



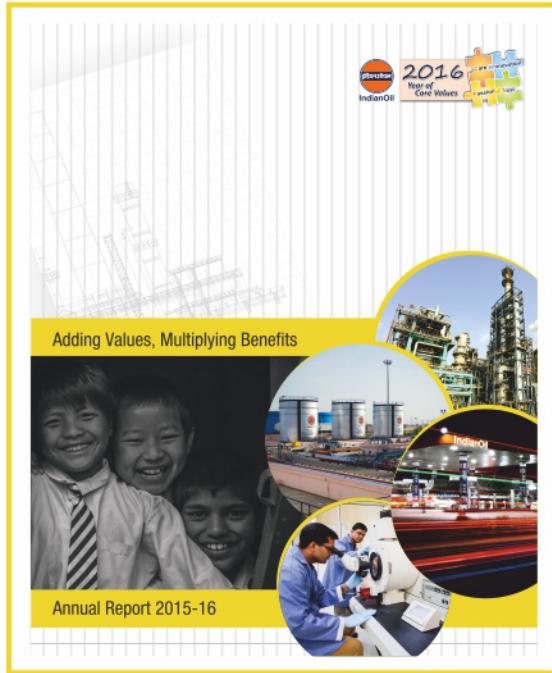
2016  
Year of  
Core Values



Adding Values, Multiplying Benefits



Annual Report 2015-16



## Adding Values, Multiplying Benefits

IndianOil has been exploring new frontiers of energy to serve over a billion people. While fuelling the nation's growth, the Corporation has always kept its core values of *Care*, *Innovation*, *Passion* and *Trust* at the heart of its business. The Corporation believes that these core values are a key enabler in expanding business and being the most preferred oil company of the nation. The theme of this year's Annual Report conveys the importance of IndianOil's core values as the driving force in providing multiple benefits to its stakeholders, customers, associates, partners and employees.

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**Indian Oil Corporation Limited**

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

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

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# IndianOil@Work

## Values in action

### Care

*Caring for the environment and community*



### Innovation

*Pioneering the spirit of creativity & innovation*



### Trust

*Fostering relationships for a lifetime*



### Passion

*Leading with passion to excel*



IndianOil

2016  
*Year of  
Core Values*



## FROM THE CHAIRMAN'S DESK

**Dear Shareowners,**

**Heartiest greetings from IndianOil!**

On behalf of IndianOilPeople and the Board, it is indeed an honour and a privilege to share my thoughts with you through the Annual Report 2015-16.

Today, as India emerges as a major driver of global growth and is hailed as the 'brightest spot' on the world economic horizon, it is indeed an exciting time for IndianOil to fuel one of the fastest growing economies of the world.

### Vibrant India

The unprecedented economic boom in India is being driven by an increasingly aspirational billion-plus population, a large and diversified industrial base, rapid urbanisation, the auto sector boom and the huge demand for energy in households. This process is being catalysed by the Government's thrust on holistic development and inclusive growth.

Programmes such as *Make in India*, *Digital India*, *Skill India*, *Smart Cities* and *Start-up India* are being undertaken in mission mode to accelerate the transformation of the Indian economy.

**“IndianOil, which defines itself as *The Energy of India*, has since inception aligned its corporate strategies with the greater good of the country and its people. Using its strong presence in every segment of the downstream hydrocarbons business, IndianOil is enthusiastically implementing the Government’s developmental schemes with sustained vigour.”**

The oil & gas sector too, under the Ministry of Petroleum & Natural Gas, is deeply committed to making energy available, accessible and affordable across the socio-economic divides, especially to the marginalised sections of the population.

IndianOil, which defines itself as *The Energy of India*, has since inception aligned its corporate strategies with the greater good of the country and its people. Using its strong presence in every segment of the downstream hydrocarbons business, IndianOil is enthusiastically implementing the Government's developmental schemes with sustained vigour.

With IndianOil in the lead, the national oil companies have already won appreciation for their contribution to initiatives like the *PaHaL* scheme for direct benefit transfer for LPG consumers (recognised by the Guinness Book of World Records as the largest cash transfer programme for households in the world) and the *GiveItUp* campaign where over a crore affluent households voluntarily gave up their LPG subsidy.

*Pradhan Mantri Ujjwala Yojana* (PMUY) is now being launched in a big way across the country to provide free LPG cooking gas connections to



*Clarity of Vision.....an IndianOil tradition.*

BPL families, utilising the enormous resources freed through *PaHaL* and *GiveItUp* schemes.

Energy is the driver of economic growth and a rising India is taking all necessary steps to ensure energy sufficiency. To bolster energy security, the Government of India is actively pursuing a policy to attract foreign direct investment in the upstream sector. It has set an ambitious target of 10 per cent reduction in crude oil imports by the year 2022 that will act as a stimulus for intensifying domestic production.

The Government is also encouraging the Indian companies to acquire foreign oil & gas assets as a consortium. Simultaneously, oil diplomacy has been intensified through meaningful engagements with hydrocarbon-rich countries, mostly in Africa and the Gulf region.

All this presents a great opportunity for IndianOil to deploy its multiple strengths in ensuring the energy security of the nation.

### Vibrant IndianOil: Exceeding Expectations

IndianOil had an excellent financial year 2015-16 and, despite inventory losses in Q4, posted its highest profit of ₹ 10,399 crore (US\$ 1.59 billion).

The long-awaited greenfield Paradip Refinery was dedicated to the nation by Hon'ble Prime Minister Shri Narendra Modi in a grand ceremony on 7<sup>th</sup> February, 2016.

With the commissioning of Paradip, IndianOil's leadership position in the refining sector has further strengthened. Now its combined 80 million metric tonnes per annum (MMTPA) capacity is 35% of the national refining capacity. This is also in tandem with our annual sales volume and pipelines throughput as well.

IndianOil's Refineries Division encompasses a diverse clutch of refineries, of different capacities and complexities; from the oldest refinery in the

# 57<sup>th</sup> Annual Report 2015-16



Hon'ble Prime Minister, Shri Narendra Modi, and other dignitaries at the dedication ceremony of IndianOil's Paradip Refinery to the nation.

world at Digboi in Assam to the country's most modern refinery at Paradip in Odisha. During the year 2015-16, the Division did exceedingly well in terms of all its performance parameters.

The Pipelines Division is another jewel in the crown of IndianOil. The pipeliners efficiently manage a hi-tech network of nearly 12,000 kilometres that feeds the refineries with crude oil and moves the finished products to high-consumption centres. They too performed with great distinction in the year 2015-16.

The Marketing Division, the face of the Corporation, efficiently manages the complex logistics of reaching petroleum products across the nation, right up to the remotest village and hamlet. This is done through over 45,000+ customer touch points that make IndianOil one of the business entities with the largest customer interface in the world.



Hon'ble Minister of State (Independent Charge), Petroleum & Natural Gas, Shri Dharmendra Pradhan, launched '1906' - round-the-clock LPG Emergency Helpline for enhanced customer safety and convenience.

Marketing Division's performance in the year 2015-16 is a matter of pride, as it sold the highest volume ever.

Currently, IndianOil is in the process of further expanding its marketing network in a big way in the underserved areas of rural and rurban India. It already has 6,700+ *Kisan Seva Kendra* outlets that are a lifeline to the

**“Our new business lines of Petrochemicals and Natural Gas are fast emerging as profitable verticals in their own right and IndianOil is tapping emerging opportunities by building LNG terminals and expanding capacities in its petrochemical units to create infrastructure well ahead of demand.”**

farmers, supplying them fuels and other daily essentials from their multi-purpose stores.

Indane currently has about 10 crore customers and this figure will see a steep rise in the coming years on account of the *PMUY* scheme as well as IndianOil's popular 'Smokeless Villages' campaign, besides issue of regular connections.

*SERVO* lubricants are also doing extremely well and are now exported to 27 overseas markets.

*IndianOil Aviation Service*, which completed 50 golden years in 2015, is another business vertical that is all set for a major take-off in view of the new aviation policy announced by the Government of India, which focusses on regional air connectivity.

Our new business lines of Petrochemicals and Natural Gas are fast emerging as profitable verticals in their own right and IndianOil is tapping emerging opportunities by building LNG terminals and expanding capacities

in its petrochemical units to create infrastructure well ahead of demand. Our E&P footprint has expanded across continents through strategic acquisition of hydrocarbon assets, both conventional and unconventional, in partnership with leading oil & gas operators.

The Corporation's cutting-edge R&D has blossomed into a bouquet of world-class refining processes that are being implemented full-scale in various IndianOil refineries for yield maximisation.

As a responsible corporate citizen, IndianOil is deeply committed to creating a low-carbon economy. Its wind and solar power projects are projected to generate 260 MW of renewable power by the year 2022.

Our assets are of strategic importance, and hence their security. The Corporation is taking additional necessary steps to further strengthen the security of its installations.

Safety is of utmost importance in our industry and we are ensuring that safety ethics is an integral part of the behavioural profile of employees through regular training, mock fire-drills and state-of-the-art safety systems to make our operating locations safe and incident-free.

Sensitivity to the environment is now a global imperative. Each new project proposal, therefore, is being looked at both from the perspective of commercial viability and sustainability.

The overall outstanding physical performance of IndianOil in during the year 2015-16 is obviously attributable to IndianOilPeople.

Every successful enterprise has a DNA that is intrinsically its own. Our corporate DNA is our core values of **CARE, INNOVATION, PASSION & TRUST**. Over the years, IndianOilPeople have come to imbibe these and demonstrate them in their daily life.

As a tribute to the intrepid IndianOilPeople, the year 2016 is being observed as the *Year of Core Values* across the organisation.

### **IndianOil's Six-fold Path to Excellence**

Equipped with core values, IndianOilPeople are now pursuing a six-fold path in their common quest for excellence. This model, designed about two years ago, has proved to be an effective template for corporate excellence.

#### ***Sustaining leadership in core businesses***

Our core business is liquid fuels, LPG, lubes, petrochemicals and natural gas. With the prognosis that fossil fuels will continue to dominate the energy mix till the year 2040, we have a fairly large window of opportunity to profitably expand in our core business while at the same time getting ready for the low-carbon economy of the future.

IndianOil is self-sufficient in the refining segment, but keeping in view the rising demand for petroleum products in the short-term, we are aiming at a refining capacity of about 100-110 MMTPA by the year 2022 and progressively scale it up to least 150 MMTPA by the year 2030.

Again, our pipelines grid is growing proportionately to connect with principal consumption centres in almost all major States for a balanced development of the country.

The marketing infrastructure is also being expanded in tandem with our growing refining capacity. We have 45,000+ customer touch points as of now and this number will go up further in the next five years, especially in rural and virgin markets in order to secure the first-mover advantage.



Hon'ble Prime Minister and Hon'ble Minister of State (I/c), Petroleum & Natural Gas, with the INDMAX team at Paradip Refinery.

Retail transformation is being taken up in a big way; innovative solutions are on to retain leadership in the rapidly expanding aviation fuel segment; operations infrastructure is being strengthened in the form of state-of-the-art, fully automated 'smart' terminals.

LPG is being mainstreamed in rural India; like *PaHaL* and *GiveItUp*, *PMUY* promises to be a resounding success, and customer service is being further improved through a massive training of resellers and their staff.

Automation of our 25,000+ fuel stations is another priority area that the Corporation is focussed upon; we are increasingly adopting IT-based apps for giving our digital-savvy customers a memorable retail experience.

Our leadership in the lube segment is assured as we have launched an innovative cost-reduction-cum-value-addition programme.

**“The objective of our entire business is to optimise end-to-end logistics, ensuring ready availability of petroleum products across the retail-bulk-industrial-defence-transport-household sectors in a safe and efficient manner.”**

We have to ensure that IndianOil remains a leader and the company of choice for our customers across the country. This objective is being pursued through a newly created CRM department that is holistically pursuing customer analytics for tweaking and realigning our marketing strategies.

A Strategy Cell has also been set up, which is preparing road maps for future growth of IndianOil as an energy business amid multiple scenarios.

#### **Winning with operational excellence**

The objective of our entire business is to optimise end-to-end logistics, ensuring ready availability of petroleum products across the retail-bulk-

industrial-defence-transport-household sectors in a safe and efficient manner.

To boost operational excellence, core elements covering the entire spectrum of the Corporation's operations were identified for adoption by OE champions in their individual work-areas. By breaking down the elements further into sub-points for ease of implementation, the exercise aims to achieve standardisation and homogeneous replication of operation of the Corporation's assets across divisions in a safe, reliable, efficient and sustainable manner.

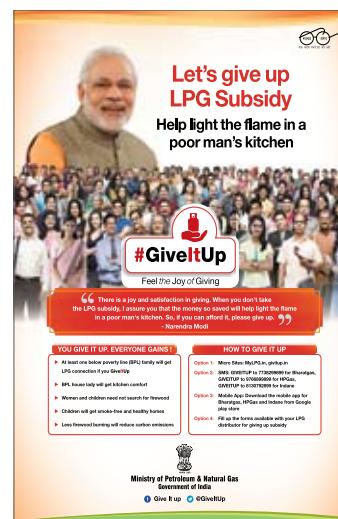
Elimination of unplanned shutdowns through preventive and predictive maintenance schedules, distillate yield enhancement through in-house processes, reducing fuel losses, and a culture of built-in energy conservation technologies are being undertaken in refineries.

#### **Investing in people**

The philosophy of the six-fold path is anchored in the belief that IndianOilPeople bring back the best returns on investments made on them. Indeed, the multi-talented Team IndianOil has built and sustained this great Corporation for more than five decades now.

IndianOil, with a clear human resource budgeting process, has an enduring tradition to recruit the best talent for a full career cycle employment. Through right fitment, mentoring, job rotations, regular training and challenging assignments with focus on skill development, their repertoire of conceptual, human and leadership skills are continuously honed and enriched.

The organisation has 22 fully equipped training centres across its Divisions and major units, which coach both executives and non-executives in functional and behavioural areas. The apex corporate learning institute, IndianOil Institute of Petroleum Management (IIPM) in NCR, organises strategic and niche training programmes for senior management. It is also the venue for the Corporate Induction module for newly-recruited officers at the entry level.



*IndianOil - Proud to partner the Government's mammoth schemes for mainstreaming use of LPG cooking gas across the country.*



As part of Auto Fuels policy, IndianOil refineries are gearing up to roll out green fuels conforming to BS-VI norms by the year 2020.

LiPM is now a talent crucible, a centre for excellence that will create the leadership of the future. Under Project *Saksham*, the competency mapping instrument *Leadership Centre* identifies the competency profile of executives; thereafter, the competency gaps, if any, are filled through appropriate developmental interventions.

#### **Mainstreaming financial prudence**

IndianOil has a glorious tradition of always making reasonable profits in its operations. It is also one of the largest contributors to the Central and States exchequer.

As a public sector *Maharatna* enterprise, IndianOil deals with public money and is, therefore, extraordinarily careful with its financial resources. As a result, it has a very high credit rating among bankers – both in India and abroad.

In order to make financial prudence an IndianOil way, cost reduction and simplification and automation of work processes are being encouraged across the organisation.

Measures such as reduction in the share of term contract in crude oil procurement, widening the crude oil basket as also inclusion of opportunity/difficult grades, while minimising tendering time, have ensured significant savings in raw material costs.

Efficient working capital management helped lower borrowing costs. Optimisation of secondary distribution and import logistics and centralisation of insurance also brought in substantial savings.

Consolidation and centralisation of certain regulatory transactions, compliance activities and establishment areas have resulted in process simplification and savings. The financial and management control information system has been made more structured and analytics is being used to identify opportunity areas.

#### **Leveraging assets**

IndianOil has a rich legacy of corporate milestones in its journey of over five decades. During this journey, the Corporation has emerged as a pan-India entity with an unparalleled network of physical assets.

IndianOil's asset base of USD 26 billion comprises refineries and petrochemical plants, cross-country pipelines, a world-class R&D Centre, bulk storage terminals, depots, aviation fuel stations, LPG bottling plants and over 45,000 customer touch points, besides E&P assets and gas infrastructure. These assets, spanning the entire spectrum of the hydrocarbons value chain, are an indication of our emergence as an integrated energy major.

**“ IndianOil has a rich legacy of corporate milestones in its journey of over five decades. During this journey, the Corporation has emerged as a pan-India entity with an unparalleled network of physical assets. ”**

It is with this background that ‘Leveraging our Assets’ has been earmarked as one of the six focus areas. This project has the potential to be a transformational financial strategy within the organisation.

The first stepping stone towards realising better value from the assets has already been laid. To optimally leverage the Corporation’s pan-India network of physical assets and unlock their full potential, a rolling plan structure was launched in January 2016, with projects, both major and minor, chosen for implementation in Phase-I. The projects cover capacity utilisation and yields, petrochemical and other value-additions, and new pipeline projects as well as measures to achieve flexibility to adapt to new trends and new demands.



Kisan Seva Kendra outlets – lifelines to the farmers.

### **Enhancing corporate reputation and brand value**

IndianOil, with a brand value of USD 3.2 billion, is a respected, trusted and admired business group by all its stakeholders, employees, shareholders, business associates, vendors and, of course, its customers.

IndianOil was created in the spirit of a national trust for economic prosperity and our predecessors have assiduously built a formidable reputation and brand value. This is a great inheritance on which we intend to build an even grander edifice.

IndianOil's Superbrands like *SERVO & Indane* are among the most trusted in the country. The ubiquitous 25,000+ chain of IndianOil fuel stations have also been repeatedly conferred the *Reader's Digest Award* under the most trusted brand category.

Our world-class R&D Centre's prolific and innovative output of over 450 patents, applied technologies, yield-enhancing refinery processes like *INDMAX*, *OCTAMAX*, *IndAdept<sup>®</sup>*, etc., are the other achievements that add sheen to our brand value.

Similarly, the service brand *IndianOil Aviation* serves the Indian Air Force and scores of national and private airlines through its network of 101 aviation fuel stations spread across the country, living up to its tagline “Our groundwork takes you sky high.”

During natural calamities, time and again, IndianOil has gone beyond the call of duty and not only maintained the supply line but also helped in the rescue missions of the army and the air force.

IndianOil's corporate communications strategy focusses on highlighting our unique contributions to the growth of the economy.

Today, besides the conventional media platforms, IndianOil is increasingly using new media to connect with its stakeholders. With a view to enhance the Corporation's reputation and brand value, steps have been taken to boost its social media presence (Facebook, Twitter, YouTube and Instagram) and through regular one-to-one interactions of the Chairman and Directors with eminent journalists from print and electronic media.

### **Co-creating a Great Future for IndianOil**

The greatest challenge before any successful leader is to sustain leadership. The current dynamic environment poses many challenges to IndianOil. But at the same time, it presents a great opportunity for us to demonstrate our formidable calibre.

The energy market of the future will see a lot of competition to fuel India's growth and development. Competition ultimately benefits the customer and helps in raising the standards within an industry. The expectations and aspirations of the Indian customers are changing and they are becoming increasingly assertive in demanding the best of products and services. With the entry of competitors, both domestic and foreign, growth prospects look tough. But, in reality, it is an opportunity to bring out the best in us in sync with our proven core values and the six-fold path model of excellence, discussed earlier.

In the new competitive scenario, we have to be observant, agile and responsive to quickly take advantage of the emerging market trends and convert them to customer-gaining and retaining opportunities. Here, a robust customer relationship management strategy backed by innovative technology will play a crucial role. Another point that I would like to underscore is that we should learn from other new-age industries in our constant endeavour to upgrade our customer service standards.

The demand for petroleum products is showing high growth and, as per current projections, this trend will continue. As a market leader, we have to further build capabilities and expand capacities in refining, pipeline grids and marketing infrastructure. We are geared to fully utilise our nationwide reach and infrastructure to optimise product movements in the safest and most cost-effective manner.

Since the share of natural gas in the primary energy basket is going up, we are building gas import terminals and pipelines, taking up piped natural gas distribution in cities and expanding capacities in advance, for garnering a substantial share of the emerging gas market. In petrochemicals, we are already the second biggest domestic player and are working towards increasing our market share further.



An IndianOil XTRAPOWER SARAI large-format fuel station on National Highway-48 at Bawal in Haryana – exclusively developed for the benefit of truck fleets.



*LPG Horton spheres at an Indane bottling facility.*

*Superbrands Indane and IndianOil Aviation Service completed 50 glorious years in the year 2015.*



*ATF storage tanks at an IndianOil aviation fuel station.*

Mass movements for environment conservation are demanding cleaner fuels and are putting restrictions on building infrastructure. We are a company with a green conscience and are fully prepared to supply BS-IV and BS-VI grade auto fuels with substantial investments as per the timelines laid down by the Government of India.

Transition to alternative forms of energy is picking up momentum and, being an energy company, we are preparing for this paradigm shift. We have already made big investments in both solar and wind-power projects and are well placed to quickly adapt to future needs.

Extensive research is being taken up in many parts of the world in new forms of energy and storage devices, and to bring in innovative technologies to substitute fossil fuels. Successful breakthroughs among them could disrupt the business operations of the companies marketing traditional forms of energy. While we are mindful of and constantly on the vigil for such developments, as a reliable energy provider we need to responsibly cater to the needs of all our customers, even when such new options do not materialise in the future. We are, therefore, making calculated investments to meet future energy demands weighing all such options.

In line with international trends, our R&D is also focussed on research into new forms of energy. Accordingly, we are adding and improving our

current portfolio of energy products, upgrading our processes and creating innovative technologies as world-class offerings.

Team IndianOil is a rich blend of youth and experience. This inclusive diversity will further flourish as we become a larger integrated entity. IndianOilPeople have a strong sense of emotional ownership of our company and their collective commitment is our most enduring strength. This fact is truly reflected in the overwhelming success of the recently concluded offer for sale of the company's equity shares to IndianOil employees, which saw the highest ever participation in an Indian company, a fact corroborated by the Ministry of Finance.

The collective wisdom of the senior management, the sage counsel of my colleagues in the board, the guidance of our parent ministry and, above all, sustained support of our shareholders will help IndianOilPeople achieve the multiple objectives of IndianOil's vision.

Come, let us join hands in co-creating a resurgent IndianOil to energise the growth of a vibrant and victorious India.



**B Ashok**  
Chairman

## 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*.



IndianOil's youngest refinery at Paradip: The Energy Gateway to East India.

### 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 over 80 million tonnes in

2015-16. 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).

IndianOil's 11,750-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 85.49 MMTPA for crude oil and petroleum products and 9.5 MMSCMD for gas makes it one of the largest pipeline networks in the world.

### 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 45,000 customer touch-points, surmounting the challenges of tough terrain, climate and accessibility. This includes 25,000+ fuel stations, including 6,700 *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 6,475 dedicated pumps in operation at their doorstep to ensure timely delivery of products and efficient maintenance of inventory. These are backed up for supplies by 129 bulk storage terminals and depots, 101 aviation fuel stations and 91 LPG bottling plants.

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 to the doorsteps of 9.88 crore households in over 6,250 markets through a network of over 9,100 distributors. IndianOil's Aviation Service commands a 63.6% market share in aviation fuel, serving national and international flag carriers, private airlines and the Indian defence services with equal efficiency.

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*



Pipelines at Paradip Refinery – lifelines to reach finished products to consumption centres.

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 450 patents, of which over 270 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.

### **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.

Apart from being the second largest player in the domestic petrochemicals market, IndianOil exports to around 70 countries, 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, is the single largest unit in India, with a capacity of 5,53,000 MTPA producing 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 also in the process of sourcing more LNG directly to meet the increasing domestic requirements and is setting up a 5-MMTPA terminal at Ennore near Chennai for LNG imports.

IndianOil currently operates city gas distribution networks in Agra and Lucknow through Green Gas Ltd., its joint venture with GAIL (India) Ltd. Similar networks are coming up at Allahabad and Chandigarh, to be followed by Ernakulam, Daman and Panipat.

IndianOil has built a sizeable portfolio of oil & gas assets, with participating interest in 8 domestic and 7 overseas blocks. Out of the



*IndianOil's ubiquitous presence across the country makes it one of the top 10 corporate brands of India.*

8 domestic blocks, it is the operator (with 100% participating interest) in two onshore exploration blocks in the Cambay Basin and holds non-operating participating interest ranging from 20% to 43.5% in the rest. The 7 overseas blocks are located in Libya, Gabon, Nigeria, Yemen, Venezuela, Canada and USA.

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 is investing ₹ 56,200 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 69.3 MW have been installed in the states of Gujarat and Andhra Pradesh. A 5-MW grid-connected solar power plant at Rawra, Rajasthan, has been in operation since 2012. Solar power systems totaling 900 kW have also been installed at various IndianOil installations and offices across the country.

