

Annual Report 2016-17



Leveraging technologies for
a sustainable planet



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IndianOil is innovating, developing and deploying new technologies to reach energy to all in a sustainable manner. As India's largest commercial enterprise and the highest ranked Indian corporate in *Fortune's* 'Global 500' listing, IndianOil is investing in a big way in innovations and technologies to reduce dependence on limited energy sources. Numerous initiatives undertaken by IndianOil, like green auto fuels, energy-efficient technologies, tapping of alternative, renewable energy sources, etc., will ensure a better future and a green planet for the coming generations.

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Indian Oil Corporation Limited

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

*Working Together
Winning Together*



*IndianOilPeople...
...towards Excellence*



2017
Year of
INNOVATION
& TECHNOLOGY



FROM THE CHAIRMAN'S DESK

Dear Shareowners,

This is my first communication to you after taking over as Chairman on 1st June, 2017, and I consider it a privilege to share my thoughts with you through this forum. I do acknowledge that it is a great honour to lead IndianOil, which has been serving the nation with distinction for nearly six decades now.

IndianOil's corporate vision of being '*The Energy of India*' and becoming 'A globally admired company' and its core values of *Care, Innovation, Passion* and *Trust* differentiate it from the other corporates. Each of its business verticals remains strongly committed to respective core competencies, making IndianOil a strong player across the hydrocarbon value chain.

With a workforce encompassing varied age groups and expertise, IndianOil represents a perfect blend of youth and experience. This creates an environment highly conducive to innovative ideas, technologies, high-quality products & services, and safe & efficient operations while enhancing stakeholder value on a sustained basis. Such a positive environment is conducive to making the Company future-ready.

Global Trends

In 2016, the global economy witnessed a slowdown in growth, slipping to 3.1 per cent from 3.4 per cent recorded in 2015. While growth in the advanced economies slipped from 2.1 per cent in 2015 to 1.7 per cent in 2016, it slid marginally from 4.2 per cent to 4.1 per cent in emerging economies. Global GDP growth is projected at 3.4 per cent in 2017 and 3.6 per cent in 2018.

In 2016, global primary energy consumption increased only by 1 per cent on a year-on-year basis compared to a 10-year average of 1.8 per cent. While oil and natural gas consumption grew by 1.6 per cent and 1.5 per cent respectively, renewable energy (including biofuels) grew at a robust 12 per cent.

The global oil demand rose to 96.8 mbpd (million barrels per day) in 2016-17 as compared to 95.3 mbpd in 2015-16. With increase in demand and restrictions on output growth by the producers, the surplus in the global oil markets fell from 1.5 mbpd in the year 2015-16 to 0.12 mbpd in 2016-17. Crude oil (Brent) prices averaged at \$48.62/bbl in 2016-17, only slightly higher than the average of \$47.26/bbl in 2015-16; the prices have been moving up further in 2017-18 and are projected to remain in a reasonable range around \$55/bbl. IndianOil, being a downstream major, is benefiting from this range-bound price. It is also helping us in being more bullish towards future expansion plans, which are essential for the Company's growth.

The OPEC countries and the United States have for long had a major say in the oil & gas sector, but other regions like Latin

Shri Sanjiv Singh



America and Africa too are likely to emerge as key players in the coming years. A shift in demand in favour of low-carbon fuels and slower energy demand growth underpinned by energy efficiency gains were the two clear trends that emerged during the year.

Alternative energy is gradually making headway based on cost-competitiveness against conventional options. Again, fall in costs is being driven by technological advancements and the scale of deployment. Though hydro and geothermal energy are competitive even today, renewables like solar PV and wind-power with cost reductions of 40-75 per cent and 10-25 per cent respectively, are coming to the fore. It is being estimated that, by the year 2040, more than 50 per cent of renewables-based power generation may not require subsidy support to become competitive.

The transportation sector is the largest oil consumer today, accounting for 57 per cent of the global oil demand. Renewables contribute to the sector directly through bio-fuels and indirectly through electricity generation. Though the number of electric vehicles (EV) is expected to increase manifold in the coming years, the transport sector is likely to be dominated by conventional fuels for many years to come.

Though several industry experts are predicting that liquid fuels would take a back seat soon, this soon may be a bit far, particularly in the Indian context. In fact, with continuously increasing demand for both oil and gas, India needs to handle this transition in an efficient and organised manner.

Hon'ble Prime Minister, Shri Narendra Modi, and other dignitaries at the inauguration of Petrotech-2016 Conference in New Delhi.



Domestic Trends

India is one of the fastest growing major economies in the world today. Its GDP growth, however, slid to 7.1 per cent in 2016-17 from 8 per cent in the previous year, with the Government's demonetisation exercise in November 2016 impacting the third and fourth quarters. However, GDP growth has shown improvement in the current fiscal and is expected to improve further, following the successful introduction of the Goods & Services Tax (GST) from 1st July, 2017 and the forecast of a good monsoon.

India is now the third largest consumer of petroleum products in the world, next only to USA and China. With its robust economic growth leading to increasing demand for energy, consumption of petroleum products rose to 194 million tonnes in 2016-17 from 185 million tonnes in 2015-16, registering a growth of 5.2 per cent. Among major products, there was a perceptible slowdown in growth of petrol and diesel as compared to the previous year, while growth in consumption of LPG and ATF improved to 9.8 per cent and 12.1 per cent respectively.

The domestic crude oil production declined by 2.5 per cent to 36 million tonnes in 2016-17 as falling production and under-performance of many fields continued. Crude oil imports of over 213 million tonnes registered 5.2 per cent growth in quantity terms, with product imports too registering a 22% growth. With positive changes in exploration policy by the Government, domestic production trend is expected to move upwards.

India's natural gas consumption rose by 7 per cent during 2016-17 and LNG imports by 16 per cent as compared to the previous year. With steady growth in domestic demand, refinery throughput rose by 5.4 per cent to 245 MMT during the year.

The Government of India has upscaled the target for renewable power capacity to 175 GW, which includes 100 GW from solar energy, 60 GW from wind-power, 10 GW from bio-power and 5 GW from small hydro-power to be achieved by the year 2022. India is one of the first major markets where solar PV (utility) and onshore wind-power may become competitive by around 2020.

A vibrant economy and a large domestic market, coupled with healthy growth projections, make India an emerging global energy hub. Inspired by the holistic energy vision of our Hon'ble Prime Minister, the Ministry of Petroleum & Natural Gas is leveraging the combined strengths of oil & gas sector enterprises by reforming and restructuring all segments for better overall performance.

The Government of India targets to reduce dependence on imported oil by 10 per cent by the year 2021-22 by increasing domestic production of oil & gas, promoting energy efficiency, conservation, and increased utilisation of bio-fuels and other alternative fuels and renewables.

Accordingly, the significant potential of the domestic E&P sector is being explored through a new policy appropriately titled HELP (Hydrocarbon Exploration Licencing Policy) that

IndianOil refineries are gearing up to implement several major projects for capacity expansion and product quality upgradation.



IndianOil's pipeline terminal at Raipur. The Company is implementing all pipeline projects in-house.



promises a uniform licence regime. Together with bidding for small discovered fields and marginal fields policy, this is expected to augment availability of domestic oil & gas.

In the midstream segment, a gas-based economy is being promoted by incentivising domestic production and by creating infrastructure on a mega scale in the form of LNG import terminals, pipeline networks and city gas distribution (CGD) projects. Gas currently accounts for 6.5 per cent of India's energy mix and the Government plans to raise its share to 15 per cent by the year 2030. Considering this, new LNG import terminals coming up in the next 7-8 years will raise the combined capacity to over 50 million metric tonnes per annum (MMTPA) while the natural gas transmission pipeline network is being expanded from 16,100 km currently to about 30,500 km by the year 2020.

In the downstream sector, India is all set to emerge as a global refining hub through multiple brownfield and greenfield capacity expansion projects. India's current refining capacity is 234.50 MMTPA, making it the second largest refining hub in Asia. The proposed 60 MMTPA west coast refinery would enable India further influence the ever-changing market dynamics in the global oil industry, with better bargaining power as a major oil buyer.

Leveraging low international crude oil prices, the Government of India and the PSU oil marketing companies have undertaken major initiatives to make energy accessible and affordable across socio-economic divides. LPG as a cooking fuel is being mainstreamed all over the country through the *Pradhan Mantri*

Ujjwala Yojana. With a target to release 5 crore deposit-free LPG connections to poor households by the year 2019, over 2.2 crore connections were issued during the year, raising LPG usage across markets to above 70 per cent.

In line with the growing demand, the marketing and distribution infrastructure for petroleum products is being expanded and modernised in a big way. Fuel stations are getting a comprehensive makeover aimed at enhancing customer convenience and service.

In his inspiring inaugural address at the 12th PETROTECH Conference in Delhi in December 2016, the Hon'ble Prime Minister urged the Indian oil & gas enterprises to aim at becoming multinational energy majors. This would not only boost investments but create infrastructure and efficiencies in the system to effectively cater to the energy needs of a humungous and diverse customer base that is expanding year after year.

The task is not easy. Every segment of the oil & gas industry has to first find ways to cope with a continuously evolving market that would throw up opportunities and obstacles in equal measure. At the same time, revolutionary and transformative policy changes, growing indigenous technological prowess and an enabling work environment would ensure that India remains the 'bright spot.'

IndianOil Performance – A Reassuring Present

From humble beginnings in the year 1959, IndianOil attained the status of an elite *Navratna* company by 1997 and became India's largest commercial enterprise in 1999. Then came the vision of becoming 'a major, diversified, transnational, integrated energy company' with ambitious forays into petrochemicals, gas marketing and E&P. In 2009, a year before earning the status of *Maharatna*, IndianOil redefined its vision to be '*The Energy of India*' and to become 'A globally admired company,' determined to transform from an oil company into a diversified energy major.

IndianOil's growth trajectory has been on an upswing in the recent past. The Company earned a record profit of ₹ 11,242 crore in 2015-16, only to better it with the highest ever profit of ₹ 19,106 crore in 2016-17, thereby becoming the country's most profitable public sector enterprise. The Company's net worth is close to ₹ 1 lakh crore. The IndianOil share was included in the prestigious Nifty50 stock index of the National Stock Exchange from 31st March 2017. The Company's share price more than doubled from a low of ₹ 195 (bonus-adjusted price) as on 1st April 2016 to ₹ 450 as on 16th May 2017, and the market capitalisation too rose to a record high of ₹ 2,18,831 crore on 16th May 2017.

The year 2016-17 was a landmark year for IndianOil refineries as they led the industry's enormous efforts that culminated

The 'smart terminals' at Jaipur (left) and Jharsuguda (right); over 60 of them are ensuring quick supplies and integrity of operations.



in extending the supply of cleaner BS-IV grade transportation fuels right across the country by 1st April, 2017, which involved major refinery upgrades, changes in supply logistics and other related transitions.

In another first aimed at timely implementation of the Government of India target of switchover to BS-VI fuels across the country by 1st April, 2020, IndianOil's Mathura Refinery became the first refinery in the country to produce BS-VI compliant petrol and diesel and supply the same to automobile manufacturers for their initial requirement.

The IndianOil Board approved some significant refinery projects during the year; these include revamp of old units and installation of new units for production of superior BS-VI fuels in various refineries at an expenditure of ₹ 15,400 crore; expansion of Barauni Refinery from 6 to 9 MMTPA; and capacity expansion of the PX/PTA (Paraxylene/Purified Terephthalic Acid) unit at Panipat Refinery.

The operations at Paradip Refinery, commissioned in February 2016, were progressively ramped up during the year and its capacity utilisation has now reached design level. Together with associated marketing and distribution infrastructure, this helped further consolidate the Company's operations in the East. In fact, the improvement in the critical operational parameters of IndianOil refineries year after year has been a significant contributor to the Company's profitability.

The Company derives a huge competitive advantage from its extensive pipelines network in reaching out to new markets and customers in a safe, cost-effective and eco-friendly way. Right from conceptualisation to commissioning, all

pipeline projects are being implemented in-house. With the commissioning of 1,102 km of pipeline sections during the year, the network expanded to 12,848 km, with the capacity of the liquid pipelines network at 93.7 MMTPA and that of the gas pipelines at 9.5 MMSCMD (million metric standard cubic metres per day).

IndianOil R&D lays equal emphasis on development and commercialisation of products & processes.



A fully automated fuel station with multiple value-added facilities in Vaishali district, Bihar.



Today, as a new India emerges, IndianOil is energising all key sectors of the economy with its products and services, reaching out to the remotest corners through over 46,500 customer touch-points spread across the country. These are seamlessly backed by a highly efficient network of supply locations.

As IndianOil's fuel stations network expands year after year, the contribution of *Kisan Seva Kendra* outlets to overall sales has been going up steadily, which is a clear pointer to the high potential of rural markets. In bulk sales, the Company continues to focus on retaining its lead share with major customers without compromising on viability.

The Vankor asset of Rosneft in Russia. IndianOil has committed major investments in the E&P assets of the Russian national oil company.



For the first time, Indane LPG cooking gas sales crossed 10 million tonnes during 2016-17, and about 1.53 crore new LPG connections were released, of which 93.25 lakh were under *Pradhan Mantri Ujjwala Yojana*.

IndianOil's R&D Centre, with a portfolio of over 550 active patents, lends the much-needed backend support to the Company in the form of proprietary research and commercialisation capabilities in lubricants, catalysts, refinery processes and pipelines operations.

The INDMAX unit at Paradip Refinery has showcased the Company's strengths in commercialisation of world-class technologies. Similarly, a grassroots INDAdapt[®] unit of 35 kilotonnes per annum capacity was commissioned at Guwahati Refinery for BS-IV gasoline production. Ind-Coker technology was successfully demonstrated at Panipat Refinery with significant increase in distillate yield. A delayed coking technology jointly licenced with EIL was deployed to revamp the 0.6 MMTPA Coker-A unit at Barauni Refinery. A 16-inch diameter in-line inspection tool for pipelines unveiled recently is the first in a series of tools fully designed & developed in-house. IndianOil R&D is also supporting the Company's petrochemicals business and its forays into alternative energy resources.

IndianOil achieves the incredible feat of raising 650-metric-tonne steel dome roof of the LNG storage tank by using pressurised air at the upcoming LNG import terminal at Ennore near Chennai.



IndianOil's petrochemicals and natural gas businesses have grown significantly in the past few years, with the Company emerging as the second largest player in the country in both the verticals, achieving the best ever sales performance in the year 2016-17. The Company's E&P business received a boost during the year with an IndianOil-led consortium acquiring substantial stakes in the Vankor and Taas assets of Rosneft, the national oil company of Russia.

During the year, adverse law & order conditions compromised petroleum supplies to certain parts of Jammu & Kashmir, Tripura and Manipur. However, IndianOil maintained near-normal supplies to these regions despite grave threats to its employees and transporters.

Similarly, as a savvy marketing entity, IndianOil quickly adapted to the Government's demonetisation drive launched in November 2016 and mainstreamed the popular cashless modes of payment across its sales network, besides disbursing the new currency notes through its retail points. With focus on cashless transactions, the Company is partnering several e-retailers, including banks, for e-payment gateways as well as tying up with transport aggregators to optimise supply & distribution. IndianOil's initiative in promoting Rural Card has earned the appreciation of *NITI Aayog*.

A Resurgent Future

When we consider the overall business outlook, the substantial growth potential of the Indian economy and its

growing energy needs, coupled with the comprehensive reforms agenda of the Government and the relatively range-bound crude oil prices in the near-term, augur well for your Company.

As I had mentioned earlier, oil and gas will continue to play a significant role in fuelling the growth of Indian economy at least till the year 2040 and probably beyond. IndianOil has put in place a road map for scaling up its business operations across the value chain in line with the growing demand. The Company is focussing on several priority areas in order to fully exploit the emerging opportunities for growth, expansion and diversification.

Deregulation of diesel price and direct payment of LPG subsidy to consumers have changed the market dynamics. Adapting itself to the changing business scenario, IndianOil is streamlining its logistics by way of optimising the supply chain and infrastructure and launching a plethora of customer-centric initiatives.

As a technology-driven company, IndianOil is investing in IT to optimise operations and enhance customer experience. While the number of automated fuel stations crossed the 10,000 mark during the year, transparent and assured digital processes are being incorporated in bulk storage points to ensure delivery of right quality & quantity, and quick supplies. In addition, vehicle tracking systems, e-portals, mobile applications, etc., are helping raise productivity and strengthen stakeholder engagement.

With new growth avenues opening up in the Indian skies for regional connectivity through tier-II and tier-III airports, the Company is working on making its aviation fuel business cost-effective by offering low-cost fuelling infrastructure models at smaller airports through in-house expertise.

In line with India's aspirations to become a refining hub, IndianOil plans to raise its refining capacity from the current 80.7 MMTPA to around 150 MMTPA by the year 2030, through both brownfield expansions and greenfield capacity creation. IndianOil is also pursuing a 60 MMTPA integrated refinery-cum-petrochemicals project on the west coast jointly with other oil marketing companies (OMCs), that is, BPC and HPC, at an approximate cost of ₹ 2.7 lakh crore.

The petroleum distribution infrastructure is being expanded in line with the Company's growth plans. About 8,000 km of pipelines network is being added by the year 2021.

The Company is working to convert its refineries to produce BS-VI quantity fuels, the top global standard today, by 1st April 2020. This way, it would not only meet the domestic demand for green fuels but also create capability to meet global quality standards.

Petrochemicals & speciality chemicals is a growing and highly profitable business. As the second largest player in the vertical, with a full slate of products and a countrywide logistics & marketing set-up, IndianOil views further integration of refining and petrochemicals as the way forward, and is scaling up its petrochemicals portfolio further with a polypropylene project in Paradip and expansion of existing facilities at its major refinery locations.

Significant investments are being planned in natural gas infrastructure and marketing to align with the country's changing energy mix. Increased global gas availability and low prices have strengthened the Government's vision of a gas-based economy, besides presenting attractive growth opportunities to players in the sector. IndianOil has interests across the gas value chain, from LNG import terminals to city gas distribution networks, major among them being a 5-MMTPA LNG import terminal at Kamarajar Port near Chennai, scheduled for commissioning in 2018-19.

Building on its record of successful diversification into natural gas marketing, IndianOil, along with Coal India Ltd., NTPC, FCIL and HFCL, formed a joint venture company, *Hindustan Urvarak & Rasayan Ltd.*, for revival of three fertiliser plants located at Gorakhpur (Uttar Pradesh), Sindri (Jharkhand) & Barauni (Bihar). This diversification also has a strategic fit with the Company's successful *Kisan Seva Kendra* model for rural markets.

As part of its quest to become an integrated energy major, IndianOil is expanding its upstream portfolio of domestic and overseas oil and gas blocks to be able to source atleast 10 per cent of its crude oil requirements from its own E&P assets in the medium term.

Globalisation of the Company's operations is an attractive business proposition and IndianOil's emergence as a major retail & terminalling player in Sri Lanka and Mauritius is paving the way to entry into other emerging markets in Southeast Asia and Africa, with overseas offices coming up in Singapore, Myanmar and Bangladesh.

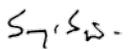
IndianOil's strategic strength in R&D is being further bolstered so as to widen and deepen research into emerging fuel technologies. From licenced technology to commercialisation of in-house expertise in refinery revamps, catalyst evaluation,

etc., its scientists are engaged in research on futuristic technologies and harnessing unconventional energy sources like battery technologies, 3G bio-fuels, etc. IndianOil believes that it can be a diversified technology-provider in the near future. With this objective, a new campus of the R&D Centre is coming up at Faridabad to house the new research facilities. More scientific personnel are also being recruited.

India has committed to cut carbon emissions by 33-35 per cent by 2030 and has set an ambitious target of 175 GW of renewable energy-based capacity by 2022. In support of this, IndianOil is working to raise its grid-connected renewable energy capacity from 188 MW (wind-168 MW, solar-20 MW) currently to 260 MW by the year 2020. It is also putting up 2G-ethanol & waste-to-energy projects. The Company has also committed to reduce its carbon footprint by 18 per cent and water footprint by 20 per cent by the year 2020.

IndianOil believes that its human resource is its most valuable asset and is committed to investing in the growth and empowerment of its work-force. The Company believes that knowledge and its right application is the key differentiator between organisations in these competitive times. Accordingly, IOCIans are acquiring cutting-edge conceptual, inter-personal and leadership skills through appropriate learning & development interventions. Reflecting the changing demographic profile of India, IndianOil too is getting increasingly younger. The 'millennials' are making their presence felt with their out-of-the-box innovative ideas and their command over emerging technologies. They represent the talented pool that will provide IndianOil its future leadership.

Inspired by its past achievements and energised by future opportunities, IndianOil today is fully geared to enhance its presence across the energy value chain in the years ahead, as an integrated energy major that would operate seamlessly across geographies, catering to a wide spectrum of customers with customised products & services. I look forward to your continued support, encouragement and patronage in this endeavour.


(Sanjiv Singh)
Chairman

Place: New Delhi
Date : 21.07.2017

IndianOil: The Energy of India

The Energy Vision

Welcome to the world of IndianOil, an integrated energy major with presence in almost all the streams of oil, gas, petrochemicals and alternative energy sources; a world of high-calibre people, state-of-the-art technologies and cutting-edge R&D; a world of best practices, quality-consciousness and transparency; and a world where energy in all its forms is tapped most responsibly and delivered to the consumers most affordably.

Welcome to IndianOil, *The Energy of India*.

A panoramic view of IndianOil's Guwahati Refinery.



The Energy for India's Rise

Being *The Energy of India* is much more than just notching up high turnover and record profits. It's far more than being the top Indian corporate among the world's largest corporates in *Fortune's* 'Global 500' listing, and the vision to become 'a globally admired company.'

Being *The Energy of India* is about IndianOil, with its 33,000-strong team, taking the lead to meet India's energy demands efficiently and effectively today, just as it has done over the last five decades, and an enterprise that fuels India's core sector for economic development.

Being *The Energy of India* is about IndianOil's business interests encompassing the entire hydrocarbon value chain – from refining, pipeline transportation & marketing, to exploration & production of crude oil & gas, petrochemicals, gas marketing, alternative energy sources and globalisation of downstream operations.

Being *The Energy of India* is also about IndianOil's global aspirations, fulfilled to an extent by the formation of subsidiaries in Sri Lanka, Mauritius, the UAE, Sweden, USA and The Netherlands.

It is about pursuing diverse business interests with the setting up of over 15 joint ventures with reputed business partners from India and abroad to explore global opportunities.

Taking the Lead to Fuel India's Energy Needs

As *The Energy of India*, IndianOil accounts for nearly half of India's petroleum products market share, with sales of 83.5 million tonnes in 2016-17. Over 35% national refining capacity and 71% downstream sector pipelines throughput capacity are with IndianOil. What's more, the IndianOil Group owns and operates 11 of India's 23 refineries, with a combined refining capacity of 80.7 million metric tonnes per annum (MMTPA). They led the industry in keeping its commitment to supply cleaner, 100% BS-IV compliant automotive fuels across the country from 1st April, 2017.

IndianOil's 12,848-km cross-country pipelines network facilitates the transportation of crude oil to refineries and finished products to high-demand centres in an efficient, economical and environment-friendly manner. Its throughput capacity of 93.7 MMTPA for crude oil and petroleum products and 9.5 MMSCMD for gas makes it one of the largest pipeline networks in the world.

A pipeline terminal on the Paradip-Raipur-Ranchi product pipeline.



The IndianOil Aviation team in action at Imphal.



Energy at the Doorstep, Services at a Click

As the commercial enterprise with the largest customer interface in India, IndianOil has the onerous task of reaching precious petroleum fuels to every nook and corner of the country through its network of over 46,500 customer touch-points, surmounting the challenges of tough terrain, climate and accessibility. This includes 26,000+ fuel stations, including over 7,000 *Kisan Seva Kendra* (KSK) outlets in rural markets.

For the convenience of large-volume consumers like the defence services, railways, state transport undertakings and core sector industries, IndianOil has 6,520 dedicated pumps in operation at their doorstep to ensure timely delivery of products and efficient maintenance of inventory.

For IndianOil, all customers, bulk or retail, are equal and have the right to quality products and efficient services. With this belief, the IndianOil team reaches Indane LPG cooking gas right up to the doorsteps of 11 crore households in over 6,250 markets through a network of over 9,550 distributors. IndianOil's Aviation Service commands a 59.3% market share in aviation fuel, serving national and international flag carriers, private airlines and the Indian defence services with equal efficiency.

The countrywide marketing network is backed for supplies by 131 bulk storage terminals and depots and 91 LPG bottling plants, besides 104 aviation fuel stations.

While serving millions of customers from diverse segments, IndianOil has also built up a portfolio of leading energy brands, including *Indane* LPG cooking gas, *SERVO* lubricants, *XTRA PREMIUM* petrol, *XTRA MILE* diesel, *PROPEL* petrochemicals, etc. Besides the corporate brand, both *SERVO* and *Indane* are over 50 year old brands and have earned the coveted Superbrand status.

Advanced R&D, to be Future-Ready

IndianOil's sprawling R&D Centre at Faridabad, one of Asia's finest in downstream petroleum R&D, offers competitive advantage to the Corporation through world-class technology and process solutions and innovative products. With four decades of pioneering work in lubricants formulation, refinery processes and pipeline transportation, the Centre has garnered over 550 patents, of which over 360 are international patents.

The vibrant research undertaken in Tribology is showcased by IndianOil's *SERVO* productline comprising more than 4,000 lubricant & grease formulations to suit virtually every application. In addition, the Centre has also developed several refinery process technologies and catalysts, specially suited to Indian conditions. The Centre's forte also includes alternative energy programmes in bio-energy, solar energy, Hydrogen energy, H-CNG blends, synthetic fuels and shale oil. It is also focusing on cutting-edge research in nanotechnology, petrochemicals & polymers, coal gasification/liquefaction, and gas-to-liquid technologies. The Centre is also nurturing an eco-system conducive for innovations in the domestic hydrocarbons sector through a Startup Fund.

Synergy beyond Energy

Over the past decade, IndianOil has assiduously built its new businesses, that is, petrochemicals and natural gas marketing, to a level where they have achieved integration into the core verticals. The Corporation's upstream forays into exploration & production have also yielded significant results in the form of a sizeable portfolio of oil & gas assets.

Besides being the second largest player in the domestic petrochemicals market, IndianOil exports to over 70 countries,

IndianOil's R&D Centre has a portfolio of over 550 active patents.



offering the complete slate of petrochemical products and intermediates under the brand name *PROPEL*. The Corporation operates a world-scale Naphtha Cracker at its Panipat Refinery complex in Haryana, with four downstream units for production of polymer (plastics) intermediates. An integrated PX/PTA (Paraxylene/Purified Terephthalic Acid) plant, also set up at Panipat, produces polyester intermediates. IndianOil also operates the country's largest LAB (Linear Alkyl Benzene, used in the production of detergents) plant at its Koyali Refinery.

IndianOil took up natural gas marketing in 2004. Since then, it has expanded its customer base extensively by leveraging its strengths and countrywide reach. Its innovative 'LNG at the doorstep' initiative has benefited bulk users located away from gas pipelines. As co-promoter of PLL (Petronet LNG Ltd.), which has set up LNG (Liquefied Natural Gas) import terminals at Dahej & Kochi, IndianOil has marketing rights for 30% of the LNG procured by PLL. It is setting up a 5-MMTPA terminal at Ennore near Chennai for LNG imports and is also sourcing more LNG directly to meet the increasing domestic requirements.

IndianOil currently operates city gas distribution (CGD) networks in Agra and Lucknow through Green Gas Ltd., its joint venture with GAIL (India) Ltd. It is also implementing CGD projects in Chandigarh, Allahabad, Panipat, Daman, Ernakulam, Udham Singh Nagar and Dharwad through a joint venture with Adani group.

IndianOil has built a sizeable portfolio of oil & gas assets, with participating interest in eight domestic and nine overseas blocks. The nine overseas blocks are located in Libya, Gabon, Nigeria, Yemen, Venezuela, Russia, Canada and USA. The Corporation's E&P business got a shot in the arm when an Indian consortium with IndianOil acquired 23.9 % of Vankor & 29.9% of Taas assets in Russia from Rosneft.

In line with its plans to augment refining & pipelines capacities and marketing infrastructure, to expand petrochemicals and gas marketing infrastructure, and to enrich its E&P portfolio, IndianOil has invested Rs. 70,054 crore during the XII Plan period (2012-17).

Fuelling India's Green Energy Quest

IndianOil has ambitious plans to broaden its energy basket with alternative energy options; the Corporation envisages setting up 260 MW of renewable energy (wind and solar) over the next five years.

Wind-power systems totaling 168 MW have been installed in Gujarat, Andhra Pradesh and Rajasthan. The total installed capacity of solar PV is 20 MW, which includes 9.5 MW grid-connected solar projects and 10.5 MW off-grid projects.

The Corporation has so far converted about 6,600 of its fuel stations to operate on solar energy as a major initiative to reduce carbon emissions. Their cumulative capacity is about 26 MW.

About 560 rain-water harvesting systems have been installed at various refineries, terminals, depots and housing complexes of IndianOil. With a total catchment area of 950 hectares, about 3 billion litres of water is being harvested annually.

Sustaining Responsible Growth

As one of the flagship public sector enterprises of India, IndianOil has successfully combined its corporate social responsibility agenda with its business offerings, meeting the energy needs of millions of people every day, across the country.

The Corporation has been partnering communities in which it operates by supporting innumerable initiatives connected with health, family welfare, education, environment protection, provision of potable water, sanitation, and empowerment of women and other marginalised groups. IndianOil has always been leading from the front in times of national emergencies, and has time and again rallied to help victims of natural calamities by maintaining uninterrupted supply of petroleum products and contributing to relief and rehabilitation measures in cash and kind.

VISION

Ethics
Setting high standards for ethics and values

Customers
Fostering relationships for a lifetime

People
Leading with passion to excel



IndianOil

The Energy of India

A Globally Admired Company

Technology
Harnessing frontier technology

Innovation
Pioneering the spirit of creativity and research

Environment
Caring for the environment and community

VALUES

Care • Innovation • Passion • Trust

OBJECTIVES AND OBLIGATIONS

Objectives

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

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

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

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

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

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

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

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

To earn a reasonable rate of return on investment.

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

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

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

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

Obligations

Towards customers and dealers

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

Towards suppliers

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

Towards employees

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

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

Towards community

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

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

Towards defence services

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

Financial Objectives

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

To ensure maximum economy in expenditure.

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

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

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

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

IndianOil's bulk storage depot at Chingmeirong, Imphal with a storage capacity of 6,700 kl.



Board of Directors



First Row (from left to right): Shri A.K. Sharma, Director (Finance); Shri Sanjiv Singh, Chairman; Shri Subroto Bagchi, Independent Director; and Shri Parindu Bhagat, Independent Director.

Second Row (from left to right): Shri B.S. Canth, Director (Marketing); Shri Anish Aggarwal, Director (Pipelines); Shri Ashutosh Jindal, Government Nominee Director; and Dr. S.S.V. Ramakumar, Director (R&D).

Third Row (from left to right): Shri Verghese Cherian, Director (HR); Shri G.K. Satish, Director (P&BD); and Shri Sanjay Kapoor, Independent Director.



IndianOil

BOARD OF DIRECTORS

| | | | |
|-----|------------------------------|--|-------------------|
| 1. | Shri Sanjiv Singh | Chairman | w.e.f. 01.06.2017 |
| 2. | Shri AK Sharma | Director (Finance) | |
| 3. | Shri Verghese Cherian | Director (Human Resource) | |
| 4. | Shri Anish Aggarwal | Director (Pipelines) | |
| 5. | Shri BS Canth | Director (Marketing) | |
| 6. | Shri GK Satish | Director (Planning & Business Development) | w.e.f. 01.09.2016 |
| 7. | Dr. SSV Ramakumar | Director (Research & Development) | w.e.f. 01.02.2017 |
| 8. | Shri Ashutosh Jindal | Government Nominee Director | |
| 9. | Shri Sanjay Kapoor | Independent Director | |
| 10. | Shri Parindu Bhagat | Independent Director | |
| 11. | Shri Debasis Sen | Director (Planning & Business Development) | up to 31.08.2016 |
| 12. | Shri B Ashok | Chairman | up to 31.05.2017 |
| 13. | Shri AP Sawhney | Government Nominee Director | up to 22.06.2017 |
| 14. | Shri Subroto Bagchi | Independent Director | up to 29.06.2017 |

COMPANY SECRETARY

Shri Raju Ranganathan

Core Team



Standing (from left to right):

Shri B.S. Canth, Director (Marketing),
Shri Anish Aggarwal, Director (Pipelines),
Shri G.K. Satish, Director (P&BD),
Dr. S.S.V. Ramakumar, Director (R&D)

Sitting (from left to right):

Shri Verghese Cherian, Director (HR),
Shri Sanjiv Singh, Chairman,
Shri A.K. Sharma, Director (Finance)



SENIOR MANAGEMENT TEAM

BK Ravi

Advisor (Security)

Rajiv Khanna

Executive Director I/C (Finance), R&D

Gautam Bose

Executive Director (Regional Services – Eastern Region), Marketing

AK Chowdhury

Executive Director (Human Resource), Refineries

Vijay Prakash

Executive Director I/C (Technical), Refineries

SPS Jolly

Executive Director I/C (IndianOil Institute of Petroleum Management)

TS Khwaja

Executive Director I/C (Aviation), Marketing

Amita Singh(Ms)

Executive Director (Corporate Affairs & Pricing), Corporate Office

S Mukherjee

Executive Director I/C (Human Resource & CSR), Corporate Office

Kaushik Bora

Executive Director (Process Project), Refineries

RK Mittal

Executive Director (Exploration & Production), Corporate Office

VK Shukla

Executive Director (Barauni Refinery)

MR Karandikar

Executive Director I/C (Co-ordination, Planning & QC), Marketing

BS Giridhar

Executive Director (Health, Safety & Environment), Marketing

Raju Ranganathan

Executive Director (Company Secretary & Law)

Pranab Kumar Das

Executive Director I/C (Supplies), Marketing

YK Gupta

Executive Director (LPG), Marketing

Gurmeet Singh

Executive Director (Engineering & Projects), Marketing

NVN Ramsai

Executive Director (Finance), Marketing

DLN Sastri

Executive Director (International Trade), Corporate Office

Sukhendu Majumdar

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

KL Murthy

Executive Director (Lubes), Marketing

Dipankar Ray

Executive Director (IndianOil AOD State Office)

Murali Srinivasan

Executive Director (Maharashtra State Office)

SK Awasthi

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

Sajjan Kumar

Executive Director (Delhi State Office)

AK Verma

Executive Director (Uttar Pradesh State Office-I)

RK Samtani

Executive Director (Maintenance & Construction), Pipelines

AK Tewari

Executive Director (Operations), Pipelines

SK Satija

Executive Director (Eastern Region Pipeline-I), Kolkata

V Mohan

Executive Director (Shipping), Refineries

Gouri Shankar Singh

Executive Director (Technical), Paradip Refinery

DK Garg

Executive Director (Corporate Finance), Corporate Office

Subodh Dakwale

Executive Director (Corporate Communication & Branding), Marketing

BV Rama Gopal

Executive Director I/C (Panipat Refinery)

LW Khongwir

Executive Director (Mathura Refinery)

DK Sharma

Executive Director (Retail Sales), Marketing

Jogen Barpujari

Executive Director (Guwahati Refinery)

Ram Phal

Executive Director (Northern Region Pipelines), Panipat

PK Yadav

Executive Director (Automation), Marketing

Alok Khanna

Executive Director I/C (Information Systems), Corporate Office

S Varadhachari

Executive Director (Karnataka State Office)

RK Sethi

Executive Director (Corporate Finance), Corporate Office

CS Shankar

Executive Director I/C (Institutional Business), Marketing

PC Choubey

Executive Director (Eastern Region Pipelines-II), Bhubaneswar

VK Misra

Executive Director (Uttar Pradesh State Office-II)

SK Sharma

Executive Director (Gas), Corporate Office

SN Pandey

Executive Director (Optimisation), Corporate Office

S Senthil Kumar

Executive Director (Regional Services – Southern Region)

Arati Nath Jha

Executive Director I/C (Petrochemicals), Corporate Office

Sanjeev Kumar Jain

Executive Director (Gujarat State Office)

Rahul Bhardwaj

Executive Director (Telangana & Andhra Pradesh State Office)

Sunil Mathur

Executive Director (Rajasthan State Office)

SC Chopra

Executive Director I/C (Projects), Refineries

SS Lamba

Executive Director (Planning), Marketing

VC Sati

Executive Director (Western Region Pipelines), Gauridad

VK Raizada

Executive Director(Technical), Panipat Refinery

M Pramanik

Executive Director (AOD Refinery)

Subimal Mondal

Executive Director (Human Resource & CSR), Corporate Office

Debashish Roy

Executive Director (Finance), Refineries

UP Singh

Executive Director(Human Resource), Marketing

Shyam Lal Maurya

Executive Director (Maintenance & Inspection), Refineries

KK Gupta

Executive Director (Internal Audit), Corporate Office

M Srinivas

Executive Director (IndianOil Institute of Petroleum Management)

HK Sachdev

Executive Director (Regional Services – Northern Region)

GJ Tyagaraj

Executive Director (Maintenance & Construction), Refineries

Rakesh Sehgal

Executive Director (Operations), Marketing

KK Jain

Executive Director (Petrochemical – Projects), Corporate Office

BK Singh

Executive Director (Regional Services – Western Region)

Deepak Agarwal

Executive Director (Corporate Information Systems)

Gautam Ghosal

Executive Director (Human Resource), Pipelines

SK Sharma

Executive Director (Bihar State Office)

SB Prasad

Executive Director (Aviation), Marketing

Rakesh Jain

Executive Director (Business Development), Corporate Office

DL Pramodh

Executive Director (Institutional Business), Marketing

Sanjay Manchanda

Executive Director (West Coast Refinery Project)

RS Dahiya

Executive Director (Anti Adulteration Cell), Corporate Office

RD Kherdekar

Executive Director (Pricing), Marketing

RK Mohapatra

Executive Director (West Bengal State Office)

SK Agrawal

Executive Director (Gujarat Refinery)

CK Tiwari

Executive Director (Haldia Refinery)

R Sitharthan

Executive Director (Tamil Nadu State Office)

SM Vaidya

Executive Director (Operations), Refineries

HK Singh

Executive Director (Projects), Pipelines

Dr.S.K.Mazumdar

Executive Director (Refining Technology), R&D

MAIN OFFICES & MAJOR UNITS

Registered Office

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

Corporate Office

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

Refineries Division:

Head Office

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

Barauni Refinery

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

Digboi Refinery

P. O. Digboi, Assam-786 171

Gujarat Refinery

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

Guwahati Refinery

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

Haldia Refinery

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

Mathura Refinery

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

Panipat Refinery

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

Bongaigaon Refinery

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

Paradip Refinery

P.O. Jhimani, Via Kujang,
Distric Jagatsinghpur,
Odisha - 754141

Pipelines Division:

Head Office

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

Northern Region

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

Eastern Region

14, Lee Road,
Kolkata - 700 020 (West Bengal)

Western Region

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

Southern Region

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

Marketing Division:

Head Office

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

Northern Region

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

Eastern Region

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

Western Region

IndianOil Bhawan-BKC
Plot No. C-33, 'G' Block
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

Southern Region

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

R&D Centre:

Sector 13, Faridabad - 121 007 (Haryana)

Assam Oil Division:

P.O. Digboi - 768171 (Assam)

AUDITORS, REGISTRAR & TRANSFER AGENT, STOCK EXCHANGES, BANKERS AND DEBENTURE TRUSTEE

STATUTORY AUDITORS

M/s. J. Gupta & Co., Kolkata
M/s. V. Sankar Aiyar & Co., Mumbai
M/s. S. K. Mehta & Co., New Delhi
M/s. C. K. Prusty & Associates, Bhubaneswar

BRANCH AUDITORS

M/s. Shiromany Tyagi & Co., New Delhi
M/s. PKKG Balasubramaniam & Associates, Chennai
M/s. AAJV & Associates, Noida

COST AUDITORS

M/s. Chandra Wadhwa & Co., New Delhi
M/s. Bandyopadhyaya Bhaumik & Co., Kolkata
M/s. Mani & Co., Kolkata
M/s. RJ Goel & Co., New Delhi
M/s. ABK & Associates, Mumbai
M/s. P Raju Iyer, M Pandurang & Associates, Chennai
M/s. Chandra Wadhwa & Co., New Delhi is the Central Cost Auditor

REGISTRAR & TRANSFER AGENT

M/s. Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District,
Nanakramguda, Hyderabad - 500 032
Tel. No.: (040) 67162222
Toll-Free No.: 1800 3454 001
Fax No.: (040) 23001153
E-mail: einward.ris@karvy.com
Website: www.karvycomputershare.com

STOCK EXCHANGES

BSE Ltd.

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

National Stock Exchange of India Ltd. (NSE)

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

BANKERS

State Bank of India
HDFC Bank Ltd.

DEBENTURE TRUSTEE

SBICAP Trustee Company Limited
Apeejay House, 6th Floor,
3, Dinshaw Wachha Road,
Churchgate, Mumbai - 400020
Website: www.sbicaptrustee.com



GROUP COMPANIES

| Name | Business |
|---------------------------------------|--|
| Indian Subsidiaries | |
| Chennai Petroleum Corporation Limited | Refining of petroleum products |
| Indian Catalyst Private Limited | Manufacturing and marketing of FCC catalyst/additive |
| IndianOil-CREDA Biofuels Limited | Plantation of jatropha & extraction of oil for bio-diesels |
| Foreign Subsidiaries | |
| IndianOil (Mauritius) Ltd., Mauritius | Terminalling, retailing & aviation refuelling |
| Lanka IOC PLC, Sri Lanka | Retailing, terminaling & bunkering |
| IOC Middle East FZE, UAE | Lube blending & marketing of lubricants & base oil |
| IOC Sweden AB, Sweden | Investment company for E&P project in Venezuela |
| IOCL (USA) Inc., USA | Participation in shale gas asset project |
| IndOil Global B.V., The Netherlands | Investment company for integrated LNG project in Canada |
| IOCL Singapore Pte Ltd. | Investment company for E&P Assets in Russia. |

JOINT VENTURES

| Name | Business | Partners |
|--|---|--|
| Avi-Oil India Pvt. Ltd. | Speciality lubricants | Neden BV Netherlands, & Balmer Lawrie & Co. Ltd. |
| Delhi Aviation Fuel Facility Private Limited | Setting up and operation of aviation fuel facility at Delhi Airport | Delhi International Airport Pvt. Ltd. & Bharat Petroleum Corporation Ltd. |
| Green Gas Ltd. | City gas distribution | GAIL (India) Ltd. |
| GSPL India Transco Ltd. | Setting up of natural gas pipelines | Gujarat State Petronet Ltd., Hindustan Petroleum Corporation Ltd. & Bharat Petroleum Corporation Ltd. |
| GSPL India Gasnet Ltd. | - do - | - do - |
| IOT Infrastructure & Energy Services Ltd. | Terminalling services | Oiltanking GmbH, Germany. |
| IndianOil Adani Gas Pvt. Ltd. | City gas distribution | Adani Gas Ltd. |
| IndianOil LNG Pvt. Ltd. | Setting up of 5 MMTPA LNG terminal at Ennore | IDFC Alternatives Ltd., ICICI Bank Ltd. |
| IndianOil Petronas Pvt. Ltd. | Terminalling services and parallel marketing of LPG | Petronas, Malaysia. |
| IndianOil Skytanking Pvt. Ltd. | Aviation fuel facility projects and into-plane services | Skytanking GmbH, Germany. |
| Indian Synthetic Rubber Pvt. Limited | Manufacturing of styrene butadiene rubber at Panipat | TSRC, Taiwan & Marubeni, Japan |
| Kochi Salem Pipelines Private Limited | Laying pipeline for transport of LPG from Kochi to Salem | Bharat Petroleum Corporation Ltd. |
| Lubrizol India Pvt. Ltd. | Lube additives | Lubrizol Inc., USA |
| Mumbai Aviation Fuel Farm Facility Pvt. Ltd. | Setting up of common user integrated aviation fuel infrastructure | Bharat Petroleum Corporation Ltd. , Hindustan Petroleum Corporation Ltd. & Mumbai International Airport Ltd. |
| NPCIL – IndianOil Nuclear Energy Corporation Limited | For setting up nuclear power plant | Nuclear Power Corporation of India Ltd. |
| Petronet LNG Ltd. | LNG imports/distribution | Bharat Petroleum Corporation Ltd., Oil and Natural Gas Corporation Ltd., GAIL (India) Ltd. & Gaz de France International |
| Suntera Nigeria 205 Limited | Oil exploration activities | Oil India Ltd. & Suntera Resources Ltd., Cyprus |
| Hindustan Urvarak and Rasayan Ltd. | Setting up and operating fertilizer plants at Sindri, Gorakhpur and Barauni | Coal India Ltd., NTPC Ltd., Fertilizer Corporation of India Ltd., Hindustan Fertilizer Corporation Ltd. |

PERFORMANCE AT A GLANCE

| | AS PER IND-AS | | | | AS PER PREVIOUS IGAAP | | | |
|--|-----------------|---------------|----------------|----------------|-----------------------|----------------|----------------|----------------|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
| | (US \$ Million) | | (₹ in Crore) | | | | | |
| I. FINANCIAL | | | | | | | | |
| Turnover | 65,391 | 60,969 | 438,710 | 399,105 | 399,601 | 450,756 | 457,571 | 414,919 |
| Profit Before Exceptional Items, Finance Cost, Tax, Depreciation & Amortisation (EBITDA) | 5,364 | 3,570 | 35,989 | 23,371 | 22,329 | 14,291 | 19,023 | 17,284 |
| Profit Before Exceptional Items, Finance Cost & Tax (EBIT) | 4,437 | 2,834 | 29,766 | 18,552 | 17,476 | 9,762 | 13,263 | 12,083 |
| Profit Before Exceptional Items & Tax | 3,923 | 2,362 | 26,321 | 15,462 | 14,476 | 6,327 | 8,179 | 5,648 |
| Profit Before Tax | 3,923 | 2,570 | 26,321 | 16,826 | 15,840 | 7,995 | 9,926 | 5,648 |
| Profit After Tax | 2,848 | 1,717 | 19,106 | 11,242 | 10,399 | 5,273 | 7,019 | 5,005 |
| Other Comprehensive Income | 726 | (1,060) | 4,868 | (6,940) | | | | |
| Total Comprehensive Income | 3,573 | 657 | 23,974 | 4,302 | | | | |
| Contribution to Central & State Exchequer | 26,683 | 20,175 | 179,014 | 132,064 | 132,064 | 98,326 | 86,164 | 79,819 |
| Cumulative Dividend (on issued share capital) | | | 39,940 | 30,714 | 30,714 | 27,315 | 25,713 | 23,601 |
| Value Added | 6,804 | 4,865 | 45,647 | 31,849 | 31,330 | 23,064 | 27,389 | 24,555 |
| Distribution : | | | | | | | | |
| To Employees | 1,440 | 1,087 | 9,658 | 7,114 | 7,637 | 7,105 | 6,619 | 7,271 |
| To Providers of Capital | | | | | | | | |
| - Finance Cost | 514 | 472 | 3,445 | 3,090 | 3,000 | 3,435 | 5,084 | 6,435 |
| - Dividend | 1,572 | 438 | 10,545 | 2,867 | 3,399 | 1,602 | 2,112 | 1,505 |
| To Government- Income Tax & Dividend Tax | 1,400 | 942 | 9,392 | 6,170 | 6,121 | 3,048 | 3,266 | 899 |
| Retained in Business | | | | | | | | |
| - Depreciation | 927 | 736 | 6,223 | 4,819 | 4,853 | 4,529 | 5,760 | 5,201 |
| - Retained earnings | 951 | 1,190 | 6,384 | 7,789 | 6,320 | 3,345 | 4,548 | 3,244 |
| What Corporation Owns | | | | | | | | |
| Net Fixed Assets | 16,632 | 13,786 | 107,880 | 91,347 | 90,895 | 66,251 | 62,949 | 60,633 |
| Capital Work In Progress (CWIP) | 1,656 | 3,173 | 10,738 | 21,025 | 21,022 | 36,324 | 33,879 | 26,230 |
| Investments | 7,293 | 5,611 | 47,305 | 37,181 | 23,975 | 23,899 | 23,594 | 18,671 |
| Other Non Current Assets | 1,186 | 1,041 | 7,694 | 6,900 | 8,375 | 7,835 | 4,711 | 4,890 |
| Other Current Assets | 13,197 | 9,599 | 85,592 | 63,595 | 82,340 | 85,540 | 126,422 | 117,595 |
| Total | 39,964 | 33,210 | 259,209 | 220,048 | 226,607 | 219,849 | 251,555 | 228,019 |
| What Corporation Owes | | | | | | | | |
| Equity | | | | | | | | |
| - Share Capital | 731 | 358 | 4,739 | 2,370 | 2,428 | 2,428 | 2,428 | 2,428 |
| - Other Equity | 14,645 | 12,944 | 94,990 | 85,765 | 71,521 | 65,542 | 63,564 | 58,696 |
| Total | 15,376 | 13,302 | 99,729 | 88,135 | 73,949 | 67,970 | 65,992 | 61,124 |
| Borrowings | 8,452 | 7,981 | 54,820 | 52,880 | 52,469 | 55,248 | 86,263 | 80,894 |
| Tax Liability (Net) | 1,050 | 966 | 6,811 | 6,403 | 9,468 | 6,720 | 5,616 | 5,513 |
| Other Non Current Liabilities | 3,683 | 3,100 | 23,891 | 20,543 | 20,038 | 17,472 | 13,802 | 11,810 |
| Other Current Liabilities | 11,403 | 7,861 | 73,958 | 52,087 | 70,683 | 72,439 | 79,882 | 68,678 |
| Total | 39,964 | 33,210 | 259,209 | 220,048 | 226,607 | 219,849 | 251,555 | 228,019 |
| Net worth (as per Companies Act) | 12,561 | 11,346 | 81,474 | 75,176 | 73,498 | 67,617 | 65,678 | 60,909 |
| Market Capitalisation | 28,977 | 14,423 | 187,948 | 95,564 | 95,564 | 89,506 | 68,383 | 68,371 |
| Enterprise Value | 37,421 | 22,364 | 242,715 | 148,182 | 147,771 | 144,653 | 152,814 | 148,763 |
| Ratios | | | | | | | | |
| Earnings Per Share* | 0.60 | 0.36 | 40.31 | 23.72 | 21.42 | 10.86 | 14.46 | 10.31 |
| Cash Earnings Per Share* | 0.80 | 0.52 | 53.44 | 33.89 | 31.41 | 20.19 | 26.32 | 21.02 |
| Book Value Per Share* | 3.24 | 2.81 | 210.43 | 185.96 | 152.29 | 139.98 | 135.90 | 125.88 |
| Market Price Share (NSE)* | | | 387.05 | 196.80 | 196.80 | 184.33 | 140.83 | 140.80 |
| Price Earning Ratio* | | | 9.60 | 8.30 | 9.19 | 16.97 | 9.74 | 13.66 |
| Dividend Payout Ratio* | | | 48% | 30% | 33% | 30% | 30% | 30% |
| Total Payout Ratio* | | | 58% | 36% | 39% | 37% | 35% | 35% |
| Retention Ratio* | | | 42% | 64% | 61% | 63% | 65% | 65% |



| | AS PER IND-AS | | | | AS PER PREVIOUS IGAAP | | | |
|--|---------------|---------|---------|---------|-----------------------|---------|---------|---------|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
| Debt Equity Ratio | | | | | | | | |
| - Total Debt To Equity | | | 0.55:1 | 0.60:1 | 0.71:1 | 0.81:1 | 1.31:1 | 1.32:1 |
| - Long Term Debt To Equity | | | 0.25:1 | 0.40:1 | 0.47:1 | 0.56:1 | 0.57:1 | 0.39:1 |
| Return on Average Net Worth (%) | | | 24.39 | 15.12 | 14.74 | 7.91 | 11.09 | 8.44 |
| Return on Average Capital Employed (%) | | | 22.57 | 16.36 | 18.37 | 9.62 | 11.45 | 10.69 |
| PBT /Turnover (%) | | | 6.00 | 3.87 | 3.62 | 1.40 | 1.79 | 1.36 |
| EBITDA/Turnover (%) | | | 8.20 | 5.86 | 5.59 | 3.17 | 4.16 | 4.17 |

Note: Exchange rate used:-

For 2016-17 Average Rate 1 US \$ = ₹ 67.09 and Closing Rate 1 US \$ = ₹ 64.86 as on 31.03.2017

For 2015-16 Average Rate 1 US \$ = ₹ 65.46 and Closing Rate 1 US \$ = ₹ 66.26 as on 31.03.2016

*Note: Absolute figures in US\$ and ₹. Adjusted for Bonus Shares 1:1 issued in October 2016.

| | | |
|----|--|---|
| 1 | Turnover | Sales (net of discount) + Sale of Services |
| 2 | Value Added | Profit Before Tax + Finance Cost + Depreciation & Amortisation + Employee benefit expenses |
| 3 | Investments | Non-current Investments + Current Investments |
| 4 | Other Current Assets | Current Assets - Current Investments |
| 5 | Borrowings (Total Debt) | Short Term Borrowing + Long Term Borrowings + Current Maturities of Long Term Debt + Interest Accrued and due on Loans |
| 6 | Tax Liability (Net) | Deferred Tax Liability + Current Tax Liability + Income Tax Liability - (Current Tax Asset + Income Tax Asset) |
| 7 | Other Current Liabilities | Current Liabilities - (Short Term Borrowing + Current Maturities of Long Term Debt + Interest Accrued and due on Loans) |
| 8 | Enterprise Value | Market Capitalisation + Borrowings - Cash and Cash Equivalents |
| 9 | Equity | Equity Share Capital + Other Equity |
| 10 | Capital Employed | Equity+Borrowings – CWIP – Misc. Expenditure |
| 11 | Earnings Per Share | Profit After Tax / Weighted average number of Equity shares |
| 12 | Cash Earnings Per Share | (Profit after tax + Depreciation & Amortisation) / Weighted average number of Equity shares |
| 13 | Book Value Per Equity Share | Equity / Number of Equity Shares |
| 14 | Total Debt To Equity | Borrowings / Equity |
| 15 | Long Term Debt To Equity | (Long Term Borrowing + Current Maturities of Long Term Debt) / Equity |
| 16 | Return on Average Net Worth (%) | Profit after Tax / Net worth (as per Companies Act) |
| 17 | Return on Average Capital Employed (%) | EBIT / Average Capital Employed. |
| 18 | PBT /Turnover (%) | Profit Before Exceptional Items & Tax / Turnover |

II OPERATIONS

| | | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|------------------------------|-----------------------|---------------|---------------|---------------|---------------|---------------|
| Operating Performance | | | | | | |
| Product Sales | | | | | | |
| Domestic | | | | | | |
| Petroleum Products | Million Tonnes | 74.110 | 72.603 | 68.467 | 67.136 | 68.617 |
| GAS | Million Tonnes | 1.920 | 1.929 | 1.805 | 1.935 | 1.830 |
| Petrochemicals | Million Tonnes | 2.453 | 2.413 | 2.390 | 1.991 | 1.963 |
| Explosives | Million Tonnes | 0.158 | 0.144 | 0.100 | 0.085 | 0.080 |
| Total Domestic | Million Tonnes | 78.641 | 77.089 | 72.762 | 71.147 | 72.490 |
| Export | Million Tonnes | 4.849 | 3.575 | 3.749 | 4.384 | 3.747 |
| Total | Million Tonnes | 83.490 | 80.664 | 76.511 | 75.531 | 76.237 |
| Refineries Throughput | Million Tonnes | 65.191 | 56.694 | 53.586 | 53.126 | 54.650 |
| Pipelines Throughput | Million Tonnes | 82.490 | 79.824 | 75.684 | 73.069 | 75.166 |

III MANPOWER

| | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---------|---------|---------|---------|---------|---------|
| Numbers | 33,135 | 32,803 | 32,962 | 33,793 | 34,084 |

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

DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors, it is my privilege to present the 58th Annual Report of the Corporation for the financial year ended 31st March, 2017, alongwith the Audited Financial Statements and Auditors' Report on the financial statements.

The year 2016-17 was another landmark year as the Corporation not only improved upon its performance over the previous financial year 2015-16 but achieved the highest ever levels of performance in almost all the physical parameters with record profits.

PERFORMANCE REVIEW

FINANCIAL

| | 2016-17 | | 2015-16 | |
|---|---------------|-----------------|--------------|------------|
| | US\$ Million | ₹ in Crore | US\$ Million | ₹ in Crore |
| Turnover | 65,391 | 4,38,710 | 60,969 | 3,99,105 |
| (Inclusive of Excise Duty & Sale of Services) | | | | |
| EBITDA | 5,364 | 35,989 | 3570 | 23,371 |
| (Profit Before Exceptional Items, Finance Cost, Tax, Depreciation & Amortisation) | | | | |
| Finance Cost | 514 | 3,445 | 472 | 3,090 |
| Depreciation | 927 | 6,223 | 736 | 4,819 |
| Profit Before Tax & Exceptional Items | 3,923 | 26,321 | 2,362 | 15,462 |
| Exceptional Items | 0 | 0 | 208 | 1,364 |
| Profit Before Tax | 3,923 | 26,321 | 2,570 | 16,826 |
| Tax Provision | 1,075 | 7,215 | 853 | 5,584 |
| Profit After Tax | 2,848 | 19,106 | 1,717 | 11,242 |
| Balance Brought Forward from Last Year | | | - | - |
| Less: Appropriations | | | | |
| Interim Dividend paid | 1,272 | 8,531 | 199 | 1,303 |
| Final Dividend | 300 | 2,014 | 239 | 1,564 |
| Corporate Dividend Tax | 324 | 2,177 | 90 | 586 |
| Insurance Reserve (Net) | 3 | 20 | 3 | 20 |
| Bond Redemption Reserve | 69 | 466 | 110 | 717 |
| CSR Reserve (Net) | 0 | (1) | (2) | (15) |
| General Reserve | 880 | 5,899 | 1,078 | 7,067 |
| Balance Carried to Next Year | - | - | - | - |

SHARE VALUE

| | 2016-17 | | 2015-16* | |
|-------------------------|---------|--------|----------|--------|
| | US\$ | ₹ | US\$ | ₹ |
| Cash Earnings Per Share | 0.80 | 53.44 | 0.52 | 33.89 |
| Earnings Per Share | 0.60 | 40.31 | 0.36 | 23.72 |
| Book Value Per Share | 3.24 | 210.43 | 2.81 | 185.96 |

*Adjusted for Bonus Shares 1:1 issued in October 2016

Note: Exchange Rate used:-

For 2016-17: Average Rate 1 US\$ = ₹ 67.09 and Closing Rate 1 US\$ = ₹ 64.86 as on 31.03.2017

For 2015-16: Average Rate 1 US\$ = ₹ 65.46 and Closing Rate 1 US\$ = ₹ 66.26 as on 31.03.2016

PHYSICAL

| Particulars | Million Tonnes | |
|--|----------------|---------|
| | 2016-17 | 2015-16 |
| Refineries Throughput | 65.19 | 56.69 |
| Pipelines Throughput | 82.49 | 79.82 |
| Product Sales (inclusive of Gas, Petrochemicals & Exports) | 83.49 | 80.66 |

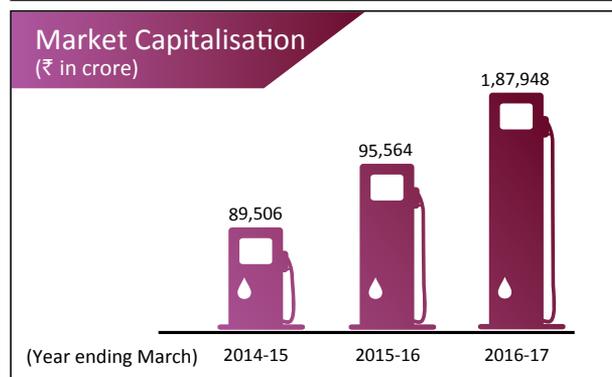
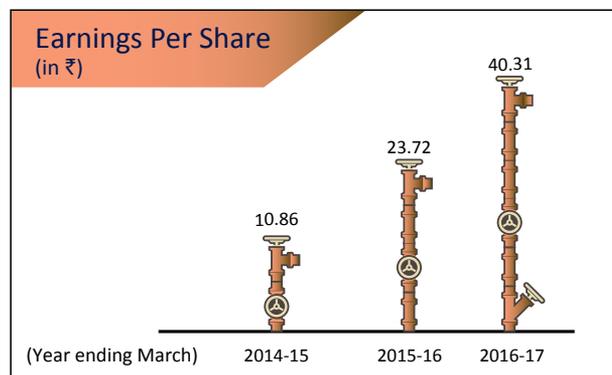
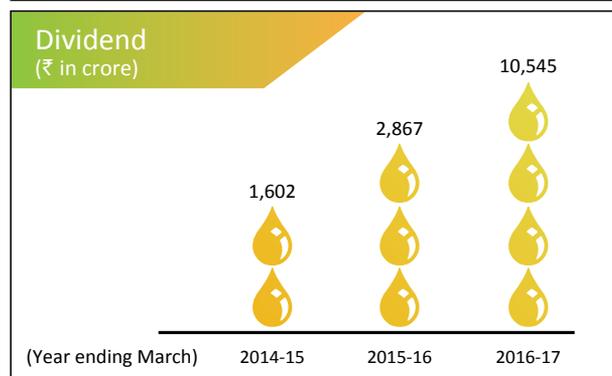
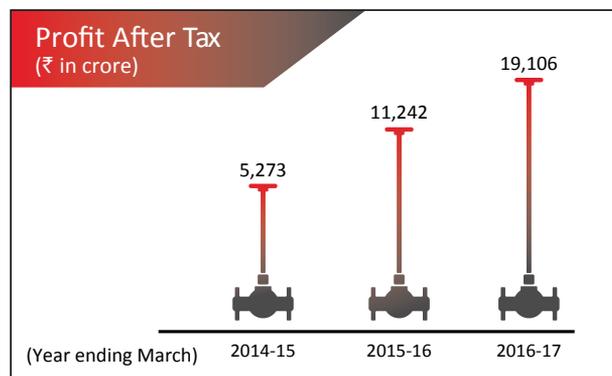
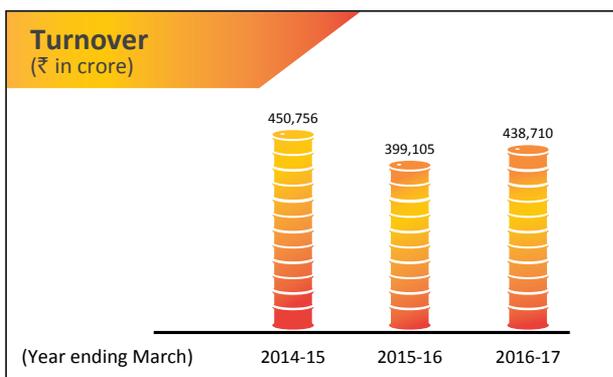
CHANGES IN SHARE CAPITAL AND DISINVESTMENT BY THE GOVT. OF INDIA

During the year, your Corporation issued bonus shares in the ratio of 1:1, i.e., one bonus share in the ratio of one share held in October, 2016. Consequently, the paid-up capital increased from ₹ 2,427.95 crore to ₹ 4,855.90 crore.

