2017: ₹ 132.75 crore)]	**857.40**	681.13
2	**Interest received** [Includes interest received from IndianOil LNG Private Limited ₹ **39.24 crore** (2017: ₹ 45.61 crore) and Indian Synthetic Rubber Private Limited ₹ **6.39 crore** (2017: ₹ 5.54 crore)]	**45.63**	51.15
3	**Other Operating Revenue/ Other Income** [Includes Other Operating Revenue / Other Income from Indian Synthetic Rubber Private Limited ₹ **75.30 crore** (2017: ₹ 42.73 crore) and Ceylon Petroleum Syorage Terminal Limited ₹ **14.81 crore** (2017: ₹ 4.55 crore)]	**108.23**	69.99

4	**Purchase of Products** [Includes Purchase of Products from Petronet LNG Limited ₹ **5,820.32 crore** (2017: ₹ 7,446.25 crore)]	**5,950.04**	7,540.73
5	**Purchase of Chemicals/ Materials** [Includes Purchase of Chemicals/ Materials from Petronet LNG Limited ₹ **3,080.47 crore** (2017: Nil)]	**3,485.52**	371.36
6	**Interest paid** [Includes Interest paid to IOT Utkal Energy Services Limited ₹ **299.64 crore** (2017: ₹ 311.76 crore)]	**299.64**	311.76
7	**Handling/ Other Expenses** [Includes Handling/ Other Expenses to IndianOil Skytanking Private Limited ₹ **351.20 crore** (2017: ₹ 264.55 crore), IndianOil Petronas Private Limited ₹ **290.44 crore** (2017: ₹ 351.57 crore), IOT Infrastructure & Energy Services Limited ₹ **93.02 crore** (2017: ₹ 88.19 crore) and Mumbai Aviation Fuel Farm Facility Private Limited ₹ **89.91 crore** (2017: ₹ 79.65 crore)]	**945.11**	906.60
8	**Reimbursement of Expenses** [Includes Reimbursement of Expenses pertaining to Indian Oil Petronas Private Limited ₹ **2.56 crore** (2017: ₹ 11.52 crore) and IOT Infrastructure & Energy Services Limited ₹ **0.99 crore** (2017: ₹ 0.05 crore)]	**4.09**	13.34
9	**Investments made/ (sold) during the year** [Includes Investment made/ (sold) in Hindustan Urvarak and Rasayan Limited ₹ **328.23 crore** (2017: ₹ 5.03 crore), Lubrizol India Private Limited ₹ **(56.96) crore** (2017: Nil), Ratnagiri Refinery & Petrochemicals Limited ₹ **50.00 crore** (2017: Nil) and GSPL India Transco Limited ₹ **45.76 crore** (2017: ₹ 10.40 crore)]	**440.43**	311.56
10	**Purchase/(Sale)/Acquisition of Fixed Assets including CWIP** [Includes Purchase/Acquisition of Fixed Assets incl. CWIP from IOT Utkal Energy Services Limited ₹ **6.04 crore** (2017: Nil) and IOT Infrastructure & Energy Services Limited ₹ **1.11 crore** (2017: ₹ 15.08 crore)]	**7.15**	15.78
11	**Provisions made/ (write back) during the year** [Includes Provision made/ (write back) in Petronet India Limited ₹ **Nil** (2017: ₹(18.00) crore]	**-**	(17.90)
12	**Outstanding Receivables/ Loans & Advances** [Includes Outstanding Receivables/ Loans & Advances from Petronet LNG Limited ₹ **307.61 crore** (2017: ₹ 332.30 crore), Vankor India PTE Limited ₹ **189.45 crore** (2017: ₹ 188.50 crore), Taas India PTE Limited ₹ **136.3 crore** (2017: ₹ NIL)] and Suntera Nigeria 205 Limited ₹ **113.58 crore** (2017: ₹ 109.30 crore)	**938.19**	1,401.10
13	**Outstanding Payables** [Includes Outstanding payable to IOT Utkal Energy Services Limited ₹ **2,817.97 crore** (2017: ₹ 2,923.37 crore) and Petronet LNG Limited ₹ **464.43 crore** (2017: ₹ 295.66 crore)]	**3,383.56**	3,354.67
14	**Investments in JV/ Associates as on date**	**2,251.56**	1,848.14

Note:

1) Transactions in excess of 10% of the total related party transactions for each type has been disclosed above.

2) In case of Joint Venture/ Subsidiary Companies constituted/acquired during the period, transactions w.e.f. date of constitution / acquisition is disclosed.

3) In case of Joint Venture / Subsidiary Companies which have been closed/divested during the period, transactions up to the date of closure / disinvestment only are disclosed.

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

1) M/s. JOT Filling Station, Rureke, Punjab (Indian Oil Retail Outlet): Owned by brother of Key Managerial Personnel

2) Shri Harvinder Singh Kainth (Manager, Indian Oil Corporation Limited): Brother of Key Managerial Personnel

3) Mindtree Limited (Company): Managed by Key Managerial Personnel

Details relating to the parties referred to in Item No.2 above: **(₹ in Crore)**

		March-2018	March-2017
1	**Sales of Products / Services**		
	M/s. JOT Filling Station	**3.46**	4.71
	M/s. Mindtree Limited	**0.09**	-
2	**Remuneration**		
	Shri Harvinder Singh Kainth	**0.40**	0.31
3	**Outstanding Receivables/ Loans & Advances**		
	M/s JOT Filling Station	**-**	0.08
	Shri Harvinder Singh Kainth	**0.09**	0.03

3. Government related entities where significant transactions carried out

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

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

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

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

4) Key Managerial Personnel

A. Whole Time Directors/ Company Secretary

1) Shri Sanjiv Singh
2) Shri B. Ashok (upto 31.05.2017)
3) Shri A.K.Sharma
4) Shri Anish Aggarwal
5) Shri B. S. Canth (upto 31.01.2018)
6) Shri G. K. Satish (w.e.f. 01.09.2016)
7) Shri S. S. V. Ramakumar (w.e.f. 01.02.2017)
8) Shri B V Rama Gopal (w.e.f. 12.02.2018)
9) Shri Ranjan Kumar Mohapatra (w.e.f. 19.02.2018)
10) Shri Verghese Cherian (upto 31.10.2017)
11) Shri Kamal Kumar Gwalani (w.e.f. 01.09.2017)
12) Shri Raju Ranganathan (upto 31.08.2017)

B. Independent Directors

1) Shri Sanjay Kapoor
2) Shri Parindu K. Bhagat
3) Shri Vinoo Mathur (w.e.f. 22.09.2017)
4) Shri Samirendra Chatterjee (w.e.f. 22.09.2017)
5) Shri Vivek Rae (w.e.f. 22.09.2017)
6) Shri Chitta Ranjan Biswal (w.e.f. 22.09.2017)
7) Dr.Jagdish Kishwan (w.e.f. 22.09.2017)
8) Shri Sankar Chakraborti (w.e.f. 22.09.2017)
9) Dr. B. Mahadevan (w.e.f. 22.09.2017 and upto 19.03.2018)
10) Shri Dharmendra S. Shekhawat (w.e.f. 22.09.2017)
11) Shri Subroto Bagchi (upto 29.06.2017)

C. Government Nominee Directors

1) Shri Ashutosh Jindal
2) Smt. Urvashi Sadhwani (w.e.f. 27.10.2017)
3) Shri A. P. Sawhney (Upto 22.06.2017)

D) Details relating to the parties referred to in item no. 4A & 4B above

March-2018 **(₹ in Crore)**

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remuneration	Sitting Fees	Outstanding Loans (Gross)/ Advance Receivables
A. Whole Time Directors/ Company Secretary						
1) Shri Sanjiv Singh	0.57	0.07	0.27	0.91	-	0.02
2) Shri B. Ashok	0.30	0.11	0.30	0.71	-	-
3) Shri A.K.Sharma	0.64	0.07	0.16	0.87	-	0.07
4) Shri Anish Aggarwal	0.72	0.17	0.59	1.48	-	-
5) Shri B. S. Canth	0.53	0.15	0.49	1.17	-	-
6) Shri G. K. Satish	0.53	0.07	0.12	0.72	-	0.01
7) Shri S. S. V. Ramakumar	0.53	0.07	0.05	0.65	-	0.03
8) Shri B V Rama Gopal	0.09	0.01	-	0.10	-	0.01
9) Shri Ranjan Kumar Mohapatra	0.08	0.01	-	0.09	-	0.23
10) Shri Verghese Cherian	0.41	0.13	0.47	1.01	-	-
11) Shri Kamal Kumar Gwalani	0.34	0.04	0.18	0.56	-	0.22
12) Shri Raju Ranganathan	0.21	0.12	0.28	0.61	-	-
B. Independent Directors						
1) Shri Sanjay Kapoor	-	-	-	-	0.16	-
2) Shri Parindu K. Bhagat	-	-	-	-	0.15	-
3) Shri Vinoo Mathur	-	-	-	-	0.05	-
4) Shri Samirendra Chatterjee	-	-	-	-	0.04	-
5) Shri Vivek Rae	-	-	-	-	0.04	-
6) Shri Chitta Ranjan Biswal	-	-	-	-	0.04	-
7) Dr.Jagdish Kishwan	-	-	-	-	0.05	-
8) Shri Sankar Chakraborti	-	-	-	-	0.05	-
9) Dr. B. Mahadevan	-	-	-	-	0.02	-
10) Shri Dharmendra S. Shekhawat	-	-	-	-	0.05	-
11) Shri Subroto Bagchi	-	-	-	-	0.05	-
TOTAL	**4.95**	**1.02**	**2.91**	**8.88**	**0.70**	**0.59**

March-2017 (₹ in Crore)

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remuneration	Sitting Fees	Outstanding Loans (Gross)/ Advance Receivables
A. Whole Time Directors/ Company Secretary						
1) Shri Sanjiv Singh	0.48	0.05	0.01	0.54	-	0.03
2) Shri B. Ashok	0.60	0.05	0.26	0.91	-	-
3) Shri A.K.Sharma	0.53	0.05	0.01	0.59	-	0.09
4) Shri Anish Aggarwal	0.58	0.06	0.06	0.70	-	0.05
5) Shri B. S. Canth	0.46	0.05	0.02	0.53	-	0.01
6) Shri G. K. Satish	0.26	0.03	0.08	0.37	-	0.03
7) Shri S. S. V. Ramakumar	0.09	0.01	-	0.10	-	0.07
10) Shri Verghese Cherian	0.55	0.05	0.08	0.68	-	0.01
12) Shri Raju Ranganathan	0.45	0.05	0.13	0.63	-	-
B. Independent Directors						
1) Shri Sanjay Kapoor	-	-	-	-	0.14	-
2) Shri Parindu K. Bhagat	-	-	-	-	0.12	-
3) Shri Subroto Bagchi	-	-	-	-	0.14	-
TOTAL	**4.00**	**0.40**	**0.65**	**5.05**	**0.40**	**0.29**

Notes :

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

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

3) Refer Note 5 for Present value of Outstanding Loans/ Advance Receivables from Directors

5) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

	Name of the Trust	Post Employment Benefit Plan	March-2018		March-2017	
			Contribution by employer	Outstanding Receivable/ (Payable)	Contribution by employer	Outstanding Receivable/ (Payable)
1	IOCL (Refinery Division) Employees Provident Fund	**Provident Fund**	**181.28**	**(19.79)**	154.74	(6.38)
2	Indian Oil Corporation Limited (Assam Oil Division) Employees Provident Fund	**Provident Fund**	**20.31**	**(7.21)**	15.70	(9.01)
3	Provident Fund for the Employees of Indian Oil Corporation Limited (Marketing Division)	**Provident Fund**	**199.44**	**(5.81)**	181.82	(2.57)
4	IOCL Employees Superannuation Benefit Fund	**Pension Scheme**	**592.22**	**143.97**	354.13	392.15
5	IOCL Employees Post Retirement Medical Benefit Fund	**Post Retirement Medical Scheme**	**772.23**	**80.29**	1,189.23	(619.62)
6	IOCL Employees Group Gratuity Trust	**Gratuity**	**-**	**(820.06)**	-	399.38
7	Indian Oil Corporation Limited (Assam Oil Division) Staff Pension Fund	**Pension Scheme**	**-**	**0.01**	-	0.02
8	CPCL Employees Provident Fund	**Provident Fund**	**20.12**	**4.37**	17.09	3.76
9	CPCL Employees Superannuation Benefit Fund	**Pension Scheme**	**21.13**	**2.17**	22.86	2.22

Transactions with CPCL Educational Trust **(₹ in Crore)**

	Type of Transactions	March-2018	March-2017
1	CSR Expenses	**0.62**	0.43
2	Repayment of Loan by trust	**-**	0.25
3	Interest	**-**	0.02

NOTE-39: SEGMENT INFORMATION

Primary Segment Reporting as per Ind-AS 108 for the year ended March 31, 2018 is as under: **(₹ in Crore)**