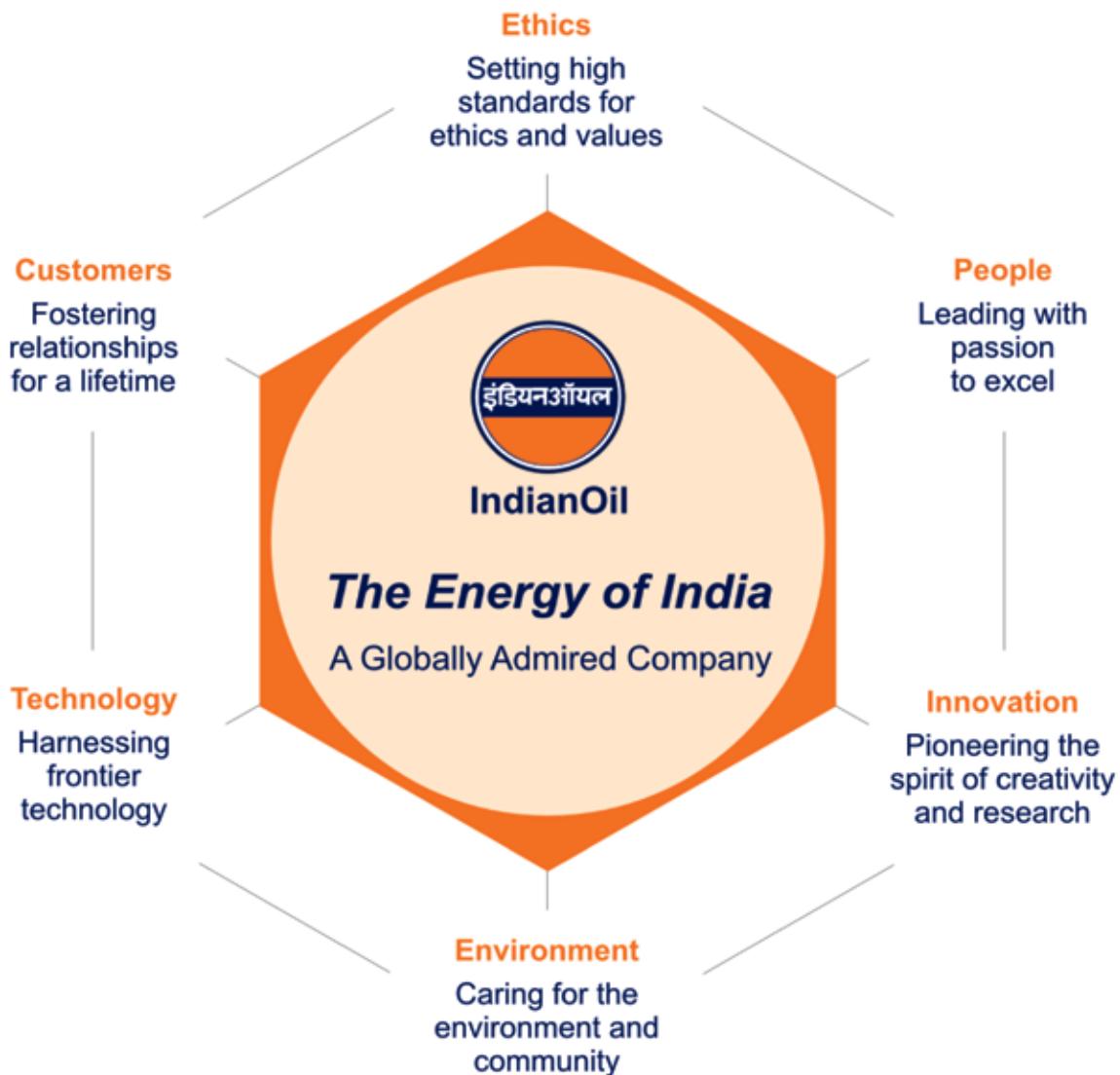
The Corporation has so far converted about 4,200 of its fuel stations to operate on solar energy as a major initiative to reduce carbon emissions. The cumulative capacity from these solar photo-voltaic power systems is equivalent to about 15 MW of conventional electrical power.

### **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.

It 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



# 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 major grassroots petroleum bulk storage terminal commissioned at Mohanpura near Jaipur recently.*

*The 'smart terminal' is fully automated with ultra-modern facilities.*



# Board of Directors



**Standing from Left to Right:** Shri Subroto Bagchi, Independent Director; Shri Verghese Cherian, Director (Human Resources); Shri Anish Aggarwal, Director (Pipelines); Shri B.S. Canth, Director (Marketing); Shri A. K. Sharma, Director (Finance); Shri D. Sen, Director (Planning & Business Development); and Shri Sanjay Kapoor, Independent Director.

**Sitting from Left to Right:** Shri Ashutosh Jindal, Government Nominee Director; Shri A.P. Sawhney, Government Nominee Director; Shri B. Ashok, Chairman; Shri Parindu Bhagat, Independent Director; and Shri Sanjiv Singh, Director (Refineries).

## BOARD OF DIRECTORS

1.	<b>Shri B. Ashok</b>	Chairman	
2.	<b>Shri Sanjiv Singh</b>	Director (Refineries)	
3.	<b>Shri D. Sen</b>	Director (Planning & Business Development)	
4.	<b>Shri A. K. Sharma</b>	Director (Finance)	
5.	<b>Shri Verghese Cherian</b>	Director (Human Resources)	
6.	<b>Shri Anish Aggarwal</b>	Director (Pipelines)	
7.	<b>Shri B.S. Canth</b>	Director (Marketing)	w.e.f. 08.10.2015
8.	<b>Shri A.P. Sawhney</b>	Government Nominee Director	
9.	<b>Shri Ashutosh Jindal</b>	Government Nominee Director	w.e.f. 12.02.2016
10.	<b>Shri Subroto Bagchi</b>	Independent Director	w.e.f. 02.12.2015
11.	<b>Shri Sanjay Kapoor</b>	Independent Director	w.e.f. 02.12.2015
12.	<b>Shri Parindu Bhagat</b>	Independent Director	w.e.f. 02.12.2015
13.	<b>Dr. Archana S. Mathur</b>	Government Nominee Director	up to 28.10.2015
14.	<b>Prof. Devang Khakhar</b>	Independent Director	up to 14.09.2015

## COMPANY SECRETARY

Shri Raju Ranganathan

# Core Team



**Standing (from Left to Right):**

Shri Verghese Cherian, Director (Human Resources)  
Shri D. Sen, Director (Planning & Business Development)  
Shri A.K. Sharma, Director (Finance)

**Sitting (from Left to Right):**

Shri B.S. Canth, Director (Marketing)  
Shri Sanjiv Singh, Director (Refineries)  
Shri B. Ashok, Chairman  
Shri Anish Aggarwal, Director (Pipelines)

## SENIOR MANAGEMENT TEAM

<b>BK Ravi</b> Advisor (Security)	<b>Pranab Kumar Das</b> Executive Director I/C (Supplies), Marketing	<b>Jogen Barpujari</b> Executive Director (Guwahati Refinery)
<b>CK Deshmukh (Ms)</b> Chief Vigilance Officer	<b>YK Gupta</b> Executive Director (LPG), Marketing	<b>Gautam Bose</b> Executive Director (Regional Services – Eastern Region), Marketing
<b>R Khanna</b> Executive Director I/C (Finance), R&D	<b>Gurmeet Singh</b> Executive Director (Engineering & Projects), Marketing	<b>Ram Phal</b> Executive Director (Projects), Pipelines
<b>BP Das</b> Executive Director I/C, R&D	<b>PM Mohan</b> Executive Director (Pricing), Marketing	<b>PK Yadav</b> Executive Director (Automation), Marketing
<b>P Rajendran</b> Executive Director (Regional Services – Western Region), Marketing	<b>Rajesh Ahuja</b> Executive Director (Maintenance & Inspection & Petrotech), Refineries	<b>Alok Khanna</b> Executive Director (Information Systems), Corporate Office
<b>G Ramkumar</b> Executive Director I/C (Automation), Marketing	<b>NVN Ramsai</b> Executive Director (Finance), Marketing	<b>S Varadachari</b> Executive Director (Karnataka State Office)
<b>AK Chowdhury</b> Executive Director (Human Resource), Refineries	<b>DLN Sastri</b> Executive Director (International Trade), Corporate Office	<b>RK Sethi</b> Executive Director (Corporate Finance), Corporate Office
<b>Ramjee Ram</b> Executive Director I/C, Paradip Refinery	<b>RK Tiku</b> Executive Director I/C Gas, Corporate Office	<b>CS Shankar</b> Executive Director (Consumer Sales), Marketing
<b>Vijay Prakash</b> Executive Director (Operations), Refineries	<b>Sukhendu Majumdar</b> Executive Director (Corporate Planning & Economic Studies), Corporate Office	<b>Surendra Khinwasara</b> Executive Director (Finance), Business Development
<b>UV Mannur</b> Executive Director (Tamil Nadu State Office)	<b>AP Gangopadhyay</b> Executive Director (Haldia Refinery)	<b>PC Choubey</b> Executive Director (Eastern Region Pipelines-II), Bhubaneswar
<b>GK Satisch</b> Executive Director (OSD-P&BD), Corporate Office	<b>KL Murthy</b> Executive Director (Lubes), Marketing	<b>VK Misra</b> Executive Director (Corporate Co-ordination), Corporate Office
<b>SPS Jolly</b> Executive Director (IndianOil Institute of Petroleum Management)	<b>Dipankar Ray</b> Executive Director (IndianOil AOD State Office)	<b>SK Sharma</b> Executive Director (Gas), Corporate Office
<b>PK Singh</b> Executive Director (Anti Adulteration Cell), Corporate Office	<b>Harsha P Shivaji</b> Executive Director (Supplies & Distribution), Marketing	<b>SN Pandey</b> Executive Director (Optimisation), Corporate Office
<b>TS Khwaja</b> Executive Director (Aviation), Marketing	<b>M Srinivasan</b> Executive Director (Maharashtra State Office)	<b>S Senthil Kumar</b> Executive Director (Regional Services – Southern Region), Marketing
<b>R Suresh</b> Executive Director (Lube Technology), R&D	<b>Sajjan Kumar</b> Executive Director (Delhi State Office)	<b>Arati Nath Jha</b> Executive Director (Petrochemicals), Corporate Office
<b>Amita Singh(Ms)</b> Executive Director (Pricing), Corporate Office	<b>AK Verma</b> Executive Director (Uttar Pradesh State Office-I)	<b>Mukesh Jain</b> Executive Director (Finance), Pipelines
<b>S Mukherjee</b> Executive Director (Human Resource & CSR), Corporate Office	<b>RK Samtani</b> Executive Director (Northern Region Pipelines), Panipat	<b>Sanjeev Kumar Jain</b> Executive Director (Gujarat State Office)
<b>K Bora</b> Executive Director (Process Project), Refineries	<b>AK Tewari</b> Executive Director (Operations), Pipelines	<b>Sunil Mathur</b> Executive Director (Rajasthan State Office)
<b>RK Mittal</b> Executive Director (Exploration & Production), Corporate Office	<b>SK Satija</b> Executive Director (Eastern Region Pipeline-I), Kolkata	<b>SC Chopra</b> Executive Director (Projects), Refineries
<b>SK Dhargupta</b> Executive Director (Gujarat Refinery)	<b>V Mohan</b> Executive Director (Shipping), Refineries	<b>SS Lamba</b> Executive Director (Planning), Marketing
<b>K Vijay</b> Executive Director (Human Resource Development), Corporate Office	<b>Sunil Gupta</b> Executive Director (Gas Sourcing), Corporate Office	<b>VC Sati</b> Executive Director (Western Region Pipelines), Gauriabad
<b>VK Shukla</b> Executive Director (Barauni Refinery)	<b>Gouri Shankar Singh</b> Executive Director (Technical), Paradip Refinery	<b>VK Raizada</b> Executive Director (Technical), Panipat Refinery
<b>MR Karandikar</b> Executive Director I/C (Co-ordination, Planning & Quality Control), Marketing	<b>DK Garg</b> Executive Director (Corporate Finance), Corporate Office	<b>M Pramanik</b> Executive Director (AOD Refinery)
<b>BS Giridhar</b> Executive Director (Health, Safety & Environment), Marketing	<b>S Dakwale</b> Executive Director (Corporate Communications & Branding), Marketing	<b>Subimal Mondal</b> Executive Director (Human Resource), Marketing
<b>Deepak Dhawan</b> Executive Director (Corporate Affairs & Law), Corporate Office	<b>BV Rama Gopal</b> Executive Director I/C (Panipat Refinery)	<b>Debashish Roy</b> Executive Director (Finance), Refineries
<b>Raju Ranganathan</b> Executive Director (Company Secretary & Law)	<b>LW Khongwir</b> Executive Director (Bongaigaon Refinery)	<b>SSV Ramakumar (Dr)</b> 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,  
District 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

#### 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 - 768 171 (Assam)

#### IBP Division:

34 A, Nirmal Chandra Street  
Kolkata - 700 013

## 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. S. Mohan & Co., Panipat  
M/s. Shiromany Tyagi & Co., New Delhi  
M/s. PKKG Balasubramaniam & Associates, Chennai

### COST AUDITORS

M/s. Narasimha Murthy & Co., Hyderabad  
M/s. DGM & Associates, Kolkata  
M/s. Shome & Bannerjee, Kolkata  
M/s. B.M. Sharma & Co., Pune  
M/s. Jugal K. Puri & Associates, New Delhi  
M/s. K.G. Goyal & Associates, New Delhi  
M/s. Goyal, Goyal & Associates, New Delhi  
M/s. A.C. Dutta & Co., Kolkata  
M/s. G.R. Kulkarni & Associates, Mumbai  
M/s. P. Raju Iyer, M. Pandurangan & Associates, Chennai  
M/s. Narasimha Murthy & Co., Hyderabad, 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, 5<sup>th</sup> 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, 6<sup>th</sup> Floor,  
3, Dinshaw Wachha Road,  
Churchgate, Mumbai - 400020  
Website: www.sbicaptrustee.com

## GROUP COMPANIES

Name	Business
<b>Indian Subsidiaries</b>	
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
<b>Foreign Subsidiaries</b>	
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

## 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
Suntera Nigeria 205 Limited	Oil exploration activities	Oil India Ltd. & Suntera Resources Ltd., Cyprus

## PERFORMANCE AT A GLANCE

	2015-16 —(US \$ Million)—	2014-15 —(US \$ Million)—	2015-16 —(₹ in Crore)—	2014-15 —(₹ in Crore)—	2013-14 —(₹ in Crore)—	2012-13 —(₹ in Crore)—	2011-12 —(₹ in Crore)—
<b>I FINANCIAL</b>							
Turnover (Inclusive of Excise Duty & Sale of Services)	61,045	73,701	3,99,601	4,50,756	4,57,571	4,14,919	3,73,943
Profit Before Exceptional Items, Finance Cost, Tax, Depreciation & Amortisation (EBITDA)	3,411	2,337	22,329	14,291	19,023	17,284	21,919
Profit Before Exceptional Items, Finance Cost & Tax (EBIT)	2,670	1,596	17,476	9,762	13,263	12,083	17,052
Profit Before Exceptional Items & Tax	2,211	1,034	14,476	6,327	8,179	5,648	11,462
Profit Before Tax	2,420	1,307	15,840	7,995	9,926	5,648	3,754
Profit After Tax	1,589	862	10,399	5,273	7,019	5,005	3,955
Dividend	519	262	3,399	1,602	2,112	1,505	1,214
Dividend Tax	104	53	680	326	359	256	194
Retained Earnings	966	547	6,320	3,345	4,548	3,244	2,547
Contribution to Central & State Exchequer	20,175	16,077	1,32,064	98,326	86,164	79,819	78,914
Cumulative Dividend			30,714	27,315	25,713	23,601	22,096
<b>Value Added</b>	4,787	3,772	31,330	23,064	27,389	24,555	19,188
Distribution :							
To Employees	1,167	1,162	7,637	7,105	6,619	7,271	4,977
To Providers of Capital							
- Finance Cost	459	562	3,000	3,435	5,084	6,435	5,590
- Dividend	519	262	3,399	1,602	2,112	1,505	1,214
To Government - Income Tax & Dividend Tax	935	498	6,121	3,048	3,266	899	(7)
Retained in Business							
- Depreciation	741	741	4,853	4,529	5,760	5,201	4,867
- Retained Earnings	966	547	6,320	3,345	4,548	3,244	2,547
<b>What Corporation Owns</b>							
Gross Fixed Assets	22,722	19,460	1,50,559	1,21,643	1,12,609	1,04,840	99,183
Depreciation & Amortisation	9,005	8,861	59,664	55,392	49,660	44,207	39,336
Net Fixed Assets	13,717	10,599	90,895	66,251	62,949	60,633	59,847
Capital Work In Progress (CWIP) (including Capital Advances)	3,269	5,970	21,658	37,316	34,871	27,564	21,770
Investments (including Current Investments)	3,618	3,823	23,975	23,899	23,594	18,671	18,678
Working Capital	(128)	371	(848)	2,319	36,347	40,646	38,251
Misc. Expenditure	31	24	206	153	110	17	20
<b>Total</b>	<b>20,507</b>	<b>20,787</b>	<b>1,35,886</b>	<b>1,29,938</b>	<b>1,57,871</b>	<b>1,47,531</b>	<b>1,38,566</b>
<b>What Corporation Owes</b>							
<b>Net Worth</b>							
- Share Capital	366	388	2,428	2,428	2,428	2,428	2,428
- Reserves	10,794	10,485	71,521	65,542	63,564	58,696	55,449
<b>Total</b>	<b>11,160</b>	<b>10,873</b>	<b>73,949</b>	<b>67,970</b>	<b>65,992</b>	<b>61,124</b>	<b>57,877</b>
Borrowings	7,918	8,839	52,469	55,248	86,263	80,894	75,447
Deferred Tax Liability	1,429	1,075	9,468	6,720	5,616	5,513	5,242
<b>Total</b>	<b>20,507</b>	<b>20,787</b>	<b>1,35,886</b>	<b>1,29,938</b>	<b>1,57,871</b>	<b>1,47,531</b>	<b>1,38,566</b>

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

**PERFORMANCE AT A GLANCE (Contd.)**

	2015-16 (US \$)	2014-15 (US \$)	2015-16 (₹)	2014-15 (₹)	2013-14 (₹)	2012-13 (₹)	2011-12 (₹)
<b>Ratios</b>							
Earnings Per Share	0.65	0.36	42.83	21.72	28.91	20.61	16.29
Cash Earnings Per Share	0.96	0.66	62.82	40.37	52.63	42.04	36.34
Net Worth Per Share	4.60	4.48	304.57	279.95	271.80	251.75	238.38
Debt Equity Ratio							
- Total Debt To Equity			0.71:1	0.81:1	1.31:1	1.32:1	1.30:1
- Long-term Debt To Equity			0.47:1	0.56:1	0.57:1	0.39:1	0.38:1
Return on Average Net Worth (%)			14.65	7.87	11.04	8.41	6.99
Return on Average Capital Employed (%)			18.37	9.62	11.45	10.69	16.48
PBT/Turnover (%)			3.62	1.40	1.79	1.36	3.07
EBITDA/Turnover (%)			5.59	3.17	4.16	4.17	5.86

Note: Exchange rate used:-

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

For 2014-15: Average Rate 1 US \$ = ₹ 61.16 and Closing Rate 1 US \$ = ₹ 62.51 as on 31.03.2015

- |                                           |                                                                                                                        |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| 1 Value Added                             | Profit Before Tax + Finance Cost + Depreciation & Amortisation + Employee benefit expenses                             |
| 2 Borrowings<br>(Total Debt)              | Short-Term Borrowing + Long-Term Borrowings + Current Maturities of Long-Term Debt + Interest Accrued and Due on Loans |
| 3 Net Worth                               | Equity Share Capital + Reserves & Surplus                                                                              |
| 4 Capital Employed                        | Net Worth + Borrowings – CWIP – Misc. Expenditure                                                                      |
| 5 Earnings Per Share                      | Profit After Tax/Weighted Average Number of Equity shares                                                              |
| 6 Cash Earnings Per Share                 | (Profit After Tax + Depreciation & Amortisation) / Weighted average number of Equity shares                            |
| 7 Net worth Per Equity Share              | Net Worth / Number of Equity Shares                                                                                    |
| 8 Total Debt To Equity                    | Borrowings / Net Worth                                                                                                 |
| 9 Long-Term Debt To Equity                | (Long-Term Borrowing + Current Maturities of Long-Term Debt)/Net Worth                                                 |
| 10 Return on Average Networth (%)         | Profit after Tax/Average Net Worth                                                                                     |
| 11 Return on Average Capital Employed (%) | EBIT/Average Capital Employed                                                                                          |
| 12 PBT/Turnover (%)                       | Profit Before Exceptional Items & Tax/Turnover                                                                         |

**II OPERATIONS**

	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Operating Performance</b>					
Product Sales					
Domestic					
- Petroleum Products	Million Tonnes	72.651	68.467	67.136	68.617
- Gas	Million Tonnes	1.929	1.805	1.935	1.830
- Petrochemicals	Million Tonnes	2.423	2.390	1.991	1.963
- Explosives	Million Tonnes	0.144	0.100	0.085	0.080
<b>Total Domestic</b>	<b>Million Tonnes</b>	<b>77.147</b>	<b>72.762</b>	<b>71.147</b>	<b>72.490</b>
Exports	Million Tonnes	3.575	3.749	4.384	3.747
<b>Total</b>	<b>Million Tonnes</b>	<b>80.722</b>	<b>76.511</b>	<b>75.531</b>	<b>76.237</b>
<b>Refineries Throughput</b>	<b>Million Tonnes</b>	<b>56.694</b>	<b>53.586</b>	<b>53.126</b>	<b>54.650</b>
<b>Pipelines Throughput</b>	<b>Million Tonnes</b>	<b>79.824</b>	<b>75.684</b>	<b>73.069</b>	<b>75.166</b>

**III MANPOWER NUMBERS**

	2015-16	2014-15	2013-14	2012-13	2011-12
Numbers	32,803	32,962	33,793	34,084	34,233

## DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors, it gives me immense pleasure to present the 57<sup>th</sup> Annual Report of the Corporation for the financial year ended 31<sup>st</sup> March, 2016, along with the Audited Financial Statements and Auditors' Report on the financial statements.

The year 2015-16 was a landmark year as the Corporation achieved the highest ever performance in almost all the physical parameters with record-breaking profits.

### PERFORMANCE REVIEW

#### FINANCIAL

	2015-16		2014-15	
	US\$ Million	₹ in Crore	US\$ Million	₹ in Crore
<b>Turnover</b>				
(Inclusive of Excise Duty & Sale of Services)	<b>61,045</b>	<b>399,601</b>	73,701	450,756
<b>EBITDA</b>				
(Profit Before Exceptional Items, Finance Cost, Tax, Depreciation & Amortisation)	<b>3,411</b>	<b>22,329</b>	2,337	14,291
Finance Cost	<b>459</b>	<b>3,000</b>	562	3,435
Depreciation	<b>741</b>	<b>4,853</b>	741	4,529
<b>Profit Before Tax &amp; Exceptional Items</b>	<b>2,211</b>	<b>14,476</b>	1,034	6,327
Exceptional Items	<b>209</b>	<b>1,364</b>	273	1,668
<b>Profit Before Tax</b>	<b>2,420</b>	<b>15,840</b>	1,307	7,995
Tax Provision	<b>831</b>	<b>5,441</b>	445	2,722
<b>Profit After Tax</b>	<b>1,589</b>	<b>10,399</b>	862	5,273
<b>Balance Brought Forward from Last Year</b>	-	-	-	-
<b>Less: Appropriations</b>				
Interim Dividend paid	<b>204</b>	<b>1,335</b>	-	-
Proposed Final Dividend	<b>315</b>	<b>2,064</b>	262	1,602
Corporate Dividend Tax	<b>104</b>	<b>680</b>	53	326
Insurance Reserve (Net)	<b>3</b>	<b>20</b>	3	20
Bond Redemption Reserve	<b>110</b>	<b>717</b>	113	694
CSR Reserve (Net)	<b>(2)</b>	<b>(15)</b>	-	(1)
General Reserve	<b>855</b>	<b>5,598</b>	431	2,632
Balance Carried to Next Year	-	-	-	-
<b>SHARE VALUE</b>				
	2015-16		2014-15	
	US\$	₹	US\$	₹
Cash Earnings Per Share	<b>0.96</b>	<b>62.82</b>	0.66	40.37
Earnings Per Share	<b>0.65</b>	<b>42.83</b>	0.36	21.72
Book Value Per Share	<b>4.60</b>	<b>304.57</b>	4.48	279.95

Note: Exchange Rate used:-

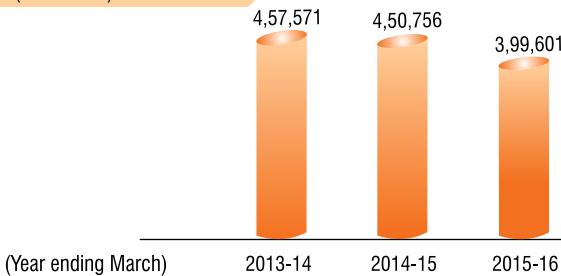
For 2015-16: Average Rate 1 US\$ = ₹ 65.46 and Closing Rate 1 US\$ = ₹ 66.26 as on 31.03.2016

For 2014-15: Average Rate 1 US\$ = ₹ 61.16 and Closing Rate 1 US\$ = ₹ 62.51 as on 31.03.2015

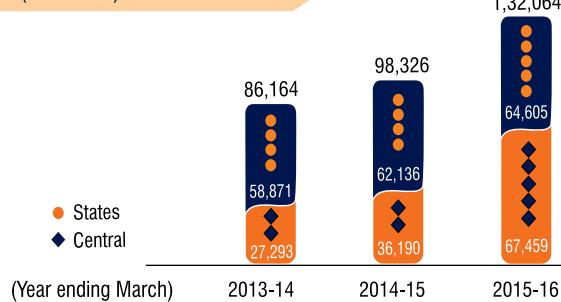
#### PHYSICAL

	2015-16	2014-15	Million Tonnes
Refineries Throughput	<b>56.69</b>	53.59	
Pipelines Throughput	<b>79.82</b>	75.68	
Product Sales (inclusive of Gas, Petrochemicals & Exports)	<b>80.72</b>	76.51	

**Turnover**  
(inclusive of Excise Duty)  
(₹ in crore)



**Contribution to Exchequer**  
(₹ in crore)



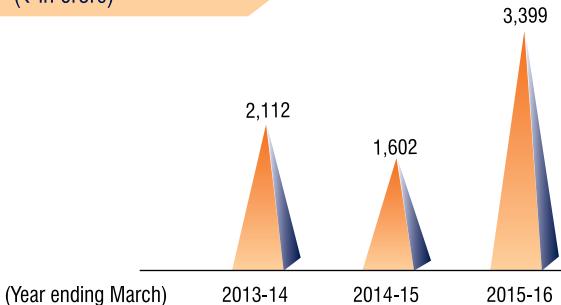
**DIVIDEND**

The Board of Directors of your Corporation has recommended a final dividend of 85 per cent, i.e., ₹ 8.50 per equity share of ₹ 10/- each, on the paid-up Share Capital in addition to the interim dividend of ₹ 5.50 per share paid in February, 2016. With this, the total dividend for the year 2015-16 is 140 per cent, i.e., ₹ 14 per equity share against 66 per cent i.e. ₹ 6.60 per share declared in the previous year. This is the 49<sup>th</sup> consecutive year for which your Corporation has recommended payment of dividend. So far, your Corporation has paid a cumulative dividend of ₹ 28,650 crore, excluding the final dividend of ₹ 2,064 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 6<sup>th</sup> September, 2016.