The Government of India disinvested 3,32,76,129 equity shares in January, 2017 and 1,24,64,272 equity shares in March, 2017 in IndianOil in favour of CPSE ETF (an exchange traded fund comprising PSU stocks). Consequently, the holding of the President of India in the equity share capital of IndianOil was reduced to 57.34 per cent.

DIVIDEND

The Board of Directors of your Corporation has recommended a final dividend of 10 per cent, i.e., ₹ 1/- per equity share of ₹ 10/- each, on the paid-up Share Capital in addition to two interim dividends of ₹ 13.50 per share and ₹ 4.50 per share paid in February and March, 2017 respectively. With this, the total dividend declared for the year 2016-17 is 190 per cent, i.e., ₹ 19 per equity share (after issue of Bonus shares in the ratio of 1:1) against 140 per cent, i.e., ₹ 14 per equity share declared in the previous year. This is the 50th consecutive year for which your Corporation has recommended payment of dividend. So far, your Corporation has paid a cumulative dividend of ₹ 39,455 crore, excluding the final dividend of ₹ 485.59 crore payable for the current year, subject to approval by members. The final dividend shall be paid to the members, whose names appear in the Register of Members as well as the Beneficial Ownership Position provided by NSDL/CDSL as at the close of 21st August, 2017.



IndianOil Group Refineries and Pipelines Network

Refineries

Installed Capacities

| IndianOil Refineries | |
|--------------------------|--------------|
| Koyali | 13.70 |
| Panipat | 15.00 |
| Mathura | 08.00 |
| Barauni | 06.00 |
| Haldia | 07.50 |
| Paradip | 15.00 |
| Bongaigaon | 02.35 |
| Guwahati | 01.00 |
| Digboi | 00.65 |
| Subsidiaries' Refineries | |
| CPCL, Chennai | 10.50 |
| CPCL, Narimanam | 01.00 |
| Group Total | 80.70 |

(Figures in million metric tonnes per annum)

Pipelines

| | |
|--|--|
| | Crude Oil Pipeline |
| | Product Pipeline |
| | Natural Gas Pipeline: Dadri-Panipat |
| | LPG Pipeline: Panipat-Jalandhar |
| | Product Pipeline (Under Construction/Proposed) |
| | LPG Pipeline (Under Construction) |
| | Single Point Mooring |
| | Natural Gas Pipeline: Ennore-Bengaluru Madurai-Tuticorin (Under Construction) |

Operating Pipelines

| | Length (km) | Capacity |
|---------------------|---------------|-------------|
| Crude Oil Pipelines | 5,217 | 48.60 MMTPA |
| Product Pipelines | 7,491 | 45.09 MMTPA |
| Gas Pipeline | 140 | 9.5 MMSCMD |
| TOTAL | 12,848 | |

(As on 31st March, 2017)
(Map not to scale)



CONTRIBUTION TO EXCHEQUER

Your Corporation has consistently been the largest contributor to the national exchequer in the form of duties and taxes. During the year 2016-17, ₹ 1,79,014 crore was paid to the exchequer as against ₹ 1,32,064 crore paid in the previous year. An amount of ₹ 1,02,817 crore was paid to the Central Exchequer and ₹ 76,197 crore to the State Exchequer as against ₹ 67,459 crore and ₹ 64,605 crore paid in the previous year to the Central and State Exchequer respectively.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Companies Act, 2013 and the Accounting Standards issued by the Institute of Chartered Accountants of India, your Corporation has prepared the Consolidated Financial Statement for the group, including its subsidiaries and joint venture entities. The highlights of the Consolidated Financial Results are as follows:

| Particulars | 2016-17 | | 2015-16 | |
|--|----------------|-----------------|----------------|--------------|
| | (US\$ Million) | (₹ in Crore) | (US\$ Million) | (₹ in Crore) |
| Turnover (Inclusive of Excise Duty & Sale of Services) | 66,634 | 4,47,047 | 62,189 | 4,07,089 |
| Profit Before Tax | 4,167 | 27,956 | 2,761 | 18,072 |
| Profit After Tax | 3,038 | 20,385 | 1,896 | 12,413 |
| Less: Share of Minority | 80 | 536 | 60 | 391 |
| Profit for the Group | 2,958 | 19,849 | 1,836 | 12,022 |

Note: Exchange Rate used:-

For 2016-17: Average Rate 1 US\$ = ₹ 67.09

For 2015-16: Average Rate 1 US\$ = ₹ 65.46

MoU PERFORMANCE

The coker unit at IndiaOil's Barauni Refinery, revamped during the year 2016-17, for enhanced distillate yield.



The Memorandum of Understanding (MoU) of your Corporation with the Government of India, setting the performance parameters and targets for the year 2016-17, was signed by Chairman, IndianOil, and Secretary (P&NG), Govt. of India, on 5th July, 2016. The MoU for 2016-17, while giving utmost thrust on CAPEX and Project Monitoring, included challenging targets at the highest level for enhanced excellence and efficiency in all spheres of operations across the organisation. Also, the concept of "Additional Eligibility Criteria" for excellent rating has been introduced from 2016-17. With sustained and dedicated efforts, the Corporation has been able to meet the MoU targets under various parameters as per the MoU with the Government. The Corporation has consistently maintained "Excellent" MoU performance over the years. The performance rating for MoU 2016-17 is yet to be finalised by the Government.

INTERNATIONAL TRADE

Your Corporation imported 55.71 million tonnes of crude oil during the year, as against 49 million tonnes in the previous year, to meet its crude oil requirements through a carefully selected and diversified mix of supply sources. The import of petroleum products during the year was 7.21 million tonnes as against 5.96 million tonnes in the previous year. The Corporation also exported petroleum and petrochemical products during the year.

OPERATIONAL PERFORMANCE

Refineries

IndianOil refineries achieved the highest ever crude throughput of 65.19 million tonnes during the year 2016-17 as against a 56.69 million tonnes in 2015-16. The capacity utilisation (excluding Paradip Refinery) was 105.1 per cent as against 103.7 during 2015-16. The refineries (excluding Paradip Refinery) also achieved the best performance in energy parameters of Fuel & Loss, Specific Energy Consumption (MBN) and Energy Intensity Index (EII) at 8.49 per cent, 74.9 and 101.5 respectively, as against 8.53, 76.6 and 101.8 registered during 2015-16.

The Paradip Refinery, which was commissioned and began operations in March 2016 in a phased manner, has fully stabilised and achieved an overall capacity utilisation of 54.9% in 2016-17, touching a peak of 96.4% in March 2017. It has achieved 100% capacity utilisation in May 2017.

All the refineries of the Corporation have commenced supplies of BS-IV grade auto-fuels w.e.f. 1st April, 2017. During the year, three new crude oil varieties were processed for the first time at various refineries, which have been added to the crude oil basket with an objective to widen the crude oil basket and to tie-up new crude oil sources for de-risking the crude oil procurement process.

Pipelines

IndianOil Pipelines achieved the highest ever throughput of 82.49 million tonnes during the financial year 2016-17 as against a throughput of 79.82 million tonnes in 2015-16. The crude oil pipelines recorded the highest ever annual throughput of 51.34 million tonnes,

Facilities connected with offshore SPM (single-point mooring) for receipt of imported crude oil at Paradip port in Odisha.



which is 1.6 per cent higher than the previous year's throughput of 50.54 million tonnes. The petroleum product pipelines also recorded the highest ever throughput of 31.15 million tonnes as against 29.28 million tonnes achieved last year, registering a growth of 6.4%. The gas pipelines achieved the highest ever throughput of 1,587 MMSCM during the year, as against a throughput of 1,380 MMSCM in 2015-16.

With the commissioning of 1,102 km of new pipeline sections during the year, the total length of the pipeline network of crude oil, product and gas pipelines as on 31st March, 2017 expanded to 12,848 km.

Marketing

Your Corporation dominated the domestic market with a market share of 42.9% and sold 74.11 million tonnes of petroleum products during the year, as against 72.60 million tonnes during the previous year. In addition, 4.72 million tonnes of petroleum products were exported during the current year as against 3.46 million tonnes exported during the previous year. Your Corporation took several exceptional initiatives during the year in ensuring the supply of petroleum products in exceptional situations, which include supply to Tripura via Bangladesh, airlifting fuel supply to curfew-struck Manipur, supplies in Kashmir valley and cyclone-hit Chennai, etc.

During the year, your Corporation commissioned 881 retail outlets (fuel stations, including 365 *Kisan Seva Kendra* outlets in rural areas) taking their total number to 26,212. In addition, CNG facilities were commissioned at 90 retail outlets during the year. The *Kisan Seva Kendra* (KSK) outlets of the Corporation increased their contribution to the total sales of the Corporation with Petrol (Retail) touching a new high of 14.7% and Diesel (Retail) touching 14.6%. Your Corporation continued with its focus on the use of alternative energy,

and 2,441 retail outlets were converted to operate on solar energy during the year, taking their number to 6,607. Health & eye check-up of over 75,000 truck drivers was carried out at the retail outlets and transport hubs during the year.

IndianOil released the highest ever new domestic LPG connections to 1.53 crore customers, raising the *Indane* customer strength to 11.44 crore. Out of 1.53 crore new connections, 93.25 lakh connections were released under *Pradhan Mantri Ujjwala Yojana* (PMUY), the flagship scheme of the Government of India to the women of poor households with an objective to improve the health of poor families by providing clean cooking fuel. Additional bottling capacities of 570 TMTPA and tankages of 7,200 MT capacity were added during the year to meet the increased demand.

IndianOil's flagship lubricant brand *SERVO* maintained its market leadership position during the year and finished lube sales registered a growth of 2.3 per cent over the previous year. 17 new lube grades were introduced during 2016-17 and 26 product approvals were obtained from Original Equipment Manufacturers (OEMs).

IndianOil's Aviation Service continued to maintain its leadership position during the year with a market share of 59.3 per cent. During the year, your Corporation commissioned its aviation fuel stations at Barrackpore, Sunabebda, Shimla and Bhuj.

Explosives & Cryogenics

During the year, the Explosives and Cryogenics businesses of your Corporation continued with their excellent performance and recorded the highest ever production and sales of explosives and cryocans. The Explosives group manufactured and sold 1,57,661

IndianOil is augmenting its LPG distribution infrastructure in a big way to meet the soaring demand for the clean and convenient fuel.



IndianOil's Cryogenics business group offers cryogenic containers ranging from 100 to 127,000 litres in capacity and transport-type cryo-vessels from 500 to 25,000 litres capacity at different operating pressures.



metric tonnes of explosives during the year, recording a growth of 9.77 per cent over the previous year's volume of 1,43,626 metric tonnes. The Cryogenics group sold 27,667 units of cryocans during 2016-17, as against previous year's sale of 27,538 units.

RESEARCH & DEVELOPMENT

During the year, the INDAdapt⁶ technology developed by IndianOil's R&D Centre was commissioned at Guwahati Refinery for reducing sulphur content of cracked gasoline streams to be able to meet Euro-IV & VI sulphur specification with minimum RON loss.

Ind-Coker^{AT}, another technology developed in-house, was successfully demonstrated at Panipat Refinery with significant improvement in the distillate yield. In addition, delayed coking technology jointly licenced by IndianOil and EIL was successfully implemented for revamp of the 0.6 MMTPA Coker-A unit at Barauni Refinery.

During the year, Oilivorous-S technology developed by the R&D Centre of your Corporation was successfully used for containing the oil spill at Chennai.

105 Patents were filed during the year 2016-17, out of which 6 are Indian and 99 are foreign patents. 27 patents were granted during the year 2016-17 (India-6, USA-7, Canada-1, France-1, Germany-2, Great Britain-1, Italy-1, Japan-5, Russia-1, Saudi Arabia-2).

During the year, the Corporation acquired additional land at Faridabad in Haryana for setting up R&D Campus-II for carrying out research in

INDAdapt⁶ unit commissioned during the year 2016-17 at Guwahati Refinery for production of BS-IV grade gasoline.



Advertisement announcing IndianOil Start-up Fund launched during 2016-17 for promoting promising start-ups in the domestic hydrocarbons sector.

IndianOil
Start-up Fund
Fueling the Future

IndianOil welcomes START-UPS in the oil & gas sector

The IndianOil Start-up Fund aims to nurture a supportive eco-system for innovative ideas and concepts in the oil & gas sector that have the potential to grow into start-ups.

The Fund will support innovative technology and business process re-engineering projects with significant business potential, social relevance and focussed on environment-protection.

The scheme is open to all citizens of India, including NRIs who are willing to work in India and undertake projects promoting innovative technologies and solutions.

Log on to www.indianoilstartupfund.in for details and for applying online.

The cut-off date for receipt of the first round of applications is **14.04.2017**.

PROJECTS

IndianOil continues to lay emphasis on infrastructure development and has been consistently investing in several projects across the country. The dedicated project teams of IndianOil ensure that implementation of the projects from the idea stage to commissioning is done seamlessly. The projects are financed through an optimum mix of internal accruals and borrowings from domestic as well as international markets. The details of the projects – completed, ongoing and future – are as under:-

Completed Projects

- Reverse osmosis plant at Gujarat Refinery
- Revamp of Coker-A Unit at Barauni Refinery
- IndaDept⁶ Unit at Guwahati Refinery
- Augmentation of Paradip-Haldia-Barauni Pipeline
- 351-km of pipeline sections as part of Salaya-Mathura Pipeline debottlenecking project
- Jatni-Raipur section of Paradip-Raipur-Ranchi pipeline project along with branch pipelines to Jharsuguda & Korba involving 751 km pipeline section
- Product storage depots at Imphal, Jharsuguda and Korba
- Replacement of mainline pumping units in Salaya-Mathura Pipeline

Ongoing Projects

- Distillate yield improvement project at Haldia Refinery
- Petcoke evacuation project at Paradip
- Propylene Unit at Paradip Refinery
- BS-VI projects at all refineries
- Installation of INDMAX Unit alongwith associated facilities at Bongaigaon Refinery
- Jharsuguda-Khunti section of Paradip-Raipur-Ranchi product pipeline
- Paradip-Haldia-Durgapur LPG pipeline
- Paradip-Hyderabad pipeline
- Augmentation of Paradip-Haldia-Durgapur LPG pipeline and its extension up to Patna and Muzaffarpur
- Jaipur-Panipat naphtha pipeline, along with augmentation of Koyali-Sanganer pipeline
- CBR-Trichy pipeline
- Ennore-Trichy-Madurai LPG pipeline
- Ennore-Nagapattinam-Tuticorin-Madurai-Bengaluru natural gas pipeline
- 18" Haldia-Barauni pipeline
- Branch pipeline on Barauni-Kanpur pipeline to Baitalpur and Motihari

- Motihari-Amlekhgunj pipeline
- Koyali-Ahmednagar-Solapur pipeline
- Augmentation of Chennai-Trichy-Madurai pipeline
- LPG import terminal at Paradip and Kochi
- Augmentation of LPG terminal at Kandla
- LPG bottling plants at Banka, Gorakhpur, Bathinda, Goindwal Sahib, Agartala, Jabalpur, Nagpur, Salem, Gwalior, Sitarganj, Trishundi, Korba and Khurda
- LPG terminal at Paradip
- Product storage depots at Khunti (Jharkhand), Una (H.P.), Guntakal (A.P.) and Asanur (T.N.)
- 5-MMTPA LNG import terminal project at Ennore (through a Joint Venture Company)

Future Projects

- Barauni Refinery expansion project
- Expansion of Naphtha Cracker Unit and revamp of MEG Unit at Panipat
- Expansion of PX/PTA Plant at Panipat Refinery
- Installation of Indjet Unit at Barauni Refinery
- Guwahati-Silchar-Imphal product pipeline
- Dahej-Koyali natural gas pipeline
- Augmentation of Paradip-Haldia-Barauni pipeline
- 60 MMTPA West Coast Refinery in Maharashtra through a Joint Venture Company.

A 'smart terminal' with fully automated operations commissioned at Jharsuguda in Odisha during 2016-17.



the areas of alternative renewable energy, nano-technology, pipeline research and petrochemicals.

MoU was signed with IIT Madras, during the year for development of a hydro-kinetic energy conversion system and development of an Industrial version of prototype NDT tool for creep damage detection in reformer heaters.

Your Corporation has set up the 'IndianOil Startup Fund' with a recurring corpus of Rs. 30 crore for incubation of innovative ideas in technology process and business process areas in the oil & gas sector. Ideas have been invited through an advertisement on the web portal www.indianoilstartupfund.in launched in December 2016.

BUSINESS DEVELOPMENT

Over the years, your Corporation has been expanding its business and has consolidated its presence in areas beyond petroleum refining and marketing. It has invested in and built a portfolio that has strengthened its upstream and downstream integration and also expanded its footprints in the low-carbon energy space. These business segments have contributed significantly to both the top-line and bottom-line of the Corporation and have emerged as key growth drivers with petrochemicals and gas becoming a part of the Corporation's core business.

LNG supplies being delivered at the doorstep of Hindusthan National Glass & Industries Ltd. in Nashik, a special service offered by IndianOil for customers located away from natural gas pipelines.



Petrochemicals

During the year 2016-17, the Corporation recorded highest ever petrochemicals sales of 2.585 MMT as against 2.528 MMT in 2015-16 and maintained its position as the second largest petrochemicals player in the country.

The Corporation is a major supplier of polymer products to leading multinationals. During the year, 21 new Original Equipment Manufacturers' approvals were obtained and the Product Application & Development Centre (PADC) of the Corporation furthered its efforts and rolled out nine improved grades, one high-performance grade and one new grade.

The Corporation's *PROPEL* brand now has strong international presence. The petrochemical products are exported to 73 countries and polymers to 55 countries across the globe. During the year, two new export destinations viz, Myanmar and Egypt, were added.

Natural Gas

Your Corporation has been investing across the Natural Gas value chain and envisages greater presence in this segment in the future.

During the year, Regasified Liquefied Natural Gas (RLNG) sales of the Corporation was 1.92 MMT. The Corporation now has in its portfolio 55 RLNG customers. Besides, internal consumption of RLNG takes place in three of its own refineries.

The Corporation is implementing a 5-MMTPA LNG Import, Storage and Regasification Terminal at Kamarajar Port, Ennore near Chennai through a Joint Venture Company (JVC), IndianOil LNG Pvt. Ltd. The terminal is scheduled to be commissioned in 2018-19. The "coming on stream" of this first LNG regasification terminal on the east coast would mark a major milestone in the Corporation's efforts to scale up natural gas infrastructure in the country.

The Corporation successfully imported 11 LNG cargoes during the year. The Corporation also signed 17 Master Sales & Purchase Agreements with various international suppliers for import of LNG on spot/short-term basis. In the Pacific North West (PNW) LNG Project in British Columbia, Canada, the Corporation's equity LNG now stands at 1.3 MMTPA on FOB-basis for a minimum of 20 years.

The Corporation has been participating in the building of City Gas Distribution (CGD) infrastructure in the country. In this business segment, the Corporation has formed two JVCs, namely, Green Gas Ltd. (GGL) and IndianOil-Adani Gas Private Ltd. (IOAGL). Currently, GGL operates two CGD networks, one each at Lucknow & Agra. IOAGL is developing CGD networks in seven geographical areas, viz., Chandigarh, Allahabad, Panipat, Daman, Ernakulam, Udham Singh Nagar and Dharwad. During the year, IOAGL's CGD networks in Chandigarh and Allahabad were commissioned.

Exploration & Production

The E&P portfolio of your Corporation consists of 8 domestic blocks (including two Coal Bed Methane blocks) and 9 overseas blocks, with participating interest ranging from 3.5% to 50%. Out of the 17 blocks, 5 are under production (all overseas), 4 are under development (1 overseas & 3 domestic), 3 are under appraisal (all domestic), 3 are under discovery (2 overseas & 1 domestic) and 2 are under exploration phase (1 overseas & 1 domestic). The overseas blocks are located in 8 countries, namely, Canada, Gabon, Libya, Nigeria, Russia, USA, Venezuela and Yemen.

A view of Vankor, Russia's second largest oil field by production; IndianOil acquired equity in the E&P asset during the year as part of an Indian consortium.



During the year, the Corporation's cumulative oil & gas production increased by 145% (from 8,741 to 21,402.8 Mboe) and per day oil & gas production from producing assets increased by 466% (from 9,802 to 55,514 Boe/d) on a year-on-year basis. The Corporation's 2P reserve rose by 114% during the year to the level of 961.40 MMBoe.

During the year, IndianOil participated in Discovered Small Field Bid Round 2016 and acquired 3 Contract Areas in which the Corporation is the sole operator.

Alternative Energy

Your Corporation now has a portfolio of 188 MW of renewable energy, comprising 168 MW of wind-power capacity and 20 MW of solar photovoltaic (PV) capacity. About 12 MW solar PV capacity was commissioned and 21 million units (kWh) generated from solar PV during the year, which corresponds to an emission mitigation of 17 TMTCO_{2e} (thousand metric tonnes carbon dioxide equivalent). During the year, the Corporation generated 158 million units (kwh) from its wind-power units, which corresponds to an emission mitigation of 131 TMTCO_{2e}.

Under the Government of India's *Swachh Bharat Abhiyan* programme, your Corporation is in the process of installing 10 waste-to-energy plants of 5 tonnes per day capacity each to manage the municipal solid waste generated in Varanasi city. The first plant under the project was commissioned during the year and the electricity generated from organic waste at this plant is being used to illuminate street lights in the vicinity.

Sustainable Development

Your Corporation has been publishing Annual Sustainability Reports since 2005-06. During the year, its 11th Sustainability Report with the theme 'Living by our Core Values' was prepared in accordance with the 'Comprehensive' requirements of the Oil & Gas Sector Supplement, Global Reporting Initiative G4 guidelines and the principles of the United Nations Global Compact.

Measurement, management and disclosure of greenhouse gas emissions and climate change data is an increasingly important aspect of standard business practice. As part of this, an annual disclosure to Carbon Disclosure Project-India on Scope - 1 & 2 emissions and mitigation measures is being made since 2015-16.

(Left) Solar PV panels installed at Barauni Refinery; (right) Solar-powered fuel station at Leh run by the family of a martyr of Kargil war. IndianOil has installed solar PV across its refineries, installations and office buildings while over 6,600 fuel stations have been converted to run on solar power.



Since 2014-15, the Corporation has been included in the Carbon Disclosure Leadership Index.

INFORMATION SYSTEMS & OPTIMISATION

Your Corporation took various initiatives during the year and introduced new features in existing mobile applications, statistical modelling techniques, etc. During the year, intense audits were conducted to assess the security gaps in control systems. The SAP system in the Corporation has been modified to be in readiness for GST implementation.

During the year, activities were initiated to implement Secondary Dealer Management Solution (SDMS) and Customer Relationship Management (CRM) application in the Corporation to provide a robust platform to enable interaction with end-customers using digital channels.

The Optimisation group in IndianOil carries out detailed analysis of demand forecast for purchase of suitable crude oil cargoes through term contracts or spot purchases, logistics arrangements, export of products, etc., to maintain supply of products across the country as well as to optimise corporate profitability.

HEALTH, SAFETY & ENVIRONMENT (HSE)

Your Corporation accords topmost priority to conducting its business with a strong environment conscience, ensuring sustainable development, safe workplaces and enrichment of the quality of life of its employees, customers and the community at large. All refineries of your Corporation are certified to ISO:14064 standards for sustainable development as well as for the Occupational Health & Safety Management System (OHSMS/OHSAS-18001), besides having fully equipped occupational health centres. Compliance with safety systems and procedures and environmental laws is monitored at the unit, division and corporate levels. The HSE activities of the Corporation are reviewed in every Board meeting. During the year, safety audits were carried out at various offices and locations and various training programmes were also conducted across the Corporation covering safety-related topics.

ENERGY CONSERVATION

Energy conservation is accorded very high importance at all IndianOil refineries and units. The performance of the refineries is continuously monitored and efforts are made to keep abreast of the latest technological developments and global best practices. As a result of various energy conservation measures undertaken, the energy performance parameter (indexed to the complexity of operations) in terms of MBN* of the refineries of your Corporation during the year is down to 74.9, which is the best ever achieved, as against the energy index of 76.6 in the previous year. The energy conservation schemes implemented during the year resulted in an estimated fuel savings of 19,371 MT Standard Refinery Fuel (SRF) in the year, valued at about ₹ 41.28 crore. In addition, your Corporation also spreads the message of energy conservation through workshops and seminars,

besides conducting awareness campaigns for the benefit of retail and bulk consumers.

*MBN—Thousand British Thermal Units / Barrel / Energy Factor (MBTU/BBL/NRGF)

HUMAN RESOURCES

The employee strength of the Corporation was 33,135 as on 31.03.2017, consisting of 16,545 executives and 16,590 non-executives. This includes 2,735 women employees comprising 8.25% of the total work force.

Your Corporation scrupulously follows the presidential directives and guidelines issued by the Government of India regarding reservation in services for SC/ST/OBC/PWD (Persons with Disabilities)/ Ex-servicemen to promote inclusive growth. Rosters are maintained as per the directives and are regularly inspected by the Liaison Officer(s) of the Corporation as well as the Liaison Officer of the Government of India to ensure proper compliance. Grievance/ Complaint Registers are also maintained at Division/ Region/ Unit levels for registering grievances from OBC/SC/ST employees. Efforts are made to promptly dispose of representations/grievances received from them. In accordance with the Presidential Directive, the details of representation of SC/ST/OBC in the prescribed format is attached at **Annexure-I** to the Report.

The provisions of 3% reservation for Persons with Disabilities in line with guidelines/instructions issued by the Government of India are being implemented in IndianOil. Further, concessions/relaxations in accordance with the rules in this regard are being extended to physically challenged persons in recruitment. The number of employees with disabilities as on 31st March, 2017 was 586, i.e., 1.77 per cent of the total employee strength.

Your Corporation maintained cordial industrial relations during the year, and continued to provide comprehensive welfare facilities to its employees to take care of their health, efficiency, economic betterment, etc. and to enable them to give their best at the workplace.

Your Corporation has always supported participative culture in the management of the enterprise through a consultative approach with the collectives, establishing a harmonious relationship for industrial peace leading to higher productivity. Employees' participation is also ensured through information-sharing with collectives and employees on a regular basis while seeking their support, suggestions and cooperation. The efforts to promote employees' participation in management were continued during the year through Suggestions Scheme, Total Productivity Maintenance (TPM) and various employee engagement initiatives.

With the changing employee dynamics, it is highly crucial to make young officers feel proud and take ownership of the system. To enhance the level of their motivation, engagement and loyalty to the organisation and to bring more agility and adaptability in the

IndianOil has been adjudged as 1st among public sector companies in the 2017 listing of the 'Top 50 Best Companies to Work For' in India.



decision-making process, various unique interventions were initiated, namely "BEST" (Budding Executive Search for Talent), Young Officers' Conclave and Youth Day celebrations.

As part of the 'Investing in Our People' endeavour, Project "Saksham" – a structured leadership development programme was designed (in consultation with IIMs) with a view to develop leadership competencies in sync with the Corporation's leadership competency framework.

Your Corporation emerged as one of the best employers in India in a study jointly conducted by *The Economic Times & Great Place to Work Institute*, covering 791 Indian companies and more than 1.5 lakh employees. IndianOil was declared as the 27th ranked company in India and the 1st amongst Public Sector Companies in the 2017 listing of the 'Top 50 Best Companies to Work For' in India. This is an improvement over the 34th rank in 2016 and 59th rank in 2015.

Your Corporation is committed to diversity and inclusiveness and has, therefore, adopted various practices to achieve women's development and gender equality in the organisation. Women employees have equal opportunities, equal rights and equal responsibilities. Congenial work culture of your Corporation continues to inspire women employees to shoulder higher responsibilities in various verticals of the Corporation.

Under the Forum of Women in Public Sector, WIPS cell have been formed across IndianOil, which focus on all-round development of women in the Corporation and render necessary support required by women employees. As part of its commitment to the development of women, your Corporation has been organising various training programmes on topics such as leadership skills, health & safety, work-life balance, gender sensitivity, etc.

The Corporation's efforts in women development have won recognition of WIPS as the Best Enterprise for Women Development for initiatives undertaken during the year 2016.

IndianOilPeople celebrated the year 2016 as the *Year of Core Values* and reiterated their commitment to the core values of *Care, Innovation, Passion and Trust* in their work-life.



The provisions of Official Language Act, 1963 and the rule framed thereunder are being complied with. 248 Offices/Locations/Units of various divisions of IndianOil have been notified under Section 10 (4) of Official Language Rule, 1976. Further, all communication received in Hindi and any application, appeal or representation written or signed by an employee in Hindi is replied to in Hindi.

The various units/offices/locations regularly bring out various in-house journals and magazines in Hindi/bilingual or trilingual languages. In order to undertake the Official Language implementation work effectively, Official Language Implementation Committees (OLIC) are functioning in all offices/units. These committees review the progress of implementation of Official Language policies in the offices/units and also the Annual Programme as circulated by the Dept. of Official Language (Ministry of Home Affairs) on a quarterly basis.

COMPLIANCE WITH THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Corporation is committed to prevention of sexual harassment of women at workplace and takes prompt action in case of reporting of such incidents. In this regard, internal complaints committees have been constituted at various offices of the Corporation to deal with sexual harassment complaints, if any, and to conduct enquiries.

There were four complaints of sexual harassment, which were pending as on 1st April, 2016. During the year, seven complaints were received and five complaints were disposed of. As on 31st March, 2017, six complaints are pending, out of which four are pending for more than 90 days.

Regular workshops are held for employees, especially women, to enhance awareness about their rights and facilities at the work-place as well as the rights available to them under the Act. During the year, 32 workshops/awareness programmes were conducted.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

A report on your Corporation's CSR activities as per the provisions of the Companies Act, 2013 along with CSR Highlights during the year is attached at **Annexure-II** to the report. The composition of the CSR Committee is provided in the Corporate Governance Report.

The CSR Policy of the Corporation can be accessed at the website of the Corporation on the link https://iocl.com/aboutus/loc_S&CSR_policy.pdf

VIGILANCE

The Vigilance department acts as a link between the organisation and Chief Vigilance Commissioner. The objective of the vigilance function is to ensure maintenance of the highest level of integrity throughout the Corporation. The Vigilance group takes preventive, punitive and participative steps, with emphasis on the preventive and participative aspects. During the year, 100 vigilance awareness programmes were conducted, which were attended by about 2,700 employees.

An on-line integrated data management-cum-monitoring system, i.e., SVMS (Smart Vigilance Management System) has been developed to

monitor the progress of vigilance cases/matters more effectively and to ensure timely action.

PUBLIC DEPOSIT SCHEME

The Public Deposit Scheme of the Corporation was closed with effect from 31st August, 2009. The total outstanding deposits as on 31.03.2017 were ₹ 55,000/-. The Corporation has not invited any deposits from the public during the year.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report highlighting the endeavours of your Corporation to adopt the best practices in ensuring transparency, integrity and accountability in its functioning has been incorporated as a separate section, forming a part of the Annual Report.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

The Management's Discussion & Analysis (MDA) Report, as required under Corporate Governance guidelines, has also been incorporated as a separate section forming a part of the Annual Report.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report covering initiatives taken with environmental, social and governance perspective has been prepared in accordance with the directives of SEBI and forms a part of the Annual Report.

AUDIT COMMITTEE

The Audit Committee of your Corporation comprised of three members, all of whom are Independent Directors. The recommendations made by the Audit Committee during the year were accepted by the Board. The other details of the Audit Committee, like its composition, terms of reference, meetings held, etc., are provided in the Corporate Governance Report.

CODE OF CONDUCT

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

RISK MANAGEMENT

Your Corporation has a well laid-down risk assessment & management process. A Risk Management Compliance Board comprising senior management personnel and headed by Chief Risk Officer reviews the various risks associated with the Corporation's business. The Corporation has constituted a Risk Management Committee comprising whole-time Directors, which oversees risk management activities. A report is, thereafter, put up to the Audit Committee and the Board.

INTERNAL FINANCIAL CONTROLS

Your Corporation has put in place adequate internal financial controls for ensuring the efficient conduct of its business in adherence with

laid-down 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, which is commensurate with the operations of the Corporation. The Corporation also has a separate Internal Audit department headed by an Executive Director, who directly reports to the Chairman. The Internal Audit department has a mix of officials from finance and technical functions, who carry out extensive audit throughout the year. The statutory auditors are also required to issue the Independent Auditor's Report on the Internal Financial Controls of the Corporation under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act 2013. The report issued thereupon has been attached alongwith the Standalone and Consolidated Financial Statements respectively.

REMUNERATION TO THE AUDITORS

The Office of the Comptroller & Auditor General of India had appointed the Statutory Auditors for the financial year 2016-17. The Auditors' remuneration for the year 2016-17 has been fixed at ₹ 145 lakhs plus applicable taxes. In addition, reasonable out-of-pocket expenses incurred are also reimbursed at actuals.

COST AUDIT REPORT

Cost Auditors were appointed for conducting the cost audit of the Corporation's refineries, lube blending plants and other units for the year 2016-17. A remuneration of ₹ 18.50 lakhs and applicable taxes had been fixed by the Board for payment to the cost auditors for the year 2016-17, which was ratified by the shareholders in the last AGM. The cost audit for the year 2015-16 was carried out for various units of the Corporation and the cost audit report was filed by the Central Cost Auditor with the Central Government in the prescribed form within the stipulated time period. The cost audit report for FY 2016-17 would also be filed within the stipulated time.

SECRETARIAL AUDIT

The Secretarial Audit Report for the year 2016-17 confirms that the Corporation has complied with all the applicable provisions of the corporate laws, guidelines, rules, etc. The report, duly certified by a practising Company Secretary, is attached at **Annexure-III** to this Report.

The Secretarial Auditor has made an observation that the Corporation does not have the requisite number of non-Executive Directors and Independent Directors on its Board. Further it has been observed that the Corporation does not have a Woman Director on its Board. In this regard, it is clarified that the Corporation being a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas, the selection and appointment of Directors, (including Independent Directors) vests with the Government of India as per the Government guidelines. The matter is being constantly pursued with the Government of India for appointment of the requisite number of Independent Directors and woman Director.

PUBLIC PROCUREMENT POLICY FOR MICRO AND SMALL ENTERPRISES (MSEs) ORDER 2012

Your Corporation has taken necessary steps for implementation of the Public Procurement Policy of the Government of India for procurement from MSEs. All efforts are being made to procure items specified for procurement from MSEs. Necessary provision has been made in all the tenders stating the eligibility of MSEs to participate in the tender. As against the target of 20 per cent for procurement from MSEs, the actual procurement of your Corporation from MSEs during the year was 38.65 per cent.

SUBSIDIARIES AND JOINT VENTURES

During the year, a new joint venture company, viz., Hindustan Urvarak & Rasayan Ltd., between IndianOil, Coal India Ltd., NTPC, Fertiliser Corporation of India Ltd. (FCIL) and Hindustan Fertiliser Corporation Ltd. (HFCL) was formed for the purpose of reviving and operating the fertiliser & chemical complexes at Gorakhpur & Sindri units of FCIL and the Barauni unit of HFCL.

A new subsidiary company, viz., IOC Singapore Pte. Ltd. was formed as an investment company in Singapore to enable acquisition of stake in E&P assets from Rosneft of Russia as well as to set up trading operations for procurement of crude oil and import / export of petroleum products.

Your Corporation has divested 24% of its equity held in Lubrizol India Pvt. Ltd. (LIPL) in favour of Lubrizol Inc. U.S.A., thereby reducing its equity stake in LIPL to 26% with the balance 74% held by Lubrizol Inc U.S.A.

No subsidiary / joint venture company has ceased to exist during the year. As required under the provisions of the Companies Act, 2013, a statement on the performance and financial position of each of the subsidiaries and joint venture companies is provided as an annexure to the Consolidated Financial Statement.

In accordance with the provisions of the SEBI guidelines, your Corporation has framed a policy for determining material subsidiaries, which can be accessed on the Corporation's website at the link https://www.iocl.com/InvestorCenter/Policy_on_Material_Subsiidiary.pdf

RELATED PARTY TRANSACTIONS (RPTs)

In line with the provisions of the Companies Act, 2013 and SEBI guidelines, a policy on material RPTs has been framed, which can be accessed on the website of the Corporation at link https://www.iocl.com/InvestorCenter/Policy_on_related_party_transactions.pdf. Your Corporation has undertaken transactions with related parties during the year in the ordinary course of business. In line with the RPT Policy, approval of the Audit Committee/ Board, as the case may be, was obtained for RPTs. During the year, there was no material RPTs. The disclosures related to Related Party Transactions in accordance with applicable accounting standards are provided at Note-31 of the Standalone Financial Statement.

REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS

In accordance with the provisions of the Companies Act, 2013 and rules framed thereunder, particulars relating to Energy Conservation, Technology Absorption and Foreign Exchange earnings and outgo (on accrual basis) are annexed at **Annexure-IV** to the report.

PARTICULARS OF EMPLOYEES

As per the provisions of Section 197 of the Companies Act, 2013 and rules made thereunder, Government companies are exempted from inclusion in the Directors' report a statement of the particulars of employees drawing remuneration in excess of limits specified under the Act and Rules notified thereunder.

BOARD OF DIRECTORS

The following changes have occurred in the Board of the Corporation:-

1. Shri Debasis Sen ceased to be Director (Planning & Business Development) w.e.f. 01.09.2016.
2. Shri B. Ashok ceased to be Chairman w.e.f. 01.06.2017.
3. Shri Ajay Sawhney ceased to be Government Director w.e.f. 23.06.2017, upon his elevation as Secretary, Ministry of Electronics and Information Technology, Government of India and consequently ceasing to be an official of Ministry of Petroleum & Natural Gas.
4. Shri Subroto Bagchi resigned from the Board due to his pre-occupation owing to other responsibilities w.e.f. 30.06.2017.
5. Shri G.K. Satish was appointed as Director (Planning & Business Development) w.e.f. 01.09.2016
6. Dr. S.S.V. Ramakumar was appointed as Director (Research & Development) w.e.f. 01.02.2017
7. Shri Sanjiv Singh, Director (Refineries), was appointed as Chairman of the Corporation w.e.f. 01.06.2017.

The Corporation has received a Certificate of Independence from all the Independent Directors confirming that they meet the criteria prescribed for Independent Directors under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI LoDR). A separate meeting of Independent Directors was held as per provisions of the Companies Act, 2013 and SEBI LoDR.

Shri Verghese Cherian and Shri Anish Aggarwal, Directors, are liable to retire by rotation and are eligible for re-appointment at the forthcoming Annual General Meeting.

During the year, 11 meetings of the Board of Directors were held. The details of the meetings attended by each Director are provided in the Corporate Governance Report and hence not repeated here to avoid duplication.

No significant and material orders were passed by the regulators or courts or tribunals that impact the going concern status of the Corporation and its operations in future.

VIGIL MECHANISM/WHISTLE-BLOWER POLICY

The Corporation has framed a whistle-blower policy wherein the employees are free to report any improper activity resulting in violation of laws, rules, regulations or code of conduct by any of the employees, to the Competent Authority or Chairman of the Audit Committee, as the case may be. Any complaint received would be reviewed by the Competent Authority or Chairman of the Audit Committee. The policy provides that the confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practice. No employee has been denied access to the Audit Committee. The policy on Vigil Mechanism/ Whistle-Blower can be accessed on the Corporation's website at the link https://www.iocl.com/InvestorCenter/Whistle_Blower_policy.pdf

DETAILS OF LOANS/INVESTMENTS/GUARANTEES

Your Corporation has provided loans/guarantees to its subsidiaries/ joint ventures and has made investments during the year in compliance with the provisions of the Companies Act, 2013. The details of such investments made and loans/guarantees provided as on 31st March, 2017 are given in the Standalone Financial Statement under Notes 4, 36 and 42.

EXTRACT OF ANNUAL RETURN

As required under the provisions of the Companies Act, 2013, the extract of Annual Return for the financial year ended 31st March, 2017 in the prescribed form MGT-9 is attached at **Annexure-V** to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under clause (c) of sub-section (3) of Sec.134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and

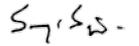
- (e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board of Directors would like to express its sincere appreciation of the dedicated efforts made by the employees of the IndianOil family in the Corporation's outstanding achievements during the year 2016-17. The Board would also like to thank the Government of India, particularly the Ministry of Petroleum & Natural Gas, and the various State Governments, regulatory and statutory authorities for their valuable guidance and support. The Board is grateful to all

its stakeholders, including bankers, investors, members, customers, consultants, technology licensors, contractors, vendors, etc., for their continued support and confidence reposed in the Corporation. The Board would like to place on record its appreciation of the valuable guidance and significant contribution made by Shri Debasis Sen, Shri B. Ashok, Shri Ajay Sawhney and Shri Subroto Bagchi during their tenure on the Board.

For and on behalf of the Board



(Sanjiv Singh)

Chairman

DIN: 05280701

Place: New Delhi

Date : 21.07.2017

AWARDS & RECOGNITIONS

- IndianOil retained its position as the top-ranked Indian company among the world's largest corporates in the prestigious *Fortune* 'Global 500' listing for 2017. The Company has also retained its top position in the annual rankings of *Business Today* (BT-500), *Businessworld* (BW-500), *Business Standard* (BS-1000), *The Economic Times* (ET-500) and *Financial Express* (FE-1000) by net revenue.
- IndianOil's Refineries Headquarters at New Delhi became the first stand-alone office set-up in the world to win TPM Excellence Award-2016. The award was presented at an exclusive function held in Kyoto, Japan, on 23rd March, 2017.
- IndianOil bagged the *Reader's Digest* Most Trusted Brand Award in the Petrol Station category for the 10th consecutive year.
- Brand IndianOil was conferred *Superbrand* status for the fourth two-year term in a row by M/s. Superbrand India Pvt. Ltd., a leading global consumer survey brand.
- IndianOil won the 10th Express, Logistics & Supply Chain Leadership Award consecutively for the 9th time in a row, in the category of "Excellence in Manufacturing Supply Chain – Oil & Gas".
- IndianOil's Supplies & Distribution dept., Marketing HO, bagged the Supply Chain and Logistics Excellence Award (SCALE Award) of the Confederation of Indian Industry (CII).
- IndianOil's Rural Cards initiative at KSK outlets bagged the Flame Awards Silver Trophy, instituted by the Rural Marketing Association of India (RMAI), under the category "Channel Marketing/Retail Incentive Initiative."
- IndianOil bagged the Silver Award for "Outstanding Performance in Citizen-Centric Service Delivery" for the year

Indane NanoCut, the hi-therm LPG based metal-cutting gas technology developed by IndianOil's R&D Centre and commercialised last year, bagged three coveted awards: Nano Innovation Award, Petrofed Award for Innovation-2015, and NRDC Award.



IndianOil bagged the PetroFed Oil & Gas Pipeline Transportation Company of the Year Award in recognition of its leadership in transportation of crude oil, petroleum products and natural gas through pipelines in India during 2014-15.



2016-17, a national award on e-Governance.

- IndianOil bagged the prestigious Dun & Bradstreet Infra Award for excellent project implementation of reverse osmosis plant at its Gujarat Refinery.
- IndianOil's Panipat Refinery was awarded the first prize at the International Corrosion Forum "CORCON-2016" organised by NACE international for its technical paper on "Corrosion in duplex stainless steel tube bundles of crude distillation overhead exchangers."
- Bongaigaon Refinery has been conferred the 'BE Star Recognition-2016' as 'Leader - Excellence in Operations Management' by CII.
- Jawaharlal Nehru Centenary Award for Energy Performance (2014-15) for the Lowest Specific Energy Consumption (MBN) was presented to IndianOil's Mathura Refinery (Group 1) and Panipat Refinery (Group 2).

IndianOil has been adjudged as 1st among public sector companies in the 2017 listing of the 'Top 50 Best Companies to Work For' in India.



IndianOil's Pipelines Division was felicitated with CSR Excellence Award-2017 under the category 'Clean Water and Sanitation' at the Rajasthan CSR Summit-2017 organised by the Department of Industries, Government of Rajasthan



IndianOil officials receiving the OISD award for East and West Zone of Marketing Division from Hon'ble MoS (I/C), MoP&NG, Shri Dharmendra Pradhan.



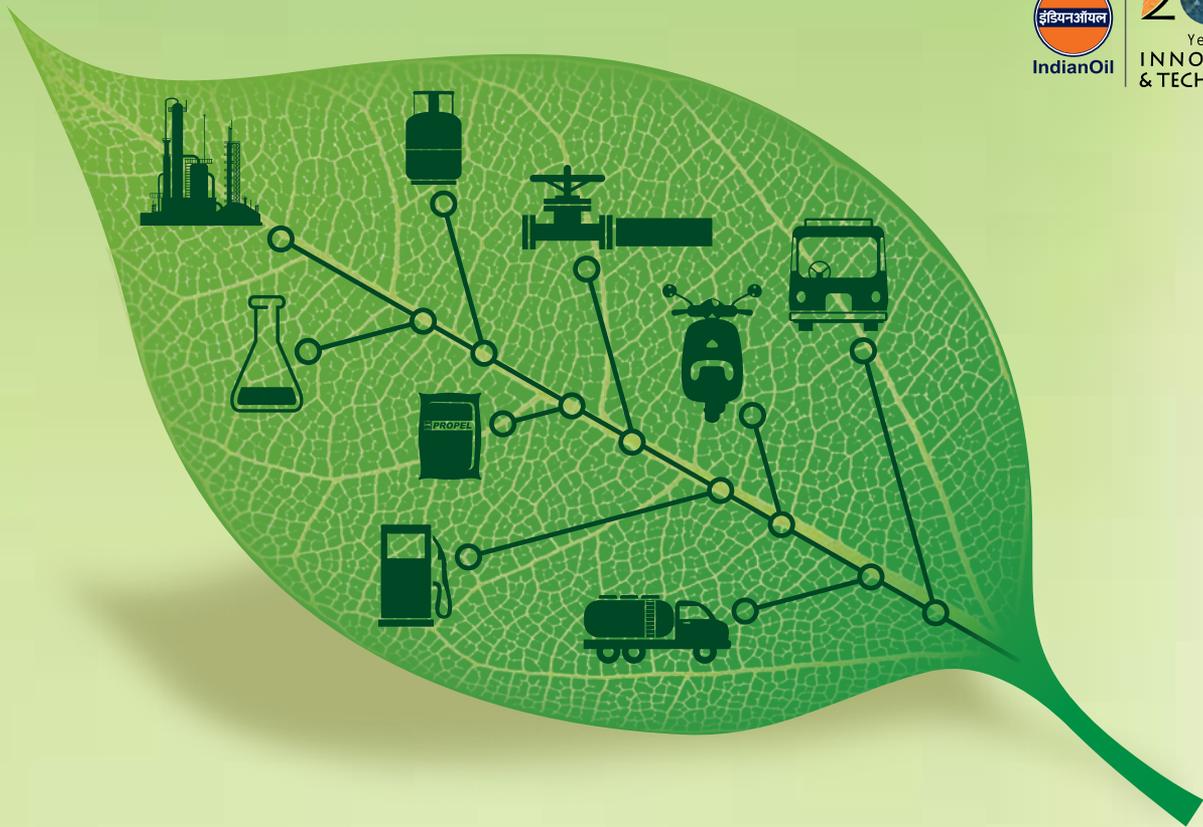
- IndianOil's Bongaigaon Refinery won the Oil & Gas Conservation Fortnight-2015 Award for Lowest Steam Leaks in Group-1 category.
- Panipat Refinery bagged the CHT award for best performance in carbon dioxide emissions for the year 2014-15.
- Panipat Refinery won the prestigious 1st Level National Kaizen award in Renovative category for its Kaizen on the theme "Shockdosing Provision in PRE Cooling Towers" at the 27th

Shri Sanjiv Singh, as Director (Refineries), was presented an award 'in recognition of his outstanding contribution in the field of fuel science' by Dr. Harsh Vardhan, Union Minister of Science & Technology and Earth Sciences, at the International Conference on 'NexGen Technologies for Mining and Fuel Industries' organised by CSIR-Central Institute of Mining and Fuel Research.



National Kaizen Conference held by CII TPM Club of India in June 2016.

- Mathura Refinery was awarded "Safety Innovation Award 2016" by The Institution of Engineers, Delhi State Centre.
- IndianOil's Salaya-Mathura Pipeline received the Oil Industry Safety Award instituted by the Oil Industry Safety Directorate under Crude Oil Pipelines category.
- IndianOil also received Governance Now PSU Award 2016 (Jury's Choice) for its overall CSR activities.
- IndianOil won the National Talent Management Leadership Award-2016 at the fifth edition of the National Awards for Best-in-Class Learning and Development, instituted by World HRD Congress.
- IndianOil bagged the 'HR Innovation Awards 2016' in the category of 'Best HR Team of the Year' at a ceremony organised by The Guild, HT Mint Connect, CNBC TV18 and Talent Vouch.
- IndianOil's Marketing Division bagged the '25th Global HR Excellence Awards 2017' in Times Ascent World HRD Congress in the category of 'Talent Management' from among 150 competitors.
- IndianOil's Training & Development group in Marketing Division HO bagged the 'National Talent Management Leadership Award 2016' in the category of 'Best Onboarding Programme' for its flagship Common Corporate Induction Module (CCIM), Marketing Induction Module (MIM), Mentoring and On-the-Job Training Module.
- IndianOil was adjudged as the 'Best Enterprise' at the 27th National Meet of Forum of Women in Public Sector (WIPS).



THE FUTURE OF GREEN ENERGY IS HERE

Natural Gas is emerging as the fuel of the 21st century, steadily replacing liquid fuels and coal due to its low ecological footprint and inherent advantages for all user segments: Industries-Transport-Households.

Indian Oil Corporation Ltd. (IndianOil), India's downstream petroleum major, proactively took up marketing of natural gas over a decade ago through its joint venture, Petronet LNG Ltd., that has set up two LNG (Liquefied Natural Gas) import terminals at Dahej and Kochi on the west coast of India.

Over the years, the Corporation has rapidly expanded its customer base of gas-users by leveraging its proven marketing expertise in liquid fuels and its countrywide reach.

Its innovative 'LNG at the doorstep' initiative is highly popular with bulk consumers located away from pipelines.

IndianOil is now importing more quantities of LNG directly to meet the increasing domestic demand. It is also setting up its own 5 million tonnes per annum LNG import terminal at Ennore, near Chennai on the east coast, to be operational by 2018.

The Corporation has formed two joint ventures to enter the burgeoning city gas distribution segment through Piped Natural Gas (PNG) networks that are coming up in many urban centres.

IndianOil is also adding compressed natural gas (CNG) as a green auto-fuel at its 26,000+ fuel stations across India. Yet another joint venture of the Corporation is investing in cross-country natural gas pipelines.

IndianOil is committed to energising the future, naturally through Gas

- Petroleum Refining & Marketing • Pipelines Transportation • Research & Development • Technology Solutions • Petrochemicals
- Gas Marketing • Exploration & Production • Alternative Energy (Biofuels, Wind & Solar) • Explosives & Cryogenics

ANNEXURE-I

SC/ST/OBC Report - I

Annual Statement showing the representation of SCs, STs and OBCs as on 1st January 2017 and number of appointments made during the preceding calendar year

| Groups | Name of the Public Enterprises: | | | | Indian Oil Corporation Ltd. | | | | | | | | | |
|---|--|-------------|-------------|-------------|---|------------|------------|------------|--------------|-------------|------------|--------------------------|----------|----------|
| | Representation of SCs/STs/OBCs (As on 1.1.2017) | | | | Number of appointments made during the calendar year 2016 | | | | | | | | | |
| | Total No. of Employees | SCs | STs | OBCs | By Direct Recruitment | | | | By Promotion | | | By Deputation/Absorption | | |
| Total | | | | | SCs | STs | OBCs | Total | SCs | STs | Total | SCs | STs | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| Executives | | | | | | | | | | | | | | |
| A | 16708 | 2758 | 1208 | 3177 | 1638 | 277 | 117 | 586 | 3347 | 579 | 241 | 6 | 0 | 0 |
| Non-executives | | | | | | | | | | | | | | |
| B | 6036 | 1007 | 621 | 291 | 0 | 0 | 0 | 0 | 797 | 137 | 75 | 0 | 0 | 0 |
| C | 9827 | 1985 | 720 | 1851 | 549 | 97 | 54 | 213 | 1528 | 285 | 129 | 2 | 1 | 0 |
| D (Excluding Sweeper) | 691 | 132 | 53 | 274 | 67 | 13 | 5 | 23 | 0 | 0 | 0 | 0 | 0 | 0 |
| D (Sweeper) | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total (Executives plus Non-executives) | 33264 | 5884 | 2602 | 5593 | 2254 | 387 | 176 | 822 | 5672 | 1001 | 445 | 8 | 1 | 0 |

SC/ST/OBC Report - II

Annual Statement showing the representation of SCs, STs and OBCs in various Group A services as on 1st January 2017 and number of appointments made in the service in various grades in the preceding calendar year

| Pay Scale (in ₹) | Name of the Public Enterprises: | | | | Indian Oil Corporation Ltd. | | | | | | | | | |
|---------------------|--|-------------|-------------|-------------|---|-----|------|-------|--------------|------------|------------|--------------------------|-------------|------------|
| | Representation of SCs/STs/OBCs (As on 1.1.2017) | | | | Number of appointments made during the calendar year 2016 | | | | | | | | | |
| | Total No. of Employees | SCs | STs | OBCs | By Direct Recruitment | | | | By Promotion | | | By Deputation/Absorption | | |
| Total | | | | | SCs | STs | OBCs | Total | SCs | STs | Total | SCs | STs | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 20600-46500 | 69 | 6 | 4 | 21 | 2 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| 24900-50500 | 4934 | 789 | 344 | 1539 | 1636 | 277 | 117 | 585 | 332 | 57 | 23 | 1 | 0 | 0 |
| 29100-54500 | 3353 | 504 | 211 | 674 | 0 | 0 | 0 | 0 | 757 | 112 | 45 | 0 | 0 | 0 |
| 32900-58000 | 2979 | 546 | 260 | 532 | No recruitment is made in this Group. | | | | 999 | 196 | 87 | 3 | 0 | 0 |
| 36600-62000 | 1873 | 331 | 135 | 255 | | | | | 431 | 75 | 38 | 1 | 0 | 0 |
| 43200-66000 | 1378 | 305 | 141 | 134 | | | | | 334 | 72 | 26 | 1 | 0 | 0 |
| 51300-73000 | 1224 | 195 | 92 | 20 | | | | | 233 | 43 | 15 | 0 | 0 | 0 |
| 51300-73000 | 620 | 66 | 20 | 1 | | | | | 150 | 16 | 7 | 0 | 0 | 0 |
| 51300-73000 | 206 | 13 | 0 | 1 | | | | | 78 | 7 | 0 | 0 | 0 | 0 |
| 62000-80000 | 72 | 3 | 1 | 0 | | | | | 32 | 1 | 0 | 0 | 0 | 0 |
| G.Total | 16708 | 2758 | 1208 | 3177 | | | | | 1638 | 277 | 117 | 586 | 3347 | 579 |

ANNEXURE - II

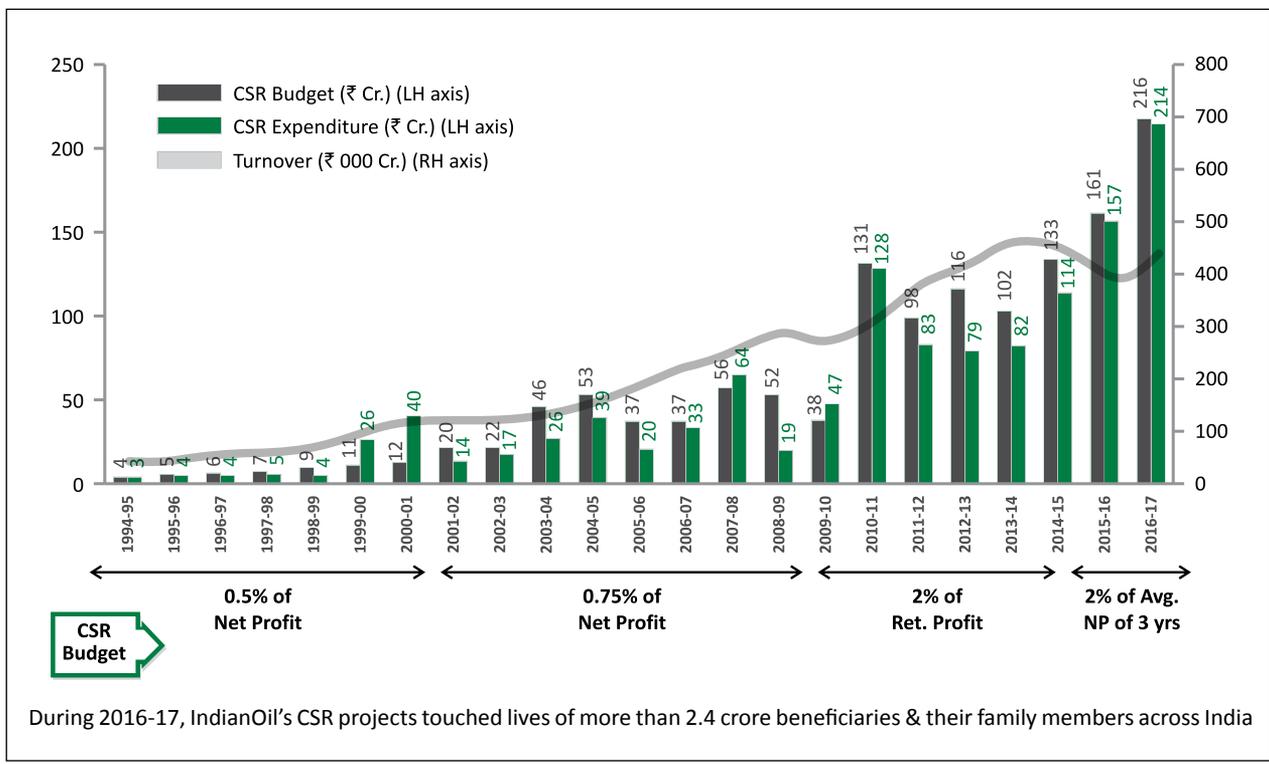
HIGHLIGHTS OF CSR ACTIVITIES DURING 2016-17

The thrust areas of IndianOil's Corporate Social Responsibility (CSR) activities, inter alia, include safe drinking water, healthcare & sanitation, education & employment enhancing vocational skills, empowering women & socially/economically backward groups, environment sustainability, protection of national heritage and promotion of art & culture, rural development etc., which are in line with the CSR Vision and Mission of IndianOil. The programs are undertaken preferably in the vicinity of IndianOil's major installations/establishments to improve the quality of life of the communities, which include marginalized groups such as SCs, STs, OBCs. As against the current year's CSR budget allocation of ₹212.67 crore, the CSR expenditure was ₹213.99 crore. However, after considering the amount of ₹4.43 crore brought from the previous year, an amount of ₹3.11 crore remained unspent and has been carried forward to 2017-18.