	March-2018					March-2017				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
Revenue										
External Revenue	488,321.27	18,033.84	9,186.78	-	**515,541.89**	427,515.65	19,802.01	6,477.07	-	453,794.73
Inter-segment Revenue	8,413.76	25.32	53.94	(8,493.02)	**0.00**	7,328.11	24.94	4,902.22	(12,255.27)	0.00
Total Revenue	**496,735.03**	**18,059.16**	**9,240.72**	**(8,493.02)**	**515,541.89**	**434,843.76**	**19,826.95**	**11,379.29**	**(12,255.27)**	**453,794.73**
Result										
Segment Results excluding Exchange Gain/(Loss)	28,520.87	5,255.84	224.32	-	**34,001.03**	20,677.16	6,826.78	(281.02)	-	27,222.92
Segmental Exchange Gain/(Loss)	223.59	(29.62)	6.60	-	**200.57**	582.03	(4.54)	7.14	-	584.63
Segment Results	**28,744.46**	**5,226.22**	**230.92**	**-**	**34,201.60**	**21,259.19**	**6,822.24**	**(273.88)**	**-**	**27,807.55**
Less: Unallocable Expenditure										
- Finance Cost					**3,810.51**					3,721.26
- Provision for diminution in Investments (Net)					**-**					0.07
- Loss on sale and disposal of Assets					**160.77**					125.95
- Loss on Derivatives					**-**					146.54
- Fair value Loss on Financial instruments classified as FVTPL					**-**					0.56
- Amortisation of FC Monetary Item Translation					**111.13**					359.63
Add: Unallocable Income										
- Interest/Dividend Income					**2,562.61**					2,644.49
- Profit on Sale of Investments (Net)					**31.36**					43.61
- Provision for diminution in Investments written back (Net)					**18.38**					-
- Exchange Gain - (Net)					**245.02**					1,119.04
- Gain on Derivatives					**46.40**					-
- Fair value gain on Financial instruments classified as FVTPL					**459.51**					-
- Other non operating income					**56.60**					55.06
- Share of Profit in Joint Venture and Associates					**911.15**					640.06
Profit Before Tax					**34,450.22**					**27,955.80**
Less: Income Tax (including deferred tax)					**11,823.87**					7570.40
Profit After Tax					**22,626.35**					**20,385.40**

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

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

2. Segment Revenue comprises of the following:
   a) Turnover (Inclusive of Excise Duties)
   b) Net Claim/(Surrender) of SSC
   c) Subsidy / Grants received from Governments
   d) Other Operating Revenue

3. Inter segment pricing are at Arm's length basis

4. There are no reportable geographical segments.

	March-2018					March-2017				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
Other Information										
Segment Assests	2,18.784.88	14,665.15	12,402.44		**2,45,852.47**	2,00,996.26	14,558.07	10,333.10		2,25,887.43
Corporate Assests										
Investments (Current and Non current)					**44,806.05**					43,687.24
Advances for Investments					**1,186.55**					188.51
Advance Tax					**1,303.84**					5.47
Interest Accured on investments/bank deposits					**188.07**					196.60
Loans to JV included in Loans and Recievables					**198.36**					690.98
Deposits for Leace encashment Fund					**2,135.91**					2,903.77
Total Assets					**2,95,671.25**					**2,73,560.00**
Segment Liabilities	99,008.26	557.05	1,817.31		**1,01382.62**	96,167.08	440.91	2,312.10		98,920.09
Corporate Liabilities										
Liability Dividend					**3.30**					-
Provision for taxation										79.91
Borrowings (Short term and Long term)					**62.141.02**					58,830.03
Current maturities of long term debt					**3,508.77**					4,440.59
Deffered tax liabilities					**12,367.85**					6,888.66
Interest accured but not due on borrowings					**22.29**					22.07
Derivative Liabilites					**221.40**					397.03
Total Liabilities					**179,647.25**					**169,560.38**
Capital Employed										
Segment Wise	119,776.62	14,108.10	10,585.13		**144,469.85**	104,829.18	14,117.16	8,021.00		126,967.34
Corporate					**(28,445.85)**					(22,967.72)
Total Capital Employed					**116,024.00**					**103,999.62**
Capital Expenditure	23,551.43	1,257.75	181.59	-	**24,990.77**	12,732.66	391.61	73.93	-	13,198.20
Depreciation and Amortization	6517.61	851.02	294.91	-	**7663.54**	5731.31	747.08	327.53	-	6,805.92

Geographical information

(₹ in Crore)

	Revenue from external customers		Non-current assets	
	March-2018	March-2017	March-2018	March-2017
India	**483,836.14**	433,837.71	**142,400.10**	131.540.47
Outside India	**31,705.75**	19,957.02	**15,094.09**	14,272.77
Total	**515,541.89**	**453,794.73**	**157,494.19**	**145,813.24**

Revenue from major products and services

(₹ in Crore)

	March-2018	March-2017
Motor Spirit (MS)	**100,126.69**	88,741.94
High Speed Diesel (HSD)	**256,206.89**	227,208.76
Superior Kerosene Oil (SKO)	**11,191.11**	11,019.71
Liquified Petroleum Gas (LPG)	**53,101.38**	43,203.35
Aviation Turbine Fuel (ATF)	**24,165.31**	19,166.29
Others	**70,750.51**	64,454.68
Total External Revenue	**515,541.89**	**453,794.73**

NOTE-40: FAIR VALUES

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

(₹ in Crore)

	Carrying Value		Fair Value		Fair Value measurement hierarchy level
	As at 31 - March-2018	As at 31 - March-2017	As at 31 - March-2018	As at 31 - March-2017	
Financial assets					
A. FVOCI financial instruments:					
Quoted equity shares	**20,493.36**	20,987.39	**20,493.36**	20,987.39	Level 1
Unquoted equity instrument	**1,522.12**	1,203.28	**1,522.12**	1,203.28	Level 3
Quoted Government securities	**11,132.10**	11,372.92	**11,132.10**	11,372.92	Level 1
B. FVPL financial instruments:					
Derivative instruments at fair value through profit or loss	-	2.99	-	2.99	Level 2
Unit Trust Investments	**333.15**	274.00	**333.15**	274.00	Level 1
C. Amortised Cost:					
Loans to employees	**1,211.41**	1,068.57	**1,208.01**	1,116.98	Level 2
PMUY Loan	**754.75**	-	**764.91**	-	Level 2
Financial Liabilities					
A. Borrowings:					
Amortised Cost:					
Non-Convertible Redeemable Bonds	-	2,133.85	-	2,225.90	Level 2
Term Loans from Oil Industry Development Board (OIDB)	**884.20**	1,601.98	**894.00**	1,612.05	Level 2
Finance lease obligation	**3,621.48**	3,756.41	**4,281.39**	4,199.29	Level 2
Foreign Currency Bonds - US Dollars	**6,578.88**	6,543.38	**6,994.10**	7,221.43	Level 1
Foreign Currency Bonds - Singapore Dollars	**2,040.81**	1,904.02	**2,008.20**	1,912.72	Level 2
Senior Notes (Bank of America)	-	1,310.64	-	1,343.40	Level 2
Loan from Odisha Government	**478.86**	-	**469.46**	-	Level 2
B. Other financial liabilities:					
Fair Value through Profit and Lose (FVPL)					
Derivative instruments at fair value through profit or loss	**221.40**	379.03	**221.40**	379.03	Level 2
Contingent Consideration	-	438.54	-	438.54	Level 3

NOTE .

1. The management assessed that fair value of Trade Receivables, Cash and Cash Equivalents, Bank Balances, Deposit for Leave Encashment Fund, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Finance lease Receivable, Security Deposit paid and received, Short-term Borrowing (including Current Maturities), Trade Payables, Floating Rate Borrowings/ Receivables, Other Non-derivative Current Financial Liabilities and Liabilities towards financial guarantees approximate their carrying amounts.

2. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Methods and assumptions

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

A. Level 1 Hierarchy:

(i) **Quoted equity shares:** Closing quoted price (unadjusted) in National Stock Exchange of India Limited

(ii) **Quoted Government securities:** Closing published price (unadjusted) in Clearing Corporation of India Limited

(iii) **Foreign Currency Bonds - US Dollars:** Closing price for the specific bond collected from Bank

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

B. Level 2 Hierarchy:

(i) **Derivative instruments at fair value through profit or loss:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.

(ii) **Loans to employees, PMUY Loan:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities.

(iii) **Finance lease obligation:** For obligation arrived based on IRR, implicit rate applicable on the reporting date and for obligation arrived based on incremental borrowing rate, applicable rate for remaining maturity.

(iv) **Non-Convertible Redeemable Bonds, Foreign Currency Bonds - Singapore Dollars and Senior Notes (Bank of America), Loan from Odisha Government:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities (Excluding floating rate borrowings).

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

C. Level 3 Hierarchy:

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

(ii) **Contingent Consideration:** Fair Values of the contingent consideration been estimated by assessing the likelyhood of the FID approval. The valuation requires management to make certain assumptions about the profitability factor to be applied for valuation of consideration.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March-2018 and 31 March-2017 are shown below:

	Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
I	Haldia Petrochemical Limited (included under FVTOCI assets in unquoted equity instruments)	Market Approach with equal weights to Revenue and EBITDA Multiple	Revenue Multiple	31.03.18: 0.85x - 0.89x (0.87x) 31.03.17: 0.59x - 0.63x (0.61x)	0.01x increase/ (decrease) in Revenue Multiple would result in increase/ (decrease) in fair value by: 31.03.18: ₹5.5 crore/ ₹(5.4) crore 31.03.17: ₹4.6 crore/ ₹(4.6) crore
			EBITDA multiple	31.03.18: 6.5x - 6.9x (6.7x) 31.03.17: 4.8x - 5.2x (5.0x)	0.1x increase/ (decrease) in EBITDA Multiple would result in increase/ (decrease) in fair value by: 31.03.18: ₹6.8 crore/ ₹(6.7) crore 31.03.17: ₹7.3 crore/ ₹(7.4) crore
II	Ceylon Petroleum Storage Terminals Limited (included under FVTOCI assets in unquoted equity instruments)	Market Approach	Revenue Multiple	31.03.18: 2.0x - 2.4x (2.2x) 31.03.17: 2.0x - 2.4x (2.2x)	0.1x increase (decrease) in Revenue Multiple would result in increase (decrease) in fair value by: 31.03.18: ₹2.7 crore/ ₹(2.6) crore 31.03.17: ₹7.3 crore/ ₹(7.3) crore
			EBITDA multiple	31.03.18: 6.5x - 8.5x (7.5x) 31.03.17: 7.0x - 9.0x (8.0x)	0.5x increase (decrease) in EBITDA Multiple would result in increase (decrease) in fair value by: 31.03.18: ₹50.2 crore/ ₹(41.9) crore 31.03.17: ₹8.8 crore/ ₹(8.8) crore
III	Pacific NorthWest LNG Limited and Pacific NorthWest LNG Limited Partnership (included under FVTOCI assets in unquoted equity instruments)	DCF method	Discount Rate	31.03.18: Nil* 31.03.17: 10.0% - 11.0% (10.5%)	0.25% increase (decrease) in the Discount Rate would result in (decrease) increase in fair value by: 31.03.18: Nil* 31.03.17: ₹(48.3) crore/ ₹51.0 crore
IV	Petrocarababo S.A. and Carabobo Ingenieria Y Construcciones S.A. (included under FVTOCI assets in unquoted equity instruments)	DCF method	Discount Rate	31.03.18: 21.0% - 25.0% (23.0%) 31.03.17: 21.0% - 25.0% (22.0%)	1% increase (decrease) in the Discount Rate would result in (decrease) increase in fair value by: 31.03.18: ₹(5.9) crore/ ₹6.2 crore 31.03.17: ₹(2.0) crore/ ₹1.6 crore
V	Contingent Consideration	Probability of FID	Probability of FID	31.03.18: Nil* 31.03.17: (90%)	1% increase/ (decrease) in Probability would result in (decrease)/ increase in fair value by: 31.03.18: Nil* 31.03.17: ₹(4.9) crore/ ₹4.9 crore

(*Also refer Note 48)

Carrying value (₹ in Crore)

Unquoted equity instruments carried at FVOCI includes following investments for which sensitivity disclosure are not disclosed:	As at 31-March-18	As at 31-March-17
Mer Rouge Oil Storage Terminal Company Limited	**2.66**	0.93
BioTech Consortium India Limited	**0.10**	0.10
MRL Industrial Cooperative Service Society	**0.01**	0.01
Woodlands Multispeciality Hospital Limited	**0.10**	0.10
International Cooperative Petroleum Association, New York	**0.02**	0.02

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

Description	FVTOCI Assets Unquoted Equity Shares	FVTPL Assets Contingent Consideration
Balance as at 31 March-2017	**1,203.28**	**438.54**
Addition	7.31	-
Deletion	-	-
Fair Value Changes	295.26	-452.63
Exchange Difference	16.27	14.09
Balance as at 31 March-2018	**1,522.12**	-

NOTE–41: FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial Risk Factors

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

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

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

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

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

A. Market risk

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

The sensitivity analysis in the following sections relate to the position as at 31 March-2018 and 31 March-2017.