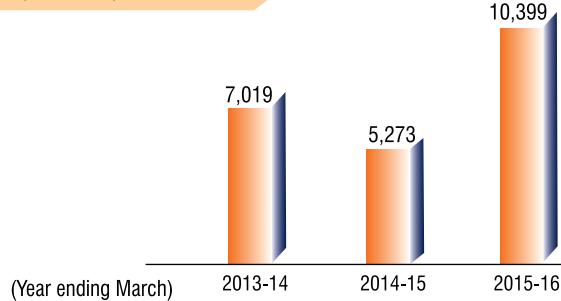
**DISINVESTMENT BY THE GOVT. OF INDIA**

The Govt. of India had disinvested in August, 2015, 10 per cent of the equity share capital of IndianOil, i.e., 24,27,95,248 equity shares under the 'Offer for Shares' at a floor price of ₹ 387/- per share. Consequently, the holding of the President of India in the equity share capital of IndianOil was reduced to 58.57 per cent. Subsequently, under an Employee Offer, the Govt. of India transferred 71,39,518 equity shares in favour of eligible employees at a price of ₹ 367.65 per share on 31.05.2016. Consequently, the holding of the President of India has been further reduced to 1,41,50,10,529 shares constituting 58.28 per cent of the equity share capital.

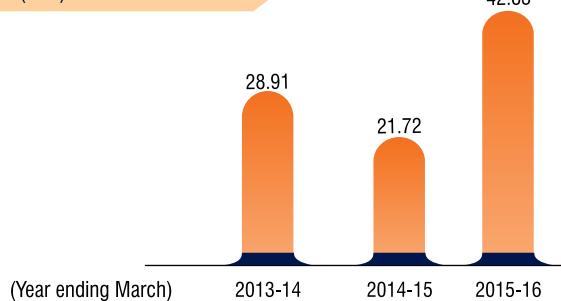
**Dividend**  
(₹ in crore)



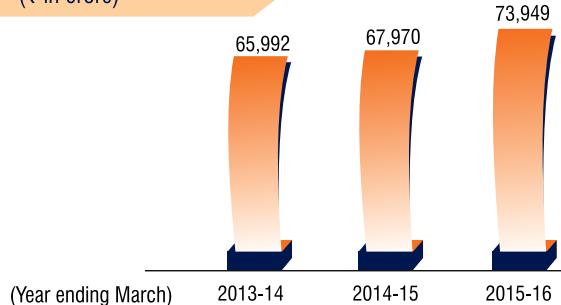
**Profit After Tax**  
(₹ in crore)



**Earnings Per Share**  
(in ₹)



**Net Worth**  
(₹ in crore)



# IndianOil Group Refineries and Pipelines Network



(Map not to scale)

## Operating Pipelines

	Length (km)	Capacity
Crude Oil Pipelines	4,867	40.40 MMTPA
Product Pipelines	6,739	45.09 MMTPA
Gas Pipeline	140	9.5 MMSCMD
<b>Total</b>	<b>11,746</b>	

(As on 31<sup>st</sup> March, 2016)

### 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 2015-16, ₹1,32,064 crore was paid to the exchequer as against ₹98,326 crore paid in the previous year. An amount of ₹ 67,459 crore was paid to the Central Exchequer and ₹ 64,605 crore to the State Exchequer as against ₹ 36,190 crore and ₹ 62,136 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:

	2015-16 (US \$ million)	2014-15 (₹ in crore)	2015-16 (US \$ million)	2014-15 (₹ in crore)
Turnover (Inclusive of Excise Duty & Sale of Services)	63,218	4,13,822	76,624	4,68,634
Profit Before Tax	2,637	17,259	1,147	7,014
Profit After Tax	1,773	11,606	797	4,872
Less: Share of Minority	59	387	(6)	(40)
Profit for the Group	1,714	11,219	803	4,912

Note: Exchange Rate used:

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

For 2014-15: Average Rate 1 US\$ = ₹ 61.16

### MoU PERFORMANCE

The Memorandum of Understanding (MoU) of your Corporation with the Government of India, setting the performance parameters and targets for the year 2015-16, was signed by Chairman, IndianOil, and Secretary (P&NG), Govt. of India, on 31<sup>st</sup> March, 2015. The MoU for 2015-16,

while aspiring for enhanced excellence and efficiency in operations in all Divisions, has placed considerable thrust on CAPEX. 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 2015-16 MoU is yet to be finalised by the Government.

### INTERNATIONAL TRADE

Your Corporation imported 49.004 million tonnes of crude oil valued at ₹ 1,08,989 crore during the year, as against 43.919 million tonnes valued at ₹ 1,65,065 crore 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 5.958 million tonnes, valued at ₹ 20,351 crore, as against 4.908 million tonnes valued at ₹ 22,263 crore in the previous year. The Corporation also exported petroleum and petrochemical products worth ₹ 13,874 crore during the year as against ₹ 15,668 crore in the previous year. The reduction in value of imports and exports is mainly due to decrease in international prices.

### OPERATIONAL PERFORMANCE

#### Refineries

IndianOil refineries achieved the highest ever crude throughput of 56.69 million tonnes (including 0.50 million tonnes for Paradip) during the year 2015-16 with a capacity utilisation of 102.2 per cent as against a throughput of 53.59 million tonnes with capacity utilisation of 98.9 percent during 2014-15. The refineries achieved the best ever combined distillate yield of 80.6 wt% during the year against the previous best of 78.8 wt% achieved during 2014-15. The refineries also achieved lowest Fuel & Loss, Specific Energy Consumption (MBN) and Energy Intensity Index (EII) at 8.66 per cent, 53.8 and 101.2 respectively as compared to previous best of 8.77 per cent, 54.4 and 104.5 for the year 2014-15.

One of the landmark events of the year was the commissioning of IndianOil's most modern 15-MMTPA refinery at Paradip in March, 2016,



With the commissioning of Paradip Refinery, IndianOil group owns and operates 11 of the country's 23 refineries, with 35% of national refining capacity.

which has the capability to process the toughest crudes available. With this, the refining capacity of your Corporation has increased to 69.20 MMTPA.

During the year, 8 new crudes were processed for the first time at various refineries in an attempt to widen the crude oil basket and to tie-up new crude oil sources for de-risking.

### Pipelines

The Pipelines Division achieved its highest ever throughput of 79.82 million tonnes during the financial year 2015-16 as against a throughput of 75.68 million tonnes in 2014-15. The crude oil pipelines recorded the highest ever annual throughput of 50.54 million tonnes, which is 5.8 per cent higher than the previous year's throughput of 47.78 million tonnes. The petroleum product pipelines also recorded highest ever throughput of 29.28 million tonnes as against 27.90 million tonnes achieved last year. The gas pipelines also achieved the highest ever throughput of 1380 MMSCM during the year, as against a throughput of 1364 MMSCM in 2014-15.

With the commissioning of 525 km of new pipelines during the year, the total length of pipeline network of crude oil, product and gas pipelines as on 31<sup>st</sup> March, 2016 was 11,746 kms.

### Marketing

Your Corporation continued to dominate the domestic market in core product categories, i.e., Petrol, Diesel and LPG, and sold 72.65 million tonnes of petroleum products during the year, as against 68.47 million tonnes during the previous year. In addition, 3.46 million tonnes of petroleum products were exported during the current year as against 3.65 million tonnes exported during the previous year. Several initiatives were undertaken by the Corporation during the year to improve customer experience at every touch point. Your Corporation also led from the front in implementing several Govt. Initiatives like Give-it UP and Give-back. The PaHaL Scheme for LPG, which was rolled out on a pan-India basis earned a place in the Guinness Book of world records for being the largest cash transfer programme for households.



With nearly 10 crore customers on its rolls, Indane LPG cooking gas finds its way into the remotest parts of the country.



*Operational excellence... an IndianOil way.*

Your Corporation commissioned 1,032 retail outlets (fuel stations, including 481 Kisan Seva Kendra outlets in rural areas) during the year, raising their total number to 25,363, which helped the Corporation maintain its leadership position. The contribution of Kisan Seva Kendra (KSK) outlets to total sales during the year reached a new high of 13.9 per cent in Petrol (Retail) and 13.8 per cent in Diesel (Retail). 2,069 retail outlets were fully automated during the year, taking the total number of automated retail outlets to over 9,400. The city-specific automation programme was implemented in retail outlets of 26 cities during the year, taking the total number of such cities to 55. Your Corporation supports the use of alternative energy, and as on 31<sup>st</sup> March, 2016, 4,166 of its retail outlets operate on solar energy.

In order to improve the customer service at retail outlets, professional training initiative for customer attendants termed 'Chetna' was undertaken during the year and over 1.6 lakh attendants were trained. In addition, health & eye check-up of over 80,000 truck drivers was carried out at retail outlets and transport hubs.

IndianOil increased its market share in the LPG segment during the year and released new connections, augmenting its bottling and storage capacities, and expanding its distributorship network. The highest ever new domestic LPG connections were released to 1.03 crore customers, raising the *Indane* customer strength to 9.91 crore. 1180 distributorships were commissioned during the year to further expand the network.

In line with the Corporation's mission statement 'to help enrich the quality of life of the community and preserve ecological balance through a strong environment conscience', Mission Smokeless Village, an initiative for providing clean and efficient energy in the form of LPG to rural India in place of traditional fuel was started. As on 31<sup>st</sup> March, 2016, IndianOil released more than 1,60,000 LPG connections and converted over 3400 villages smokeless.

IndianOil's finished lube sales registered a growth of 2.8 per cent over the previous year and institutional lube sales registered a growth of 5.2 per cent. 38 new lube products were developed during 2015-16, out of which 15 products were developed indigenously as a substitute for imported products.



*Innovation for India... an IndianOil custom.*

IndianOil's Aviation Service maintained its leadership position during the year with market share of 62.4 per cent. During the year, your Corporation started its Aviation Fuel Stations in Mohali and Rourkela increasing the number of cities in which it operates its stations to 100 cities.

#### RESEARCH & DEVELOPMENT

During the year, a mega scale plant of 4.17 MMTPA capacity based on INDMAX technology developed by R&D Centre was commissioned at Paradip. In addition, the R&D Centre developed INDAdapt<sup>®</sup> technology for production of BS-IV Gasoline, is under implementation at Guwahati. The R&D Centre filed for 74 patents (35 in India, 39 in foreign countries) during the year, while 19 patents were granted. The patent portfolio expanded to 454 this year, with 92 US patents, 184 Indian patents and 178 patents of other countries. In addition, 125 product formulations were also developed.

During the year, a high therm LPG-based metal cutting gas additised with an R&D-developed additive was launched and is currently being distributed through 28 bottling plants. A Memorandum of Collaboration was signed with IIT Chennai for development of a Hydrokinetic Energy Conservation System for production of power at remote locations.

A Memorandum of Collaboration (MoC) has been executed with Larsen & Toubro (L&T) for development of slurry-based Resid Hydrocracking Technology, which is emerging as the 'Technology of the Future' for value maximisation by upgradation of the bottom of the barrel.

#### IBP

During the year, the Explosives and Cryogenics businesses of IndianOil's IBP Division continued with their excellent performance and recorded the highest ever production and sales of explosives and cryocans. The Explosives group manufactured and sold 1,43,626 metric tonnes of explosives during the year, recording a growth of 43.52 per cent over the previous year's volume of 1,00,071 metric tonnes. The Cryogenics group sold 27,520 units of cryocans during 2015-16, recording 13.86 per cent growth over the previous year's sale of 24,153 units.

#### PROJECTS

IndianOil, through a series of strategic decisions, has been consistently investing in several mega projects across the country. These investments, in turn, contribute to further incentivising the investment sentiment in the economy. The dedicated project teams ensure that the construction and commissioning of the projects 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, on-going and future, are as under:-

##### Completed Projects

- 15-MMTPA grassroots refinery at Paradip, Odisha
- 249-km Rajola-Chaksu section, 56 km Moda-Gauridad section and debottlenecking of the 46-km Chaksu-Manpuria section of Salaya-Mathura pipeline project
- 105-km Paradip-Jatni section of Paradip-Raipur-Ranchi pipeline project
- 37-km Khana-Bolpur section of augmentation of Paradip-Haldia-Barauni pipeline project
- Product storage depots at Jaipur, Jharsuguda, Jatni and Paradip.

##### Ongoing Projects

- Distillate yield improvement project at Haldia Refinery
- Coke chamber replacement at Coker-A in Barauni Refinery
- Demonstration unit of INDAdapt<sup>®</sup> at Guwahati Refinery
- Installation of INDMAX Unit alongwith associated facilities at Bongaigaon Refinery
- Paradip-Raipur-Ranchi product pipeline and associated tap-off points
- Debottlenecking of Salaya-Mathura crude oil pipeline
- Augmentation of Paradip-Haldia-Barauni crude oil 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
- Ennore-Trichy-Madurai LPG pipeline
- Ennore-Nagapattinam-Tuticorin-Madurai-Bengaluru natural gas pipeline
- Haldia-Barauni pipeline
- Branch pipeline from Barauni-Kanpur pipeline to Baitalpur and Motihari and extension to Raxaul.
- Koyali-Ahmednagar-Solapur pipeline
- LPG import terminal at Paradip and Kochi
- LPG bottling plants at Banka (Bihar), Gorakhpur, Bathinda and Goindwal Sahib
- LPG terminals at Paradip and Kandla.
- Construction of product storage depots at Imphal, Una (H.P.), Guntakal (A.P) and Asansol (W.B.)
- 5-MMTPA LNG import terminal project at Ennore (through a Joint Venture Company)
- Polypropylene project at Paradip Refinery
- Styrene Recovery Unit at Panipat
- 98.3-MW Wind Power projects.

##### Future Projects

- Quality upgradation projects for BS-VI petrol and diesel at Gujarat, Panipat, Barauni and Haldia refineries.
- Ethylene glycol project at Paradip
- Paradip-Somnathpur-Haldia pipeline

## BUSINESS DEVELOPMENT

Your Corporation has consolidated its presence in areas beyond petroleum refining and marketing by investing and building a portfolio that has strengthened its upstream and downstream integration and also expanded its footprints in the low-carbon energy space. The business segments mentioned below have contributed significantly to both top-line and bottom-line of the Corporation and have emerged as key drivers of future growth.

### Petrochemicals

IndianOil has established itself as the second largest petrochemicals player in the country in a short span of time. Stable supply chain, high customer orientation, strong technical and new application development capabilities are some of the hallmarks of the Corporation's petrochemicals business. During the year 2015-16, The Corporation recorded the highest ever petrochemicals sales of 2.538 MMT from 2.487 MMT achieved in 2014-15. The Corporation is a major supplier of polymer products to leading multinationals. It has 104 Original Equipment Manufacturer (OEM) approvals, out of which 15 were obtained during the year.

The Corporation's state-of-the-art Product Application & Development Centre (PADC) at Panipat strives to develop new applications and improve existing grades. The Corporation's *PROPEL* brand has strong international presence and is exported to 71 countries across the globe.

At present, the Corporation is setting up a new Polypropylene plant of 700 KTA capacity at Paradip and also proposes to set up a MEG unit here.

### Natural Gas

Your Corporation has been working to expand its natural gas business with investments across the gas value chain and envisages greater presence in the future to unlock the significant potential of gas business.

During the year, natural gas sales of the Corporation rose to 1.93 million tonnes from 1.80 million tonnes in 2014-15, registering a 7.22 per cent growth over the previous year.

At present, the Corporation has a long-term contract to offtake 2.25 MMTPA of Regasified LNG (R-LNG) from Petronet LNG's Dahej Terminal. A major landmark development in this area was resolution of offtake defaults through renegotiation of price of long-term LNG import by Petronet LNG Ltd. from RasGas, Qatar in January 2016. Consequently, R-LNG prices have become more reflective of the international prices, which have been declining steeply.

Your Corporation is implementing a 5-MMTPA import, storage and regasification terminal at Kamarajar Port (Ennore) near Chennai through a Joint Venture Company, IndianOil LNG Pvt. Ltd. The LNG Terminal is scheduled to be commissioned in 2018-19, which would mark a major milestone in the Corporation's efforts to scale up gas infrastructure in the country.

The Corporation imported 9 LNG cargoes during the year. Besides, in the Pacific North West LNG Project, the Corporation's equity LNG stands at 1.2 MMTPA for a minimum of 20 years, delivery of gas from which is expected by 2020.

The Corporation is pursuing implementation of city gas distribution (CGD) networks through its Joint Venture Company, IndianOil-Adani Gas Private Limited, which is implementing CGD networks in Chandigarh and Allahabad geographical areas. The Joint Venture Company has also received authorisation from Petroleum and Natural Gas Regulatory Board in 5 more geographical areas during 2015-16, viz., Panipat, Daman, Ernakulam, Udhamsingh Nagar and Dharwad. In addition, another Joint Venture Company, Green Gas Limited, operates two CGD networks, one each in Lucknow and Agra.



*Young engineers manning the control room of the Paraxylene plant at IndianOil's Panipat Complex.*

# 57<sup>th</sup> Annual Report 2015-16



From LPG @ doorstep... to LNG @ doorstep.

## Exploration & Production (E&P)

The Corporation's E&P portfolio consists of 15 active blocks, which include 8 domestic blocks (including 2 coal-bed methane blocks) and 7 overseas blocks, with participating interest ranging from 3.50 per cent to 50 per cent. Out of these 15 blocks, 3 overseas blocks are under production, 6 under discovery (3 Overseas and 3 Domestic), 2 under exploration (1 Overseas and 1 Domestic) and 2 domestic blocks under development phase. The seven overseas blocks are located in Libya, Gabon, Nigeria, Yemen, Venezuela, USA and Canada.

During the year, the Corporation made significant strides in its overseas acquisition drive. A consortium of the Corporation and Delonex Energy UK Limited secured the Palmeira Block, Mozambique, by successfully bidding in the 5<sup>th</sup> Mozambique Licensing Round. Another major highlight was the acquisition of the E&P assets of Rosneft Oil Company, a National



The workover rig at Niobrara Shale project in USA, where IndianOil is one of the consortium partners.

Oil Company of Russia. IndianOil, alongwith two Indian partners, has signed agreements to acquire participatory stake in Taas-Yuryah Neftegazobodobycha "TYNGD" and Vankorneft assets of Rosneft. Both these acquisitions in Russia would significantly increase Corporation's 2P reserves and oil production.

## Alternative Energy

The Corporation has a portfolio of 69.3-MW Wind, 5-MW Solar PV grid connected projects and 1.4-MW off-grid solar PV projects. In addition, 4-MW solar PV project at Narimanam terminal (Tamil Nadu) has been commissioned in April, 2016. The solar power generated from this project will be wheeled to the Corporation's 12 locations in Tamil Nadu. During the year, the Corporation has also awarded the contract for setting up 98.3-MW of wind-power generation capacity, which will be commissioned in 2016-17. Your Corporation is setting up a 200-TPD (tonnes per day) integrated waste-to-fuel plant at Varanasi. In addition, the Corporation is also setting up 10 de-centralised waste management systems at Varanasi, each with 5-TPD capacity.

## Sustainable Development

The Corporation is deeply committed to the ethos of Sustainable Business and to make its businesses socially responsible and environment-friendly. It has been publishing Annual Sustainability Report since 2005-06. The Sustainability Report 2014-15 titled 'Transformational Leadership' was in compliance with the GRI G4 guidelines.

As a green initiative, IndianOil has sponsored the participation of Mahindra & Mahindra in the FIA "Formula E-series", which is the world's fully electric car racing championship. The sponsorship would be for a period of four years commencing from 2015. The championship centres around the values of Energy, Environment and Entertainment.

The Corporation has also been working intensely for mitigation of its environmental footprints and has been able to make significant progress in the areas of rain-water harvesting, water and waste recycling, etc.

## INFORMATION SYSTEMS

Your Corporation maintained cent per cent uptime of SAP operations during the year. An external audit has been carried out by STQC, Department of Electronics and IT for ISO 27001:2013 as per GoI guidelines for establishing a cyber security framework in the organisation. By leveraging the latest concepts like "Internet of Things", a revolutionary change was brought about in the operation of bulk storage terminals and depots. All activities pertaining to the sales cycle are done automatically, right from receipt of indent, the truck reporting, filling advisory note, allocation of TT to the indent, without any human involvement. The flagship mobile application for dealers and end-customers were modified with added functionalities, coverage and availability on the iOS platform.

In order to prioritise the IT Strategies in the Corporation and to integrate the same with the business needs of the organisation, the Board has constituted an IT Oversight Committee to oversee the implementation of IT Strategies of the Corporation.

## HEALTH, SAFETY & ENVIRONMENT (HSE)

Your Corporation is committed to conducting its business with a strong environment conscience, ensuring sustainable development,



*Solar energy farm at IndianOil's Koyali Refinery in Gujarat.*

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 being monitored at the unit level, division level and corporate level. 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 aspects.

#### **ENERGY CONSERVATION**

Your Corporation continues to accord high importance to energy conservation at all its 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 53.8, which is the best ever achieved, as against the energy index of 54.4 in the previous year. The energy conservation schemes implemented during the year resulted in an estimated fuel savings of 47,480 MT Standard Refinery Fuel (SRF) in the year, valued at about ₹ 90.60 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 Unit / Barrel / Energy Factor (MBTU/BBL/NRGF)

#### **HUMAN RESOURCES**

The employee strength of the Corporation was 32,803 as on 31<sup>st</sup> March, 2016; consisting of 15,722 executives and 17,081 non-executives. This includes 2,632 women employees comprising 8.02 per cent of the total workforce.

Your Corporation provides comprehensive welfare facilities to its employees to take care of their health, economic betterment, social status, etc., and to enable them to give their best at the workplace. Your Corporation has always supported a participative culture in the management of the enterprise through a consultative approach with the collectives and establishing a harmonious relationship for industrial peace and higher productivity. Employees' participation is also ensured through information-sharing with the collectives and employees on a regular basis. The efforts to promote employees' participation in management were continued during the year through various activities such as Suggestions Scheme, Total Productive Maintenance, Quality Circles, Mentoring, etc. During the year, cordial industrial relations were maintained.

In order to meet the business requirement of the Corporation, an intensive recruitment exercise was carried out during 2015-16 and 1209 professionally qualified executives were recruited. As part of the organisation's focus on 'Investing in Our People', Project 'Saksham' – a structured Leadership Competency Development Programme was designed, in consultation with IIM – Ahmedabad, Bangalore, Calcutta and XLRI Jamshedpur, and launched during the year with a view to develop leadership competencies in sync with IndianOil's Leadership Competency Framework.



*Team spirit... an IndianOil habit.*



*Technical expertise.... an IndianOil strength.*

In line with the National Skill Development Mission of the Govt. of India, your Corporation is leading the initiative of setting up Skill Development Institute at Bhubaneswar, with support from other PSUs under Ministry of Petroleum & Natural Gas, for providing skill development courses aligned to the National Skills Qualification Framework. The state-of-the-art Institute would focus on the skills pertaining to downstream petroleum sector and petrochemicals, in addition to other skills for meeting the requirement of the Industry in and around Odisha.