Indian Oil has a long standing CSR legacy, which dates back to a period, long before CSR became mandatory for corporates under the Companies Act, 2013. The details of amount spent by IndianOil on CSR over the years is as under:-



IOC's long-standing CSR legacy



Key CSR initiatives in 2016-17

A. Pioneering & Innovative Initiatives in J&K

1. Saved precious lives: Installed India's Highest Altitude Medical Facilitation Centre at Khardungla, Leh, J&K

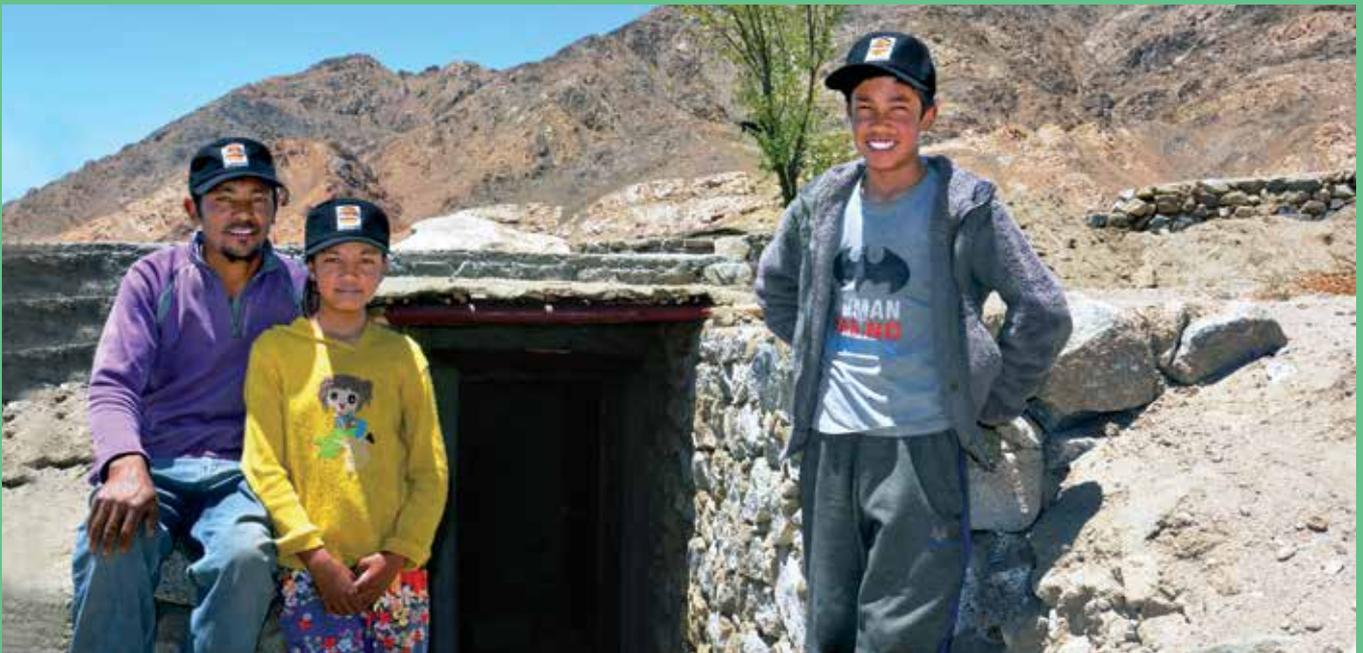
- India's highest altitude Medical Facilitation Centre was put up at Khardungla (at an altitude of 18,380 feet)
- Equipped with essential medical equipment & medicines



- It will treat people suffering from High Altitude Sickness and travellers, who get stranded at the peak at the time of heavy snowfall
- During 2016-17, about 3.5 lakh people visited/ crossed this treacherous high altitude pass
- About 900 cases of High Altitude Sickness were reported
- The centre treats such people & saves precious lives

2. Through unique zero-energy based Vegetable Cellars, significantly improved livelihood of farmers of Nang Village near Leh, J&K

- Constructed 23 vegetable cellars for storing vegetables during harsh winter in Nang Village, 30 Km from Leh, J&K
- No electricity required; unique & simple technology of water in floor-troughs inside cellars, to maintain humidity; fumigation of low cost chemical for maintaining quality of vegetables.
- A structure half buried in the ground, constructed using traditional materials like rubbles, beams, twigs, mud, insulation material (Yakzes)
- 23 vegetable cellars were constructed through Leh District Administration



- Increased farmers' income by about 30% by preventing deterioration of quality of vegetables, thereby fetching better prices in the market & also improving quality of seeds for the next cropping season

B. Skilling youth to fulfil "Skill India" dream of Hon'ble PM:

1. Skill Development Institute, Bhubaneshwar, Odisha

- Established in 2016, with IndianOil as the lead Investor and financial support from PSUs under MoP&NG, the Skill Development Institute, Bhubaneshwar is India's first skill academy meant for the hydrocarbon sector
- Provides 6 month certified training in Industrial Electrician & Welder trades
- In the first batch (2016), 84 unemployed youth have been trained; placement offered to 100% students
- Aim to skill 40,000 youth of Odisha in 10 years and make them job-ready for the Industry

2. Kaushal Vikas Kendra, Barauni, Bihar

- Started in March, 2017 in collaboration with National Skill Development Centre, Govt. of India
- Aims to train 400 youth of Begusarai, Bihar belonging to SC/ST & BPL families by December 2017
- Courses are offered in Plumbing, Masonry, Electrician, Mechanical Fitter and Welder trades
- In the first batch, 148 students completed courses in various trades by June 2017

3. IndianOil Multi Skill Development Institute, Digboi, Assam

- The Institute started in 2014 to provide vocational training on skills and competencies linked to industries
- The trades, in which skills are currently imparted, are Beauty & Wellness, Welding, Fitter and Hospitality & Tourism
- Skills have been identified based on job requirements with member industries of Confederation of Indian Industries (the implementing partner), which assures at least 75% employment.
- 523 persons were enrolled during 2016-17



4. “Plastic Processing” related skilling program to the wards of the land losers in Paradip, Odisha

- In order to provide employment opportunity to the wards of the land loser families of Paradip Refinery, skill development course was offered
- 6 months-Residential course on “Machine Operator’s Plastic Processing” were conducted at Central Institute of Plastics & Engineering Technology (CIPET), Bhubaneswar
- 50 unemployed youth have been skilled, out of which 34 candidates got placement opportunity during 2016-17

C. Empowering Women & Improving their Safety and Well Being

1. Jewel in the North East: Empowering & providing livelihood to women through ‘Nursing’ Skills: Assam Oil School of Nursing, Digboi, Assam

- Started in 1986 to provide professional training in “General Nursing & Midwifery (GNM)” course to girls in the region
- Assam Oil College of Nursing, which provides B.Sc. (Nursing) degree course, started functioning in 2014
- 60 girls were enrolled for GNM (30 nos.) & BSc (30 nos.) courses and 17 students successfully completed the GNM course during 2016-17. Since inception, 410 students have successfully completed the course with 100% placement record.

2. Providing Safety to Women: Project Pink Police Patrol, Kerala

- To provide ‘safety’ to women & children, IndianOil, in collaboration with Kerala Police, has launched Project Pink Police Patrol
- Aims to strengthen the Patrolling system to immediately react to calls of distress from Women in 2 cities of Kerala: Kozhikode and Kollam
- Provided 3 Maruti Suzuki Dezire Sedans to the Pink Police Patrol Squad, which patrol the cities round the clock

3. Swachh Bharat Abhiyaan: Electronic toilets for women (e-SHE) in Hyderabad, Andhra Pradesh

- IndianOil has provided e-SHE toilets at two places in Hyderabad
- e-Toilets are unmanned Electronic Public Toilets with sensor-based technology and GPRS-enabled units for real-time tracking to assess their usage
- It has self-cleaning and water conservation mechanisms



- This project has benefited more than 42000 Women commuters and nearby residents in 2016-17

4. Pradhan Mantri Ujjwala Yojna: Clean Fuel For the “Have-Nots” & for Healthier Kitchens

- As per a World Health Organization study, about 1 million people die every year in India attributed to diseases related to indoor air pollution.
- Pradhan Mantri Ujjwala Yojana (PMUY) aims to safeguard the health of women & children by providing them with a clean cooking fuel (LPG).
- Under this scheme, IndianOil contributes 20% of 2% of previous year’s profit towards release of deposit free LPG connection to women of BPL families besides Central Government’s budgetary support.
- During 2016-17, under PMUY, IndianOil released LPG connections to 93.25 lakh families.

D. Treated More than 68,000 patients at 2 Flagship Hospitals

1. Assam Oil Division Hospital, Digboi, Assam

- Established in the year 1906, Assam Oil Division Hospital treats patients from nearby area of Digboi, Assam and the North East.
- 200 bed hospital with modern facilities: also organizes medical health camps in nearby villages.
- 11713 outside patients i.e. other than employees or their were treated in the hospital during 2016-17.



2. Swarna Jayanti Samudayik Hospital, Mathura, Uttar Pradesh

- Established in 1999, this 50 bed hospital provides free treatment to the destitute and subsidized treatment to others
- 2 mobile medical units cater to the medical needs of nearby villages
- 57,107 patients were treated in the hospital during 2016-17

E. Innovation in Education/Learning

1. Making science learning "Fun" & "Easy to access"-Project Bigyan, Bongaigaon, Assam

- Project Bigyan is a part of "Science on Wheels" project, launched during the year 2012-13 at Bongaigaon Refinery.

- A Science Van visits 23 partner schools for hands-on Science learning and demonstration through trained facilitators and school teachers.
- Lab in a Box, a part of Project Bigyan: Science models / experiments are organized based on pre designed learning modules and are placed in boxes, covering physics, chemistry and biology concepts.
- 2070 students benefitted from the project during 2016-17.



2. Supporting 4 Kendriya Vidyalayas and 1 Higher Secondary

School at Refinery Locations

- IndianOil is supporting and sustaining 4 Kendriya Vidyalayas in 4 IndianOil Refinery complexes at Barauni, Guwahati, Haldia and Mathura & 1 Higher Secondary School at Bongaigaon.
- IndianOil provides infrastructure facilities with well-equipped Labs and Library, playground, etc. for all round development of the students.
- During the year, more than 3500 students were provided education in various standards.

F. Caring For the Mentally Challenged: Project Snehalaya, Bangalore, Karnataka

- Snehalaya, established in 1984 by ITI Bangalore, aims to improve quality of life of children with disabilities (age group 5 to 25)
- IndianOil has been supporting this institute since 2014-15

- Students are encouraged to achieve independence in activities of daily life through communication, education & pre-vocational training, arts, music, movements, sports, gardening, yoga, use of computers, mobile phone, etc.
- 50 children with disabilities are benefitted from the project.

G. Provided Livelihood to Disabled Persons through Training on Fancy Bags, Guwahati, Assam

- 8 week residential training in manufacturing fancy bags was provided to 16 differently abled persons (8 boys & 8 girls).
- After completion of training, industrial sewing machines were provided to the beneficiaries who have opened a bag manufacturing unit
- Market linkages were also provided for promotion of the products



Annual Report on CSR Activities for the Financial Year 2016-17

1. A brief outline of the company's CSR policy

IndianOil's Corporate Social Responsibility (CSR) is guided by its corporate vision of caring for environment and community. IndianOil believes that Corporate Social Responsibility is the continuing commitment by Corporate to behave ethically and contribute to economic development while improving the quality of life of the local community and society at large.

IndianOil's Sustainability & Corporate Social Responsibility (S&CSR) vision is to operate its activities in providing energy solutions to its customers in a manner that is efficient, safe & ethical, which minimizes negative impact on environment and enhances quality of life of the community, towards sustaining a holistic business.

In line with the above vision, the Board of IndianOil has framed a Sustainability & Corporate Social Responsibility Policy which is attached at **Annexure-A**.

Overview of projects or programs that were proposed to be undertaken during 2016-17 is provided at **Annexure-B**.

The Sustainability & CSR policy and the projects or programs thereunder is also available on the following web-link:

https://iocl.com/AboutUs/IOC_S&CSR_Policy.pdf

2. The Composition of the CSR & Sustainable Development Committee as on 31.03.17

- | | |
|---|------------|
| 1) Shri Parindu K. Bhagat, Independent Director | - Chairman |
| 2) Shri Subroto Bagchi, Independent Director | - Member |
| 3) Director (Human Resources) | - Member |
| 4) Director (Finance) | - Member |
| 5) Director (Marketing) | - Member |
| 6) Director (Planning & Business Development) | - Member |

3. Average net profit of the company for last three financial years

₹ 10,633.26 crore (computed as per the provisions of section 198 of the Companies Act 2013).

4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above)

The allocation for the year 2016-17 as per the provisions of the Companies Act 2013 works out to ₹ 212.67 crore. However, after considering the amount of ₹ 4.43 crore brought forward from the previous year, the total budget for 2016-17 was ₹ 217.10 crore.

5. Details of CSR spent during 2016-17

(a) Total amount spent for the financial year

₹ 213.99 crore spent against the annual CSR budget of ₹ 217.10 crore. During 2016-17, an additional expenditure of CSR nature, which satisfy schedule VII of the Companies Act 2013, amounting to ₹ 19.70 crore was incurred under revenue budget for undertaking developmental activities as per the mandate of Hon'ble High Court of Odisha, over and above the CSR expenditure of ₹ 213.99 crore. This was not budgeted under CSR budget of 2016-17.

(b) Amount unspent, if any

After considering the amount of ₹ 4.43 crore brought forward from the previous year in the budget for 2016-17, an amount of ₹ 3.11 crore remained unspent.

(c) Manner in which the amount was spent during the financial year is provided in Annexure-C.

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The Company spent an amount of ₹213.99 crore on CSR activities against the annual allocation of ₹212.67 crore for the year 2016-17. However, after considering

the unspent amount of ₹ 4.43 crore of the previous year, an amount of ₹ 3.11 crore remained unspent which has been carried forward to the CSR budget of 2017-18.

The unspent amount of ₹ 3.11 crore is attributed to Skill Development Institute, Bhubaneswar, for which ₹15 crore was allocated, but the same could not be spent as the land for the campus was not handed over by Odisha State Govt. and a major part of the unutilized amount, though re-allocated to other projects, resulted in the net unspent amount of ₹ 3.11 crore, which has been carried forward to the CSR budget of 2017-18.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The Board of IndianOil has approved the S&CSR Policy and accordingly the CSR activities have been undertaken in line with the Policy.

Sd/-
Sanjiv Singh
(Chairman)

Sd/-
Parindu K. Bhagat
(Chairman, CSR&SD Committee)

Annexure A

IndianOil's Sustainability & CSR Policy

IndianOil's Sustainability & CSR vision is to operate its activities in providing energy solutions to its customers in a manner that is efficient, safe & ethical, which minimizes negative impact on environment and enhances quality of life of the community, towards sustaining a holistic business.

In line with the above vision, IndianOil's S&CSR mission is to:

- Meet stakeholders' aspirations for value creation and grow along with the society.
- Ensure a safe & healthy working environment.
- Incorporate environmental and social considerations in business decisions.
- Earn stakeholders' goodwill and build a reputation as a responsible corporate citizen.
- Conduct business with ethics and transparency & follow responsible business practices.

IndianOil shall pursue the following thrust areas under S&CSR:

- Efficiency in operations and processes.
- Safe and healthy environment in and around the workplaces.
- Basic livelihood needs & societal empowerment.
 - Safe drinking water and protection of water resources.
 - Healthcare and sanitation.
 - Education and employment-enhancing vocational skills.
 - Empowerment of women and socially/economically backward groups, etc.
- Tourist friendly facilities at monuments of national importance.
- Environmentally sustainable practices within & beyond the organization's premises:
 - Clean energy options.
 - Rain water harvesting (at co. owned premises, retail outlets).
 - Limit emission of Greenhouse Gases.
 - Reduce/reuse/recycle resources/waste & dispose waste streams in environmentally safe manner.
- Promotion of responsible business practices: Conduct business with transparency, integrity and accountability.

IndianOil's S&CSR Policy will be operative within the overall ambit of CSR Provisions of the Companies Act 2013 (including Schedule VII), Companies (CSR Policy) Rules 2014, DPE's guidelines on CSR & Sustainability and clarifications/amendments thereof from time to time.

IndianOil shall constitute a Sustainability & CSR Committee of the Board, consisting of at least three Directors, out of which at least one Director shall be an independent director.

IndianOil shall earmark 2% of average net profits earned during three immediately preceding financial years for 'CSR budget' of the year, which will be non-lapsable.

The surplus arising out of the projects/programs/initiatives, which are funded from the CSR budget, shall not form part of the business profit.

If IndianOil fails to spend the CSR budget of a year, the reasons for not spending the amount will be specified in the Directors' Report.

All S&CSR activities, which are funded from the CSR budget, shall exclude those undertaken in pursuance of normal course of business.

Activities funded from the CSR budget will have following 6 components:

- a) Need Assessment,
- b) Modalities of Execution,
- c) Implementation Schedule,
- d) Modalities of Utilization of Funds,
- e) Monitoring/Reporting Mechanism, and
- f) Impact assessment (for large projects).

S&CSR Policy and its contents shall be displayed at IndianOil's web site, as per the format specified in the CSR Rules. The Directors' Report shall include an annual report on S&CSR activities.

ANNEXURE - B
Overview of projects that were proposed to be undertaken in 2016-17 (in line with the CSR policy)

| SI No. | Major CSR Heads | Sector | Local/ Other | State | District | Monitoring Process: Monitoring Through | Budget (₹ crore) |
|---|---|-------------------|--------------|---------------|----------------|--|------------------|
| | Annual CSR Allocation as per Companies Act 2013 | | | | | | 212.67 |
| | Brought forward from previous year | | | | | | 4.43 |
| | CSR Budget for 2016-17 | | | | | | 217.10 |
| Govt. Mandated Projects | | | | | | | |
| 1 | MoP&NG LPG Scheme for BPL Families | Environment Sust. | Local/ Other | All India | All India | LPG Group of Marketing Division | 41.60 |
| 2 | Waste to Fuel project, Varanasi | Environment Sust. | Local | Uttar Pradesh | Vanarasi | Planning & Business Development Group | 15.31 |
| 3 | Skill Development Institute (SDI), Bhubaneswar | Skill Development | Local | Odisha | Bhubaneswar | Corporate CSR Cell | 15.00 |
| 4 | Skill Development Institute by BPC, HPC, ONGC, OIL & GAIL | Skill Development | Local | 5 States | 5 Districts | Corporate CSR Cell | 7.50 |
| 5 | Maintenance of toilets constructed/repared (Swachh Vidyalaya Abhiyan) | Sanitation | Local/ Other | All India | All India | CSR Committee of Divisions | 7.14 |
| 6 | RG Institute of Petroleum Technology (RGIPT) | Education | Local | Assam | Sibsagar | Corporate CSR Cell | 6.06 |
| Other Projects sector-wise | | | | | | | |
| 7 | IndianOil Academic Scholarship (Residual) | Education | Local/ Other | All India | All India | Committee of IIPM, Gurgaon | 2.00 |
| 8 | Higher Sec School, Bongaigaon | Education | Local | Assam | Bongaigaon | CSR Committee, Bongaigaon Refinery | 2.55 |
| 9 | Kendriya Vidyalaya, Mathura | Education | Local | Uttar Pradesh | Mathura | CSR Committee, Mathura Refinery | 2.90 |
| 10 | Kendriya Vidyalaya, Barauni | Education | Local | Bihar | Begusarai | CSR Committee, Barauni Refinery | 2.04 |
| 11 | Kendriya Vidyalaya, Haldia | Education | Local | West Bengal | East Midnapore | CSR Committee, Haldia Refinery | 1.93 |
| 12 | Kendriya Vidyalaya, Guwahati | Education | Local | Assam | Kamrup Metro | CSR Committee, Guwahati Refinery | 1.66 |
| 13 | Assam Oil School/College of Nursing, Digboi | Skill Development | Local | Assam | Tinsukia | CSR Committee, AOD, Digboi | 3.75 |
| 14 | Industrial Training Centre, Digboi | Skill Development | Local | Assam | Tinsukia | CSR Committee, AOD, Digboi | 0.45 |
| 15 | IndianOil Multi-Skill Development Institute, Digboi | Skill Development | Local | Assam | Tinsukia | CSR Committee, AOD, Digboi | 0.45 |
| 16 | Sikshak Dakshata Vikas Abhiyan, Digboi | Skill Development | Local | Assam | Tinsukia | CSR Committee, AOD, Digboi | 0.06 |
| 17 | Skill Development Centre, Barauni | Skill Development | Local | Bihar | Begusarai | CSR Committee, Barauni Refinery | 0.25 |
| 18 | AOD Hospital, Digboi | Healthcare | Local | Assam | Tinsukia | CSR Committee, AOD, Digboi | 4.60 |
| 19 | Swarna Jayanti Samudayik Hospital, Mathura | Healthcare | Local | Uttar Pradesh | Mathura | CSR Committee, Mathura Refinery | 6.35 |
| 20 | Sarve Santu Niramaya, Digboi | Healthcare | Local | Assam | Tinsukia | CSR Committee, AOD, Digboi | 0.20 |
| 21 | IndianOil Chikitsa Seva Kendra, Bongaigaon | Healthcare | Local | Assam | Bongaigaon | CSR Committee, Bongaigaon Refinery | 0.07 |
| 22 | IndianOil Sports Scholarship | Sports | Local/ Other | All India | All India | CSR Committee of Marketing, HQ | 0.90 |
| Projects near Units/Installations across India | | | | | | | |
| 23 | Marketing Division | All sectors | Local/ Other | All India | All India | Divisional/Unit Level Committee | 20.99 |
| 24 | Refineries Division | All sectors | Local/ Other | 7 States | 9 Districts | Divisional/Unit Level Committee | 16.80 |
| 25 | Pipelines Division | All sectors | Local/ Other | All India | All India | Divisional/Unit Level Committee | 4.00 |
| 26 | R&D Centre | All sectors | Local | Haryana | Faridabad | Divisional/Unit Level Committee | 0.75 |
| 27 | Corporate Office | All sectors | Local/ Other | All India | All India | Corporate/ Divisional/Unit Level Committee | 41.45 |
| | Admin. overheads [Training, Salary, Baseline study, etc] | - | - | - | - | - | 10.34 |
| Grand Total CSR Budget for 2016-17 | | | | | | | 217.10 |

ANNEXURE - C

Details of the expenditure on CSR during 2016-17

| CSR Expenses: Project-wise 2016-17 | | | | | | | | | |
|------------------------------------|---|---|----------------------|-------------------------------|--------------------------|------------------------|----------------------|---------------------------|--|
| Sl. No | CSR project or activity identified | Sector, in which the project is covered | Projects or programs | | Amount outlay ₹ crore | Amount spent | | Cumulative Exp ₹ crore | Amount spent: Direct or through Implementing Agency (IA) |
| | | | Local/Other | State/ District | | Direct exp. ₹ crore | Overheads ₹ crore | | |
| | | | | | | | | | |
| Govt. mandated projects | | | | | | | | | |
| 1 | MoP&NG LPG Scheme for BPL Families | Environment Sust. | Local/Other | All India | 41.60 | 41.60 | 2.08 | 43.68 | Direct |
| 2 | Waste to Fuel Project, Varanasi | Environment Sust. | Local | Uttar Pradesh / Varanasi | 15.31 | 1.58 | 0.08 | 1.66 | Direct/IA |
| 3 | Skill Development Institute (SDI), Bhubaneswar | Skill development | Local | Odisha / Bhubaneswar | 15.00 | 0.00 | 0.00 | 0.00 | Direct |
| 4 | Skill Development Institute (SDI) by BPC, HPC, ONGC, OIL & GAIL | Skill development | Local/Other | 5 States/5 Districts | 7.50 | 3.00 | 0.15 | 3.15 | Direct/IA |
| 5 | Maintenance of toilets constructed/ repaired (Swachh Vidyalaya Abhiyan) | Sanitation | Local/Other | All India | 7.14 | 0.00 | 0.00 | 0.00 | - |
| 6 | RG Institute of Petroleum Technology (RGIPT), Sibsagar | Education | Local | Assam/Sibsagar | 6.06 | 0.00 | 0.00 | 0.00 | - |
| 7 | Indian Institute of Petroleum & Energy, Visakhapatnam | Education | Local | Andhra Pradesh/ Visakhapatnam | 0.00 | 60.00 | 3.00 | 63.00 | Direct |
| 8 | Hydrocarbon Sector Skill Council | Skill development | Local/Other | All India | 0.00 | 0.67 | 0.03 | 0.70 | Direct |
| 9 | Yoga & Naturopathy Centre , New Delhi | Healthcare | Local | New Delhi | 0.00 | 1.44 | 0.07 | 1.51 | Direct/IA |
| 10 | Toilet & Associated facilities under Panipat Expressway, Panipat | Sanitation | Local | Haryana/Panipat | 0.00 | 2.05 | 0.10 | 2.15 | Direct/IA |
| 11 | Statue of Unity- Sardar Vallabhbhai Patel Rashtriya Ekta Trust | Art & Culture | Local | Gujarat/ Narmada | 0.00 | 21.83 | 1.09 | 22.92 | Direct/IA |
| Other Projects, sector-wise | | | | | | | | | |
| 12 | IndianOil Academic Scholarship (Residual) | Education | Local/Other | All India | 2.00 | 3.89 | 0.19 | 4.09 | Direct/IA |
| 13 | Higher Secondary School, Bongaigaon | Education | Local | Assam/ Bongaigaon | 2.55 | 2.55 | 0.13 | 2.68 | Direct |
| 14 | Kendriya Vidyalaya, Mathura | Education | Local | Uttar Pradesh/ Mathura | 2.90 | 2.72 | 0.14 | 2.86 | Direct |
| 15 | Kendriya Vidyalaya, Barauni | Education | Local | Bihar/Begusarai | 2.04 | 2.48 | 0.12 | 2.60 | Direct |
| 16 | Kendriya Vidyalaya, Haldia | Education | Local | West Bengal/ East Midnapore | 1.93 | 2.28 | 0.11 | 2.39 | Direct |
| 17 | Kendriya Vidyalaya, Guwahati | Education | Local | Assam/ Kamrup Metro | 1.66 | 1.66 | 0.08 | 1.74 | Direct |
| 18 | Assam Oil School/College of Nursing, Digboi | Skill development | Local | Assam/Tinsukia | 3.75 | 3.07 | 0.15 | 3.22 | Direct |
| 19 | IndianOil Multi-Skill Development Institute, Digboi | Skill development | Local | Assam/Tinsukia | 0.45 | 0.46 | 0.02 | 0.48 | IA |
| 20 | Industrial Training Centre, Digboi | Skill development | Local | Assam/Tinsukia | 0.45 | 0.51 | 0.03 | 0.54 | Direct |
| 21 | Sikshak Dakshata Vikas Abhiyaan, Digboi | Skill development | Local | Assam/Tinsukia | 0.06 | 0.06 | 0.01 | 0.06 | IA |
| 22 | Skill Development Centre, Barauni | Skill development | Local | Bihar/Begusarai | 0.25 | 0.21 | 0.01 | 0.22 | IA |
| 23 | AOD Hospital, Digboi | Healthcare | Local | Assam/Tinsukia | 4.60 | 4.56 | 0.23 | 4.79 | Direct |
| 24 | Swarna Jayanti Samudayik Hospital, Mathura | Healthcare | Local | Uttar Pradesh/ Mathura | 6.35 | 5.36 | 0.27 | 5.62 | Direct/IA |
| 25 | Sarve Santu Niramaya, Digboi | Healthcare | Local | Assam/Tinsukia | 0.20 | 0.20 | 0.01 | 0.21 | Direct |
| 26 | IndianOil Chikitsa Seva Kendra, Bongaigaon | Healthcare | Local | Assam/ Bongaigaon | 0.07 | 0.08 | 0.01 | 0.08 | Direct |
| 27 | IndianOil Sports Scholarships | Sports | Local/Other | All India | 0.90 | 1.32 | 0.07 | 1.39 | Direct |



CSR Expenses: Project-wise 2016-17

| Sl. No | CSR project or activity identified | Sector, in which the project is covered | Projects or programs | | Amount outlay ₹ crore | Amount spent | | Cumulative Exp ₹ crore | Amount spent: Direct or through Implementing Agency (IA) |
|--------------|------------------------------------|---|----------------------|----------------------|---|------------------------|----------------------|---------------------------|--|
| | | | Local/Other | State/ District | | Direct exp. ₹ crore | Overheads ₹ crore | | |
| | | | | | Projects near Units/Installations across India * | | | | |
| 28 | Marketing Division | All Sectors | Local/Other | All India | 20.99 | 18.69 | 0.93 | 19.63 | Direct/IA |
| 29 | Refineries Division | All Sectors | Local/Other | 7 States/9 Districts | 16.80 | 14.47 | 0.72 | 15.19 | Direct/IA |
| 30 | Pipelines Division | All Sectors | Local/Other | All India | 4.00 | 6.42 | 0.32 | 6.75 | Direct/IA |
| 31 | R&D Centre | All Sectors | Local/Other | Haryana/Faridabad | 0.75 | 0.31 | 0.02 | 0.33 | Direct/IA |
| 32 | Corporate Office | All Sectors | Local/Other | All India | 41.45 | 0.15 | 0.01 | 0.16 | Direct/IA |
| 33 | P&BD Group | All Sectors | Local/Other | West Bengal/Kolkata | 0.00 | 0.18 | 0.01 | 0.19 | Direct/IA |
| Total | | | | | 206.76 # | 203.80 | 10.19 | 213.99 | |

* Projects of various Divisions include activities like development of skill development centers, construction of school buildings, provision of furniture, computers, books, etc. installation of hand pumps / bore wells, construction of elevated water tanks, provision of water tap connection, water purifiers / water coolers to schools / community centers, rainwater harvesting, organizing health camps for immunization, HIV / AIDS awareness, pulse polio, eye care, blood donation, etc., provision of ambulances, medical equipments, etc. to hospitals / health centers, organizing sports meets, livelihood projects, etc.

Amount outlay excludes ₹10.34 crore allocated towards Administrative overheads, against which ₹10.19 crore was appropriated.

Annexure -III

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[Issued in pursuance to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in MR-3]

To,
The Members,
Indian Oil Corporation Limited

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Indian Oil Corporation Limited (CIN L23201MH1959GOI011388)** (hereinafter called the "Company") for the financial year ended 31st March, 2017. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

- A. In expressing our opinion it must be noted that-
- i. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
 - ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis of our opinion.
 - iii. We have not verified the correctness and appropriateness of the financial statements of the Company.
 - iv. The Company being a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint Directors (including Independent Directors) and the terms and conditions of such appointment, including remuneration and evaluation, vests with the Government of India.
 - v. Wherever required, we have obtained the management representation pertaining to compliance of laws, rules and regulations, happening of events, etc.
 - vi. The compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
 - vii. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

- B. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes (duly evolved) and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
- C. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:
 - I. The Companies Act, 2013 (the Act) and the rules made thereunder as well as the provisions of the Companies Act, 1956, wherever applicable;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
 - (d) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

The Company has not undertaken any of the activities during the audit period as envisaged in the following Regulations and Guidelines prescribed under the SEBI Act and hence are not relevant for the purpose of audit:-

 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and

- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- VI. Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises.
- VII. The following Acts and Rules made thereunder pertaining to oil and gas business, as applicable to the Company:
- (a) Oil fields (Regulation and Development) Act, 1948;
 - (b) Petroleum Act, 1934;
 - (c) Mines and Minerals (Regulation and Development) Act, 1957;
 - (d) Petroleum and Minerals Pipelines (Acquisition of Right of User Inland) Act, 1962;
 - (e) Oil Mines Regulations, 1984;
 - (f) Petroleum & Natural Gas Rules, 1959;
 - (g) Petroleum Rules, 2002;
 - (h) Oil Drilling and Gas Extraction Industry Standards, 1996; and
 - (i) The Oil Industry (Development) Act, 1974.

We have also examined the compliance with the following:

- i. Secretarial Standards in respect of Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- ii. Compliance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except to the extent as mentioned below:

- a) The Company does not have:
 1. Requisite number of Non-Executive Directors in terms of Regulation 17(1)(a) of LODR;
 2. Independent Directors on its Board as required under the provisions of Section 149(4) of the Act and Regulation 17 of LODR;
 3. Woman Director pursuant to second proviso of sub-section (1) of Section 149 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of LODR.

D. We further report that,

- i. The Board of Directors of the Company is duly constituted and that the Company has not been able to appoint requisite number of (i) Non-Executive Directors; (ii) Independent Directors and (iii) Woman director as required under the provisions of Section 149 of the Act and Regulation 17 of LODR. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

II. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

III. The agenda items are deliberated before passing the same and the views / observations made by the Directors are recorded in the minutes.

E. We further report that there are adequate systems and process in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

F. We further report that during the audit period

I. The Members of the Company, by means of Special Resolution at the Annual General Meeting held on 14th September, 2016, have accorded approval to the Board of Directors to issue secured / unsecured redeemable non-convertible bonds / debentures ("Bonds") of face value aggregating up to ₹12,000 Crore (from domestic as well as overseas market) during a period of one year from the date of approval by shareholders' within the overall borrowing limits approved by Shareholders.

II. The Members of the Company, by means of Postal Ballot on 5th October, 2016 passed Ordinary Resolution for approval of Issue of Bonus Shares in the ratio 1:1.

III. The Company has redeemed the following Bonds in the nature of Debentures during the year.

| Sl. No. | Bond Series | Amount (₹ Crore) | Date of Redemption |
|---------|-------------------------|------------------|--------------------|
| 1. | Bond Series XIII | 405.00 | 06-05-2016 |
| 2. | Bond Series V (STRPP M) | 31.60 | 18-07-2016 |
| 3. | Bond Series IX | 1,600.00 | 13-12-2016 |

G. We further report that during the audit period none of the following events has taken place:

- I. Public/Rights/Preferential Issue of Shares/Debentures/Sweat equity etc except as stated above.
- II. Buy Back of securities.
- III. Merger/Amalgamation/Reconstruction, etc.
- IV. Foreign Technical Collaborations.

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

**Sd/-
CS Bhumitra V. Dholakia
Designated Partner
FCS-977 CP No. 507**

**Place : Mumbai
Date : 23rd June, 2017**

Annexure-IV**Report on Energy Conservation, Technology Absorption and Foreign Exchange Earning as per the provisions of the Companies Act, 2013 and rules notified thereunder****A) Conservation of Energy****a. Steps taken for Conservation of Energy:**

As part of continued efforts towards energy conservation, various energy conservation projects were implemented during 2016-17 in refineries resulting in savings of 19371 MT standard refinery fuel equivalent to approx. ₹ 41.28 crore. The details of some of the major projects are as under:

| Sl. No | Particulars | Estimated Cost (₹ in lakhs) | Estimated Fuel Savings (Standard Refinery Fuel Equivalent) MT/Year |
|--------|--|--------------------------------|--|
| 1 | Implementation of 500KW solar PV systems at Guwahati Refinery. | 383.05 | 700 |
| 2 | Recovery of H2 from H2 Rich CRU Off-Gas by routing as HGU feed (considering CRU off gas @150kg/hr) at Digboi Refinery. | 431.65 | 330 |
| 3 | Installation of WHB for heat recovery (~ 5.1 MT/hr of MP steam generation) from BBU incinerator flue gas at Mathura Refinery. | 1590.80 | 853 |
| 4 | Plate HEs in place of feed bottom exchanger at ARU at Mathura Refinery. | 202.88 | 3500 |
| 5 | Upgrading of GT-1 1 st /2 nd stage turbine seals Heat rate improvement resulting in generation of extra MW beyond rated capacity (Guaranteed is 3% on base load) at Haldia Refinery. | 220 | 850 |
| 6 | Anti-Foulant in CDU-I at Haldia Refinery. | 64.55 | 804 |
| 7 | Installation of magnetic Resonators in all the three GT's at Haldia Refinery. | 13.37 | 1266 |
| 8 | High Emissivity coating in CDU-I (11-F-01& 101) and VDU-I (31-F-01 & 02) furnaces at Haldia Refinery. | 36.98 | 1451 |
| 9 | Replacement of Old Fin fan blades with Energy Efficient FRP blades at Haldia Refinery. | 18.71 | 520 |
| 10 | Calcium Silicate Insulation Rectification of steam line at Haldia Refinery. | 166.27 | 1095 |
| 11 | Installation of Tube Insert in 73-E-21 A/B/C/D (HVGO CR vs Crude) at Panipat Refinery. | 129 | 300 |
| 12 | Use of LP steam in VHP Deaerator in place of MP steam at Panipat Refinery. | 30 | 2300 |
| 13 | Installation of 1 MW solar Power Plant at Panipat Refinery. | 782.50 | 600 |
| 14 | Replacement of conventional shell & tube exchangers with Plate type at Bongaigoan Refinery. | 227.38 | 771 |
| 15 | Procurement of 200 KW Solar PV (Photo Voltaic) System for Admn. Bldg Block-A & B at Bongaigoan Refinery. | 181 | 291 |
| 16 | Low recycle ratio operation in Coker after revamp at Barauni Refinery. | 48000 | 2000 |
| 17 | Installation of 1 MW solar panel at Gujarat Refinery. | 378.64 | 1300 |
| 18 | Firing FG in HGU-3 reformer in place of NG at Gujarat Refinery. | 25.6 | 2000 |

b. In addition, following initiatives/projects are under implementation in various refineries of the Corporation:-

Guwahati Refinery:

- Stepless capacity control in RGC of HDT.
- Replacement of HP steam with MP steam in ISOM (NHDT) stripper.
- Stoppage of 2 CT fans post commissioning of Jet Cooling tower.

Barauni Refinery:

- Generation of LP steam ex Kettle type re-boiler instead of MP.
- Optimization of TPS operations- Minimization of TG-4 condensing mode during summers and maximizing TG-1 operation.
- Capacity augmentation & procurement of new CO-Boiler.

Gujarat Refinery:

- AU-1 Re-run routing of hot K-8 bottom to MSQ.
- DCU steam driven replacement with motor driven WGC (HP to total condensate).
- Reconfiguration of exchanger network and shifting of one set of preheat exchanger from AU-V to AU-IV for better preheat recovery and sustenance.

Haldia Refinery:

- Installation of APH in Boiler- 1,2 & 3.
- Blow down Heat Recovery System for 3 no's HRSG & 4 no.w.s Boilers.
- Study on KHDS Recompression compressor (23-K-01) capacity improvement to designed level.

Mathura Refinery:

- Generation of LP steam from LGO CR in AVU.
- Installation of LP steam generator (8.1 TPH) in MCB pump around circuit along with hot feed maximization to FCCU.
- Installation of Divided Wall Column in CCRU NSU.

Digboi Refinery:

- Rationalization of steam network in Offsites in phase wise
- Implementation of SDU Pinch Study Recommendations (Installation of one Heat Exchanger at SDU)

Panipat Refinery:

- Rectification of CO Boiler bypass MOV to increase HP steam generation in FCCU.
- Scheme for installation of Thermo-compressor at PTA.
- Installation of Evaporative cooler in GT-5/4.

Bongaigaon Refinery:

- Conversion of existing CDU-I natural draft furnace to balanced draft furnace (Efficiency improvement from 82% to 90%).

- To increase surface area of CDU-I heat exchangers to increase Preheat by 20°C by installing two additional RCO/Crude preheat train exchangers.

c. Steps taken by the company for utilizing alternate sources of energy.

- The Corporation has installed 2.7 MW Solar PV across various refineries. This includes 1 MW solar panel at Gujarat Refinery, 1 MW solar panel at Panipat Refinery, 0.5 MW solar PV systems at Guwahati Refinery and 0.2 MW solar PV at Bongaigaon Refinery.
- The Corporation has so far carried out 140574 nos. of LED light replacement jobs. Further, steps have been initiated for replacement of a total number of 186322 LED lights in the Refineries of the Corporation.

B) Efforts made towards Technology Absorption, Adaptation and Innovation

With a view to improve the product pattern and product quality as well as to meet the environmental emission norms, your Corporation has adopted most modern technologies in line with the latest developments worldwide.

Major steps taken in this regards are given below:-

a. Indigenous Technology

i) INDMAX Technology

INDMAX technology developed in-house by R&D Centre of IndianOil for converting heavy distillate and residue into LPG/light distillate products has been implemented successfully at Guwahati Refinery, Paradip Refinery and is under implementation at Bongaigaon Refinery.

ii) Hexane Hydrogenation Technology

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

iii) Diesel Hydrotreatment Technology

Diesel Hydrotreatment technology developed by R&D Centre of IndianOil and licensed jointly with EIL has been implemented at Bongaigaon Refinery for meeting Diesel quality requirements. The technology is under implementation at Haldia Refinery.

iv) Naphtha Hydrotreatment Technology

Naphtha Hydrotreatment technology developed by R&D Centre of IndianOil and licensed jointly with EIL is under implementation at Bongaigaon Refinery.

v) Isomerisation Technology

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

vi) INDAdapt^c Technology

INDAdapt^c unit based on technology developed by R&D Centre of IndianOil and licensed jointly with EIL has been implemented at Guwahati Refinery for desulphurisation of cracked gasoline feed stock.

vii) Octamax Technology

Octamax technology, developed by R&D Centre of IndianOil is under implementation at Mathura refinery, for production of High octane Gasoline blending stream from refinery LPG streams.

viii) indJet Technology

indJet technology, developed by R&D Centre of IndianOil and licensed jointly with EIL is under implementation at Barauni refinery, for production of jet fuel from kerosene feedstock by hydro desulphurisation.

ix) indSelect Technology

indSelect technology, developed by R&D Centre of IndianOil, is under implementation at Guwahati Refinery for selective di-olefin saturation of coker naphtha and FCC gasoline.

x) indDSK Technology

indDSK technology, developed by R&D Centre of IndianOil and licensed jointly with EIL is under implementation at Paradip refinery, for production of ultra low sulphur kerosene (PCK) from kerosene feedstock by hydro desulphurisation.

b) Imported Technology**i) Hydrocracker Technology**

Full Conversion Hydrocracking Unit (HCU) technologies from M/s Chevron USA and M/s UOP USA have been implemented at Gujarat Refinery and Panipat Refinery respectively for conversion of Vacuum Gas Oil to Jet fuel, Kerosene and Diesel.

ii) Once Through Hydrocracking Technology

Once Through Hydrocracking Units (OHCU) have been installed at Panipat, Mathura and Haldia refineries with the technologies from M/s UOP, USA, M/s Chevron, USA and M/s Axens, France respectively for improvement of distillate yield.

iii) Diesel Hydro Desulphurisation Technology

Diesel Hydro Desulphurisation (DHDS) Units have been installed at Mathura & Panipat refineries with technology from M/s IFP (now Axens), France and at Gujarat & Haldia refineries with technology from M/s UOP, USA to meet the Diesel quality requirement w.r.t Sulphur. Technology from M/s Haldor Topsoe, Denmark is under implementation for revamp of DHDS at Mathura Refinery.

iv) Kerosene Hydro Desulphurisation Technology

Kerosene Hydro Desulphurisation Unit has been installed at Haldia refinery with technology from M/s IFP (now Axens), France.

v) Diesel Hydrotreatment Technology

Diesel Hydrotreatment (DHDT) Units have been installed at Guwahati, Barauni & Digboi refineries with the technology from M/s UOP, USA and under implementation at Panipat and Gujarat Refineries. Technology from M/s Axens, France is implemented at Mathura, Panipat and Gujarat refineries. Technology from M/s Shell Global Solutions, Netherlands is implemented at Paradip Refinery.

vi) Fluidised Catalytic Cracking Technology

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

vii) Resid Fluidized Catalytic Cracking Technology

The Resid Fluidized Catalytic Cracking (RFCC) technology from M/s Stone & Webster, USA (now part of Technip) has been implemented at Panipat, Haldia and Barauni Refineries.

viii) Catalytic Iso-dewaxing Technology at Haldia Refinery

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

ix) Solvent Dewaxing / Deoiling Technology at Digboi

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

x) Hydrofinishing Technology for treatment of Paraffin Wax / Microcrystalline Wax

Process technology from M/s. IFP (now Axens), France for hydro finishing of paraffin wax has been implemented at Digboi refinery. The same technology from M/s IFP (now Axens), France for production of Microcrystalline Wax has been implemented at Haldia Refinery.

xi) Biturox Technology

To produce various grades of Bitumen as well as to meet the quality requirements, Biturox technology from M/s Porner, Austria has been employed at Gujarat, Mathura and Barauni Refineries.

xii) Hydrogen Generation Technology

Hydrogen generation technology from M/s Linde, Germany was adopted for Hydrogen production and supply to Hydrocracker unit at Gujarat Refinery and has been implemented at Barauni Refinery under MS Quality Improvement Project. Hydrogen generation technology obtained from M/s. Haldor Topsoe, Denmark is in operation at Gujarat,

- Mathura, Haldia, Panipat and Barauni refineries and has been implemented at Gujarat Refinery under Resid Upgradation Project. Similar technology from M/s KTI, the Netherlands has been implemented for Hydrogen generation at Guwahati, Digboi, Mathura and Haldia Refineries. Hydrogen generation technology from M/s Technip Benelux B.V, Netherlands has been implemented at Bongaigaon Refinery under Diesel Quality improvement project.
- xiii) Sulphur Recovery Technologies for reduction of SO₂ emissions**
- Refineries at Gujarat, Haldia, Mathura and Barauni are provided with Sulphur Recovery Technology from M/s. Stork Comprimo (now Jacob), Netherlands. The Sulphur recovery technology from M/s. Delta Hudson, Canada has been employed at Panipat refinery. Further, Sulphur recovery technologies from M/s Black & Veatch Pritchard, USA have been implemented at Panipat, Gujarat and Paradip Refineries. Technology from M/s Technip, KTI, Spain has been implemented at Haldia Refinery under Once through Hydrocracker Project. Technology from M/s Jacobs, Netherlands has been implemented under additional Sulphur Recovery Unit at Mathura Refinery. Technology from M/s Lurgi, Germany is under implementation under DYIP project at Haldia Refinery. Technology from M/s Prosernat, France is under implementation at Panipat Refinery.
- xiv) ISOSIV Technology at Guwahati Refinery**
- For production of Isomerate for blending in MS at Guwahati Refinery, ISOSIV technology from M/s UOP, USA has been implemented.
- xv) Delayed Coker Technology**
- For bottom of the barrel upgradation, Delayed Coker technology from M/s ABB Lummus, USA has been implemented at Panipat Refinery as part of Panipat Refinery Expansion Project. Delayed Coker Technology from M/s Foster Wheeler, USA has been implemented at Gujarat Refinery under Resid Upgradation Project and also implemented at Paradip Refinery and is under implementation at Haldia Refinery under Distillate Yield Improvement (DYIP) Project.
- xvi) VGO Hydrotreatment Technology**
- Technology from M/s UOP has been implemented at Gujarat Refinery under Resid Upgradation Project. Technology from M/s Axens, France has been implemented at Paradip Refinery.
- xvii) Catalytic Reforming Technology**
- For improvement in Octane number of Motor Spirit, Continuous Catalytic reforming technology (CCRU) from M/s IFP (now Axens), France has been implemented at Mathura & Panipat refineries. Continuous Catalytic reforming technology from M/s UOP, USA has been implemented at Gujarat and Paradip Refineries and is under implementation at Barauni Refinery. Catalytic reforming technology (CRU) with Russian collaboration has been implemented at Gujarat refinery and from M/s IFP (now Axens) has been implemented at Haldia, Barauni, Digboi and Bongaigaon refineries.
- xviii) Technology for Para-Xylene**
- For production of Para-Xylene at Panipat, technologies from M/s UOP, USA have been implemented.
- xix) Technology for Purified Terephthalic Acid (PTA)**
- For production of PTA at Panipat Refinery, technology from M/s Du Pont (now Invista), USA has been implemented.
- xx) Technology for Linear Alkyl Benzene (LAB)**
- Technology from M/s UOP, USA has been implemented for production of Linear Alkyl Benzene at Gujarat Refinery.
- xxi) MS quality Upgradation Technology**
- For MS quality upgradation, Isomerisation technology of M/s UOP, USA have been implemented at Mathura, Panipat and Gujarat Refineries. Isomerisation Technology from M/s Axens, France has been implemented at Haldia, Guwahati, Digboi and Barauni refineries.
- FCC Gasoline desulphurization technology (Prime-G) from M/s Axens, France has been implemented at Haldia, Mathura, Panipat and Barauni Refineries and is under implementation at Bongaigaon and Barauni Refineries.
- xxii) Naphtha Cracker and downstream petrochemical Technology**
- Naphtha Cracker Technology from M/s ABB Lummus, USA has been implemented at Panipat Refinery. Technologies from M/s Basell, Italy, M/s Basell, Germany, M/s Nova Chemicals, Canada & Scientific Design, USA have been implemented for downstream polymer plants viz. Poly-Propylene Unit, HDPE unit, Swing Unit (HDPE/LLDPE) and MEG Unit respectively. Technology from M/s ABB Lummus has been implemented for production of Butadiene. Technology from M/s Basell, Italy is under implementation at Paradip Refinery for production of Poly-Propylene. Technology from M/s Scientific Design, USA is under implementation at Paradip Refinery for production of MEG. Ethylene Recovery Technology from M/s ABB Lummus, USA is under implementation at Paradip Refinery.

xxiii) Alkylation Technology

For production of MS, Alkylation technology from M/s Exxon Mobil, USA is implemented at Paradip Refinery.

xxiv) Propylene Recovery Technology

For recovery of Propylene from LPG, propylene recovery from M/s Basell, Italy is under implementation at Paradip Refinery.

xxv) Regenerative type Flue Gas De-Sulphurisation Technology

In order to recover Sulphur Di-Oxide from Boiler flue gases a Regenerative type Flue gas De-Sulphurisation technology from M/s Cansolv Technology Incorporate (CTI), Canada, has been implemented at Paradip Refinery.

xxvi) Spent Acid Regeneration Technology

In order to regenerate fresh sulphuric acid from spent sulphuric acid recovered from Alkylation Unit a Spent Acid Regeneration Technology from M/s MECS (Monsanto Enviro-Chem Systems), USA has been implemented at Paradip Refinery.

xxvii) ATF Treatment Technology

ATF Merox Treatment Technology from M/s UOP, USA has been implemented at Gujarat and Panipat Refineries. Technology from M/s Merichem, USA has been implemented at Paradip Refinery.

xxviii) LPG Treatment Technology

Coker LPG Merox Treatment technology from M/s UOP, USA has been implemented at Panipat Refinery and is under implementation at Haldia Refinery under DYIP project. FCC LPG Treatment technology from M/s Mericam, USA has been implemented at Haldia and Paradip Refineries. Straight Run LPG Treatment technology from M/s UOP, USA has been implemented at Paradip Refinery.

xxix) Coker Gas Oil Hydrotreatment Technology

Coker Gas Oil Hydrotreatment Technology from M/s Axens, France is under implementation at Haldia Refinery under DYIP project.

xxx) MTBE Technology

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

xxxi) Butene-1 Technology

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

xxxii) Sulphur Pelletization Technology

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

xxxiii) Butane Isomerisation Technology

For production of Alkylate, "Butamer" Technology from M/s UOP, USA has been implemented at Paradip Refinery.

xxxiv) Naphtha Treatment Technology

FCC Naphtha Treatment Technology from M/s Mericam, USA for removal of Mercaptans and H₂S is implemented at Paradip Refinery. Technology for Naphtha Hydrotreating & Fractionating from M/s UOP, USA is implemented at Paradip refinery.

c) The benefits derived like product improvement, cost reduction, product development or import substitution :**Benefits derived include:**

- Upgradation of heavy oil to higher value products of improved quality such as LPG, gas oil, motor spirit, kerosene, ATF, etc.
- Reduction of Sulphur content impurity in petroleum products (like LPG, Naptha, MS, Kerosene, ATF, HSD etc.,)
- Feed Quality Improvement for subsequent processing resulting in improved product pattern.
- Production of higher grade lubricant base stocks which help in reducing import dependence.
- Production of better grades of Bitumen
- Reduction of Sulphur dioxide emissions
- Value addition to surplus Naphtha by
 - o Naphtha Cracking & and subsequent high value products like Glycols, Polymers, Butadiene, Benzene etc.,
 - o Naphtha conversion to high value Paraxylene (PX) and benzene and subsequent PX conversion to higher value PTA product
- Production of high value speciality products like MTBE, LAB, Food Grade Hexane etc
- Production of products (like Styrene Butadiene Rubber and Butene-1) which are import substitution products.
- Production of sulphur in pallets form which is more environmental friendly and easier to handle
- Auto Fuel Quality improvement for HSD and MS to conform to BS-IV/BS-VI fuel standards and latest pollution control norms.
- Use of a number of indigenous technologies resulting in import substitution

d) Details of technology imported during the last three years:
(i) BS-IV Projects at Barauni refinery:
The details of technology imported:

- Technology for desulphurisation of FCC Gasoline at Barauni refinery, from M/s Axens, France
- Technology for Naphtha Hydrotreating and Continuous Catalytic Reforming for production of high octane reformat (MS blend component), from M/s UOP, USA

The year of import: 2015-16
Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning by Sep-2019

(ii) Olefin recovery project at Panipat Naphtha Cracker complex:
The details of technology imported; - Technology for production of Olefins from RFCC and COKER off gases at Panipat Naphtha Cracker complex, from M/s Lummus Technology, USA

The year of import: 2015-16
Whether the technology been fully absorbed: The project is in implementation stage - First stage approval received, the project is recommended for implementation after first stage approval of expansion of Naphtha Cracker Unit (NCU).