The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets and liabilities of foreign operations.

1. Interest rate risk

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

The Group manages to maintian a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market/ regulatory constraints etc. As at 31 March-2018, approximately 49% of the Group's borrowings are at a fixed rate of interest (31 March-2017: 40%).

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on floating rate borrowings is as follows:

Currency of Borrowings	Increase/ Decrease in basis points	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in basis points	Effect on profit before tax (₹ in Crore)
	March-2018		March-2017	
INR	**+50**	**(15.00)**	+50	(27.66)
US Dollar	**+50**	**(144.53)**	+50	(155.18)
INR	**-50**	**15.00**	-50	27.66
US Dollar	**-50**	**144.53**	-50	155.18

2. Foreign currency risk

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

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

The Group has outstanding forward contract of ₹4,210.75 crore as at 31 March-2018 (31 March-2017: ₹1,702.22 crore) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

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

Currency	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)
	March-2018		March-2017	
Forward Contract - US Dollar	+5%	210.54	+5%	85.11
	-5%	(210.54)	-5%	(85.11)
Other Exposures - US Dollar	+5%	(2,997.17)	+5%	(2,927.93)
	-5%	2,997.17	-5%	2,927.93
Other Exposures - SGD	+5%	(102.04)	+5%	(95.20)
	-5%	102.04	-5%	95.20
Cross Currency - USD vs. SGD	+5%	(106.11)	+5%	(105.56)
	-5%	106.11	-5%	105.56

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

3. Commodity price risk

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

Category-wise quantitative data about commodity derivative transactions that are oustanding is given below:

Quantity (in lakh bbls)

Particulars	March-2018	March-2017
Margin Hedging	94.25	3.00

The sensitivity to a reasonably possible change in price of crude oil/ refinery margin on the outstanding commodity hedging position as on March-2018:

Particulars	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)
	March-2018		March-2017	
Margin Hedging	+10%	(96.20)	+10%	(2.28)
Margin Hedging	-10%	96.20	-10%	2.28

4. Equity price risk

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

At the reporting date, the exposure to unlisted equity securities at fair value was ₹1,522.12 crore. Sensitivity analysis of these investments have been provided in Note 40.

The exposure to listed equity securities valued at fair value was ₹20,493.36 crore. An increase / decrease of 5% on the NSE market index could have an impact of approximately ₹1,024.67 crore on the OCI and equity attributable to the Group. These changes would not have an effect on profit or loss.

B. Credit risk

Trade receivables

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

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

(₹ in Crore)

Year ended 31 March-2018	0 - 90 days	91 days to 6 months	Above 6 months to 1 Year	Above 1 Year to 3 Years	> 3 years	Total
Gross Carrying amount	8,824.59	1,020.16	630.93	87.45	240.78	10,803.91
Expected credit losses	-11.25	-1.02	-0.63	-0.09	-0.16	-13.15
Specific Provision	-	-	-	-	-94.28	-94.28
Carrying amount	**8,813.34**	**1,019.14**	**630.30**	**87.36**	**146.34**	**10,696.48**
Year ended 31 March-2017						
Gross Carrying amount	5,400.29	2,942.71	393.07	92.67	188.77	9,017.51
Expected credit losses	-7.84	-2.94	-0.37	-0.08	-0.11	-11.34
Specific Provision	-0.01	-	-	-	-106.97	-106.98
Carrying amount	**5,392.44**	**2,939.77**	**392.70**	**92.59**	**81.69**	**8,899.19**

Financial instruments and cash deposits

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

The Group's maximum exposure to credit risk for the components of the Balance Sheet at 31 March-2018 and 31 March-2017 is the carrying amounts as provided in Note 4, 5, 6, 11 & 12.

C. Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool. The Group seeks to manage its liquidity requirement by maintaining access to both short term and long term debt markets. In addition, Group has committed credit facilities from banks.
The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, commercial papers, bank loans, debentures, and finance leases. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

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

(₹ in Crore)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31 March-2018						
Borrowings	8,522.56	17,514.74	16,551.98	16,744.28	6,316.23	65,649.79
Trade payables	1,213.15	34,512.97	1,040.57	-	-	36,766.69
Other financial liabilities	25,892.31	5,704.77	3,029.67	523.42	47.54	35,197.71
Derivatives	-	221.40	-	-	-	221.40
	35,628.02	**57,953.88**	**20,622.22**	**17,267.70**	**6,363.77**	**137,835.59**
Year ended 31 March-2017						
Borrowings	2,685.31	17,210.29	17,829.09	19,634.58	5,911.35	63,270.62
Trade payables	1,787.36	29,387.70	21.44	-	-	31,196.50
Other financial liabilities	23,122.26	6,562.15	1,475.99	461.92	-	31,622.32
Derivatives	-	362.98	16.05	-	-	379.03
	27,594.93	**53,523.12**	**19,342.57**	**20,096.50**	**5,911.35**	**126,468.47**

D. Excessive risk concentration

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

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

E. Collateral

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

NOTE–42: CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using debt equity ratio, which is borrowings divided by Equity attributable to equity holders of the parent. The Group's endeavour is to keep the debt equity ratio around 1:1.

(₹ in Crore)

	March-2018	March-2017
Borrowings	**65,649.79**	63,270.62
Equity Share Capital	**9,478.69**	4,739.34
Reserves and Surplus	**104,395.13**	97,356.76
Equity	**113,873.82**	**102,096.10**
Debt Equity Ratio	**0.58 : 1**	**0.62 : 1**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March-2018.

NOTE–43: DISCLOSURE RELATING TO CERTIFIED EMISSION REDUCTIONS

The disclosure in respect of self-generated Certified Emission Reductions (CERs) is as under :

Particulars	March-2018	March-2017
No. of CERs held as inventory	**0**	2693
No. of CERs under certification	**0**	74045
Depreciation and Operating and Maintenance costs of Emission Reduction Equipments expensed during the year (₹ in crore)	**-**	5.86
Considering realisablity of CERs, the same has not been carried in inventory.		

The disclosure in respect of self-generated Renewable Energy Certificates (REC) is as under :

Particulars	March-2018	March-2017
No. of RECs in hand	**76032**	0
No. of RECs under certification	**38907**	0

Total number of RECs in hand as well as under certification have been utilised/adjusted against Renewable Purchase Obligation (RPO)

NOTE–44: DISCLOSURE ON GOVERNMENT GRANTS

A. Revenue Grants

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

Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to **₹ 63.65 crore** (2017: ₹ 62.01 crore) and subsidies on sales of SKO and LPG to customers in Bhutan amounting to **₹ 17.46 crore** (2017: ₹ 18.01 crore) have been reckoned as per the schemes notified by Governments.

2 Compensation against under recoveries

The Group has accounted for Budgetary Support of **₹ 3196.34 crore** (2017: ₹ 5149.21 crore) towards under-recovery on sale of SKO (PDS) in the Statement of Profit and Loss as Revenue Grants.

3 Grant in respect of revenue expenditure for research projects

During the year, the Group has received revenue grant of **₹ 1.53 crore** (2017: ₹ 0.73 crore) in respect of meeting out revenue expenditure such as Manpower, Consumables, Travel and Contingency etc for research projects undertaken with various agencies.

4 Incentive on sale of power

The Group is getting incentive from Department of Renewable Energy, GOI for wind power generation of Electricity at the rate of ₹ 0.50 paise for per unit of power generated. The Group has received grant of **₹ 2.51 crore** during the current year (2017: ₹ 3.19 crore).

5 EPCG Grant

Grant recognized in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Govt. which allows procurement of capital goods including spares for pre production and post production at zero duty subject to an export obligation of 6 times of the duty saved on capital goods procured. The unamortized grant amount as on 31.03.2018 is **₹ 247.47 crore** (2017: ₹ 476.10 crore). During the year, the Group has recognised **₹ 266.04 crore** (2017: ₹ 6.27 crore) in the statement of profit and loss account as amortisation of revenue grant. The Group expects to meet the export obligations and therefore equivalent deferred grant has not been treated as liability.

6 Excise duty benefit in North East

Excise duty exemption of 50% of goods manufactured and cleared from north east refineries has been reckoned at full value in revenue and on net basis in expenses under 'Excise Duty' (to the extent of duty paid). Financial impact for the current year is **₹ 3050.90 crore** (2017: ₹ 3072.91 crore).

7 Entry Tax exemption

The Group has recognised grant on net basis in respect of entry tax exemption of crude/ Naptha purchased in Panipat Refinery, Panipat Naptha Cracker Complex and Paradip Refinery in cost of materials consumed/ Purchase of Stock-in Trade. Entry tax exemption on crude/Naptha procured in the state of Haryana and Odisha has been received amounting to **₹ 162.32 crore** (2017: ₹ 505.84 crore).

B. Capital Grants

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

The Group has received government grant from OIDB (Oil Industry Directorate Board) for strengthening distribution of PDS Kerosene as per the directions of MoP&NG to be used in construction of 20KL underground Tank, Mechanical Dispensing Units & Barrel Shed. The unamortized capital grant amount as on 31.03.2018 is **₹ 1.56 crore** (2017: ₹ 1.84 crore) .During the year, the Group has recognised **₹ 0.27 crore** (2017: ₹ 0.28 crore) in statement of profit and loss as amortisation of capital grants.

2 **DBTL Capital Grant**

The Group has received Government grant for roll out of DBTL scheme launched by MOPNG towards development, acquisition of software/licenses and data processing equipment for effective implementation of platform for dispensing of subsidy to customers purchasing LPG under DBTL scheme. The unamortized capital grant amount as on 31.03.2018 is **₹ 0 crore** (2017: ₹ 0.47 crore) .During the year, the Group has recognised **₹ 0.47 crore** (2017: ₹ 1.32 crore) in the statement of profit and loss as amortisation of capital grants.

3 **Capital Grant in respect of Excise duty,Custom duty and GST waiver**

The Group has received grant in respect of Custom duty waiver on import of capital goods,Excise duty waiver and GST waiver on purchase of goods from local manufacturer in India under the certificate issued by Department of Scientific and Industrial Research (DSIR). The unamortized capital grant amount as on 31.03.2018 is **₹ 44.75 crore** (2017: ₹ 44.52 crore) The goods so imported or procured from local manufacturer shall not be transferred or sold for a period of five years from date of installation. During the year, the Group has recognised **₹ 5.20 crore** (2017: ₹ 4.78 crore) in the statement of profit and loss as amortisation of capital grants.

4 **Capital Grant in respect of Research projects**

The Group has received capital grant from various agencies in respect of procurement/ setting up of Capital assets for research projects undertaken. The unamortized capital grant amount as on 31.03.2018 is **₹ 15.33 crore** (2017: ₹ 15.73 crore). During the year, the Group has recognised **₹ 2.82 crore** (2017: ₹ 3.00 crore) in the statement of profit and loss as amortisation of capital grants.

5 **Capital Grant in respect of Entry Tax Exemption from Odisha Govt.**

Entry Tax exemption received from Odisha Government for Paradip Refinery Project has been recognized as Capital Grant and grossed up with the concerned Assets.The unamortized capital grant amount as on 31.03.2018 is **₹ 121.62 crore** (2017: ₹ 126.90 crore). During the year, the Group has recognised **₹ 5.28 crore** (2017: ₹ 5.66 crore) in the statement of profit and loss as amortisation of capital grants.

6 **Capital Grant in respect of demonstration unit**

Grant received from OIDB for setting up of demonstration unit at Guwahati refinery with the Group's R&D devloped IndaDeptG technology. The unamortized capital grant amount as on 31.03.2018 is **₹ 83.04 crore** (2017: ₹ 87.41 crore). During the year, the Group has recognised **₹ 4.38 crore** (2017: ₹ 1.09 crore) in the statement of profit and loss as amortisation of capital grants.

7 **Capital Grant in respect of interest subsidy**

The Group has received capital grant in respect of interest subsidy on loans taken from OIDB. The unamortized capital grant amount as on 31.03.2018 is **₹ 6.40 crore** (2017: ₹ 6.67 crore). During the year, the Group has recognised **₹ 0.27 crore** (2017: ₹ 0.26 crore) in the statement of profit and loss as amortisation of capital grants.

8 **Capital Grant in form of Interest Free Loan**

The Group has received capital grant in the form of interest free loans from Orissa Government for a period of 15 years.The unamortized capital grant amount as on 31.03.2018 is **₹ 915.94 crore** (2017: ₹ 0 crore). During the year, the Group has recognised **₹ 11.96 crore** (2017: ₹ 0 crore) in the statement of profit and loss account as amortisation of capital grants.

9 **Capital Grant in respect of Solar Power Generation**

The Group has received capital financial assistance from Ministry of New and Renewable Energy in respect of procurement and installation of Solar Panels for Power Generation.The unamortized capital grant amount as on 31.03.2018 is **₹ 3.51 crore** (2017: ₹ 0 crore). During the year, the Group has recognised **₹ 0.21crore** (2017: ₹ 0 crore) in the statement of profit and loss as amortisation of capital grants.