Your Corporation is committed to diversity and inclusiveness and has adopted various practices to achieve women's development and gender equality in the organisation. Women employees are rendered support to deal with their dual obligations with optimum results, both for themselves as well as for the organisation. All women employees have equal opportunities, equal rights and equal responsibilities. In addition, there are various welfare policies, viz., child adoption leave, childcare leave, special leave without pay, etc. WIPS cells (formed under Forum of Women in Public Sector) strive to empower women through numerous developmental activities not only for women employees of the Corporation but also for women in the neighbourhood of IndianOil installations.

In compliance with the Official Language Act, 1963, Official Language Rules, 1976, and orders issued by the Government of India from time to time, efforts were continued during the year for increasing the progressive use of Hindi in official work. In all offices/ units/ locations of the Corporation,

committees are functioning for implementing the Official Language effectively and to review the progress of implementation of the Official Language policies.

Your Corporation is implementing the provisions of 3 per cent reservation for Persons with Disabilities in line with guidelines/instructions issued by the Government of India. Also, various concessions/relaxations are being extended to Physically Challenged persons in recruitment. The number of permanent employees with disabilities as on 31<sup>st</sup> March, 2016 was 555, i.e., 1.69 per cent of the total employee strength.

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 Ministry of Petroleum & Natural Gas to ensure proper compliance of the Directives. 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 para-29 of the Presidential Directive, statistics relating to representation of SCs/STs in the prescribed proforma, SC/ST/OBC Report-I and SC/ST/ OBC Report-II is attached at **Annexure-I** to the report.



*Dedication to work...an IndianOil pledge.*



*Plant safety... an IndianOil culture.*

### **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 the event 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 five complaints of sexual harassment that were pending as on 1<sup>st</sup> April, 2015. During the year, two complaints were received and three complaints were disposed of. As on 31<sup>st</sup> March, 2016, four complaints are pending, which are being investigated.

### **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 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](https://iocl.com/aboutus/loc_S&CSR_policy.pdf)

### **VIGILANCE**

The objective of vigilance as an organisation function is to ensure maintenance of the highest level of integrity throughout the Corporation. To achieve this objective, the Vigilance group takes preventive and punitive steps, with greater emphasis on the preventive aspects. During the year, 79 vigilance awareness programmes were conducted, which were

attended by about 2,200 employees. In order to promote transparency and efficiency in the working of the Corporation, various initiatives like e-tendering, e-collections, e-payments, file tracking system, etc., have been implemented.

### **PUBLIC DEPOSIT SCHEME**

The Public Deposit Scheme of the Corporation was closed with effect from 31<sup>st</sup> August, 2009. The total outstanding deposits as on 31.03.2016 were ₹ 55,000/- . The Corporation has not invited any deposits from the public during the year.

### **CORPORATE GOVERNANCE REPORT**

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

### **BUSINESS RESPONSIBILITY REPORT**

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

# 57<sup>th</sup> Annual Report 2015-16



*Energy to move the nation... an IndianOil commitment.*

## AUDIT COMMITTEE

The Audit Committee of your Corporation comprises 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.

## SECRETARIAL AUDIT

The Secretarial Audit Report for the year 2015-16 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 had appointed Woman Director for part of the financial year 2015-16. 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 Govt. of India as per the Government guidelines. The matter is being constantly pursued with the Govt. of India for appointment of the requisite number of Independent Directors and Woman Director.

As regards Audit Committee, it was reconstituted without Independent Directors during the part of the year as the term of the existing Independent Directors came to an end and the new Independent Directors were appointed only in the later part of the year.

## 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 is headed by Chief Risk Officer, which reviews the various risks associated with the Corporation's business. The Corporation has a Risk Management Committee comprising Functional 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 adequate internal financial controls for ensuring the orderly and efficient conduct of its business, including adherence to the Corporation'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, which is commensurate with the operations of the Corporation. The Corporation has a separate Internal Audit department headed by a General Manager, 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, including internal financial controls. 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 from the current financial year. 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 2015-16. The Auditors' remuneration for the year 2015-16 has been fixed at ₹ 145 lakh plus applicable taxes. In addition, reasonable out-of-pocket expenses at actuals incurred are also reimbursed.

## **COST AUDIT REPORT**

The Cost Auditors were appointed for conducting the cost audit of Corporation's refineries, lube blending plants, and other units for the year 2015-16. A remuneration of ₹ 16.50 lakh and applicable taxes had been fixed by the Board for payment to cost auditors for the year 2015-16, which was ratified by the shareholders in the last AGM. The cost audit for the year 2014-15 was carried out for the 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 2015-16 would also be filed within the stipulated time.

## **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 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 45.50 per cent.

## **SUBSIDIARIES AND JOINT VENTURES**

During the year, a new Joint Venture Company viz. IndianOil LNG Pvt. Ltd. between IndianOil, IDFC Alternatives Limited and ICICI Bank was formed for the purpose of setting up a 5-MMTPA LNG Terminal at Ennore, Tamil Nadu. 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 that can be accessed on the Corporation's website at the link [https://www.iocl.com/InvestorCenter/Policy\\_on\\_Material\\_Subsidary.pdf](https://www.iocl.com/InvestorCenter/Policy_on_Material_Subsidary.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](https://www.iocl.com/InvestorCenter/Policy_on_related_party_transactions.pdf). Your Corporation has undertaken transactions with related parties during the year. These transactions are in the ordinary course of business and on arm's length basis. As per the RPT Policy, approval of the Audit Committee has been obtained for all RPTs. During the year, there were 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) is 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



IndianOil refineries, pipeline network and bulk storage terminals cater to the energy needs of a resurgent India.



IndianOil's extensive pipelines network is one of the largest in the world.

in the Director's report a statement of particulars of employees drawing remuneration in excess of limits specified under the act and rules notified thereunder. The information has, therefore, not been included as part of the Directors' Report.

### **BOARD OF DIRECTORS**

The following persons ceased to be Directors on the Board of the Corporation since the last Annual General Meeting held on 15.09.2015:-

- Prof. Devang Khakhar, Independent Director w.e.f. 15.09.2015
- Dr. Archana Mathur, Govt. Nominee Director w.e.f. 29.10.2015

The following Directors were appointed on the Board of the Corporation since the last Annual General Meeting held on 15.09.2015 :-

- Shri B.S. Canth, Director (Marketing) w.e.f. 08.10.2015
- Shri Subroto Bagchi, Independent Director w.e.f. 02.12.2015
- Shri Sanjay Kapoor, Independent Director w.e.f. 02.12.2015
- Shri Parindu K. Bhagat, Independent Director w.e.f. 02.12.2015
- Shri Ashutosh Jindal, Govt. Nominee Director w.e.f. 12.02.2016

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.

During the year, 10 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 are not repeated here to avoid duplication.

No significant and material orders were passed by the regulators or courts or tribunals, which 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 such complaint is 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](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 31<sup>st</sup> March, 2016, are given in the standalone financial statements under Notes 14, 28 & 36.

### **EXTRACT OF ANNUAL RETURN**

As required under the provisions of the Companies Act, 2013, the extract of Annual Return for the financial year ended 31<sup>st</sup> March, 2016 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 :

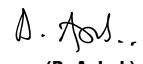
- (a) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable 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 for the dedicated efforts made and valuable services rendered by the members of the IndianOil family in the Corporation's excellent achievements during the year 2015-16. 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 wishes to place on record its appreciation of the valuable guidance and significant contribution made by Prof. Devang Khakhar and Dr. Archana Mathur during their tenure on the Board.

For and on behalf of the Board

  
**(B. Ashok)**

Chairman

DIN: 06861345

Place: New Delhi  
Date : 5<sup>th</sup> August 2016

## AWARDS & RECOGNITIONS

- Besides being the top-ranked Indian company among the world's largest corporates in the prestigious *Fortune* 'Global 500' listing for 2016, IndianOil retained its top position in *Fortune* 'India 500', *Forbes* 'Global 2000', *Business Standard* 1000, *Financial Express* FE-500 and *Business India* Super 100 corporate listings during the year.
- IndianOil was conferred the prestigious Dun & Bradstreet Top PSUs Award-2015 under the 'Oil - Refining & Marketing Sector' category.
- IndianOil retained its position as the 'Most Valuable Indian Petroleum Brand' in *WPP's BrandZ* Top 50 Most Valuable Indian Brands-2015. Among the eight PSU brands in the top 50, IndianOil ranks second.
- IndianOil bagged the *Reader's Digest* Most Trusted Brand Award for the ninth consecutive year in the petrol station category.
- Indane and SERVO have been conferred Superbrand status by Superbrands India Pvt. Ltd., a leading global consumer survey brand. Both were ranked among the top 20% of all brands across all categories in India.
- IndianOil's Marketing Division won the 9<sup>th</sup> Express Logistics & Supply Chain Leadership Award for the eighth consecutive time in the category of Excellence in Manufacturing Supply Chain – Oil & Gas.
- IndianOil has been adjudged the 2<sup>nd</sup> 'Best Company in Public Sector in India' in the annual survey conducted by the Great Place to Work Institute, India and *The Economic Times*.
- IndianOil was conferred the prestigious India Today PSU awards in three categories – Best Global Presence, Best Performing Company, and Best in CSR and Sustainability.



Mr. Verghese Cherian, Director (HR), receiving the India Today PSU Award from Mr. Ravi Shankar Prasad, Hon'ble Minister for Communication and IT, Government of India and Mr. Piyush Goyal, Hon'ble Minister for Coal & Power, Government of India.



IndianOil bagged six MoP&NG OISD Safety Awards in five categories for the year 2013-14.

- The Project Department of Refineries Division bagged the prestigious Dun & Bradstreet Infra Award for excellent implementation of Styrene Butadiene Rubber project at Panipat in the category of Industrial Projects.
- IndianOil bagged the prestigious SAP ACE Award-2015 for achieving excellence in SAP operations for the sixth time. IndianOil was selected from amongst a thousand project nominations submitted across 17 different categories by companies spread across the Indian sub-continent.
- IndianOil bagged the prestigious SAP's Customer Centre of Expertise (CCOE) of the Year bronze award for 2015 in the 'Innovation' category at the global level. SAP honours the best COEs in the world with the 'Customer COE of the year' award.
- IndianOil R&D Centre bagged the 6<sup>th</sup> National Award for Technology Innovation instituted by the Department of Chemicals & Petrochemicals, Government of India, in the category of 'Research in the Field of Polymer Science & Technology for Innovation' for developing ultra-high molecular weight polyalpholefins as drag reducer additives for pipeline transportation of oil.
- The R&D Centre also won the 5<sup>th</sup> National Award for Technology Innovation in the category of 'Research in the field of Polymer Science & Technology for Indigenous Catalyst Development' for producing polypropylene using novel and low-cost precursors.
- IndianOil received the 6<sup>th</sup> National Award for Technology Innovation in the category of Innovation in Polymeric Material for its high-productivity HDPE injection moulding grade 080M60, jointly with Ester Industries.
- IndianOil Institute of Petroleum Management (iiPM) bagged the 'Best Corporate Learning Leader of the year' award at the World HRD Congress. iiPM also won awards in three other categories, including 'Training provider of the year', 'Best development programme for



Mr. Dharmendra Pradhan, Hon'ble Minister of State (I/c), Petroleum & Natural Gas, felicitating Ms. Mamoni Basumatary, Senior Manager (Technical Services), Guwahati Refinery with Woman Executive of the year trophy in the Oil & Gas Industry.

middle managers' and 'Best development programmes for top managers.'

- IndianOil won the coveted BML Munjal Award for Business Excellence through Learning and Development-2015.
- IndianOil bagged the Silver Trophy (Best PSU-Public Sector training programme) in recognition of its outstanding contribution in skill development at the Skilling India Summit-cum-Awards function organised by ASSOCHAM. The award was given in recognition of the contribution made by IndianOil's Assam Oil School of Nursing/ Assam Oil College of Nursing, Digboi.
- Guwahati Refinery bagged the International Academy *Rajbhasha Shield Samman* for its excellent work in the progressive use and implementation of official language in the last five years.
- International Safety Award-2015 of the British Safety Council, UK, was conferred on IndianOil's Western Region Pipelines for its safety performance record during the calendar year 2015, and Haldia Refinery for its merit performance in the year 2015. Bongaigaon Refinery won the International Safety Award-2015 with merit for the third consecutive year and Panipat Naphtha Cracker for the second consecutive year.
- IndianOil's Bongaigaon, Mathura and Haldia refineries bagged the Safety Innovation Award-2015 of the Institution of Engineers (India), Delhi State Centre, in the Oil & Gas category.

- Mathura Refinery clinched the prestigious Golden Peacock Environment Management Award-2015 in recognition of its outstanding achievements and contribution to the effective implementation of various environment-friendly technologies, schemes and methodologies.
- Greentech Environment Award-2015 winners: Gujarat (Platinum category), Bongaigaon and Barauni refineries (both Gold category).
- National Energy Conservation Awards-2015 winners: Gujarat, Mathura and Haldia refineries.
- IndianOil's Digboi Refinery and Bongaigaon refineries won the Gold and Silver trophies respectively of the *Sarvashreshtha Suraksha Puraskar* conferred by the National Safety Council of India. Northern Region Pipelines, Panipat & Ujjain bottling plants also won a *Prashansa Patra* for the same.
- IndianOil's Corporate Communications groups bagged the prestigious 'Champion of the Champions award' at the 55<sup>th</sup> Annual Awards of the Association of Business Communicators of India. The Corporation received 16 of the 32 awards in Gold, Silver and Bronze categories.



A team of scientists from IndianOil R&D Centre, Dr. Sukhdeep Kaur, Dr. Gurmeet Singh, Mr. Mohasin Momin, Mr. M.S. Negi, Mr. Q.M. Amir, Mr. P.K. Sharma, Dr. G.S. Kapur, Dr. Shahsikant, led by Mr. B.P. Das, ED (I/c)-R&D, receiving the National Award for Innovation from Mr. Ananth Kumar, Hon'ble Minister for Chemicals & Fertilizers, Government of India.



Serving the nation with state-of-the-art technology.

## ANNEXURE-I

### SC/ST/OBC REPORT-I

Annual Statement showing the representation of SCs, STs and OBCs as on 1<sup>st</sup> January 2016 and number of appointments made during the preceding calender year

Name of the Public Enterprises:

Indian Oil Corporation Ltd.

Groups	Representation of SCs/STs/OBCs (As on 1.1.2016)				Number of appointments made during the calendar year 2015									
					By Direct Recruitment				By Promotion			By Deputation/Absorption		
	Total No. of employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Executives A	15925	2623	1143	2635	1329	213	91	495	2823	468	203	3	0	0
Non-executives B	5852	964	601	232	0	0	0	0	334	60	41	0	0	0
C	10532	2158	764	1720	456	81	29	164	1251	255	106	9	1	1
D (Excluding Sweeper)	801	153	64	309	41	12	2	10	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)	33112	5900	2572	4896	1826	306	122	669	4408	783	350	12	1	1

### SC/ST/OBC REPORT-II

Annual Statement showing the representation of SCs, STs and OBCs in various group A services as on 1<sup>st</sup> January 2016 and number of appointments made in the service in various grades in the preceding calender year

Name of the Public Enterprises:

Indian Oil Corporation Ltd.

Pay Scale (in ₹)	Representation of SCs/STs/OBCs (As on 1.1.2016)				Number of appointments made during the calendar year 2015									
					By Direct Recruitment				By Promotion			By Deputation/Absorption		
	Total No. of Employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
20600-46500	256	35	18	81	14	1	0	6	0	0	0	0	0	0
24900-50500	3952	610	272	1113	1314	212	91	488	151	21	16	0	0	0
29100-54500	3713	600	255	691	1	0	0	1	835	145	49	0	0	0
32900-58000	2586	453	222	404	No recruitment is made in this Group.				679	118	61	2	0	0
36600-62000	1950	381	133	251	No recruitment is made in this Group.				407	71	32	1	0	0
43200-66000	1338	293	134	85	No recruitment is made in this Group.				298	55	28	0	0	0
51300-73000	1246	194	92	9	No recruitment is made in this Group.				212	35	14	0	0	0
51300-73000	619	65	16	1	No recruitment is made in this Group.				147	20	1	0	0	0
51300-73000	197	9	0	0	No recruitment is made in this Group.				63	3	0	0	0	0
62000-80000	68	3	1	0	No recruitment is made in this Group.				31	0	2	0	0	0
G.Total	15925	2623	1143	2635	1329	213	91	495	2823	468	203	3	0	0

# 57<sup>th</sup> Annual Report 2015-16

## ANNEXURE-II

### HIGHLIGHTS OF CSR ACTIVITIES DURING 2015-16

In line with the CSR vision and mission, IndianOil's CSR budget is allocated and spent on high-priority thrust areas like 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. As against the current year's CSR budget allocation of ₹ 141.50 crore, the CSR expenditure during the year was ₹ 156.68 crore. However, after considering the amount of ₹ 19.61 crore carried forward from the previous year, an amount of ₹ 4.43 crore remained unspent and is carried forward to 2016-17. The programs are undertaken preferably in the vicinity of IndianOil's major installations/establishments for improving the quality of life of the concerned communities, which include marginalized groups such as SCs, STs, etc. The highlights of IndianOil's key CSR projects in 2015-16 are briefly given below:

#### 1. LPG Scheme for BPL families

Under this project, IndianOil contributes 20% of 2% of previous year's Net profit towards one-time grant to BPL families in the rural areas for release of new LPG connections under MoP&NG LPG Scheme. Under the scheme, the security deposit for 1 cylinder and 1 pressure regulator is provided from the fund created for this purpose by contributions from the CSR budget. During 2015-16, 22.8 lakh new connections were released by IndianOil and cumulatively, 32.4 lakh BPL families have benefitted from this scheme.

#### 2. Swachh Bharat Abhiyan

In response to the clarion call given by the Hon'ble Prime Minister on 15<sup>th</sup> August, 2014, IndianOil has been actively engaged in Swachh Bharat Abhiyan activities across the country in various installations/locations and in the vicinity thereof. IndianOil organized various events to sensitize its employees, their families and general public and held cleanliness drives, walkathons, debates, street plays, skits, tree plantations, poster making competitions, etc. across India. Sports icons on the rolls of IndianOil also actively participated in the campaign. Cumulatively, more than 3600 such events have been organized so far. Regular inspections of toilets at fuel stations were



Capping Ceremony at Assam Oil School of Nursing.

also carried out to improve cleanliness. Ten decentralized waste-to-fuel plants with total waste recycling capacity of 50 tons/day are under implementation at Varanasi.

#### 3. Swachh Vidyalaya Abhiyan

Under Government of India's Swachh Bharat - Swachh Vidyalaya Abhiyan, IndianOil took the initiative to construct/repair 2855 toilets in Govt. schools across 16 States. Most of the schools allocated were in remote and backward areas of Assam, Bihar, Chhattisgarh, Odisha, etc. Despite heavy odds, IndianOil ensured construction/ renovation of all toilets, in allocated locations within the targeted timelines.

#### 4. IndianOil's Assam Oil Division Hospital, Digboi, Assam

Established in 1906, this modernized 200-bed hospital at Digboi caters to the population in this part of Assam and nearby areas in the North East. General and specialized health camps are also organized regularly by the hospital to reach out to the poor villagers nearby, who have no access to medical facilities. During 2015-16, 16,423 non-employee patients were treated at this hospital.

#### 5. Swarna Jayanti Samudayik Hospital, Mathura, Uttar Pradesh

This 50-bed hospital provides medical assistance to residents near Mathura Refinery, Uttar Pradesh. Two mobile dispensaries also go to the nearby villages to provide free medical care to the villagers. The hospital provides free treatment to the destitute and offers subsidized treatment to others. During 2015-16, 52,660 patients were treated, and so far, about 8 lakh patients have benefitted from this project.

#### 6. Sarve Santu Niramaya (SSN), Digboi, Assam

This unique CSR project was launched in 2012 to provide free health consultation and medicines for both human beings and livestock population of Digboi and nearby areas. Initially, free health camps were conducted regularly only for the villagers. However, there was a need to extend the same service to the cattle and livestock, as the villagers are highly dependent on them for their livelihood. The pilot project was implemented in Panbari village near Digboi Refinery.



Swachh Vidyalaya Abhiyan undertaken by IndianOil.

During 2015-16, 2500 patients and 12,200 livestock were treated and so far, 5400 patients and 57,000 livestock have been treated under this project.

## **7. Assam Oil School of Nursing & Assam Oil College of Nursing, Digboi, Assam**

Assam Oil School of Nursing (AOSN), established in 1986, offers professional nursing course (General Nursing & Midwifery, GNM) to young girls. In addition, Assam Oil College of Nursing (AOCN), offering B.Sc. (Nursing) course, started functioning from the same campus in 2014 with an intake of 30 students. From 2016-17, student intake capacity will be increased and 60 students will be enrolled every year [30 for GNM and 30 for B.Sc. (Nursing)]. The institution provides job opportunities to young underprivileged girls in reputed Government and private hospitals across India and even abroad. During 2015-16, 16 students successfully completed the GNM course and since inception, 391 students have successfully completed the course with 100% placement record.

## **8. IndianOil Multi-Skill Development Institute, Digboi, Assam**

IndianOil Multi-Skill Development Institute, Digboi (iMSDI) started functioning in 2014. It provides vocational training on skills & competencies linked to industries. The trades, in which skills are currently imparted, are electrical repair & maintenance, masonry & bar bending (construction), welding, hospitality, fitter, retail, beauty & wellness, medical equipment operation, auto & two-wheeler service & maintenance, etc. Under this project, vocational training is provided to 400 beneficiaries every year. During 2015-16, 271 beneficiaries were trained and so far 388 beneficiaries have been trained and certified in various trades.

## **9. IndianOil Industrial Training Centre, Digboi, Assam**

IndianOil Industrial Training Centre (ITC), established in 1975 under the aegis of National Council for Vocational Training (NCVT), conducts Industrial Trade Courses in various technical disciplines. With a capacity of 68 seats, ITC offers a three-year Fresher Trade course and specialization in jobs like Fitter, Electrician, Turner, Mechanic (Motor Vehicle, Refrigeration, Air Conditioning, etc). During 2015-16, 61 beneficiaries were trained and so far, 1238 beneficiaries have been trained in various trades.



IndianOil donating ambulances for welfare of the society at Madhya Pradesh



Sikshak Dakshata Vikas Abhiyan undertaken by IndianOil.

## **10. Shikshak Dakshata Vikas Abhiyan, Digboi, Assam**

IndianOil (AOD) launched a unique training initiative 'Shikshak Dakshata Vikas Abhiyan' in 2012. Organised in coordination with the District Education Department, Government of Assam, the program aims to improve soft skills of Government school teachers. During 2015-16, 81 teachers were trained and so far, 355 teachers from schools covering 42 villages in and around Digboi have been trained.

## **11. IndianOil Academic Scholarships Scheme**

IndianOil Academic Scholarships are awarded to 2600 underprivileged poor and deserving students on merit-cum-means basis to students pursuing full-time courses in 10+/ITI, Engineering, Medical and MBA. 49.5% scholarships are reserved for SC/ST/OBC students. In each category/ sub-category, 25% scholarships are reserved for girl students and 10% for Persons with Disabilities (PWD). During 2015-16, 3,137 students were benefitted and so far, more than 15,000 students have benefitted from this program.

## **12. IndianOil Sports Scholarships Scheme**

IndianOil introduced a Sports Scholarship Scheme in the year 2006-07 for promising young sports persons representing the State in team games and National ranking in others. At present, 150 scholarships in 20 games/sports are awarded to upcoming junior players from 14 to 19 years of age. In addition to the scholarship amount for 3 years, cost of kit items, travel assistance, lodging etc are also paid by IndianOil.

## **13. IndianOil Muskaan**

Every year, about 35,000 babies are born with cleft lips or palates and there are over 10 lakh cases of untreated clefts in India. Most of the parents either do not know that a cleft can be fully corrected at the early stage itself or are too poor to afford the costs of surgery. In addition to being a medico-economic issue, a cleft is often associated with a social stigma, especially for girls, who find it very tough to lead a normal life with facial deformities. IndianOil undertook an initiative to bring back smiles on the face of people affected with cleft lips in the North East. During 2015-16, corrective surgeries were carried out on 204 persons (including 90 girls) from 26 districts in Assam.

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2015-16

### **1. A brief outline of the company's Sustainability & CSR policy**

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, 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.

Sustainability & CSR Policy of the Corporation is attached at **Annexure-A**.

Overview of projects or programs proposed to be undertaken is provided at **Annexure-B**.

Reference to the web-link to the CSR policy

[https://iocl.com/AboutUs/IOC\\_S&CSR\\_Policy.pdf](https://iocl.com/AboutUs/IOC_S&CSR_Policy.pdf)

### **2. The Composition of the CSR Committee**

- 1) Shri Parindu K. Bhagat, Independent Director & Chairman, CSR & Sustainable Development Committee

- 2) Shri Subroto Bagchi - Independent Director

- 3) Director (Human Resources)

- 4) Director (Finance)

- 5) Director (Marketing)

- 6) Director (Planning & Business Development)

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

₹ 7,075.00 crore

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

The allocation for the year 2015-16 as per the provisions of the Companies Act 2013 works out to ₹ 141.50 crore. However, after considering the amount of ₹ 19.61 crore carried forward from the previous year, the total budget for 2015-16 was ₹ 161.11 crore.