(iii) BS-VI Projects at Panipat refinery:
The details of technology imported:

- Technology for desulphurisation of gas oils, from M/s UOP, USA
- Technology for production of sulphur from M/s Prosernat, France

The year of import: 2016-17
Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning by Sep-2019

(iv) BS-VI Projects at Gujarat refinery:
The details of technology imported:

- Technology for desulphurisation of FCC Gasoline at Barauni refinery, from M/s Axens, France
- Technology for desulphurisation of gas oils, from M/s UOP, USA

The year of import: 2016-17
Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning by Sep-2019

C) Foreign Exchange Earning & Outgo

The total foreign exchange earned and outgo during the year is as under:

| | (₹ in crore) |
|---------------------------|--------------|
| - Foreign exchange earned | 14,315 |
| - Foreign exchange outgo | 1,73,910 |

D) The areas in which Research & Development activities were carried out during the year are as under:

- Development & demonstration of Refinery process & technologies
- Licensing & commercialization of R&D developed technologies
- Trouble shooting, revamp and optimization of refinery processes
- Modelling and simulation of refinery processes
- Crude assay and transportation solutions
- Catalysts development for refining and petrochemical processes
- Bituminous products- PMB & CRMB+
- Development of Indigenous pigs for monitoring health of pipelines.
- Corrosion, Remaining life assessment and Material failure Analyses,
- Metal Working Tribology and Boundary Lubrication studies
- Fuel Efficient Lubricant, Greases and Specialties products
- Fuel additives development and commercialization
- Fuel Quality and Emission related Studies
- Biotechnology interventions for refinery ETP & oil spill mangement
- Conversion of Carbon Dioxide to Valuable Products
- Alternative fuels - HCNG, 2nd & 3rd Generation bio-fuels
- Nanotechnological interventions for development of fuels and lubricants
- Alternate Energy – Gasification, Hydrogen, Fuel Cell and Solar

Your Corporation incurred the following expenditure on Research & Development during the year:

| Sr. No | Particulars | Amount (₹ Crore) |
|--------|---------------------|------------------|
| 1. | Capital Expenditure | 109.57 |
| 2. | Revenue Expenditure | 217.53 |
| | Total | 327.10 |

Annexure-V

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|------|--|--|
| i) | CIN | L23201MH1959GOI011388 |
| ii) | Registration Date | 30-06-1959 |
| iii) | Name of the Company | IndianOil Corporation Limited |
| iv) | Category / Sub Category of the Company | Company Limited by Shares / Government Company |
| v) | Address of registered office and contact details | IndianOil Bhavan G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai - 400051, India Phone No. : (022) 26447616 Fax no. : (022) 26447961 Email id : investors@indianoil.in Website : www.iocl.com |
| vi) | Whether shares listed | Yes |
| vii) | Name, address and contact details of Registrar & Transfer Agents, if any | Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Phone No. : (040) 6716 2222 Fax no. : (040) 2300 1153 Email id : einward.ris@karvy.com Website : www.karvycomputershare.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service * | % to total turnover of the company |
|---------|--|---|------------------------------------|
| 1. | Refining | 192 – Manufacture of refined petroleum products | 94.10% |

*As per National Industrial Classification 2008 – Ministry of Statistics and Programme Implementation

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| Sl. No. | Name of the Company | CIN | Holding / Subsidiary / Associate | % of shares held | Applicable section |
|---------|--|-----------------------|----------------------------------|------------------|--------------------|
| 1. | Chennai Petroleum Corporation Ltd. 536, Anna Salai, Teynampet Chennai – 600 018 | L40101TN1965GOI005389 | Subsidiary | 51.89 | 2(87)(ii) |
| 2. | IndianOil – CREDA Biofuels Ltd. IndianOil Bhavan, VIP Road, Post – Ravigram, Telibandha, Raipur – 492006 | U01119CT2009GOI021044 | Subsidiary | 74.00 | 2(87)(ii) |
| 3. | Indian Catalyst Pvt. Ltd. Gujarat Refinery - Finance Deptt., Indian Oil Corporation Ltd., P.O. Jawahar Nagar, Vadodara - 391 320 | U11201GJ2006PTC048372 | Subsidiary | 100.00 | 2(87)(ii) |



| Sl. No. | Name of the Company | CIN | Holding / Subsidiary / Associate | % of shares held | Applicable section |
|---------|---|-----------------------|----------------------------------|------------------|--------------------|
| 4. | Lanka IOC PLC Level 20, West Tower, World Trade Centre Echelon Square, Colombo 01, Sri Lanka | NA | Subsidiary | 75.12 | 2(87)(ii) |
| 5. | IndianOil (Mauritius) Ltd. Mer Rouge, Port Louis, Mauritius | NA | Subsidiary | 100.00 | 2(87)(ii) |
| 6. | IOC Middle East FZE Jebel Ali Free Zone Dubai – United Arab Emirates | NA | Subsidiary | 100.00 | 2(87)(ii) |
| 7. | IOC Sweden AB Sergels Torg 12, Stockholm, Sweden | NA | Subsidiary | 100.00 | 2(87)(ii) |
| 8. | IOC (USA) INC. 800 Brazos Street, Suite 400, Austin Texas | NA | Subsidiary | 100.00 | 2(87)(ii) |
| 9. | IndOil Global B.V., Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam | NA | Subsidiary | 100.00 | 2(87)(ii) |
| 10. | IOC Singapore Pte. Ltd. 8, Cross Street, #24-03/04, PWC Building, Singapore 048424 | NA | Subsidiary | 100.00 | 2(87)(ii) |
| 11. | IOT Infrastructure Energy Services Ltd. Plot No Y2, CTS 358, A/2, Village Bhandup, Near Nahur Stn, Bhandup (West), Mumbai – 400 078 | U23200MH1996PLC102222 | Associate | 49.34 | 2(6) |
| 12. | Lubrizol India Pvt. Ltd. 2 nd Floor VIP House 88-C, Old Prabhadevi Road, Mumbai – 400 025 | U23201MH1966PTC013538 | Associate | 50.00 | 2(6) |
| 13. | IndianOil Petronas (Pvt.) Ltd. Flat No. 1106, 11th Floor, Naurang House, 21, Kasturba Gandhi Marg, New Delhi – 110 001 | U74899DL1998PTC097297 | Associate | 50.00 | 2(6) |
| 14. | Avi-Oil India Pvt. Ltd. 608, Surya Kiran Building 19, Kasturba Gandhi Marg, New Delhi – 110 001 | U23201DL1993PTC190652 | Associate | 25.00 | 2(6) |
| 15. | Petronet VK Ltd. Marine Tank Farm, Reliance Industries Ltd. Dist. Jamnagar Sikka – 361140 | U23200GJ1998PLC034144 | Associate | 50.00 | 2(6) |
| 16. | Petronet LNG Ltd. 1st Floor, World Trade Centre Babar Road, New Delhi – 110 001 | L74899DL1998PLC093073 | Associate | 12.50 | 2(6) |

| Sl. No. | Name of the Company | CIN | Holding / Subsidiary / Associate | % of shares held | Applicable section |
|---------|--|-----------------------|----------------------------------|------------------|--------------------|
| 17. | Petronet India Ltd. BPCL Sewree A/K Installation Sewree Fort Road, Sewree (East) Mumbai – 400 015 | U45203MH1997PLC108251 | Associate | 18.00 | 2(6) |
| 18. | Green Gas Ltd. Fortuna Towers, 2 nd Floor, 10, Rana Pratap Marg, Lucknow – 226 001 | U23201UP2005PLC030834 | Associate | 49.97 | 2(6) |
| 19. | IndianOil Skytanking Pvt. Ltd. Fuel Farm Facility, Bangalore International Airport, Devanahalli Bangalore – 560 300 | U11202KA2006PTC040251 | Associate | 50.00 | 2(6) |
| 20. | Suntera Nigeria 205 Ltd. No. 2, Siji Soetan Street Off Onikepo Akande Street Off Admiralty Way Lekki Penninsula Phase 1 Lagos, Nigeria | NA | Joint Venture | 25.00 | 2(6) |
| 21. | Delhi Aviation Fuel Facility Pvt. Ltd. Aviation Fuelling Station, Shahbad Mohammad Pur IGI Airport, New Delhi – 110 061 | U74999DL2009PTC193079 | Associate | 37.00 | 2(6) |
| 22. | Indian Synthetic Rubber Pvt. Ltd. 10th Floor, Core-2, North Tower, SCOPE Minar, Laxmi Nagar, District Centre, Delhi-110092 | U25190DL2010PTC205324 | Associate | 50.00 | 2(6) |
| 23. | Indian Oil Ruchi Biofuels LLP 9 th Floor, Indian Oil Bhavan, No-1 Shri Aurobindo Marg, Yusuf Sarai, New Delhi – 110 016. | LLP IN : AAA-1445 | Joint Venture | 50.00 | 2(6) |
| 24. | NPCIL – IndianOil Nuclear Energy Corporation Ltd. 16 th Floor, Centre-1, World Trade Centre, Cuffe Parade, Colaba, Mumbai – 400 005 | U40104MH2011GOI215870 | Associate | 26.00 | 2(6) |
| 25. | GSPL India Transco Ltd. GSPC Bhavan B/H Udyog Bhavan, Sector-11, Gandhinagar Gujarat – 382 001 | U40200GJ2011SGC067450 | Associate | 26.00 | 2(6) |
| 26. | GSPL India Gasnet Ltd. GSPC Bhavan B/H Udyog Bhavan, Sector-11 Gandhinagar Gujarat – 382 001 | U40200GJ2011SGC067449 | Associate | 26.00 | 2(6) |



| Sl. No. | Name of the Company | CIN | Holding / Subsidiary / Associate | % of shares held | Applicable section |
|---------|--|-----------------------|----------------------------------|------------------|--------------------|
| 27. | IndianOil Adani Gas Pvt. Ltd. Room No. 909, Indian Oil Bhawan Aurobindo Marg, Yusuf Sarai New Delhi – 110 016 | U40300DL2013PTC258690 | Associate | 50.00 | 2(6) |
| 28. | Mumbai Aviation Fuel Farm Facility Pvt. Ltd. 1 st Floor, Terminal 1B, CSI Airport Mumbai – 400099 | U63000MH2010PTC200463 | Associate | 25.00 | 2(6) |
| 29. | Kochi Salem Pipelines Pvt. Ltd. Irimpanam Installation, Irimpanam P O Kochi - 682 309 | U40300KL2015PTC037849 | Associate | 50.00 | 2(6) |
| 30. | IndianOil Panipat Power Consortium Ltd. H-1/ 204, 2nd Floor, Vikramaditya Tower, Alaknanda Shopping Complex, New Delhi – 110 019 | U74899DL1999PLC101853 | Associate | 50.00 | 2(6) |
| 31. | Petronet CI Ltd. C/o Indian Oil Corpn Ltd Koyali-Ahmedabad Pipeline P O Jawahar Nagar Vadodara - 391 320 | U23201GJ2000PLC039031 | Associate | 26.00 | 2(6) |
| 32. | IndianOil LNG Pvt. Ltd. IndianOil Bhawan, 139, Nungambakkam High Road, Chennai - 600034 | U23200TN2015PTC100731 | Associate | 50.00 | 2(6) |
| 33. | Hindustan Urvarak & Rasayan Ltd. Coal Bhawan, 10 Netaji Subhash Road, Kolkata - 700001 | U24100WB2016PLC216175 | Associate | 29.67 | 2(6) |

IV. SHAREHOLDING PATTERN (equity Share Capital breakup as percentage of total equity):

i) Category-wise Shareholding:

| S. No. | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|-------------------------|--------------------------|---|----------|-------------------|-------------------|---|----------|-------------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of Total Shares | |
| A. | Promoters | | | | | | | | | |
| 1. | Indian | | | | | | | | | |
| a. | Individual / HUF | - | - | - | - | - | - | - | - | - |
| b. | Central Govt. | 1422150047 | - | 1422150047 | 58.57 | 2784280657 | - | 2784280657 | 57.34 | (1.23) |
| c. | State Govt(s) | - | - | - | - | - | - | - | - | - |
| d. | Bodies Corp. | - | - | - | - | - | - | - | - | - |
| e. | Banks/Fl | - | - | - | - | - | - | - | - | - |
| f. | Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total (A)(1) | | 1422150047 | - | 1422150047 | 58.57 | 2784280657 | - | 2784280657 | 57.34 | (1.23) |

| S. No. | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|-----------|--|---|--------------|-------------------|-------------------|---|--------------|-------------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of Total Shares | |
| 2. | Foreign | | | | | | | | | |
| a. | NRI's – Individuals | - | - | - | - | - | - | - | - | - |
| b. | Others – Individuals | - | - | - | - | - | - | - | - | - |
| c. | Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d. | Banks / FI | - | - | - | - | - | - | - | - | - |
| e. | Any other | - | - | - | - | - | - | - | - | - |
| | Sub-total (A)(2) | - | - | - | - | - | - | - | - | - |
| | Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 1422150047 | - | 1422150047 | 58.57 | 2784280657 | - | 2784280657 | 57.34 | (1.23) |
| B. | Public Shareholding | | | | | | | | | |
| 1. | Institutions | | | | | | | | | |
| a. | Mutual Funds | 39867211 | 5994 | 39873205 | 1.64 | 164679421 | 11988 | 164691409 | 3.39 | 1.75 |
| b. | Banks / FI | 12868368 | 12663 | 12881031 | 0.53 | 5727996 | 25326 | 5753322 | 0.12 | (0.41) |
| c. | Central Govt. | - | - | - | - | - | - | - | - | - |
| d. | State Govt(s) | - | - | - | - | - | - | - | - | - |
| e. | Venture Capital | - | - | - | - | - | - | - | - | - |
| f. | Insurance Companies | 246609530 | 1300 | 246610830 | 10.16 | 397067403 | 2600 | 397070003 | 8.18 | (1.98) |
| g. | FII's | 102084036 | - | 102084036 | 4.20 | 260058279 | - | 260058279 | 5.35 | 1.15 |
| h. | Foreign Venture Capital | - | - | - | - | - | - | - | - | - |
| i. | Funds Others (specify) | - | - | - | - | - | - | - | - | - |
| | Sub-total (B)(1) | 401429145 | 19957 | 401449102 | 16.53 | 827533099 | 39914 | 827573013 | 17.04 | 0.51 |
| 2. | Non-Institutions | | | | | | | | | |
| a. | Bodies Corp. | 484052061 | 62448 | 484114509 | 19.94 | 965726973 | 44170 | 965771143 | 19.89 | (0.05) |
| b. | Individuals | | | | | | | | | |
| i. | Individual Shareholders holding nominal share capital upto ₹2 lakh | 46712017 | 8232181 | 54944198 | 2.26 | 106934238 | 14533437 | 121467675 | 2.50 | 0.24 |
| ii. | Individual Shareholders holding nominal share capital in excess of ₹2 lakh | 1708833 | 27264 | 1736097 | 0.07 | 13498792 | 54528 | 13553320 | 0.28 | 0.21 |
| c. | Others (specify) | - | - | - | - | - | - | - | - | - |
| | Clearing Members | 659562 | - | 659562 | 0.03 | 14997879 | - | 14997879 | 0.31 | 0.28 |
| | Foreign Nationals | 606 | - | 606 | 0.00 | 995 | - | 995 | 0.00 | 0.00 |
| | Governor of Gujarat | - | 2700000 | 2700000 | 0.11 | - | 5400000 | 5400000 | 0.11 | 0.00 |
| | NBFC | 31793 | - | 31793 | 0.00 | 124585 | - | 124585 | 0.00 | 0.00 |
| | Non Resident Indians | 707398 | 120026 | 827424 | 0.03 | 1697889 | 240152 | 1938041 | 0.04 | 0.01 |



| S. No. | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--------|--|---|-----------------|-------------------|-------------------|---|-----------------|-------------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of Total Shares | |
| | Trusts | 59339144 | - | 59339144 | 2.44 | 120797656 | - | 120797656 | 2.49 | 0.04 |
| | Sub-total (B)(2) | 593211414 | 11141919 | 604353333 | 24.89 | 1223779007 | 20272287 | 1244051294 | 25.62 | 0.73 |
| | Total Public Shareholding (B) = (B)(1)+(B)(2) | 994640559 | 11161876 | 1005802435 | 41.43 | 2051312106 | 20312201 | 2071624307 | 42.66 | 1.24 |
| | Shares held by custodian for GDR's & ADR's | - | - | - | - | - | - | - | - | - |
| | Grand Total (A+B+C) | 2416790606 | 11161876 | 2427952482 | 100.00 | 4835592763 | 20312201 | 4855904964 | 100.00 | |

ii) Shareholding of Promoters:

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---------|--------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the Company | % of shares pledged / encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | |
| 1 | President of India | 1422150047 | 58.57 | - | 2784280657 | 57.34 | - | (1.23) |
| | TOTAL | 1422150047 | 58.57 | - | 2784280657 | 57.34 | - | (1.23) |

iii) Change in Promoters' Shareholding:

| Sl. No. | Name | Date | Remarks | Shareholding | | Cumulative Shareholding | |
|---------|--------------------|-----------|--|---------------|--------|-------------------------|-------|
| | | | | No. of shares | % | No. of shares | % |
| 1. | President of India | 01-Apr-16 | Opening Balance | - | - | 1422150047 | 58.57 |
| | | 30-May-16 | Disinvestment – OFS of shares to employees | (7139518) | (0.29) | 1415010529 | 58.28 |
| | | 28-Oct-16 | Bonus shares issued | 1415010529 | - | 2830021058 | 58.28 |
| | | 25-Jan-17 | Disinvestment – CPSE ETF | (33276129) | (0.69) | 2796744929 | 57.59 |
| | | 22-Mar-17 | Disinvestment – CPSE ETF | (12464272) | (0.25) | 2784280657 | 57.34 |
| | | 31-Mar-17 | Closing balance | - | - | 2784280657 | 57.34 |

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | Name of the Shareholder | Date | Remarks | Change in Shareholding | | Cumulative Shareholding | |
|---------|---|-----------|-----------------|------------------------|-----------------|-------------------------|-------|
| | | | | No. of Shares | % | No. of Shares | % |
| 1 | OIL AND NATURAL GAS CORPORATION LIMITED | 01-Apr-16 | Opening Balance | - | - | 33,43,03,814 | 13.77 |
| | | 28-Oct-16 | Bonus shares | 33,43,03,814 | - | 66,86,07,628 | 13.77 |
| | | 31-Mar-17 | Closing Balance | - | - | 66,86,07,628 | 13.77 |
| 2 | LIFE INSURANCE CORPORATION OF INDIA | 01-Apr-16 | Opening Balance | - | - | 23,49,56,225 | 9.68 |
| | | 08-Apr-16 | Sale (Net) | (1,34,198) | (0.01) | 23,48,22,027 | 9.67 |
| | | 03-Jun-16 | Sale (Net) | (42,42,432) | (0.17) | 23,05,79,595 | 9.50 |
| | | 10-Jun-16 | Sale (Net) | (15,35,501) | (0.06) | 22,90,44,094 | 9.43 |
| | | 17-Jun-16 | Sale (Net) | (15,30,442) | (0.06) | 22,75,13,652 | 9.37 |
| | | 24-Jun-16 | Sale (Net) | (12,74,505) | (0.05) | 22,62,39,147 | 9.32 |
| | | 22-Jul-16 | Sale (Net) | (13,75,620) | (0.06) | 22,48,63,527 | 9.26 |
| | | 29-Jul-16 | Sale (Net) | (23,28,281) | (0.10) | 22,25,35,246 | 9.17 |
| | | 05-Aug-16 | Sale (Net) | (43,03,910) | (0.18) | 21,82,31,336 | 8.99 |
| | | 12-Aug-16 | Sale (Net) | (10,01,226) | (0.04) | 21,72,30,110 | 8.95 |
| | | 19-Aug-16 | Sale (Net) | (1,08,436) | (0.00) | 21,71,21,674 | 8.94 |
| | | 09-Sep-16 | Sale (Net) | (4,17,564) | (0.02) | 21,67,04,110 | 8.93 |
| | | 16-Sep-16 | Sale (Net) | (5,89,130) | (0.02) | 21,61,14,980 | 8.90 |
| | | 23-Sep-16 | Sale (Net) | (23,75,740) | (0.10) | 21,37,39,240 | 8.80 |
| | | 30-Sep-16 | Sale (Net) | (18,74,544) | (0.08) | 21,18,64,696 | 8.73 |
| | | 07-Oct-16 | Sale (Net) | (15,09,438) | (0.06) | 21,03,55,258 | 8.66 |
| | | 28-Oct-16 | Bonus shares | 21,03,55,258 | - | 42,07,10,516 | 8.66 |
| | | 25-Nov-16 | Sale (Net) | (19,25,000) | (0.04) | 41,87,85,516 | 8.62 |
| | | 02-Dec-16 | Sale (Net) | (38,89,211) | (0.08) | 41,48,96,305 | 8.54 |
| | | 09-Dec-16 | Sale (Net) | (33,17,746) | (0.07) | 41,15,78,559 | 8.48 |
| | | 16-Dec-16 | Sale (Net) | (23,12,900) | (0.05) | 40,92,65,659 | 8.43 |
| | | 23-Dec-16 | Sale (Net) | (35,55,143) | (0.07) | 40,57,10,516 | 8.35 |
| | | 30-Dec-16 | Sale (Net) | (33,68,030) | (0.07) | 40,23,42,486 | 8.29 |
| | | 06-Jan-17 | Sale (Net) | (31,44,675) | (0.06) | 39,91,97,811 | 8.22 |
| | | 13-Jan-17 | Sale (Net) | (42,74,045) | (0.09) | 39,49,23,766 | 8.13 |
| | | 20-Jan-17 | Sale (Net) | (52,36,063) | (0.11) | 38,96,87,703 | 8.03 |
| | | 27-Jan-17 | Sale (Net) | (39,77,187) | (0.08) | 38,57,10,516 | 7.94 |
| | | 17-Mar-17 | Sale (Net) | (15,90,000) | (0.03) | 38,41,20,516 | 7.91 |
| | | 24-Mar-17 | Sale (Net) | (43,54,806) | (0.09) | 37,97,65,710 | 7.82 |
| | | 31-Mar-17 | Sale (Net) | (44,10,898) | (0.09) | 37,53,54,812 | 7.73 |
| | | | | 31-Mar-17 | Closing Balance | - | - |



| Sl. No. | Name of the Shareholder | Date | Remarks | Change in Shareholding | | Cumulative Shareholding | |
|-----------|-------------------------|-----------|-----------------|------------------------|--------|-------------------------|------|
| | | | | No. of Shares | % | No. of Shares | % |
| 3 | OIL INDIA LIMITED | 01-Apr-16 | Opening Balance | - | - | 12,13,97,624 | 5.00 |
| | | 28-Oct-16 | Bonus shares | 12,13,97,624 | - | 24,27,95,248 | 5.00 |
| | | 31-Mar-17 | Closing Balance | - | - | 24,27,95,248 | 5.00 |
| 4 | IOC SHARES TRUST | 01-Apr-16 | Opening Balance | - | - | 5,82,79,614 | 2.40 |
| | | 28-Oct-16 | Bonus shares | 5,82,79,614 | - | 11,65,59,228 | 2.40 |
| | | 31-Mar-17 | Closing Balance | - | - | 11,65,59,228 | 2.40 |
| 5 | CPSE ETF | 01-Apr-16 | Opening Balance | - | - | 61,84,214 | 0.25 |
| | | 08-Apr-16 | Sale (Net) | (657) | (0.00) | 61,83,557 | 0.25 |
| | | 15-Apr-16 | Sale (Net) | (5,256) | (0.00) | 61,78,301 | 0.25 |
| | | 22-Apr-16 | Sale (Net) | (14,454) | (0.00) | 61,63,847 | 0.25 |
| | | 29-Apr-16 | Sale (Net) | (5,913) | (0.00) | 61,57,934 | 0.25 |
| | | 06-May-16 | Sale (Net) | (3,285) | (0.00) | 61,54,649 | 0.25 |
| | | 13-May-16 | Sale (Net) | (11,826) | (0.00) | 61,42,823 | 0.25 |
| | | 20-May-16 | Sale (Net) | (4,599) | (0.00) | 61,38,224 | 0.25 |
| | | 27-May-16 | Sale (Net) | (1,04,290) | (0.00) | 60,33,934 | 0.25 |
| | | 03-Jun-16 | Sale (Net) | (12,940) | (0.00) | 60,20,994 | 0.25 |
| | | 10-Jun-16 | Sale (Net) | (15,528) | (0.00) | 60,05,466 | 0.25 |
| | | 17-Jun-16 | Sale (Net) | (3,882) | (0.00) | 60,01,584 | 0.25 |
| | | 24-Jun-16 | Sale (Net) | (6,470) | (0.00) | 59,95,114 | 0.25 |
| | | 30-Jun-16 | Sale (Net) | (3,882) | (0.00) | 59,91,232 | 0.25 |
| | | 01-Jul-16 | Sale (Net) | (3,882) | (0.00) | 59,87,350 | 0.25 |
| | | 08-Jul-16 | Sale (Net) | (14,881) | (0.00) | 59,72,469 | 0.25 |
| | | 15-Jul-16 | Sale (Net) | (25,880) | (0.00) | 59,46,589 | 0.24 |
| | | 22-Jul-16 | Sale (Net) | (14,234) | (0.00) | 59,32,355 | 0.24 |
| | | 29-Jul-16 | Sale (Net) | (14,234) | (0.00) | 59,18,121 | 0.24 |
| | | 05-Aug-16 | Sale (Net) | (5,823) | (0.00) | 59,12,298 | 0.24 |
| | | 12-Aug-16 | Sale (Net) | (3,235) | (0.00) | 59,09,063 | 0.24 |
| | | 19-Aug-16 | Sale (Net) | (2,588) | (0.00) | 59,06,475 | 0.24 |
| | | 26-Aug-16 | Sale (Net) | (3,902) | (0.00) | 59,02,573 | 0.24 |
| | | 02-Sep-16 | Purchase (Net) | 1,89,906 | 0.01 | 60,92,479 | 0.25 |
| | | 09-Sep-16 | Sale (Net) | (4,002) | (0.00) | 60,88,477 | 0.25 |
| | | 16-Sep-16 | Sale (Net) | (1,334) | (0.00) | 60,87,143 | 0.25 |
| | | 23-Sep-16 | Sale (Net) | (5,336) | (0.00) | 60,81,807 | 0.25 |
| | | 30-Sep-16 | Purchase (Net) | 34,998 | 0.00 | 61,16,805 | 0.25 |
| | | 07-Oct-16 | Sale (Net) | (12,749) | (0.00) | 61,04,056 | 0.25 |
| | | 14-Oct-16 | Sale (Net) | (11,407) | (0.00) | 60,92,649 | 0.25 |
| 21-Oct-16 | Sale (Net) | (88,572) | (0.00) | 60,04,077 | 0.25 | | |
| 28-Oct-16 | Bonus shares | 60,16,155 | - | 1,20,20,232 | 0.25 | | |
| 04-Nov-16 | Sale (Net) | (16,104) | (0.00) | 1,20,04,128 | 0.25 | | |
| 11-Nov-16 | Sale (Net) | (49,654) | (0.00) | 1,19,54,474 | 0.25 | | |

| Sl. No. | Name of the Shareholder | Date | Remarks | Change in Shareholding | | Cumulative Shareholding | |
|---------|--|-----------|-----------------|------------------------|--------|-------------------------|------|
| | | | | No. of Shares | % | No. of Shares | % |
| | | 18-Nov-16 | Sale | (5,368) | (0.00) | 1,19,49,106 | 0.25 |
| | | 25-Nov-16 | Sale | (24,412) | (0.00) | 1,19,24,694 | 0.25 |
| | | 02-Dec-16 | Purchase | 2,23,094 | 0.00 | 1,21,47,788 | 0.25 |
| | | 09-Dec-16 | Sale | (68,700) | (0.00) | 1,20,79,088 | 0.25 |
| | | 16-Dec-16 | Sale | (37,098) | (0.00) | 1,20,41,990 | 0.25 |
| | | 23-Dec-16 | Sale | (4,12,366) | (0.01) | 1,16,29,624 | 0.24 |
| | | 30-Dec-16 | Sale | (1,88,376) | (0.00) | 1,14,41,248 | 0.24 |
| | | 06-Jan-17 | Purchase | 1,80,751 | 0.00 | 1,16,21,999 | 0.24 |
| | | 13-Jan-17 | Sale | (23,775) | (0.00) | 1,15,98,224 | 0.24 |
| | | 20-Jan-17 | Sale | (58,134) | (0.00) | 1,15,40,090 | 0.24 |
| | | 27-Jan-17 | Purchase | 3,30,29,663 | 0.68 | 4,45,69,753 | 0.92 |
| | | 03-Feb-17 | Sale | (60,04,971) | (0.12) | 3,85,64,782 | 0.79 |
| | | 10-Feb-17 | Sale | (18,46,758) | (0.04) | 3,67,18,024 | 0.76 |
| | | 17-Feb-17 | Purchase | 95,889 | 0.00 | 3,68,13,913 | 0.76 |
| | | 24-Feb-17 | Sale | (2,92,698) | (0.01) | 3,65,21,215 | 0.75 |
| | | 03-Mar-17 | Sale | (51,49,949) | (0.11) | 3,13,71,266 | 0.65 |
| | | 10-Mar-17 | Sale | (20,82,427) | (0.04) | 2,92,88,839 | 0.60 |
| | | 17-Mar-17 | Sale | (13,40,899) | (0.03) | 2,79,47,940 | 0.58 |
| | | 24-Mar-17 | Purchase | 1,24,81,667 | 0.26 | 4,04,29,607 | 0.83 |
| | | 31-Mar-17 | Sale | (40,53,774) | (0.08) | 3,63,75,833 | 0.75 |
| | | 31-Mar-17 | Closing Balance | - | - | 3,63,75,833 | 0.75 |
| 6 | VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIE | 01-Apr-16 | Opening Balance | - | - | 87,15,527 | 0.36 |
| | | 08-Apr-16 | Purchase (Net) | 32,116 | 0.00 | 87,47,643 | 0.36 |
| | | 22-Apr-16 | Purchase (Net) | 22,620 | 0.00 | 87,70,263 | 0.36 |
| | | 20-May-16 | Sale (Net) | (4,581) | (0.00) | 87,65,682 | 0.36 |
| | | 27-May-16 | Sale (Net) | (7,536) | (0.00) | 87,58,146 | 0.36 |
| | | 03-Jun-16 | Sale (Net) | (11,467) | (0.00) | 87,46,679 | 0.36 |
| | | 10-Jun-16 | Purchase (Net) | 24,752 | 0.00 | 87,71,431 | 0.36 |
| | | 17-Jun-16 | Sale (Net) | (21,608) | (0.00) | 87,49,823 | 0.36 |
| | | 24-Jun-16 | Purchase (Net) | 31,918 | 0.00 | 87,81,741 | 0.36 |
| | | 22-Jul-16 | Purchase (Net) | 19,926 | 0.00 | 88,01,667 | 0.36 |
| | | 29-Jul-16 | Purchase (Net) | 59,568 | 0.00 | 88,61,235 | 0.36 |
| | | 05-Aug-16 | Purchase (Net) | 47,300 | 0.00 | 89,08,535 | 0.37 |
| | | 12-Aug-16 | Purchase (Net) | 49,050 | 0.00 | 89,57,585 | 0.37 |
| | | 19-Aug-16 | Purchase (Net) | 69,760 | 0.00 | 90,27,345 | 0.37 |
| | | 02-Sep-16 | Sale (Net) | (2,09,239) | (0.01) | 88,18,106 | 0.36 |
| | | 09-Sep-16 | Purchase (Net) | 32,100 | 0.00 | 88,50,206 | 0.36 |
| | | 23-Sep-16 | Sale (Net) | (2,50,414) | (0.01) | 85,99,792 | 0.35 |
| | | 07-Oct-16 | Purchase (Net) | 34,240 | 0.00 | 86,34,032 | 0.36 |
| | | 14-Oct-16 | Purchase (Net) | 23,540 | 0.00 | 86,57,572 | 0.36 |



| Sl. No. | Name of the Shareholder | Date | Remarks | Change in Shareholding | | Cumulative Shareholding | |
|---------|---|-----------|-----------------|------------------------|--------|-------------------------|------|
| | | | | No. of Shares | % | No. of Shares | % |
| | | 21-Oct-16 | Purchase (Net) | 1,07,000 | 0.00 | 87,64,572 | 0.36 |
| | | 28-Oct-16 | Bonus shares | 87,11,072 | - | 1,74,75,644 | 0.36 |
| | | 28-Oct-16 | Purchase (Net) | 64,200 | 0.00 | 1,75,39,844 | 0.36 |
| | | 11-Nov-16 | Purchase (Net) | 1,39,100 | 0.00 | 1,76,78,944 | 0.36 |
| | | 25-Nov-16 | Purchase (Net) | 1,69,060 | 0.00 | 1,78,48,004 | 0.37 |
| | | 02-Dec-16 | Purchase (Net) | 96,300 | 0.00 | 1,79,44,304 | 0.37 |
| | | 06-Jan-17 | Purchase (Net) | 49,272 | 0.00 | 1,79,93,576 | 0.37 |
| | | 13-Jan-17 | Purchase (Net) | 1,04,703 | 0.00 | 1,80,98,279 | 0.37 |
| | | 20-Jan-17 | Purchase (Net) | 49,272 | 0.00 | 1,81,47,551 | 0.37 |
| | | 03-Feb-17 | Purchase (Net) | 1,47,816 | 0.00 | 1,82,95,367 | 0.38 |
| | | 17-Feb-17 | Purchase (Net) | 41,060 | 0.00 | 1,83,36,427 | 0.38 |
| | | 24-Mar-17 | Sale (Net) | (1,57,429) | (0.00) | 1,81,78,998 | 0.37 |
| | | 31-Mar-17 | Purchase (Net) | 87,076 | 0.00 | 1,82,66,074 | 0.38 |
| | | 31-Mar-17 | Closing Balance | - | - | 1,82,66,074 | 0.38 |
| 7 | VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | 01-Apr-16 | Opening Balance | - | - | 57,97,700 | 0.24 |
| | | 15-Apr-16 | Purchase (Net) | 81,185 | 0.00 | 58,78,885 | 0.24 |
| | | 20-May-16 | Purchase (Net) | 80,559 | 0.00 | 59,59,444 | 0.25 |
| | | 10-Jun-16 | Purchase (Net) | 80,134 | 0.00 | 60,39,578 | 0.25 |
| | | 08-Jul-16 | Purchase (Net) | 76,691 | 0.00 | 61,16,269 | 0.25 |
| | | 29-Jul-16 | Purchase (Net) | 64,242 | 0.00 | 61,80,511 | 0.25 |
| | | 09-Sep-16 | Purchase (Net) | 58,191 | 0.00 | 62,38,702 | 0.26 |
| | | 23-Sep-16 | Sale (Net) | (10,469) | (0.00) | 62,28,233 | 0.26 |
| | | 21-Oct-16 | Purchase (Net) | 52,057 | 0.00 | 62,80,290 | 0.26 |
| | | 28-Oct-16 | Bonus shares | 62,80,290 | - | 1,25,60,580 | 0.26 |
| | | 11-Nov-16 | Purchase (Net) | 1,09,063 | 0.00 | 1,26,69,643 | 0.26 |
| | | 18-Nov-16 | Purchase (Net) | 1,08,211 | 0.00 | 1,27,77,854 | 0.26 |
| | | 09-Dec-16 | Purchase (Net) | 1,14,969 | 0.00 | 1,28,92,823 | 0.27 |
| | | 23-Dec-16 | Purchase (Net) | 81,383 | 0.00 | 1,29,74,206 | 0.27 |
| | | 06-Jan-17 | Purchase (Net) | 1,06,882 | 0.00 | 1,30,81,088 | 0.27 |
| | | 13-Jan-17 | Purchase (Net) | 98,310 | 0.00 | 1,31,79,398 | 0.27 |
| | | 03-Feb-17 | Purchase (Net) | 90,083 | 0.00 | 1,32,69,481 | 0.27 |
| | | 24-Feb-17 | Purchase (Net) | 90,671 | 0.00 | 1,33,60,152 | 0.28 |
| | | 10-Mar-17 | Purchase (Net) | 1,74,803 | 0.00 | 1,35,34,955 | 0.28 |
| | | 31-Mar-17 | Closing Balance | - | - | 1,35,34,955 | 0.28 |

| Sl. No. | Name of the Shareholder | Date | Remarks | Change in Shareholding | | Cumulative Shareholding | |
|-----------|--|------------|-----------------|------------------------|--------|-------------------------|------|
| | | | | No. of Shares | % | No. of Shares | % |
| 8 | GOVERNMENT PENSION FUND GLOBAL | 01-Apr-16 | Opening Balance | - | - | 1,08,48,394 | 0.45 |
| | | 08-Apr-16 | Purchase (Net) | 1,24,526 | 0.01 | 1,09,72,920 | 0.45 |
| | | 22-Jul-16 | Sale (Net) | (4,49,571) | (0.02) | 1,05,23,349 | 0.43 |
| | | 29-Jul-16 | Sale (Net) | (3,33,082) | (0.01) | 1,01,90,267 | 0.42 |
| | | 14-Oct-16 | Sale (Net) | (72,983) | (0.00) | 1,01,17,284 | 0.42 |
| | | 21-Oct-16 | Sale (Net) | (61,913) | (0.00) | 1,00,55,371 | 0.41 |
| | | 28-Oct-16 | Bonus shares | 1,00,55,371 | - | 2,01,10,742 | 0.41 |
| | | 04-Nov-16 | Sale (Net) | (1,82,798) | (0.00) | 1,99,27,944 | 0.41 |
| | | 02-Dec-16 | Purchase (Net) | 5,75,000 | 0.01 | 2,05,02,944 | 0.42 |
| | | 09-Dec-16 | Purchase (Net) | 21,31,900 | 0.04 | 2,26,34,844 | 0.47 |
| | | 16-Dec-16 | Purchase (Net) | 2,80,473 | 0.01 | 2,29,15,317 | 0.47 |
| | | 23-Dec-16 | Purchase (Net) | 2,46,855 | 0.01 | 2,31,62,172 | 0.48 |
| | | 30-Dec-16 | Purchase (Net) | 1,21,824 | 0.00 | 2,32,83,996 | 0.48 |
| | | 13-Jan-17 | Sale (Net) | (10,46,644) | (0.02) | 2,22,37,352 | 0.46 |
| | | 20-Jan-17 | Sale (Net) | (2,24,876) | (0.00) | 2,20,12,476 | 0.45 |
| | | 27-Jan-17 | Sale (Net) | (6,75,770) | (0.01) | 2,13,36,706 | 0.44 |
| | | 03-Feb-17 | Sale (Net) | (7,01,160) | (0.01) | 2,06,35,546 | 0.42 |
| | | 10-Feb-17 | Sale (Net) | (15,46,955) | (0.03) | 1,90,88,591 | 0.39 |
| | | 17-Feb-17 | Sale (Net) | (3,89,160) | (0.01) | 1,86,99,431 | 0.39 |
| | | 24-Feb-17 | Sale (Net) | (10,33,537) | (0.02) | 1,76,65,894 | 0.36 |
| | | 03-Mar-17 | Sale (Net) | (33,90,285) | (0.07) | 1,42,75,609 | 0.29 |
| 10-Mar-17 | Sale (Net) | (5,79,582) | (0.01) | 1,36,96,027 | 0.28 | | |
| 24-Mar-17 | Sale (Net) | (8,64,267) | (0.02) | 1,28,31,760 | 0.26 | | |
| 31-Mar-17 | Sale (Net) | (8,08,841) | (0.02) | 1,20,22,919 | 0.25 | | |
| 31-Mar-17 | Closing Balance | - | - | 1,20,22,919 | 0.25 | | |
| 9 | GENERAL INSURANCE CORPORATION OF INDIA | 01-Apr-16 | Opening Balance | - | - | 60,30,158 | 0.25 |
| | | 08-Jul-16 | Sale (Net) | (1,00,000) | (0.00) | 59,30,158 | 0.24 |
| | | 26-Aug-16 | Purchase (Net) | 1,00,000 | 0.00 | 60,30,158 | 0.25 |
| | | 02-Sep-16 | Purchase (Net) | 50,000 | 0.00 | 60,80,158 | 0.25 |
| | | 16-Sep-16 | Purchase (Net) | 15,000 | 0.00 | 60,95,158 | 0.25 |
| | | 23-Sep-16 | Purchase (Net) | 35,000 | 0.00 | 61,30,158 | 0.25 |
| | | 07-Oct-16 | Purchase (Net) | 30,000 | 0.00 | 61,60,158 | 0.25 |
| | | 14-Oct-16 | Sale (Net) | (7,378) | (0.00) | 61,52,780 | 0.25 |
| | | 28-Oct-16 | Bonus shares | 61,52,780 | - | 1,23,05,560 | 0.25 |
| | | 16-Dec-16 | Sale (Net) | (45,000) | (0.00) | 1,22,60,560 | 0.25 |
| | | 23-Dec-16 | Sale (Net) | (1,10,244) | (0.00) | 1,21,50,316 | 0.25 |
| | | 30-Dec-16 | Sale (Net) | (2,30,000) | (0.00) | 1,19,20,316 | 0.25 |
| | | 06-Jan-17 | Sale (Net) | (60,000) | (0.00) | 1,18,60,316 | 0.24 |
| | | 17-Mar-17 | Sale (Net) | (2,40,000) | (0.00) | 1,16,20,316 | 0.24 |
| 24-Mar-17 | Sale (Net) | (20,000) | (0.00) | 1,16,00,316 | 0.24 | | |
| 31-Mar-17 | Closing Balance | - | - | 1,16,00,316 | 0.24 | | |



| Sl. No. | Name of the Shareholder | Date | Remarks | Change in Shareholding | | Cumulative Shareholding | |
|---------|---------------------------------------|-----------|-----------------|------------------------|------|-------------------------|------|
| | | | | No. of Shares | % | No. of Shares | % |
| 10 | ICICI PRUDENTIAL VALUE DISCOVERY FUND | 01-Apr-16 | Opening Balance | - | - | 0 | 0.00 |
| | | 24-Mar-17 | Purchase (Net) | 1,01,27,600 | 0.21 | 1,01,27,600 | 0.21 |
| | | 31-Mar-17 | Closing Balance | - | - | 1,01,27,600 | 0.21 |

v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Name | Date | Remarks | Change in Shareholding | | Cumulative Shareholding | |
|---------|--|-----------|-----------------------|------------------------|---|-------------------------|---|
| | | | | No. of Shares | % | No. of Shares | % |
| 1 | Shri B. Ashok Chairman | 01-Apr-16 | Opening balance | - | - | 3600 | - |
| | | 31-May-16 | Purchase (OFS by Pol) | 543 | - | 4143 | - |
| | | 28-Oct-16 | Bonus shares | 4143 | - | 8286 | - |
| | | 31-Mar-17 | Closing balance | - | - | 8286 | - |
| 2 | Shri Sanjiv Singh Director (Refineries) | 01-Apr-16 | Opening balance | - | - | 4200 | - |
| | | 31-May-16 | Purchase (OFS by Pol) | 543 | - | 4743 | - |
| | | 28-Oct-16 | Bonus shares | 4743 | - | 9486 | - |
| | | 31-Mar-17 | Closing balance | - | - | 9486 | - |
| 3 | Shri A. K. Sharma Director (F) | 01-Apr-16 | Opening balance | - | - | 1350 | - |
| | | 31-May-16 | Purchase (OFS by Pol) | 543 | - | 1893 | - |
| | | 28-Oct-16 | Bonus shares | 1893 | - | 3786 | - |
| | | 31-Mar-17 | Closing balance | - | - | 3786 | - |
| 4 | Shri Verghese Cherian Director (HR) | 01-Apr-16 | Opening balance | - | - | 2600 | - |
| | | 31-May-16 | Purchase (OFS by Pol) | 543 | - | 3143 | - |
| | | 28-Oct-16 | Bonus shares | 3143 | - | 6286 | - |
| | | 31-Mar-17 | Closing balance | - | - | 6286 | - |
| 5 | Shri Anish Aggarwal Director (Pipelines) | 01-Apr-16 | Opening balance | - | - | 2500 | - |
| | | 31-May-16 | Purchase (OFS by Pol) | 543 | - | 3043 | - |
| | | 28-Oct-16 | Bonus shares | 3043 | - | 6086 | - |
| | | 31-Mar-17 | Closing balance | - | - | 6086 | - |
| 6 | Shri B. S. Canth Director (Marketing) | 01-Apr-16 | Opening balance | - | - | 3600 | - |
| | | 31-May-16 | Purchase (OFS by Pol) | 543 | - | 4143 | - |
| | | 28-Oct-16 | Bonus shares | 4143 | - | 8286 | - |
| | | 31-Mar-17 | Closing balance | - | - | 8286 | - |
| 7 | Shri G. K. Satish Director (P&BD) | 01-Apr-16 | Opening balance | - | - | - | - |
| | | 31-May-16 | Purchase (OFS by Pol) | 543 | - | 543 | - |
| | | 28-Oct-16 | Bonus shares | 543 | - | 1086 | - |
| | | 31-Mar-17 | Closing balance | - | - | 1086 | - |
| 8 | Dr. S. S. V. Ramakumar Director (R&D) | 01-Apr-16 | Opening balance | - | - | 2000 | - |
| | | 31-May-16 | Purchase (OFS by Pol) | 200 | - | 2200 | - |
| | | 28-Oct-16 | Bonus shares | 2200 | - | 4400 | - |
| | | 31-Mar-17 | Closing balance | - | - | 4400 | - |
| 9 | Shri A. P. Sawhney Govt. Nominee Director | 01-Apr-16 | Opening balance | - | - | - | - |
| | | 31-Mar-17 | Closing balance | - | - | - | - |

| Sl. No. | Name | Date | Remarks | Change in Shareholding | | Cumulative Shareholding | |
|---------|--|-----------|-----------------------|------------------------|---|-------------------------|---|
| | | | | No. of Shares | % | No. of Shares | % |
| 10 | Shri Ashutosh Jindal Govt. Nominee Director | 01-Apr-16 | Opening balance | - | - | - | - |
| | | 31-Mar-17 | Closing balance | - | - | - | - |
| 11 | Shri Subroto Bagchi Independent Director | 01-Apr-16 | Opening balance | - | - | - | - |
| | | 31-Mar-17 | Closing balance | - | - | - | - |
| 12 | Shri Sanjay Kapoor Independent Director | 01-Apr-16 | Opening balance | - | - | - | - |
| | | 31-Mar-17 | Closing balance | - | - | - | - |
| 13 | Shri Parindu K. Bhagat Independent Director | 01-Apr-16 | Opening balance | - | - | - | - |
| | | 31-Mar-17 | Closing balance | - | - | - | - |
| 14 | Shri Raju Ranganathan Company Secretary | 01-Apr-16 | Opening balance | - | - | 100 | - |
| | | 31-May-16 | Purchase (OFS by Pol) | 540 | - | 640 | - |
| | | 28-Oct-16 | Bonus shares | 640 | - | 1280 | - |
| | | 31-Mar-17 | Closing balance | - | - | 1280 | - |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in Crore)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|--------------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| Principal amount | 17262.90 | 35617.29 | - | 52880.19 |
| Interest due but not paid | - | - | - | - |
| Interest accrued but not due | - | - | - | - |
| Total (i + ii + iii) | 17262.90 | 35617.29 | - | 52880.19 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 8260.42 | 89068.09 | - | 97328.51 |
| Reduction | 11281.32 | 84107.88 | - | 95389.20 |
| Net Change | (3020.90) | (4960.21) | - | (1939.31) |
| Indebtedness at the end of the financial year | | | | |
| Principal amount | 14242.00 | 40577.50 | - | 54819.50 |
| Interest due but not paid | - | - | - | - |
| Interest accrued but not due | - | - | - | - |
| Total (i + ii + iii) | 14242.00 | 40577.50 | - | 54819.50 |

Note: As per IND AS, interest accrued forms part of the Loan itself. It is not shown separately.



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(Amount in ₹)

| Sl. No | Particulars of Remuneration | Name of the Whole Time Directors | | | | | | | | | Total |
|--------|---|--|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|---------------------|-----------------|
| | | B. Ashok | Sanjiv Singh | D. Sen* | A. K. Sharma | V Cherian | Anish Aggarwal | B.S. Canth | G. K. Satish# | S. S. V. Ramakumar# | |
| 1. | Gross salary | | | | | | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 7989842 | 4579168 | 8460565 | 5209974 | 6023543 | 6212414 | 4580404 | 3006545 | 717055 | 46779512 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 1150823 | 836542 | 1991998 | 693435 | 783015 | 796868 | 699738 | 721325 | 238690 | 7912434 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - | - | - | - | - | - | - |
| 2. | Stock Option | - | - | - | - | - | - | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - | - | - | - | - | - | - |
| 4. | Commission | | - | - | - | - | - | | | - | - |
| | - as % of profit | - | | | | | | | | | |
| | - Others (please specify) | - | - | - | - | - | - | - | - | - | - |
| 5. | Others (please specify) | - | - | - | - | - | - | - | - | - | - |
| | Total(A) | 9140665 | 5415710 | 10452563 | 5903409 | 6806558 | 7009282 | 5280142 | 3727870 | 955745 | 54691946 |
| | Ceiling as per Act | ₹ 2546 crore (being 10% of the net profit of the Company calculated as per Section 198 of the Companies Act 2013) | | | | | | | | | |

* Shri Debasis Sen ceased to be Director w.e.f. 01.09.16

Shri G.K. Satish was appointed as Director w.e.f. 01.09.16 & Dr. S.S.V. Ramakumar was appointed as Director w.e.f. 01.02.17

B. Remuneration to other Directors:

(Amount in ₹)

| Sl. No. | Particulars of Remuneration | Total Amount | | | |
|---------|--|--|----------------|----------------|-----------------|
| | | Sanjay Kapoor | Subroto Bagchi | Parindu Bhagat | Total |
| 1. | Independent Directors Fee for attending Board / Committee meetings Commission Others (please specify) | 1520000 | 1560000 | 1280000 | 4360000 |
| | Total (1) | 1520000 | 1560000 | 1280000 | 4360000 |
| 2. | Other Non-Executive Directors Fee for attending Board / Committee meetings Commission Others (please specify) | - | - | - | - |
| | Total (2) | - | - | - | - |
| | Total (1+2) | 1520000 | 1560000 | 1280000 | 4360000 |
| | Total managerial remuneration (A+B) | | | | 59051946 |
| | Overall ceiling as per Act | ₹ 2801 crore (being 11% of the net profit of the Company calculated as per Section 198 of the Companies Act 2013) | | | |

C. Remuneration to Key Managerial Personnel (other than MD / Manager / WTD):

(Amount in ₹)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|--|--------------------------|------|---------------------|----------------|
| | | CEO# | CFO# | CS (R. Ranganathan) | Total |
| 1. | Gross Salary | | | | |
| | a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | - | - | 5387539 | 5387539 |
| | b) Value of perquisites u/s 17(2) Income Tax Act, 1961 | - | - | 873733 | 873733 |
| | c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961 | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission as % of profit others (please specify) | - | - | - | - |
| 5. | Others (please specify) | - | - | - | - |
| | Total | - | - | 6261272 | 6261272 |

The remuneration paid to Shri B. Ashok, Chairman and Shri A. K. Sharma, Director (Finance) being the KMP's as per the provisions of the Companies Act 2013, is provided in table VI(A) above.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD/NCLT/COURT] | Appeal made, if any (give details) |
|--------------------------------------|------------------------------|-------------------|--|---------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHERS OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

NIL

Management's Discussion & Analysis

(Forming part of the Directors' Report for the year ended 31st March 2017)

ECONOMIC OVERVIEW & OUTLOOK

Global Economic Situation

During the year, global output growth slowed down, but there were signs of a pickup towards the end of the year. Along with this has come a moderate recovery in trade and investment flows, which augurs well for future growth. Improvement in commodity prices and inflation situation in the developed economies was a major highlight for the year. Developments such as the uncertainty around the outcome of United Kingdom's decision to leave the EU, rise in protectionist measures by key developed economies, shifts in policy landscape in the US and rise in the risk of terrorism have emerged as key downside risks.

Key Developments - Changing International Landscape

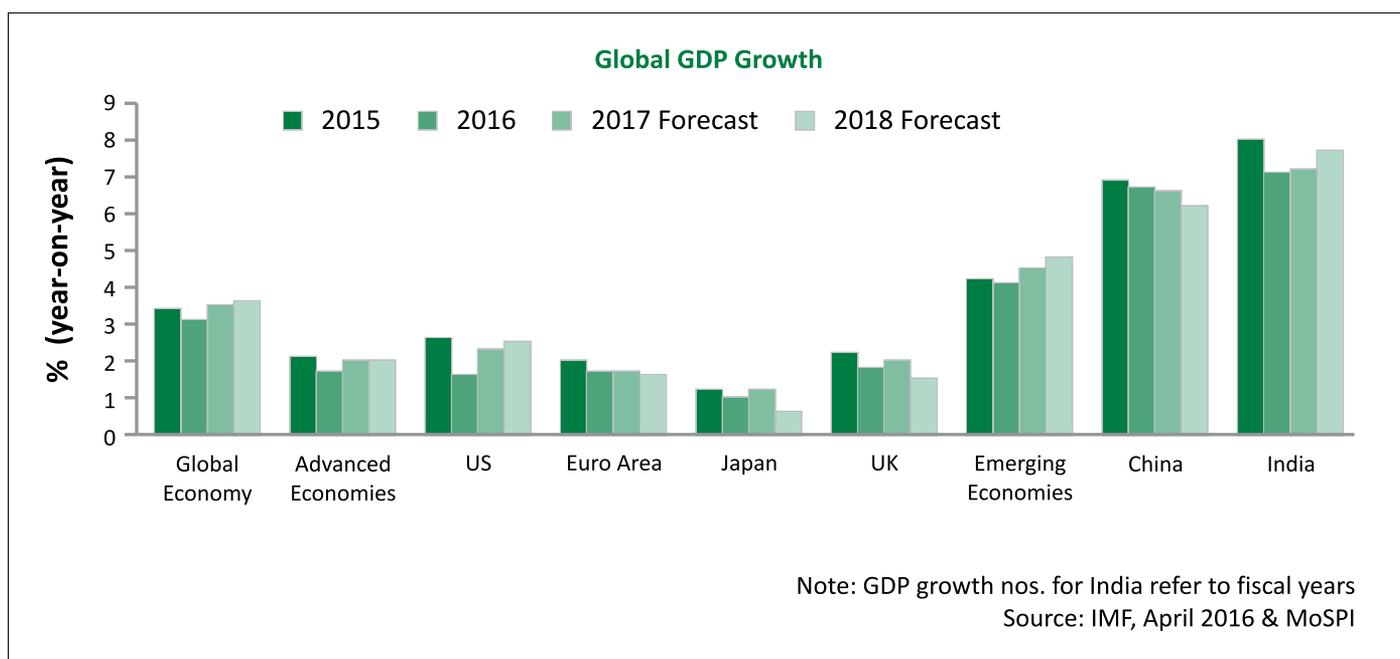
During the year, there have been two fundamental changes in the international landscape. First is the change in administration in the US and a marked shift in internal and international policies of the new Government. New policy proposals, especially in the areas of fiscal policy, trade policy and environment/climate change policy, have the potential for global economic spillovers. The other change has been the decision of UK to withdraw from the European Union. There is considerable amount of uncertainty associated with the direction and outcomes of "Brexit" negotiations.

In 2016, the world economy witnessed a slowdown in growth. Global growth slipped to 3.1 per cent from 3.4 per cent recorded in 2015. In the advanced economies, growth slipped to 1.7 per cent in 2016, from 2.1 per cent recorded in 2015. In the emerging economies, growth slipped slightly to 4.1 per cent in 2016, from 4.2 per cent recorded in 2015.

A slowdown in the output growth in the US, where it took a one percentage point hit, falling to 1.6 per cent in 2016 from 2.6 per cent recorded in 2015, acted as a major decelerating force on the growth in the advanced economies. In other major economies, there was only a slight slowdown and the overall pace of growth was maintained.

As regards emerging economies, economic performance has remained mixed. Growth in commodity importers generally remained robust. In China, growth continued to decelerate on account of the ongoing economic rebalancing. However, stability was maintained through targeted fiscal and monetary support focusing on infrastructure investment and on efforts to stimulate household credit. As regards commodity exporters, growth was constrained by overall low commodity prices coupled with geopolitical factors in some of the economies. For MENA oil exporters, the sharp fall in oil prices that began in 2014 weighed heavily on their budgets with a surge in their fiscal deficits. As per IMF data, the average fiscal deficit for MENA oil exporters reached about 10 per cent of the GDP in both 2015 and 2016.

A key positive for the year was improvement in a number of



key indicators such as unemployment and inflation. In the US, unemployment rate declined to 4.9 per cent in 2016 from 5.3 per cent in 2015, which was the lowest since 2008. In the euro area too, there was steady progress and unemployment rate fell to 10 per cent in 2016 from 10.9 per cent in 2015 and had further fallen to 9.5 per cent in the first quarter of 2017 while in many commodity-exporting emerging markets, unemployment continues to be high. Another positive was the upward movement in inflation in advanced economies. In the US, consumer price inflation rose to 1.3 per cent in 2016 after falling to 0.1 per cent in 2015 from 1.6 per cent in 2014. Similarly, in the euro area, inflation firmed up from 0 per cent in 2015 to 0.2 per cent in 2016 and further to 1.8 per cent in the first quarter of 2017. In Japan too, inflation edged above zero, while the situation was mixed in emerging economies. Due to higher oil prices, inflation in most oil importing nations began to edge up.

A major development during the year was the rise in global commodity price from the historically low levels of early 2016. Demand for energy and metals and the output cut decision and its implementation by OPEC and non-OPEC countries gave support to energy and metal prices. Besides, the weakening of the dollar in 2017 has given overall support to commodity prices, especially to precious metal prices. The upward trend in inflation was mainly driven by the rise in commodity prices relative to their lows of early 2016.

As regards other indicators, Purchasing Managers Index (PMI) for the global economy as a whole has been in the expansion zone in 2016 and 2017. There was a rebound in the global goods trade in mid-2016 and it continued in the first quarter of 2017. Strengthening of global industrial activity has been the main driver of trade growth. Net financial flows to developing economies in 2016 were in the negative. However, the decline in capital inflows to emerging economies was not uniform. In fact, these economies did experience a general recovery in 2016 owing to low interest rates in developed economies and stabilisation of commodity prices. Global FDI flows retreated by 2 per cent to \$1.75 trillion. Within the overall trend, the flows to advanced economies increased by 5 per cent on account of high M&A activity and completion of mega deals. While flows to developing economies declined by 14 per cent, low commodity prices, slow economic growth, political uncertainty and rising security concerns in many economies weighed on the flows.

Outlook

Looking ahead in 2017-18, a recovery in growth seems to be on the cards. Recent signals of accelerating economic activity include rising PMIs, better consumer and business confidence, falling unemployment rates and recovery in global trade flows, among others. Further, rising commodity prices and anticipated tax cuts and infrastructure programs in

the US are expected to contribute to improvement in global economic prospects. On the downside, risks emanating from shift towards trade protectionism, faster-than-expected pace of interest rate hikes in the US, structural weakness in emerging economies, non-economic factors such as geopolitical tensions and domestic political conflicts, pose imminent challenges in the scenario.

Indian Economic Situation

Growth in 2016-17 was propelled by a buoyant private consumption, monsoons which boosted rural incomes, upturn in exports and robust scale-up in government consumption. On the other hand, sluggish investment growth, low capacity utilisation and stressed bank assets acted as growth limiting factors. The Government's move to withdraw high denomination currency notes in November 2016 gave a short-term jolt to growth but marked the beginning of bold reforms. Another development that underscored the Government's commitment towards creating an environment conducive to business and growth was the passage of the Constitutional amendment that paved the way for rollout of the Goods and Services Tax (GST). The economy's performance on key macroeconomic parameters was healthy. A favourable external environment, coupled with the confidence of international investors in the Indian growth story, drove foreign investment inflows and Indian stock markets and forex reserves to new highs.

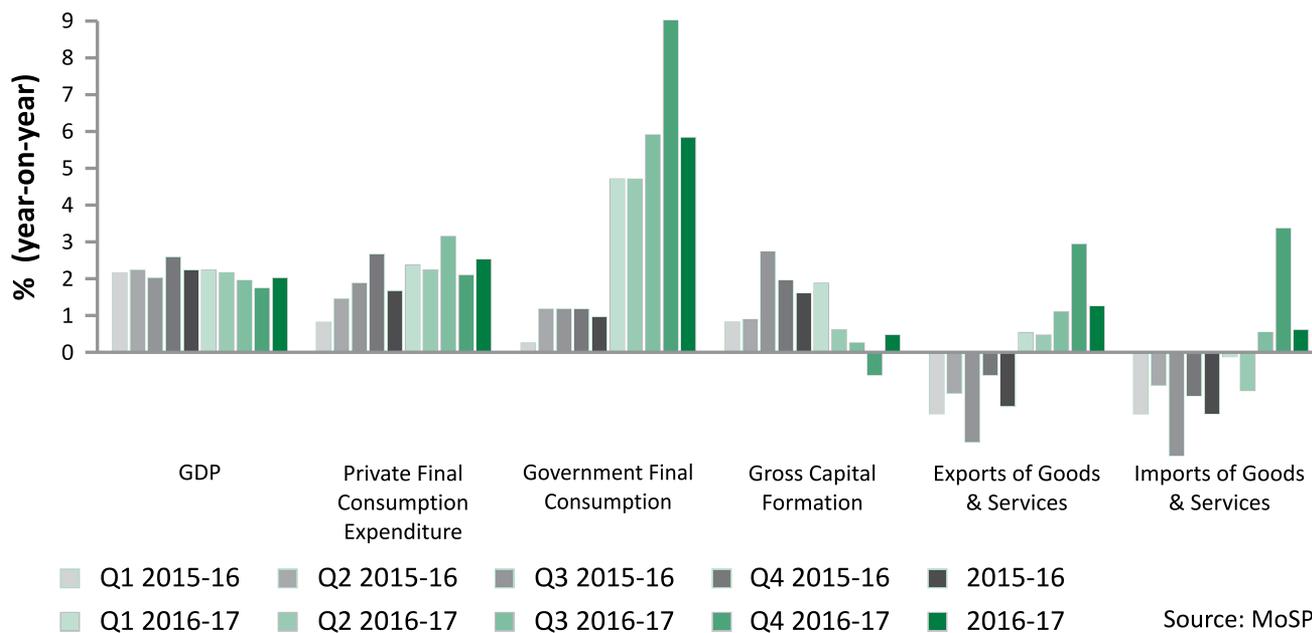
Key Developments - Year of Decisive Reforms & Initiatives

There were scores of reforms and schemes across all sectors of the economy as the Government advanced its determined intent of transforming the economy. There were reforms that had economy-wide reach, such as passage of constitutional amendment that paved the way for rollout of the Goods and Services Tax (GST), demonetisation move to increase formalisation and digitisation in the economy, abolition of the Foreign Investment Promotion Board (FIPB), overhauling of the bankruptcy laws to address the "exit" problem, formation of Monetary Policy Committee, Ordinance to Banking Regulation Act and Maternity Benefit (Amendment) Act, among others. Besides, there were key sector-specific reforms such as passage of Real Estate Regulation and Development Act (RERA), easing of FDI norms such as relaxation of sectoral limits, UDAAN, and many more. The reform process was further strengthened by the Government's focussed initiatives such as the finalisation of the Unified Payments Interface (UPI) platform for digitalisation of payments and financial inclusion schemes for the rural economy, affordable housing, Make in India, Skill India, Start-up India, Stand-up India and Power for All.

GDP Growth

During the year, GDP growth in India slid to 7.1 per cent from 8.0 per cent recorded in the previous year. A short-term shock to the economy from the demonetisation move in November

India's GDP Growth & its Components



2016 and replacement by new notes affected growth in the third and fourth quarters.

Looking at the constituents of growth, it was a buoyant consumption expenditure, which accounts for over 66 per cent of the GDP, that propelled growth. Despite the demonetisation shock, growth in consumption expenditure accelerated to 10.5 per cent in 2016-17 from 5.7 per cent in 2015-16. Key drivers of consumption were low energy prices and a rise in rural incomes resulting from strong agricultural growth. Another growth-driver was export demand; after declining for more than a year, revival in exports was witnessed. Upturn in export demand for refined petroleum products coupled with favourable external demand, especially from the advanced economies, propelled exports. Things were not so bright on the investment front; there was large deceleration in the investment growth, which slid to a mere 1.7 per cent in 2016-17 from 5.6 per cent recorded in the previous year. Low capacity utilisation and slow progress toward deleveraging weighed down private investment.

In terms of value addition by sectors, output in the agriculture sector was propelled by benign monsoons and growth picked up in this sector to 4.9 per cent from an almost flat growth of

0.7 per cent in the previous fiscal. There was deceleration in growth in industry and services sectors, which was particularly marked in the third and fourth quarters. Growth in services sector slid to 7.7 per cent in 2016-17 from 9.7 per cent recorded in 2015-16 while industrial growth slipped to 5.6 per cent from 8.8 per cent recorded in the previous fiscal. Within these, there was a marked slowdown in mining, construction and financial services sectors.

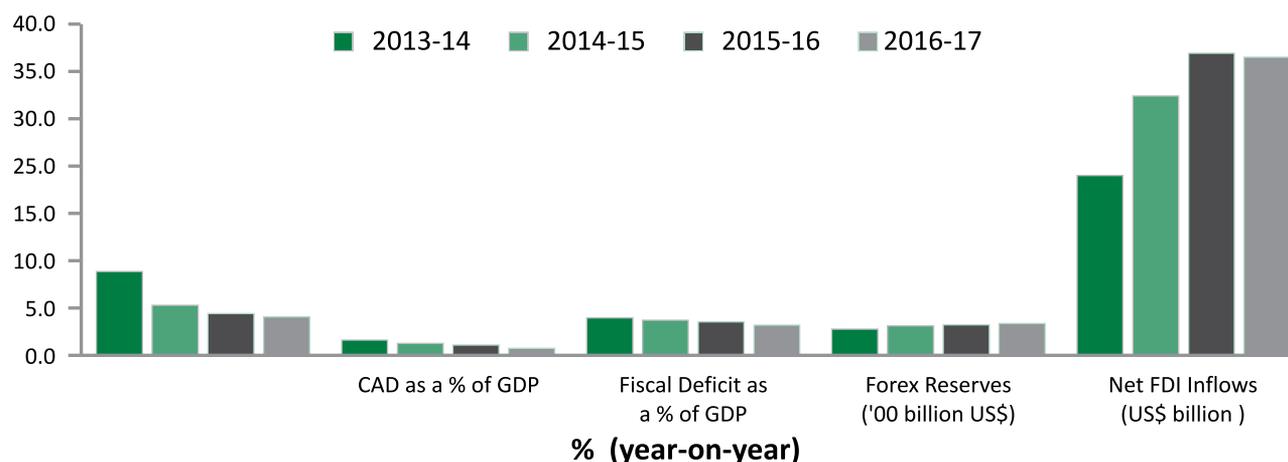
Inflation

On the macro-economic stability front, the economy fared quite well. RBI's inflation targeting policy, low international commodity prices and especially low oil prices coupled with moderate food inflation and the temporary cash crunch that came post demonetisation helped keep inflation under control. Retail inflation dropped to 4.5 per cent in 2016-17 from 4.9 per cent in 2015-16.