NOTE–45: CONSTRUCTION CONTRACTS DISCLOSURES

(₹ in Crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Construction Revenue and Cost		
Construction contract revenue included in "Other Operating Revenue" recognized based on percentage of completion method	**5.78**	13.35
Construction contract cost included in "Other Expenses"	**5.25**	11.35
Amount due from (to) customers under construction contracts		
- Amount due from customers under construction contracts	**0.00**	0.00
- Amount due to customers under construction contracts	**0.00**	0.00
Net	**0.00**	0.00
Contracts in progress at the end of the reporting period		
Construction costs incurred plus recognised profits (less recognised losses) to date	**14.86**	26.44
Less: progress billings	**14.86**	26.44
Net	**0.00**	0.00
Advances received from customers for contract work	**45.31**	23.40
Retentions held by customers for contract work	**0.00**	0.00

NOTE–46: STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, JV'S AND ASSOCIATES (FORM AOC - I)

Part "A": SUBSIDIARIES **(₹ in Crore)**

Sl. No.	1	2	3	4	5	6	7	8	9
Name of the Subsidiary	Chennai Petroleum Corporation Limited	Indian Catalyst Private Limited	IndianOil (Mauritius) Limited	Lanka IOC PLC	IOC Middle East FZE	IOC Sweden AB	IOCL (USA) Inc.	IndOil Global BV.	IOCL Singapore PTE Limited
Date since when subsidiary was acquired	29.03.2001	01.06.2006	24.10.2001	29.08.2002	19.04.2006	26.02.2010	01.10.2012	25.02.2014	13.05.2016
Reporting Currency	INR	INR	MUR	SLR	AED	EURO	USD	CAD	USD
Exchange Rate (INR):									
Closing as on 31.03.2018	-	-	1.9692	0.4184	17.7490	80.7900	65.1800	50.6630	49.8340
Average Rate 2017-18	-	-	1.9155	0.4206	17.5552	75.5205	64.4609	50.2920	47.5625
Share Capital	149.00	15.93	75.67	250.54	2.30	294.03	336.32	6,104.48	4,855.71
Other Equity	3,847.99	(9.47)	202.23	667.03	35.43	179.58	(135.86)	(26.42)	997.85
Liabilities	10,309.03	-	285.07	568.59	8.53	9.52	7.84	2,313.76	2,365.13
Total Liabilities	14,306.02	6.46	562.97	1,486.16	46.26	483.13	208.30	8,391.82	8,218.69
Total Assets	14,306.02	6.46	562.97	1,486.16	46.26	483.13	208.30	8,391.82	8,218.69
Investments	152.56	-	2.66	652.35	-	473.28	-	11.25	7,359.20
Turnover	44,135.50	-	1,346.43	3,841.90	53.10	1.27	40.79	225.78	1,693.62
Profit Before Taxation	1,472.53	(0.01)	25.33	(38.22)	7.38	(0.78)	(19.03)	(100.96)	282.49
Provision for Taxation	545.31	-	3.11	(1.31)	-	-	-	-	-
Profit After Taxation	927.22	(0.01)	22.22	(36.91)	7.38	(0.78)	(19.03)	(100.96)	282.49
Proposed Dividend	275.49	-	-	14.48	-	-	-	-	-
Percentage of shareholding	51.89%	100.00%	100.00%	75.12%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Note: One Subsidiary named IndianOil Creda Biofuels Ltd. has not been consolidated as the Management has decided to exit from this company which has been dissolved on 08.03.2018.

NOTE-46 PART - "B": STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (FORM AOC - I)

1	Name of the Associates / Joint Ventures	IOT Infrastructure & Energy Services Lmited	Lubrizol India Private Limited	Indian Oil Petronas Private Limited	Green Gas Limited	Indian Oil Skytanking Private Limited
2	Latest Audited Balance Sheet Date	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018
3	Date of which Associate or Joint Venture was associated or acquired	28.08.1996	01.04.2000	03.12.1998	07.10.2005	21.08.2006
4	Shares of Associate / Joint Ventures held by the company on the year end					
i	No.	494828289	499200	134000000	23042250	25950000
ii	Amount of Investment in Associates / Joint Venture	723.98	61.71	134.00	23.04	73.28
iii	Extent of Holding %	49.38%	26.00%	50.00%	49.97%	50.00%
5	Description of how there is significant influence	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control
6	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Networth attributable to Shareholding as per latest audited Balance Sheet	499.66	144.50	582.00	145.32	71.55
8	Profit / (Loss) for the year (After Tax)	156.41	96.34	247.17	43.01	47.15
i	Considered in Consolidation	77.24	25.05	123.59	21.50	23.57
ii	Not Considered in Consolidation	79.17	71.29	123.58	21.51	23.58

(₹ in Crore)

Suntera Nigeria 205 Ltd.	Delhi Aviation Fuel Facility Private Limited	Indian Synthetic Rubber Private Limited	Indian Oil Ruchi Biofuels LLP	NPCIL - IndianOil Nuclear Energy Corporation Limited	GSPL India Transco Limited
31.12.2017	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018
09.05.2006	28.03.2010	06.07.2010	28.05.2010	06.04.2011	29.03.2013
2500000	60680000	222861375	Capital Fund	260000	99060000
0.05	60.68	222.86	1.60	0.26	99.06
25.00%	37.00%	50.00%	50.00%	26.00%	26.00%
Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control
Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
(115.94)	75.85	71.65	0.00	0.32	100.89
(58.89)	48.96	15.21	0.00	0.07	1.35
(14.72)	18.12	7.61	0.00	0.02	0.35
(44.17)	30.84	7.60	0.00	0.05	1.00

1	Name of the Associates / Joint Ventures	GSPL India Gasnet Limited	IndianOil Adani Gas Private Limited	Mumbai Aviation Fuel Farm Facility Private Limited	Kochi Salem Pipelines Private Limited	Indian Oil LNG Private Limited
2	Latest Audited Balance Sheet Date	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018
3	Date of which Associate or Joint Venture was associated or acquired	29.03.2013	04.10.2013	09.10.2014	22.01.2015	29.05.2015
4	Shares of Associate / Joint Ventures held by the company on the year end					
i	No.	100625030	124000000	41888750	75000000	5000
ii	Amount of Investment in Associates / Joint Venture	100.63	124.00	41.89	75.00	0.01
iii	Extent of Holding %	26.00%	50.00%	25.00%	50.00%	50.00%
5	Description of how there is significant influence	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control
6	Reason why the associate/ joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Networth attributable to Shareholding as per latest audited Balance Sheet	102.34	114.49	56.80	71.31	-1.24
8	Profit / (Loss) for the year (After Tax)	0.90	-5.22	47.18	-2.08	-0.01
i	Considered in Consolidation	0.23	-2.61	11.79	-1.04	0.00
ii	Not Considered in Consolidation	0.67	-2.61	35.39	-1.04	-0.01

Following associates or joint ventures are yet to commence operations:

i) Suntera Nigeria 205 Ltd.

ii) NPCIL - IndianOil Nuclear Energy Corporation Limited

iii) GSPL India Gasnet Limited

iv) GSPL India Transco Limited

v) Kochi Salem Pipelines Private Limited

vi) Indian Oil LNG Private Limited

vii) Ratnagiri Refinery & Petrochemicals Limited

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

i) Petronet CI Limited.

ii) IndianOil Panipat Power Consurtium Limited.

Hinduatan Urvarak and Rasayan Limited	Ratnagiri Refinery & Petrochemicals Limited	Avi-Oil India Private Limited	Petronet VK Limited	Petronet LNG Limited	Petronet India Limited
31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018
15.06.2016	22.09.2017	04.11.1993	21.05.1998	02.04.1998	26.05.1997
333250000	50000000	4500000	50000000	187500000	18000000
333.25	50.00	4.50	26.02	98.75	0.18
29.67%	50.00%	25.00%	50.00%	12.50%	18.00%
Joint Control	Joint Control	Associate	Associate	Associate	Associate
Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
332.16	40.59	14.67	0.00	1226.41	0.49
1.15	-18.82	10.85	78.86	2110.44	2.07
0.34	-9.41	2.71	0.00	263.81	0.37
0.81	-9.41	8.14	78.86	1846.63	1.70

NOTE-47: ADDITIONAL INFORMATION FOR CONSOLIDATED FINANCIAL STATEMENTS AS PER SCHEDULE-III TO COMPANIES ACT, 2013

(₹ in Crore)

Name of the Enity	Net Assets		Share in Profit/ (loss) after Tax		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Total	Amount (₹ in Crore)	As % of Total	Amount (₹ in Crore)	As % of Total	Amount (₹ in Crore)	As % of Total	Amount (₹ in Crore)
Indian Oil Corporation Limited	96.75%	110,171.02	96.20%	21,346.12	42.28%	397.36	94.02%	21,743.48
Subsidiaries								
Indian								
Chennai Petroleum Corporation Limited	3.51%	3,996.99	4.18%	927.22	0.67%	6.26	4.04%	933.48
Indian Catalyst Private Limited	0.01%	6.46	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Foreign								-
IndianOil (Mauritius) Limited	0.24%	277.90	0.10%	22.22	1.03%	9.66	0.14%	31.88
Lanka IOC PLC	0.80%	917.57	(0.17%)	(36.91)	(1.95%)	(18.33)	(0.24%)	(55.24)
IOC Middle East FZE	0.03%	37.73	0.03%	7.38	0.03%	0.25	0.03%	7.63
IOC Sweeden AB	0.41%	473.61	0.00%	(0.78)	8.59%	80.75	0.35%	79.97
IOCL (USA) Inc.	0.18%	200.46	(0.09%)	(19.03)	0.09%	0.88	(0.08%)	(18.15)
IndOil Global BV.	5.34%	6,078.06	(0.44%)	(100.96)	(3.00%)	(28.17)	(0.56%)	(129.13)
IOCL Singapore PTE Limited	5.14%	5,853.56	1.27%	282.49	55.70%	523.48	3.48%	805.97
Less: Minority Interests in all subsidiaries	1.89%	2,151.22	1.97%	436.90	(0.17%)	(1.63)	1.88%	435.27
Joint Venture								
Indian								
IOT Infrastructure & Energy Services Limited	0.44%	499.66	0.35%	77.24	(3.45%)	(32.40)	0.19%	44.84
Lubrizol India Private Limited	0.13%	144.50	0.11%	25.05	0.04%	0.35	0.11%	25.40
Indian Oil Petronas Private Limited	0.51%	582.00	0.56%	123.59	0.00%	(0.03)	0.53%	123.56
Green Gas Limited	0.13%	145.32	0.10%	21.50	0.03%	0.26	0.09%	21.76
Indian Oil Skytanking Private Limited	0.06%	71.55	0.11%	23.57	(0.03%)	(0.27)	0.10%	23.30
Delhi Aviation Fuel Facility Private Limited	0.07%	75.85	0.08%	18.12	0.00%	(0.01)	0.08%	18.11
Indian Synthetic Rubber Private Limited	0.06%	71.65	0.03%	7.61	0.03%	0.25	0.03%	7.86
Indian Oil Ruchi Biofuels LLP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
NPCIL - IndianOil Nuclear Energy Corporation Limited	0.00%	0.32	0.00%	0.02	0.00%	-	0.00%	0.02
GSPL India Transco Limited	0.09%	100.89	0.00%	0.35	0.00%	-	0.00%	0.35
GSPL India Gasnet Limited	0.09%	102.34	0.00%	0.23	0.00%	-	0.00%	0.23
IndianOil Adani Gas Private Limited	0.10%	114.49	(0.01%)	(2.61)	0.00%	0.01	(0.01%)	(2.60)
Mumbai Aviation Fuel Farm Facility Private Limited	0.05%	56.80	0.05%	11.79	0.00%	-	0.05%	11.79
Kochi Salem Pipelines Private Limited	0.06%	71.31	0.00%	(1.04)	0.00%	-	0.01%	(1.04)
IndianOil LNG Private Limited	0.00%	(1.24)	0.00%	-	0.00%	-	0.00%	-
Hindustan Urvarak and Rasayan Limited	0.29%	332.16	0.00%	0.34	0.00%	-	0.00%	0.34
Ratnagiri Refinery & Petrochemicals Limited	0.04%	40.59	(0.04%)	(9.41)	0.00%	-	(0.04%)	(9.41)
Foreign								-
Suntera Nigeria 205 Ltd.	(0.10%)	(115.94)	(0.06%)	(14.72)	(0.07%)	(0.66)	(0.07%)	(15.38)
Associates								
Indian								
Avi-Oil India Private Limited	0.01%	14.67	0.01%	2.71	0.00%	0.01	0.01%	2.72
Petronet VK Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Petronet LNG Limited	1.08%	1,226.41	1.19%	263.81	0.01%	0.07	1.14%	263.88
Petronet India Limited	0.00%	0.49	0.00%	0.37	0.00%	-	0.00%	0.37
Intra Group Eliminations	(13.63%)	(15,522.14)	(1.58%)	(349.91	(0.17%)	(1.56)	(1.52%)	(351.47)
TOTAL	**100.00%**	**113,873.82**	**100.01%**	**22,189.45**	**100.00%**	**939.79**	**100.00%**	**23,129.24**

Note:

1. Figures in respect of Joint Operations as mentioned in Note 34 have been included in the financial statements of Indian Oil Corporation Ltd & Subsidiary Companies and in respect of other Joint Ventures/Associates of Subsidiary Companies, the same has been included in the financial statements of respective subsidiary company.
2. Following Companies have not been consolidated in the consolidated financial statements as the Management has decided to exit from these Entities and provided for full dimunition in value of investment:
   a) IndianOil Creda Biofuels Ltd. (Subsidiary) - [Dissolved on 08.03.2018]
   b) Petronet CI Ltd. (Joint Venture)
   c) IndianOil Panipat Power Consortium Ltd. (Joint Venture)
3. Group's share of profits in Petronet VK Limited amounting to ₹ 39.43 crore (2017: ₹ 0.44 crore) has not been recognised on account of non recognition of accumulated losses incurred by the associate in previous periods. The Groups's share of unaccounted accumulated losses as on 31st March-2018 stands at ₹ 42.67 crore (2017: ₹ 82.10 crore).