### **5. Details of CSR spent during 2015-16**

- (a) Total amount spent during the financial year

₹ 156.68 crore

- (b) Amount unspent, if any

As against the current year's CSR budget allocation of ₹ 141.50 crore, the CSR expenditure during the year was ₹ 156.68 crore. However, after considering the amount of ₹ 19.61 crore carried forward from the previous year, an amount of ₹ 4.43 crore remained unspent and is carried forward to 2016-17.

- (c) Manner in which the amount 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 the amount, which was allocated for the year 2015-16. However, after considering the carry forward of ₹ 19.61 crore from the previous year, an amount of ₹ 4.43 crore could not be spent and has been carried forward to 2016-17.

### **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 the Corporation has approved the Sustainability & CSR Policy and CSR activities have been undertaken as per the Policy.

Sd/-  
**B. Ashok**  
(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.
  - Rainwater 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 [hereinafter referred to as 'Act'], Companies (CSR Policy) Rules 2014 [hereinafter referred to as 'CSR Rules'], Schedule-VII to the Act [hereinafter referred to as 'Schedule-VII'], DPE's guidelines on CSR & Sustainability [hereinafter referred to as 'DPE guidelines'] and clarifications/amendments thereof from time to time.

IndianOil shall constitute a Sustainability & CSR Committee of the Board [hereinafter referred to as 'Board Committee'], 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 [hereinafter referred to as 'Activities'], 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 website, as per the format specified in the CSR Rules. The Directors' Report shall include an annual report on S&CSR activities.

## Overview of projects to be undertaken in 2015-16

Sl. No.	Major CSR Heads	Sector	Local/ Other	State(s)	District	Monitoring Process: Monitoring through	Budget (₹ in Crore)
	Annual CSR Allocation as per Companies Act 2013						141.50
	Carry forward from the previous year						19.61
	<b>CSR Budget for 2015-16</b>						<b>161.11</b>
	<b>Govt. mandated projects</b>						
1.	Svachh Vidyalaya Abhiyaan	Sanitation	Local/Other	All India	All India	CSR Committees of Divisions	58.81
2.	MoP&NG LPG Schemes for BPL families	Environment Sust.	Local/Other	All India	All India	LPG group of Marketing Division	21.09
	<b>Other Projects, sector-wise</b>						
3.	Tata Medical Centre, Kolkata	Healthcare	Local	West Bengal	Kolkata	Corporate CSR Cell	10.00
4.	Swayam Jayanti Samudayik Hospital, Mathura	Healthcare	Local	Uttar Pradesh	Mathura	CSR Committee, Mathura Refinery	5.15
5.	AOD Hospital, Digboi	Healthcare	Local	Assam	Tinsukia	CSR Committee, AOD, Digboi	4.90
6.	5 high-tech ambulances to Odisha Govt.	Healthcare	Local/Other	Odisha	Jagatsinghpur	CSR Committee, Paradip refinery	2.00
7.	IndianOil Chikitsa Seva Kendra, Bongaigaon	Healthcare	Local	Assam	Bongaigaon	CSR Committee, Bongaigaon Refinery	0.05
8.	Serve Santu Niranjana, Digboi	Healthcare	Local	Assam	Tinsukia	CSR Committee, AOD, Digboi	0.20
9.	IndianOil Academic Scholarships	Education	Local/Other	All India	All India	Committee of IIPM, Gurgaon	4.00
10.	Kendriya Vidyalaya, Mathura	Education	Local	Uttar Pradesh	Mathura	CSR Committee, Mathura Refinery	2.90
11.	Higher Secondary School, Bongaigaon	Education	Local	Assam	Bongaigaon	CSR Committee, Bongaigaon Refinery	2.01
12.	Kendriya Vidyalaya, Barauni	Education	Local	Bihar	Begusarai	CSR Committee, Barauni Refinery	1.84
13.	Kendriya Vidyalaya, Guwahati	Education	Local	Assam	Kamrup Metro	CSR Committee Guwahati Refinery	1.36
14.	Kendriya Vidyalaya, Haldia	Education	Local	West Bengal	East Midnapore	CSR Committee, Haldia Refinery	1.01
15.	IndianOil Sports Scholarships	Sports	Local/Other	All India	All India	CSR Committee, Marketing HQ	0.90
16.	Assam Oil School/College of Nursing, Digboi	Skill Development	Local	Assam	Tinsukia	CSR Committee, AOD, Digboi	1.50
17.	IndianOil Multi-Skill Development Institute, Digboi	Skill Development	Local	Assam	Tinsukia	CSR Committee, AOD, Digboi	0.50
18.	Industrial Training Centre, Digboi	Skill Development	Local	Assam	Tinsukia	CSR Committee, AOD, Digboi	0.40
19.	Skill Development Centre, Barauni	Skill Development	Local	Bihar	Begusarai	CSR Committee, Barauni Refinery	0.40
20.	Sikshak Dakshata Vikas Abhiyaan, Digboi	Skill Development	Local	Assam	Tinsukia	CSR Committee, AOD, Digboi	0.10
	<b>New Projects near Units/Installations across India</b>						
21.	Marketing Division	All Sectors	Local/Other	All India	All India	Divisional/Unit Level Committee	17.76
22.	Corporate Office	All Sectors	Local/Other	All India	All India	Divisional/Unit Level Committee	10.06
23.	Refineries Division	All Sectors	Local/Other	7 States	9 Districts	Divisional/Unit Level Committee	10.00
24.	Pipelines Division	All Sectors	Local/Other	All India	All India	Divisional/Unit Level Committee	2.00
25.	P&BD Group	All Sectors	Local/Other	Odisha	Khordha	P&BD Group	0.45
26.	R&D Centre	All Sectors	Local/Other	Haryana	Faridabad	Divisional/Unit Level Committee	0.20
27.	IBP Group	All Sectors	Local/Other	Maharashtra	Nashik	Divisional/Unit Level Committee	0.10
	Admin. Overheads: Training, Salary, Baseline Study, etc.						1.42
	<b>Total</b>						<b>161.11</b>

## ANNEXURE C

## Details of the amount spent during 2015-16

CSR Expenses -Project-wise 2015-16									
Sl. No.	CSR project or activity identified	Sector, in which the project is covered	Projects or programs		Amount outlay ₹ crore	Direct exp. ₹ crore	Overheads ₹ crore	Amount spent ₹ crore	Cumulative exp. ₹ crore
			Local/Other	State/ District					
<b>Govt. mandated projects</b>									
1.	Swachh Vidyalaya Abhiyaan	Sanitation	Local/Other	All India	58.81	42.73	2.14	44.87	Direct/IA
2.	MoP&NG LPG Schemes for BPL families	Environment Sust.	Local/Other	All India	21.09	30.11	1.51	31.62	Direct
3.	Skill Dev. Institute (SDI), Bhubaneswar	Skill development	Local/Other	Odisha/Khordha	0.00	4.50	0.22	4.72	Direct/IA
<b>Other Projects, sector-wise</b>									
4.	Swarna Jayanti Samudayik Hospital, Mathura	Healthcare	Local	UP/Mathura	5.15	5.38	0.27	5.65	Direct
5.	AOD Hospital, Digboi	Healthcare	Local	Assam/Tinsukia	4.90	5.00	0.25	5.25	Direct
6.	5 high-tech ambulances to Odisha Govt.	Healthcare	Local/Other	Odisha/Jagatsinghpur	2.00	1.56	0.08	1.64	Direct/IA
7.	Sarve Santu Niramaya, Digboi	Healthcare	Local	Assam/Tinsukia	0.20	0.20	0.01	0.21	Direct
8.	IndianOil Chikitsa Seva Kendra, Bongaigaon	Healthcare	Local	Assam/Bongaigaon	0.05	0.06	0.00	0.06	Direct
9.	Tata Medical Centre, Kolkata	Healthcare	Local	West Bengal/Kolkata	10.00	0.00	0.00	0.00	NA
10.	IndianOil Academic Scholarships	Education	Local/Other	All India	4.00	4.13	0.21	4.34	Direct/IA
11.	Kendriya Vidyalaya, Mathura	Education	Local	Uttar Pradesh/ Mathura	2.90	2.66	0.13	2.79	Direct
12.	Higher Secondary School, Bongaigaon	Education	Local	Assam/ Bongaigaon	2.01	2.57	0.13	2.70	Direct
13.	Kendriya Vidyalaya, Barauni	Education	Local	Bihar/ Begusarai	1.84	2.09	0.10	2.19	Direct
14.	Kendriya Vidyalaya, Haldia	Education	Local	West Bengal/E. Midnapore	1.01	1.56	0.08	1.64	Direct
15.	Kendriya Vidyalaya, Guwahati	Education	Local	Assam/ Kamrup Metro	1.36	1.36	0.07	1.43	Direct
16.	IndianOil Sports Scholarships	Sports	Local/Other	All India	0.90	0.53	0.03	0.56	Direct
17.	Assam Oil School/College of Nursing, Digboi	Skill development	Local	Assam/Tinsukia	1.50	1.50	0.07	1.57	Direct
18.	IndianOil Multi-Skill Dev. Institute, Digboi	Skill development	Local	Assam/Tinsukia	0.50	0.50	0.02	0.52	IA
19.	Industrial Training Centre, Digboi	Skill development	Local	Assam/Tinsukia	0.40	0.40	0.02	0.42	Direct
20.	Silkskak Dakshata Vikas Abhiyaan, Digboi	Skill development	Local	Assam/Tinsukia	0.10	0.10	0.00	0.10	IA
21.	Skill Development Centre, Barauni	Skill development	Local	Bihar/Begusarai	0.40	0.00	0.00	0.00	NA
22.	Anicut removal on Mahanadi River	Environment Sust.	Local	Odisha/Cuttack	0.00	8.52	0.43	8.95	IA
<b>New Projects near Units/Installations across India*</b>									
23.	Marketing Division	All Sectors	Local/Other	All India	17.76	18.98	0.95	19.93	Direct/IA
24.	Refineries Division	All Sectors	Local/Other	7 States/9 Districts	10.00	8.95	0.45	9.40	Direct/IA
25.	Pipelines Division	All Sectors	Local/Other	All India	2.00	2.99	0.15	3.14	Direct/IA
26.	Corporate Office	All Sectors	Local/Other	All India	10.06	2.33	0.12	2.45	Direct/IA
27.	R&D Centre	All Sectors	Local/Other	Haryana/Faridabad	0.20	0.42	0.02	0.44	Direct/IA
28.	IBP Group	All Sectors	Local/Other	Maharashtra/Nashik	0.10	0.09	0.00	0.09	Direct/IA
29.	R&BD Group	All Sectors	Local/Other	Odisha	0.45	0.00	0.00	0.00	NA
<b>Total</b>					<b>159.69*</b>	<b>149.22</b>	<b>7.46</b>	<b>156.68</b>	

# Amount outlay excludes ₹ 1.42 crore allocated towards Administrative overheads, against which ₹ 7.46 crore was appropriated.

\*New 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 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.

## **ANNEXURE-III**

### **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2016**

[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**  
 IndianOil 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"). 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 Central 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, 2016, 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, 2016 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, 1992 (up to 14th May, 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May, 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 (Buyback of Securities) Regulations, 1998;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and

- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- 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 effective July 1, 2015.
- ii. Compliance with the applicable clauses of the Equity and Debt Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited up to 30th November, 2015 and SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (LODR) effective 1st December, 2015 onwards.

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 the requisite number of Non-Executive Directors in terms of Regulation 17(1)(a) of LODR and Independent Directors on its Board as required under the provisions of Section 149(4) of the Act, revised Clause 49 of the Equity Listing Agreement and Regulation 17 of LODR.
- b) The Company had appointed woman Director for part of the financial year 2015-16 pursuant to second proviso of Sub-section (1) of Section 149 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014, revised Clause 49 of the Equity Listing Agreement and Regulation 17 of LODR.
- c) The Company has reconstituted its Audit Committee and appointed requisite number of Independent Directors on its Audit Committee for part of the financial year 2015-2016 as required under the provisions of Section 177(2) of the Act, revised Clause 49 of the Equity Listing Agreement and Regulation 18 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 for part of the year as required under the provisions of Section 149 of the Act, revised Clause 49 of the Equity Listing Agreement 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 Govt. of India (GOI) sold 10% stake in Company through Offer for Sale on 24th August 2015. Pursuant to the Sale, the Government of India's Shareholding in the Company has declined to 58.57%. LIC of India has purchased 8.59% of the paid up share capital from the Government of India thereby increasing its consolidated holding in the Company to 11.11% of the paid up equity share capital of the Company.
  - II. The Members of the Company, by means of Special Resolution at the Annual General Meeting held on 15th September, 2015, have accorded approval to the Board of Directors to issue secured / unsecured redeemable non-convertible bonds / debentures ("Bonds") of face value aggregating up to ₹ 11,500 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.
- G. 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 XII	1,295.00	30-04-2015
2.	Bond Series V (STRPP L)	31.60	18-07-2015
3.	Bond Series VII-B	500.00	15-09-2015

- H. 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.
  - 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 : 20<sup>th</sup> June, 2016

## ANNEXURE-IV

Report on Energy Conservation, Technology Absorption and Foreign Exchange Earnings 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 a part of continued efforts towards energy conservation, number of Energy Conservation projects have been implemented during 2015-16 in refineries resulting in saving of 47,480 MT Standard Refinery Fuel (SRF) in the year equivalent to about ₹90.6 crore. Some of the major schemes in this regard are as under:-

SI. PARTICULARS No.	ESTIMATED COST (₹ in Lakh)	EST. FUEL SAVING (Standard Refinery Fuel equivalent) MT/Year
1 Replacement of INDMAX De-butanizer and De-ethanizer steam re-boilers, with hydrocarbon re-boilers at Guwahati Refinery.	88.10	1470
2 Installation of step less capacity control in Recycle Gas Compressor (RGC) of HDT at Guwahati Refinery.	276.10	518
3 Routing of RSU off gas to FCCU Wet Gas Compressor (WGC) at Barauni Refinery	30.00	2000
4 Hot feed to Coker (preheat improvement by 8 °C) at Gujarat Refinery	340.00	1050
5 Routing of DHDT back wash to product E-III HSD at Gujarat Refinery.	1.50	2000
6 Replacement of APH and burners in CDU-II & VDU-II at Haldia Refinery	588.07	5200
7 Preheat Improvement in CIDW at Haldia Refinery	26.46	540
8 H2 Recovery from PENEX off gases by routing to PSA-140 thru' CCRU rich gas compressor at Mathura Refinery	26.60	500
9 Anti-foulant dosing in CDU to maintain preheat at Mathura Refinery	71.87	1920
10 Routing of AVU Stabilizer hot bottom feed to NSU of MSQU at Digboi Refinery	39.30	280
11 Heat recovery from C-7 (naphtha splitter) O/H product in NSU-1 for Crude pre-heat improvement in AVU-I at Panipat Refinery	315.00	2500

12 H2 recovery from DHDT MP Separator at Panipat Refinery	466.40	6400
13 Use of redundant RFO/BFW Exchanger for BFW heating at Bongaigaon Refinery	5.00	330

#### b) In addition, following projects are under implementation in various refineries of the Corporation :-

##### Guwahati Refinery:

- Installation of stepless capacity control in MUG of HDT.
- Stoppage of HDT heater by improving heat integration.
- Recovery of heat from RFO stream for preheating BFW.

##### Barauni Refinery:

- Routing of hot condensate from MSQ to TPS.
- Replacement of CAPH modules in AVU-I/II.
- Capacity augmentation of CO-Boiler.
- Solarization of office and other buildings (1 MWH).

##### Gujarat Refinery:

- Additional Pre-heat exchanger in CRU Reactor-Effluent circuit for pre-heat improvement.
- Idling old TPS de-aerator with stoppage of BFW pumps (2\*300 KW).

##### Haldia Refinery:

- Tube Inserts in CDU-II.
- Installation of LRPV in VDU-II.
- Installation of Magnetic Resonator in GT-1 & GT-2(Savings: 1% fuel Naphtha).

##### Mathura Refinery:

- Heat Recovery from BBU incinerator flue gas.
- VAC slop injection in FCCU.
- Re-claiming spilled bitumen in SR feed by melting pit facility.

##### Digboi Refinery

- Application of coatings inside DCU furnace surfaces.
- Implementation of pinch analysis recommendations in SDU.
- Routing of Hydrogen rich off gas from HDTU to Hydrogen Recovery system.

##### Panipat Refinery:

- Installation of evaporative coolers in two GTs (increase in power output by 5 MW).
- Replacement of MP with MLP steam as stripping steam in VDU-I.
- Replacement of HP with MP steam in IFO heater of Merox (PR units).
- Replacement of HP with MP steam for heating in Penex charge heater.
- Installation of 1 MW solar Power Plant.

##### Bongaigaon Refinery:

- Processing of hot feed in NHT.

- Use of Fuel gas in HRSG ignitor.
- Replacement of conventional shell & tube exchangers with Plate type.
- Procurement of 200 KW Solar PV (Photo Voltaic) System for Admn. Bldg Block-A & B.

**c) Steps taken by the Company for utilizing alternate sources of energy**

The Corporation has installed Wind Power Projects of 69.3 MW capacity in Gujarat and Andhra Pradesh, which have generated 124 million units (kWh) during 2015-16. The generation from 5 MW Grid Connected Solar PV in Rajasthan during 2015-16 was 7.6 million units. Further, 4 MW Solar PV plant has also been commissioned at Narimanam, Tamil Nadu, which will supply green power to twelve captive locations of the Corporation in the state.

In addition, the Corporation has 1.7 MW of Solar PV across various refineries, installations and office buildings with a total annual generation capacity of 1.7 million units. Further, installation of 5.75 MW Solar PV including 1 MW each at Panipat Refinery, Panipat Naphtha Cracker, Barauni Refinery and 2.75 MW at Panipat Marketing Complex is under process.

**B. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION**

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 regard 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.

**iv. 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.

**v. INDAdeptG Technology**

INDAdeptG unit based on technology developed by R&D Centre of IndianOil is under implementation at Guwahati Refinery for desulphurisation of cracked gasoline feed stock.

**vi. 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.

**vii. indJet Technology**

indJet technology developed by R&D Centre of IndianOil is under consideration for implementation at Barauni refinery, for production of jet fuel.

**viii. indSelect Technology**

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

**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) were commissioned at Panipat, Mathura and Haldia refineries with the technologies from M/s UOP, USA, M/s Chevron, USA and M/s Axens, France respectively for improvement of distillate yield and diesel quality w.r.t Sulphur and Cetane Number.

**iii. Diesel Hydro-Desulphurisation Technology**

Diesel Hydro Desulphurisation Units have been commissioned at Mathura & Panipat refineries with technology from M/s IFP (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.

**iv. Diesel Hydrotreatment Technology**

Diesel Hydrotreatment Units have been commissioned at Guwahati, Barauni & Digboi refineries with the technology from M/s UOP, USA and at Mathura, Panipat and Gujarat refineries with technology of M/s Axens, France to meet the Diesel quality requirement w.r.t Sulphur and Cetane Number. Technology from M/s Shell Global Solutions, Netherlands has been implemented at Paradip Refinery.

**v. Fluidised Catalytic Cracking Technology**

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

**vi. Resid Fluidised Catalytic Cracking Technology**

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

**vii. Catalytic Iso-Dewaxing Unit at Haldia Refinery**

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

**viii. Solvent Dewaxing/Deoiling Technology at Digboi**

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

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

Process technology from M/s. IFP (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.

**x. Biturox Technology**

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

**xi. Hydrogen Generation Technology**

Hydrogen generation technology from M/s Linde, Germany was adopted in 1993 for Hydrogen production and supply to Hydrocracker unit at Gujarat Refinery and has been implemented at Barauni Refinery under MS Quality Improvement Project. Hydrogen generation technology 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.

**xii. Sulphur Recovery Technologies for reduction of SO<sub>2</sub> 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 has been implemented under Panipat Refinery Expansion Project and has been implemented at Gujarat Refinery under Resid Upgradation Project and also at Paradip Refinery. 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.

**xiii. 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.

**xiv. Delayed Coker Technology**

For bottom of the barrel upgradation, Coker technology from M/s ABB Lummus, USA has been implemented at Panipat Refinery as part of Panipat Refinery Expansion Project. Coker Technology from M/s Foster Wheeler, USA has been implemented at Gujarat Refinery under Resid Upgradation Project and also implemented at Paradip Refinery and is under implementation at Haldia Refinery under DYIP project.

**xv. VGO Hydrotreatment Technology**

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

**xvi. 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. Catalytic reforming technology (CRU) (1) with Russian collaboration has been implemented at Gujarat refinery (2) from M/s IFP (now Axens) has been implemented at Haldia, Barauni, Digboi and Bongaigaon refineries.

**xvii. Technology for Para-Xylene**

For production of Para-Xylene at Panipat, technologies from M/s UOP, USA have been implemented.

**xviii. 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.

**xix. Technology for Linear Alkyl Benzene (LAB)**

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

**xx. MS Quality Upgradation Technology**

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

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

**xi. Naphtha Cracker 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 various 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.

**xii. Alkylation Technology**

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

### **xxiii. Propylene Recovery Technology**

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

### **xxiv. 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.

### **xxv. Spent Acid Regeneration Technology**

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

### **xxvi. 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.

### **xxvii. 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.

### **xxviii. Coker Gas Oil Hydrotreatment Technology**

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

### **xxix. MTBE Technology**

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

### **xxx. Butene-1 Technology**

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

### **xxxi. 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.

### **xxxi. Butane Isomerisation Technology**

For production of Alkylate, "Butamer" Technology from M/s UOP, USA is under implementation at Paradip Refinery.

### **xxxiii. Naphtha Treatment Technology**

FCC Naphtha Treatment Technology from M/s Mericam, USA for removal of Mercaptans and H<sub>2</sub>S 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 :-**

- (i) Upgradation of heavy oil to usable products with low sulphur content as gas oil, motor spirit kerosene etc.
- (ii) Removal of sulphur from products like gas oil, motor spirit, jet fuel etc. so that these fuels can conform to BS-IV/BS-VI fuel standards and latest pollution control norms.
- (iii) Increase in lube oil quality meeting international standards
- (iv) Production of various grades of Bitumen
- (v) Reduction of Sulphur dioxide emissions
- (vi) Improvement of Octane number of Motor spirit
- (vii) Production of special products (MTBE), petrochemicals (i.e. Polymers/PX/PTA/LAB)
- (viii) Improving quality of LPG and ATF to meet desired specifications
- (ix) Production of products (like Styrene Butadiene Rubber and Butene-1) which are import substitution products.

- d) Details of technology imported during last three financial years:-

#### **(i) Biturox project at Barauni Refinery:**

The details of technology imported: Biturox Technology for production of high quality road paving bitumen at Barauni refinery

#### **The year of import: 2013-14**

Whether the technology been fully absorbed: The project is under implementation. Expected commissioning by Sep'16.

#### **(ii) 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

#### **The year of import: 2015-16**

Whether the technology been fully absorbed: The project is in implementation stage. Expected commissioning by Mar'18

#### **(iii) BS-IV Projects at Barauni refinery:**

The details of technology imported: Technology for Naphtha Hydrotreating and Continuous Catalytic Reforming for production of high octane reformate (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 Mar'18

#### **(iv) 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 .

### **C. Foreign Exchange Earnings and Outgo**

The Corporation continuously makes efforts to explore new markets and export its petroleum & petrochemical products. The Lubricants are exported to 27 overseas markets while petrochemical products are now exported to 71 countries.