External Sector

Looking at the external sector, Current Account Deficit (CAD) moderated to 0.7 per cent of GDP from 1.1 per cent of GDP in 2015-16. During the year, India's total exports (goods & services) rose by 4.5 per cent as compared to a decline of 5.3

Improved Macro-Economic Stability in India



Source: RBI, Ministry of Finance, MoSPI

per cent in 2016-17. As global commodity prices picked up, imports (goods & services) which had declined in the previous fiscal turned up and posted an increase of 2.3 per cent.

India has been ranked 8th in the AT Kearney Foreign Direct Investment (FDI) Index 2017. Foreign companies considered India as an attractive destination due to its reforms to enable a transparent and an easy business environment, as per the report. Net FDI to the country continued to be robust as the Government further simplified guidelines and allowed more FDI in sectors like real estate, airport & air transport services, and e-commerce. There was buoyancy in FII flows as well, with only the third quarter being an exception. The buoyancy in foreign capital flows coupled with increased confidence in the growth prospects bolstered by the increasing credibility of the Government's commitment to reforms helped stock markets to soar to new highs. Supported by flush flows, India's forex reserves swelled to over US\$ 369 billion from US\$ 359 at the end of the previous fiscal.

During the year, rupee exchange rate depreciated to ₹ 67.09/US\$ from ₹ 65.46/US\$ in 2015-16. However, towards the end of the year and into the current year, rupee has appreciated significantly mainly riding on flush global funds being directed to emerging markets, increasing confidence of global investors in the Indian growth story and rising commodity prices. Further, the inflation-adjusted measure of exchange rate, i.e.,

the real effective exchange rate, actually appreciated during 2016-17.

Monetary and Fiscal Policy

Low inflation facilitated rate cuts; during the year the repo rate was reduced by 50 basis points to 6.25 per cent. Another development on monetary policy front was the formation of a monetary policy committee for decisions on policy rate changes, the coming of which has given more transparency to the rate fixing by RBI.

Fiscal consolidation was another feature that marked the year and underpinned macro-economic stability. During the year, fiscal deficit narrowed to 3.5 per cent of GDP from 3.9 per cent of GDP in the previous year. Along with this, there was improvement in the revenue deficit, which declined to 2.1 per cent from 2.5 per cent of GDP in 2015-16. The Government's intent for fiscal consolidation is evident from the more stringent deficit targets that it has taken up for 2017-18. Improvement in the spending mix was another highlight of the year's fiscal balance, capital expenditure grew by 10.6 per cent, spending on subsidies declined further to 1.7 per cent of GDP due to lowering of petroleum and fertiliser subsidies on account of low oil prices and better subsidy targeting.

Outlook

Looking ahead, growth is expected to accelerate in 2017-18 and beyond. Forecast of a good monsoon this year, which would

boost rural incomes and act as an additional stimulator, GST rollout, progression of the reforms process and its increasing credibility and an overall supportive external environment are viewed as the key facilitators of growth. This, however, is contingent on a determined pace of policy reforms addressing structural bottlenecks. Key risks emanate from high oil prices, potential further build-up of NPAs and risks affecting the global outlook.

INDUSTRY STRUCTURE & DEVELOPMENTS

Global Energy Scenario

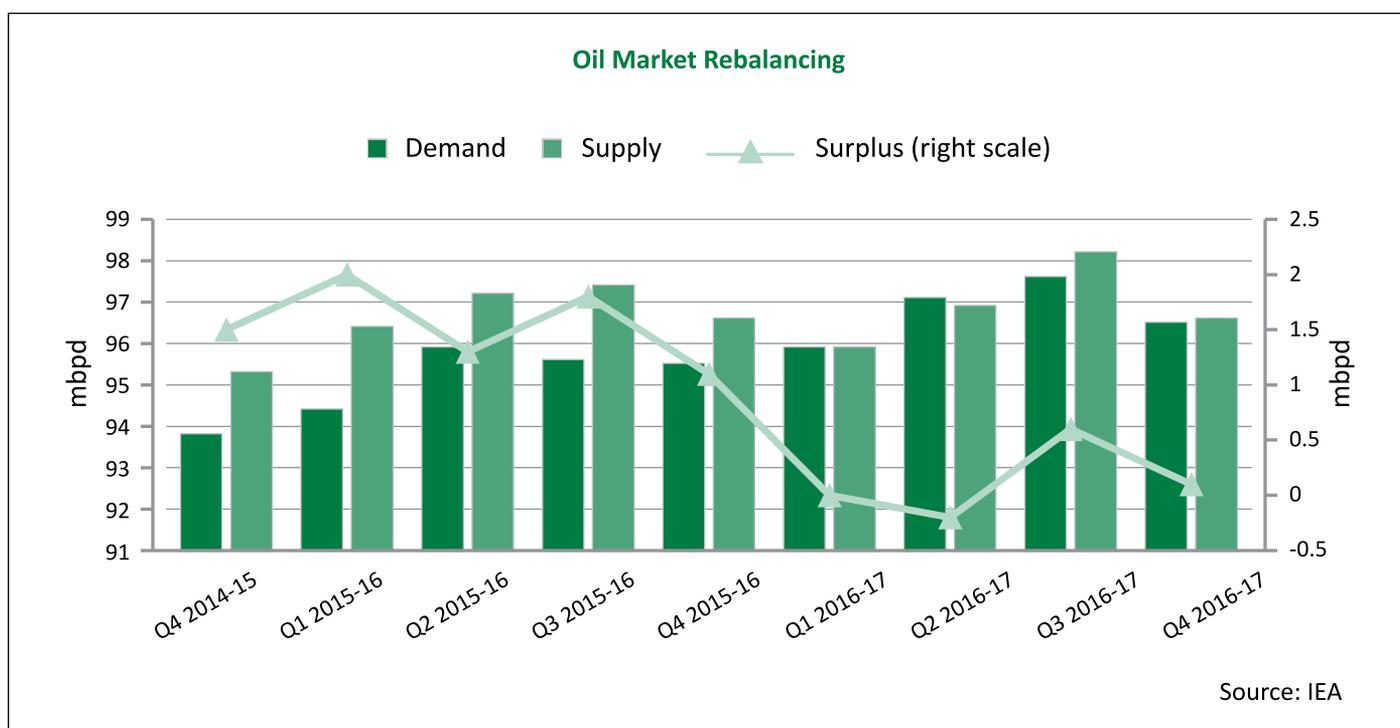
In 2016, global primary energy consumption increased by 1 per cent on year-on-year basis, which was a marked slowdown as compared to its 10 year average of 1.8 per cent growth. The fastest growing energy source was renewable energy (including biofuels), which grew at a much faster pace than the total energy demand, rising by 12 per cent during 2016. On the other hand, coal consumption declined for the second year in a row. Oil consumption grew by 1.6 per cent boosted by low oil prices and provided the largest contribution to growth in energy consumption. Natural gas consumption recorded 1.5 per cent growth and was below its decadal growth rate. In terms of geographical spread of energy consumption, energy demand in advanced economies remained almost stagnant, growing by a mere 0.2 per cent, and it was the developing

economies that propelled the growth, growing by 1.7 per cent in 2016. However, for the developing economies, the growth was less than half of its 10-year average growth rate, mainly on account of a marked slowdown in Chinese energy demand growth resulting from the structural rebalancing of the Chinese economy.

The emerging trends of energy consumption pattern have two discernible features:

- First was a shift in demand in favour of low-carbon fuels. The increasingly improving economics of renewable energy continue to propel the deployment of wind and solar technologies, which has touched new records and outpaced the growth in conventional technologies in the power sector.
- Second is that of slower energy demand growth underpinned by energy efficiency gains, which points towards the weakening of the link between economic growth and energy demand and emissions. In fact, this shift is reflected in the almost nil growth in energy-related carbon emissions since 2014.

Further, other developments in the energy sector, such as the coming into force of the Paris Agreement in 2016, the continued resilience of shale producers, the high growth rates and ambitious plans by corporates and governments



around the world for electric mobility, make it amply clear that the energy sector is going through a critical phase, where markets, technology and policy thrust towards environment are charting pathways for a new energy system. And in this transformational phase, while the predominance of fossil fuels will continue, their relative growth is expected to be slower than what has been seen in the past. Besides technology and policy shifts, new business models that bring about a shift from conventional roles, clients, products, services and finance will be instrumental in bringing about the transformation.

Oil Market - International

International crude oil (Brent) prices averaged at \$48.62/bbl in 2016-17, only slightly higher than the average of \$47.46/bbl in 2015-16. However, the average masks the conditions that prevailed in the market. During the year, the price levels were found to be in a wide range of \$36.06/bbl (5th April 2016) to \$56.30/bbl (21st February 2017). From the lows of early 2016, the prices steadily edged upwards during the year as the market rebalanced.

After averaging at 95.3 million barrels per day (mbpd) in 2015-16, the oil demand in 2016-17 rose to 96.8 mbpd. In terms of country groupings, the pick-up in OECD demand continued, which rose by 0.42 mbpd to 46.8 mbpd in 2016-17. Non-OECD demand continued to be buoyant, rising to almost 50 mbpd in 2016-17 with an over 1 mbpd jump from 2015-16 levels.

On the supply side, the average output rate was almost unchanged at 96.9 mbpd in 2016-17 as compared to 2015-16. However, non-OPEC supply began to taper, with output falling to 57.6 mbpd in 2016-17 from 58.4 mbpd in 2015-16. The sharp decline in investment since the price collapse in 2014 brought about a decline in non-OPEC production. Largest declines in output were seen in US and Mexico. OPEC supply, on the other hand, rose to 39.3 mbpd in 2016-17 from 38.5 mbpd in 2015-16, with the largest increases seen in Iraq, Iran and Saudi Arabia.

The surplus in the oil market waned during the course of the year, falling from an average of 1.5 mbpd in the 2015-16 to 0.05 mbpd for 2016-17 as a whole. The increase in demand and restriction in output growth were the main reasons for limiting the surplus. Besides, a major development that contributed to the balancing of the market was the decision of the OPEC to abandon its market share strategy adopted in 2014 and limit output to 32.5 mbpd in the first half of 2017 (1.2 mbpd lower than its October 2016 production) and the subsequent decision of 11 non-OPEC countries led by Russia to cut output by 0.6 mbpd. This OPEC production cut is the first since 2008, and the joint OPEC/non-OPEC curtailment is the first since 2001. OPEC supply peaked in the third quarter of 2016-17 to 40 mbpd ahead of implementation of its decision to limit output. In the fourth quarter of 2016-17, the OPEC

and non-OPEC pacts came into effect. Further, in May, OPEC, and other non-OPEC countries led by Russia signed a deal to extend the cut up to March 2018.

In 2017, crude oil prices have been moving up and are projected to average at over \$55/bbl, rising by 25-30 percent over the 2016 average. This increase reflects rising oil demand and falling stocks. However, a faster-than-expected rise in US shale oil production from further efficiency gains and increased profitability from potentially lower taxes by the Trump Administration could also affect the supply balance. US crude oil output and drilling activity are rebounding faster than previously expected. From a high of 9.6 mbpd in June 2015, US crude oil production bottomed out at 8.6 mbpd in the third quarter of 2016, but post that it has risen steadily to 9.0 mbpd in March and further to 9.3 mbpd during April-June 2017.

Gas Market - International

During the year, there was a marked slowdown in global gas production growth. There was a weak growth of 0.3 per cent, which is the lowest annual growth in gas output recorded in the last 34 years, with the only exception being that of 2009. The main factor explaining the sluggish growth was a fall in US gas production by 2.5 per cent; this was the first time US gas production fell since the US shale gas revolution started. Despite the overall sag, a robust increase in Australian production to the tune of 25 per cent was a highlight for the year as many LNG projects came on stream there.

On the demand side, global gas consumption grew by 1.5 per cent although weaker than its previous performance. European gas consumption was strong and grew by 6 per cent supporting the increasing competitiveness of gas relative to coal. Other regions that witnessed strong growth were the Middle East and China where improving infrastructure and availability of gas pushed up gas consumption growth while there were significant reductions in gas consumption in Russia and Brazil where increase in hydropower supply displaced gas.

As regards the LNG market, global LNG trade set a new record during 2016, reaching 258 MMT (342 bcm) with an increase of 5 per cent from 2015. Growth rate in 2016 was a noticeable increase from the average growth of 0.5 per cent over the last four years, a time when there were few supply capacity additions. New capacities in the Pacific Basin, primarily in Australia, as well as the start of exports from US enabled this increase. Demand growth was most pronounced in Asia; China, India, and Pakistan added a combined 13 MMT (17.2 bcm) in incremental LNG demand. A major development in regard to LNG trade was the opening of the expanded Panama Canal in mid-2016. This expansion has come as a major positive for the global LNG trade logistics as it will result in reduced transit distances and better cost economics.

Qatar continued to remain the world's largest LNG exporter. Qatar Petroleum, the parent organisation of both RasGas and Qatargas, has decided to merge them into a single entity under the Qatargas banner. The merger will be completed in 12 months, by end-2017. Cost reductions and lower redundancies are the main factors driving this merger.

World Bank's natural gas price index fell by 23 per cent on year-on-year basis after hitting the rock bottom in the first half of 2016. There was a decline in prices across all markets, with relatively more pronounced fall in the Asian and European markets. However, as the year progressed, prices strengthened and the Jan-Mar 2017 price index was over 30 per cent higher than its value a year ago. Upward movement in prices was witnessed across markets; US gas prices moved up to \$2.99/mmbtu in the Jan-Mar 2017 quarter from \$2.13/mmbtu in Jan-Mar 2016, and European gas prices rose \$5.70/mmbtu in the same period from \$4.84/mmbtu in the previous year. Japan LNG price rose to \$7.57/mmbtu in Jan-Mar 2017 from the low of \$6.08/mmbtu in Apr-Jun 2016.

Indian Energy Sector

India's energy mix is dominated by coal followed by oil and natural gas. During 2016, yet again, India emerged as a major growth centre for global energy demand. Growth in energy consumption in India at 5.4 per cent was in line with the average growth rate witnessed in the last decade. India's energy consumption expanded, driven by a robust economic growth performance. In terms of the energy mix, mirroring the global trend, the fastest growth was registered by renewable energy followed by gas. Growth in oil consumption slowed down from the high growth rate recorded in the previous year; nevertheless, consumption continued to be buoyant. In contrast, growth in coal consumption continued to be slower as compared to the past.

Energy is vital for economic growth. For the Indian economy, the challenge is to ensure availability of adequate energy for meeting the growth and developmental requirements while addressing environmental concerns. The Government of India has been working consistently on reforms and policy initiatives in this sector to ensure growth that is both secure and sustainable. Some of the key reforms and initiatives under implementation, which are redefining the sector's future include:

- **India's Climate Pledge:** The Paris Agreement entered into force on November 4, 2016. India's Nationally Determined Contributions (NDCs) under this agreement offer a comprehensive approach to curb the worst impacts of climate change while fostering economic growth, increasing energy access, creating jobs, protecting forests, and providing cleaner air and water for

its citizens. India's NDCs include reduction in emissions intensity of its GDP by 33 to 35 per cent by 2030 from 2005 levels and a 40 per cent cumulative electric power installed capacity from non-fossil-fuel energy resources by 2030, among others.

- **175-GW Renewable Energy Installed Capacity by 2022:** In 2015, the Government scaled up its renewable energy targets to achieving 175 GW of installed power from renewable energy, which included 100 GW solar and 60 GW from wind by the year 2022. Major programmes/schemes, including Solar Park, Solar Defence Scheme, Solar scheme for CPSEs, Solar PV power plants on Canal Bank and Canal Tops, Solar Pump, Solar Rooftop, reverse auctioning for wind-power plants, among others have been launched during the last two years so as to achieve the renewable energy target.
- **Reduction in Crude Oil Import Dependency:** As a measure to mitigate India's vulnerability to oil price swings, the Government proposed reducing dependence on imported oil by 10 per cent by 2021-22. The roadmap for reduction of import of crude oil dependence includes steps such as increasing domestic production of oil & gas, promoting energy efficiency and conservation measures, thrust on demand substitution, capitalising untapped potential in bio-fuels and other alternate fuels/renewables and implementing measures for refinery process improvements.
- **Raising the Share of Natural Gas:** The low emissions profile of natural gas, coupled with improving infrastructure and availability, is resulting in expansion of the gas market in India. Gas accounts for 6.5 per cent of energy mix and the Government plans to increase its share to 15 per cent by 2030. The new Hydrocarbon Exploration and Licencing Policy, programmes for tapping unconventional sources like CBM & Gas Hydrates, efforts towards building gas pipelines and LNG re-gasification infrastructure will be instrumental in achieving this.
- **Bidding for Small Discovered Fields:** In a bid to boost domestic oil and gas production, the Government launched 'Discovered Small Fields Bid Round-2016'. Discovered Small Fields are oil and gas blocks that had remained commercially undeveloped, but are now witnessing a fresh lease of life as the Central Government seeks to exploit their potential. The first bidding round was highly successful and was completed in a short span of time, wherein 34 bids were received for 34 contract areas from 42 companies, including 5 foreign companies.
- **Hydrocarbon Exploration and Licencing Policy (HELP):** HELP replaced the almost two-decade-old New Exploration Licencing Policy (NELP), and other policies governing exploration of Coal Bed Methane, Shale Gas

& Oil, and Gas Hydrates. HELP brings in a uniform licence regime, under which the contractor will have the rights to explore all types of oil and gas resources, whether conventional or unconventional oil, under a single license. The policy also provides many incentives such as reduced royalty rates for offshore blocks, marketing & pricing freedom and easy to administer revenue sharing model.

- **Marginal Field Policy:** The objective of this policy is to bring marginal fields to production at the earliest so as to augment domestic availability of oil and gas. The salient features of this policy include single license for conventional and non-conventional hydrocarbons, no restriction on exploration activity during contract period, Revenue Sharing Contract Model, freedom to sell crude oil exclusively in domestic market through a transparent bidding process on arm's length basis and in case of natural gas, freedom of pricing and allocation of gas produced from a cluster/field/discovery on arm's length basis, among others.
- **Pradhan Mantri Ujjwala Yojana (PMUY):** Announced during Budget 2016-17, the scheme aims at providing LPG connections to 5 crore women belonging to the Below Poverty Line (BPL) families over a period of 3 years starting from 2016-17. Priority will be given to those States where LPG coverage is lower than the national coverage. Over 2.20 crore LPG connections were issued in the first year of *Pradhan Mantri Ujjwala Yojana* surpassing the target of 1.5 crore for the year 2016-17. Further, 85 per cent of the new consumers have come back for a refill, which reflects the willingness of people to adopt LPG as a cooking fuel.
- **Increased Emphasis on Bio-fuels:** The Government in 2016 raised the target for ethanol blending in petrol to 10 per cent from the earlier target of 5 per cent. In pursuit of this, the Government has come up with a slew of incentives such as streamlining of supply chain, waiving off of excise duty on ethanol supplied to oil marketing companies, fixing of delivered price, among others. Further, the Government is encouraging production of Second Generation (2G) Ethanol from agricultural residues to provide additional sources of remuneration to farmers, address the growing environmental concerns and support the Ethanol-Blended Petrol (EBP) programme for achieving 10 per cent Ethanol Blending in Petrol. Oil PSUs, in line with vision laid down by the Government of India, are planning to set up 12 2G Ethanol Bio-refineries across 11 States.
- **Auto Fuel Policy:** From 1st April 2017, the country moved to BS-IV standard auto fuels. The Government in 2016 announced its decision to leapfrog from BS-IV to BS-VI emission standards in an accelerated manner, with full

implementation of BS-VI emission standards by April 2020, which is four years ahead of the earlier schedule.

- **Unnat Jyoti by Affordable LEDs (UJALA):** Lighting sector accounts for about 20 per cent of the total energy consumption in India. Light Emitting Diode (LED) based lighting has significant advantages in terms of energy and cost savings over the lighting based on incandescent bulbs. UJALA scheme aims to replace 200 million incandescent bulbs by LEDs by supplying the latter at rates 80 per cent less than the market price. The scheme is expected to bring about overall annual energy savings to 10.5 billion KWh.
- **Deen Dayal Upadhyaya Gram Jyoti Yojana:** The scheme focuses on infrastructure, including metering at all levels, in rural areas. This will help in providing round-the-clock power to rural households and adequate power to agricultural consumers. The scheme targets providing electricity to every village by May 2018 and every household by 2022.
- **Scheme for Financial Restructuring of Discoms:** Aims at achieving the financial turnaround of the Discoms by restructuring their debt with support through a finance mechanism by the Central Government.

Oil Market - Domestic

Demand Side

During the year, petroleum product consumption expanded to 194 MMT, registering a growth of 5.2 per cent. There was moderation in the consumption growth momentum, from the record high growth of 11.6 per cent in the previous year. The moderation was especially visible in the last quarter of the fiscal, wherein consumption declined as compared to the same period of the previous year.

Transportation Fuels

There was a perceptible slowdown in growth of MS and HSD. Growth in MS reduced to 8.8 per cent in 2016-17 from 14.5 per cent in 2015-16. As regards HSD, after a buoyant 7.5 per cent growth in 2015-16, growth fell to meager 1.5 per cent in 2016-17. One of the key factors affecting the sales of MS and HSD was the slowdown in vehicle sales. Growth in sales of commercial vehicles decelerated during the year, while acceleration in growth was witnessed in the sales of the two-wheelers segment. Negative growth was recorded in the third quarter among all segments and as regards two-wheelers, the weakness continued well into the last quarter with sales registering negative growth mainly on account of the cash crunch resulting from the demonetisation move, which adversely affected transporters and rural vehicular demand. Riding on the boom in the Indian civil aviation sector, with traffic registering double digit growth, ATF was another fuel that recorded accelerated growth.

During the year, growth in ATF consumption soared to 12.1 per cent from 9.4 per cent recorded in 2015-16.

Cooking Fuels

LPG continued to be the shining star among the products as the Government's drive to bridge the energy divide by providing a clean fuel like LPG to the marginalised sections of society through PMUY drove up the demand. LPG consumption grew by 9.8 per cent on top of a 9 per cent growth recorded in 2015-16. During the year, about 331.7 lakh new connections and 69.9 lakh DBCs were released, including 200.3 lakh connections released on account of Ujjwala scheme since inception in May 2016.

Industrial Fuels

India is the second largest Petcoke consuming country in Asia after China and consumption of Petcoke in India has been growing steadily and the year was no exception. Petcoke has been replacing coal in a number of high growth industries such as cement, steel, graphite, aluminium, due to its relatively high calorific value.

Supply Side

The domestic crude oil production declined by 2.5 per cent to 36 MMT as falling production and under-performance of many fields continued. However, with Government's thrust on ramping up domestic production through investment-friendly policies, improvement in production levels is expected in the near future.

Growth in domestic demand and return of growth in export demand was supplied by the Indian refiners by increasing their refinery throughput by 5.4 per cent. During the year, Indian refiners processed 245 MMT of crude oil as compared to 233 MMT in 2015-16.

Crude oil imports posted a 5.2 per cent growth in quantity terms, rising to over 213 MMT. With the rise in international oil prices in value terms as well, the crude oil import bill rose to US\$ 70.2 billion from US\$ 63.9 billion in 2015-16. There was a 22% growth in product imports, which rose to 35.9 MMT during the year. Product imports bill also expanded from US\$ 9.9 billion in 2015-16 to US\$ 10.7 billion in 2016-17.

Pricing & Subsidy Administration

With the deregulation of diesel prices in 2014, subsidies to only LPG (Domestic) and Kerosene supplied through the public distribution system are applicable. During the year, gross under-recoveries declined to ₹ 22,738 crore from ₹ 27,571 crore in the previous year. The Government has been taking steps towards reducing the gap between the market price and subsidised price. During the year, the Government allowed OMCs to raise the price of SKO (PDS) in small increments at regular intervals decided by the Government. As a result, the price of SKO (PDS) was raised by 22 per cent, corresponding to

an absolute increase of Rs. 3.35/litre during the year. In case of subsidised LPG, the Government allowed OMCs to raise the price of LPG by ₹ 2/cylinder every month between July 2016 and March 2017. Both these decisions have reduced the under-recovery and consequent Government subsidy on SKO (PDS) and LPG (Domestic).

As regard deregulated products, the market prices of LPG (Commercial), LPG (Dom-Non-Subsidised), petrol and diesel ended up higher compared to the levels at the beginning of the year, reflecting the upward movement in international oil and product prices. During the year, there was no increase in the excise duty in case of petrol and diesel unlike the previous years; however, there were increases in VAT by State Governments.

GST

Under the present form of GST rolled out from July 2017, five petroleum products, namely Crude Oil, Petrol, Diesel, ATF and Natural Gas, have been kept out of the GST. This exclusion is expected to result in huge stranded taxes in the hands of the oil industry due to non-availability of Input Tax Credit towards non-GST products. Besides, with a major input, viz., crude oil, and major products like MS, HSD and ATF being out of the GST and others such as LPG, kerosene and petrochemicals under GST, refiners will be required to keep separate records, thereby considerably increasing the tax compliance costs. Upstream oil and gas producers are expected to face additional tax liability due to a higher tax rate on services and the exclusion of crude oil and natural gas from GST. Long-term investments in hydrocarbon pipelines are also likely to be adversely affected by GST as pipeline networks has been excluded from the definition of Plant & Machinery. Capital investment in refineries would also be adversely impacted due to reduced input credit.

Capital Expenditure

Public sector investment is increasingly emerging as a key growth driver and the public sector undertakings in the petroleum and natural gas sector are at the forefront. During the year, investment of over ₹ 1 lakh crore was made by oil and gas CPSEs and over ₹ 86,000 crore worth of investment is planned in 2017-18. Low oil prices, a relatively strong rupee and robust demand have bolstered the finances of public sector refining and marketing companies, which in turn is facilitating their investment drive.

Gas Market - Domestic

During 2016-17, natural gas consumption in the country surged to around 50 bcm registering a 7 per cent growth and taking forward the turnaround in gas consumption that was witnessed last year. On the supply side, domestic gas production declined to 31.9 bcm, while LNG imports rose

to 24.7 bcm in 2016-17, expanding by 16 per cent from the previous year.

The Government is taking pragmatic policy decisions to incentivise domestic gas production. During the year, approval for providing complete marketing and pricing freedom to CBM producers by the Cabinet Committee on Economic Affairs (CCEA) was a landmark move. While taking efforts to scale up domestic gas production, India is increasingly taking on the avenues opened up by the boom in the LNG market. LNG import capacity is expected to increase to over 50 MMTPA in next 7-8 years. A major policy support to this sector was the reduction in customs duty on LNG import from 5 per cent to 2.5 per cent in the Union Budget 2017-18. The move is aimed at improving economic viability of LNG against competing fuels.

The Government is also promoting the use of gas through policies aimed at filling the gap in gas infrastructure in the country. In this regard, development of a national gas pipeline grid and city gas distribution infrastructure have been key focus areas. Today, India has a natural gas transmission pipeline network of about 16,100 km. This is envisaged to expand to around 30,500 km by 2020. Such an expansion with equitable access and availability of gas across all regions and coupled with government's initiative would increase the share of natural gas in the primary energy basket.

STRENGTHS & WEAKNESSES

IndianOil is the flagship energy company of the country. The Corporation is the biggest oil refiner in the country with over 35 per cent share in the country's refining capacity. With the recent addition of its Paradip Refinery, it boasts of having the most modern refinery in the country. The Corporation's refineries are epitomes of operational excellence with focus on resource and cost optimisation, environmental sustainability and increasing asset reliability. With each passing year, the critical operational parameters of its refineries have been improving and this has emerged as a significant contributor to profits and sustainability.

The Corporation has the largest crude oil and product pipeline network in the country. Transportation of crude oil and petroleum products through pipelines is the best mode in terms of cost, safety and carbon footprint. The Corporation is on a steady drive to increase its pipelines network and capacity, which will go a long way in making its business model sustainable. At present, 100 per cent of crude oil movement to refineries is through pipelines and 70 per cent of the Corporation's refinery production is moved through pipelines. The Corporation also has a well-developed capability of taking up pipeline projects right from conceptualisation to commissioning. All its pipeline projects are being implemented in-house.

The Corporation accounts for 50% of the downstream marketing infrastructure in the country. Its extensive network of marketing infrastructure consisting of depots, terminals, LPG bottling plants, LPG distributorships, retail outlets, aviation fuel stations, etc., gives it an unmatched outreach. Over 50 years of experience in serving the energy needs of Indian customers in every nook and corner of the country is another major strength.

The Corporation's integration into petrochemicals has emerged as a major area of strength; it is today the second largest petrochemicals player in the country with a growing international presence. Petrochemicals business is not only adding to the Corporation's profitability but also reducing its vulnerability to the shocks in the oil market.

The Corporation has invested in the gas business across the value chain and is investing in building the much-needed gas supply and distribution infrastructure in the country. With its city gas distribution networks, LNG-at-the-doorstep business, existing and upcoming gas pipelines and upcoming LNG import terminals, the Corporation is working towards realizing the Government's vision of a significantly enlarged role of gas in the Indian economy.

Another area of strength for the Corporation lies in its extensive Research and Development capabilities. The Corporation's R&D Centre has won recognition as one of Asia's finest and its focus areas are proprietary research in lubricants, catalysts and refinery & pipelines operations. Further, R&D is extending a competitive edge to the new businesses of petrochemicals, polymers and alternative energy of the Corporation. In the area of refining technology, an area which is dominated by foreign technology suppliers, the Corporation has reached a stage where a number of technologies developed by it are getting commercialised. The implementation of INDMAX technology developed by the Corporation's R&D at Paradip Refinery is a prime example of the coming of age of its R&D efforts and is also a shining example of the spirit of 'Make in India.'

The Corporation has over 33,000 employees who run its country-wide and overseas operations. The skills, experience and prowess of its manpower resource is the key strength of the Corporation. Besides, the Corporation has a network of dealers, distributors, transporters, contractors and vendors, who partner with it day in and day out in its operations and are another major strength of the Corporation. The Corporation runs many structured human resource development initiatives and also a number of development initiatives for its vendors, especially for the MSME sector, distributors and dealers.

A major constraint of the current infrastructure of the Corporation is in relation to the location of its refineries. Except for Paradip refinery, all other refineries are located inland; while being closer to demand centres in many cases,

they entail significant transportation costs and logistics challenges both for moving crude oil from the ports and also for evacuation of refined products. Besides, some of the older refineries are small with suboptimal sizes.

Even though the Corporation has consciously expanded its E&P portfolio, its upstream integration remains low and makes the Corporation more vulnerable to crude oil price fluctuations.

The Corporation is consistently working on these areas, with investment in mega coastal refineries and further acquisitions of upstream producing assets being envisaged.

OPPORTUNITIES, CHALLENGES & THREATS

India at the Energy Centre-Stage

India is the third largest economy in Purchasing Power Parity terms. Today, India is a major economic growth centre and the long-term growth outlook for the Indian economy is reckoned to be bright, with the potential of 8-10 per cent per annum growth. With initiatives like Make in India, the share of manufacturing in the GDP is set to rise from the current 16 per cent to 25 per cent by 2025.

India is the world's third largest energy consumer; however, in per capita terms, energy consumption in India at 637 kgoe/capita is way below its peers, be it China, Russia or Brazil and is 1/10th of the levels in the US. Over the long-term, with rising energy demand emanating from GDP growth and the need to bring access to modern energy to millions of Indians, the growth rate of energy demand in India is projected to be more than thrice the average projected growth for global energy demand.

Oil and gas will play a significant role in meeting the energy needs of the growing economy. The Corporation has sizeable expansion plans for scaling up its supply and distribution infrastructure across the value chain to meet the growing energy demand. The Corporation is looking into greenfield refinery expansions through the JV route along with brownfield capacity augmentation at existing refineries. Plans are afoot to scale up petroleum distribution infrastructure as well. In addition to this, investments in gas and renewable energy are planned to meet the energy demand aligned to the changing energy mix.

This untapped energy demand potential provides a sizeable growth opportunity to an energy supplier like IndianOil.

Stewarding Environmental Responsibility

There is an increasing recognition that environmental concerns need to be addressed on priority for long-term economic sustainability. The Paris Agreement marks a major milestone for global consensus on climate change. And, despite the recent announcements by the US of backing out

from this agreement, the global partnership on climate change continues to be intact and strong. Besides climate change, local air pollution is a major environmental issue, which the Indian Government is addressing on priority.

On 1st April 2017, India switched to BS-IV fuels and in the next three years, i.e., by April 2020, India is set to switch straight to BS-VI standards, skipping the BS-V level. This accelerated switch is a first of its kind, as typically, a 4-5 years gap between implementation of two consecutive levels has been observed globally. This move highlights the increased urgency amongst the policy makers and regulatory authorities on addressing the issue of air pollution. IndianOil is the biggest refiner in the country and is geared up to this challenge. The Corporation is implementing fuel quality upgradation projects across its refineries and confident of delivering BS-VI compliant fuels by 2020.

The Corporation recognises its responsibility towards environmental sustainability and has a dedicated Sustainable Development team that drives green initiatives such as rain-water harvesting, tree plantation, measuring carbon footprints, green events, LED lighting, sustainability reporting, waste-to-power projects, among others.

The Corporation understands its responsibility towards the environment and is committed to greener operations and providing cleaner fuels.

Urgency to Bridge the Energy Divide

As per 2011 census, around 23 per cent of households in urban India were using biomass for cooking, while 86 per cent of households in rural areas were dependent on biomass. This rampant burning of biomass (dung cakes, firewood, agricultural wastes) for cooking is a major health hazard for women and children due to smoke from burning. Freedom from smoke and the drudgery associated with biomass is a critical developmental challenge for India. Indian policy-makers are in full cognisance of the urgency to deal with this challenge and rural energy access is high on India's developmental agenda. Pradhan Mantri Ujjwala Yojana (PMUY) announced during Budget 2016-17 aims at providing LPG connections to 5 crore women belonging to the Below Poverty Line (BPL) families over a period of three years starting from 2016-17.

The Corporation has been at the forefront in implementation of PMUY in terms of allocation of new LPG distributorships, releasing new connections and also strengthening its supply chain and LPG import infrastructure. LPG import capacity is being ramped up through new LPG import terminals at Kochi and Paradip. Further, the Corporation is working on a proposal to lay an LPG pipeline from Kandla to Gorakhpur. The Corporation is constructing new bottling plants apart from augmenting capacities at existing bottling plants.

IndianOil is committed to bridging the energy divide and positively impact every single Indian across the socio-economic gradient.

India's Growing Influence in the Global Oil Market

There has been a fundamental shift in the international oil market and at the very core is the shale revolution. As the market grapples with oversupply, the bargaining power of major oil buyers like India is going to get stronger and benefit it in terms of lower import costs, better terms, greater security and investment inflows. Recently, OPEC agreed to India's proposal for setting up a joint working group to assess future scenarios for the oil industry as the energy mix in major economies undergoes rapid changes due to expansion in renewable sources. This points towards the increasing recognition that OPEC needs to address the concerns of key buyers like India.

The shifting dynamics in global oil trade are expected to lend better bargaining power to big oil buyers like India. IndianOil, being a major Indian crude oil importer, is geared up to leverage this opportunity.

Petrochemicals - Driving Growth

The low level of petrochemicals consumption in the country as compared to the global average, coupled with the high pace of economic growth projected for the economy and the Government's impetus on reviving the Indian manufacturing sector through the Make in India initiative, are set to drive high growth in petrochemicals demand in the country.

Petrochemicals business has steadily emerged as a major contributor to the Corporation's bottomline and is fulfilling the vision of further downstream integration. The Corporation is the second largest player in petrochemicals business in the country with an extensive products portfolio and a countrywide logistics and marketing set-up.

The long-term outlook for the petrochemicals market continues to be bright. India is amongst the fastest growing petrochemicals markets in the world. The Corporation envisages capitalising on this opportunity by scaling up its petrochemicals portfolio. At present, its polypropylene project in Paradip refinery is under implementation, and expansion of existing facilities at its major refinery locations is being planned.

The Corporation views further integration of refining and petrochemicals as the way forward. It has sizeable investment plans for petrochemicals.

India's Rising Gas Sector

Gas business in India has significant latent potential, which can be unlocked with availability, infrastructure, and right

pricing. India's north and west account for majority of the country's gas consumption. The south and east by contrast lack the infrastructure to access gas either from the country's main production centres or from LNG import terminals. Gas is an attractive fuel from the perspective of controlling the deteriorating air quality in Indian cities and also to meet India's pledges under the NDC that entail reduction in the carbon intensity of its GDP. The Government envisages increasing the share of gas in primary energy from 6.5 per cent at present to 15 per cent in the next three to four years. Further, the substitution of liquid fuels with gas also dovetails with the target set by the Government to reduce oil imports by 10 per cent by the year 2022, as well as the Government's desire to become self-sufficient in fertilisers production.

The Government is promoting the development of a national pipeline grid, city gas networks, including CNG for auto transport, LNG import terminals and has been negotiating for transnational gas pipelines. The Corporation is implementing a 5 MMTPA LNG Import, Storage and Regasification Terminal at Kamarajar Port (Ennore) near Chennai through a JVC, IndianOil LNG Pvt. Ltd. The terminal is scheduled to be commissioned in 2018-19, and would be the first LNG regasification terminal on the East Coast. The increased global gas availability and the lower gas prices have come as welcome developments to provide a big boost to the gas sector in India and presents attractive growth opportunities to players in the business.

The Corporation has interests across the gas value chain, from LNG import terminals to City Gas Distribution networks, and has sizeable investments lined up.

Leveraging Information Technology

The Corporation fully understands the role of technology as a driver of competitiveness. In particular, it reckons Information Technology as a critical business enabler. The Corporation has been amongst the early IT adopters in the industry and continues to be a leader. IT-based interventions are deployed to enhance business processes and support business decisions across its functions, operations and locations.

Further, the Corporation has been focusing on IT-based interventions to enhance customer experience. In this regard, it has in a big way pushed automation at its retail outlets. By the end of 2016-17, the Corporation completed automation in over 10,000 of its retail outlets. Smart Terminals is another technology-based initiative of the Corporation, wherein all its new terminals are equipped with ultra-modern facilities and the corporation is increasingly modernizing existing terminals. In addition to this, use of vehicle tracking systems, e-portals for vendors and customers, mobile applications, among others, are increasingly being deployed to increase productivity and stakeholder engagement. In addition, the Corporation is also leveraging the power of data analytics and big data through dedicated centres.



The Corporation is a technology-driven company and is investing in information technology to optimise operations, enhance customer experience and also for shaping its future business.

Renewable Energy Revolution

Climate change concerns and improving economics of renewable energy are driving investments in renewable energy. Globally, the fastest growing energy source is renewable energy (including biofuels), which grew at a much faster pace than the total energy demand, rising by 12 per cent during 2016. In India, the Government has considerably scaled up its renewable energy targets and this invigorated investments in this sector.

The Corporation has built a renewable energy portfolio and its R&D centre is also in a major way venturing into alternative energy research. Wind and solar energy will continue to be the focus of the Corporation's alternative energy drive.

The Corporation is keenly exploring and investing in the growth opportunities presented by the renewable energy sector.

The Resurgence of Storage Technology

Storage technology is being viewed as a major game-changer with falling battery prices and lowering energy density driving the confidence in its potential. Automobile makers and Governments across the world have sizeable plans for production and mass usage of electric vehicles. In India, the National Electric Mobility Mission Plan 2020 envisages a vehicle population of about 6-7 million electric/hybrid vehicles in India by the year 2020 along with a certain level of indigenous technology. Further, a scheme of Faster Adoption and Manufacturing of Electric Vehicles (FAME) India was launched to provide incentives for all forms of hybrid, pure electric vehicles, batteries and battery management systems and charging infrastructure. The Corporation is exploring opportunities for fast charging stations and battery replacement facilities in retail outlets and also looking at opportunities for manufacturing and retailing lithium-ion batteries.

IndianOil is exploring business opportunities for fast charging stations and battery replacement facilities in retail outlets for electric vehicles/plug-in hybrids electric vehicles.

The 'UDAN' in Aviation

The Corporation has a dominant position in this segment with over 60 per cent market share. Aviation fuel business is flush with growth opportunities as the aviation sector in the country is all set to accelerate its growth momentum. As per the projection of International Air Transport Association, India is amongst the three fastest growing markets in terms

of additional passengers per year up to 2034. In addition, key reforms such as the National Civil Aviation Policy and Regional Connectivity Scheme-UDAN are expected to give a major fillip to aviation business in the country.

The Corporation is persistently working in making its aviation logistics most cost effective. Setting up of infrastructure facilities at strategic locations, technological interventions, supply chain optimisation, etc., are the key tenets of this strategy. The Corporation has also pioneered development of low-cost fuelling infrastructure models at smaller airports through in-house expertise of its Cryogenics vertical for tier-II and tier-III airports. The commissioning of the Paradip Refinery and development of associated marketing and distribution infrastructure on the east coast has consolidated its position in the east also.

India is all set to make up for its low air traffic penetration, which will open new growth avenues for IndianOil's aviation fuel business.

Unleashing the Potential of Waterways

The potential of water transportation in providing an efficient, cost-effective and environmentally benign mode has for long been neglected in India. The present low share of these modes in the domestic freight movement and their relative cost effectiveness vis-à-vis road and rail has drawn policy-makers' attention and through recent initiatives such as National Waterways Act 2016 that identifies 111 waterways as national waterways, Integrated Development of Inland Water Transportation, Jal Marg Vikas Project-National Waterway-1, Sagarmala, among others are giving an impetus to inland waterways and coastal shipping. The Corporation is looking closely at these opportunities and working towards tie-ups.

The increasing policy thrust on development of inland waterways and coastal shipping presents a new growth opportunity for IndianOil's bunkering fuels business.

Rising Competition Levels & Changing Business Models

In the last couple of years, there have been far-reaching reforms in the Indian petroleum sector. In particular, ushering in of subsidy reform has been a major shift with significant ramifications. The way of doing business in the Indian petroleum sector is changing. Deregulation of diesel, and the implementation of Direct Benefit Transfer scheme (PAHAL) in LPG have been instrumental in changing the market dynamics. Consequently, competition levels have risen in the market and the new entrants have started gaining market share in the retail and institutional sales segments mainly on account of their pricing strategies.

During the year, the Corporation through a focused retail strategy gained market share amongst PSUs. The key tenets of its retail strategy were focus on look-and-feel of the retail outlet

to enhance customer experience, Network augmentation to maintain leadership, Highway Proposition to focus on the major revenue-generating segments, Urban Proposition to cater and align to the special needs of the urban customers and Rural Proposition to address the vast potential of the latent rural energy demand.

In the bulk sales segment, the Corporation is exploring dynamic pricing, rationalisation of discounts and identification of strengths and weaknesses. During the year, in the bulk segment, there was market share gain in products like FO, Bitumen and Lubes. In Lubes, which is a high-value segment, the Corporation's strategies of centralised tie-ups, value-added services and cost optimisation are showing encouraging results.

The Corporation is adapting itself to the changing business scene, it is relentlessly working on making its logistics most cost-effective. Setting up of infrastructure facilities at strategic locations, technological interventions, supply chain optimisation, etc., are the key tenets of this strategy.

OUTLOOK

The overall business outlook is supported by the good growth prospects of the Indian economy and relatively low crude oil prices in the near term. The reform initiatives of the Government are further making the business environment investor-friendly in the sector as well as the economy at large. Competition levels are expected to increase over time and technology, diversification and customer-centric initiatives will hold the key to bettering the competition. Over the long-term, the substantial growth potential in the Indian economy and the growing energy needs are set to provide a sustained basis for growth of the Corporation.

RISKS & CONCERNS

Crude Oil Price Fluctuation: As the Corporation is required to hold large crude oil inventory at any given time in its refinery tanks, pipelines feeding inland refineries and in transit from supplier countries, any sharp variation in international oil prices results in a huge inventory gain/loss depending upon price movement. Further, large quantum changes in international oil prices have implications on upstream investments of the Corporation

Geo-Political Risks: The oil market, being a highly globalised industry, is extremely prone to geo-political risks. One of the primary geopolitical risks is security concerns and political instability in the Middle East & North Africa region, which is among the major crude suppliers to the world. Other than the aforementioned risk, geopolitical risk in oil markets encompasses a broad range of frequently inter-connecting issues, including diplomacy and security, global economics, financial market uncertainty, commodity constraints, etc.

Exposure to Foreign Exchange Fluctuations: Volatility in the global financial markets and consequently in exchange rate movement and capital flows pose a risk to the Corporation. Given the high dependency on import of crude oil and exposure to foreign borrowings, sharp fluctuations in these have a bearing on the Corporation's financials.

Safety and Security of Assets and People: The huge risk potential of hazards in the hydrocarbons industry calls for preventive actions in processes and work culture on a continued basis. Behaviours and human factors are widely recognised as having an important effect on accident causation and its prevention. Therefore, in addition to strict compliance with the existing safety systems and procedures, improvement in safety culture and personal safety behaviour is required to be addressed effectively for sustenance of safe working environment. Similarly, increased sensitivity towards physical and cyber-security also entails appropriate technological and human interventions.

Pipeline Pilferage: This is emerging as a major area of concern for the Corporation. Pipeline pilferage poses a major risk to the smooth & safe management of the supply chain of the Corporation. Pilferages in pipelines not only lead to disruptions in crude oil and product supplies but also endanger life and property. The Corporation is taking a number of pro-active initiatives to curtail such incidents of pilferage, such as round-the-clock monitoring, physical patrolling of right-of-way, engagement with villagers, electronic surveillance and engagement with local police.

Policy, Regulatory, Tax Dispute Risk: Changes in policy, regulations, tax rates and delays in project clearances pose profit and investment risks to the Corporation.

Technological Disruption Risk: Technological disruptions can potentially redefine the very foundation of the business. Energy has become the focus of many technological disruptions; for instance, shale revolution and ever-improving economics of renewable energy.

Leakage/Loss of Sensitive Information: With increasing penetration of information technology, cyber-security has emerged as a major area of concern for the Corporation. The Corporation, through constant vigil and surveillance across its data centres, software, devices, IT and communication services, strives to eliminate cyber-security risks.

Risk Review: The Corporation recognises that risk is an integral component of business and is committed to manage the risk in a proactive and effective manner. The Corporation's Enterprise Risk Management involves Risk Identification, Assessment and Categorisation (based on risk appetite) and is reviewed by risk owners to optimise risks with appropriate mitigation plan.

FINANCIAL REVIEW

Revenue from Operations

The Corporation clocked a revenue from operations of ₹ 4,45,373 crore in the year 2016-17 as against ₹ 4,06,828 crore in the previous year. The higher revenue is due to increase in sales volumes as well as rise in international oil prices for the year.

Profit Before Tax

The Corporation has earned a Profit Before Tax of ₹ 26,321 crore in 2016-17 as compared to ₹ 16,827 crore in 2015-16. The higher profit in the current year is on account of higher margins from petrochemical and inventory gains as compared to inventory losses during the previous year partly offset by provisions for entry tax/interest and pay revision.

Provision for Taxation

An amount of ₹ 7,215 crore has been provided towards income tax for 2016-17 considering the applicable income tax rates as against ₹ 5,584 crore provided during 2015-16.

Profit After Tax

The Corporation has earned a Profit After Tax of ₹ 19,106 crore during the current financial year as compared to ₹ 11,242 crore in 2015-16.

Depreciation & Amortisation

Depreciation for the year 2016-17 was ₹ 6,223 crore as against ₹ 4,819 crore for the year 2015-16.

Finance Cost

Finance Cost of the Corporation for the year 2016-17 was ₹ 3,445 crore as against ₹ 3,090 crore during 2015-16.

Borrowings

The borrowings of your Corporation were ₹ 54,820 crore as on 31st March, 2017 as compared to ₹ 52,880 crore as on 31st March, 2016. The Total Debt to Equity ratio as on 31st March, 2017 works out to 0.55:1 as against 0.60:1 as on 31st March, 2016 and the Long Term Debt to Equity ratio stands at 0.25:1 as on 31st March, 2017 as against 0.40:1 as on 31st March, 2016.

Capital Expenditure

Gross Fixed Assets (including Capital Works in Progress) increased from ₹ 1,17,091 crore as on 31st March, 2016 to ₹ 1,29,475 crore as on 31st March, 2017.

Investments

Investments as on 31st March, 2017 were ₹ 47,305 crore as compared to ₹ 37,181 crore as on 31st March, 2016.

The aggregate market value of quoted investments as on 31st March, 2017, i.e., investments made in ONGC Ltd., GAIL(India) Ltd., Oil India Ltd., Chennai Petroleum Corporation Ltd., Petronet LNG Ltd, Lanka IOC Plc. and Government Securities is ₹ 39,441 crore (as against the carrying amount of ₹ 33,163 crore)

Earnings Per Share

Earnings Per Share works out to ₹ 40.31 for the current year as compared to ₹ 23.72 (adjusted for bonus shares) in the previous year.

SEGMENTWISE PERFORMANCE

(₹ in crore)

| | Sale of Petroleum Products | Sale of Petro-chemicals | Other Business | Eliminations | Total |
|-----------------------|----------------------------|-------------------------|----------------|-----------------|-----------------|
| External Revenue | 4,19,442 | 19,802 | 6,129 | - | 4,45,373 |
| Inter Segment Revenue | 7,328 | 25 | 4,902 | (12,255) | - |
| Total Revenue | 4,26,770 | 19,827 | 11,031 | (12,255) | 4,45,373 |
| Segment Results | 19,969 | 6,822 | (32) | - | 26,759 |

Notes:

- Segment Revenue comprises Turnover (inclusive of Excise Duties), Net Claim / (Surrender) of SSC, Subsidy / Grants received from Governments and Other Operating Revenue.
- Other Business segment of the Corporation comprises Sale of Gas, Explosives & Cryogenics, Wind Mill & Solar Power Generation and Oil & Gas Exploration Activities.

INTERNAL CONTROL SYSTEMS

The Corporation has well-established internal control systems for efficient conduct of its business. Well-documented policies and detailed manuals are in place covering almost all the aspects of the business. The internal processes are reviewed, strengthened and revision of policies and guidelines is carried out from time to time to align with the changing business needs.

The Corporation has been one of the earliest companies in India to institutionalise e-tendering for its procurements. There is a dedicated website for e-tendering. The IT team continuously extends IT-enabled services across the entire procurement-to-pay process chain.

The Corporation has put in place adequate internal control, which are commensurate with its operations. The Corporation has an independent Internal Audit Department headed by an Executive Director (below Board Level) who reports to the Chairman directly. The Internal Audit Department has a mix of officers from Finance and technical functions.

The audit assignments are carried out as per the Annual Audit Programme approved by the Chairman and the Audit Committee of the Board, Internal Audit carries out extensive audits throughout the year covering each and every aspect of the business.

The Corporation has put in place adequate internal financial controls which is commensurate with the operations of the Corporation. The statutory auditors are also required to issue the Independent Auditor's Report on the Internal Financial Controls of the Corporation under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013. The report issued thereupon has been attached alongwith the standalone and consolidated Financial Statements respectively.

HUMAN RESOURCES

IndianOil is a people-centric company and believes in the importance of progressively harnessing human potential in an organisational setting. The intense hard work of each IOCIan and highly structured organizational processes have enabled IndianOil to establish itself as a successful corporate entity in a highly competitive landscape for over a half century. The Corporation recruits executives from leading institutes of the country at the entry level and then nurtures the talent through job rotations, inter-location assignments, training and mentoring programmes to facilitate career growth and a fulfilling work-life balance. IndianOil has proved to be a nursery for industry leadership, producing several personalities who have not only led the Corporation but also several other public and private sector organisations as well. IndianOilPeople are known to live the core corporate values of Care, Innovation, Passion & Trust, which makes IndianOil a '*great place to work*' and grow. IndianOil has been adjudged as the best Public Sector Company and amongst the Top - 50 Companies to work for in India in a study conducted by Great Place to work Institute in association with Economic Times.

IR CLIMATE

The industrial relations climate in the Corporation has traditionally been harmonious. The management and the collectives have mutual respect for each other's perspectives and regular structured meetings are held to discuss and deliberate on issues like productivity, welfare and the need to build a responsive and responsible organisation. The employee strength of the Corporation as on 31st March, 2017, was 33,135, which comprises 16,545 executives and 16,590 non-executives.

OTHER INFORMATION

Details regarding the Corporation's CSR programmes, environment protection & Conservation initiatives, technology absorption & adoption efforts, forays into renewable energy and foreign exchange conservation have been included in the Directors' Report and annexure thereto.

CAUTIONARY STATEMENT

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



BUSINESS RESPONSIBILITY REPORT

SECTION A: General Information about the Company

- 1. Corporate Identity Number (CIN):** L23201MH1959GOI011388
- 2. Name of the Company:** Indian Oil Corporation Limited
- 3. Registered Address:** Indian Oil Corporation Limited, IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai-400051
- 4. Website:** www.iocl.com
- 5. Email Id:** investors@indianoil.in
- 6. Financial Year Reported:** 2016-17
- 7. Sector(s) that the Company is engaged in (industrial activity code-wise):** The industrial activities carried out are described below. The code numbers of the groups, classes and sub-classes are assigned by National Industrial Classification, Ministry of Statistics and Program Implementation, Govt. of India.

| Group | Class | Sub Class | Description |
|-------|-------|-----------|---|
| 192 | 1920 | 19201 | Production of liquid and gaseous fuels, illuminating oils, lubricating oils or greases or other products from crude petroleum or bituminous minerals. |
| | | 19202 | Manufacture of paraffin wax. |
| | | 19203 | Bottling of LPG/CNG. |
| | | 19209 | Manufacture of other petroleum n.e.c. (includes manufacture of petroleum jelly, micro-crystalline petroleum wax, slack wax, ozokerite, lignite wax, petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals). |
| 202 | 2029 | 20292 | Manufacture of explosives. |
| 201 | 2013 | 20131 | Manufacture of plastics in primary forms. |
| 251 | 2512 | 25121 | Manufacture of metal containers for compressed or liquefied gas. |
| 352 | 3520 | 35202 | Distribution and sale of gaseous fuels through mains. |
| 061 | 0610 | 6102 | Onshore extraction of crude petroleum. |
| 351 | 3510 | 35105 | Electricity power generation using Solar Energy. |
| | | 35106 | Electricity power generation using Non-conventional sources. |
| 493 | 4930 | 49300 | Transport via pipeline. |
| 466 | 4660 | 46610 | Wholesale of solid, liquid & gaseous fuels & related products. |
| 473 | 4730 | 47300 | Retail sale of automotive fuel in specialized stores (petrol filling stations). |
| 477 | 4773 | 47736 | Retail sale of household fuel oil, bottled gas. |

- 8. List three key products / services that the Company manufactures / provides (as in balance sheet):** Petroleum Products, Petrochemicals & Gas.
- 9. Total number of locations where business activity is undertaken by the Company:**
 - (i) Number of International locations (as on 31.03.2017):** The Company undertakes overseas business activities through its subsidiaries in Mauritius, Sri Lanka, UAE, Sweden, USA, Netherlands and Singapore.
In addition, the Company is engaged in exploration and production (E&P) of crude oil and natural gas through its consortium partners at 8 international locations, viz. Iran, Gabon, Nigeria, Libya, Russia, Canada, USA and Venezuela.

(ii) Number of National locations (as on 31.03.2017):

| Locations | Numbers |
|--|--------------------------------|
| Operating Refineries | 9 |
| Oil Depots & Terminals | 131 |
| Aviation Fuel Stations | 104 |
| LPG Bottling Plants | 91 |
| Lube Blending Plants (LBP) & Small Can Filling Plants (SCFP) | LBP-10, SCFP-2 |
| Pipeline Terminals | 87 |
| R&D Centre | 1 |
| Retail Outlets (RO) (i.e. Fuel Stations including Kisan Seva Kendra ROs) | 26212 |
| Kisan Seva Kendras (Rural Fuel Stations) | 7051 |
| LPG Distributors (including distributorships under Rajiv Gandhi Gramin LPG Vitaran Yojana) | 9570 |
| SKO/LDO Dealers | 3904 |
| Consumer Pumps | 6520 |
| Solar Power Plants (20 MW) | 182 (On-grid-2 & Off-grid-180) |
| Wind Power Projects (168 MW) | 6 |
| Petrochemical Plants | 2 |
| Explosives Plants | 12 |
| Cryogenics Plant | 1 |

10. Markets served by the Company – Local / State / National / International: National and International**SECTION B: Financial details of the Company**

- 1. Paid up capital (INR):** 4,855.90 crore (as on 31.03.2017)
- 2. Total turnover (INR):** 4,38,709.96 crore (FY 2016-17)
- 3. Total profit after taxes (INR):** 19,106.40 crore (FY 2016-17)
- 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:** The total CSR expenditure during the FY 2016-17 is ₹ 213.99 crore which is 1.12% of the profit after tax during financial year 2016-17.
- 5. List of activities in which expenditure in 4 above has been incurred:**

The broad areas, in which the CSR expenditure is incurred, are LPG connections to BPL families, healthcare, education and scholarships, skill development, drinking water, sanitation, etc. The details of activities are provided in Annexure II to the Directors' Report.

SECTION C: Other Details**1. Does the Company have any Subsidiary Company / Companies:**

The details of Subsidiary companies are placed below:

| Name of Subsidiary | Indian / Overseas | Business |
|--|---------------------|--|
| Chennai Petroleum Corporation Limited (CPCL) | Indian Subsidiary | Refining of petroleum products |
| IndianOil CREDA Biofuels Limited | Indian Subsidiary | Biofuels |
| Indian Catalyst Private Limited | Indian Subsidiary | Manufacturing of catalysts and additives |
| IndianOil (Mauritius) Limited, Mauritius | Overseas Subsidiary | Terminalling and Retailing of petroleum products & Aviation refuelling |
| Lanka IOC PLC, Colombo, Srilanka | Overseas Subsidiary | Retailing, Terminalling & Bunkering of petroleum products |
| IOC Middle East FZE, Dubai, UAE | Overseas Subsidiary | Blending & Marketing of Lubricants |



| Name of Subsidiary | Indian / Overseas | Business |
|---------------------------------|---------------------|--------------------------|
| IOC Sweden AB, Sweden | Overseas Subsidiary | Exploration & Production |
| IOCL (USA) Inc., USA | Overseas Subsidiary | Shale Gas |
| IndOil Global B.V., Netherlands | Overseas Subsidiary | Exploration & Production |
| IOCL Singapore Pte. Ltd. | Overseas Subsidiary | Exploration & Production |

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s):

IndianOil has 3 Indian subsidiaries and 7 overseas subsidiaries.

The Indian subsidiaries do not participate in the Business Responsibility (BR) initiatives of the parent Company. However, CPCL is a listed Mini-Ratna Company, which participates in its own BR initiatives and adheres to such other guidelines, as issued by the Government from time to time.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

No other entity that the Company does business with, participate in the BR initiatives of the Company.

SECTION D: B R Information

1. Details of Director responsible for BR:

(a) Details of the Director responsible for implementation of the BR policy/policies:

Director name: Shri Verghese Cherian

DIN: 07001243

Designation: Director (Human Resources)

(b) Details of the BR Head:

Name: Shri Sidhartha Mukherjee

DIN Number (if applicable): NA

Designation: Executive Director I/c (HR & CSR)

Telephone number: 011-26260070

E-mail id: sidhartha@indianoil.in

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y/N):

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|--|-----|-----|-----|-----|-----|-----|-----|-----|
| Do you have policy / policies for Principle # | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Has the policy being formulated in consultation with the relevant stakeholders? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Does the policy conform to any national / international standards? If yes, specify? (50 words) | Various policies of IndianOil conform to different applicable statutes / guidelines / rules / policies etc. issued by Government of India from time to time. Industry practices, national / international standards are kept in view while formulating the policies. | | | | | | | | |
| Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director? | Different policies are approved by the Board / Competent Authorities as per the approved Delegation of Power. | | | | | | | | |
| Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Yes. The details are provided under the respective principles. | | | | | | | | |
| Indicate the link for the policy to be viewed online? | The details of the links are given below. | | | | | | | | |
| Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|---|-----|-----|-----|-----|-----|-----|-----|-----|
| Does the Company have in-house structure to implement the policy / policies? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? | IndianOil's Policies are not audited / evaluated by external agencies. However, the policies are formulated within the ambit of the statutory guidelines and business requirement, which are amended from time to time as per business / environmental / Government requirements. | | | | | | | | |

Various policies/rules of the Corporation along with their web links are given below:

Policies & Rules

| | |
|---|---|
| Code of conduct for Directors and Senior Management Personnel. | https://iocl.com/download/Code_of_Conduct_for_Board_Members_&_SMP.pdf |
| Code of conduct for prevention of Insider Trading | https://iocl.com/download/IOC_Insider_Trading_Code_2015.pdf |
| Whistle Blower Policy | https://iocl.com/InvestorCenter/Whistle_Blower_policy.pdf |
| Sustainability & Corporate social Responsibility Policy | https://www.iocl.com/AboutUs/IOC_S&CSR_Policy_07_2015.pdf |
| Policy on Related Party Transactions | https://www.iocl.com/InvestorCenter/Policy_on_Related_Party_Transactions.pdf |
| Policy for determining Material Subsidiaries | https://www.iocl.com/InvestorCenter/Policy_on_Material_Subsiary.pdf |
| Policy for determination of material / price sensitive information and disclosure obligations | https://iocl.com/download/Policy_on_Materiality_of_events_or_information_rev.pdf |
| Dividend Distribution Policy | https://iocl.com/download/Dividend-Distribution-Policy-1-12-16.pdf |
| Enterprise Risk Management Policy | |
| Conduct, Discipline and Appeal Rules for employees | Available for internal stakeholders |
| Policy on Prevention of sexual harassment of women at work place. | Available for internal stakeholders |
| Policy on Health, Safety & Environment | Available for internal stakeholders |
| Solar Policy for IndianOil locations | Available for internal stakeholders |
| Policy Guidelines on Energy Efficient lighting (LED lighting) | Available for internal stakeholders |
| Policy Guidelines on Rain Water Harvesting | Available for internal stakeholders |

2a. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|----|----|----|----|----|----|----|----|----|
| The Company has not understood the Principles | | | | | | | | | |
| The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| The Company does not have financial or manpower resources available for the task | | | | | | | | | |
| It is planned to be done within next 6 months | | | | | | | | | |
| It is planned to be done within the next 1 year | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company: Within 3 months, 3-6 months, Annually, More than 1 year:

Various principles of BR performance are integral to the day-to-day operations of the Company and the same are reviewed by the Board / Committees of the Board as and when required.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

IndianOil publishes Corporate Sustainability Report annually. The Sustainability Report for the FY 2015-16 can be accessed at the following link: https://www.iocl.com/download/IOC_Sustainability_Report_15-16.pdf

The Business Responsibility Report is being published as a part of the Annual Report since 2012-13. The BR Report for the FY 2015-16 can be accessed from Annual Report 2015-16 at the following link: <https://www.iocl.com/AboutUs/AnnualReports/AnnualReport201516.pdf> [page nos. 81-95].