NOTE–48: ADDITIONAL DISCLOSURES BY GROUP COMPANIES

1 Impairment loss in respect of Cauvery Basin Refinery

The Group has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery). Consequent to implementation of BS- IV specifications on a pan India basis w.e.f 01.04.2017 and in the absence of secondary treatment facilities, the BS – III grade of diesel production from CBR would not be marketable in the local market, entailing significant coastal/export under recoveries, which has adversely impacted the profitability of CBR and hence the value in use is negative. Accordingly, in line with the requirements of Ind AS -36, an amount of ₹ 4.33 Crores has been accounted as impairment loss during the year , being the difference between the carrying value of additions during the year ₹ 33.45 Crores and the recoverable value of ₹ 10.04 Crores after adjusting the impairment loss of ₹19.09 Crores already accounted as part of Capital work in progress in previous year. This impairment loss has been recognised as part of Depreciation, Depletion and Amortisation of tangible and intangible assets in the statement of profit and loss as the carrying value of the assets is lower than the value in use/ estimated recoverable amount of this CGU. Total impairment loss recognized as on 31.03.2018 - ₹ 66.11 Crores. In estimating the value in use, the approximate weighted average capital cost has been considered as the discount rate used to calculate the net present value of the estimated future cash flows, which are subject to changes in the external environment. The fair value less cost of disposal used to determine the recoverable amounts of the impaired assets are classified as level 3 fair value measurements (As detailed in statement of significant accounting policy No 4), as the estimated recoverable amounts are not based on observable market data, rather, management's best estimates. The results of impairment test are sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

2 Wind Down of Pacific North West LNG Project

On July 25, 2017, Pacific Northwest LNG Ltd announced that the LNG Project will not proceed as previously planned due to the challenging environment brought about by the prolonged depressed prices and shifts in the energy industry. As a result, the Group has written off the ₹ 222.0 Crore capital investment in the LNG Project. Further, as per the Project Development Agreement ("PDA") with TransCanada to build Prince Rupert Gas Transmission Pipeline, on account of negative investment decision, ₹ 303.66 Crore was reimbursed to TransCanada incurred till date. ₹453.63 Crore being contingent consideration liability associated with the final investment decision of the natural gas liquefaction facility is now no more payable and charged to statement of profit and loss. Accordingly the developement plan of North Montney Joint Venture had also amended.

NOTE–49: OTHER DISCLOSURES

1 During the year, the Group has settled its liability for Entry Tax in the state of Haryana including interest thereon under "The Haryana One Time Settlement Scheme for Recovery of Outstanding Dues , 2017" and consequently an amount of ₹ 2813.96 Crore , being provision no more required, has been written back and included in provision for contingencies written back in other operating revenues (Refer Note 23.1).

2 As per Memorandum of Understanding (MOU) dated 16.02.2004 with Odisha Government, fiscal incentive were granted for Paradip Refinery project including interest free loan equivalent to Sales Tax payable to the state of Odisha for a period of 11 years from the date of commercial production which was later withdrawn by Odisha Government on 22.02.2017 and the matter was in dispute. The dispute has since been resolved and a revised interest free loan agreement has been signed with Odisha government dated 25.09.2017 where in Odisha government shall provide an interest free loan of ₹700 Crores per year for 15 years in quarterly installments of ₹ 175 Crores starting from 01.04.2016 repayable after 15 years. The first installment of loan for the period April 16 – December 17 of ₹ 1225 Crores and for the period Jan 18 – March 18 of ₹ 175 Crores has been received on 15.01.2018 and 31.03.2018 respectively. This loan, being interest free, is fair valued and related government grant is accounted for in line with the accounting policy.

3 The revision of Employees Pay and Allowances was due w.e.f 01.01.2017 and the presidential directive were issued on 13.10.2017 for implementation of the same. While most of the dues In respect of executives have been settled and the same for workmen's is under finalisation where liabilities have been ascertained on similar lines. An amount of ₹ 1150 Crore has been carried as liability as on 31.03.2018 towards pending dues on this account.

4 Goods and Services Tax (GST) has been implemented w.e.f 01.07.2017 wherein some of the petroleum products are still outside its ambit. Accordingly, GST is being levied on some products as against Excise Duty applicable hitherto. Since, excise duty is included in revenue and GST is not included in revenue. Thus to ensure comparability on applicable products, sales excluding excise duty is ₹ 504515.65 Crore and ₹ 439075.07 Crore for the year ended 31 March-2018 and 31 March-2017 respectively.

5 Consequent upon Honourable Allahabad High Court order dated 4th May 2018 in the matter of UP Entry Tax, the commercial tax authorities of Uttar Pradesh have raised demand for payment of arrears of unpaid entry tax and interest thereon. Based on such demand notices the group has made an additional provision of ₹ 293.71 crores towards interest on entry tax and ₹ 0.37 crores towards entry tax, over and above provision of ₹ 20,619.78 crores made upto 31.03.2018 including interest of ₹ 5379.58 crores. Against the provision of entry tax and interest thereon the group has already made payment of ₹11,947.61 upto 31.03.2018. The Group has paid additional principal amount of Entry tax of ₹ 3292.97 crores on 8th, 9th and 11th May 2018 and filled petition in the Honourable Allahabad High court, challenging the levy of interest. The company is evaluating other legal remedies available in the matter of UP entry tax and shall take appropriate measure in due course.

6 In order to provide clean cooking fuel to BPL families, Government has approved "Pradhan Mantri Ujjwala Yojana (PMUY)" scheme where free LPG connections are issued by Oil Marketing Companies (OMCs) to the women belonging to the Below Poverty Line (BPL) households as per SECC -2011 (Rural) database. The scheme was launched on 1st May 2016. The initial cost of ₹ 1600/- towards connections charges would be borne by the Central Government for each card holder. OMCs would provide an option for EMI/ Loans towards cost of burner and 1st refill to the PMUY consumers. In addition to the funding by the Central Government, few State Governments have also extended financial support towards cost of stove and/or 1st refill. The loan amount is recovered from the subsidy amount payable to the customers on each refill sale. The amount of subsidy per refill varies from market to market and month to month. The minimum subsidy per refill sale is ₹ 164 and maximum subsidy per refill sale is ₹ 414/- during the financial year 2017-18.

The amount of outstanding as on 31st March-2018 towards claim under PMUY claim from Central Government is ₹ 446.35 Crore (₹ 229.87 Crore as on 31st March-2017) and loan from PMUY consumers is ₹ 1099.70 Crore (₹ 751.04 Crore as on 31st March-2017) (net of recovery through subsidy). During the year, discounting of the loan has been done based on assumption of 4 refills in a year and deferment of recovery by one year and average subsidy of ₹ 180 per cylinder as loan recovery. Out of above loan a provision for doubtful amounting to ₹ 162.06 Crore (31st March-2017: Nil) has also been created during the year in respect of beneficiaries who have not taken refill for last one year.

7 M/s Indian Oil CREDA Biofuels Ltd, a joint venture company formed with Chhattisgarh Renewable Energy Developement Agency (CREDA) for Jatropha Plantation, has been struck off from the Register of the Companies and dissolved during the year 2017-18. The entire investment of ₹ 18.46 Crore has been written off and netted under the head "Profit on sale of investments (Net)" in other income. Further, provision recognised for dimunition in value of investment in past of ₹ 18.38 Crore is written back in other income under the head "Fair value gain on investement/Provision written back (Net)" (Refer Note 24)

8 During the year, the group has sold 24% stake in equity investment of Lubrizol India Private Limited (a JV company) for a sale consideration of ₹ 214.27 crore (cost of ₹ 56.96 crore) and accordingly has recognised a profit of ₹ 157.31 crore in Other Income under Head "Profit on Sale of Investments (Net)". Consequent to this, IOCL stake in the JV company has came down to 26%.

9 Pursuant to the Board approval for formation of a Joint Venture company between Indian Oil Corporation Ltd and Coal India Ltd for transfer of explosives business to the said venture company on slump sale basis at a value of ₹ 311 crore (Net Assets WDV of ₹ 61.55 Crore), consent of Niti Ayog has been received for the proposed formation of JV vide their letter dated 27 April 2018. As on 31 March-2018, the explosive business continued to be in operation.

10 Purchase of crude oil from Oil India Limited and and some other oilfields has been accounted for provisionally, pending finalization of agreements with respective parties. Adjustments, if any, will be made on finalization of agreements.

11 Transactions with other Oil Marketing Companies are jointly reconciled on an ongoing basis.

12 There are no significant subsequent events that would require adjustments or disclosures in the Financial Statements as on the Balance Sheet date.

13 Previous year's comparative figures have been regrouped wherever necessary. Figures in brackets indicate deductions.

For and on Behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(Sanjiv Singh)	**(A. K. Sharma)**	**(Kamal Kumar Gwalani)**
Chairman	**Director (Finance)**	**Company Secretary**
DIN - 05280701	**DIN - 06665266**	**ACS - 13737**

As per our attached Report of even date

For S. K. MEHTA & CO.	For V SANKAR AIYAR & CO.	For CK PRUSTY & ASSOCIATES	For V. SINGHI & ASSOCIATES
Chartered Accountants	**Chartered Accountants**	**Chartered Accountants**	**Chartered Accountants**
(Firm Regn. No. 000478N)	**(Firm Regn. No. 109208W)**	**(Firm Regn. No. 323220E)**	**(Firm Regn. No. 311017E)**
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(CA. ROHIT MEHTA)	**(CA. G SANKAR)**	**(CA. CHANDRAKANTA PRUSTY)**	**(CA. ANRUDDHA SENGUPTA)**
Partner	**Partner**	**Partner**	**Partner**
M. No. 091382	**M. No. 046050**	**M. No. 057318**	**M. No. 051371**

Place: New Delhi
Date: 22nd May, 2018

इंडियन ऑयल कॉर्पोरेशन लिमिटेड
रजिस्टर्ड ऑफिस : 'इंडियनऑयल भवन',
जी - ९, अली यावर जंग मार्ग, बांद्रा (पूर्व), मुंबई - ४०० ०५१.
Indian Oil Corporation Limited
CIN-L23201MH1959GOI011388
Regd. Office : 'IndianOil Bhavan',
G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai - 400 051.
Tel. : 022-26447616 • Fax : 022-26447961
Email id : investors@indianoil.in • Website : www.iocl.com

IndianOil
A Maharatna Company

Secretarial Department

No. Secl/Listing **2nd November 2018**

National Stock Exchange Limited **Exchange Plaza, 5th Floor,** **Bandra –Kurla Complex,** **Bandra (E),** **Mumbai - 400051**	**Bombay Stock Exchange** **BSE Ltd. 1st Floor,** **New Trading Ring,** **P J Tower, Dalal Street,** **Mumbai - 400001**

Dear Sir,

Sub : **Unaudited Financial Results for the Second Quarter ended 30th September 2018**

Pursuant to regulation 33(3) of the listing regulations, please find attached herewith following as **Annexure-I** :

(i) Statement of **Standalone Unaudited Financial Results** along with Limited Review Report for the quarter and Six Months ended 30th September 2018.

(ii) Statement of **Consolidated Unaudited Financial Results** along with Limited Review Report for the quarter and Six Months ended 30th September 2018.

The above results along with limited review reports have been taken on record by the Board of Directors at its meeting held today, 2nd November 2018 at New Delhi. The Board meeting commenced at 9:00 AM and concluded at 12:55 PM.

The above is for your information and record please.