**Total foreign exchange earned and used during the year :-**

<b>Sl. No.</b>	<b>Particulars</b>	<b>(₹ in crore)</b>
(a)	Foreign exchange earned	13,924
(b)	Foreign exchanged used	1,51,675

**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
- Regular Health Monitoring of Secondary units
- Trouble shooting, revamp and optimization for refinery processes
- Modeling and simulation – Refinery Processes
- Technical services to refineries, petrochemicals and pipeline division
- Crude assay and transportation solutions
- Catalysts development for refining and petrochemical processes
- Analytical support for BS-IV/VI Gasoline and Diesel
- Bituminous products- PMB & CRMB+
- Process and catalyst development for Petrochemicals & Polymers application

- Development of Intelligent and Caliper pigs for monitoring health of pipelines.
- Corrosion, Remaining life assessment and Material failure Analyses,
- Metal Working Tribology and Boundary Lubrication
- Lubricant, Greases and Specialties - Fuel Efficient Products
- Fuel additives development and commercialization
- Fuel Quality and Emission related Studies
- Biotechnology interventions for refinery ETP
- Development of Carbon Dioxide to Valuable Products
- Alternative fuels - HCNG, 2nd & 3rd Generation bio-fuels
- Nanotechnological interventions for development of fuels and lubricants
- Alternative Energy – Gasification, Hydrogen, Fuel Cell and Solar

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

<b>Sl. No.</b>	<b>Particulars</b>	<b>Amount (₹ in crore)</b>
1.	Capital Expenditure	362.04
2.	Revenue Expenditure	235.27
	<b>Total</b>	<b>597.31</b>

## ANNEXURE-V

Form No. MGT - 9

### EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2016

[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	Indian Oil 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	93.22%

\* 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 Limited IndianOil Bhavan, VIP Road, Post – Ravigram, Telibandha, Rajpur – 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)
4.	Lanka IOC PLC Level 20, West Tower World Trade Centre Echelon Square Colombo 01, Sri Lanka	NA	Subsidiary	75.12	2(87)(ii)

Sl. No.	Name of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Applicable section
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.	IOT Infrastructure & Energy Services Ltd. Plot No Y2, CTS 358, A/2, Village Bhandup, Near Nahur Stn, Bhandup (West), Mumbai – 400 078	U23200MH1996PLC102222	Associate	48.81	2(6)
11.	Lubrizol India Pvt. Ltd. 2 <sup>nd</sup> Floor VIP House 88-C Old Prabhadevi Road, Mumbai – 400 025	U23201MH1966PTC013538	Associate	50.00	2(6)
12.	IndianOil Petronas Pvt. Ltd. Flat No. 1106, 11 <sup>th</sup> Floor, Naurang House, 21, Kasturba Gandhi Marg, New Delhi – 110 001	U74899DL1998PTC097297	Associate	50.00	2(6)
13.	Avi-Oil India Pvt. Ltd. 608, Surya Kiran Building 19, Kasturba Gandhi Marg, New Delhi – 110 001	U23201DL1993PTC190652	Associate	25.00	2(6)
14.	Petronet VK Limited Marine Tank Farm, Reliance Industries Limited, Dist. Jamnagar, Sikka – 361140	U23200GJ1998PLC034144	Associate	26.00	2(6)
15.	Petronet LNG Limited 1 <sup>st</sup> Floor, World Trade Centre Babar Road, New Delhi – 110 001	L74899DL1998PLC093073	Associate	12.50	2(6)
16.	Petronet India Limited BPCL Sewree A/K Installation Sewree Fort Road, Sewree (East) Mumbai – 400 015	U45203MH1997PLC108251	Associate	18.00	2(6)
17.	Green Gas Limited Fortuna Towers, 2 <sup>nd</sup> Floor, 10, Rana Pratap Marg, Lucknow – 226 001	U23201UP2005PLC030834	Associate	49.97	2(6)
18.	IndianOil Skytanking Pvt. Ltd. Fuel Farm Facility, Bangalore International Airport, Devanahalli, Bangalore – 560 300	U11202KA2006PTC040251	Associate	50.00	2(6)
19.	Suntera Nigeria 205 Ltd. No. 2, Siji Soetan Street Off Onikepo Akande Street Off Admiralty Way Lekki Peninsula Phase 1 Lagos, Nigeria	NA	Joint Venture	25.00	2(6)

Sl. No.	Name of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Applicable section
20.	Delhi Aviation Fuel Facility Pvt. Ltd. Aviation Fuelling Station, Shahbad Mohammad Pur IGI Airport, New Delhi – 110 061	U74999DL2009PTC193079	Associate	37.00	2(6)
21.	Indian Synthetic Rubber Private Limited 10 <sup>th</sup> Floor, Core-2, North Tower, SCOPE Minar, Laxmi Nagar, District Centre, Delhi-110092	U25190DL2010PTC205324	Associate	50.00	2(6)
22.	IndianOil Ruchi Biofuels LLP 9 <sup>th</sup> Floor, IndianOil Bhavan, No-1 Shri Aurobindo Marg, Yusuf Sarai, New Delhi – 110 016.	LLP IN : AAA-1445	Joint Venture	50.00	2(6)
23.	NPCIL – IndianOil Nuclear Energy Corporation Ltd. 16 <sup>th</sup> Floor, Centre-1, World Trade Centre, Cuffe Parade, Colaba, Mumbai – 400 005	U40104MH2011G0I215870	Associate	26.00	2(6)
24	GSPL India Transco Ltd. GSPC Bhavan, B/H Udyog Bhavan, Sector-11, Gandhinagar, Gujarat – 382 001	U40200GJ2011SGC067450	Associate	26.00	2(6)
25	GSPL India Gasnet Ltd. GSPC Bhavan, B/H Udyog Bhavan, Sector-11, Gandhinagar, Gujarat – 382 001	U40200GJ2011SGC067449	Associate	26.00	2(6)
26	IndianOil Adani Gas Pvt. Ltd. Room No. 909, IndianOil Bhavan Aurobindo Marg, Yusuf Sarai New Delhi – 110 016	U40300DL2013PTC258690	Associate	50.00	2(6)
27	Mumbai Aviation Fuel Farm Facility Pvt. Ltd. 1 <sup>st</sup> Floor, Terminal 1B, CSI Airport Mumbai – 400099	U63000MH2010PTC200463	Associate	25.00	2(6)
28	Kochi Salem Pipelines Private Limited Irimpanam Installation Irimpanam P O, Kochi - 682 309	U40300KL2015PTC037849	Associate	50.00	2(6)
29	IndianOil Panipat Power Consortium Limited H-1/ 204, 2 <sup>nd</sup> Floor, Vikramaditya Tower, Alaknanda Shopping Complex, New Delhi – 110 019	U74899DL1999PLC101853	Associate	50.00	2(6)
30	Petronet CI Limited C/O Indian Oil Corp Ltd. Koyali-Ahmedabad Pipeline P O Jawahar Nagar Vadodara - 391 320	U23201GJ2000PLC039031	Associate	26.00	2(6)
31	IndianOil LNG Pvt Ltd IndianOil Bhavan, 139, Nungambakkam High Road, Chennai - 600034	U23200TN2015PTC100731	Associate	50.00	2(6)

**IV. SHAREHOLDING PATTERN (Equity Share Capital breakup as percentage of total equity):****i) Category-wise Shareholding:**

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	
<b>(A) Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	1664965562	-	1664965562	68.57	1422150047	-	1422150047	58.57	(10.00)
c) State Govt(s)	-	-							
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/Fl	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>1664965562</b>	-	<b>1664965562</b>	<b>68.57</b>	<b>1422150047</b>	-	<b>1422150047</b>	<b>58.57</b>	<b>(10.00)</b>
<b>(2) Foreign</b>									
a) NRI's – Individuals	-	-	-	-	-	-	-	-	-
b) Others – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / Fl	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>-</b>	-	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter</b>									
<b>(A) = (A)(1)+(A)(2)</b>	<b>1664965562</b>	-	<b>1664965562</b>	<b>68.57</b>	<b>1422150047</b>	-	<b>1422150047</b>	<b>58.57</b>	<b>(10.00)</b>
<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	24348466	5994	24354460	1.00	39867211	5994	39873205	1.64	0.64
b) Banks / Fl	3202917	12663	3215580	0.13	12868368	12663	12881031	0.53	0.40
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-	-
f) Insurance Companies	83885598	1300	83886898	3.46	246609530	1300	246610830	10.16	6.70
g) FlI's	63396554	-	63396554	2.61	102084036	-	102084036	4.20	1.59
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
i) Funds Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>174833535</b>	<b>19957</b>	<b>174853492</b>	<b>7.20</b>	<b>401429145</b>	<b>19957</b>	<b>401449102</b>	<b>16.53</b>	<b>9.33</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corp.	464536009	24564	464560573	19.13	484052061	22002	484074063	19.94	0.80
b) Individuals									
i. Individual Shareholders holding nominal share capital upto ₹ 2 lakh	49897190	9031497	58928687	2.43	46712017	8232181	54944198	2.26	(0.16)
ii. Individual Shareholders holding nominal share capital in excess of ₹ 2 lakh	1484465	27264	1511729	0.06	1708833	27264	1736097	0.07	0.01

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	
c) Others (specify)	-	-	-	-	-	-	-	-	-
Custodian Of Enemy Property	-	40446	40446	-	-	40446	40446	0.00	-
Clearing Members	415497	0	415497	0.02	659562	0	659562	0.03	0.01
Foreign Nationals	506	0	506	0.00	606	0	606	0.00	0.00
Governor of Gujarat	0	2700000	2700000	0.11	0	2700000	2700000	0.11	0.00
NBFC	0	0	0	0.00	31793	0	31793	0.00	0.00
Non Resident Indians	722463	120136	842599	0.03	707398	120026	827424	0.03	0.00
Trusts	59133391	0	59133391	2.44	59339144	0	59339144	2.44	0.00
<b>Sub-total (B)(2)</b>	<b>576189521</b>	<b>11943907</b>	<b>588133428</b>	<b>24.22</b>	<b>593211414</b>	<b>11141919</b>	<b>604321540</b>	<b>24.89</b>	<b>0.67</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>751023056</b>	<b>11963864</b>	<b>762986920</b>	<b>31.43</b>	<b>994608766</b>	<b>11161876</b>	<b>1005770642</b>	<b>41.42</b>	<b>10.00</b>
(c) Shares held by custodian for GDR's & ADR's	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2415988618</b>	<b>11963864</b>	<b>2427952482</b>	<b>100.00</b>	<b>2416790606</b>	<b>11161876</b>	<b>2427952482</b>	<b>100.00</b>	

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	1664965562	68.57	-	1422150047	58.57	-	(10.00)
	<b>TOTAL</b>	<b>1664965562</b>	<b>68.57</b>	<b>-</b>	<b>1422150047</b>	<b>58.57</b>	<b>-</b>	<b>(10.00)</b>

iii) Change in Promoters' Shareholding

Sl. No.		Shareholding		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	1664965562	68.57	1664965562	68.57
2.	At the end of the year	1422150047	58.57	1422150047	58.57

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

Sl. No.	Name	Date	Remarks	Change in Shareholding		Cumulative Shareholding	
				No. of Shares	%	No. of Shares	%
1	OIL AND NATURAL GAS CORPORATION LIMITED	01-Apr-15 31-Mar-16	Opening Balance Closing Balance	-	-	33,43,03,814	13.77
2	LIFE INSURANCE CORPORATION OF INDIA	01-Apr-15	Opening Balance	-	-	33,43,03,814	13.77
		15-May-15	Purchase (Net)	9,20,678	0.04	6,82,44,717	2.81
		29-May-15	Purchase (Net)	2,71,930	0.01	6,85,16,647	2.82
		12-Jun-15	Purchase (Net)	2,89,146	0.01	6,88,05,793	2.83
		17-Jul-15	Sale (Net)	(17,09,020)	(0.07)	6,70,96,773	2.76
		24-Jul-15	Sale (Net)	(24,53,830)	(0.10)	6,46,42,943	2.66
		31-Jul-15	Sale (Net)	(12,56,813)	(0.05)	6,33,86,130	2.61
		07-Aug-15	Sale (Net)	(15,43,071)	(0.06)	6,18,43,059	2.55
		14-Aug-15	Sale (Net)	(20,27,823)	(0.08)	5,98,15,236	2.46
		28-Aug-15	Purchase (Net)	20,87,11,568	8.60	26,85,26,804	11.06
		04-Sep-15	Sale (Net)	(1,09,29,495)	(0.45)	25,75,97,309	10.61

Sl. No.	Name	Date	Remarks	Change in Shareholding		Cumulative Shareholding	
				No. of Shares	%	No. of Shares	%
		11-Sep-15	Sale (Net)	(7,99,947)	(0.03)	25,67,97,362	10.58
		18-Sep-15	Sale (Net)	(3,46,079)	(0.01)	25,64,51,283	10.56
		09-Oct-15	Sale (Net)	(8,85,047)	(0.04)	25,55,66,236	10.53
		16-Oct-15	Sale (Net)	(7,87,809)	(0.03)	25,47,78,427	10.49
		23-Oct-15	Sale (Net)	(16,09,236)	(0.07)	25,31,69,191	10.43
		30-Oct-15	Sale (Net)	(2,99,880)	(0.01)	25,28,69,311	10.41
		06-Nov-15	Sale (Net)	(1,64,469)	(0.01)	25,27,04,842	10.41
		20-Nov-15	Sale (Net)	(3,79,822)	(0.02)	25,23,25,020	10.39
		27-Nov-15	Sale (Net)	(31,81,687)	(0.13)	24,91,43,333	10.26
		04-Dec-15	Sale (Net)	(30,95,956)	(0.13)	24,60,47,377	10.13
		11-Dec-15	Sale (Net)	(16,90,524)	(0.07)	24,43,56,853	10.06
		18-Dec-15	Sale (Net)	(22,14,950)	(0.09)	24,21,41,903	9.97
		25-Dec-15	Sale (Net)	(5,21,334)	(0.02)	24,16,20,569	9.95
		15-Jan-16	Sale (Net)	(12,20,612)	(0.05)	24,03,99,957	9.90
		22-Jan-16	Sale (Net)	(4,88,904)	(0.02)	23,99,11,053	9.88
		29-Jan-16	Sale (Net)	(11,05,703)	(0.05)	23,88,05,350	9.84
		05-Feb-16	Sale (Net)	(11,24,411)	(0.05)	23,76,80,939	9.79
		04-Mar-16	Sale (Net)	(3,31,031)	(0.01)	23,73,49,908	9.78
		11-Mar-16	Sale (Net)	(4,29,184)	(0.02)	23,69,20,724	9.76
		18-Mar-16	Sale (Net)	(4,10,229)	(0.02)	23,65,10,495	9.74
		25-Mar-16	Sale (Net)	(3,47,163)	(0.01)	23,61,63,332	9.73
		31-Mar-16	Sale (Net)	(12,07,107)	(0.05)	23,49,56,225	9.68
		31-Mar-16	Closing Balance			23,49,56,225	9.68
3	OIL INDIA LIMITED	01-Apr-15	Opening Balance	-	-	12,13,97,624	5.00
		31-Mar-16	Closing Balance	-	-	12,13,97,624	5.00
4	IOC SHARES TRUST	01-Apr-15	Opening Balance	-	-	5,82,79,614	2.40
		31-Mar-16	Closing Balance	-	-	5,82,79,614	2.40
5	GOVERNMENT PENSION FUND GLOBAL	01-Apr-15	Opening Balance	-	-	1,31,53,840	0.54
		08-May-15	Purchase (Net)	80,334	0.00	1,32,34,174	0.55
		12-Jun-15	Sale (Net)	(5,88,416)	(0.02)	1,26,45,758	0.52
		26-Jun-15	Sale (Net)	(44,687)	(0.00)	1,26,01,071	0.52
		30-Jun-15	Sale (Net)	(7,74,283)	(0.03)	1,18,26,788	0.49
		03-Jul-15	Sale (Net)	(4,99,538)	(0.02)	1,13,27,250	0.47
		31-Jul-15	Sale (Net)	(96,730)	(0.00)	1,12,30,520	0.46
		07-Aug-15	Sale (Net)	(39,287)	(0.00)	1,11,91,233	0.46
		14-Aug-15	Sale (Net)	(2,16,592)	(0.01)	1,09,74,641	0.45
		13-Nov-15	Purchase (Net)	4,75,384	0.02	1,14,50,025	0.47
		20-Nov-15	Sale (Net)	(4,69,553)	(0.02)	1,09,80,472	0.45
		27-Nov-15	Sale (Net)	(2,03,994)	(0.01)	1,07,76,478	0.44
		15-Jan-16	Sale (Net)	(1,11,512)	(0.00)	1,06,64,966	0.44
		05-Feb-16	Purchase (Net)	6,85,592	0.03	1,13,50,558	0.47
		12-Feb-16	Sale (Net)	(2,279)	(0.00)	1,13,48,279	0.47
		19-Feb-16	Sale (Net)	(3,54,637)	(0.01)	1,09,93,642	0.45
		04-Mar-16	Sale (Net)	(5,31,251)	(0.02)	1,04,62,391	0.43
		31-Mar-16	Purchase (Net)	3,86,003	0.02	1,08,48,394	0.45
		31-Mar-16	Closing Balance	-	-	1,08,48,394	0.45
6	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	01-Apr-15	Opening Balance	-	-	12,22,655	0.05
		24-Jul-15	Sale (Net)	(1,90,502)	(0.01)	10,32,153	0.04
		31-Jul-15	Sale (Net)	(3,25,923)	(0.01)	7,06,230	0.03

Sl. No.	Name	Date	Remarks	Change in Shareholding		Cumulative Shareholding	
				No. of Shares	%	No. of Shares	%
		04-Sep-15	Purchase (Net)	98,53,000	0.41	1,05,59,230	0.43
		11-Sep-15	Sale (Net)	(1,51,307)	(0.01)	1,04,07,923	0.43
		18-Sep-15	Sale (Net)	(42,009)	(0.00)	1,03,65,914	0.43
		31-Mar-16	Closing Balance	-	-	1,03,65,914	0.43
7	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	01-Apr-15	Opening Balance	-	-	21,97,636	0.09
		10-Apr-15	Purchase (Net)	50,659	0.00	22,48,295	0.09
		17-Apr-15	Purchase (Net)	31,560	0.00	22,79,855	0.09
		24-Apr-15	Purchase (Net)	18,273	0.00	22,98,128	0.09
		08-May-15	Purchase (Net)	53,884	0.00	23,52,012	0.10
		29-May-15	Purchase (Net)	92,379	0.00	24,44,391	0.10
		03-Jul-15	Purchase (Net)	83,036	0.00	25,27,427	0.10
		17-Jul-15	Purchase (Net)	75,399	0.00	26,02,826	0.11
		31-Jul-15	Purchase (Net)	71,004	0.00	26,73,830	0.11
		07-Aug-15	Purchase (Net)	74,323	0.00	27,48,153	0.11
		21-Aug-15	Purchase (Net)	83,422	0.00	28,31,575	0.12
		04-Sep-15	Purchase (Net)	20,54,233	0.08	48,85,808	0.20
		11-Sep-15	Purchase (Net)	2,56,997	0.01	51,42,805	0.21
		09-Oct-15	Purchase (Net)	83,546	0.00	52,26,351	0.22
		20-Nov-15	Purchase (Net)	79,885	0.00	53,06,236	0.22
		11-Dec-15	Purchase (Net)	76,786	0.00	53,83,022	0.22
		08-Jan-16	Purchase (Net)	76,349	0.00	54,59,371	0.22
		15-Jan-16	Purchase (Net)	74,613	0.00	55,33,984	0.23
		29-Jan-16	Purchase (Net)	81,494	0.00	56,15,478	0.23
		19-Feb-16	Purchase (Net)	87,494	0.00	57,02,972	0.23
		04-Mar-16	Purchase (Net)	94,325	0.00	57,97,297	0.24
		18-Mar-16	Purchase (Net)	403	0.00	57,97,700	0.24
		31-Mar-16	Closing Balance	-	-	57,97,700	0.24
8	CPSE ETF	01-Apr-15	Opening Balance	-	-	38,60,055	0.16
		03-Apr-15	Sale (Net)	(419)	(0.00)	38,59,636	0.16
		10-Apr-15	Purchase (Net)	44,196	0.00	39,03,832	0.16
		17-Apr-15	Sale (Net)	(21,788)	(0.00)	38,82,044	0.16
		24-Apr-15	Sale (Net)	(10,056)	(0.00)	38,71,988	0.16
		01-May-15	Sale (Net)	(1,92,349)	(0.01)	36,79,639	0.15
		08-May-15	Sale (Net)	(5,200)	(0.00)	36,74,439	0.15
		15-May-15	Purchase (Net)	21,991	0.00	36,96,430	0.15
		22-May-15	Sale (Net)	(46,748)	(0.00)	36,49,682	0.15
		29-May-15	Sale (Net)	(5,642)	(0.00)	36,44,040	0.15
		05-Jun-15	Sale (Net)	(3,224)	(0.00)	36,40,816	0.15
		12-Jun-15	Sale (Net)	(2,821)	(0.00)	36,37,995	0.15
		19-Jun-15	Sale (Net)	(3,627)	(0.00)	36,34,368	0.15
		26-Jun-15	Sale (Net)	(12,090)	(0.00)	36,22,278	0.15
		30-Jun-15	Sale (Net)	(9,672)	(0.00)	36,12,606	0.15
		03-Jul-15	Sale (Net)	(8,370)	(0.00)	36,04,236	0.15
		10-Jul-15	Sale (Net)	(4,433)	(0.00)	35,99,803	0.15
		17-Jul-15	Sale (Net)	(6,045)	(0.00)	35,93,758	0.15
		24-Jul-15	Sale (Net)	(806)	(0.00)	35,92,952	0.15
		31-Jul-15	Purchase (Net)	2,418	0.00	35,95,370	0.15
		07-Aug-15	Purchase (Net)	34,658	0.00	36,30,028	0.15
		14-Aug-15	Sale (Net)	(91,017)	(0.00)	35,39,011	0.15
		21-Aug-15	Purchase (Net)	10,611	0.00	35,49,622	0.15

Sl. No.	Name	Date	Remarks	Change in Shareholding		Cumulative Shareholding	
				No. of Shares	%	No. of Shares	%
9	GENERAL INSURANCE CORPORATION OF INDIA	28-Aug-15	Sale (Net)	(35,763)	(0.00)	35,13,859	0.14
		04-Sep-15	Purchase (Net)	6,681	0.00	35,20,540	0.15
		11-Sep-15	Purchase (Net)	26,41,345	0.11	61,61,885	0.25
		18-Sep-15	Purchase (Net)	12,006	0.00	61,73,891	0.25
		25-Sep-15	Purchase (Net)	27,541	0.00	62,01,432	0.26
		30-Sep-15	Purchase (Net)	5,344	0.00	62,06,776	0.26
		02-Oct-15	Purchase (Net)	6,680	0.00	62,13,456	0.26
		09-Oct-15	Purchase (Net)	36,046	0.00	62,49,502	0.26
		16-Oct-15	Purchase (Net)	12,042	0.00	62,61,544	0.26
		30-Oct-15	Sale (Net)	(2,007)	(0.00)	62,59,537	0.26
		06-Nov-15	Sale (Net)	(2,007)	(0.00)	62,57,530	0.26
		13-Nov-15	Sale (Net)	(1,25,142)	(0.01)	61,32,388	0.25
		20-Nov-15	Purchase (Net)	32,719	0.00	61,65,107	0.25
		27-Nov-15	Purchase (Net)	1,316	0.00	61,66,423	0.25
		04-Dec-15	Sale (Net)	(5,922)	(0.00)	61,60,501	0.25
		11-Dec-15	Purchase (Net)	1,316	0.00	61,61,817	0.25
		18-Dec-15	Purchase (Net)	658	0.00	61,62,475	0.25
		25-Dec-15	Sale (Net)	(1,974)	(0.00)	61,60,501	0.25
		31-Dec-15	Sale (Net)	(3,948)	(0.00)	61,56,553	0.25
		08-Jan-16	Purchase (Net)	16,759	0.00	61,73,312	0.25
		15-Jan-16	Purchase (Net)	660	0.00	61,73,972	0.25
		22-Jan-16	Sale (Net)	(660)	(0.00)	61,73,312	0.25
		29-Jan-16	Sale (Net)	(660)	(0.00)	61,72,652	0.25
		05-Feb-16	Purchase (Net)	27,060	0.00	61,99,712	0.26
		12-Feb-16	Sale (Net)	(19,140)	(0.00)	61,80,572	0.25
		19-Feb-16	Sale (Net)	(4,620)	(0.00)	61,75,952	0.25
		26-Feb-16	Sale (Net)	(36,300)	(0.00)	61,39,652	0.25
		04-Mar-16	Purchase (Net)	1,35,008	0.01	62,74,660	0.26
		11-Mar-16	Sale (Net)	(674)	(0.00)	62,73,986	0.26
		18-Mar-16	Sale (Net)	(674)	(0.00)	62,73,312	0.26
		25-Mar-16	Sale (Net)	(1,27,861)	(0.01)	61,45,451	0.25
		31-Mar-16	Purchase (Net)	38,763	0.00	61,84,214	0.25
		31-Mar-16	Closing Balance	-	-	61,84,214	0.25
9	GENERAL INSURANCE CORPORATION OF INDIA	01-Apr-15	Opening Balance	-	-	70,00,158	0.29
		10-Apr-15	Sale (Net)	(2,50,000)	(0.01)	67,50,158	0.28
		26-Jun-15	Sale (Net)	(25,000)	(0.00)	67,25,158	0.28
		03-Jul-15	Sale (Net)	(15,000)	(0.00)	67,10,158	0.28
		10-Jul-15	Sale (Net)	(10,000)	(0.00)	67,00,158	0.28
		28-Aug-15	Purchase (Net)	1,20,000	0.00	68,20,158	0.28
		04-Sep-15	Sale (Net)	(20,000)	(0.00)	68,00,158	0.28
		20-Nov-15	Sale (Net)	(2,00,000)	(0.01)	66,00,158	0.27
		27-Nov-15	Sale (Net)	(1,00,000)	(0.00)	65,00,158	0.27
		04-Dec-15	Sale (Net)	(1,00,000)	(0.00)	64,00,158	0.26
		11-Dec-15	Sale (Net)	(12,857)	(0.00)	63,87,301	0.26
		25-Dec-15	Sale (Net)	(1,85,000)	(0.01)	62,02,301	0.26
		31-Dec-15	Sale (Net)	(2,143)	(0.00)	62,00,158	0.26
		15-Jan-16	Sale (Net)	(1,00,000)	(0.00)	61,00,158	0.25
		22-Jan-16	Sale (Net)	(70,000)	(0.00)	60,30,158	0.25
		31-Mar-16	Closing Balance	-	-	60,30,158	0.25