SECTION E: PRINCIPLE WISE REPLY

Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability.

Good Corporate Governance practices ensure ethical and efficient conduct of the affairs of the Company and also help in maximizing value for all its stakeholders. IndianOil follows practices of Corporate Governance at all levels to ensure transparency, integrity and accountability in its functioning, which are vital to achieve its Vision of being the “Energy of India” and a “Globally Admired Company”.

A well-defined policy framework and strong structural set-up are keys to effective implementation of corporate governance initiatives. IndianOil’s policies have been formulated after detailed deliberations amongst the concerned stakeholders. The policies are reviewed from time to time to cater to the emerging and new business paradigms. The policies are regularly communicated to all relevant internal and external stakeholders.

IndianOil Management constantly endeavours to inculcate ethical behaviour at all levels in the organization in order to make it an essential part of the work culture. “Care, Innovation, Passion and Trust” are its “Core Values”, which are the guiding philosophies for all its transactions and activities. At the apex level, Audit Committee of the Board has been constituted, which is empowered to examine and deal with all issues relating to ethics in the Corporation.

Empowerment and Delegation of Authority are essential components of the principle of governance. When decision making powers are vested at the most appropriate levels in the organizational hierarchy, it leads to a sense of responsibility, creativity and innovation throughout the organization. IndianOil has a well structured and evolved system of “Delegation of Authority”(DoA) [which provides clarity regarding financial approval powers delegated at various levels for ease of decision making] and “Financial Concurrence”(FC) [which ensures accountability and financial control], which are hallmarks of a “mature and responsible” Organization.

In furtherance of the Corporate mission of “Vision with Values”, in July 2008, IndianOil adopted and implemented Integrity Pact (IP) Program, as recommended by Central Vigilance Commission (CVC), to enhance transparency, fairness and competitiveness in tendering process through the mechanism of the Independent External Monitors (IEMs).

IndianOil has taken up various measures to ensure transparency and accountability in its working at all levels, viz. e-tendering for procurement of goods and services (<https://iocletenders.gov.in/nicgep/app>), providing details relating to RTI (Right to Information) contact details of PIO, RTI Manual, etc. at IndianOil website (<https://iocl.com/Talktous/right-to-information.aspx>), citizen charter (<https://iocl.com/Talktous/CitizensCharter.aspx>) and online application to Vigilance Department (<https://iocl.com/VigilanceInquiry.aspx>)

Compliance to various Corporate Governance principles is informed to general public through various reports published in Company’s Annual Report viz. Corporate Governance Report, Secretarial Audit Report, Management’s Discussion Analysis (MDA), etc.

IndianOil has a structured grievance redressal mechanism in place to address all stakeholders’ grievances. For employees, the Company has CDA rules (Conduct, Discipline and Appeal) and Whistle Blower Policy. For external stakeholders, a well laid down grievance redressal system is in place with adequate provisions to escalate the matters up the hierarchy, up to the Board.

Principle 1: Questions

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others.

IndianOil’s Group Companies/ Joint Venture Companies are separate legal entities having their own policies and procedures. Therefore, these companies are not covered by IndianOil’s Policy on ethics, bribery and corruption.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The details of complaints received from various stakeholders during the financial year 2016-17 are as under:

| Stakeholder | No of complaints received | No of complaints resolved | % Resolved | Remarks |
|--|---------------------------|---------------------------|------------|---|
| Relating to Integrity Pact (IP) | 12 | 12 | 100% | All complaints received under IP were tabled before the full panel of Independent External Monitors (IEM) for joint deliberation and recommendation. Compliance to IEM recommendations were complied by the concerned Functional Groups / Departments and apprised to IEMs subsequently. |
| Relating to Customers / Consumers | 3,19,207 | 3,18,039 | 99.63% | Retail Sales: Out of 5,554 complaints, 5,449 complaints (98.1%) were resolved. LPG: Out of 3,13,532 feedback/complaints, 3,12,469 complaints (99.66%) were resolved. Lubes: All 6 complaints have been resolved. Petrochemicals: All 47 complaints have been resolved. Cryogenics: All 68 complaints have been resolved. |
| Relating to services, tenders and through Public Grievance Redressal | 7115 | 7216 | 100% | These grievances were received through the Ministry of Petroleum and Natural Gas portal. As on 01.04.2016, the no. of grievances pending were 209. The no. of grievances received during the year were 7115, taking the total to 7324, out of which 7216 grievances were resolved. As on 31.03.2017, 108 no. of grievances are pending. |
| Shareholder's Complaints | 1963 | 1963 | 100% | These are investor complaints forwarded by the Ministry of Corporate Affairs / Securities and Exchange Board of India / Stock Exchanges as well as those directly raised with the Company. All complaints have been resolved. |

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

IndianOil is committed to build a strong and sustainable business that believes in the well being of the community, where it operates and actively pursues the goals of improving the impact of its business on the environment, for moving towards a sustainable business environment. IndianOil recognizes its responsibility in ensuring energy security for the vast population of the country and works towards strengthening the three pillars of sustainability viz. economic, social and environmental pillars. All work practices, procedures and production methods are oriented towards complying with the highest standards of Health, Safety and Environment, as per the statutory norms.

IndianOil's key agenda for Environmental Sustainability stands on the pillars of minimizing its carbon, water and waste footprint. A separate department named 'Alternate Energy and Sustainable Development' implements action plans to address the macro level environmental issues viz. climate change, global warming, etc. IndianOil strives to grow stronger by investing in the fast emerging and 'cleaner' Natural Gas business by investing in infrastructure viz. LNG terminals, Natural Gas Pipelines, which can replace the relatively 'dirtier' liquid fossil fuels.

IndianOil's state-of-the-art R&D Centre, located in Faridabad (in the National Capital Region) has been doing pioneering research in the areas of Lubricant Technology and Refining Technology including catalyst development. While conducting its research in these areas, the centre is now focused on R&D in the areas of alternate energy resources viz. ethanol blended petrol, bio-diesel, fuel cells, H-CNG blends, Hydrogen and batteries. The centre is also focussed on cutting-edge research in the areas of Nanotechnology, Petrochemicals & Polymers, Gasification/Liquefaction and gas-to-liquid technologies. At present, IndianOil holds 554 active patents.

Owing to the nature of the industry, significant amount of waste material are generated from all activities including refining, manufacturing and marketing of crude oil/petroleum products. Through dedicated processes and practices, actions are continuously taken to reduce, reuse and recycle the waste generated and minimize the adverse impact of Company's activities on the environment. Various environmental friendly processes adopted are installation/adoption of Effluent Treatment Plants, Sewage Treatment Plants, Organic Waste Converters, bio-remediation of oily sludge, rainwater harvesting, developing and maintaining green belts, etc.

It is necessary for the customers and the end users to have access to information about the impact of products and services on the environment to make informed decisions. All IndianOil's products follow Bureau of Indian Standards guidelines for product information and labelling.

In order to reduce vehicle exhaust emissions, 5-10 % ethanol is being blended with petrol. The renewable 'Ethanol', which is a by-product of the sugar industry, is expected to result in net reduction in the emission of carbon dioxide (CO₂), carbon monoxide (CO) and hydrocarbons (HC) and reduce the financial burden on account of import of crude oil.

Principle 2: Questions
1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

At IndianOil, in every aspect of its processes and systems, continuous endeavour is made to achieve product excellence through continuous innovation. During the year, among others, the following major product designs were adopted to address environmental concerns:

- New lubricant container design (210 litre capacity)
- Conversion of 5 ply cartons to 3 ply cartons for lubricants
- HDPE (High Density Poly Ethylene) Container design

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)

(i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

New lubricant container design (210 litre capacity): The unique design of the barrel helped reduce quantity of steel by 1.3 kg/barrel.

Conversion of 5 ply cartons to 3 ply cartons for lubricants: The cartons used in lubricant packaging were redesigned from 5 ply to 3 ply, leading to saving of about 1100 tonnes of paper per year, which can save 26,000 trees from felling.

HDPE (High Density Poly Ethylene) Container design: The container was re-designed to reduce the requirement of HDPE, saving about 15 tonnes of HDPE material per year.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

(i) If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof in about 50 words or so.

Oil & Gas sector is particularly vulnerable to sectoral threats like depletion of resources and geo-political uncertainties. IndianOil has long term and short-term contracts in place for its crude oil procurement. A large part of the crude oil imports is planned through Long Term Contracts with the National Oil Companies (NOC) of countries having surplus exportable crude oil. For long term sustainability of supply chain & in order to reduce supply side risks, IndianOil has diversified its crude oil sourcing from multiple export centres, which has helped to optimize the crude basket.

As pipeline transportation is the most sustainable mode of transportation for hydrocarbons, IndianOil has been expanding the pipeline network continuously. During 2016-17, IndianOil increased its pipeline network by 1102 km and as on 31.03.2017, the total length of IndianOil pipelines stands at 12848 km.

In addition, IndianOil has taken several measures to increase efficiency in crude oil sourcing and vessel utilizations, which are given below:

- Processing of cheaper Heavy and High TAN crude oils at refineries has been increased.
- Three new varieties of crude oil have been processed for the first time at various IndianOil refineries during the year, which have also been added to the regular crude basket.
- During the year, IndianOil transported 69.263 million tonnes of crude oil through a combination of Time Charter & Voyage Charter vessels, considering the parcel size, prevailing market price, logistics involved including co-loading of different parcels, etc. for optimisation of freight cost.
- About 80% of imported crude oil was transported through Very Large Crude Carriers (VLCC).
- Optimal deployment of Time Charter vessels resulted in 98% of their utilization.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. As per the Public Procurement Policy of Govt. of India for Micro and Small Enterprises (MSE), purchase preference is given to MSEs and PSUs. All efforts are made to procure items specified for procurement from MSEs. The MSEs and National Small Industries Corporation (NSIC) are exempted from payment of tender fees / earnest money deposit. As against the target of procurement of 20% from MSEs, the actual procurement during the year was 38.65%.

Efforts are also being made to promote indigenisation of raw materials, which, at present, are imported at Company's Petrochemical plants. IndianOil also strives to maximize the services of local communities in carrying out operations across its value chain.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes. IndianOil puts continuous efforts to improve upon utilization of recycled material, minimize loss, improve operational efficiency and reduce material use intensity ensuring optimum use of raw material. Waste recycling is done through installation of Effluent Treatment Plants, Sewage Treatment Plants, Organic Waste Converters, Bio-gas generators and other sustainable practices viz. bio-remediation of oily sludge, rainwater harvesting, etc. 100% of waste paper at Refineries Headquarters is being disposed to the recyclers. 18 Organic waste converters/Bio-gas generators have been installed at various units/installations to recycle organic waste.

Polymer products are 100% recyclable.

At all marketing locations, Oil Water Separators have been provided to segregate oil and water. Oil is reclaimed and recycled and water samples are regularly monitored for concentration of pollutants.

In addition to efforts towards “recycling”, IndianOil has taken many steps to “reduce” the use of resources. In line with Hon’ble PM’s Digital India Mission, IndianOil has also leveraged Information Technology to reduce the consumption of paper. A few examples are cited below:

- A first-of-its-kind initiative in the petroleum sector, IndianOil launched “e-receipt” which is sent as a link through SMS to the customers after completion of a transaction. The facility has been activated at more than 1,000 IndianOil Retail Outlets (RO) across the country.
- E-Billing for Indian Air Force: Online Jetfuel Accounting System (OJAS) was implemented during the year, under which a portal has been developed to upload delivery challans with digital signatures of IndianOil along with Bill of Control (BOC) and digital signatures of IAF. Subsequently, invoices are electronically sent to the Controller of Defence Accounts (CDA).
- LPG e-Subscription Voucher (e-SV) in Digilocker (Digital Locker of Government of India) cloud storage for all Indane LPG customers was implemented during the year.
- An online system for ‘LPG Customer Acquisition’ and ‘New Connection Release’ under Pradhan Mantri Ujjawala Yojna (PMUY) along with State specific variants was implemented during the year. The system has an inbuilt feature, which enables settlement of accounts with the Distributors and the State Governments.
- Integrated Inspection Portal (IIP), a single portal for all inspections was rolled out for various internal departments viz. Quality Control, Health, Safety & Environment (HSE), Aviation, Lubes, Planning, Operations and LPG. This workflow-based paperless system encompasses the entire process chain starting from planning, inspection, review, compliance to reporting.

Principle 3: Businesses should promote the wellbeing of all employees.

The true strength of an organization is its manpower. It is the most important resource for the success of an organization. IndianOil actively promotes the well-being of its employees and their families.

IndianOil maintains townships at various locations throughout the country. Most of the townships located at its Refinery Locations are self-sufficient with all the basic amenities viz. outdoor and indoor medical facilities, schools, markets, clubs, recreation centres, etc. IndianOil provides adequate medical facilities to its employees and their dependent family members. It facilitates education of employees’ children by setting up schools in the townships. It also conducts annual games/ sports meets, cultural meets, etc. for its employees.

IndianOil conducts internal customer survey to generate ideas and seek suggestions for simplifying and enhancing HR services, including issues pertaining to employee welfare.

IndianOil provides equal opportunity as an employer, where no discrimination is made on the basis of gender, color, caste or creed. There are various forums, where women employees are encouraged to represent the organization. To promote gender sensitivity and to improve transactional relationship, workshops and training programs are conducted regularly through domain specialists across its establishments.

IndianOil extends various types of special leaves to its women employees viz. maternity leave, husband joining leave, child care leave, child adoption leave, etc. An online portal by the name “Maitri” has been developed for the women employees of the Refineries Division, who can take part in various discussions, as well as raise concerns. All the women employees of IndianOil are part of the women centric forum WIPS (Women in Public Sector). Various training programs are organized on topics ranging from self-defence, awareness on sexual and work-place harassment to stress management and organizational behaviour from time to time.

IndianOil has launched a Project “Saksham” (meaning “Competent”), a structured Leadership Competency Development Programme as part of the Organization’s focus on ‘Investing in Our People’. This unique learning & development initiative aims at providing our leaders with the best of the inputs required to effectively play their leadership roles. Project “Saksham” is a significant strategic shift from the standardized training model to a need based learning & development model, which nurtures the competencies of the future leaders.

**Principle 3: Questions****1. Please indicate the Total number of employees.**

The total number of employees as on 31.03.2017 was 33,135.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

As on 31.03.2017,

- 100 persons were engaged as Consultants, Liaison officers, Doctors on contract, etc.
- 37 persons were working as casual labourers/temporary workers.
- Contract workers are engaged by the contractors within the provisions of Contract Labour (Regulation & Abolition) Act, 1970. The number of contract labour working in different locations/units of IndianOil under various contractors was 56379. IndianOil, as a principal employer, ensures that all statutory requirements are duly complied with.

3. Please indicate the Number of permanent women employees.

The total number of permanent women employees as on 31.03.2017 was 2735.

4. Please indicate the Number of permanent employees with disabilities.

The total number of permanent employees with disabilities as on 31.03.2017 was 586.

5. Do you have an employee association that is recognized by management?

Yes. IndianOil has 24 recognised unions representing non-executive employees of the organisation and one officers' association representing the executives.

6. What percentage of your permanent employees is members of this recognized employee association?

90% of the employees (both non-executives and executives) are members of the recognised unions or officers' association.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

| Sr. No. | Category | No. of complaints received during 2016-17 | No. of complaints pending as on end of the financial year |
|---------|--|---|---|
| 1 | Child labour/forced labour/ involuntary labour | Nil | Nil |
| 2 | Sexual harassment | 7 | 6 |
| 3 | Discriminatory employment | Nil | Nil |

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

| Sr. No. | Category of Employees | % of employees given safety & skill up-gradation training during 2016-17 |
|---------|--|--|
| 1 | Permanent Male employees | 42.31 % |
| 2 | Permanent Women Employees | 45.48 % |
| 3 | Permanent Employees with Disability | 19.45 % |
| 4 | Casual/Temporary/Contractual Employees/Contract labour | 100 % |

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

IndianOil values its stakeholders and engages with them regularly in order to maintain a symbiotic relationship. IndianOil's pan-India presence and nature of business, which touches lives of one and all, enables it to remain engaged with a wide array of stakeholders on a daily basis. The identified stakeholders (in no order of preference) are Community, NGOs, Employees, Shareholders, Contractors, Media, Business Partners, Vendors, Customers, Government, Regulatory Bodies, Industry Bodies, Trade Associations, Academia, Financial Institutions, Advocacy/Advisory Groups, etc.

Various forums, through which IndianOil engages with its stakeholders, are Annual General Meetings, Investors' Meet, Seminars, Dealers' Meet, Transporters' Meet, Public Hearings, Consumer Meets, Customer Care Programs, Grievance Redressal Forums, etc. The key aim is to understand the stakeholders' opinions and to build trust and develop long term relationships through structured collaborations and communications across formal/ informal channels.

IndianOil has processes in place to ensure inclusion of stakeholders' concerns and expectations in its business actions. Key issues are identified through regular stakeholder engagements and are addressed by programmes or action plans. Feedback assessment mechanisms have been developed with all its stakeholder groups.

At the apex level, Stakeholders' Relationship Committee of the Board has been constituted, which examines and redresses grievances of the shareholders and the investors. The Company has also constituted a Corporate Social Responsibility and Sustainable Development Committee of the Board, which guides and monitors initiatives under Sustainability and CSR Policy.

For engagement of the disadvantaged, vulnerable and marginalized external stakeholders, various initiatives viz. allotment of dealership/distributorship, petty contracts, CSR initiatives, etc. are regularly undertaken.

The mode of engagement with the stakeholders is as under:

| Stakeholder Group | Engagement Mechanism | Key Agenda |
|--------------------------------|---|---|
| Government/ Regulatory Bodies | Industry Forums, Structured Meetings, etc. | Policy implementation review, Apprising the Government on organization plans and progress, Communicating industry's challenges and issues, etc. |
| Media | Annual Press Conference, Press Briefings, Website, Events, etc. | Sharing information to stakeholders |
| Industry/ Trade Associations | Meetings, Seminars, Workshops, etc. | Policy advocacy, Interfacing for formulating and implementing Policies, etc. |
| Shareholders | Annual General Meetings, Regular communication through Website, reports, etc. | Financial Performance, Future Strategies, Shareholders Concerns, etc. |
| Business partners/ contractors | Dealer/ Distributor/ Kisan Seva Kendra Conventions, Transporters' Meet, Meetings with Contractors/ Vendors, Seminars/ Workshops, etc. | Supply & Distribution, Quality and Quantity, Customer Satisfaction, etc. |
| Community | Meetings, Public hearings, need assessment studies, etc. | Corporate Social Responsibility initiatives, societal priorities, etc. |
| Financial Institutions | Investors' meet | Financial Performance, Future strategies, Shareholders' Concern, etc. |
| Employees | Meetings, Workshops, Internal Surveys, etc. | Communicating Policies & Performance, Resolving issues/Concerns, etc. |
| Customers | Customer Surveys, Customer Meetings, Training programs, Customer Education Programmes/ Meets/ Grievance redressal forums, etc. | Feedback on products and services, Suggestions and Complaints Redressal, etc. |

Principle 4: Questions

1. Has the Company mapped its internal and external stakeholders? Yes/No.

Yes, the Company has mapped its internal and external stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes. The Company has identified its disadvantaged, vulnerable and marginalized stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes, special initiatives are taken up under Corporate Social Responsibility for upliftment of the disadvantaged, vulnerable and marginalised sections of the society. The details of such activities are available at the Company's website. IndianOil also provides dealerships to this section of the society as per Government of India guidelines. IndianOil scrupulously follows the Presidential Directives and guidelines issued by Government of India regarding reservation in services for SC/ ST/ OBC/PWD (Persons with Disabilities)/ Ex-servicemen, etc. to promote inclusive growth.

Principle 5: Businesses should respect and promote human rights

IndianOil's policies are in line with the principles of Human Rights, the Constitution of India, and various applicable laws. IndianOil also adheres to the principles of the United Nations Global Compact (UNGC) and also reports initiatives, which have been undertaken for systematic implementation of these principles and guidelines. In pursuance to its commitment to meet the societal needs and safeguard human rights, IndianOil has Zero Tolerance towards any kind of discrimination for employment, growth, remuneration or development on the grounds of caste, colour, gender, religion or region, across all its establishments.

Human Rights provisions are also built into its bid documents for civil works, supplies, services, etc. covering our suppliers and contractors. As per the terms and conditions laid down in the General Conditions of Contract (GCC), which is a part of the standard bid document, all its vendors and suppliers have to comply with the human rights aspects including separate toilets, washing places for men and women, compulsory canteen facilities and medical services for all employees, etc. Regular monitoring and review is carried out at all locations to ensure protection of human rights.

IndianOil ensures compliance with various labour protection legislations viz. Payment of Wages Act 1936, Minimum Wages Act 1948, Equal Remuneration Act 1976, Industrial Dispute Act 1947, Employees State Insurance Act 1948, Employees Provident Fund and Miscellaneous Act 1952, Contract Labour (Regulation and Abolition) Act, 1970, Child Labour (Prohibition and Regulation) Act 1986, Employees Compensation Act, etc.

As a responsible principal employer, IndianOil ensures that contract labour is treated fairly as per law and for any complaint or dispute, the contractor is advised to settle the issue in accordance with the law. Regular revision of minimum wages payable to employees/ contractors is ensured. Safety training is provided to contract labour force before commencement of any work. Declaration has to be given by the vendors/ contractors that no child labour is deployed by them.

Various in-house policies viz. CDA rules (Conduct, Discipline and Appeal), medical rules, leave rules, House Building Allowance, conveyance advance, education loans, etc. also conform to the values enshrined in the domains of Human Rights.

IndianOil stands tall against all forms of forced or compulsory labour. No instances of forced, compulsory or bonded labour were reported during the last financial year. No child labour is employed at any of its establishments and a minimum age limit of 18 years for permanent and contract labour is enforced.

Principle 5: Questions

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/Others?

IndianOil's Group Companies/ Joint Venture Companies are separate legal entities having their own policies and procedures. Hence, none of these companies are covered by IndianOil's Policy on human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Please refer to the response to Question no 2 under Principle 1.

Principle 6: Business should respect, protect, and make efforts to restore the environment

"Protection of environment" and "conservation and ecological balance" are integral to IndianOil's businesses. Its mandate to fuel the growth of the Nation is aptly reflected in its corporate Vision, i.e. to be "The Energy of India" and to become "A Globally Admired Company". IndianOil recognises the fact that its actions impact the natural resources and the society in which it operates. IndianOil also recognises that it has a responsibility towards the environment & the society and has a role in addressing the climate change issues and related sustainability challenges.

At the apex level, CSR & Sustainable Development Committee of the Board has been constituted, which guides and monitors the CSR & Sustainable Development initiatives. A separate department named 'Alternate Energy and Sustainable Development' implements action plans to address various environmental issues viz. climate change, global warming, etc. Key missions and glimpses of IndianOil's environmental initiatives are given below:

- In a major effort to adopt sustainable practices, carbon and water footprinting exercises are being carried out at all installations across IndianOil.
- With an objective to bring rural households within the ambit of LPG, IndianOil has been taking various steps. 'Smokeless Village' is one such idea, which was conceptualized as a model to improve the reach of LPG to the remotest part of the country, which can significantly reduce lungs related health hazards resulting from indoor air pollution caused by use of traditional fuels/ firewood.
- IndianOil continually strives to mitigate the environmental impact of its business activities by investing in state-of-the-art technologies, effluent & solid waste management practices, environment monitoring and reporting, bio-diversity conservation efforts and up-gradation and sustenance of environment management systems, etc.
- Composting of canteen and horticulture waste is done through organic waste converters / Bio-methanation plants at eighteen installations to generate bio-gas and manure. Bio-gas is used for cooking purpose.

- All the major units are accredited to international standards viz. ISO-14001 for environmental management systems.
- All vendors/contractors of IndianOil have to ensure compliance to all environmental related rules and regulations while undertaking the jobs.
- Awareness campaigns along the Right of Way (RoW) of pipelines and in the surrounding areas of Refinery Units are carried out regularly to sensitize general public regarding the environmental impacts of oil/ gas leakage or fire incidents.
- As part of climate change mitigation strategy, IndianOil has adopted e tendering, e-procurement, e-payments, online data transfer practices to reduce paper use. Many more initiatives viz. creation of green belts, tree plantation across installations, development of ecological parks at refinery locations, making flagship events carbon neutral by planting adequate no. of trees, installation of rain water harvesting systems at units/installations, construction of green buildings, installation of energy/natural resource saving devices viz. automatic water sensor taps, automatic sensor lights, LED lights at major installations, etc. have been undertaken during the year.
- To reduce fuel consumption in operations and processes, many ENCON (Energy Conservation) measures have been undertaken viz. large-scale automation of operations including reduction in fugitive emissions, vapour recovery units, increasing pipelines network to transport fuels and crude oil, etc. These initiatives have led to continual improvement of Corporation's specific energy consumption, which has improved from 76.6 to 74.9.
- IndianOil has forayed into renewable energy resources viz. on and off grid solar and wind energy, nuclear energy, Bio-fuels, less polluting energy resources viz. BS-IV and BS-VI fuels, LNG and city gas distribution, etc. Solar power plants have been installed on rooftops at various locations/ units. As on 31.03.2017, the total renewable installed capacity of IndianOil was 187 MW. Replacements of diesel generators at Retail Outlets with small solar power plants are also being undertaken. As on 31.03.2017, 6169 no. of ROs have been solarized. Sale of rechargeable solar lanterns through fuel/LPG outlets is being carried out. So far, 4,03,035 no. of solar lanterns have been sold. A report on energy conservation and technology absorption is being published as a part of the Annual Report.
- 20 new-generation environment-friendly Mobile Laboratories (BS-IV & CNG) were commissioned across India. These labs are deployed for on-site inspection of industry Retail Outlets by testing Petrol and Diesel samples and taking 'on the spot' action.
- As a permanent committee member for finalisation of BIS Specifications and Test Methods for petroleum fuels, Quality Control department was actively associated in the formulation of new product specifications for BS-VI Petrol and Diesel, 20% Ethanol Blended Petrol and JET A-1.
- Emission savings were achieved by receiving reformat in Cochin Refinery coastally from Paradip and producing Petrol for meeting Bengaluru demand through Chennai-Bengaluru Pipeline instead of rail input.
- Double Block & Bleed Valve (DBBV) were used in place of Hammer Blind Valve (HBV), leading to zero leakage of products during valve operations, thereby curtailing the wastage of product.
- Variable Frequency Drive motors were used for pumps, leading to saving of electrical power.
- No Effluent is generated at IndianOil's LPG bottling plants. However, Sewage Treatment Plants (STP) and Effluent Treatment Plants (ETP) are being installed at new plants to ensure zero liquid discharge and complete recycling of water, wherever statutory testing and painting of cylinders are carried out in-house in the plants.

As on 31.03.2017, no show cause / legal notice from Central Pollution Control Board (CPCB) is pending. There were no fines (monetary or non-monetary) and no non-monetary sanctions towards non-compliance with environmental laws and regulations. No grievances were received regarding adverse environmental and societal impacts caused by IndianOil's operations.

Principle 6: Questions

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The policy on Health, Safety and Environment covers the Company only.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes. As a responsible corporate, IndianOil is committed to address the climate change impacts through various mitigation and adaptation measures (vide our response to Principle 6). IndianOil is focussing on harnessing alternate energy viz. wind energy, solar and bio-energy. Further, regular accounting for GHG emissions and water consumption from operations across the locations/installations is being done. GHG emission intensity and energy intensity is being reported every year and accounting for the same has helped IndianOil to identify and implement various energy conservation initiatives, to further reduce overall GHG intensity. IndianOil publishes Sustainability Report every year, highlighting triple bottom-line performance of the Company, which can be accessed at <http://www.iocl.com/Aboutus/sustainability.aspx>

Together with Oil & Gas PSUs, IndianOil has undertaken a study on “Climate Change Risks: Preparedness for Oil and Gas Sector” through TERI. The study will provide a comprehensive analysis of threats from climate change to all our locations and shall provide a way forward to tackle the challenges.

3. Does the Company identify and assess potential environmental risks? Y/N.

Yes.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, Whether any environmental compliance report is filed?

IndianOil has six registered CDM projects. However, due to prevailing low CER price, the registration of all 6 CDM projects with UNFCCC has been temporarily discontinued.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. IndianOil has forayed into alternate/ cleaner energy sources viz. wind, solar, bio fuels, nuclear, etc.

During the year, IndianOil commissioned 98.3 MW of grid connected wind power projects taking the cumulative installed capacity to 168 MW. The power generation from the wind power projects during the year was 158 million units, which correspond to emission reduction of 131 TMT CO₂e.

IndianOil’s total installed capacity of solar PV power stands at 20MW, which includes on-grid as well off-grid projects. The total power generations from solar PV systems was 21 million units which corresponds to emission reduction of 17 TMT CO₂e.

For greening our supply chain by replacing DG sets with solar power systems, a major drive of retail outlet solarization has been undertaken by our business partners. As on 31.03.2017, a total of 6169 retail outlets have been solarised.

“Guidelines on Energy Efficient Lighting (LED Lighting)” is already under implementation to replace conventional lighting by LED lighting across all refineries, office buildings, townships, installations & fuel stations.

To serve as a carbon sink, green belts have been developed at various installations. More than 1,30,000 saplings were planted during the year in and around major installations. In order to harvest rainwater, IndianOil has so far installed 558 rainwater harvesting systems at its major units/ installations, with a cumulative annual rain water harvesting potential of about 3 billion litres, covering a combined catchment area of more then 1000 hectares.

IndianOil has taken up a municipal solid waste-to-fuel project in Varanasi, wherein 10 decentralized plants of 5 tonnes per day capacity are being installed. The first plant was commissioned in December 2016 and power generated is being used to illuminate street lights of the neighbouring areas.

The details of the Corporation’s Sustainability initiatives can be accessed at the following links:

- <http://www.iocl.com/Aboutus/sustainability.aspx>
- [https://www.iocl.com/AboutUs/environment\(GFA\).aspx](https://www.iocl.com/AboutUs/environment(GFA).aspx)
- <https://www.iocl.com/AboutUs/Environment.aspx>

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. The emissions/ waste generated during the course of operations of the refineries are within the permissible limits prescribed by CPCB/ SPCBs. Pipeline transportation is done in closed circuit operation and very small quantities emissions/ waste generated during the course of operations are within the permissible limits prescribed by CPCB/ SPCBs.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There are no show cause/ legal notices from CPCB/SPCB, which are pending as on 31.03.2017.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 7: Questions

1. Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:

Yes, the details are given below:

| Association | National/ International |
|--|-------------------------|
| Advertising Standards Council of India (ASCI) | National |
| All India Industrial Gas Manufacturers Association (AGMA) | National |
| All India Management Association (AIMA) | National |
| Association of Business Communicators of India | National |
| Associated Chambers of Commerce and Industry of India (ASSOCHAM) | National |
| Confederation of Indian Industry (CII) | National |
| Council of Indian Employers (CIE) | National |
| Federation of Indian Chambers of Commerce and Industry (FICCI) | National |
| Indian Society of Advertisers (ISA) | National |
| Indian Auto LPG Coalition (IAC) | National |
| Indian Institution of Industrial Engineering | National |
| India International collaborations (U21 Global Universitas, Singapore, IFP France, etc.) | International |
| Indian Dairy Association (IDA) | National |
| Indian LP Gas Industry Association (ILPGIA) | National |
| International Advertising Association (IAA) | National |
| International Air Transport Association (IATA) | International |
| National HRD Network (NHRD) | National |
| Petroleum Federation of India (PetroFed) | National |
| Standing Conference of Public Enterprises (SCOPE) | National |
| TERI-Business Council for Sustainable Development | National |
| Transparency International India (TII) | International |
| United Nations Global Compact (UNGC) | International |
| World LP Gas Association, Paris | International |

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

In association with various national and international professional bodies, IndianOil actively participates and firms up opinions on Industry related issues, which have significant impact on public policies. References of different Ministries of the Government are attended to with in-depth analysis. IndianOil, a founder member and now permanent member of UNGC, extends support in implementing the guiding principles in United Nation's agenda on Human Rights, labour standards, environment, anticorruption, etc. IndianOil also actively participates with various Committees of Government of India and other organizations for advancement or improvement of public good by contributing to Economic Reforms, Sustainable Business Principles, Energy Security, Inclusive Development Policies, etc.

Principle 8: Businesses should support inclusive growth and equitable development

Social responsibility has been an intrinsic part of IndianOil's core values since its inception. Enshrined in IndianOil's vision is the commitment towards the society "... to help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience..."

IndianOil's Corporate Social Responsibility (CSR) is guided by its corporate vision of caring for the environment and for the community. IndianOil believes that CSR is the continuing commitment of any business entity to behave ethically and contribute to the economic development while improving the quality of life of the local community and society at large.

IndianOil strives for 'sustainability' in all its activities, which is the key for achieving triple bottom line growth, i.e. economic growth, social equity,



and efficient management of resources and environment. IndianOil's Sustainability & CSR vision is to operate its activities in providing energy solutions to its customers in a manner that is efficient, safe & ethical, which minimizes negative impact on environment and enhances quality of life of the community towards sustaining a holistic business.

CSR initiatives are undertaken for communities, mostly in the vicinity where IndianOil operates, in key thrust areas viz. drinking water, healthcare, sanitation, education, environment protection, empowerment of women and other marginalized groups etc., with focus on welfare of the economically and socially deprived sections of the society.

A Corporate Social Responsibility and Sustainable Development Committee of the Board has been constituted which guides and monitors initiatives under Sustainability and CSR Policy. A report on Corporate Social Responsibility is published as a part of Annual Report.

In line with the National Skill Development Mission of the Government of India, IndianOil is leading the initiative and has set up a Skill Development Institute at Bhubaneswar, with support from other PSUs under MoP&NG, for providing skill development courses aligned to the National Skills Qualification Framework (NSQF). The institute focuses on the skills pertaining to downstream petroleum sector and petrochemicals, in addition to other skills for meeting the requirement of the industry. In addition to specialised technical training, followed by stringent assessment and certification process, training on soft skills and language proficiency is also provided to make the candidates job-fit for the Industry.

The details of CSR initiatives taken up by IndianOil has been incorporated as a separate section, forming a part of the Annual Report. Details can also be accessed at <https://iocl.com/AboutUs/corporatesocialresponsibility.aspx>

Principle 8: Questions

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company has specified programs in pursuit of its Sustainability & CSR policy. The details of the CSR initiatives undertaken are provided in Annexure II of the Directors' Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The programs are taken up through in-house teams, foundations, NGOs, third party vendors, Government agencies, etc.

3. Have you done any impact assessment of your initiative?

Yes. Impact Assessment is carried out for large value activities, with expenditure above ₹ 50 lakh. As per the policy, this assessment is done after completion of at least one year from the date of commissioning of the activity or stabilization of the activity.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The total expenditure towards CSR initiatives of the Company for the year 2016-17 was ₹ 213.99 crore. During FY 2016-17, an additional expenditure of CSR nature, which satisfy schedule VII of the Companies Act 2013, amounting to ₹19.70 crore was incurred under revenue budget for undertaking developmental activities as per the mandate of Hon'ble High Court of Odisha, over and above the CSR expenditure of ₹ 213.99 crore. This was not budgeted under CSR budget of 2016-17. The details of the initiatives undertaken are provided in Annexure II of the Directors' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. Successful adoption of CSR projects by community is mostly ensured by IndianOil's project implementing agencies. The projects are designed and taken up only after consultation with the relevant stakeholders and on the basis of need assessment. Also, during and after implementation, consultations are made with relevant stakeholders for understanding their concerns. Information dissemination and awareness campaigns are conducted for participation of the community in the use of the facilities provided. The success of IndianOil's CSR projects can be gauged from the fact that the company has been operating peacefully in the hinterland of the country since more than 50 years and serving the society with their key energy requirements, thereby demonstrating its acceptability in the society.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Nurturing relationships with its customers is a part of IndianOil's vision and mission. The focus towards customers and end users of its products is evident from the fact that IndianOil accounts for nearly half of India's petroleum products market share. Feedback from customers is taken regularly through various means including customer satisfaction surveys, customers' meet, face-to-face interactions, etc.

IndianOil has a comprehensive system to address its customers' grievances. In case of retail sales and LPG, erring dealers/distributors can be penalized for dereliction of duties as per the well laid down Marketing Discipline Guidelines (MDG).

IndianOil has in place an “e-Customer Feedback System (e-CFS)” to seek customers’ feedback on its products and services including its service providers/contractors etc. Complaints received through its website, toll free helpline number, transparency portal, MoPNG, etc. are tracked till their final resolution. The electronic system provides tracking mechanism to the customers through their registered docket numbers. The replies are hosted on the website also.

Furthermore, public grievances pertaining to Retail Sales/ Retail Outlets registered on the Govt. of India Public Grievance portal are also attended to by the Corporation. Nodal Officers have been assigned in the system, to whom the complaints are directed and replies are sent to the complainant.

IndianOil doesn’t indulge in restrictive trade practices. Products that could be harmful and resource consuming are not promoted. In fact, IndianOil has developed a number of environment friendly, bio-degradable and energy-conserving products, which are promoted for extensive use to conserve precious resources. IndianOil shares complete and factual information about its products by disseminating the information through Product Booklets, Product Data Sheets, Material Safety Data Sheets, etc.

IndianOil conducts Conventions, Seminars, Workshops, Clinics, Trade shows, Spot campaigns, etc. to educate its customers about its products, usages, applications and safe handling & disposal practices. All customer grievances, complaints, queries are handled as per laid down procedures and due priority is accorded to attend the same.

Principle 9: Questions

1. What percentage of customer complaints/ consumer cases is pending as on the end of financial year.

| Sr. No. | Business Group | No. of complaints received | No. of complaints resolved | No. of pending complaints | % pending complaints |
|---------|----------------|----------------------------|----------------------------|---------------------------|----------------------|
| 1 | Petrochemicals | 47 | 47 | Nil | Nil |
| 2 | LPG | 313532 | 312469 | 1063 | 0.34% |
| 3 | Retail Sales | 5554 | 5449 | 105 | 1.89% |
| 4 | Lubes | 6 | 6 | Nil | Nil |
| 5 | Cryogenics | 68 | 68 | Nil | Nil |

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).

Yes. All commercial products of IndianOil follow Bureau of Indian Standards (BIS) guidelines for product information and labelling, details of which are given below:

LPG: Cylinders, Pressure Regulators & Valves conform to BIS Standards, which are displayed on the equipment. The Distributors are also under instruction to sell Rubber Tube/LPG Hose and Hot Plates conforming to BIS Standards.

Lubes: All packed lubricants display safety and disposal instructions. Additional information viz. Application, Benefits, Performance standards, etc. are also printed on the product label.

Bitumen: It is mostly sold in Bulk and only about 10% of the product is sold in packed form (in Barrels). It is ensured that product specifications are made available to the customers and highest Quality Control & Safety procedures are followed for marketing these products.

Aviation Fuel: It is sold only in bulk and product specification test reports of all the batches are provided.

Petrochemicals: Polymer products are 100% recyclable and accordingly, a “recyclable” symbol is printed on package of products as per ASTM (American Society for Testing & Material) International Resin Identifications Coding Systems. Information regarding product type, product name with grade and lot no., net weight, etc. are mentioned on the bags. Also, the symbol “recyclability number” (e.g., for PP, the symbol ♻ is used) and “use no hooks” are printed on the bags.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There are four cases pending before the Hon’ble Delhi High court and Supreme Court pertaining to anti-competitive behavior. Briefs of the said cases are as under:

Reliance Industries Limited filed a complaint against 3 Oil Marketing Companies (OMCs) & National Aviation Company India Limited (NACIL) before the Competition Commission of India (CCI), wherein allegations were made about cartelization etc. of tender floated by NACIL for supply of ATF for 2010-11. OMCs had raised preliminary objection relating to the jurisdiction CCI. By Order dated 30.09.2010, CCI held that



the preliminary objection was legally not tenable and accordingly dismissed the Case. Against this Order, appeal was filed in Delhi High Court. The High Court has passed interim orders in favour of the OMCs, permitting them to operate till the next date of hearing.

North-East Dealers Association had filed a complaint before CCI, alleging that OMCs are using unfair terms and conditions in the Dealership Agreement and misusing their dominant position. CCI, vide order dated 11.02.14, dismissed the said application for want of merit and substance. Against the said order, North-East Dealers Association filed an appeal before COMPAT. COMPAT, vide order dated 26.11.15, set aside the order of CCI, against which CCI has filed SLP before the Hon'ble Supreme Court. The Hon'ble Supreme Court admitted the appeal and passed stay orders on operation of judgment dated 26.11.2015 of COMPAT. The matter is pending before the Supreme Court.

OMCs received notice dated 22.04.2013 from Director General of CCI requesting information on various modalities of Petrol pricing as CCI had suo-moto started investigation into the prices of Petrol and asked why OMCs increased and decreased prices simultaneously and by similar amounts. OMCs defended by submitting that Petroleum and Natural Gas Regulatory Board had jurisdiction and not CCI, which was rejected by CCI vide order dated 23.10.2013. IndianOil has filed a writ petition before Delhi High Court against CCI's order dated 23.10.13. The matter is pending in the Delhi High Court.

In another case, a party has alleged non-competitive price due to cartelization by Sugar Manufacturers and joint tendering by OMCs for supply of ethanol. The party had appealed before Competition Appellate Tribunal (COMPAT) against CCI's interim order and also filed application for interim relief of stay of the tender process. The COMPAT dismissed both Appeal and Application for stay. The party thereafter filed Civil Appeal before the Supreme Court against COMPAT's order. The matter is pending in the Supreme Court.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

Yes.

IndianOil carried out a market research on Customer Satisfaction with respect to the visual appeal and service standards at the Retail Outlets covering a sample size of approximately 60,000 customers. A market research has been done to assess customer satisfaction at 40 Retail Outlets upgraded under the retail transformation project.

For major bulk customers, IndianOil has a "Key Account Manager" concept, under which the Customer Satisfaction Index (CSI) is periodically obtained from the customers. Aviation Group takes Customer feedback on a regular basis.

IndianOil has been administering the Online Reputation Management (ORM) on the web, which seeks to track the customers' sentiments (negative/positive/neutral) with respect to IndianOil's products and services. The ongoing periodic reporting system and the ORM dashboard capture all conversations on the web including the tweets (excluding Facebook accounts) on IndianOil by all its stakeholders, including customers.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Indian Oil Corporation Ltd. (hereinafter referred to as "IndianOil") believes that good Corporate Governance practices not only ensure ethical and efficient conduct of the affairs of the Company in a transparent manner but also help in maximizing value for all its stakeholders like shareholders, customers, employees, contractors, vendors and the society at large. Good Corporate Governance practices help in building an environment of trust and confidence among all the constituents. The Company endeavours to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning which are vital to achieve its vision of being *The Energy of India* and a Globally Admired Company.

The governance framework in IndianOil follows the high standards of ethical and responsible conduct of business to create value for all stakeholders. The cornerstone of IndianOil's Governance Philosophy is based on its core values of Care, Innovation, Passion and Trust. For effective implementation of Corporate Governance practices, IndianOil has a well-defined policy framework inter-alia consisting of the following:

- Code of Conduct for Directors and Senior Management Personnel and their obligations
- Code of Conduct for prevention of Insider Trading
- Enterprise Risk Management Policy
- Integrity Pact to enhance transparency in business
- Whistle Blower Policy
- Conduct, Discipline and Appeal Rules for employees
- Corporate Social Responsibility & Sustainable Development Policy
- Human Resources Initiatives
- Policy on Related Party Transactions
- Policy for determining Material Subsidiaries
- Policy for determination of Material / Price Sensitive Information and Disclosure Obligations
- Policy for Preservation of Documents
- Dividend Distribution Policy

2. BOARD OF DIRECTORS

(a) Composition of Board of Directors

The Board of IndianOil comprises of combination of Executive (Whole-Time) and Non-Executive Directors (which include Independent Directors and Government Nominee Directors). Independent Directors are eminent persons with proven record in diverse areas like business, law, finance, economics, administration, etc.

The tenure of the Directors appointed on the Board is as under:

- Whole-Time Directors are appointed for a period of 5 years or their date of superannuation, whichever is earlier;
- Independent Directors are appointed for a period of 3 years;
- Government Nominee Directors are appointed on ex-officio basis during their tenure in Ministry of Petroleum & Natural Gas (MoP&NG).

The terms and conditions of appointment of Independent Directors are hosted on the website of the Company www.iocl.com.

As on 31.03.2017, the Board of IndianOil comprised of 13 Directors which included 8 Executive Directors (Whole-Time Directors including Chairman) and 5 Non-Executive Directors, out of which 3 were Independent Directors and 2 were Government Nominee Directors. IndianOil has not been able to comply with the requirement of 50% Independent Directors and atleast one Woman Director on its Board as being a Government Company under the administrative control of the MoP&NG, the power to appoint Directors (including Independent Directors) vests with the Government of India. The Company is pursuing with the Government of India to induct requisite number of Independent Directors and atleast one Woman Director as required under the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE).

The composition of the Board of Directors as on 31.03.2017 is given below:

| Sl. No. | Name | Category | Designation | Date of appointment | Tenure |
|---------|----------------------------|------------------------|--|---------------------|--------|
| 1. | Shri B. Ashok | Whole-time Director | Chairman | 16-07-14 | 2.71 |
| 2. | Shri Sanjiv Singh | Whole-time Director | Director (Refineries) | 01-07-14 | 2.75 |
| 3. | Shri Arun Kumar Sharma | Whole-time Director | Director (Finance) | 27-10-14 | 2.43 |
| 4. | Shri Verghese Cherian | Whole-time Director | Director (Human Resources) | 06-01-15 | 2.23 |
| 5. | Shri Anish Aggarwal | Whole-time Director | Director (Pipelines) | 01-02-15 | 2.16 |
| 6. | Shri Balwinder Singh Canth | Whole-time Director | Director (Marketing) | 08-10-15 | 1.48 |
| 7. | Shri G. K. Satish | Whole-time Director | Director (Planning & Business Development) | 01-09-16 | 0.58 |
| 8. | Dr. S. S. V. Ramakumar | Whole-time Director | Director (Research & Development) | 01-02-17 | 0.16 |
| 9. | Shri Ajay P. Sawhney | Non-Executive Director | Government Nominee Director | 22-07-15 | 1.69 |
| 10. | Shri Ashutosh Jindal | Non-Executive Director | Government Nominee Director | 12-02-16 | 1.13 |
| 11. | Shri Subroto Bagchi | Non-Executive Director | Independent Director | 02-12-15 | 1.33 |
| 12. | Shri Sanjay Kapoor | Non-Executive Director | Independent Director | 02-12-15 | 1.33 |
| 13. | Shri Parindu K. Bhagat | Non-Executive Director | Independent Director | 02-12-15 | 1.33 |

(b) Board Meetings

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

During the financial year 2016-17, 11 Board Meetings were held. The dates of the Board Meetings are fixed well in advance and intimated to the Board members so as to enable the Directors to plan their schedule accordingly. The 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. During the year, the Company implemented a digital online Board Portal for uploading of agenda items which can be accessed by the Directors electronically in a secured manner to help conduct paperless board meetings. The agenda items are comprehensive and informative in nature to facilitate deliberations and appropriate decision at the Board Meeting.

Presentations are made to the Board on various functional and operational areas of the Company like Refineries, Pipelines, Marketing, Petrochemicals, Gas and other Business Development activities as well as on major projects, financial highlights etc. The agenda placed before the Board inter-alia includes the following:

- Annual operating plans and Capital and Revenue budgets.
- Quarterly and Annual Financial results of the Company.
- Dividend declaration.
- Constitution of Board committees with terms of reference.
- Minutes of meetings of Audit Committee and other Committees of the Board, as also resolutions passed by circulation.
- Investment in any Joint Venture/Subsidiary.
- New projects and expansion plans.
- Status of various projects.
- Risk management and minimization process.
- HR related issues.
- Safety / Security related matters

- General notices / matters of interest of Directors.
- Periodic reports to the Board on :
 - Treasury Operations
 - Capital expenditure status
 - Risk Management
 - Secretarial reports
 - Compliance of laws
 - Disciplinary cases
 - Action Taken Report (ATR) on decisions of the Board
 - Significant developments in between two Board Meetings.
 - Monthly report on share transfer
 - Quarterly compliance report on Corporate Governance
 - Quarterly report on Share Capital Audit
 - Quarterly report on status of Investor Grievance

The Board Minutes are prepared promptly after the Board Meeting and thereafter approval of the Directors and the Chairman is obtained. The approved minutes are then circulated to the concerned department / group for implementation. Action Taken Report on the decision of the Board is obtained and submitted to the Board periodically.

Details of the Board Meetings held during the year 2016-17 are as under:

| SL. No. | DATE | BOARD STRENGTH | NO. OF DIRECTORS PRESENT |
|---------|-----------|----------------|--------------------------|
| 1. | 26-Apr-16 | 12 | 11 |
| 2. | 27-May-16 | 12 | 12 |
| 3. | 28-Jun-16 | 12 | 12 |
| 4. | 04-Aug-16 | 12 | 10 |
| 5. | 29-Aug-16 | 12 | 12 |
| 6. | 29-Sep-16 | 12 | 12 |
| 7. | 27-Oct-16 | 12 | 11 |
| 8. | 14-Dec-16 | 12 | 11 |
| 9. | 31-Jan-17 | 12 | 12 |
| 10. | 28-Feb-17 | 13 | 13 |
| 11. | 30-Mar-17 | 13 | 13 |



(c) Attendance of each Director at Board Meetings held during 2016-17, last Annual General Meeting (AGM) and Number of other Directorships and Chairmanship / Membership of Committees of each Director in various companies is as under:

| Sl. No. | Name of the Director | No. of Board Meetings attended out of meetings held during the tenure of Director | Attendance at the AGM on 14.09.2016 (Yes/No/NA) | No. of Directorship in other companies as on 31.03.17 | Membership of committees in other companies as on 31.03.17 | Chairmanship of committees in other Companies as on 31.03.17 |
|--|---|---|---|---|--|--|
| Whole-time Directors | | | | | | |
| 1. | Shri B. Ashok (DIN - 06861345) Chairman | 11 (11) | Yes | 2 | - | - |
| 2. | Shri Sanjiv Singh (DIN - 05280701) Director (Refineries) | 11 (11) | Yes | 2 | - | - |
| 3. | Shri A. K. Sharma (DIN - 06665266) Director (Finance) | 11 (11) | Yes | 3 | - | - |
| 4. | Shri Verghese Cherian (DIN - 07001243) Director (Human Resource) | 11 (11) | Yes | - | - | - |
| 5. | Shri Anish Aggarwal (DIN - 06993471) Director (Pipelines) | 10 (11) | Yes | 1 | - | - |
| 6. | Shri B. S. Canth (DIN - 07239321) Director (Marketing) | 11 (11) | Yes | 1 | - | - |
| 7. | Shri G. K. Satish ¹ (DIN - 06932170) Director (Planning & Business Development) | 6 (6) | Yes | 6 | - | - |
| 8. | Dr. S. S. V. Ramakumar ² (DIN - 07626484) Director (Research & Development) | 2 (2) | NA | - | - | - |
| 9. | Shri Debasis Sen ³ (DIN - 06862079) Director (P&BD) | 5 (5) | NA | 3 | - | - |
| Non-Executive Directors (Govt. nominees) | | | | | | |
| 10. | Shri Ajay P. Sawhney (DIN - 03359323) | 9 (11) | No | 2 | - | - |
| 11. | Shri Ashutosh Jindal (DIN - 05286122) | 9 (11) | No | - | - | - |
| Non-Executive Directors (Independent Directors) | | | | | | |
| 12. | Shri Subroto Bagchi (DIN - 00145678) | 11 (11) | Yes | 1 | - | - |
| 13. | Shri Sanjay Kapoor (DIN - 07348106) | 11 (11) | Yes | - | - | - |
| 14. | Shri Parindu K. Bhagat (DIN - 01934627) | 11 (11) | Yes | - | - | - |

Note:

- (a) The Directorships held by Directors as mentioned above include public limited, private limited and foreign companies but do not include the companies registered under section 8 of the Companies Act, 2013.
- (b) The membership / chairmanship of committee is considered only for Audit Committee and Stakeholders' Relationship Committee.
- (c) The details of directorship on Board of other companies and committee position are as on the date of cessation from the Board of IndianOil.

Remarks:

- Shri G K Satish was inducted on the Board w.e.f. 01.09.2016
- Dr. S. S. V. Ramakumar was inducted on the Board w.e.f. 01.02.2017
- Shri Debasis Sen ceased to be Director w.e.f. 01.09.2016

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

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

(d) Code of Conduct

The Code of Conduct for the Directors and Senior Management Personnel of the Company has been laid down by the Board, which has been circulated to all concerned and the same is also hosted on the website of the Company "www.iocl.com". The Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Code of Conduct for the financial year ended 31.03.2017 and no material financial or commercial transactions which may have potential conflict with the interest of the Company were reported by them.

(e) Succession Planning

IndianOil being a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint Directors (including Independent Directors) vests with the Government of India. However, the Company has put in place an orderly succession plan for grooming of Senior Management Personnel.

3. COMMITTEES OF THE BOARD**1) 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 the following members as on 31.03.2017:

| | | |
|--|---|----------|
| (1) Shri Sanjay Kapoor, Independent Director | - | Chairman |
| (2) Shri Subroto Bagchi, Independent Director | - | Member |
| (3) Shri Parindu K. Bhagat, 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 inter-alia includes the following:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing with management the quarterly and annual financial statements along with related party transactions, if any, before submission to the Board.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Reviewing with the management and statutory and internal auditors, the adequacy of internal control systems.
- Discussion with internal auditors on Annual Internal Audit Program, Significant Audit Findings and follow-up on such issues.
- Discussion with statutory auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, the observations / comments / assurances of the Comptroller & Auditor General of India (CAG).
- Review with the management, the follow-up action taken on the recommendations of the Parliamentary Committee on Public Undertaking (CoPU), if any.
- Review of Cost Audit Report.
- To examine, decide and deal with all issues relating to Ethics in the Company.
- Review of functioning of Whistle Blower Policy.

The attendance at the six meetings of the Audit Committee held during the year 2016-17 is given below:

| Sl. No. | Name | Meeting held on | | | | 30-01-17 | 30-03-17 |
|---------|------------------------|-----------------|----------|----------|----------|----------|----------|
| | | 26-05-16 | 27-06-16 | 28-08-16 | 26-10-16 | | |
| 1. | Shri Sanjay Kapoor | Yes | Yes | Yes | Yes | Yes | Yes |
| 2. | Shri Subroto Bagchi | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. | Shri Parindu K. Bhagat | Yes | Yes | Yes | Yes | Yes | Yes |

The Audit Committee meetings are attended by the Director (Finance) and the Head of Internal Audit as invitees. The representatives of the Statutory Auditors are also invited and attend the Audit Committee meetings while considering the quarterly / annual financial statements and discussion on the nature and scope of Annual Audit. The Cost Auditors are also 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. The approved minutes are then circulated to all concerned departments of the Company for necessary action and are also submitted to the Board for information. The ATR on decisions of the Audit Committee, if any, is submitted to the Committee as a follow-up action.

Shri Raju Ranganathan, Company Secretary acts as the Secretary of the Audit Committee.

II) Nomination and Remuneration Committee

IndianOil being a Government Company, the appointment and the terms and conditions of appointment (including remuneration), of the whole-time Directors is decided by the Government of India. However, the Board has constituted a Nomination and Remuneration Committee to:

- Approve certain perquisites for whole-time Directors and below Board level executives as well as to approve performance related pay to the executives of the Company as per the DPE guidelines;
- Create and sanction posts as well as to consider and approve promotions to Grade 'I' (Executive Director) i.e. Senior Management Personnel.

The Nomination and Remuneration Committee comprised of the following members as on 31.03.2017:

| | | | |
|----|--|---|----------|
| 1. | Shri Subroto Bagchi, Independent Director | - | Chairman |
| 2. | Shri Parindu K. Bhagat, Independent Director | - | Member |
| 3. | Shri Ajay P. Sawhney, Govt. Nominee Director | - | Member |
| 4. | Shri B. Ashok, Chairman, IndianOil | - | Member |

The attendance at the meetings of Nomination & Remuneration Committee held during 2016-17 is given below:

| Sl. No. | Name | Meeting held on | |
|---------|------------------------|-----------------|----------|
| | | 31-01-17 | 30-03-17 |
| 1. | Shri Subroto Bagchi | Yes | Yes |
| 2. | Shri Parindu K. Bhagat | Yes | Yes |
| 3. | Shri Ajay P. Sawhney | Yes | Yes |
| 4. | Shri B. Ashok | Yes | Yes |

The performance evaluation of the Directors (including Independent Directors) has not been done by the Nomination & Remuneration Committee, as IndianOil being a Government Company, the powers relating to appointment, evaluation and the term of Independent directors vests with the Govt. of India. The same is also exempted to Govt. Companies under the provisions of the Companies Act 2013.

Shri Raju Ranganathan, Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

Directors' Remuneration:

The remuneration paid as Whole-Time Directors during the financial year 2016-17 is as under:

| Sl. No. | Name Of The Director | Designation | Salaries & Allowances | Performance Linked Incentive | Other Benefits & Perquisites | Total Remuneration |
|---------|-----------------------|-----------------------------------|-----------------------|------------------------------|------------------------------|--------------------|
| 1. | Shri B. Ashok | Chairman | 57,46,997 | 22,42,845 | 11,50,823 | 91,40,665 |
| 2. | Shri Sanjiv Singh | Director (Refineries) | 29,44,413 | 16,34,755 | 8,36,542 | 54,15,710 |
| 3. | Shri A. K. Sharma | Director (Finance) | 36,11,044 | 15,98,930 | 6,93,435 | 59,03,409 |
| 4. | Shri Verghese Cherian | Director (HR) | 44,08,785 | 16,14,758 | 7,83,015 | 68,06,558 |
| 5. | Shri Anish Aggarwal | Director (Pipelines) | 45,52,034 | 16,60,380 | 7,96,868 | 70,09,282 |
| 6. | Shri B. S. Canth | Director (Marketing) | 33,87,790 | 11,92,614 | 6,99,738 | 52,80,142 |
| 7. | Shri G. K. Satish | Director (P&BD) (w.e.f. 01.09.16) | 22,45,074 | 7,61,471 | 7,21,325 | 37,27,870 |
| 8. | Dr. S. S.V. Ramakumar | Director (R&D) (w.e.f. 01.02.17) | 4,97,819 | 2,19,236 | 2,38,690 | 9,55,745 |
| 9. | Shri Debasis Sen | Director (P&BD) (upto 31.08.16) | 67,94,531 | 16,66,034 | 19,91,998 | 1,04,52,563 |
| | TOTAL | | 3,41,88,489 | 1,25,91,023 | 79,12,434 | 5,46,91,946 |

Note:

- Performance Linked Incentives are payable to the Whole-Time Directors as employees of the Company as per the policy applicable to all executives of the Company.
- During the year no Stock Options were issued by the Company to Whole-Time Directors.
- The terms of appointment of the Whole-Time Directors, as issued by the Government of India, provides for 3 months notice period or salary in lieu thereof for severance of service.
- The remuneration does not include the provision made for retirement benefit / leave encashment / Long Service awards / Post Retirement Benefits based on actuarial valuation as the same are not separately ascertainable for individual directors.