Thanking you,

Yours faithfully,
For Indian Oil Corporation Limited

(Kamal Kumar Gwalani)
Company Secretary

Encl : A/a

S. K. MEHTA & CO.
Chartered Accountants
504, Kirti Mahal,
19 Rajendra Place,
New Delhi – 110008

V SANKAR AIYAR & CO.
Chartered Accountants
2-C, Court Chambers,
35 New Marine Lines,
Mumbai – 400020

C. K. PRUSTY & ASSOCIATES
Chartered Accountants
10, Rajarani Colony,
Tankapani Road,
Bhubaneshwar - 751014

V. SINGHI & ASSOCIATES
Chartered Accountants
Four Mangoe Lane,
Surendra Mohan Ghosh Sarani,
Ground Floor,
Kolkata - 700001

INDEPENDENT AUDITORS' REVIEW REPORT ON THE STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER 2018

To the Board of Directors
Indian Oil Corporation Limited
New Delhi

1. We have reviewed the accompanying statement of standalone unaudited financial results (the Statement) of **Indian Oil Corporation Limited** (the Company) for the quarter and six months ended on September 30, 2018 prepared by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016 except for the disclosures regarding (i) Average Gross Refinery Margin stated in note no. 3 to the statement and (ii) under-realization as appearing in note no. 4 to the statement, both of which have been traced from the disclosures made by the management. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement read with notes thereon, prepared in accordance with the Indian Accounting Standards (Ind-AS) as specified under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms

S.K. MEHTA & CO. FRN.000478N CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. MUMBAI FRN 109208W CHARTERED ACCOUNTANTS

C.K. PRUSTY & ASSOCIATES Bhubaneswar Chartered Accountants

V. Singhi & Associates New Delhi Chartered Accountants

of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S. K. MEHTA & CO.	**For V SANKAR AIYAR & CO.**	**For CK PRUSTY & ASSOCIATES**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn. No. 000478N	Firm Regn. No. 109208W	Firm Regn. No. 323220E	Firm Regn. No. 311017E
(CA. ROHIT MEHTA)	**(CA. M.S. BALACHANDRAN)**	**(CA. CHANDRAKANTA PRUSTY)**	**(CA. ANIRUDDHA SENGUPTA)**
Partner	Partner	Partner	Partner
M. No. 091382	**M. No. 024282**	**M. No. 057318**	**M. No. 051371**

Place: New Delhi
Dated: November 02, 2018

3/13

IndianOil

INDIAN OIL CORPORATION LIMITED
[CIN - L23201MH1959GOI011388]
Regd. Office : IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai - 400 051
Website: www.iocl.com Email ID: investors@indianoil.in

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER 2018

(₹ in Crore)

	PARTICULARS	UNAUDITED RESULTS FOR					AUDITED RESULTS FOR
		THREE MONTHS ENDED			SIX MONTHS ENDED		YEAR ENDED
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
A.	FINANCIAL						
1.	Revenue from operations (Refer Note 5)	1,51,566.60	1,49,746.88	1,10,653.01	3,01,313.48	2,38,835.51	5,06,427.59
2.	Other Income	1,040.67	585.33	585.84	1,626.00	1,813.34	3,414.62
3.	Total Income (1+2)	1,52,607.27	1,50,332.21	1,11,238.85	3,02,939.48	2,40,648.85	5,09,842.21
4.	Expenses						
(a)	Cost of materials consumed	69,447.07	61,685.86	38,780.43	1,31,132.93	84,392.37	1,88,780.12
(b)	Excise Duty	19,531.85	20,271.88	20,070.35	39,803.73	42,826.62	82,388.89
(c)	Purchases of Stock-in-Trade	45,109.05	45,652.30	34,975.70	90,761.35	70,473.02	1,52,117.55
(d)	Changes in Inventories (Finished Goods, Stock-in-trade and Work-in Progress)	(4,585.67)	(2,784.45)	(404.15)	(7,370.12)	6,315.14	2,327.50
(e)	Employee benefits expense	3,706.11	2,368.57	2,378.00	6,074.68	4,804.24	10,079.41
(f)	Finance Costs	1,187.83	1,031.06	821.84	2,218.89	1,560.59	3,448.44
(g)	Depreciation and Amortization expense	1,809.05	1,787.93	1,697.00	3,596.98	3,418.31	7,067.01
(h)	Impairment Losses	-	-	-	-	-	-
(i)	Net Loss on de-recognition of Financial Assets at Amortised Cost	0.61	0.24	0.17	0.85	0.85	7.96
(j)	Other Expenses	11,595.63	9,976.65	7,428.10	21,572.28	14,578.47	31,061.05
	Total expenses	1,47,801.53	1,39,990.04	1,05,747.44	2,87,791.57	2,28,369.61	4,77,277.93
5.	Profit/(Loss) before Tax (3-4)	4,805.74	10,342.17	5,491.41	15,147.91	12,279.24	32,564.28
6.	Tax Expense						
	- Current Tax	761.81	2,333.44	935.07	3,095.25	2,311.31	7,276.45
	- Deferred Tax	797.00	1,177.60	860.05	1,974.60	1,723.13	3,941.71
		1,558.81	3,511.04	1,795.12	5,069.85	4,034.44	11,218.16
7.	Net Profit/(Loss) for the period (5-6)	3,246.93	6,831.13	3,696.29	10,078.06	8,244.80	21,346.12
8.	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss	2,057.79	(1,885.62)	1,917.79	172.17	(1,143.84)	208.15
	A (ii) Income Tax relating to items that will not be reclassified to profit or loss	(239.69)	67.13	-	(172.56)	-	358.66
	B (i) Items that will be reclassified to profit or loss	(47.05)	(319.15)	(21.69)	(366.20)	99.42	(232.42)
	B (ii) Income Tax relating to items that will be reclassified to profit or loss	13.89	92.91	6.57	106.80	(27.94)	62.97
		1,784.94	(2,044.73)	1,902.67	(259.79)	(1,072.36)	397.36
9.	Total Comprehensive Income for the period (7+8)	5,031.87	4,786.40	5,598.96	9,818.27	7,172.44	21,743.48
10.	Paid-up Equity Share Capital (Face value - ₹10 each)	9,711.81	9,711.81	4,855.90	9,711.81	4,855.90	9,711.81
11.	Other Equity excluding revaluation reserves						1,00,692.33
12.	Earnings per Share (₹) (not annualized) (Refer Note 6) (Basic and Diluted) (Face value - ₹10 each)	3.43	7.21	3.90	10.63	8.70	22.52
B.	PHYSICAL (IN MMT)						
1.	Product Sales						
	- Domestic	19.821	21.618	19.009	41.439	39.745	81.489
	- Export	1.775	1.248	1.877	3.023	3.649	7.274
2.	Refineries Throughput	17.817	17.666	16.096	35.483	33.617	69.001
3.	Pipelines Throughput	21.365	22.852	19.345	44.217	40.696	85.675

Also Refer accompanying notes to the Financial Results

S.K. MEHTA & CO. CHARTERED ACCOUNTANTS FRN.000478N

V. SANKAR AIYAR & CO. MUMBAI FRN: 109208W CHARTERED ACCOUNTANTS

C.K. PRUSTY & ASSOCIATES Bhubaneswar Chartered Accountants

V. Singhi & Associates New Delhi Chartered Accountants

STATEMENT OF ASSETS AND LIABILITIES

(₹ In Crore)

		AS AT 30.09.2018 UNAUDITED	AS AT 31.03.2018 AUDITED
A.	**ASSETS**		
1.	**Non-Current Assets**		
	(a) Property, plant and equipment	1,14,475.85	1,12,887.65
	(b) Capital work-in-progress	18,293.99	13,860.99
	(c) Intangible assets	1,133.41	1,039.67
	(d) Intangible assets under development	661.34	487.44
	(e) Financial Assets		
	(i) Investments		
	Equity Investment in Subsidiaries, JV's and Associates	15,450.36	13,724.65
	Other Investments	25,395.70	25,364.29
	(ii) Loans	2,245.28	2,031.01
	(iii) Other financial assets	2,460.82	3,764.56
	(f) Income tax assets (Net)	349.13	1,291.33
	(g) Other non-current assets	3,594.05	3,233.35
	Sub Total - Non-Current Assets	1,84,059.93	1,77,684.94
2.	**Current Assets**		
	(a) Inventories	81,894.51	65,313.21
	(b) Financial Assets		
	(i) Investments	8,206.59	8,399.32
	(ii) Trade receivables	13,053.79	10,116.52
	(iii) Cash and cash equivalents	1,976.60	53.65
	(iv) Bank Balances other than above	42.05	27.71
	(v) Loans	2,115.31	467.51
	(vi) Other financial assets	13,997.04	15,288.16
	(c) Current tax assets (Net)	2.04	2.04
	(d) Other current assets	2,818.61	3,225.17
	(e) Assets Held for Disposal	184.07	161.68
	Sub Total - Current Assets	1,24,290.61	1,03,054.97
	TOTAL - ASSETS	3,08,350.54	2,80,739.91
B.	**EQUITY AND LIABILITIES**		
1.	**Equity**		
	(a) Equity Share Capital	9,478.69	9,478.69
	(b) Other Equity	1,08,085.38	1,00,692.33
	Sub Total - Equity	1,17,564.07	1,10,171.02
	Liabilities		
2.	**Non-Current Liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	17,554.44	18,717.60
	(ii) Other financial liabilities	633.89	533.47
	(b) Provisions	502.47	2,023.32
	(c) Deferred tax liabilities (Net)	14,059.93	12,019.57
	(d) Other non-current liabilities	1,569.49	1,355.16
	Sub Total - Non-Current Liabilities	34,320.22	34,649.12
3.	**Current Liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	38,575.37	36,807.56
	(ii) Trade payables	44,332.38	33,106.05
	(iii) Other financial liabilities	44,796.02	40,853.18
	(b) Other current Liabilities	19,502.54	10,991.38
	(c) Provisions	9,259.94	14,161.60
	Sub Total - Current Liabilities	1,56,466.25	1,35,919.77
	TOTAL - EQUITY AND LIABILITIES	3,08,350.54	2,80,739.91

S.K. MEHTA & CO. CHARTERED ACCOUNTANTS FRN.000478N

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS MUMBAI FRN.109208W

C.K. PRUSTY & ASSOCIATES Chartered Accountants

V. Singhi & Associates Chartered Accountants New Delhi

Notes to Standalone Financial Results:

1) The above results have been reviewed and recommended by the Audit Committee in its meeting held on 1st November 2018 and approved by the Board of Directors at its meeting held on 2nd November 2018.

2) The Financial Results have been reviewed by the Statutory Auditors as required under regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3) Average Gross Refining Margin for the period April - September 2018 is **$ 8.45 per bbl** (April - September 2017: $ 6.08 per bbl).

4) The company has accounted for Budgetary Support of **₹ 2,270.03 crore** in April - September 2018 [April – September 2017: ₹ 1,415.63 crore] as Revenue Grants on sale of SKO (PDS) included in Revenue from operations and no under-realization is suffered by the Company on this account.

5) Goods and Services Tax (GST) has been implemented w.e.f 01.07.2017 wherein some of the petroleum products are still outside its ambit. Accordingly, GST is being levied on some products as against Excise Duty applicable hitherto. Since, excise duty is included in revenue and GST is not included in revenue, thus to ensure comparability, revenue excluding excise duty on applicable products are given below:

₹ in crore

	Quarter ended			Six Months ended		Year Ended
	30.09.2018	**30.06.2018**	**30.09.2017**	**30.09.2018**	**30.09.2017**	**31.03.2018**
Revenue from operations (gross)	1,51,566.60	1,49,746.88	1,10,653.01	301313.48	2,38,835.51	5,06,427.59
Less: Excise Duty	-	-	-	-	1,786.60	1,786.60
Net comparable revenue	1,51,566.60	1,49,746.88	1,10,653.01	3,01,313.48	2,37,048.91	5,04,640.99

6) Shares held under "IOC Shares Trust" of face value ₹ 233.12 crore (pre bonus ₹ 116.56 crore) has been netted from paid–up Equity Share Capital. The net share capital is considered for computing earnings per share. Further, pursuant to issue of bonus shares in the ratio of one equity share for every one share held in March 2018, Earning Per Share for the quarter and six months ended on 30th September 2017 have been restated. Standalone EPS without adjusting for bonus shares for the quarter and six months ended on 30th September 2017 would have been ₹ 7.80 per share and ₹ 17.40 per share respectively.

7) Indian Accounting Standard (Ind-AS)-115 "Revenue from Contracts with Customers" became effective from 01.04.2018 and the company has adopted the same using cumulative catch-up transition method. This adoption has reduced Revenue from Operation for the current period by **₹ 13.87 crore**.

8) During the quarter, company has settled its liability for entry tax in the State of Bihar consequent to the order of Commercial Tax Tribunal, Patna (on direction by Hon'ble Supreme Court) and accordingly, an amount of **₹ 1,155.02 crore**, being provision no more required, has been written back and included in Revenue from Operations.