Sl. No.	Name	Date	Remarks	Change in Shareholding		Cumulative Shareholding	
				No. of Shares	%	No. of Shares	%
10	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIE	01-Apr-15	Opening Balance	-	-	57,82,880	0.24
		01-May-15	Purchase (Net)	22,132	0.00	58,05,012	0.24
		08-May-15	Purchase (Net)	25,150	0.00	58,30,162	0.24
		14-Aug-15	Sale (Net)	(25,150)	(0.00)	58,05,012	0.24
		21-Aug-15	Sale (Net)	(60,360)	(0.00)	57,44,652	0.24
		28-Aug-15	Sale (Net)	(1,17,702)	(0.00)	56,26,950	0.23
		04-Sep-15	Purchase (Net)	38,28,543	0.16	94,55,493	0.39
		11-Sep-15	Purchase (Net)	2,56,145	0.01	97,11,638	0.40
		25-Sep-15	Sale (Net)	(28,188)	(0.00)	96,83,450	0.40
		30-Sep-15	Sale (Net)	(62,559)	(0.00)	96,20,891	0.40
		20-Nov-15	Sale (Net)	(77,592)	(0.00)	95,43,299	0.39
		27-Nov-15	Sale (Net)	(30,308)	(0.00)	95,12,991	0.39
		04-Dec-15	Sale (Net)	(77,368)	(0.00)	94,35,623	0.39
		18-Dec-15	Sale (Net)	(60,217)	(0.00)	93,75,406	0.39
		25-Dec-15	Sale (Net)	(56,217)	(0.00)	93,19,189	0.38
		31-Dec-15	Sale (Net)	(22,494)	(0.00)	92,96,695	0.38
		15-Jan-16	Sale (Net)	(58,604)	(0.00)	92,38,091	0.38
		22-Jan-16	Sale (Net)	(77,682)	(0.00)	91,60,409	0.38
		29-Jan-16	Sale (Net)	(71,873)	(0.00)	90,88,536	0.37
		05-Feb-16	Sale (Net)	(1,30,366)	(0.01)	89,58,170	0.37
		12-Feb-16	Sale (Net)	(41,475)	(0.00)	89,16,695	0.37
		26-Feb-16	Sale (Net)	(51,654)	(0.00)	88,65,041	0.37
		04-Mar-16	Sale (Net)	(55,693)	(0.00)	88,09,348	0.36
		11-Mar-16	Purchase (Net)	23,200	0.00	88,32,548	0.36
		18-Mar-16	Sale (Net)	(44,617)	(0.00)	87,87,931	0.36
		25-Mar-16	Sale (Net)	(72,404)	(0.00)	87,15,527	0.36
		31-Mar-16	Closing Balance	-	-	87,15,527	0.36

## v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Date	Shareholding		Cumulative Shareholding	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri B. Ashok Chairman	01-Apr-15	3600	-	3600	-
		31-Mar-16	3600	-	3600	-
2	Shri Sanjiv Singh Director (Refineries)	01-Apr-15	4200	-	4200	-
		31-Mar-16	4200	-	4200	-
3	Shri A. K. Sharma Director (F)	01-Apr-15	1350	-	1350	-
		31-Mar-16	1350	-	1350	-
4	Shri Verghese Cherian Director (HR)	01-Apr-15	2600	-	2600	-
		31-Mar-16	2600	-	2600	-
5	Shri Anish Aggarwal Director (Pipelines)	01-Apr-15	2500	-	2500	-
		31-Mar-16	2500	-	2500	-
6	Shri B. S. Canth Director (Marketing)	01-Apr-15	3600	-	3600	-
		31-Mar-16	3600	-	3600	-
7	Shri Raju Ranganathan Company Secretary	01-Apr-15	100	-	100	-
		31-Mar-16	100	-	100	-

## 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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal amount	18559.18	36685.83	-	55245.01
ii) Interest due but not paid	-	2.53	-	2.53
iii) Interest accrued but not due	357.15	143.70	-	500.85
<b>Total (i + ii + iii)</b>	<b>18916.33</b>	<b>36832.06</b>	-	<b>55748.39</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	509607.35	65744.06	-	575351.41
- Reduction	(511448.16)	(66681.19)	-	(578129.35)
<b>Net Change</b>	<b>(1840.81)</b>	<b>(937.13)</b>	-	<b>(2777.94)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal amount	16718.37	35748.70	-	52467.07
ii) Interest due but not paid	-	2.13	-	2.13
iii) Interest accrued but not due	261.21	146.71	-	407.92
<b>Total (i + ii + iii)</b>	<b>16979.58</b>	<b>35897.54</b>	-	<b>52877.12</b>

**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							
		B. Ashok	Sanjiv Singh	D. Sen	A. K. Sharma	Vergheese Cherian	Anish Aggarwal	B.S. Canth	Total
1.	<b>Gross salary</b>								
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3882420	3414329	2910028	4194397	3772857	3748348	1314917	23237297
	(b) Value of perquisites u/s 17(2)Income-tax Act, 1961	615786	561041	567593	520903	494029	511303	652580	3923235
	(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)	-	-	-	-	-	-	-	-
	<b>Total(A)</b>	<b>4498206</b>	<b>3975370</b>	<b>3477621</b>	<b>4715300</b>	<b>4266886</b>	<b>4259651</b>	<b>1967497</b>	<b>27160532</b>
	Ceiling as per Act	₹ 1600 crore (being 10% of the net profit of the Company calculated as per Section 198 of the Companies Act 2013)							

**B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of Directors						
		Sanjay Kapoor	Subroto Bagchi	Parindu Bhagat	Shyamala Gopinath	Shyam Saran	Devang Khakhar	Total Amount
1.	<b>Independent Directors</b> - Fee for attending Board / Committee meetings - Commission - Others (please specify)	600000	320000	480000	200000	280000	600000	2480000
	<b>Total (1)</b>	<b>600000</b>	<b>320000</b>	<b>480000</b>	<b>200000</b>	<b>280000</b>	<b>600000</b>	<b>2480000</b>
2.	<b>Other Non-Executive Directors</b> - Fee for attending Board / Committee meetings - Commission - Others (please specify)	-	-	-	<b>Nil</b>	-	-	-
	<b>Total (2)</b>	-	-	-	-	-	-	-
	<b>Total (1+2)</b>	<b>600000</b>	<b>320000</b>	<b>480000</b>	<b>200000</b>	<b>280000</b>	<b>600000</b>	<b>2480000</b>
	<b>Total managerial Remuneration (A +B)</b>							<b>29640532</b>
	Overall ceiling as per Act	₹ 1760 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			Total
		CEO #	CFO #	CS (R. Ranganathan)	
1.	Gross Salary	-	-	-	-
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	3640107	3640107
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	601064	601064
	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)	-	-	-	-
	<b>Total</b>	-	-	<b>4241171</b>	<b>4241171</b>

# 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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHERS OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## MANAGEMENT'S DISCUSSION & ANALYSIS

(Forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2016)

### ECONOMIC OVERVIEW & OUTLOOK

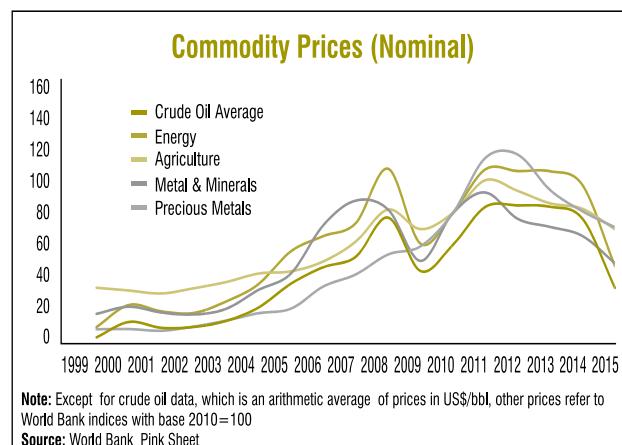
#### Global Economy

During the year under review, the broader global economic and political scene was tumultuous. While on the one hand, geo-political tension, for instance in Syria and Yemen, and incidence of terror strikes escalated, on the other hand, the year witnessed signing of key international cooperation agreements such as the Paris climate change deal, Trans-Pacific Partnership and lifting of international sanctions on Iran. Monetary policy action continued to be in the forefront to bring back economies to pre-crisis levels of growth and inflation. US Federal Reserve went for its first hike in federal funds rate in over a decade, Bank of Japan adopted a negative interest rate policy and China went in for the biggest devaluation of Yuan in two decades. Economies of two BRICS members, Brazil and Russia, continued to be in turmoil and experienced contraction in output, with low commodity prices adding to their woes, among other factors. In this backdrop, the global economy posted a modest performance, with growth slipping to 3.1 per cent in 2015 from 3.4 per cent in 2014.

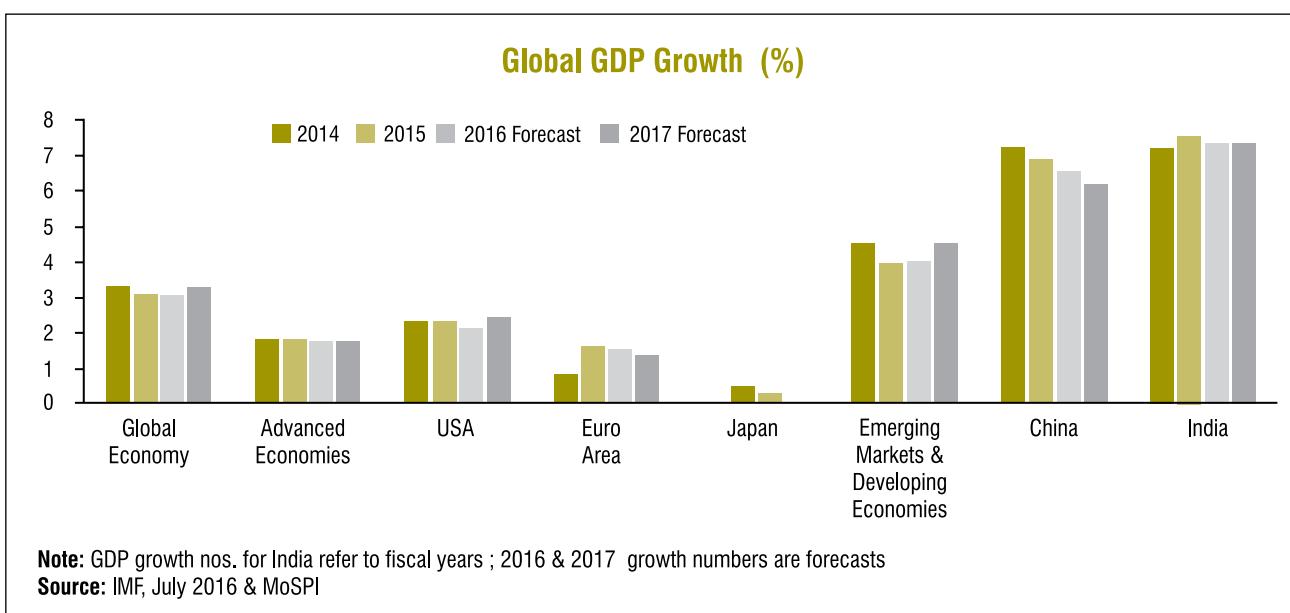
In the advanced economies group, growth remained unchanged at 1.9 per cent in 2015, the same as recorded in 2014. However, continued progress on the employment front was a major positive. For instance, unemployment rate in the US declined from 6.2 per cent in 2014 to 5.3 per cent in 2015, the lowest since 2008. On the other hand, lowering of inflation was an area of concern for the group; consumer price inflation in the US fell to 0.1 per cent in 2015 from 1.6 per cent in 2014.

In the emerging and developing markets group, there was a continuation of a broad-based deceleration. Growth in the group fell to 4 per cent in 2015 from 4.6 per cent in 2014. India was the only exception that witnessed acceleration in its GDP growth.

Growth in the Chinese economy slid further to 6.9 per cent in 2015 from 7.3 per cent in 2014 as the authorities strived to engineer a structural shift entailing consumption and services to become the growth engines for the economy. Growth and macro-economic conditions in oil exporting countries were also adversely affected due to further lowering of international oil prices.



The global commodity prices continued to be on the downward trail during the year. January 2016 marked the hitting of a nadir for most of the commodities. Surplus supply in the face of weak demand, appreciation of the US dollar, and concerns about weakening of the global economy, especially with regard to China, were the key reasons behind the commodity markets meltdown.



Looking ahead, global growth is expected to continue to be slow and is pegged at 3.1 per cent in 2016 and accelerate to 3.4 per cent in 2017, as per the latest projections of the International Monetary Fund. Some of the key downside risks to the outlook are: increased geo-political tensions, policy uncertainty, turbulence in financial markets and unfolding of the extent of impact of 'Brexit'.

### Indian Economy

During the year, the Indian economy emerged as the fastest-growing large economy, surpassing China, and recording a GDP growth of 7.6 per cent, up from 7.2 per cent recorded in the previous year. The growth was largely led by the accelerated growth in industrial production and continued high growth in the services sector. Agricultural output grew by a meagre 1.2 per cent, which was never the less an improvement over output contraction experienced in the previous year.

In terms of the demand-side analysis of growth, acceleration in the growth of private final consumption expenditure, which accounts for more than 55 per cent of the GDP, was the key propeller that helped

India deliver accelerated GDP growth despite deceleration in government expenditure growth as well as investment growth and a substantial decline in exports.

Among the other macro-economic indicators, there was moderation in inflation, with WPI inflation averaging at -2.5 per cent and CPI inflation at 4.9 per cent, vis-a-vis 2 per cent and 5.9 per cent respectively in 2014-15.

During the year, India's merchandise exports declined by 16 per cent following a 2 per cent fall in the previous year, affected by weak global demand and falling commodity prices.

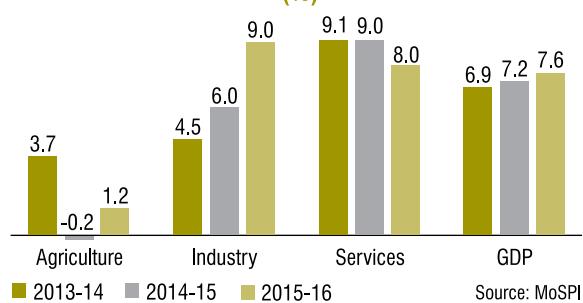
On the imports front as well, there was a steep decline. India's merchandise imports fell by 15 per cent during the year on a year-on-year basis, after declining by 0.3 per cent in the previous year. The decline was mainly on account of a fall in oil import bill.

Narrowing of trade deficit and high services exports contributed to the narrowing of Current Account Deficit to 1.1 per cent of the GDP in 2015-16 from 1.3 per cent in 2014-15.

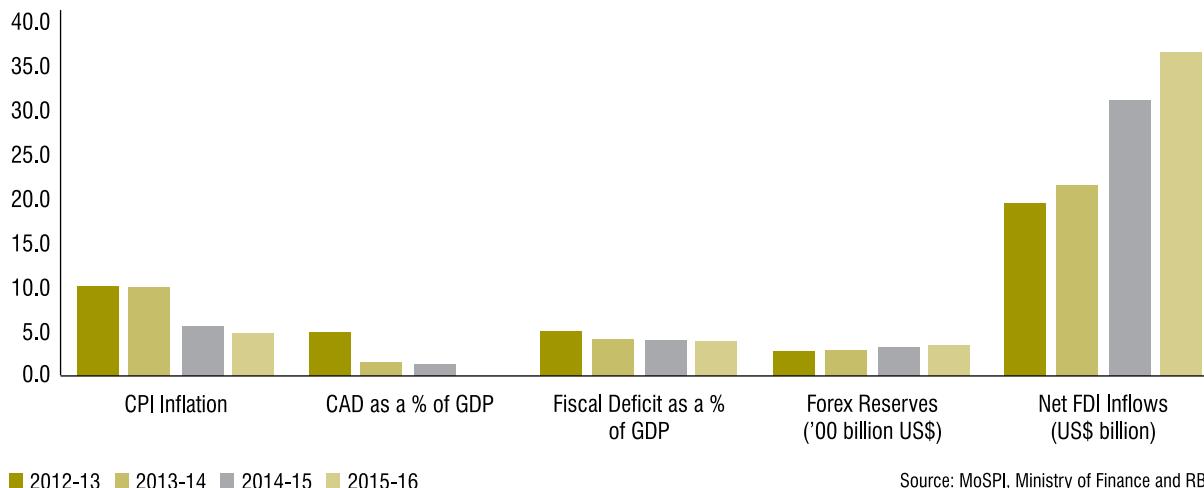
For the second year in a row, FDI inflows continued to be robust. In 2015-16, the net FDI inflows rose by 16 per cent, to US\$ 36 billion. Recent policy reforms, especially those entailing raising of FDI limits and high economic growth, have been instrumental in enhancing FDI inflows. However, on the portfolio flows front, akin to the massive outflow of portfolio money from emerging markets, India experienced a net outflow. During the year, the Rupee-Dollar exchange rate depreciated by 7 per cent, averaging at ₹ 65.46/US\$ as compared to US\$ 61.15/US\$ in 2014-15.

On the fiscal front, the Government was able to bring about a reduction in its fiscal and revenue deficits. Fiscal deficit fell to 3.9 per cent of the GDP in 2015-16, from 4.1 per cent in the previous fiscal, and revenue deficit contracted to 2.5 per cent of the GDP, from 2.9 per cent in the previous fiscal.

**Growth in GDP & Gross Value Added by Sectors (%)**



### Improved Macro-Economic Stability



Source: MoSPI, Ministry of Finance and RBI

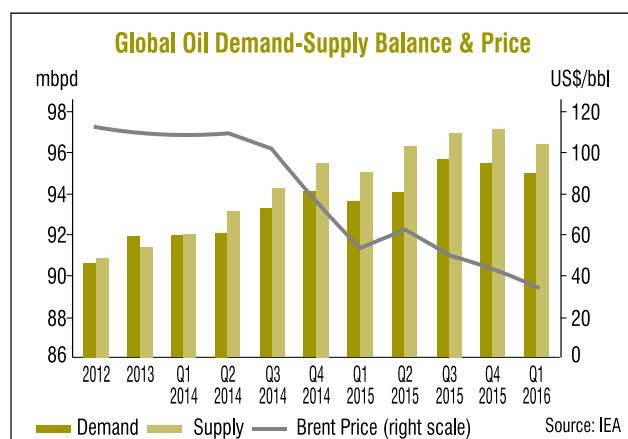
On the monetary policy front, with moderation in inflationary pressure, RBI went in for rate cuts. Repo rate was reduced from 7.50 per cent at the beginning of the year to 6.75 per cent at the end of 2015-16.

Looking ahead, growth is forecast to average around 7.5 per cent in the next couple of years. In 2016-17, good monsoon is expected to give a boost to the agricultural sector and rural incomes and act as an additional stimulator.

## INDUSTRY STRUCTURE & DEVELOPMENTS

### **Oil Market – International**

It was yet another dramatic year for the international oil market. After declining by 20.6 per cent in 2014-15, the Brent price of crude oil dived by another 42 per cent in 2015-16, to average at US\$ 57.63/barrel from



an average of US\$ 99.44/barrel in 2014-15. Prices hit multi-year lows in January 2016, when Brent prices went below US\$ 26/barrel.

At the centre of the crash in crude oil prices was an over-supplied market. In 2015, supply continued to grow despite glut in the market. The total oil supply in 2015 was 96.4 mbpd, of which OPEC supplied 38.7 mbpd and non-OPEC constituted 57.7 mbpd. There was an increase of 2.7 mbpd in the total supply from 2014, which was spread across both OPEC and non-OPEC producers. OPEC supply increased by 1.25 mbpd, with Saudi Arabia, Iran and Iraq being the major contributors. On the non-OPEC side, there was a 1.4 mbpd increase in supply, with USA, Brazil and Russia being instrumental for the increase in supply.

Global oil demand also grew at a healthy rate; the incremental demand in 2015 at 1.85 mbpd was almost double the increase in the previous year, which was to the tune of 0.97 mbpd. Despite the healthy increase, demand fell short of the supply and the global supply overhang expanded to 1.7 mbpd in 2015 from 0.82 mbpd in 2014. In the first quarter of 2016, the surplus in the market moderated to 1.4 mbpd as supply fell to 96.4 mbpd from 97.2 mbpd in the last quarter of 2015.

In addition to the market fundamentals, appreciation in the US dollar through most of 2015 contributed to weakening of oil prices. Similarly, the depreciation of the dollar in the first quarter of 2016 contributed to the strengthening of oil prices.

Further, as always, geo-political risks and events affected the prices. In the first quarter of 2016, talk about a possible pact by OPEC on output freeze contributed to the strengthening of prices. The news and the coming in of Iranian oil in January 2016, post-lifting of sanctions was another market-mover. March 2016 onwards many supply-side disruptions, lent support to oil prices. In Nigeria, a number of terrorist attacks put key Nigerian grades under *force majeure* and wild fires also led to reduction in Canadian oil output.

### **Refining Capacity**

During 2015, global crude distillation capacity rose to 93.1 mbpd from 92.1 mbpd in 2014. The regional break-up of the growth shows that the largest increase was witnessed in the Middle East, where capacity rose by 0.8 mbpd. Other regions that saw an increase in capacity were East Asia, South Asia, Central & South America, North America, Africa and FSU (Former Soviet Union) East. On the other hand, closure of refineries continued in Europe & OECD (Organisation for Economic Cooperation and Development) Asia.

### **Products Market**

Overall, product demand was robust as seen by the rise in global oil demand. In the US which is the largest consumer of petroleum products, liquid fuels consumption at 19.4 million barrels per day increased by 1.5 per cent in 2015. While gasoline and jet fuel consumption increased at a healthy rate, consumption of diesel and heating oil witnessed a decline.

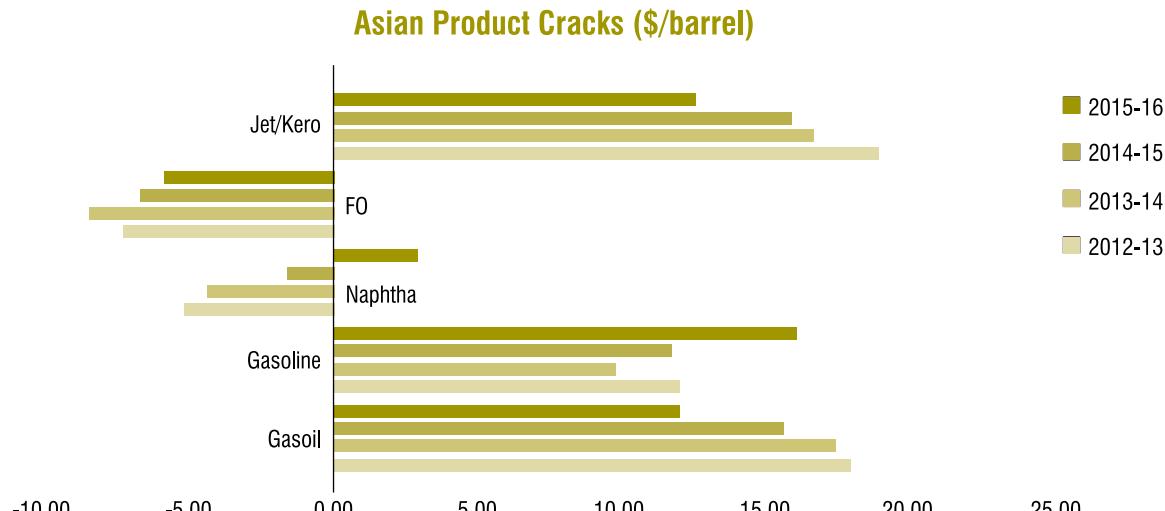
In China, which is the second biggest consumer of petroleum products, consumption grew by more than 6 per cent to reach 11.4 mbpd in 2015. The key growth-drivers were gasoline, jet fuel and hydrocarbon gas liquids (HGL). In fact, growth in these segments more than offset the stagnation in diesel consumption. With the Chinese economy undergoing a restructuring towards services & consumption-led growth, its petroleum mix is also shifting more towards gasoline and kerosene/jet fuel, away from diesel. In fact, with the growing surplus of diesel in China, its diesel exports increased substantially in 2015.

Overall, middle distillates were under pressure during the year. The decline in major markets, coupled with expanded refining capacity in the Middle East with focus on middle distillates, resulted in an over-supplied market.

Asian gasoil cracks in 2015-16 fell to US\$ 12 per barrel from US\$ 15.7 per barrel in 2014-15. Asian cracks for gasoline jumped to over US\$ 16 per barrel in 2015-16 from US\$ 11.7 per barrel in 2014-15, supported by increasing vehicle ownership in China and India.