The Independent Directors are not paid any remuneration except sitting fees of ₹ 40,000/- per meeting for attending meetings of the Board or Committees thereof. The sitting fees paid during the financial year 2016-17 is as under:

| Sl. No. | Name of the Director | Sitting Fees (₹) |
|---------|------------------------|------------------|
| 1. | Shri Subroto Bagchi | 15,60,000 |
| 2. | Shri Sanjay Kapoor | 15,20,000 |
| 3. | Shri Parindu K. Bhagat | 12,80,000 |
| | TOTAL | 43,60,000 |

Note:

- The above amount includes ₹3,60,000 in respect of Board / Committee meetings held on 30.03.17, the sitting fees for which was paid in April 2017.
- There were no other materially significant pecuniary relationships or transactions of the Independent Directors vis-à-vis the Company.
- The Government Nominee Directors are not paid any remuneration, sitting fees, etc.

**Shareholding of Directors as on 31.03.2017**

The detail of shares of IndianOil held by Directors as on 31.03.2017 is given below:

| Sl. No. | Name | Designation | No. of shares |
|---------|------------------------|-----------------------------|---------------|
| 1. | Shri B. Ashok | Chairman | 8286 |
| 2. | Shri Sanjiv Singh | Director (Refineries) | 9486 |
| 3. | Shri A. K. Sharma | Director (Finance) | 3786 |
| 4. | Shri Verghese Cherian | Director (Human Resources) | 6286 |
| 5. | Shri Anish Aggarwal | Director (Pipelines) | 6086 |
| 6. | Shri B. S. Canth | Director (Marketing) | 8286 |
| 7. | Shri G. K. Satish | Director (P&BD) | 1086 |
| 8. | Dr. S. S. V. Ramakumar | Director (R&D) | 4400 |
| 9. | Shri Ajay P. Sawhney | Government Nominee Director | - |
| 10. | Shri Ashutosh Jindal | Government Nominee Director | - |
| 11. | Shri Subroto Bagchi | Independent Director | - |
| 12. | Shri Sanjay Kapoor | Independent Director | - |
| 13. | Shri Parindu K. Bhagat | Independent Director | - |

III) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee (SRC) examines the grievances of stakeholders/investors and the system of redressal of the same. It also approves issuance of share certificates. The Company endeavours to resolve complaints/grievances/queries of stakeholders / investors within a reasonable period of time.

The Committee comprised the following three members as on 31.03.2017:

| | | | |
|----|---|---|----------|
| 1. | Shri Sanjay Kapoor, Independent Director | - | Chairman |
| 2. | Shri A. K. Sharma, Director (Finance) | - | Member |
| 3. | Shri Verghese Cherian, Director (Human Resources) | - | Member |

The attendance at the meeting of the Stakeholders' Relationship Committee held during 2016-17 is given below:

| Sl.No. | Name of the Director | Meeting held on 30-03-17 |
|--------|-----------------------|--------------------------|
| 1. | Shri Sanjay Kapoor | Yes |
| 2. | Shri A. K. Sharma | Yes |
| 3. | Shri Verghese Cherian | Yes |

Shri Raju Ranganathan, Company Secretary acts as the Secretary of the Stakeholders' Relationship Committee and is also the Compliance Officer.

Details of complaints received and redressed during the financial year 2016-17:

During the year, 1963 complaints were received and all have been resolved. As on 31st March 2017, no complaints were pending. Further, during the year, 1470 requests for change of address, recording of nomination, issue of duplicate share certificates / dividend warrant, etc. were received, out of which 31 requests were pending as on 31.03.2017, which were subsequently dealt with.

The Company has created a designated email-id investors@indianoil.in exclusively for investors and for responding to their queries.

IV) Risk Management Committee

The Company has formed a Risk Management Committee to review risk management process involving risk assessment and minimisation procedure as well as to approve the derivative transactions above USD 50 million on 'mark to market' basis.

The Committee comprised the following members as on 31.03.2017:

| | | | |
|----|--|---|---------------------------|
| 1. | Shri B. Ashok, Chairman | - | Chairman of the Committee |
| 2. | Shri A. K. Sharma, Director (Finance) | - | Member |
| 3. | Shri Sanjiv Singh, Director (Refineries) | - | Member |
| 4. | Shri B. S. Canth, Director (Marketing) | - | Member |
| 5. | Shri G. K. Satish, Director (P&BD) | - | Member |

The attendance at the meeting of the Risk Management Committee held during 2016-17 is given below:

| Sl.No. | Name of the Director | Meeting held on 23-06-16 |
|--------|----------------------|--------------------------|
| 1. | Shri B. Ashok | Yes |
| 2. | Shri A. K. Sharma | - |
| 3. | Shri Sanjiv Singh | Yes |
| 4. | Shri B. S. Canth | - |
| 5. | Shri Debasis Sen* | Yes |

*Shri Debasis Sen ceased to be Director (P&BD) w.e.f. 01.09.2016.

V) Other Board Committees:

In addition to the above committees, the Board has delegated certain powers to various committees with distinct roles and responsibilities. The composition of such committees as on 31.03.2017 is as under:

| Sl.No. | Name of Committee | Role and Responsibilities | Members |
|--------|---|--|--|
| 1. | Corporate Social Responsibility (CSR) & Sustainable Development Committee | To recommend, monitor and administer activities under Sustainability and CSR Policy and to oversee its performance / implementation. | - 2 Independent Directors - Director (HR) - Director (Finance) - Director (Marketing) - Director (P&BD) The committee is headed by an Independent Director. |
| 2. | Project Evaluation Committee | To appraise projects costing ₹250 crore and above before the Projects are submitted to the Board for approval. | - 3 Independent Directors - 1 Government Nominee Director - Director (Finance). The committee is headed by Government Director. |
| 3. | Marketing Strategies & Information Technology Oversight Committee | To evolve the strategies, policies, guidelines and take decisions on all matters relating to marketing activities of the Company including revival of dealerships / distributor ships and to oversee the implementation of IT Strategies of the Company. | - 2 Independent Directors - 2 Government Nominee Directors - Director (Refineries) - Director (P&BD) - Director (Finance) - Director (Marketing) The committee is headed by an Independent Director. |



| Sl.No. | Name of Committee | Role and Responsibilities | Members |
|--------|--|--|--|
| 4. | Deleasing of Immoveable Properties Committee | To consider Deleasing of Company leased flats/ accommodation / immoveable properties. | <ul style="list-style-type: none"> - Chairman - Director (Finance) - Director (HR) - Director (Marketing) - 1 Government Nominee Director. <p>The committee is headed by the Chairman of the Company.</p> |
| 5. | Contracts Committee | To approve contracts beyond certain limits as provided in the DoA of the Company. | All whole-time Directors. The Committee is headed by the Chairman of the Company. |
| 6. | Planning & Projects Committee | To consider and approve all Project Proposals above ₹ 100 crore and upto ₹ 250 crore. | All whole-time Directors. The Committee is headed by the Chairman of the Company. |
| 7. | Spot LNG Purchase Committee | <ul style="list-style-type: none"> - To approve execution of Master Sales and Purchase Agreement (MSPA) with suppliers on bilateral basis - To approve deviation to standard MSPA - To review and approve LNG price formula / gas pricing / SPA terms - To approve bids for purchase of LNG - Accept offer on single tender basis from domestic R-LNG suppliers | <ul style="list-style-type: none"> - Director (P&BD) - Director (Finance) - Director (Refineries) <p>The committee is headed by Director (P&BD).</p> |
| 8. | LNG Sourcing Committee | To review the terms and condition of LNG sales and Purchase Agreement and recommend the same to Board for approval for purchase of LNG on long term basis. | <ul style="list-style-type: none"> - Chairman - 1 Government Nominee Director - Director (P&BD) - Director (Finance) - Director (Refineries) <p>The committee is headed by the Chairman of the Company.</p> |
| 9. | Dispute Settlement Committee | To examine and give recommendation on the settlement proposals having financial implication of more than ₹ 25 crore for approval of the Board as per Conciliation Policy of IndianOil. | <ul style="list-style-type: none"> - 2 Independent Directors - Director (Finance) - Concerned Functional Director - Co-opt additional Director, if any. <p>The committee is headed by Independent Director.</p> |

Shri Raju Ranganathan, Company Secretary is the Secretary to all the Board Committees.

The composition of various committees of Board of Directors is also hosted on the website of the Company www.iocl.com.

4. General Meetings

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

| | 2013-14 | 2014-15 | 2015-16 |
|--|--|--|--|
| Date and Time | 27.08.2014 10:30 AM | 15.09.2015 10:30 AM | 14.09.2016 10:30 AM |
| Venue | Nehru Centre Auditorium, Discovery of India Building, Worli, Mumbai – 400 018. | Nehru Centre Auditorium, Discovery of India Building, Worli, Mumbai – 400 018. | Nehru Centre Auditorium, Discovery of India Building, Worli, Mumbai – 400 018. |
| No. of Special Resolutions Passed | Nil | 1 | 1 |

No Extraordinary General Meeting of the Members was held during the year 2016-17.

5. Postal Ballot

Approval of the members by means of ordinary resolutions was sought through Postal Ballot for issuance of Bonus Shares in the ratio of 1:1 i.e. one new bonus equity share of ₹ 10/- each for every one existing equity share of ₹ 10/- each held. The postal ballot was circulated to all the members on 3rd September 2016 and the last date of receipt of the duly signed postal ballot form was 3rd October 2016. The members were also given the facility to vote through electronic means. The resolutions were approved by the members with requisite majority and the result was announced on 5th October 2016. The postal ballot exercise was conducted by Shri Nrupang Dholakia of M/s Dholakia & Associates LLP, a practicing Company Secretary.

No special resolution was passed by the Company through Postal Ballot process during 2016-17.

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing the resolution through Postal Ballot.

6. Disclosures

a. Separate meeting of Independent Directors

A separate meeting of Independent Directors was held on 30.03.2017 as per provisions of the Companies Act 2013 and SEBI (LODR).

b. Materially significant related party transactions

The Board of Directors of the Company have approved a policy on “Materiality of Related Party Transactions and dealing with Related Party Transactions” (policy on RPT). The same has been hosted on the website of the Company and can be accessed at the following link:

https://iocl.com/InvestorCenter/Policy_on_Related_Party_Transactions.pdf

As per the policy on RPT, all related party transactions are approved by the Audit Committee. The Audit Committee had granted omnibus approval for RPT's during 2016-17 in line with the provisions of SEBI (LODR) and the policy on RPT. A report on such transactions was submitted to the Committee on quarterly basis.

The Company has not entered into any materially significant related party transactions during the year.

c. Material Subsidiaries

The Board of Directors of the Company have approved a “Policy for Determining Material Subsidiaries”. The same has been hosted on the website of the Company and can be accessed at the following link:

https://iocl.com/InvestorCenter/Policy_on_Material_Subsiidiary.pdf

There were no material unlisted subsidiaries during the year 2016-17. The minutes of the Board Meetings of unlisted subsidiaries are submitted to the Board of the Company on periodic basis.

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

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

e. Vigil Mechanism and Whistle Blower Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has laid down procedures and internal controls like Delegation of Authority, Standard Operating Procedures (SOPs), Conduct, Discipline and Appeal Rules for employees, etc. The Vigilance Department, which forms an important part of the vigil mechanism, undertakes participative, preventive and punitive action for establishing effective internal control systems and procedures for minimising systemic failures, with greater emphasis on participative and preventive aspects. The Government Auditors, Statutory Auditors and Internal Auditors are also important constituents of the vigil mechanism that reviews the activities of the Company and reports its observations on any deficiency or irregularities.

The Company has framed a Whistle Blower policy wherein the employees are free to report any improper activity resulting in violations of laws, rules, regulations or code of conduct by any of the employees, to the Competent Authority or Chairman of the Audit Committee, as the case may be. Any complaint received would be reviewed by the Competent Authority or Chairman of the Audit Committee. The policy provides that the confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practice. No employee has been denied access to the Audit Committee.

The Whistle Blower policy is hosted on the website of the Company www.iocl.com

f. Compliance with mandatory requirement of SEBI (LODR)

The Company has complied with all the mandatory requirements of SEBI (LODR) except in respect of composition of the Board of Directors with regard to atleast 50% Independent Directors and atleast one woman director. IndianOil, being a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint Directors (including Independent Directors) vests with the Government of India. IndianOil is pursuing with the Government of India to induct requisite number of Independent Directors as well as a woman director.

g. Adoption of the non-mandatory requirements of SEBI (LODR)

The Company has not adopted any discretionary requirements provided under Schedule II Part E of SEBI (LODR). However, the Statutory Auditors have expressed un-modified opinion on Financial Statements for the year 2016-17.

h. CEO / CFO Certification

Chairman and Director (Finance) of the Company have given the "CEO / CFO Certification" to the Board.

i. Integrity Pact

IndianOil has signed a Memorandum of Understanding (MoU) with Transparency International India (TII) in 2008 for implementing Integrity Pact (IP) Program focused on enhancing transparency, probity, equity and competitiveness in its procurement process.

Presently, three Independent External Monitors (IEMs) have been nominated by the Central Vigilance Commission (CVC) to monitor the implementation of IP in all tenders, of the threshold value of ₹10 Crore and above, across all Divisions of the Company.

During the year, 12 meetings of IEM's have taken place. Based on the above threshold value, 429 tenders came under the purview of IP during the year 2016-17 against which 12 complaints were received which were referred to the IEMs and deliberated.

j. Relationship between Directors

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

k. Details of familiarisation programmes imparted to independent directors

The details of familiarisation programmes imparted to independent directors are hosted on the website of the Company and can be accessed from the following link:

<https://iocl.com/download/IDFP.pdf>

l. Guidelines on Corporate Governance by DPE

IndianOil is complying with the all the requirements of the DPE Guidelines on Corporate Governance except in respect of composition of the Board of Directors with regard to 50% independent Directors. IndianOil, being a Government Company, is pursuing with the Government of India to induct requisite number of Independent Directors.

The details of compliance with the Presidential Directives have been provided in the Directors' Report.

No items of expenditure have been debited in books of accounts, which are not for the purpose of business. No expenses, which are of personal nature, have been incurred for the Board of Directors and top management.

The regular administrative and office expense were 1.13% of total expense during 2016-17 as against 1.15% during the previous year.

7. MEANS OF COMMUNICATION

a. Financial Results

The quarterly audited/unaudited financial results are announced within the time prescribed under the SEBI (LODR). The results are published in leading newspaper like Indian Express, Economic Times, Business Standard, Dainik Jagran, and Maharashtra Times (Marathi Newspaper). The financial results are also hosted on Company's website, www.iocl.com. The Company issues news releases on significant corporate decisions / activities and posts them on its website as well as notifies stock exchange as and when deemed necessary.

b. News Releases

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

c. Website

The Company's website, www.iocl.com provides a separate section for investors where relevant shareholders, information is available. The Annual Report of the Company is also hosted on the website of the Company.

d. Annual Report

Annual Report is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report and Corporate Governance Report form apart of the Annual Report.

e. Chairman's Speech at AGM

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

f. Investor Service Cell

Investor Service Cell exists at the Registered Office at Mumbai and the Corporate Office at New Delhi to address the grievances / queries of shareholders / debenture holder. To facilitate the investors to raise queries / grievances through electronic mode, IndianOil has created a separate e-mail ID, "investors@indianoil.in". Karvy Computer share Pvt. Ltd., Registrar & Transfer Agent (RTA), have offices across the country, wherefrom the queries / grievances of the investors are also addressed.

g. Green Initiative-Reaching important communication to shareholders through email

The provisions of the Companies Act, 2013 and rules made thereunder permit paperless communication by allowing service of all documents in electronic mode. Accordingly, IndianOil would send the copy of the Annual Report for the year 2016-17 along with the notice convening the Annual General Meeting through email to those shareholders who have registered their email id with the DP / RTA and have not opted for physical copy of the Annual report.

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

| | |
|--|---|
| Date, Time and Venue of the Annual General Meeting | Tuesday, 29 th August 2017 at 1030 hrs. at Hotel Rang Sharda, KC Marg, Bandra Reclamation, Bandra West, Mumbai - 400050 |
|--|---|

(b) Financial Year:

The Financial year of the Company was from 1st April 2016 to 31st March 2017. The financial calendar to approve quarterly / annual financial result for the year 2017-18 is given below:

| | |
|---|-------------------------|
| Quarter ending 30 th June 2017 | On or before 14.08.2017 |
| Quarter ending 30 th September 2017 | On or before 14.11.2017 |
| Quarter ending 31 st December 2017 | On or before 14.02.2018 |
| Quarter and year ending 31 st March 2018 | On or before 30.05.2018 |

(c) Book Closure Dates for Final Dividend:

| | |
|---------------------------------|--|
| Book Closure for final Dividend | 22.08.2017 to 29.08.2017 (both days inclusive) |
|---------------------------------|--|

(d) Dividend Payment Dates:

1st interim dividend of ₹ 13.50 per share (135%) and 2nd interim dividend of ₹ 4.50 per share (45%) for the year 2016-17 was paid in month of February & March 2017 respectively.

In addition, a final dividend of ₹ 1.00 per share (10%), as recommended by the Board of Directors, if approved at the AGM, shall be paid to the eligible shareholders within the stipulated 30 days period after the AGM as provided under the Companies Act.

(e) Listing of securities on Stock Exchanges:

- The equity shares issued by the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The address of the BSE & NSE is provided in the Annual Report.
- The debt securities issued by the Company are listed on the Wholesale Debt Market (WDM) Segment of BSE and NSE. The Company has appointed SBICAP Trustee Company Limited as Debenture Trustee for the debt securities.
- The Company has paid Listing fees in respect of its listed securities to both the stock exchanges for the financial year 2016-17.

(f) Corporate Identity Number (CIN):

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

(g) Stock Code at BSE : 530965

(h) Stock Code at NSE : IOC

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

(j) Stock Market Data:

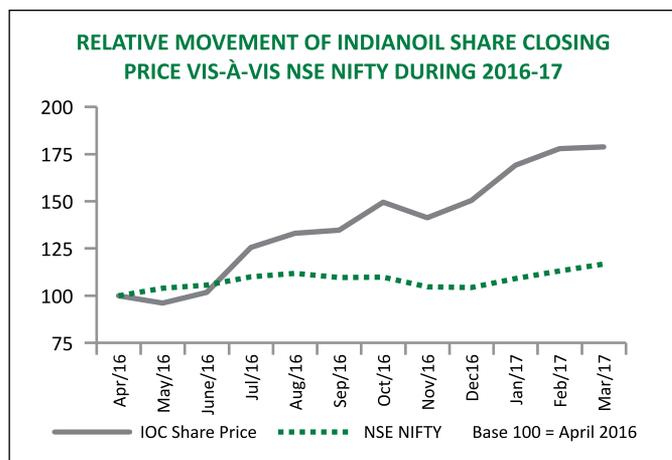
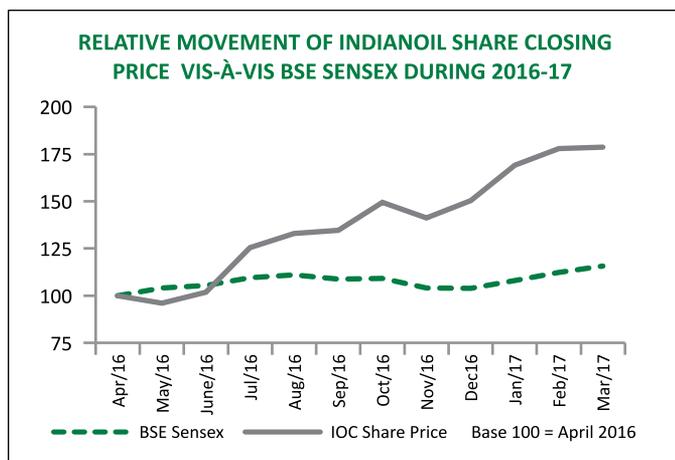
The market price and volume of the Company's Equity Shares (face value ₹10 each) traded on the BSE & NSE during the financial year 2016-17 is as given below:

| MONTH | BSE | | | NSE | | |
|------------------------------|----------|---------|-------------|----------|---------|--------------|
| | High (₹) | Low (₹) | Volume | High (₹) | Low (₹) | Volume |
| PRE - BONUS | | | | | | |
| April 2016 | 439.80 | 391.50 | 13,17,000 | 439.70 | 391.60 | 1,89,93,329 |
| May 2016 | 436.00 | 392.65 | 32,89,593 | 436.00 | 392.55 | 2,89,14,291 |
| June 2016 | 443.00 | 408.20 | 40,71,386 | 445.00 | 407.55 | 3,00,42,962 |
| July 2016 | 549.70 | 440.00 | 66,60,549 | 549.90 | 442.00 | 5,92,92,083 |
| August 2016 | 593.25 | 531.90 | 77,51,300 | 593.35 | 531.35 | 7,05,03,224 |
| September 2016 | 599.00 | 550.25 | 49,65,071 | 599.45 | 550.30 | 4,73,09,720 |
| October 2016 (upto 17.10.16) | 667.20 | 581.00 | 59,40,018 | 666.60 | 585.35 | 3,32,09,476 |
| POST – BONUS | | | | | | |
| October 2016 (from 18.10.16) | 328.65 | 310.10 | 33,61,906 | 328.65 | 311.45 | 3,00,40,513 |
| November 2016 | 327.75 | 281.70 | 79,99,830 | 327.80 | 281.70 | 7,18,34,389 |
| December 2016 | 326.60 | 290.25 | 1,08,35,980 | 326.95 | 290.20 | 8,10,99,142 |
| January 2017 | 392.70 | 325.95 | 83,05,909 | 392.50 | 325.95 | 11,27,93,773 |
| February 2017 | 403.95 | 363.90 | 44,87,562 | 404.00 | 363.35 | 8,86,16,104 |
| March 2017 | 391.20 | 366.50 | 69,25,452 | 391.50 | 366.20 | 9,97,70,383 |

(k) Stock Price Performance in comparison to broad-based indices:

The share price of the Company opened at ₹ 196.75 (bonus adjusted) on 01.04.16 and closed at ₹ 386.75 on 31.03.17 thereby appreciating by 96.57%. During the same period, the BSE SENSEX opened at 25302 and closed at 29620, thereby increasing by 17.07% and NSE NIFTY opened at 7718 and closed at 9174, thereby increasing by 18.86%.

The relative comparison (on base of 100) of the monthly closing price the Company's share vis-a-vis BSE SENSEX and NSE NIFTY during 2016-17 is given below:



(l) Registrar & Transfer Agents (R&T) :

Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032

Tel. No. : (040) 67162222

Toll Free No. : 1800 3454 001

Fax No. : (040) 23001153

E-mail Address : einward.ris@karvy.com

Website : www.karvycomputershare.com

(m) Share Transfer System:

The shares of the Company are traded in dematerialised form. Shares received in physical form are transferred within the stipulated period from the date of lodgement subject to documents being valid and complete in all respects. There were no overdue share transfers pending as on 31.03.2017. In order to expedite the process of share transfer and in line with regulation 40(2) of the SEBI (LODR), the Company has delegated the power of share transfer to its R&T Agent - Karvy Computershare Pvt. Ltd.

(n) Distribution of shareholding as on 31st March 2017:

| Sl. No. | Nominal Value of Equity Shares (Rs.) | No. of Shareholders (Folios) | % of Shareholders | Amount (₹) | % of Amount |
|---------|--------------------------------------|------------------------------|-------------------|-----------------------|---------------|
| 1. | 1 - 5000 | 181444 | 81.83 | 19,66,06,910 | 0.40 |
| 2. | 5001 - 10000 | 12376 | 5.58 | 9,28,94,940 | 0.19 |
| 3. | 10001 - 20000 | 11603 | 5.23 | 15,65,89,610 | 0.32 |
| 4. | 20001 - 30000 | 3262 | 1.47 | 8,15,47,960 | 0.17 |
| 5. | 30001 - 40000 | 2635 | 1.19 | 9,48,48,370 | 0.20 |
| 6. | 40001 - 50000 | 1720 | 0.78 | 7,91,18,150 | 0.16 |
| 7. | 50001 - 100000 | 7430 | 3.35 | 51,94,98,570 | 1.07 |
| 8. | 100001 & Above | 1252 | 0.56 | 4733,79,45,130 | 97.49 |
| | Total | 221722 | 100.00 | 4855,90,49,640 | 100.00 |

(o) Categories of Shareholders as on 31st March 2017:

| Sl. No. | Category | Shareholders (Folios) | | Shares | |
|---------|---------------------------------------|-----------------------|---------------|----------------------|---------------|
| | | No. | % | No. | % |
| 1. | President of India | 1 | 0.00 | 278,42,80,657 | 57.34 |
| 2. | Governor of Gujarat | 1 | 0.00 | 54,00,000 | 0.11 |
| 3. | Government Company (ONGC) | 1 | 0.00 | 66,86,07,628 | 13.77 |
| 4. | Government Company (Oil India) | 1 | 0.00 | 24,27,95,248 | 5.00 |
| 5. | Corporate Bodies | 1,971 | 0.89 | 5,43,68,267 | 1.12 |
| 6. | FII/NRI | 3,560 | 1.61 | 26,19,97,315 | 5.40 |
| 7. | Banks / Indian Financial Institutions | 51 | 0.02 | 57,53,322 | 0.12 |
| 8. | Mutual Funds | 253 | 0.11 | 16,46,75,689 | 3.39 |
| 9. | Insurance Companies | 9 | 0.00 | 39,70,70,003 | 8.18 |
| 10. | Public | 2,15,467 | 97.18 | 13,50,20,995 | 2.78 |
| 11. | Trusts | 81 | 0.04 | 12,07,97,656 | 2.49 |
| 12. | Others | 326 | 0.15 | 151,38,184 | 0.30 |
| | Total | 221722 | 100.00 | 485,59,04,964 | 100.00 |

**Note:**

- 1) Till 30.05.2016, President of India (PoI) was holding 1,42,21,50,047 equity shares of IndianOil constituting 58.57% of the equity share capital. On 31.05.16, PoI disinvested 0.29% of the equity share capital i.e. 71,39,518 shares under "Offer for Sale" in favour of the employees of the Company. Consequently the equity holding of PoI reduced to 141,50,10,529 constituting 58.28% of the equity share capital.
- 2) The Board of Directors of Indian Oil Corporation Ltd. at its meeting held on 29.08.16 had recommended for the approval of shareholders, the issue of Bonus Shares in the ratio of 1:1 i.e. one new bonus equity share of ₹ 10/- each for every one equity share of ₹ 10/- each held. Upon approval by the shareholders, 242,79,52,482 equity shares of ₹ 10/- each as bonus shares were allotted on 20.10.16 to the eligible shareholders. Consequently, the paid-up share capital of the Company increased from ₹ 2,427.95 crores to ₹ 4,855.90 crores.
- 3) The PoI disinvested 332,76,129 equity shares on 25.01.17 in favour of CPSE ETF (an Exchange Traded Fund comprising of 10 PSU stocks) whereby the PoI holding reduced to 279,67,44,929 equity shares, constituting 57.59% of the paid up equity share capital of IndianOil.
- 4) The PoI further disinvested 124,64,272 equity shares on 22.03.17 in favour of CPSE ETF whereby the PoI holding reduced to 278,42,80,657 equity shares, constituting 57.34% of the paid up equity share capital of IndianOil.

(p) Top 10 shareholders as on 31st March 2017:

| Sl. No. | Name | No. of Shares | % to Equity |
|---------|---|---------------|-------------|
| 1. | President of India | 278,42,80,657 | 57.34% |
| 2. | Oil & Natural Gas Corporation Limited | 66,86,07,628 | 13.77% |
| 3. | Life Insurance Corporation of India | 37,53,54,812 | 7.73% |
| 4. | Oil India Limited | 24,27,95,248 | 5.00% |
| 5. | IOC Shares Trust | 11,65,59,228 | 2.40% |
| 6. | CPSE ETF | 3,63,75,833 | 0.75% |
| 7. | Vanguard Emerging Markets Stock Index Fund | 1,82,66,074 | 0.37% |
| 8. | Vanguard Total International Stock Index Fund | 1,35,34,955 | 0.28% |
| 9. | Government Pension Fund Global | 1,20,22,919 | 0.25% |
| 10. | General Insurance Corporation of India | 1,16,00,316 | 0.24% |

(q) Dematerialisation of Shares and Liquidity:

The shares of the Company are traded in dematerialised form. In order to facilitate the shareholders to dematerialise the shares, the Company has entered into an agreement with NSDL and CDSL. The summarised position of shareholders in Physical and Demat segment as on 31st March 2017 is as under:

| Type of Shareholding | Shareholders (Folios) | | Shareholding | |
|----------------------|-----------------------|---------------|-------------------|---------------|
| | No. | % | No. | % |
| Physical | 7202 | 3.25 | 20312201 | 0.42 |
| Demat | 214520 | 96.75 | 4835592763 | 99.58 |
| TOTAL | 221722 | 100.00 | 4855904964 | 100.00 |

(r) Corporate Action:**i) Dividend:**

The Company has declared dividend consecutively for last 50 year The dividend paid during the last 10 years is given below:

| Financial Year | Rate (%) | Remarks |
|----------------|----------|----------------------------------|
| 2006-07 | 190 % | Includes interim dividend of 60% |
| 2007-08 | 55 % | - |
| 2008-09 | 75 % | - |
| 2009-10 | 130 % | - |
| 2010-11 | 95 % | - |
| 2011-12 | 50 % | - |
| 2012-13 | 62 % | - |
| 2013-14 | 87 % | - |
| 2014-15 | 66 % | - |
| 2015-16 | 140 % | Includes interim dividend of 55% |

ii) Bonus issue since listing of the shares:

| Financial Year | Ratio |
|----------------|-------|
| 1999-00 | 1:1 |
| 2003-04 | 1:2 |
| 2009-10 | 1:1 |
| 2016-17 | 1:1 |

(s) Unpaid Dividend:

Section 124 of the Companies Act, 2013 provides that any dividend that has remained unpaid / unclaimed for a period of seven years from the date of transfer to unpaid dividend account shall be transferred to the Investor Education and Protection Fund (IEPF) established by Central Government. The Company annually sends a communication to the concerned shareholders, advising them to lodge their claim with respect to unclaimed dividend.

The details of dividend which remains unpaid as on 31.03.2017 are given below:

| Year | Amount (₹) |
|-----------------------------------|---------------------|
| 2009-10 (Final) | 1,51,91,878 |
| 2010-11 (Final) | 1,54,80,069 |
| 2011-12 (Final) | 87,10,160 |
| 2012-13 (Final) | 1,12,98,502 |
| 2013-14 (Final) | 1,66,98,632 |
| 2014-15 (Final) | 1,62,89,717 |
| 2015-16 (Interim) | 1,65,69,603 |
| 2015-16 (Final) | 2,71,45,524 |
| 2016-17 (1 st Interim) | 3,25,22,891 |
| 2016-17 (2 nd Interim) | 11,53,72,692 |
| Total | 27,52,79,668 |



The shareholders, who have not yet encashed their dividend for the aforesaid years, may write to the Company or its RTA in this regard to claim such unpaid dividend.

The IEPF rules notified by the Ministry of Corporate Affairs further provide that details of all unclaimed / unpaid dividend as on the AGM date shall be filed with the MCA and also hosted on the website of the Company within 90 days from the date of the AGM. Accordingly, the Company has filed the information as on the last AGM date i.e. 14.09.16 in the prescribed form with the IEPF and also hosted it on Company's website, www.iocl.com.

Section 124(6) of the Companies Act, 2013 read with rules made thereunder provide that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund.

Further, Section 125 of the Companies Act, 2013 provides that a shareholder whose dividend amount / shares have been transferred to the IEPF shall be entitled to claim refund therefrom.

In line with the IEPF Rules, the Company has sent communication to all such shareholders, whose dividend has remained unpaid / unclaimed for a consecutive period of 7 years from the year 2009-10, with a request to claim the dividends. A newspaper notice has also been published in this regard and details of all such shareholders have also been hosted on the website of the Company, www.iocl.com.

(t) Outstanding GDRs / ADRs / Warrants or any Convertible instruments:

The Company has not issued any GDRs / ADRs / Warrants or any Convertible instruments.

(u) Commodity price risk or foreign exchange risk and hedging activities:

IndianOil's crude oil procurement cost and petroleum product selling prices are based on international oil price. This exposes the Company's earning to the risk of volatility of oil prices. In order to mitigate this risk, IndianOil has policy in place to undertake risk management activities through refining margin hedging, inventory hedging and crude oil price hedging depending upon the market conditions. The market is closely monitored on a regular basis and mitigation strategies are adopted in line with the risk management policy.

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

(v) Plant locations:

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

(w) Address for Correspondence:

Company Secretary
Indian Oil Corporation Limited
IndianOil Bhavan
G-9, Ali Yavar Jung Marg
Bandra (East) Mumbai - 400051
Tel. No. : (022) 26447327 / 26447150
Fax : (022) 26447961
E-mail ID : investors@indianoil.in

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Indian Oil Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Indian Oil Corporation Limited ("the Company") for the year ended on March 31, 2017, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the guidelines on Corporate Governance for Central Public Sector Enterprises, as enunciated by the Department of Public Enterprises (DPE).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the DPE Guidelines except for the following:

- a. The Company has not complied with the conditions with regard to minimum number of independent directors in the composition of Board of Directors (Refer items 2.a. and 6.f. of Report on Corporate Governance);
- b. The Company has not complied with the conditions with regard to appointment of a woman director (Refer item 2.a. and 6.f. of Report on Corporate Governance);

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

For J GUPTA & CO.
Chartered Accountants
(Firm Regn. No. 314010E)

Sd/-
(CA. JAI NARAYAN GUPTA)
Partner
M. No. 051428

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. C. K. PRUSTY)
Partner
M. No.. 057318

Place : Mumbai

Dated : 20th June, 2017

***STANDALONE
FINANCIAL STATEMENTS
2016-17***



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)

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

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)

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



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 available? | 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: <table border="1" data-bbox="582 780 1061 931"> <thead> <tr> <th>Particulars</th> <th>₹ in crore</th> </tr> </thead> <tbody> <tr> <td>Write off of Doubtful Debts</td> <td>66.72</td> </tr> <tr> <td>Waiver of penalty and interest etc.</td> <td>0.47</td> </tr> <tr> <td>Total</td> <td>67.19</td> </tr> </tbody> </table> | Particulars | ₹ in crore | Write off of Doubtful Debts | 66.72 | Waiver of penalty and interest etc. | 0.47 | Total | 67.19 | NIL |
| Particulars | ₹ in crore | | | | | | | | | | |
| Write off of Doubtful Debts | 66.72 | | | | | | | | | | |
| Waiver of penalty and interest etc. | 0.47 | | | | | | | | | | |
| Total | 67.19 | | | | | | | | | | |
| 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)

Sd/-
(CA. NANCY MURARKA)
Partner
M. No. 067953

For S.K. MEHTA & CO.
Chartered Accountants
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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



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)

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

**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)

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/-
(CA. NANCY MURARKA)
Partner
M. No. 067953

Sd/-
(CA. ROHIT MEHTA)
Partner
M. No. 091382

Sd/-
(CA. M.S. BALACHANDRAN)
Partner
M. No. 024282

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 |
| Excise Duty | | 6,222.97 | 4,818.57 |
| Other Expenses | 29 | 85,499.75 | 59,651.56 |
| Total Expenses (IV) | | 34,858.27 | 29,640.28 |
| V. Profit before Exceptional Items and Tax (III-IV) | | 423,260.25 | 393,687.86 |
| VI. 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)

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/-
(CA. NANCY MURARKA)
Partner
M. No. 067953

Sd/-
(CA. ROHIT MEHTA)
Partner
M. No. 091382

Sd/-
(CA. M.S. BALACHANDRAN)
Partner
M. No. 024282

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

| Particulars | (₹ in Crore) | |
|---------------------------------------|-----------------|-----------------|
| | Mar-2017 | Mar-2016 |
| Balance at the beginning of the year | 2,369.67 | 2,369.67 |
| <u>Changes during the year</u> | | |
| 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)

| Export Profit reserve | Reserves and Surplus | | Items of Other Comprehensive Income | | TOTAL |
|-----------------------|---|---|-------------------------------------|--------------------------------|------------|
| | 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**

| Particulars | (₹ in Crore) | |
|--|-------------------|------------------|
| | 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 (A+B+C) | (209.05) | 160.42 |
| 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:

- Cash Flow Statement is prepared using Indirect Method as per Indian Accounting Standard-7: Cash Flow Statement.
- 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)

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/-
(CA. NANCY MURARKA)
Partner
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M. No. 091382

Sd/-
(CA. M.S. BALACHANDRAN)
Partner
M. No. 024282

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:

- 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
- Useful life of 25 years for solar power plant considered based on technical assessment
- In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II, whichever is lower
- In case of certain assets of R&D centre useful life is considered based on technical assessment
- 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 its 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:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or 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:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent solely payments of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the 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 through 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 management 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 substantially 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 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 securities based on expected settlement period of various plans.

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not

feasible, a degree of judgement is required in establishing fair values. Judgements include 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 analysis 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:

| Asset Particulars | Gross Block | Accumulated Depreciation & Amortisation | Accumulated Impairment Loss | (₹ in Crore) | | |
|---------------------------------|-------------|---|-----------------------------|-----------------------|-----------------------|-----------------------|
| | | | | 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:

| Asset Particulars | Name of Joint Owner | Gross Block | Accumulated Depreciation & Amortisation | Accumulated Impairment Loss | (₹ in Crore) | | |
|--|----------------------------|--------------|---|-----------------------------|-----------------------|-----------------------|-----------------------|
| | | | | | 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:

| 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 |
| 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 | Accumulated Depreciation as per Previous GAAP | Net Block as per Previous GAAP | Ind As/Other Adjustments | Gross Block as per Ind As |
|--|----------------------------------|---|--------------------------------|--------------------------|---------------------------|
| | 01.04.2015 | 01.04.2015 | 01.04.2015 | 01.04.2015 | 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

| 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 | Accumulated Depreciation as per Previous GAAP | Net Block as per Previous GAAP | Ind As/Other Adjustments | Gross Block as per Ind As |
| | 01.04.2015 | 01.04.2015 | 01.04.2015 | 01.04.2015 | 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) (1) | (₹ in Crore) (2) | (₹ in Crore) (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 (formerly 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 |
| | | | | (₹ in Crore) | (₹ in Crore) | (₹ in Crore) |
| | | | Nos. | (1) | (2) | (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 ^d (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 |
| Sub-total: (V) | | | | 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 | Fair value |
|--------------------------------------|------------------|-----------------|-----------------|
| | | (₹ Crore) | (₹ 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

- 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.
- Out of Government Securities classified as non-current, the following are pledged in favour of Clearing Corporation of India Ltd. (CCIL) for Loans through Collateralised 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 | - | - | - | - |

- 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 | | | | | | |
| 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 | <u>1.07</u> | <u>0.07</u> | - | - | - | - |
| | 1.07 | 11.47 | - | - | - | - |
| Less : Provision for Diminution | <u>0.07</u> | <u>0.07</u> | - | - | - | - |
| | 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 | 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 | - | <u>10,078.09</u> | <u>2,990.11</u> | <u>16,649.15</u> | - | <u>4,340.08</u> |
| | - | 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 | <u>25.78</u> | <u>40.51</u> | <u>16.38</u> | - | - | - |
| | 25.78 | 40.51 | 16.38 | - | - | - |
| To Others | | | | | | |
| Secured, Considered Good | <u>9.38</u> | <u>0.67</u> | <u>5.25</u> | - | - | - |
| Unsecured, Considered Good | <u>875.61</u> | <u>408.25</u> | <u>832.60</u> | - | - | - |
| Unsecured, Considered Doubtful | <u>0.09</u> | <u>0.10</u> | <u>0.10</u> | - | - | - |
| | 885.08 | 409.02 | 837.95 | - | - | - |
| | 910.86 | 449.53 | 854.33 | - | - | - |
| Less: Provision for Doubtful Advance | <u>0.09</u> | <u>0.10</u> | <u>0.10</u> | - | - | - |
| | 910.77 | 449.43 | 854.23 | - | - | - |
| Advance Recoverable | | | | | | |
| From Related Parties | | | | | | |
| Unsecured, Considered Good | <u>309.09</u> | <u>331.51</u> | <u>252.81</u> | 29.83 | 12.52 | 8.71 |
| Unsecured, Considered Doubtful | <u>-</u> | <u>-</u> | <u>-</u> | - | - | - |
| | 309.09 | 331.51 | 252.81 | 29.83 | 12.52 | 8.71 |
| Less : Provision for Doubtful Advances | <u>-</u> | <u>-</u> | <u>-</u> | - | - | - |
| | 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 | <u>0.33</u> | <u>0.33</u> | <u>0.33</u> | 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 | <u>0.33</u> | <u>0.33</u> | <u>0.33</u> | 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: | | | | | | |
| From Related Parties | | | | | | |
| Unsecured, Considered Good | - | - | - | 1.67 | 0.33 | 1.24 |
| Unsecured, Considered Doubtful | <u>-</u> | <u>-</u> | <u>-</u> | 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 | <u>-</u> | <u>-</u> | <u>-</u> | 91.17 | 99.47 | 100.28 |
| | - | - | - | 1,089.82 | 1,002.41 | 878.35 |
| Less : Provision for Doubtful Claims | <u>-</u> | <u>-</u> | <u>-</u> | 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 | - |
| Deferred Expenses | 648.06 | 658.75 | 674.58 | 20.78 | 6.51 | 6.61 |
| 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

| Particulars | | | Mar-2017 | Mar-2016 | 01.04.2015 |
|--|---|------------------|------------------|------------------|------------|
| (₹ in Crore) | | | | | |
| 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 | |
| | | | 2,794.13 | 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 Emission 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 |
| | | <u>640.94</u> | <u>573.18</u> | <u>485.84</u> |
| 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 |
| | | <u>129.26</u> | <u>198.22</u> | <u>61.33</u> |
| 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 |
| | | <u>7,823.96</u> | <u>6,867.48</u> | <u>6,124.05</u> |
| 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 |
| | | <u>13.14</u> | <u>215.09</u> | <u>26.86</u> |
| 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. | | | | |

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:

- 7,139,518 shares of the company under "Offer for Sale" in favour of the employees of the Corporation in May 2016.
- 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 | - |
| | | <u>73,993.02</u> | <u>70,157.70</u> | <u>63,073.79</u> |
| 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 | - | - |
| | | <u>73,993.02</u> | <u>70,157.70</u> | <u>63,073.79</u> |
| 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 | - |
| | | <u>2,611.11</u> | <u>2,820.12</u> | <u>2,559.19</u> |
| Capital Reserve : | | | | |
| As per last Account | | 183.08 | 183.08 | 183.08 |
| Insurance Reserve : | | | | |
| As per last Account | C | 183.48 | 163.48 | 163.48 |
| Less : Recoupment of uninsured fire loss | | - | - | - |
| Add: Appropriation from Surplus | | 20.00 | 20.00 | - |
| | | <u>203.48</u> | <u>183.48</u> | <u>163.48</u> |
| Export Profit Reserve | | | | |
| | D | 53.72 | 53.72 | 53.72 |
| Corporate Social Responsibility Reserve: | | | | |
| As per Last Account | B | 4.43 | 19.61 | 19.61 |
| Add: Appropriation from Surplus | | 212.67 | 141.50 | - |
| Less: Utilized during the year | | 213.99 | 156.68 | - |
| | | <u>3.11</u> | <u>4.43</u> | <u>19.61</u> |
| 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) | - |
| | | <u>(132.42)</u> | <u>(414.88)</u> | <u>(104.46)</u> |



| 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 | 10 th 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 | 11 th 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 | 6 th May 2013 | 8.14 % p.a. payable annually on 30 th 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 exercised the call option for ₹ 1295 crore. During 2016-17, the company has exercised call option for remaining bonds on 6 th 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 VII B & XII holders and OIDB. |
| D | 5,000 Bonds of face value of ₹ 10,00,000/- each | 15 th 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 | 30 th April 2012 | 9.35 % p.a. payable annually on 30 th June | After 5 years with put/call option after 3 rd year from the date of allotment. During the year 2015-16 company has fully exercised call option on 30 th 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 VII B & XIII holders and OIDB. |
| F | 158 Bonds of face value of ₹ 2,60,00,000/- each | 18 th July, 2001 | 10.25% p.a. payable annually on 30 th September | Redeemable in 13 equal installments from the end of the 3 rd year upto the end of 15 th year from the date of allotment. Accordingly, 12 th 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 OIBD Loans:**

- First Charge on the facilities at Paradip Refinery, Odisha.
- First charge on the facilities at Butadiene Extraction Unit, Panipat, Haryana.
- First charge on the facilities at FCC Unit at Mathura Refinery, Uttar Pradesh.
- First charge on the facilities at Paradip-Raipur-Ranchi pipeline
- First charge on the facilities at SMPL System
- First charge on the facilities at Paradip-Haldia-Durgapur LPG Pipeline

2. Loan Repayment Schedule against loans from OIBD (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 Finance Lease Obligations is against assets acquired 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 | 1 st August 2013 | Payable after 10 years from the date of issue |
| 2 | SGD 400 million Reg S bonds | 15 th 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 | 2 nd August 2011 | Payable after 10 years from the date of issue |

K. Repayment Schedule of Senior Notes (Bank of America)

- 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 | 29 th Jan 2016 | Payable after 5 years from the date of drawal |
| 2 | USD 650 Million syndication loan | 27 th June 2014 | |
| 3 | USD 120 Million syndication loan | 12 th March 2013 | |
| 4 | USD 300 Million syndication loan | 13 th July 2012 | |

M. Repayment Schedule of Unsecured-Rupee Loans from OIBD

| 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 | 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 | 3.60 | 3.33 | 3.35 | - | - | - |
| Contingencies for probable obligations | - | - | - | 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: | | | |
| 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 Collateralised Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd. (CCIL) | 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**

| Particulars | (₹ in Crore) | | |
|-------------------------------------|------------------|------------------|------------------|
| | 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

| Particulars | (₹ in Crore) | | |
|--|--------------|-------------------|-------------------|
| | Mar-2017 | Mar-2016 | 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

| Particulars | (₹ in Crore) | |
|---|-----------------|-----------------|
| | 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

| Particulars | (₹ in Crore) | |
|--|-----------------|-----------------|
| | Mar-2017 | Mar-2016 |
| Interest on: | | |
| Financial items: A | | |
| 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 |
| | | | |
| Profit on Sale of Investments (Net) | | 1,106.59 | 564.86 |
| Fair value Gain on Diminution in value of Investment Written Back (Net) | | 43.61 | - |
| Exchange Fluctuations (Net) | | 13.11 | - |
| Gain on Derivatives | | 1,107.93 | - |
| Fair value Gain on Financial instruments classified as FVTPL | | - | 58.70 |
| Revenue Grants (Refer point no. A3, A4 and A5 of Note - 47) | | 114.30 | 63.53 |
| Other Non Operating Income | | 7.96 | 4.89 |
| | | 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

| 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

| 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**

| Particulars | ₹ in Crore) | |
|---|-----------------|-----------------|
| | 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

| Particulars | ₹ in Crore) | |
|--|-----------------|-----------------|
| | Mar-2017 | Mar-2016 |
| Interest Payments on Financial items: | | |
| Working Capital Loans: | | |
| Bank Borrowings | 306.19 | 455.50 |
| Bonds/Debentures | 3.15 | 55.82 |
| | <u>309.34</u> | <u>511.32</u> |
| Other Loans: | | |
| Bank Borrowings | 462.86 | 322.62 |
| Bonds/Debentures | 612.35 | 331.16 |
| Others | 468.97 | 431.58 |
| | <u>1,544.18</u> | <u>1,085.36</u> |
| Unwinding of Discount | 2.24 | 2.08 |
| Others | 25.12 | 263.26 |
| | <u>1,880.88</u> | <u>1,862.02</u> |
| Interest Payments on Non Financial items: | | |
| Unwinding of Discount | 0.03 | 0.01 |
| Others | 1,430.04 | 736.24 |
| | <u>1,430.07</u> | <u>736.25</u> |
| | 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

| Particulars | ₹ in Crore) | |
|---|-----------------|-----------------|
| | Mar-2017 | Mar-2016 |
| Consumption: | | |
| a) Stores, Spares and Consumables | 1,376.81 | 1,350.17 |
| b) Packages & Drum Sheets | 429.49 | 444.22 |
| | <u>1,806.30</u> | <u>1,794.39</u> |
| Power & Fuel | 15,029.91 | 13,331.35 |
| Less : Fuel from own production | 11,119.30 | 8,701.77 |
| | <u>3,910.61</u> | <u>4,629.58</u> |
| 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

| 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**

| Particulars | (₹ in Crore) | |
|--|-----------------|-------------------|
| | 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 | <u>5,097.73</u> | <u>(6,469.19)</u> |
| | 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 | <u>(12.54)</u> | <u>(7.61)</u> |
| | 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 | <u>(99.41)</u> | 12.72 |
| TOTAL | <u>4,867.49</u> | <u>(6,940.16)</u> |

NOTE-31: DISTRIBUTIONS MADE AND PROPOSED

| Particulars | (₹ 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 | <u>2,014.22</u> | <u>1,563.98</u> |
| 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 | <u>8,530.82</u> | <u>1,303.32</u> |
| DDT on interim dividend | <u>1,757.13</u> | 266.60 |
| Total | <u>12,722.13</u> | <u>3,453.03</u> |
| 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 | <u>473.93</u> | <u>2,014.22</u> |
| DDT on proposed dividend | <u>98.85</u> | 419.96 |
| | <u>572.78</u> | <u>2,434.18</u> |

Notes

- 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.
- 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.
- 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:

| Particulars | (₹ in Crore) | |
|---|----------------|----------------|
| | 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

- 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.
- 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% | 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

** Participating 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 <i>9,380.60</i> | 1,428.72 <i>1,459.86</i> | 3,515.28 <i>2,575.58</i> | 4.31 <i>5.31</i> | 82.02 <i>83.59</i> | 197.28 <i>203.12</i> |
| Current Service Cost | 352.26 <i>335.25</i> | 11.24 <i>8.09</i> | 168.24 <i>116.85</i> | 0.12 <i>0.11</i> | 13.52 <i>13.84</i> | - - |
| Interest Cost | 902.52 <i>826.06</i> | 113.73 <i>116.06</i> | 283.33 <i>204.76</i> | 0.25 <i>0.36</i> | 6.53 <i>6.65</i> | 15.41 <i>16.09</i> |
| Contribution by employees | 802.30 <i>799.05</i> | - - | - - | - - | - - | - - |
| Net Liability transferred In / (Out) | 64.65 <i>27.46</i> | - - | - - | - - | - - | - - |
| Benefits paid | (1,093.67) <i>(1,058.07)</i> | (166.83) <i>(153.04)</i> | (174.74) <i>(151.60)</i> | (1.77) <i>(1.40)</i> | (7.31) <i>(5.74)</i> | (28.76) <i>(28.83)</i> |
| Actuarial (gain)/ loss on obligations | - - | 56.61 <i>(2.25)</i> | 529.92 <i>769.69</i> | (0.06) <i>(0.07)</i> | (7.18) <i>(16.32)</i> | 14.49 <i>6.90</i> |
| Defined Benefit Obligation at the end of the year | 11,338.41 <i>10,310.35</i> | 1,443.47 <i>1,428.72</i> | 4,322.03 <i>3,515.28</i> | 2.85 <i>4.31</i> | 87.58 <i>82.02</i> | 198.42 <i>197.28</i> |

(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 9,688.53 | 1,852.42 1,845.81 | 2,463.84 1,419.69 | 4.32 5.37 | - - | - - |
| Interest Income | 902.52 826.06 | 147.46 146.74 | 198.59 112.87 | 0.25 0.36 | - - | - - |
| Contribution by employer | 352.26 335.25 | - - | 1,189.23 1,008.40 | - - | - - | - - |
| Contribution by employees | 802.30 799.05 | - - | 1.34 1.22 | - - | - - | - - |
| Net Liability transferred In / (Out) | 64.65 27.46 | - - | - - | - - | - - | - - |
| Benefit paid | (1,093.67) (1,058.07) | (166.83) (153.04) | (174.74) (151.60) | (1.77) (1.40) | - - | - - |
| Re-measurement (Return on plan assets excluding Interest Income) | 0.84 47.27 | 9.80 12.91 | 24.15 73.26 | 0.07 (0.01) | - - | - - |
| Fair value of plan assets at the end of the year | 11,694.45 10,665.55 | 1,842.85 1,852.42 | 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 | 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 10,665.55 | 1,842.85 1,852.42 | 3,702.41 2,463.84 | 2.87 4.32 | - - | - - |
| 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 |
| 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) (423.70) | 619.62 1,051.44 | (0.02) (0.01) | 87.58 82.02 | 198.42 197.28 |

(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 | 352.26 335.25 | 11.24 8.09 | 168.24 116.85 | 0.12 0.11 | 13.52 13.84 | - - |
| Net Interest Cost | - - | (33.73) (30.68) | 84.74 91.89 | - - | 6.53 6.65 | 15.41 16.09 |
| Contribution by Employees | - - | - - | (1.34) (1.22) | - - | - - | - - |
| Expenses for the year | 352.26 335.25 | (22.49) (22.59) | 251.64 207.52 | 0.12 0.11 | 20.05 20.49 | 15.41 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% |
| - As on 01.04.2015 | 7.96% | 7.96% | 8.06% | 7.30% | 7.96% | 7.81% |
| | 7.95% | 7.95% | 7.95% | 7.80% | 7.95% | 7.92% |
| Salary escalation | - | 8.00% | - | 8.00% | - | - |
| - As on 01.04.2015 | - | 8.00% | - | 8.00% | - | - |
| | - | 8.00% | - | 8.00% | - | - |
| Inflation | - | - | 7.00% | - | 6.00% | - |
| - As on 01.04.2015 | - | - | 7.00% | - | 6.00% | - |
| | - | - | 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% |
| - As on 01.04.2015 | - | 97.33% | 55.39% | 97.27% |
| Self managed investments | 100.00% | 1.55% | 7.72% | 2.73% |
| - As on 01.04.2015 | 100.00% | 2.67% | 44.61% | 2.73% |
| | 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% |
| - As on 01.04.2015 | 41.65% | 53.14% | 29.23% | 2.73% |
| | 39.98% | 47.36% | 15.77% | 1.66% |
| Investment in Equity / Mutual Funds | 2.03% | 6.82% | 6.38% | - |
| - As on 01.04.2015 | 1.02% | 5.79% | 3.26% | - |
| | 0.01% | 6.01% | 1.28% | - |
| Investment in Debentures / Securities | 43.31% | 27.07% | 31.80% | - |
| - As on 01.04.2015 | 45.78% | 28.42% | 16.00% | - |
| | 51.44% | 32.98% | 7.24% | - |
| Other approved investments (incl. Cash) | 10.82% | 4.72% | 5.30% | 97.27% |
| - As on 01.04.2015 | 11.55% | 12.65% | 51.51% | 97.27% |
| | 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 | 286.00 180.76 | 173.28 156.75 | 0.99 0.07 | 5.66 5.92 | 29.51 30.93 |
| Between 2 to 5 Years | 1,001.84 609.83 | 798.10 662.86 | 2.26 4.86 | 22.51 22.78 | 93.76 102.97 |
| Between 6 to 10 Years | 1,077.19 710.30 | 1,210.26 872.94 | - - | 32.38 34.98 | 70.03 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 laboratory 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.

| | Mar-2017 | Mar-2016 | 01.04.2015 |
|--|---------------|-------------|-------------|
| (₹ in Crore) | | | |
| 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 Anwasha 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 [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)] | 617.64 | 417.45 | |
| • 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 | |
| • Consultancy Services/Other Income [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)] | 211.07 | 163.00 | |
| • 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 | |
| • 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 | |
| • Interest paid [Mainly includes Interest paid to IOT Utkal Energy Services Limited ₹ 311.76 crore (2016: ₹ 328.42 crore)] | 311.76 | 328.42 | |
| • 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)] | 822.22 | 757.99 | |
| • Exploration & Production Expenses [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)] | 91.69 | 152.81 | |
| • 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 | |
| • Investments made/ (disinvestments) during the year [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)] | 311.56 | 552.78 | |
| • 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 IOT Infrastructures Private Limited ₹ 20.44 crore (2016: ₹ 0.51 crore)] | 187.13 | 155.29 | |
| • Provisions made/(written off) during the year [Mainly includes Provision for diminution in value of investment in AREA 95-96 ₹ 83.24 crore (2016: Nil)] | 65.34 | 322.35 | |
| • 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)] | 1,258.42 | 627.16 | 501.21 |
| • Outstanding Payables [Mainly includes Outstanding payable to IOT Utkal Energy Services Limited ₹ 2,923.37 crore (2016: ₹ 3,043.80 crore)] | 3,366.77 | 3,532.49 | 3,556.69 |
| • 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

| Key Managerial Personnel | Short-Term Employee Benefits | Post Employment Benefits | Other Long Term Benefits | Total Remunera- tion | Sitting Fees | (₹ in Crore) | |
|--|------------------------------------|--------------------------------|--------------------------------|----------------------------|--------------|---|-------------|
| | | | | | | 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

| Key Managerial Personnel | Short-Term Employee Benefits | Post Employment Benefits | Other Long Term Benefits | Total Remunera- tion | Sitting Fees | (₹ in Crore) | |
|--|------------------------------------|--------------------------------|--------------------------------|----------------------------|-----------------|---|-------------|
| | | | | | | 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 |

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:

- Sale of Petroleum Products
- Sale of Petrochemicals
- 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:

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

3. Inter segment pricing are at Arm's length basis

4. There are no reportable geographical segments.

| | 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 Liabilities | | | | | 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 | | | | | | | |
| <u>A. FVOCI financial instruments:</u> | | | | | | | |
| 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 |
| <u>B. FVPL financial instruments:</u> | | | | | | | |
| 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 |
| <u>C. Amortised Cost:</u> | | | | | | | |
| Loans to employees | 1,015.48 | 995.06 | 985.62 | 1,067.13 | 1,009.29 | 985.62 | Level 2 |
| Financial liabilities | | | | | | | |
| <u>A. Borrowings:</u> | | | | | | | |
| <u>Amortised Cost:</u> | | | | | | | |
| 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: | | | | | | | |
| <u>Fair value through profit and loss (FVPL):</u> | | | | | | | |
| Derivative instruments at fair value through profit or loss | 379.03 | 363.30 | 583.38 | 379.03 | 363.30 | 583.38 | Level 2 |

Notes:

- 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.
- 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:

- Quoted equity shares:** Closing quoted price (unadjusted) in National Stock Exchange of India Limited
- Quoted Government securities:** Closing published price (unadjusted) in Clearing Corporation of India Limited
- Foreign Currency Bonds - US Dollars:** Closing price for the specific bond collected from Bank

B. Level 2 Hierarchy:

- Derivative instruments at fair value through profit or loss:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.
- Loans to employees:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities.
- 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.
- 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).
- 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 Convertible 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 Committee comprised of senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Management Committee provides assurance to the 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 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 possibility that changes in interest rates will affect future cash flows of a financial instrument, principally financial debt. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages to maintain a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market / regulatory constraints etc. 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 | Effect on profit before tax | Increase / Decrease | Effect on profit before tax |
|------------------------|---------------------|-----------------------------|---------------------|-----------------------------|
| | in basis points | (₹ in crore) | in basis points | (₹ 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 Currency Risk

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

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

The Company has outstanding forward contract of ₹ 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 | | Effect on profit before tax | |
|------------------------------|---------------------|--------------|-----------------------------|--------------|
| | in % | (₹ in crore) | in % | (₹ 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 outstanding is given below:

| Particulars | Quantity (in lakh bbls) | | |
|--------------------|-------------------------|----------|------------|
| | 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 | | Effect on profit before tax | |
|----------------|---------------------|--------------|-----------------------------|--------------|
| | in % | (₹ in crore) | in % | (₹ 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.

| | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|--------------------------------|------------------|--------------------|------------------|------------------|------------------|-------------------|
| (₹ in Crore) | | | | | | |
| 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:

| | 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

- 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:

| Particulars | (₹ in Crore) | | |
|--|--------------|----------|------------|
| | 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

| Particulars | (₹ in Crore) | |
|-----------------------|---------------|---------------|
| | 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:

| Particulars | (₹ in Crore) | |
|--|---------------|---------------|
| | 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:

| | 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 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 ₹ **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 OIIB 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 OIIB. 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. Similarly, 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) Compulsorily 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 31 st March 2016 | For the year ended 31 st 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 separate component of equity in the FVTOCI reserve. Similarly, 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 separate component of equity in the FVTOCI reserve. Similarly, 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 retrospectively 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-recognition of sales/trade receivables 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 31 st March 2016 | For the year ended 31 st 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/-
(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)

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/-
(CA. NANCY MURARKA)
Partner
M. No. 067953

Sd/-
(CA. ROHIT MEHTA)
Partner
M. No. 091382

Sd/-
(CA. M.S. BALACHANDRAN)
Partner
M. No. 024282

Sd/-
(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

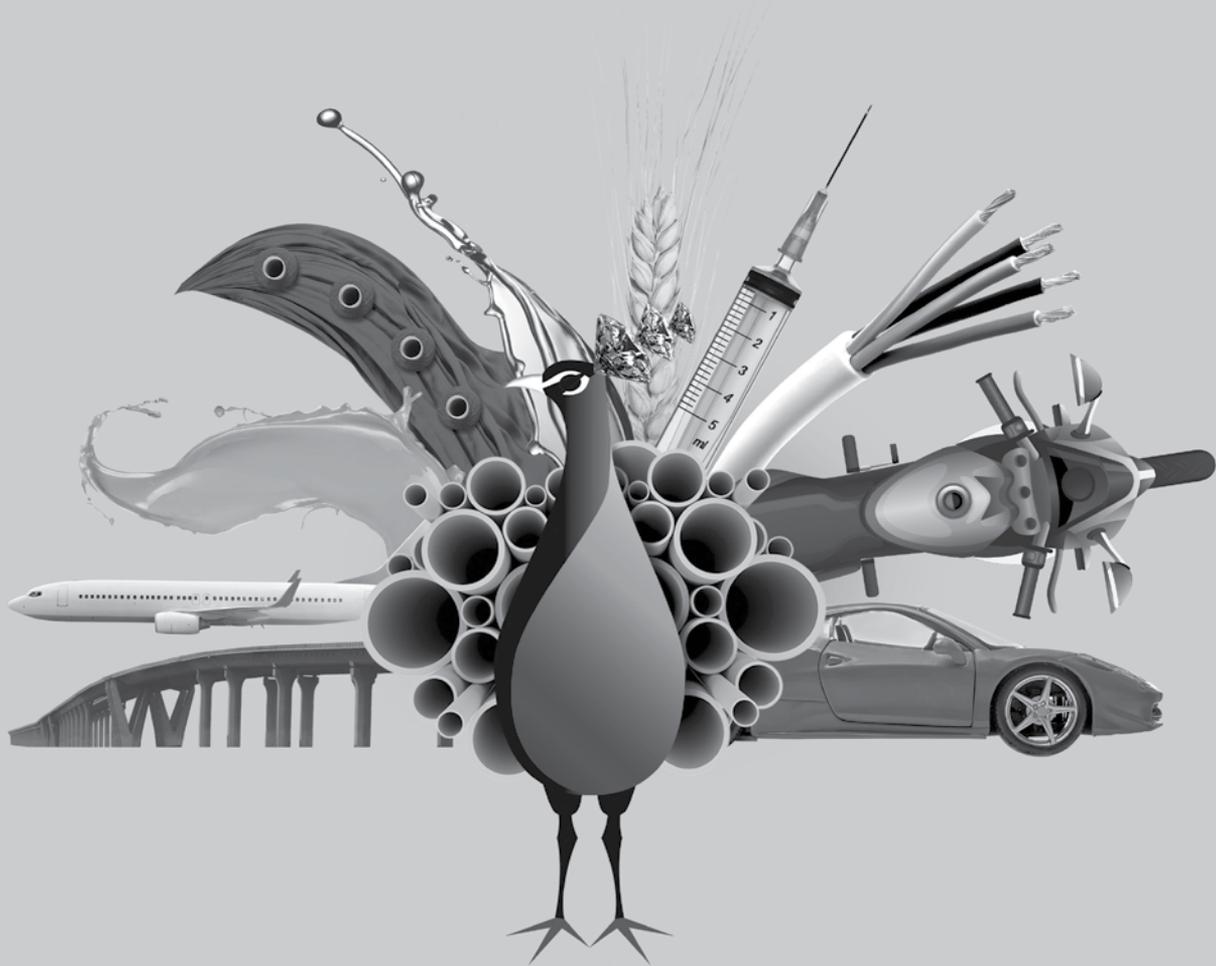
(₹ in Crore)

| 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



*Spreading wings,
embracing possibilities.*

Commemorating 2017 as the
Year of Innovation & Technology
across IndianOil

Driven by the belief that innovation is the greatest catalyst of growth, we at IndianOil have adopted new thinking and adapted to changes in our environment to deliver better products & services. Through dedicated R&D and imbibing latest technology in every sphere of our operation, we are constantly introducing cleaner fuels and eco-friendly products. As we celebrate 2017 as the Year of Innovation & Technology, we vow to renew our efforts towards building a better tomorrow.