9) Expenses for the period April - September 2018 includes:

   a) Employee benefit expenses of **₹ 1,266.52 crore** towards one time contribution for superannuation benefit scheme for past periods.

   b) Foreign exchange loss of **₹ 4,424.57 crore** included in Other Expenses. For April - September 2017, there was Foreign exchange gain of **₹ 349.12 crore** which was included in Other Income.

10) Company has applied hedge accounting for designated derivative contracts w.e.f 01.04.2018 as per Ind-AS 109 "Financial Instruments". Due to this, gain amounting to **₹ 0.95 crore** has been accounted in Other Comprehensive income which will be recycled to Statement of Profit and Loss in subsequent periods on settlement of respective contracts.

11) Figures for the previous periods have been regrouped/reclassified to conform to the figures of the current periods.

S.K. MEHTA & CO. CHARTERED ACCOUNTANTS FRN.000478N

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS MUMBAI FRN. 109208W

C.K. PRUSTY & ASSOCIATES Chartered Accountants Bhubaneswar

V. Singhi & Associates Chartered Accountants New Delhi

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SEGMENT WISE INFORMATION - STANDALONE

(₹ In Crore)

	PARTICULARS	UNAUDITED RESULTS FOR					AUDITED RESULTS FOR
		THREE MONTHS ENDED			SIX MONTHS ENDED		YEAR ENDED
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
1.	SEGMENT REVENUE						
	(a) Petroleum Products	1,46,992.43	1,45,417.63	1,07,081.43	2,92,410.06	2,30,929.58	4,89,582.19
	(b) Petrochemicals	5,577.09	5,282.73	3,290.48	10,859.82	8,255.00	18,059.16
	(c) Other Business Activities	2,286.38	2,080.30	1,711.67	4,366.68	2,970.02	7,279.26
	Sub-total	1,54,855.90	1,52,780.66	1,12,083.58	3,07,636.56	2,42,154.60	5,14,920.61
	Less: Inter-segment Revenue	3,289.30	3,033.78	1,430.57	6,323.08	3,319.09	8,493.02
	TOTAL INCOME FROM OPERATIONS	1,51,566.60	1,49,746.88	1,10,653.01	3,01,313.48	2,38,835.51	5,06,427.59
2.	SEGMENT RESULTS:						
	(a) Profit Before Tax, Interest Income, Finance Costs, Dividend and Exceptional Items from each segment						
	(i) Petroleum Products	4,636.78	9,982.49	4,851.31	14,619.27	9,993.33	27,567.25
	(ii) Petrochemicals	1,372.03	1,432.45	842.69	2,804.48	2,437.96	5,226.22
	(iii) Other Business Activities	163.06	266.56	60.23	429.62	122.95	407.82
	Sub-total (a)	6,171.87	11,681.50	5,754.23	17,853.37	12,554.24	33,201.29
	(b) Finance Costs	1,187.83	1,031.06	821.84	2,218.89	1,560.59	3,448.44
	(c) Other un-allocable expenditure (Net of un-allocable income)	178.30	308.27	(559.02)	486.57	(1,285.59)	(2,811.43)
	TOTAL PROFIT BEFORE TAX (a-b-c)	4,805.74	10,342.17	5,491.41	15,147.91	12,279.24	32,564.28
3.	SEGMENT ASSETS:						
	(a) Petroleum Products	2,38,254.18	2,22,682.85	1,87,064.00	2,38,254.18	1,87,064.00	2,10,379.74
	(b) Petrochemicals	15,220.87	15,170.49	14,619.37	15,220.87	14,619.37	14,665.15
	(c) Other Business Activities	2,843.43	2,960.06	2,746.07	2,843.43	2,746.07	2,944.62
	(d) Unallocated	52,032.06	49,887.77	50,068.67	52,032.06	50,068.67	52,750.40
	TOTAL	3,08,350.54	2,90,701.17	2,54,498.11	3,08,350.54	2,54,498.11	2,80,739.91
4.	SEGMENT LIABILITIES:						
	(a) Petroleum Products	1,15,633.83	1,15,952.30	98,129.47	1,15,633.83	98,129.47	98,598.87
	(b) Petrochemicals	663.85	852.30	804.50	663.85	804.50	557.05
	(c) Other Business Activities	975.52	1,013.34	1,517.29	975.52	1,517.29	1,142.09
	(d) Unallocated	73,513.27	58,008.27	47,586.23	73,513.27	47,586.23	70,270.88
	TOTAL	1,90,786.47	1,75,826.21	1,48,037.49	1,90,786.47	1,48,037.49	1,70,568.89

Notes:

A. Segment Revenue comprises Sales/income from operations (inclusive of excise duty) and Other Operating Income.

B. Other Business segment of the Corporation comprises; Gas, Oil & Gas Exploration Activities, Explosives & Cryogenic Business and Wind Mill & Solar Power Generation.

C. Figures for the previous periods have been re-arranged wherever necessary.

BY ORDER OF THE BOARD

(A. K. SHARMA)
DIRECTOR (FINANCE)
DIN No.: 06665266

Place: New Delhi
Dated: November 2, 2018

S.K. MEHTA & CO. CHARTERED ACCOUNTANTS

V.SANKAR AIYAR & CO. MUMBAI FRN 109208W CHARTERED ACCOUNTANTS

C.K. PRUSTY & ASSOCIATES Bhubaneswar Chartered Accountants

V.Singhi & Associates New Delhi Chartered Accountants

S. K. MEHTA & CO.
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504, Kirti Mahal,
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V. SINGHI & ASSOCIATES
Chartered Accountants
Four Mangoe Lane,
Surendra Mohan Ghosh Sarani,
Ground Floor,
Kolkata - 700001

INDEPENDENT AUDITORS' REVIEW REPORT ON THE CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER 2018

To the Board of Directors
Indian Oil Corporation Limited
New Delhi

1. We have reviewed the accompanying statement of consolidated unaudited financial results (the Statement) of **Indian Oil Corporation Limited** ("the Company"), its subsidiaries (the company and its subsidiaries together referred to as 'the Group') and its joint ventures and associates for the quarter and six months ended 30th September, 2018 prepared by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIT/CFD/FAC/62/2016 dated 5th July 2016. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. We did not perform a review of the interim financial statements of 9 subsidiaries included in the Statement, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 41,322.66 crore as at September 30, 2018, total revenues (before consolidation adjustments) of Rs. 19,199.57 crore & Rs. 34,320.93 crore, and net profit (before Consolidation adjustments) amounting to Rs. 297.79 crore & Rs. 529.47 crore for the quarter and six months ended September 30, 2018 respectively. These interim financial statements have been certified by the management of these subsidiaries and have been furnished to us and our conclusion on the Statement, to the extent the Statement has been derived from such

management certified interim financial statements, is based solely on the interim financial statements provided by the Holding company's management.

The Statement includes the Group's share of net profit of Rs. 1.91 crore & Rs 9.40 crore for the quarter and six months ended 30th September 2018 respectively, as considered in the Statement, in respect of 2 Joint Ventures which have been reviewed by other auditors. Our conclusion in so far as it relates to the amounts and disclosure of these Joint Venture companies is based on the reports of other auditors

The Statement also include the Group's share of net profit of Rs. 134.11 crore & Rs 274.07 crore for the quarter and six months ended 30th September 2018 respectively, as considered in the Statement, in respect of 21 Joint Ventures and Associates. These interim financial statements have been certified by the management of these joint ventures and associates and furnished to us, and our conclusion on the Statement, to the extent the Statement has been derived from such management certified interim financial statements, is based solely on the interim financial statements provided by the Holding company's management.

Certain of these subsidiaries and joint ventures are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in that country ("local GAAP"). The Holding company's management has converted the interim financial statements of these subsidiaries & joint ventures from local GAAP to accounting principles generally accepted in India. We have reviewed these conversion adjustments carried out by the Holding company's management.

Our conclusion is not modified in respect of these matters.

4. The above Statement include the results of entities attached at Annexure-I.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the Statement, prepared in accordance with the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30th November 2015 and CIR/CFD/FAC/62/2016 dated 06th July 2016 and other recognized accounting practices and polices has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Agreement and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S. K. MEHTA & CO.	**For V SANKAR AIYAR & CO.**	**For CK PRUSTY & ASSOCIATES**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn. No. 000478N	Firm Regn. No. 109208W	Firm Regn. No. 323220E	Firm Regn. No. 311017E
(CA. ROHIT MEHTA)	**(CA. M.S. BALACHANDRAN)**	**(CA. CHANDRAKANTA PRUSTY)**	**(CA. ANIRUDDHA SENGUPTA)**
Partner	Partner	Partner	Partner
M. No. 091382	**M. No. 024282**	**M. No. 057318**	**M. No. 051371**

Place: New Delhi
Dated: November 02, 2018

Annexure-I

The list of Subsidiaries, Joint Ventures and Associates

	Subsidiaries		**Joint Ventures**
1	Chennai Petroleum Corporation Limited	1	IOT Infrastructure & Energy Services Limited
2	Indian Catalyst Private Limited	2	Lubrizol India Private Limited
3	IndianOil (Mauritius) Ltd.	3	Indian Oil Petronas Private Limited
4	Lanka IOC PLC	4	Green Gas Limited
5	IOC Middle East FZE	5	IndianOil Skytanking Private Limited
6	IOC Sweden AB	6	Suntera Nigeria 205 Limited
7	IOCL (USA) Inc.	7	Delhi Aviation Fuel Facility (Private) Limited
8	IndOil Global B.V.	8	Indian Synthetic Rubber Private Limited
9	IOCL Singapore Pte Ltd	9	NPCIL IndianOil Nuclear Energy Corporation Limited
	Associates	10	GSPL India Transco Limited
1	Petronet LNG Limited	11	GSPL India Gasnet Limited
2	AVI-OIL India Private Limited	12	IndianOil Adani Gas Private Limited
3	Petronet India Limited	13	Mumbai Aviation Fuel Farm Facility Private Limited
4	Petronet VK Limited	14	Kochi Salem Pipelines Private Limited
		15	IndianOil LNG Private Limited
		16	IndianOil Ruchi Bio Fuels LLP
		17	Hindustan Urvarak and Rasayan Ltd.
		18	Ratnagiri Refinery & Petrochemicals Ltd. (Incorporated on 22.09.2017)
		19	Indradhanush Gas Grid Limited (Incorporated on 10.08.2018)

IndianOil

INDIAN OIL CORPORATION LIMITED
[CIN - L23201MH1959GOI011388]
Regd. Office : IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai - 400 051
Website: www.iocl.com Email ID: investors@indianoil.in

STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER 2018

(₹ In Crore)

	PARTICULARS	UNAUDITED RESULTS FOR					AUDITED RESULTS FOR
		THREE MONTHS ENDED			SIX MONTHS ENDED		YEAR ENDED
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
A.	FINANCIAL						
1.	Revenue from operations (Refer Note 3)	1,54,968.89	1,51,813.83	1,12,606.90	3,06,782.72	2,43,303.80	5,15,541.89
2.	Other Income	718.19	563.19	280.77	1,281.38	1,817.96	3,419.88
3.	Total Income (1+2)	1,55,687.08	1,52,377.02	1,12,887.67	3,08,064.10	2,45,121.76	5,18,961.77
4.	Expenses						
(a)	Cost of materials consumed	80,432.19	70,527.49	44,634.03	1,50,959.68	96,529.76	2,17,228.51
(b)	Excise Duty	22,611.81	23,106.70	23,108.13	45,718.51	48,819.69	94,050.07
(c)	Purchases of Stock-in-Trade	33,676.55	35,614.11	26,986.48	69,290.66	55,574.17	1,18,116.41
(d)	Changes in Inventories (Finished Goods, Stock-in-trade and Work-In Progress)	(5,120.45)	(3,427.48)	(392.13)	(8,547.93)	5,901.43	1,501.48
(e)	Employee benefits expense	3,832.04	2,500.34	2,502.38	6,332.38	5,079.13	10,680.70
(f)	Finance Costs	1,351.23	1,152.97	895.48	2,504.20	1,714.93	3,810.51
(g)	Depreciation and Amortization expense	2,074.31	1,961.42	1,819.39	4,035.73	3,669.03	7,663.54
(h)	Impairment Losses	0.26	0.03	3.22	0.29	3.39	4.33
(i)	Net Loss on de-recognition of Financial Assets at Amortised Cost	0.61	0.24	0.17	0.85	0.85	7.96
(j)	Other Expenses	12,299.00	10,430.35	7,706.45	22,729.35	15,418.77	32,359.19
	Total expenses	1,51,157.55	1,41,866.17	1,07,263.60	2,93,023.72	2,32,711.15	4,85,422.70
5.	Profit/(Loss) before Share of profit/(loss) of an associate/ a joint venture (3-4)	4,529.53	10,510.85	5,624.07	15,040.38	12,410.61	33,539.07
6.	Share of profit/(loss) of an associate/ a joint venture	375.84	284.07	176.31	659.91	392.19	911.15
7.	Profit/(Loss) before Tax (5+6)	4,905.37	10,794.92	5,800.38	15,700.29	12,802.80	34,450.22
8.	Tax Expense						
	- Current Tax	779.26	2,392.49	1,052.68	3,171.75	2,442.21	7,648.32
	- Deferred Tax	799.47	1,226.84	941.92	2,026.31	1,818.66	4,175.55
		1,578.73	3,619.33	1,994.60	5,198.06	4,260.87	11,823.87
9.	Net Profit/(Loss) for the period (7-8)	3,326.64	7,175.59	3,805.78	10,502.23	8,541.93	22,626.35
10.	Net Profit/(Loss) attributable to Non-controlling Interest	11.99	83.17	150.96	95.16	167.40	436.90
11.	Net Profit/(Loss) attributable to Equityholders of the Parent (9-10)	3,314.65	7,092.42	3,654.82	10,407.07	8,374.53	22,189.45
12.	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss	2,057.79	(1,885.62)	1,917.53	172.17	(1,352.50)	64.43
	A (ii) Income Tax relating to items that will not be reclassified to profit or loss	(239.69)	67.13	-	(172.56)	-	355.21
	B (i) Items that will be reclassified to profit or loss	(73.49)	354.79	117.30	281.30	813.26	455.55
	B (ii) Income Tax relating to items that will be reclassified to profit or loss	13.89	92.91	6.57	106.80	(27.94)	62.97
		1,758.50	(1,370.79)	2,041.40	387.71	(567.18)	938.16
13.	Total Comprehensive Income for the period (9+12)	5,085.14	5,804.80	5,847.18	10,889.94	7,974.75	23,564.51
14.	Total Comprehensive Income attributable to Non-controlling Interest	11.52	86.91	137.45	98.43	151.33	435.27
15.	Total Comprehensive Income attributable to Equityholders of the Parent (13-14)	5,073.62	5,717.89	5,709.73	10,791.51	7,823.42	23,129.24
16.	Paid-up Equity Share Capital (Face value - ₹10 each)	9,711.81	9,711.81	4,855.90	9,711.81	4,855.90	9,711.81
17.	Other Equity excluding revaluation reserves						1,04,395.13
18.	Earnings per Share (₹) (not annualized) (Refer Note 4) (Basic and Diluted) (Face value - ₹10 each)	3.50	7.48	3.86	10.98	8.84	23.41