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**INNOVATION
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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 its 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)

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

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)

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



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)

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/-
(CA. NANCY MURARKA)
Partner
M. No. 067953

Sd/-
(CA. ROHIT MEHTA)
Partner
M. No. 091382

Sd/-
(CA. M.S. BALACHANDRAN)
Partner
M. No. 024282

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
(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/-
(CA. NANCY MURARKA)
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Sd/-
(CA. ROHIT MEHTA)
Partner
M. No. 091382

Sd/-
(CA. M.S. BALACHANDRAN)
Partner
M. No. 024282

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

| Particulars | (₹ in Crore) | |
|---------------------------------------|-----------------|-----------------|
| | Mar-2017 | Mar-2016 |
| Balance at the beginning of the year | 2,369.67 | 2,369.67 |
| <u>Changes during the year</u> | | |
| 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-measurement of Defined Benefit Plans

(₹ in Crore)

| Reserves and Surplus | | Items of Other Comprehensive 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**

| Particulars | (₹ in Crore) | |
|--|------------------|------------------|
| | 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:

- Cash Flow Statement is prepared using Indirect Method as per Indian Accounting Standard-7: Cash Flow Statement.
- Figures for previous year have been regrouped wherever necessary for uniformity in presentation.
- 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.
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/-
(CA. NANCY MURARKA)
Partner
M. No. 067953

Sd/-
(CA. ROHIT MEHTA)
Partner
M. No. 091382

Sd/-
(CA. M.S. BALACHANDRAN)
Partner
M. No. 024282

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:

- 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
- Useful life of 25 years for solar power plant considered based on technical assessment
- In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II, whichever is lower
- In case of certain assets of R&D centre useful life is considered based on technical assessment
- 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-

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

8.3 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 acquiree 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 management 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 substantially 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 securities 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 analysis and provision.

Provision for decommissioning

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

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 |
|---|-----------------|----------------|-----------------------|---------------------|-------------------|---------------------|----------------------|-----------------|--|----------------------|-------------------|
| | (Refer A&F) | (Refer A&F) | (Refer B&F) | | | | | | | | |
| Gross Block | 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 |
| Gross Block as at 01.04.2016 | | | | | | | | | | | |
| 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 continues to 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:

| Asset Particulars | Gross Block | Accumulated Depreciation & Amortisation | Accumulated Impairment Loss | W.D.V. as at | | |
|---------------------------------|-------------|---|-----------------------------|--------------|----------|----------|
| | | | | 31.03.17 | 31.03.16 | 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:

| Asset Particulars | Name of Joint Owner | Gross Block | Accumulated Depreciation & Amortisation | Accumulated Impairment Loss | W.D.V. as at | | |
|---------------------------------|----------------------------|--------------|---|-----------------------------|--------------|--------------|--------------|
| | | | | | 31.03.17 | 31.03.16 | 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:

| Asset Particulars | Exchange Fluctuation | | Borrowing Cost | |
|---------------------------------|----------------------|-----------------|-----------------|-----------------|
| | Mar-2017 | Mar-2016 | Mar-2017 | Mar-2016 |
| | Buildings | 13.07 | 49.66 | 27.53 |
| 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):

| Asset Particulars | Gross Block as per Previous GAAP | Accumulated Depreciation as per Previous GAAP | Net Block as per Previous GAAP | IndAs/ Other Adjustments | Gross Block as per IndAs |
|---------------------------------|----------------------------------|---|--------------------------------|--------------------------|--------------------------|
| | 01.04.2015 | 01.04.2015 | 01.04.2015 | 01.04.2015 | 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 |
| Net Block | 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 Loss 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

| Particulars | (₹ in Crore) | | |
|--|-----------------|-----------------|-----------------|
| | 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 | - |
| | <u>4,532.88</u> | <u>4,920.58</u> | <u>4,104.84</u> |
| Less: Allocated during the year | 532.07 | 588.49 | - |
| | <u>4,000.81</u> | <u>4,332.09</u> | <u>4,104.84</u> |
| Less: Provision for Loss | 215.08 | 131.85 | 126.26 |
| | <u>3,785.73</u> | <u>4,200.24</u> | <u>3,978.58</u> |
| 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 | | | | | | | | |
|--|---------------------|------------------------------|---------------|-----------------|---------------|----------------|---------------|----------------|
| | | | Mar-2017 | | Mar-2016 | | 01.04.2015 | |
| | Investment Currency | Face Value/ Paid up Value | No. of shares | Carrying Value | No. of shares | Carrying Value | No. of shares | 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 | | | | <u>(18.38)</u> | | <u>(18.31)</u> | | <u>(18.23)</u> |
| Sub-Total: (I) (A) | | | | <u>-</u> | | <u>-</u> | | <u>-</u> |
| 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) | | | | <u>1,054.06</u> | | <u>856.98</u> | | <u>846.64</u> |
| 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.



| Particulars | Investment Currency | Face Value/ Paid up Value | Mar-2017 | | Mar-2016 | | 01.04.2015 | |
|---|---------------------|------------------------------|------------------------|------------------|------------------------|------------------|------------------------|------------------|
| | | | 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 | | Mar-2016 | | 01.04.2015 | |
|---|---------------------|------------------------------|---------------|------------------|---------------|------------------|---------------|------------------|
| | | | No. of shares | Fair Value | No. of shares | Fair Value | No. of shares | 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 ^a (under liquidation) 9.5% Cumulative Redeemable Preference Shares | Indian Rupees | 100 | 5000 | - | 5000 | - | 5000 | - |
| Sub-total: (II) | | | | <u>0.00</u> | | <u>0.00</u> | | <u>0.00</u> |
| 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) | | | | <u>4,177.51</u> | | <u>4,438.01</u> | | <u>4,828.23</u> |
| 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 | - | - |
| | | | | <u>297.52</u> | | <u>321.16</u> | | <u>-</u> |
| Total Non Current Investments (I+II+III+IV) | | | | <u>36,217.83</u> | | <u>24,089.05</u> | | <u>30,382.08</u> |
| 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 | - | - | - | - |
| | | | | <u>7,469.41</u> | | <u>7,095.74</u> | | <u>7,353.83</u> |

(₹ 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

- 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.
- Out of Government Securities classified as non-current, the following are pledged in favour of Clearing Corporation of India Ltd. (CCIL) for Loans through Collateralised 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 | - | - | - | - |

- 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 |

- 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 | | | | | | |
| 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 | | | Short Term | | |
|--|-----------------|-----------------|-----------------|-----------------|------------------|------------------|
| | Mar-2017 | Mar-2016 | 01.04.2015 | Mar-2017 | Mar-2016 | 01.04.2015 |
| A | | | | | | |
| Advances for Investments | 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 | <u>25.78</u> | | 40.55 | 16.38 | - | | - | - |
| | 25.78 | | 40.55 | 16.38 | - | | - | - |
| To Others | | | | | | | | |
| Secured, Considered Good | <u>9.38</u> | | 0.67 | 5.25 | - | | - | - |
| Unsecured, Considered Good | <u>954.68</u> | | 482.08 | 889.86 | - | | - | - |
| Unsecured, Considered Doubtful | <u>0.09</u> | | 0.10 | 0.10 | - | | - | - |
| | 964.15 | | 482.85 | 895.21 | - | | - | - |
| | 989.93 | | 523.40 | 911.59 | - | | - | - |
| Less: Provision for Doubtful Advance | <u>0.09</u> | | 0.10 | 0.10 | - | | - | - |
| | | 989.84 | 523.30 | 911.49 | | - | - | - |
| Advance Recoverable | | | | | | | | |
| From Related Parties | | | | | | | | |
| Unsecured, Considered Good | <u>309.09</u> | | 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 | <u>-</u> | | - | - | - | | - | - |
| | 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 | <u>0.33</u> | | 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 | <u>0.33</u> | | 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 | <u>-</u> | | - | - | 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 | <u>-</u> | | - | - | 91.17 | | 99.48 | 100.28 |
| | - | | - | - | 1,351.87 | | 1,223.35 | 991.93 |
| Less : Provision for Doubtful Claims | <u>-</u> | | - | - | 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 |
| | <u>670.48</u> | | <u>602.01</u> | <u>527.31</u> |
| 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 |
| | <u>121.35</u> | | <u>35.19</u> | <u>60.80</u> |
| 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 |
| | <u>8,221.65</u> | | <u>7,160.87</u> | <u>6,509.11</u> |
| 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 | | | | |
| Cheques, Drafts in hand | | 127.62 | 37.07 | 16.18 |
| Cash Balances, Including Imprest | A | 28.08 | 31.98 | 64.08 |
| | | 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

| Particulars | | Mar-2017 | Mar-2016 | 01.04.2015 |
|---|---|------------------|------------------|------------------|
| (₹ in Crore) | | | | |
| 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 | - |
| | | <u>75,206.44</u> | <u>71,420.93</u> | <u>64,966.82</u> |
| 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 | | <u>951.42</u> | <u>268.49</u> | <u>(905.54)</u> |
| | | 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 | - |
| | | <u>2,842.36</u> | <u>2,991.57</u> | <u>2,570.85</u> |

| 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 | 63.85 | 64.00 | 63.85 |
| Non-Convertible Redeemable Bonds-Series-IX | B&H | - | - | - | 1,729.10 | 128.99 |
| Non-Convertible Redeemable Bonds-Series-XIII | C&H | - | - | - | 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 | - | - | - | 33.22 | 34.83 |
| | | 1,070.00 | 1,070.00 | 63.85 | 2,256.18 | 2,147.16 |
| Non Convertible Debentures | G | 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 |
| Finance Lease Obligations | J | 3,605.55 | 3,752.96 | 3,886.80 | 150.86 | 134.15 |
| Total Secured Loans | | 6,558.03 | 7,391.65 | 9,367.40 | 934.21 | 2,942.96 |
| UNSECURED LOANS | | | | | | |
| Bonds: | | | | | | |
| Foreign Currency Bonds | K | 8,331.50 | 8,582.58 | 8,051.76 | 115.90 | 119.79 |
| Senior Notes (Bank of America) | L&H | 648.55 | 1,325.20 | 1,875.15 | 662.09 | 684.00 |
| | | 8,980.05 | 9,907.78 | 9,926.91 | 777.99 | 803.79 |
| 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 |
| From Others | | | | | | |
| In Rupees | N | - | - | 25.00 | - | 25.00 |
| | | 10,007.85 | 10,641.87 | 14,932.36 | 2,728.39 | 6,655.55 |
| Total Unsecured Loans | | 18,987.90 | 20,549.65 | 24,859.27 | 3,506.38 | 3,309.38 |
| TOTAL LONG-TERM BORROWINGS | | 25,545.93 | 27,941.30 | 34,226.67 | 4,440.59 | 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 | 10 th September 2008 | 11.00 % p.a. payable annually on 15 th 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 | 11 th December 2008 | 10.70 % p.a. payable annually on 30 th 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 | 6 th May 2013 | 8.14 % p.a. payable annually on 30 th 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 exercised the call option for ₹ 1295 crore. During 2016-17, the company has exercised call option for remaining bonds on 06 th 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 | 15 th September 2005 | 7.40% p.a. payable annually on 15 th 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 | 30 th April 2012 | 9.35 % p.a. payable annually on 30 th June | After 5 years with put/call option after 3 rd year from the date of allotment. During the year 2015-16 company has fully exercised call option on 30 th 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 | 18 th July 2001 | 10.25% p.a. payable annually on 30 th September | Redeemable in 13 equal instalments from the end of the 3 rd year upto the end of 15 th year from the date of allotment. Accordingly, 12 th 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 | 10 th January 2014 | 9.65 % p.a. payable annually on 10 th 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 | 18 th February 2013 | 8.85 % p.a. payable annually on 18 th 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 OIBD 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 OIBD (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 Finance Lease Obligations is against assets acquired 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 | 1 st August 2013 | Payable after 10 years from the date of issue |
| 2 | SGD 400 million Reg S bonds | 15 th 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 | 2 nd 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. 6 th June, 2 nd July, 1 st August and 4 th sept. 2007 is payable in three tranches of USD 100 Million each on 1 st August 2016, 1 st August 2017 and 1 st 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 | 29 th Jan 2016 | Payable after 5 years from the date of drawal |
| 2 | USD 650 Million syndication loan | 27 th June 2014 | |
| 3 | USD 120 Million syndication loan | 12 th March 2013 | |
| 4 | USD 300 Million syndication loan | 13 th 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 31 st 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 OIBD

(₹ 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 |
| Others | | 0.76 | 0.67 | 1.96 | 1,509.35 | 1,999.01 |
| 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 translation 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: | B | | | |
| Loans through Collateralised Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd. (CCIL) | | 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") | <u>1,656.47</u> | | <u>1,321.33</u> |
| | | 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 | | <u>5,149.21</u> | <u>6,885.26</u> |
| TOTAL | | <u>453,725.84</u> | <u>414,821.11</u> |

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 | | <u>462.57</u> | <u>491.04</u> |
| TOTAL | | <u>1,656.47</u> | <u>1,321.33</u> |



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 | | <u>135.23</u> | <u>54.59</u> |
| | | 1,783.62 | 1,622.12 |
| Dividend: | B | | |
| From Related Parties | | 4.55 | 2.95 |
| From Other Companies | | <u>856.32</u> | <u>447.62</u> |
| | | 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 | | <u>55.06</u> | <u>50.13</u> |
| TOTAL | | <u>3,872.39</u> | <u>2,186.49</u> |
| 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 | | <u>864.24</u> | <u>922.00</u> |
| TOTAL | | <u>1,590.27</u> | <u>1,564.64</u> |
| B Dividend Income consists of Dividend on: | | | |
| Current Investments | | 33.88 | 4.31 |
| Non-Current Investments | | <u>826.99</u> | <u>446.26</u> |

NOTE-25: COST OF MATERIALS CONSUMED

| | | (₹ in Crore) | |
|---------------------|--|--------------------------|--------------------------|
| Particulars | | Mar-2017 | Mar-2016 |
| Opening Stock | | 13,979.68 | 17,876.61 |
| Add: Purchases | | <u>188,119.02</u> | <u>160,282.04</u> |
| | | 202,098.70 | 178,158.65 |
| Less: Closing Stock | | <u>22,264.65</u> | <u>13,979.68</u> |
| TOTAL | | <u>179,834.05</u> | <u>164,178.97</u> |

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

| Particulars | (₹ in Crore) | |
|----------------------------------|------------------|-------------------|
| | 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

| Particulars | (₹ in Crore) | |
|---|------------------|-----------------|
| | 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**

| Particulars | (₹ in Crore) | |
|---|-----------------|-----------------|
| | Mar-2017 | Mar-2016 |
| Interest Payments on Financial items: | | |
| Working Capital Loans: | | |
| Bank Borrowings | 323.55 | 458.66 |
| Bonds/Debentures | 3.15 | 55.82 |
| | <u>326.70</u> | <u>514.48</u> |
| Other Loans: | | |
| Bank Borrowings | 669.91 | 503.59 |
| Bonds/Debentures | 612.35 | 425.56 |
| Others | 468.97 | 431.58 |
| | <u>1,751.23</u> | <u>1,360.73</u> |
| Unwinding of Discount | 2.81 | 2.90 |
| Others | 25.12 | 263.26 |
| | <u>2,105.86</u> | <u>2,141.37</u> |
| Interest Payments on Non Financial items: | | |
| Unwinding of Discount | 3.89 | 2.62 |
| Others | 1,435.82 | 739.25 |
| | <u>1,439.71</u> | <u>741.87</u> |
| Other Borrowing Cost | 3,545.57 | 2,883.24 |
| Applicable Net (Gain) / Loss on Foreign Currency Transactions and Translation | 22.73 | 23.99 |
| | <u>152.96</u> | <u>561.76</u> |
| TOTAL | <u>3,721.26</u> | <u>3,468.99</u> |
| 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

| Particulars | (₹ in Crore) | |
|---|------------------|------------------|
| | Mar-2017 | Mar-2016 |
| Consumption: | | |
| a) Stores, Spares and Consumables | 1,435.53 | 1,406.12 |
| b) Packages & Drum Sheets | 430.51 | 445.28 |
| | <u>1,866.04</u> | <u>1,851.40</u> |
| Power & Fuel | 17,049.64 | 15,274.16 |
| Less : Fuel from own production | 13,088.96 | 10,597.20 |
| | <u>3,960.68</u> | <u>4,676.96</u> |
| 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 |
| | <u>3,214.32</u> | <u>2,965.15</u> |
| 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 | <u>36,908.15</u> | <u>31,536.65</u> |
| Less: Company's use of own Products and Crude | 934.31 | 1,460.14 |
| TOTAL (Net) | <u>35,973.84</u> | <u>30,076.51</u> |

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

| Particulars | (₹ in Crore) | |
|---|------------------|-----------------|
| | 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 | <u>(2.70)</u> | | <u>(3.74)</u> |
| | | 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 | <u>0.83</u> | | <u>0.92</u> |
| | | 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 | <u>15.21</u> | | <u>(2.65)</u> |
| | | 54.09 | 224.15 |
| Income Tax relating to items that will be reclassified to profit or loss: | | | |
| Fair value of Debt Instruments | <u>(99.41)</u> | | <u>12.72</u> |
| | | (99.41) | 12.72 |
| TOTAL | | <u>4,673.15</u> | <u>(6,748.44)</u> |

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) | | <u>49.54</u> | <u>38.47</u> |
| 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) | | <u>209.81</u> | <u>32.05</u> |
| Interim dividend net of IOC share trust | | 8,530.82 | 1,303.32 |
| DDT on interim dividend | | <u>1,757.13</u> | <u>266.60</u> |
| Total | | <u>12,722.13</u> | <u>3,453.03</u> |
| 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) | | <u>11.66</u> | <u>49.54</u> |
| Final proposed dividend net of IOC share trust | | 473.93 | 2,014.22 |
| DDT on proposed dividend | | <u>98.85</u> | <u>419.96</u> |
| | | <u>572.78</u> | <u>2,434.18</u> |

Notes

- 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.
- 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.
- 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:

| Particulars | (₹ in Crore) | |
|---|---------------|---------------|
| | 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

- 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.
- 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:

| Particulars | (₹ in Crore) | | |
|--|---------------|---------------|---------------|
| | 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

| Particulars | (₹ in Crore) | | |
|-----------------------------------|--------------|----------|------------|
| | 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:

| Particulars | (₹ in Crore) | |
|---------------------------------------|-----------------|-----------------|
| | 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:

| Particulars | (₹ in Crore) | | |
|--|-----------------|-----------------|-----------------|
| | 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

| Particulars | (₹ in Crore) | | |
|-----------------------------------|--------------|----------|------------|
| | 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:

| Particulars | (₹ in Crore) | |
|---------------------------------------|--------------|-----------|
| | 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:

| Particulars | (₹ in Crore) | | |
|---|--------------|----------|------------|
| | 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:

| Particulars | (₹ in Crore) | | |
|------------------------|--------------|----------|------------|
| | 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

** Participating interest changed to 25% for exclusive operations in Appraisal phase on account of non participation by GSPC

*** Partnership 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 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 | | 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 | Beginning | 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 | Beginning | 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 | Beginning | 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 | Beginning | 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 certification who adopt latest industry practises 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 ₹ **42.21 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 eligible 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 entitlements 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 <i>9,705.57</i> | 1,503.86 <i>1,533.21</i> | 3,515.28 <i>2,575.58</i> | 4.31 <i>5.31</i> | 50.37 <i>43.40</i> | 82.02 <i>83.59</i> | 197.28 <i>203.12</i> | 2.89 <i>2.17</i> |
| Current Service Cost | 369.33 <i>351.33</i> | 11.91 <i>8.61</i> | 168.24 <i>116.85</i> | 0.12 <i>0.11</i> | 0.97 <i>0.84</i> | 13.52 <i>13.84</i> | - - | 0.10 <i>0.24</i> |
| Interest Cost | 935.13 <i>855.35</i> | 119.73 <i>121.85</i> | 283.33 <i>204.76</i> | 0.25 <i>0.36</i> | 3.98 <i>3.29</i> | 6.53 <i>6.65</i> | 15.41 <i>16.09</i> | 0.36 <i>0.23</i> |
| Contribution by employees | 829.06 <i>823.96</i> | - - | - - | - - | - - | - - | - - | - - |
| Net Liability transferred In / (Out) | 64.88 <i>27.48</i> | - - | - - | - - | - - | - - | - - | - - |
| Benefits paid | (1,125.15) <i>(1,080.76)</i> | (170.96) <i>(156.59)</i> | (174.74) <i>(151.60)</i> | (1.77) <i>(1.40)</i> | (2.46) <i>(2.40)</i> | (7.31) <i>(5.74)</i> | (28.76) <i>(28.83)</i> | (0.26) <i>(0.04)</i> |
| Actuarial (gain)/ loss on obligations | - - | 58.90 <i>(3.22)</i> | 529.92 <i>769.69</i> | (0.06) <i>(0.07)</i> | 6.80 <i>5.24</i> | (7.18) <i>(16.32)</i> | 14.49 <i>6.90</i> | (0.27) <i>0.29</i> |
| Defined Benefit Obligation at the end of the year | 11,756.18 <i>10,682.93</i> | 1,523.44 <i>1,503.86</i> | 4,322.03 <i>3,515.28</i> | 2.85 <i>4.31</i> | 59.66 <i>50.37</i> | 87.58 <i>82.02</i> | 198.42 <i>197.28</i> | 2.82 <i>2.89</i> |

(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) | 84.74 | - | 3.98 | 6.53 | 15.41 | 0.36 |
| | - | (30.03) | 91.89 | - | 3.29 | 6.65 | 16.09 | 0.23 |
| Contribution by Employees | - | - | (1.34) | - | - | - | - | - |
| | - | - | (1.22) | - | - | - | - | - |
| Expenses for the year | 369.33 | (22.03) | 251.64 | 0.12 | 4.95 | 20.05 | 15.41 | 0.46 |
| | 351.33 | (21.42) | 207.52 | 0.11 | 4.13 | 20.49 | 16.09 | 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 | 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 |
| Re-measurement (Return on plan assets excluding Interest Income) | - | 10.20 | 24.15 | 0.07 | - | - | - | - |
| | - | 15.61 | 73.26 | (0.01) | - | - | - | - |
| Net Loss / (Gain) recognized in OCI | - | 48.70 | 505.77 | (0.13) | 6.80 | (7.18) | 14.49 | (0.27) |
| | - | (18.83) | 696.43 | (0.06) | 5.24 | (16.32) | 6.90 | 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% | 7.29% | 7.45% | 6.40% | 7.45% | 7.29% | 7.51% | 13.00% |
| | 7.96% | 7.96% | 8.06% | 7.30% | 7.90% | 7.96% | 7.81% | 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% | - | - | - | 2-8% |
| | - | 8.00% | - | 8.00% | - | - | - | 2-8% |
| As on 01.04.2015 | - | 8.00% | - | 8.00% | - | - | - | 2-4% |
| Inflation | - | - | 7.00% | - | 7.00% | 6.00% | - | - |
| | - | - | 7.00% | - | 7.00% | 6.00% | - | - |
| As on 01.04.2015 | - | - | 7.00% | - | - | 6.00% | - | - |
| Average Expected Future Service/ Obligation (Years) | - | 15 | 30 | 2 | 30 | 15 | 11 | 14 |
| | - | 14 | 30 | 3 | 30 | 14 | 11 | 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 | 293.92 187.56 | 173.28 156.75 | 0.99 0.07 | 1.37 2.77 | 5.66 5.92 | 29.51 30.93 | 504.73 384.00 |
| Between 2 to 5 Years | 1,036.29 640.80 | 798.10 662.86 | 2.26 4.86 | 7.49 13.33 | 22.51 22.78 | 93.76 102.97 | 1,960.41 1,447.60 |
| Between 6 to 10 Years | 1,117.06 752.94 | 1,210.26 872.94 | - - | 15.90 24.10 | 32.38 34.98 | 70.03 85.14 | 2,445.63 1,770.10 |

Note: General Description of the defined benefit 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:

- 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.
- 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.
- 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.
- 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 company has leased out land for one time upfront payment of ₹ 16.65 crores

| | Mar-2017 | Mar-2016 | 01.04.2015 |
|--|---------------|---------------|---------------|
| | (₹ in Crore) | | |
| 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 Anwasha 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 | |
|--|------------------------------|--------------------------|--------------------------|--------------------|--------------|--|-------------|
| | | | | | | Mar-2016 | 01.04.2015 |
| 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

| 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

| 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 | | | | Total | Mar-2016 | | | | Total |
|--|--------------------|------------------|------------------|--------------------|-------------------|--------------------|------------------|------------------|--------------------|-------------------|
| | Petroleum Products | Petro-chemicals | Other Business | Eliminations | | Petroleum Products | Petro-chemicals | Other Business | Eliminations | |
| 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 Liabilities | | | | | 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:

| | Carrying value | | | Fair value | | | (₹ in Crore) |
|---|----------------|-----------|------------|------------|-----------|------------|--|
| | Mar-2017 | Mar-2016 | 01.04.2015 | Mar-2017 | Mar-2016 | 01.04.2015 | Fair value measurement hierarchy level |
| 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 | <u>2017: 2.0x - 2.4x (2.2x)</u> 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: <u>2017: ₹7.30 crore/ ₹(7.30) crore</u> 2016: ₹7.20 crore/ ₹(7.20) crore 01.04.2015: ₹7.20 crore/ ₹(7.10) crore |
| | | | EBITDA multiple | <u>2017: 7.0x - 9.0x (8.0x)</u> 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: <u>2017: ₹8.80 crore/ ₹(8.80) crore</u> 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 | <u>2017: 10.0%-11.0% (10.5%)</u> 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: <u>2017: ₹(48.30) crore/ ₹51.00 crore</u> 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 | <u>2017: 21.0%-25.0% (22.0%)</u> 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: <u>2017: ₹(2.00) crore/ ₹1.60 crore</u> 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 | <u>2017: (90%)</u> 2016: (90%) 01.04.2015: (90%) | 1% increase/ (decrease) in Probability would result in (decrease)/ increase in fair value by: <u>2017: ₹(4.90) crore/ ₹4.90 crore</u> 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 (Since the construction of the facility is in progress, cost of the investment has been treated as the fair value by the management) | 0.93 | - | - |
| BioTech Consortium India Limited (Management does not consider any movement in their fair value on reporting date) | 0.10 | 0.10 | 0.10 |
| MRL Industrial Cooperative Service Society (Management does not consider any movement in their fair value on reporting date) | 0.01 | 0.01 | 0.01 |
| 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 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 Committee 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. 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 | Effect on profit before tax | Increase / Decrease | Effect on profit before tax |
|------------------------|---------------------|-----------------------------|---------------------|-----------------------------|
| | in basis points | (₹ in crore) | in basis points | (₹ 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 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 occurrence 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 outstanding is given below:

| Particulars | Quantity (in lakh bbls) | | |
|--------------------|-------------------------|----------|------------|
| | 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 | Effect on profit before tax | Increase / Decrease | Effect on profit before tax |
|----------------|---------------------|-----------------------------|---------------------|-----------------------------|
| | in % | (₹ in crore) | in % | (₹ 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 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 ₹ **505.84 crore** (2016: ₹ 382.45 crore).

B. Capital Grants**1 OIIB Government Grant for strengthening distribution of SKO (PDS)**

The Group has received government grant from OIIB (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 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 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 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 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 diminution 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 diminution in the value of investment:

- i) Petronet CI Limited.
- ii) IndianOil Panipat Power Consortium 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 upon 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. Transition 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:

| Proportionate share of assets and liabilities | Mar-2016 | 01.04.2015 |
|---|-----------------|-----------------|
| (₹ in Crore) | | |
| 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:

| Proportionate Share | Mar-2016 |
|--|-----------------|
| (₹ in Crore) | |
| 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 |
| Equity as per previous GAAP (Indian GAAP) | | 68,832.27 |
| Effect for fair value gain / (loss) on investments in equity shares through other comprehensive income | 1(i) | 19,683.22 |
| Effect for fair value gain / (loss) on investments debt instruments | 1(ii) | 199.92 |
| Effect for spares classified as property, plant and equipments | 2 | (95.19) |
| Effect for fair valuation of derivatives | 5 | (376.99) |
| Effect for capitalisation of expenses as enabling assets | 3 | - |
| Effect of adjustments relating to revenue | 4 | (176.82) |
| Proposed dividend and dividend tax reversed | 9 | 2,023.12 |
| Acquisition cost of shares held under IOC share trust netted off | 6 (i) | (1,989.78) |
| Non-Controlling Interest | 11 | 1,067.40 |
| Tax Impact (net) | 8 | 697.14 |
| Others | | (301.04) |
| Equity as per Ind AS | | 89,563.25 |
| | | 75,993.96 |
| | | 13,149.54 |
| | | 163.14 |
| | | 47.75 |
| | | (380.75) |
| | | 159.03 |
| | | (253.89) |
| | | 2,555.20 |
| | | (1,989.78) |
| | | 1,426.04 |
| | | 734.35 |
| | | (198.94) |
| | | 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 separate component of equity in the FVTOCI reserve. Similarly, 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 separate component of equity in the FVTOCI reserve. Similarly, 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 retrospectively 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-recognition of sales/trade receivables 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, rereasurements [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 rereasurement 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



IndianOil

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of Indian Oil Corporation Limited for the year ended 31st March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25th May 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of Indian Oil Corporation Limited for the year ended 31st March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report.

**For and on behalf of the
Comptroller and Auditor General of India**

**Place: New Delhi
Date: 30.06.2017**

**Sd/-
(Nandana Munshi)
Director General of Commercial Audit
& Ex-officio Member, Audit Board-II,
New Delhi**

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of consolidated financial statements of Indian Oil Corporation Limited for the year ended 31st March 2017 in accordance with the financial reporting framework prescribed under the Companies act, 2013 (Act) is the responsibility of the Management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25th May 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) read with section 129(4) of the Act of the consolidated financial statements of Indian Oil Corporation Limited for the year ended 31st March 2017. We conducted a supplementary audit of the financial statements of companies mentioned in Annexure-A, but did not conduct supplementary audit of the financial statements of companies mentioned in Annexure-B for the year ended on that date. Further, Section 139(5) and Section 143(6) (b) of the Act are not applicable to the companies mentioned in Annexure-C being private entities/entities incorporated in foreign countries under the respective laws, for appointment of their Statutory Auditors nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report.

For and on behalf of the
Comptroller and Auditor General of India

Place: New Delhi
Date: 30.06.2017

Sd/-
(Nandana Munshi)
Director General of Commercial Audit
& Ex-officio Member, Audit Board-II,
New Delhi



Annexure-A

Name of the Company/Subsidiary/JV/Associate companies of which supplementary Audit conducted.

| S. No. | Name of the Company | Type of the Company |
|--------|---|---------------------|
| 1. | Indian Oil Corporation Limited | Holding Company |
| 2. | Chennai Petroleum Corporation limited | Subsidiary |
| 3. | Mumbai Aviation Fuel Farm Facility Private Limited | Joint Venture |
| 4. | GSPL India Transco Limited | Joint Venture |
| 5. | GSPL India Gasnet Limited | Joint Venture |
| 6. | Hindustan Urvarak & Rasayan Limited | Joint Venture |
| 7. | NPCIL Indian Oil Nuclear Energy Corporation Limited | Joint Venture |

Annexure-B

Name of the Company/Subsidiary/JV/Associate companies of which supplementary Audit not conducted.

| S. No. | Name of the Company | Type of the Company |
|--------|--|---------------------|
| 1. | Indian Catalyst Private Limited | Subsidiary |
| 2. | Green Gas Limited | Joint Venture |
| 3. | Delhi Aviation Fuel Facility (Private) Limited | Joint Venture |
| 4. | Kochi Salem Pipelines Private Limited | Joint Venture |

Annexure-C

List of all Subsidiaries/JV/Associate companies to which sec 139(5) and 143(6)(b) of the companies Act are not applicable.

| S. No. | Name of the Company | Type of the Company |
|--------|--|---------------------|
| 1. | IOT Infrastructure & Energy Services Limited | Joint Venture |
| 2. | Lubrizol India Private Limited | Joint Venture |
| 3. | India Oil Petronas Private Limited | Joint Venture |
| 4. | Indian Oil Skytanking Private Limited | Joint Venture |
| 5. | Indian Synthetic Rubber Private Limited | Joint Venture |
| 6. | Indian Oil Adani Gas Private Limited | Joint Venture |
| 7. | Indian Oil LNG Private Limited | Joint Venture |
| 8. | Indian Oil Ruchi Biofuels LLP | Joint Venture |
| 9. | Petronet LNG Limited | Associates |
| 10. | Avi-Oil India Private Limited | Associates |
| 11. | Petronet VK Limited | Associates |
| 12. | Petronet India Limited | Associates |

Entities incorporated outside India:

| S. No. | Name of the Company | Type of the Company |
|--------|--------------------------------|---------------------|
| 1. | Lanka IOC PLC | Subsidiary |
| 2. | Indian Oil (Mauritius) Limited | Subsidiary |
| 3. | IOC Middle East FZE | Subsidiary |
| 4. | IOC Sweden AB | Subsidiary |
| 5. | IOCL (USA) INC | Subsidiary |
| 6. | IndOil Global B.V | Subsidiary |
| 7. | IOCL Singapore Pte Ltd. | Subsidiary |
| 8. | Suntera Nigeria 205 Limited | Joint Venture |

INDIAN OIL CORPORATION LIMITED

[CIN – L23201MH1959GOI011388]

Regd. Office: 'IndianOil Bhavan', G-9, Ali Yavar Jung Marg, Bandra (E), Mumbai - 400051

Tel: 022-26447616, Fax: 022-26447961, Email Id: investors@indianoil.in, Website: www.iocl.com

NOTICE

NOTICE is hereby given that the **58th Annual General Meeting** of the members of **INDIAN OIL CORPORATION LIMITED** will be held at **Rangsharda Auditorium, K. C. Marg, Bandra Reclamation, Bandra (West), Mumbai - 400050** on **Tuesday, the 29th August, 2017** at **1030 hrs.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Standalone as well as Consolidated Financial Statement of the Company for the financial year ended March 31, 2017 together with Reports of the Directors and the Auditors thereon.
2. To declare the Final Dividend of ₹ 1/- per equity share for the year 2016-17 and to confirm the Interim Dividend of ₹ 18/- per equity share paid during the year 2016-17.
3. To appoint a Director in place of Shri Verghese Cherian (DIN: 07001243), who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri Anish Aggarwal (DIN: 06993471), who retires by rotation and is eligible for reappointment.

SPECIAL BUSINESS

5. To appoint Dr. S.S.V. Ramakumar (DIN: 07626484) as Director (Research & Development) of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 152 and 161(1) of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force and the Articles of Association of the Company, Dr. S.S.V.Ramakumar (DIN: 07626484), who was appointed as an Additional Director and designated as Director (Research & Development) by the Board of Directors with effect from 01.02.2017 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director (Research & Development) of the Company, liable to retire by rotation."

6. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2018.

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, the aggregate remuneration of ₹ 18.50 lakhs plus applicable taxes and out of pocket expenses payable to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the various units of the Company for the financial year ending March 31, 2018, be and is hereby ratified."



7. To approve issuance of Debentures on private placement basis.

To consider and if thought fit to pass, with or without modifications, the following resolutions as **Special Resolutions**:

“RESOLVED THAT pursuant to the provisions of Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) as well as rules prescribed thereunder, approval of the members be and is hereby accorded to the Board of Directors to issue secured / unsecured redeemable non-convertible bonds / debentures (“Bonds”) of face value aggregating upto ₹ 20,000 crores (from domestic as well as overseas market) on private placement basis during a period of one year from the date of approval by members within the overall borrowing limits approved by members.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board / Committee of the Board or officers authorized by them in this regard be and are hereby authorized to do, from time to time, all such acts, deeds and things as may be deemed necessary in respect of issue of Bonds including but not limited to number of issues / tranches, face value, issue price, issue size, timing, amount, tenor, method of issuance, security, coupon / interest rate(s), yield, listing, allotment, appointment of various agencies and other terms and conditions of issue of Bonds as they may, in their absolute discretion, deem necessary.”

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

Date: 21.07.2017

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

(Raju Ranganathan)
Company Secretary

NOTES

- (a) **A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of himself. Such a proxy need not be a member of the company. Proxies, in order to be valid and effective, must be delivered at the registered office of the Company as per attached format, duly filled, stamped & signed not later than 48 hours before the commencement of the meeting.**
- As per the provisions of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.**
- (b) A statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- (c) Members / Proxies / Authorised Representatives are requested to bring the attendance slip duly filled and signed along with copy of Annual Report to the meeting.
- (d) The Annual Report duly circulated to the members of the Company, is also available on the Company's website at www.iocl.com.
- (e) Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered Office of the Company on all working days i.e. Monday to Friday, between 10:30 a.m. and 12:30 p.m. upto the date of the Annual General Meeting.
- (f) **The Register of members and Share Transfer Books of the Company will remain closed from Tuesday, 22nd August, 2017 to Tuesday, 29th August, 2017 (both days inclusive) for the purpose of ascertaining the eligibility of members for payment of final dividend.** The final dividend payable on Equity Shares, if approved by the members, will be paid to those members whose names appear on the Company's Register of members and as per beneficial owner's position received from NSDL & CDSL as at the close of working hours on 21st August, 2017.
- (g) Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Transfer Agent (RTA), M/s Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032. Tel. Nos.: (040) 67162222 ; Fax No.: (040) 23001153 ; E-mail Address : einward.ris@karvy.com ;
- (h) Reserve Bank of India has initiated NECS (National Electronic Clearing System) facility for credit of dividend directly to the bank account of the members. Hence, members are requested to register their Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR code & 11 digit IFSC code), in respect of shares held in dematerialized form with their respective Depository Participant i.e. the agency where the demat account has been opened and in respect of shares held in physical form with the RTA at the address given at (g) above or at the registered office of the Company.
- (i) Members may send their requests for change / updation of Address, Bank A/c details, ECS mandate, Email address, Nominations:
- For shares held in dematerialised form** - to their respective Depository Participant
 - For shares held in physical form** - to the RTA at the address given at (g) above or at the registered office of the Company.
- (j) Non-Resident Indian members are requested to inform the RTA at the address given at (g) above immediately about :
- Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- (k) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market failing which the demat account / folio no. would be suspended for trading. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA at the address given at (g) above.
- (l) Pursuant to the provisions of section 124 of the Companies Act, 2013, the Company has transferred all unpaid dividend declared upto the financial year 2008-09 to Investor Education & Protection Fund (IEPF) established by the Central Government. The dividend which remains unpaid or unclaimed for a period of 7 years would be transferred to the IEPF on respective due dates. Accordingly, upon completion of 7 years, the Company would transfer the unclaimed / unpaid dividend for the financial year 2009-10 in November, 2017. The members, who have not encashed their dividend warrant so far, for the financial years 2009-10 to 2016-17 (interim dividend) may write to the RTA at the address given at (g) above or at the registered office of the Company for claiming the unpaid dividend.

Section 124(6) of the Companies Act, 2013 read with rules made there under provide that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund. Accordingly, the company would initiate steps for transfer of such shares to IEPF.

Further, Section 125 of the Companies Act, 2013 provides that a shareholder whose dividend amount / shares have been transferred to the IEPF shall be entitled to claim refund therefrom.

- (m) Pursuant to Section 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, Annual Report of the Company has been sent through email to those members whose email ID is registered with the Company / Depository. In case any member wants a physical copy of the Annual Report, he may send a request to the Company Secretary at the Registered office of the Company or to the RTA at the address given in point no. (g) above. Those members who have not registered their email ID are requested to write to the RTA / their Depository Participant for registering the same.
- (n) In terms of Section 108 of Companies, Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is providing the facility to its members to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice.

The cut-off date to be eligible to vote by electronic means is Tuesday, 22nd August 2017.

(o) **Facility for E-Voting**

(1) Details of the process and manner of e-voting along with the User ID and Password are being sent to the members along with the notice:

- by email to those members whose email ID is registered with the Company / Depository Participant.
- by post to those members whose email ID is not registered with the Company / Depository Participant.

(2) The instructions and other information relating to e-voting are as under:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - For first time users:
 - Enter the login credentials i.e. User ID and Password mentioned in the notice.
 - After entering these details appropriately, Click on "LOGIN".
 - You will now reach password change Menu wherein you are required to mandatorily change your password with a password of your choice that meets the criteria stated on the webpage.
 - You need to login again with the new password.
 - For existing users already registered with Karvy for e-voting: Please use your existing User ID and password for logging in.

It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- ii. On successful login, the system will prompt you to select the "EVEN" i.e. **Indian Oil Corporation Limited**.
- iii. On the voting page, enter the number of shares (which represents the number of votes as on the Cut Off date) under "FOR / AGAINST" / ABSTAIN or alternatively, you may partially enter any number of votes in "FOR" and partially in "AGAINST" such that the total number of votes cast "FOR / AGAINST" taken together should not exceed your total shareholding.
- iv. Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item it will be treated as abstain.
- v. Members holding multiple demat accounts / folios shall choose the voting process separately for each demat account / folio.
- vi. You may then cast your vote by selecting an appropriate option and click on "Submit".
- vii. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).

- viii. Corporate / Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., to the Scrutinizer at email ID: ioclevoting2017@dholakia-associates.com with a copy marked to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format “**IOCL 58 AGM**”.
- (3) The e-voting would commence on Thursday, August 24, 2017 at 9:30 A.M. (IST) and end on Monday, August 28, 2017 at 05.00 P.M. (IST). During this period, the eligible members of the Company may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter.
- (4) Facility for voting would also be made available at the AGM venue. Members who cast their votes electronically should not vote at the AGM. However, in case a member votes electronically as well as at the AGM, the vote cast at the AGM will be ignored.
- (5) In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com>.
- (6) The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company, as on the cut-off date.
- (7) The Company has appointed Shri Nrupang Dholakia of M/s. Dholakia & Associates LLP, a practicing Company Secretary, as Scrutinizer and in his absence Shri B. V. Dholakia of M/s. Dholakia & Associates LLP to scrutinize the e-voting and poll process in a fair and transparent manner.
- (8) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and submit not later than two days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company or such other officer authorized by the Chairman.
- (9) The Results on resolutions shall be declared within two days of the conclusion of the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
- (10) The results of voting along with the Scrutinizer's Report(s) thereon would be available on the website of the Company (www.iocl.com) and on Service Provider's website (<https://evoting.karvy.com>) immediately after the declaration of the results and would also be communicated simultaneously to the BSE Limited and the National Stock Exchange of India Limited.

A BRIEF RESUME OF DIRECTOR BEING REAPPOINTED IS GIVEN BELOW:-

Item No. 3 - To appoint a Director in place of Shri Verghese Cherian (DIN: 07001243), who retires by rotation and is eligible for reappointment.

Shri Verghese Cherian, Director (Human Resource), aged 59 years, was inducted on the Board on 06.01.2015. He is a post graduate in Social Work (MSW) and has more than 34 years of rich and comprehensive experience in Human Resources discipline in various positions at Refinery Units, Refinery Headquarters and R&D Centre of IndianOil. He has also headed 'IndianOil Institute of Petroleum Management', an apex training centre of IndianOil.

| | |
|--|------|
| Details of Directorships in Other Companies (excluding Foreign Companies) | NIL |
| Membership / Chairmanship in the Committees of other Companies | NIL |
| No. of Shares held in the Company as on date | 6286 |
| Relationship between Directors inter-se | None |

Item No. 4 - To appoint a Director in place of Shri Anish Aggarwal (DIN: 06993471), who retires by rotation and is eligible for reappointment.

Shri Anish Aggarwal, Director (Pipelines), aged 59 years, was inducted on the Board on 01.02.2015. Shri Aggarwal is an Electronics & Electrical Communication Engineering Graduate from Punjab Engineering College, Chandigarh. He also completed an Executive MBA from Management Development Institute, Gurgaon. He joined IndianOil in the year 1979 and has over 3 decades of experience of working in Hydrocarbon industry. Shri Aggarwal has worked in various functions of Pipelines Division like Operations, Maintenance, Technical Services and Projects. He has hands-on experience on various facets of hydrocarbon pipeline systems.

| | |
|--|------|
| Details of Directorships in Other Companies (excluding Foreign Companies) | 1 |
| Membership / Chairmanship in the Committees of other Companies | NIL |
| No. of Shares held in the Company as on date | 6086 |
| Relationship between Directors inter-se | None |

STATEMENT SETTING OUT THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS IN PURSUANCE OF SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 5 - To appoint Dr. S.S.V. Ramakumar (DIN: 07626484) as Director (Research & Development) of the Company.

Dr. S. S. V. Ramakumar, aged 54 years, was appointed as an Additional Director with effect from 01.02.2017 by the Board of Directors and designated as Director (Research & Development), pursuant to Article 94(I) of the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013 and holds office up to the date of this Annual General Meeting.

Dr. S. S. V. Ramakumar is Ph.D in Chemistry from the University of Roorkee (currently IIT Roorkee). He joined IndianOil R&D Centre in 1988 and has over 28 years of experience in research and development and downstream hydrocarbon sector notably in the areas of Refinery process research streams, Automotive Lubricants, Nano-technology Research, Technology promotion & forecasting, Tribology etc. He has authored IndianOil R&D journey book 'Inventing the Future' and has over 95 research publications in national and international journals.

| | |
|--|------|
| Details of Directorships in Other Companies (excluding Foreign Companies) | NIL |
| Membership/Chairmanship in the Committees of other Companies | NIL |
| No. of Shares held in the Company as on date | 4400 |
| Relationship between Directors inter-se | None |

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member signifying his intention to propose the name of Dr. S. S. V. Ramakumar as a candidate for the office of Director.

Dr. S. S. V. Ramakumar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. None of the Directors / Key Managerial Personnel of the Company except Dr. S. S. V. Ramakumar is interested or concerned in the resolution.

The Directors, therefore, recommend the Ordinary Resolution for approval by members.

Item No. 6 - To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2018.

The Board, on the recommendation of the Audit Committee, has approved the appointment of the following Cost Auditors at an aggregate remuneration of ₹ 18.50 Lakhs plus applicable taxes and out of pocket expenses to conduct the audit of the cost records of the various units of the Company for the financial year ending March 31, 2018:

| Sl. No. | Name of the Cost Auditor | Audit Fees (₹) |
|---------|--|------------------|
| 1 | Chandra Wadhwa & Co., New Delhi | 3,75,000 |
| 2 | Bandyopadhyaya Bhaumik & Co., Kolkata | 3,25,000 |
| 3 | Mani & Co., Kolkata | 3,50,000 |
| 4 | R. J. Goel & Co., New Delhi | 3,50,000 |
| 5 | ABK & Associates, Mumbai | 3,00,000 |
| 6 | P. Raju Iyer, M. Pandurangan & Associates, Chennai | 1,50,000 |
| | TOTAL | 18,50,000 |

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought by passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018. None of the Directors / Key Managerial Personnel of the Company is interested or concerned in the resolution.

The Directors, therefore, recommend the Ordinary Resolution for approval by members.

Item No. 7 - To approve issuance of Debentures on private placement basis.

Section 42 of the Companies Act, 2013 and Rule 14 (2) of the Companies (Prospectus and Allotment of Securities) Rules 2014 provide that a company shall not make private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the members of the company by a Special Resolution for each of the offers or invitations. However debentures can be issued on private placement basis with the approval of the members obtained once in a year for all the offers or invitation for such debentures during the year.

IndianOil has been raising money by issue of Bonds in the nature of Debentures from domestic as well as overseas markets from time to time to meet its capital expenditure as well as working capital requirements. Hence approval of members through Special Resolution is being sought in line with the provisions of the Companies Act 2013 to enable the company to issue Bonds in the nature of Debentures upto ₹ 20,000 Crore (from domestic as well as overseas market) in aggregate, through private placement of bonds as it may deem necessary during the period of one year from the date of approval by members within the overall borrowing limit of ₹ 1,10,000 Crore approved earlier by members.

None of the Directors / Key Managerial Personnel of the Company is interested or concerned in the said resolutions.

The Directors, therefore, recommend the Special Resolutions for approval by the members.

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

Date: 21.07.2017

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



**(Raju Ranganathan)
Company Secretary**



Important Communication to Members

Pursuant to Section 101 and 136 of the Companies Act 2013 read with companies (Management and Administration) Rules 2014 and Regulation 36 of SEBI(LODR). Annual Report has been sent through e-mail to those members whose e-mail id is registered with the Company/Depository. In case any member wants a physical copy of the Annual Report he may write to Company Secretary/RTA.

MEMBERS WHO HAVE NOT YET REGISTERED THEIR EMAIL ADDRESS ARE REQUESTED TO REGISTER THEIR EMAIL ADDRESS EITHER WITH DEPOSITORIES OR WITH THE COMPANY IN THE FORMAT GIVEN BELOW.

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

To,
Karvy Computershare Private Limited
Unit: Indian Oil Corporation Limited
Karvy Selenium Tower B,
Plot 31-32, Gachibowli Financial District,
Nanakramguda, Hyderabad - 500032

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

Name of Sole / First Holder : _____
DP ID / Client ID / Regd. Folio No. : _____
PAN No. : _____
E-mail Address : _____

(Signature of Member)

Date :

Place :

INDIAN OIL CORPORATION LIMITED**[CIN – L23201MH1959GOI011388]**

Regd. Office: 'IndianOil Bhavan', G-9, Ali Yavar Jung Marg, Bandra (E), Mumbai - 400051

Tel: 022-26447616, Fax: 022-26447961, Email Id: investors@indianoil.in, Website: www.iocl.com

ATTENDANCE SLIP

| DP ID. * | CLIENT ID * | FOLIO NO. | NO. OF SHARE(S) |
|----------|-------------|-----------|-----------------|
| | | | |

* Applicable for members who are holding shares in dematerialized form.

I/We hereby record my / our presence at the 58th Annual General Meeting of the Company, being held on Tuesday, 29th August 2017 at 10:30 a.m. at Rangsharda Auditorium, K. C. Marg, Bandra Reclamation, Bandra (West), Mumbai - 400050.

Name of the Member

Signature of the Member

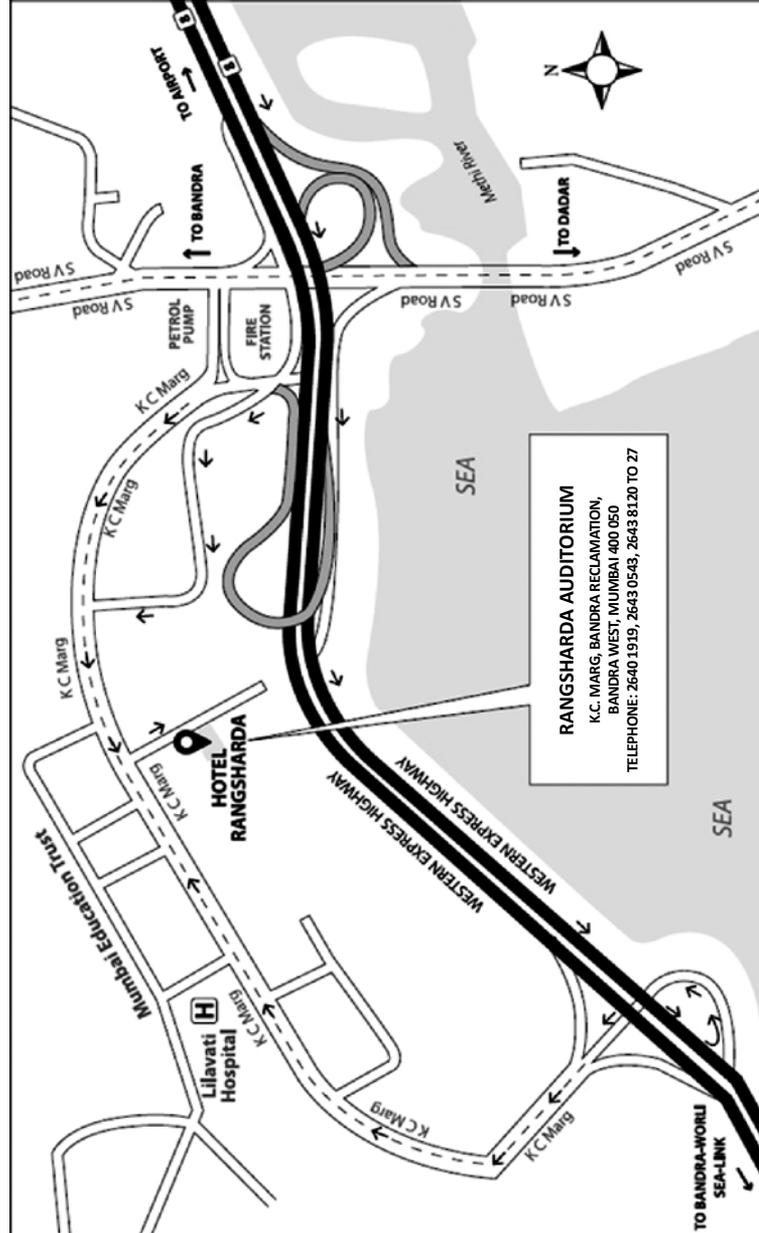
Name of the Proxy

Signature of the Proxy

NOTES:

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

LOCATION MAP OF RANGSHARDA AUDITORIUM



INDIAN OIL CORPORATION LIMITED

[CIN – L23201MH1959GOI011388]

Regd. Office: 'IndianOil Bhavan', G-9, Ali Yavar Jung Marg, Bandra (E), Mumbai - 400051

Tel: 022-26447616, Fax: 022-26447961, Email Id: investors@indianoil.in, Website: www.iocl.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| | |
|-------------------------|--|
| Name of the member(s) | |
| Registered Address | |
| Email id | |
| Folio No. / Client Id * | |
| DP ID * | |

* Applicable for members who are holding shares in dematerialized form.

I/We, being the member(s) of shares of the above named company, hereby appoint

- 1) of having email id or failing him
- 2) of having email id or failing him
- 3) of having email id

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 58th Annual General Meeting of the Company, to be held on Tuesday, 29th August 2017 at 10:30 a.m. at Rangsharda Auditorium, K. C. Marg, Bandra Reclamation, Bandra (West), Mumbai - 400050 and at any adjournment thereof in respect of such resolutions as are indicated below:

| SL. NO. | RESOLUTIONS |
|---------|---|
| | ORDINARY BUSINESS |
| 1 | To receive, consider and adopt the audited Standalone as well as Consolidated Financial Statement of the Company for the financial year ended March 31, 2017 together with Reports of the Directors and the Auditors thereon. |
| 2 | To declare the Final Dividend of ₹ 1/- per equity share for the year 2016-17 and to confirm the Interim Dividend of ₹ 18/- per equity share paid during the year 2016-17. |
| 3 | To appoint a Director in place of Shri Verghese Cherian (DIN: 07001243), who retires by rotation and is eligible for reappointment. |
| 4 | To appoint a Director in place of Shri Anish Aggarwal (DIN: 06993471), who retires by rotation and is eligible for reappointment. |
| | SPECIAL BUSINESS |
| 5 | To appoint Dr. S. S. V. Ramakumar (DIN: 07626484) as Director (Research & Development) of the Company. |
| 6 | To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2018. |
| 7 | To approve issuance of debentures on private placement basis (Special Resolution). |

Signed this day of 2017.

Affix
Revenue
Stamp

.....
Signature of Member

.....
Signature of first proxy holder

.....
Signature of second proxy holder

.....
Signature of third proxy holder

NOTE: This Proxy Form duly filled in must be deposited at the Registered Office of the Company at IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai - 400051 not less than 48 hours before the commencement of the Annual General Meeting.



Bringing together creativity and technology to create new possibilities

Every day, new innovations or new technologies are changing the way we work and live. With Innovation as one its core Corporate Values, IndianOil is embracing new technologies and adapting to change to deliver better products and services to its clients in an efficient and environment-friendly manner. As we celebrate 2017 as the year of Innovation & Technology, we renew our efforts towards building a better tomorrow.



2017
Year of
INNOVATION
& TECHNOLOGY

www.iocl.com

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BOOK POST

Department of Posts, Delhi Postal Circle
“Permitted to post on prepayment of postage in cash
at BPC, IPHO, New Delhi-110002, under CPMG, Delhi Circle,
Licence No. DEL/BDM/BPC, IPHO/IOCL/04/27-07-2017 to
05-08-2017/70000/43 dated 21-07-2017



If undelivered, please return to:

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