Also Refer accompanying notes to the Financial Results

S.K.MEHTA & CO. CHARTERED ACCOUNTANTS FRN.000478N

V.SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS MUMBAI FRN 109208W

C.K.PRUSTY & ASSOCIATES Chartered Accountants Bhubaneswar

V.Singhi & Associates Chartered Accountants New Delhi

11/13

STATEMENT OF ASSETS AND LIABILITIES

(₹ In Crore)

		AS AT 30.09.2018 UNAUDITED	AS AT 31.03.2018 AUDITED
A.	ASSETS		
1.	Non-Current Assets		
	(a) Property, plant and equipment	1,25,675.53	1,22,987.42
	(b) Capital work-in-progress	20,313.67	15,286.08
	(c) Goodwill - On Consolidation	1.04	1.04
	(d) Intangible assets	2,879.97	1,064.54
	(e) Intangible assets under development	4,346.63	3,844.30
	(f) Equity investment in JV's and Associates	23,971.19	11,048.51
	(g) Financial Assets		
	(i) Other Investments	13,459.35	25,558.76
	(ii) Loans	2,389.56	2,158.71
	(iii) Other financial assets	1,583.13	3,483.25
	(h) Income tax assets (Net)	349.13	1,302.93
	(i) Other non-current assets	3,617.28	3,262.30
	Sub Total - Non-Current Assets	1,98,586.48	1,89,997.84
2.	Current Assets		
	(a) Inventories	89,345.39	70,567.90
	(b) Financial Assets		
	(i) Investments	8,461.73	8,198.78
	(ii) Trade receivables	13,642.89	10,696.48
	(iii) Cash and cash equivalents	2,698.03	318.90
	(iv) Bank Balances other than above	299.44	175.38
	(v) Loans	2,339.33	672.08
	(vi) Other financial assets	10,223.60	11,284.11
	(c) Current tax assets (Net)	-	0.91
	(d) Other current assets	3,156.73	3,598.23
	(e) Assets Held for Disposal	184.07	161.68
	Sub Total - Current Assets	1,30,351.21	1,05,674.45
	TOTAL - ASSETS	3,28,937.69	2,95,672.29
B.	EQUITY AND LIABILITIES		
1.	Equity		
	(a) Equity Share Capital	9,478.69	9,478.69
	(b) Other Equity	1,12,717.81	1,04,395.13
	(c) Non-controlling Interest	2,085.68	2,151.22
	Sub Total - Equity	1,24,282.18	1,16,025.04
	Liabilities		
2.	Non-Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	22,005.69	23,060.51
	(ii) Other financial liabilities	633.89	533.47
	(b) Provisions	1,871.69	2,422.65
	(c) Deferred tax liabilities (Net)	14,594.05	12,367.85
	(d) Other non-current liabilities	1,571.36	1,361.21
	Sub Total - Non-Current Liabilities	40,676.68	39,745.69
3.	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	42,237.75	39,080.51
	(ii) Trade payables	48,231.69	36,766.69
	(iii) Other financial liabilities	43,280.94	38,440.31
	(b) Other current Liabilities	20,912.64	11,364.62
	(c) Provisions	9,288.25	14,249.43
	(d) Current Tax Liabilities (Net)	27.56	-
	Sub Total - Current Liabilities	1,63,978.83	1,39,901.56
	TOTAL - EQUITY AND LIABILITIES	3,28,937.69	2,95,672.29

S.K. MEHTA & CO. CHARTERED ACCOUNTANTS FRN 000478N

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V. Singhi & Associates Chartered Accountants New Delhi

Notes to Consolidated Financial Results:

1) The above results have been reviewed and recommended by the Audit Committee in its meeting held on 1st November 2018 and approved by the Board of Directors at its meeting held on 2nd November 2018.

2) The Financial Results have been reviewed by the Statutory Auditors as required under regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3) Goods and Services Tax (GST) has been implemented w.e.f 01.07.2017 wherein some of the petroleum products are still outside its ambit. Accordingly, GST is being levied on some products as against Excise Duty applicable hitherto. Since, excise duty is included in revenue and GST is not included in revenue, thus to ensure comparability, revenue excluding excise duty on applicable products are given below:

₹ in crore

	Quarter ended			Six Months ended		Year Ended
	30.09.2018	**30.06.2018**	**30.09.2017**	**30.09.2018**	**30.09.2017**	**31.03.2018**
Revenue from operations (gross)	1,54,968.89	1,51,813.83	1,12,606.90	3,06,782.72	2,43,303.80	5,15,541.89
Less: Excise Duty	-	-	-	-	1,960.45	1,960.45
Net comparable revenue	1,54,968.89	1,51,813.83	1,12,606.90	3,06,782.72	2,41,343.35	5,13,581.44

4) Shares held under "IOC Shares Trust" of face value ₹ 233.12 crore (pre bonus ₹ 116.56 crore) has been netted from paid–up Equity Share Capital. The net share capital is considered for computing earnings per share. Further, pursuant to issue of bonus shares in the ratio of one equity share for every one share held in March 2018, Earning Per Share for the quarter and six months ended on 30th September 2017 have been restated. Consolidated EPS without adjusting for bonus shares for the quarter and six months ended on 30th September 2017 ended on 30th September 2017 would have been ₹ 7.71 per share and ₹ 17.67 per share respectively.

5) Indian Accounting Standard (Ind-AS)-115 "Revenue from Contracts with Customers" became effective from 01.04.2018 and the company has adopted the same using cumulative catch-up transition method. This adoption has reduced Revenue from Operation by for the current period **₹ 13.87 crore.**

6) During the quarter, company has settled its liability for entry tax in the State of Bihar consequent to the order of Commercial Tax Tribunal, Patna (on direction by Hon'ble Supreme Court) and accordingly, an amount of **₹ 1,155.02 crore**, being provision no more required, has been written back and included in Revenue from Operations.

7) Expenses for the period April - September 2018 includes:

   a) Employee benefit expenses of **₹ 1,266.52 crore** towards one time contribution for superannuation benefit scheme for past periods.

   a) Foreign exchange loss of **₹ 4,782.33 crore** included in Other Expenses. For April - September 2017, there was Foreign exchange gain of **₹ 313.35 crore** which was included in Other Income.

8) Figures for the previous periods have been regrouped/reclassified to conform to the figures of the current periods.

S.K. MEHTA & CO. CHARTERED ACCOUNTANTS FRN.000478N

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V. Singhi & Associates Chartered Accountants New Delhi

SEGMENT WISE INFORMATION - CONSOLIDATED

(₹ In Crore)

	PARTICULARS	UNAUDITED RESULTS FOR					AUDITED RESULTS FOR
		THREE MONTHS ENDED			SIX MONTHS ENDED		YEAR ENDED
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
1.	SEGMENT REVENUE						
	(a) Petroleum Products	1,49,914.72	1,47,418.28	1,08,987.70	2,97,333.00	2,35,266.59	4,96,735.03
	(b) Petrochemicals	5,577.09	5,282.73	3,290.48	10,859.82	8,255.00	18,059.16
	(c) Other Business Activities	2,766.38	2,146.60	1,759.29	4,912.98	3,101.30	9,240.72
	Sub-total	1,58,258.19	1,54,847.61	1,14,037.47	3,13,105.80	2,46,622.89	5,24,034.91
	Less: Inter-segment Revenue	3,289.30	3,033.78	1,430.57	6,323.08	3,319.09	8,493.02
	TOTAL INCOME FROM OPERATIONS	1,54,968.89	1,51,813.83	1,12,606.90	3,06,782.72	2,43,303.80	5,15,541.89
2.	SEGMENT RESULTS:						
	(a) Profit Before Tax, Interest Income, Finance Costs, Dividend and Exceptional Items from each segment						
	(i) Petroleum Products	4,825.22	10,410.97	5,418.15	15,236.19	10,691.71	28,744.46
	(ii) Petrochemicals	1,372.03	1,432.45	842.69	2,804.48	2,437.96	5,226.22
	(iii) Other Business Activities	156.04	158.37	(30.44)	314.41	(330.08)	230.92
	Sub-total (a)	6,353.29	12,001.79	6,230.40	18,355.08	12,799.59	34,201.60
	(b) Finance Costs	1,351.23	1,152.97	895.48	2,504.20	1,714.93	3,810.51
	(c) Other un-allocable expenditure (Net of un-allocable income)	96.69	53.90	(465.46)	150.59	(1,718.14)	(4,059.13)
	TOTAL PROFIT BEFORE TAX (a-b-c)	4,905.37	10,794.92	5,800.38	15,700.29	12,802.80	34,450.22
3.	SEGMENT ASSETS:						
	(a) Petroleum Products	2,49,420.11	2,31,700.60	1,97,489.24	2,49,420.11	1,97,489.24	2,18,784.88
	(b) Petrochemicals	15,220.87	15,170.49	14,619.37	15,220.87	14,619.37	14,665.15
	(c) Other Business Activities	16,388.25	16,009.54	10,656.74	16,388.25	10,656.74	12,402.44
	(d) Unallocated	47,907.42	45,773.14	47,008.88	47,907.42	47,008.88	49,818.78
	TOTAL	3,28,936.65	3,08,653.77	2,69,774.23	3,28,936.65	2,69,774.23	2,95,671.25
4.	SEGMENT LIABILITIES:						
	(a) Petroleum Products	1,17,977.27	1,16,472.50	99,678.20	1,17,977.27	99,678.20	99,008.26
	(b) Petrochemicals	663.85	852.30	804.50	663.85	804.50	557.05
	(c) Other Business Activities	2,382.07	2,832.25	1,752.31	2,382.07	1,752.31	1,817.31
	(d) Unallocated	83,632.32	66,753.30	56,226.38	83,632.32	56,226.38	78,264.63
	TOTAL	2,04,655.51	1,86,910.35	1,58,461.39	2,04,655.51	1,58,461.39	1,79,647.25

Notes:

A. Segment Revenue comprises Sales/income from operations (Inclusive of excise duty) and Other Operating Income.

B. Other Business segment of the Corporation comprises; Gas, Oil & Gas Exploration Activities, Explosives & Cryogenic Business and Wind Mill & Solar Power Generation.

C. Figures for the previous periods have been re-arranged wherever necessary.

BY ORDER OF THE BOARD

(A.K. SHARMA)
DIRECTOR (FINANCE)
DIN No.: 06665266

Place: New Delhi
Dated: November 2, 2018

S.K. MEHTA & CO. CHARTERED ACCOUNTANTS FRN.000478N

V. SANKAR AIYAR & CO. MUMBAI FRN: 109208W CHARTERED ACCOUNTANTS

C.K. PRUSTY & ASSOCIATES Bhubaneswar Chartered Accountants

V. Singhi & Associates New Delhi Chartered Accountants

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