Jet/kerosene demand was strong in Asia; increased leisure trips supported by lower fuel prices contributed to the upswing in demand for air travel. However, the robustness in demand was not enough to support the cracks. Asian jet/kerosene cracks fell to US\$ 12.5 per barrel in 2015-16 from US\$ 15.85 per barrel in 2014-15.

Asian naphtha cracks turned positive in 2015-16, to value at US\$ 2.9 per barrel from a negative US\$ 1.55 per barrel in 2014-15, supported by strong demand in petrochemical-producing countries such as China, South Korea, India and Taiwan.



Source: Platts, Cracks based on Singapore Product Prices and Dubai Crude Prices

Asian fuel oil cracks improved during the year as demand received support from a firm bunkering demand and winter heating from Korea and Japan. However, cracks continued to be in the negative zone, as Asian fuel oil supplies continued to be ample and well above the demand.

#### **Oil Market – Domestic**

##### **Demand-side**

During the year, refined products consumption in India rose to 183.5 million metric tonnes (MMT). Consumption of refined petroleum products soared, posting a record 11 per cent growth on top of a robust 4.5 per cent growth in 2014-15. Growth in demand was driven by lower fuel prices and robust growth in consuming sectors such as commercial vehicle and passenger vehicle sales, air traffic, petrochemicals sector, etc.

Double-digit growth was recorded in a number of products, viz., MS (14.5 per cent), Naphtha (20.9 per cent), LDO (11.4 per cent), FO-LSHS (11.9 per cent), Bitumen (14.6 per cent) and Petcoke (25.9 per cent). Besides, there was a major pick-up in diesel sales and growth accelerated to 7.5 per cent after remaining almost stagnant in the previous two years. In addition, the growth momentum in LPG continued, at 8.6 per cent on top of 10.5 per cent growth in 2014-15.

During the year, petroleum exports fell in both value and quantity terms. At 60.5 MMT, exports were 5.0 per cent lower than the 63.9 MMT level achieved in 2014-15. In value terms, the fall was starker as product prices fell in line with falling crude oil prices. India's forex earnings from petroleum exports took a hit of US\$ 20 billion, dropping from US\$ 47.3 billion in 2014-15 to US\$ 27.1 billion.

##### **Supply-side**

The domestic crude oil production scene continued to remain weak as crude oil production declined another 1.4 per cent to 36.9 MMT as falling production and under-performance of many fields continued.

In line with the surging domestic demand for refined products, the throughput of Indian refineries increased by 4.3 per cent during the year. Oil imports (crude oil plus refined products) posted a 9.7 per cent growth in quantity terms, rising to over 231 MMT. The tanking of crude oil prices during the year considerably moderated the import bill, despite high growth in the imported quantity. The oil import bill fell to about US\$ 74 billion in 2015-16 from US\$ 125 billion in 2014-15.

##### **Subsidy Administration**

The lowering of oil prices, coupled with deregulation of diesel prices, contributed significantly to reducing the under-recovery burden on public sector OMCs. Besides, the lower prices in general helped in a steep fall in under-recoveries on kerosene and LPG as well at the industry level. During the year, the gross under-recoveries declined to ₹ 27,571 crore from ₹ 76,285 crore in the previous year.

With the success of the PaHaL (Direct Benefit Transfer) scheme for LPG launched in 2015, the Government worked on firming up a similar scheme for kerosene during the year. DBTK (Direct Benefit Transfer in PDS Kerosene) scheme is proposed to be implemented in 33 districts in 9 States initially, to be followed in all other States/UTs subsequently.

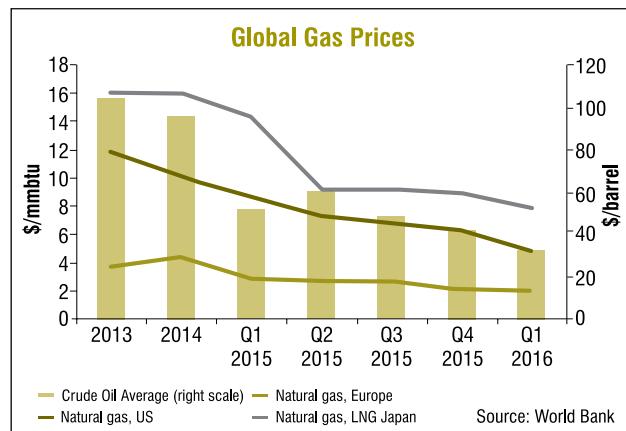
#### **Gas Market – International**

Growth in global gas production at 3,539 Billion Cubic Meters (BCM) remained relatively strong during the year, accelerating to 2.2 per cent from 1.5 per cent growth recorded in 2014. The US remained the leading producer, accounting for more than a fifth of the global production; with a growth rate of over 5 per cent in 2015, it accounted for more than half of the incremental production in 2015.

On the demand-side, global gas consumption was buoyant at 3,467 BCM, growth accelerated to 1.7 per cent after a mere 0.5 per cent in the previous year. However, it fell short of supply and, in fact, was subdued outside of the power sector. Weak growth in Asian demand, especially in China, acted as a major drag on global gas demand.

During the year, international gas prices, akin to oil and other commodities, were on a downward trail. Prices tanked across markets; US natural gas price fell to US\$ 2.6/mmbtu (million British thermal units) in 2015 and further to US\$ 2.0/mmbtu in January-March 2016, as against an average of US\$ 4.4/mmbtu in 2014. European gas prices fell to US\$ 7.3/mmbtu in 2015 and further to US\$ 4.8/mmbtu in January-March 2016. Asian LNG prices fell to US\$ 10.4/mmbtu in 2015 and further to US\$ 7.9/mmbtu in January-March 2016.

Overall, the downturn in commodity markets, oil-indexation of gas prices in Asia and Europe, mild winters in North America and Europe, and rising production outpacing demand were the key factors putting pressure on



prices. The commencement of LNG exports from the US in February 2016 and further liquefaction capacity lined up there and a number of Australian LNG export projects under various stages of commissioning are expected to put pressure on gas prices.

In the case of the LNG market, supplies rose by about 6 BCM in 2015, with increases in Australia, Papua New Guinea and Qatar more than offsetting the disruptions in Yemeni supplies. On the demand-side, Asian LNG market, which had been the growth centre for the last five years, experienced a decline, primarily on account of deceleration in China's gas consumption. Consequently, there were changes in the LNG flows, as they got diverted to the MENA region and Europe.

#### Gas Market – Domestic

The trend of declining domestic natural gas production continued. In 2015-16, domestic natural gas production declined by 4.2 per cent to a level of 32.2 BCM. LNG imports rose to 21.3 BCM in 2015-16 from 18.5 BCM in the previous year. A major development in the LNG segment was the renegotiation of Petronet LNG (PLL) long-term LNG supply contract with Rasgas, Qatar.

#### Key Policy Initiatives & Issues in Oil & Gas Sector

Energy sector in general and the hydrocarbon sector in particular have been on the radar for policy reforms. During the year, a number of significant policy changes were brought in, these include Hydrocarbon Exploration and Licencing Policy (HELP), Marginal Field Policy, Pradhan Mantri Ujjwala Yojana, GiveItUp Campaign, new pricing formula for gas from difficult-to-

access areas, Empowered Pool Management Committee (EPMC) for Gas Pooling, among others.

#### **Hydrocarbon Exploration and Licencing Policy (HELP):**

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

#### **Marginal Field Policy:**

Aimed at bringing marginal fields to production at the earliest, the salient features of this policy include: single licence for conventional and non-conventional hydrocarbons; no restriction on exploration activity during the contract period; revenue-sharing contract model; freedom to sell crude oil exclusively in the domestic market through a transparent bidding process on arms length basis and in case of natural gas, freedom for pricing and allocation of gas produced from a cluster/field/discovery on arms length basis; among others.

#### **Pradhan Mantri Ujjwala Yojana:**

Announced during Budget 2016-17, the scheme aims to provide free LPG connections to 5 crore women belonging to Below Poverty Line (BPL) families over a period of three years starting from 2016-17.

#### **GiveItUp Campaign:**

This initiative is aimed at encouraging domestic LPG consumers who can afford to pay the market price for LPG to voluntarily surrender their LPG subsidy. The objective of this initiative is to enable the Government to utilise the resources thus available to reach out to economically backward classes.

#### **New Pricing Formula for Gas from Difficult-to-Access Areas:**

A new pricing formula for gas discoveries made in difficult-to-access areas, including deep-water, ultra deep-water, high-pressure and high-temperature areas was approved. The formula is based on a weighted one-year average of prices of fuel oil, naphtha and imported coal.

#### **Empowered Pool Management Committee (EPMC) for Gas Pooling:**

For the fertilisers sector, a new scheme was introduced for pooling of domestic and LNG prices to derive a common price for all plants. For the power sector as well, a new scheme was introduced for supply of R-LNG to select stranded and under-utilised gas-based power plants along with provision of power subsidy to these.

#### **STRENGTHS, WEAKNESSES, OPPORTUNITIES AND CHALLENGES**

The Corporation is the flagship energy company of the country. It has the largest refining capacity in the country, has a pan India distribution network, with an unmatched outreach. The Corporation has been working towards spreading its wings across the energy value chain and has over the years made significant strides in Exploration and Production of Hydrocarbons, Natural Gas, Petrochemicals and Renewable and Alternative Energy.

## Refining

The Corporation is the heavyweight of the Indian refining space and a major addition to its refinery asset base during the year was the commissioning of the 15-MMTPA Paradip Refinery. Paradip Refinery lends a strategic advantage to the Corporation, being its first coastal refinery enabling it to offset the disadvantage of having only land-locked refineries. Further, it is the Corporation's first refinery in the State of Odisha, providing a key supply point catering to eastern and southern States, where hitherto the Corporation did not have a major refinery. In addition to this, it is the country's most modern refinery, with unmatched operational abilities and flexibility. With Paradip Refinery in full-swing, the overall competitiveness of the Corporation will be scaled up sizeably.

The year witnessed a record growth in the consumption of petroleum products in the country, which only underscores the high growth potential that the domestic market offers for refined products. India will continue to be a major demand centre for liquid fuels over the long-term as well. The Corporation, based on its market growth assessment, is planning and implementing brown-field expansions and grassroots refinery projects. With Paradip Refinery setting the tone, the Corporation's future greenfield refineries will have world-scale capacities, high complexity and will be in coastal locations.

Improving operational performance has been a key strategy at IndianOil to protect its margins in the face of many exogenous factors, such as volatile international crude oil and product prices, sector inflation, talent availability, etc., among others. Year after year, the Corporation has been scaling up its performance on the operational front, and has been achieving higher distillate yield and energy efficiency, while at the same time increasing the proportion of cheaper/opportunity crude oil grades and boosting asset reliability.

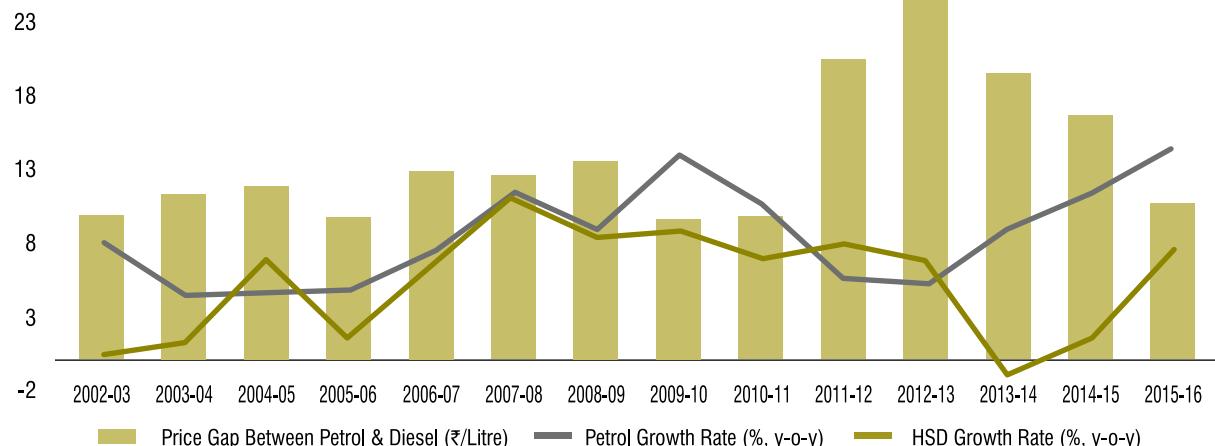
Continuing efforts to increase distillate yield and upgrade the bottom of the barrel through Fluid Catalytic Cracking (FCC), Hydrocrackers, Delayed Cokers and revamping of Resid Fluid Catalytic Cracker (RFCCs), has been a major thrust area. In this pursuit, the Corporation has been deploying new technologies, including those developed by its R&D Centre, like *INDMAX*, *IndAdeptG*, *Octamax*, etc. For instance, *INDMAX* (Indane LPG Maximisation) technology has been deployed in Paradip Refinery instead of the traditional FCC. With *INDMAX*, Paradip Refinery's LPG production capacity will be 33 per cent more for the same quantity of crude oil than conventional FCC-enabled refineries, making it the best in the world in terms of LPG production capacity.

The Corporation is a responsible supplier and has invested heavily in fuel quality upgradation at its existing refineries. It has successfully met all the deadlines in relation to the fuel quality norms and is well prepared to meet the April 2017 deadline for BS-IV norms to be applicable nationwide. Further, the advancing of the BS-VI deadline to April 2020 has emerged as a major challenge in terms of the tough timelines and high investment cost of over ₹ 13,000 crore. The Corporation is working relentlessly to meet the target and bring in this quantum jump from BS-IV to BS-VI in a matter of just three years.

Another emerging challenge is the relative slowdown in demand for diesel as also weak global gasoil demand. The domestic market is witnessing a break in the trend of dieselisation, which had been perpetuated by price control on diesel. The narrowing of the price differential between petrol and diesel, environmental concerns, and increased preference for petrol cars are the key factors weighing down diesel demand growth.

Besides, major diesel consumers are also re-jigging their energy mix. For instance, Indian Railways is pursuing electrification drive for its locos and a target to increase the share of renewable energy in its energy usage to 10 per cent. These trends, if sustained, will have implications for reconsidering refinery configurations and concomitant investments.

## Growth Rates & Price Gap: Petrol & Diesel



Source: PPAC, Note: Price gap refers to the prices as on 1<sup>st</sup> April of the financial year

### **Marketing**

The marketing function is the crucial link between the Corporation and its customers. The Corporation is a market leader, with about 51 per cent share, in marketing infrastructure, which has been built over the years, spread across the length and breadth of the country and still expanding.

The domestic petroleum market is undergoing a significant transformation over the last couple of years. Deregulation of diesel and the implementation of PaHaL scheme in LPG have been instrumental in changing the market. The drastic reduction in the international oil prices has also contributed to the transformation. Petroleum product sales in 2015-16 grew by 11 per cent, which was almost double the average growth recorded in the previous four years.

Lowering of international oil prices and high economic growth present unique growth opportunities, while increasing competition levels in the market, coupled with increasing preference for low-carbon fuels, act as potential challenges in this domain.

### **Retail Business**

While the Corporation continues to be the leader in the retail space, it is facing increasing competition in this segment. IndianOil believes that 'customer experience' will be the key differentiator in succeeding against competition.

The Corporation places significant emphasis on automation and technology-based retailing, and is pursuing e-initiatives such as automation of fuel-dispensing units, mobile apps for customers and field officers, and acceptance of mobile wallets, among others. This has improved productivity and enhanced the Corporation's engagement with its customers and channel partners.

Another important tenet to elevate customer experience is by enhancing the look-and-feel of fuel stations; till date, over 94 per cent of all eligible fuel stations have been modernised.

Human interface still continues to be a key constituent of the customer experience, and the Corporation's Project Chetna for training customer attendants is a key initiative to enhance customer experience on the forecourt. The resellers too are the important link in the retail business; with this understanding, the Corporation has started dealership management programmes, in alliance with premier management institutes. During the year, over 2,600 dealers participated in such programmes from across the country.

In addition, the Corporation has been focussing on provision of non-fuel services such as convenience stores, washing facilities for vehicles, ATMs, two-wheeler insurance, etc., at its fuel stations. The progress in this area is reflected in a more than 50 per cent jump in non-fuel revenue during the year.

Network augmentation is a key strategy to maintain leadership position and the Corporation has been investing consistently in this area. In urban areas, the thrust has been on commissioning fuel stations in strategic, high-potential sites of metros and major towns, and automation and strengthening of XTRAREWARDS customer loyalty programme.

Highway fuel stations form a major revenue-generating segment of the Corporation's retail outreach. To maintain leadership here, as a short-term

strategy, the Corporation is working on 'networking' select outlets on all major national highways and high-potential State highways to provide end-to-end fuelling solutions to inter-State fleet operators. As part of a long-term strategy, greenfield large-format fuel stations are being developed to offer state-of-the-art facilities to the highway motorists. During the year, 'XTRAPOWER Sarai' a first of its kind lounge facility for truck drivers and customers using XTRAPOWER fleet card, was launched.

The latent demand for modern fuels in rural areas is well recognised and the Corporation has been a pioneer in rural fuel retailing through low-cost *Kisan Seva Kendra* (KSK) outlets. About 46 per cent of the new fuel stations commissioned during the year were of KSK format.

Another challenge that the Corporation is facing is that of increasing ethanol-blended petrol. While the Government had set a target of 5 per cent blending, the Corporation has not been able to achieve this due to various supply constraints. However, the blending percentage has increased in the last three years, with the Corporation achieving 3.5 per cent in 2015-16, the highest since inception of the bio-fuels policy. Further, during the year, the Government has asked the oil marketing companies to work towards a 10 per cent blending target.

### **Institutional Sales**

This segment presents sizeable growth opportunities, especially in the context of the high growth rate of the economy and the thrust on ramping up the industrial base of the country through *Make in India* and other initiatives.

Of late, the Corporation has taken a hit in this segment in terms of market share in some products owing to entry of private players and highly price-sensitive demand. Dynamic pricing, rationalisation of discounts, strategic tie-ups and thrust on technology solutions, such as customised mobile apps and business portal, are the key strategies being implemented.

The institutional sales segment, in addition to being highly price sensitive, is also witnessing the impact of changing choices due to changes in policy, technology and economics; electrification drive of the Railways and new road projects preferring cement-concrete over bitumen, for instance.

The amplified policy focus on maritime sector through initiatives like Sagarmala, new policies for scaling up coastal shipping, and development of inland waterways presents growth opportunities for bunkering fuels.

### **LPG**

The LPG segment is witnessing a major transformation, with a slew of reform measures. The Corporation has successfully partnered with the Government in implementing *PaHaL* as the largest direct benefit transfer scheme of its kind in the world.

The *PaHaL* scheme, which made domestic LPG price market-determined and contributed to better subsidy administration, also had a very positive impact on the non-domestic packed LPG segment as well. The Corporation is focussing in this area in a big way owing to higher margins and high growth potential.

The Corporation has been working assiduously to enhance its LPG services; new initiatives launched include *MyLPG* customer support portal, SMS

and IVRS facility for refill booking, and toll-free numbers and emergency helpline for 24x7 customer support, among others.

*Pradhan Mantri Ujjwala Yojana* presents an excellent opportunity to increase rural LPG penetration. Also, the Corporation, on its own, launched Mission 'Smokeless Village' during the year to convert select villages completely to LPG use and usher in healthy kitchens.

Import of LPG to meet the domestic requirements is a major challenge for the Corporation and, therefore, it views investment in LPG import infrastructure as a priority area and has been consistently working towards strengthening it.

#### **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 is set to accelerate its growth momentum. As per the projections of the International Air Transport Association, India is one of the three fastest growing markets in terms of additional passengers per year up to 2034 and is projected to displace the United Kingdom as the third largest market in 2026. The present low air traffic density in the country, coupled with key reforms such as the recent National Civil Aviation Policy, point towards significant growth in the aviation sector.

The Corporation has successfully protected its market share in this segment despite aviation fuel facilities at India's major airports, viz., Delhi, Mumbai, Bengaluru and Hyderabad, which cover about 60 per cent of the ATF volumes of the industry, being operated on the common user facility model. Competitive prices and unmatched service are the key differentiators that have enabled the Corporation to be a market leader. Centralised billing for major domestic airlines is the latest addition in provisioning high-quality services to customers.

The Corporation is continually working on 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 the development of low-cost fuelling infrastructure models for tier-II and tier-III airports through in-house expertise of its Cryogenics vertical.

#### **Lubes**

Lubes is a special focus area for the Corporation. The high projected growth in the economy, especially in the transportation and industrial sectors, presents significant growth opportunities for this product segment.

Strategic steps undertaken to further improve performance and enhance brand strength include product approvals from major global OEMs, centralised tie-ups with large-volume customers, co-branding, value-added technical services, special initiatives to improve lube sales through fuel station network, and introduction of financing scheme for stockists.

#### **Quality & Operational Excellence**

Operational excellence across functions is a continuing exercise for the Corporation. Smart terminals is a new initiative to replace manual interface with technology-enabled interface for stock accounting, tank-truck planning, recording of the density, batch, flash point and tank number on the invoice.

#### **Pipelines**

The Corporation has the largest crude oil and product pipelines network in the country. Since pipeline transportation is safe, economical and environment-friendly, the Corporation is on a steady drive to increase its pipelines network and capacity and make its business model sustainable. At present, the entire movement of crude oil to the refineries is through pipelines and 70 per cent of the refinery production is moved through pipelines.

A key strength in the segment is the Corporation's well-developed capability of executing pipeline projects, from conceptualisation to commissioning. All pipelines projects are being implemented in-house and engineering, procurement and construction management services are being extended to other companies as well. A continuing challenge in pipelines projects is of obtaining statutory clearances and resolving local resistance.

The Corporation invested over ₹ 1,000 crore in pipelines projects during the year 2015-16 and plans to scale it up to ₹ 1,500 crore in 2016-17, with focus on LPG and natural gas pipelines, increasing network connectivity, and enhancing pipelines capacity to carry heavy grades of crude oil.

The Corporation feels that its infrastructure is inadequate in terms of LPG pipelines, which is the cheapest mode for positioning the product, and is making large investments in this area. Consequently, substantial expansion in the LPG pipeline network has been planned and is under implementation.

Another thrust area is that of increasing the capabilities of its pipelines to carry high-density crude oil in line with its refineries' objective of processing heavy and cheaper crude oil varieties. At present, the Corporation is implementing projects in its Salaya-Mathura and Paradip-Haldia-Barauni Pipelines with this objective.

In addition, optimisation of interface management, technological interventions to reduce pilferage, and replacement of aging pipeline sections are some of the key priority areas.

#### **Petrochemicals**

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

Given the low level of petrochemicals consumption in the country as compared to global levels, the new impetus to revive the Indian manufacturing sector is set to drive high growth in petrochemicals demand in the country.

The fall in crude oil prices has brought down the price of naphtha and this, coupled with robust demand for petrochemicals, has supported petrochemical margins. With many forecasts pegging crude oil prices to remain well below US\$ 100/barrel mark over the next couple of years, this is likely to contribute positively to the margins over the short to medium-term.

Looking ahead, the long-term outlook for the petrochemicals market continues to be bright. India is amongst the fastest growing petrochemicals

markets in the world and the Corporation envisages capitalising on this opportunity by scaling up its petrochemicals portfolio.

The Corporation views further integration of refining and petrochemicals as the way forward. The focal points for the Corporation's investments in this business are: consolidation in existing product-lines through debottlenecking and capacity addition and entry into niche and chemical segments. At present, the Corporation is implementing a polypropylene plant of 700 kilo tonnes per annum (KTA) capacity at Paradip.

#### **Gas**

The Corporation is a co-promoter of Petronet LNG, for LNG import & marketing, and has also invested in city gas distribution (CGD) networks in a number of cities through joint ventures. The Corporation envisages a scaled up presence in this space through investments and strategic alliances.

Gas business in India has significant latent potential, which can be unlocked with availability, infrastructure and right pricing. The low carbon intensity of gas also makes it an attractive fuel from the global climate change perspective. The increased global gas availability and the drastic reduction in gas prices in the last two years have come as welcome developments and are expected to give a big boost to the gas sector in India.

The Corporation's growth strategy in this segment is to invest in green-field LNG import terminals, capacity booking in upcoming terminals, lining up of gas sourcing, and investing in cross-country pipelines and CGD networks to build a robust logistics and infrastructure network.

At present, the east coast of India does not have any LNG terminals. The Corporation is setting up a 5-MMTPA LNG import terminal in Tamil Nadu at Kamarajar Port (Ennore) near Chennai through a JV company that shall cater to the starved market of southern India with large demand from industries, fertilisers and power utilities.

Today, the country's natural gas pipelines infrastructure is concentrated in the north-west; it is imperative to build a national gas grid, and more so now, given the increased global gas supplies and low gas prices. The Corporation is planning to lay a 1,167-km pipeline to reach LNG imported at Ennore to Nagapattinam, Tuticorin, Madurai and Bengaluru. Further, the Corporation is working on three other cross-country gas pipelines, viz., Mallavaram-Bhopal-Bhilwara-Vijaipur; Mehsana-Bhatinda; and Bhatinda-Jammu-Srinagar pipelines, through JV companies.

The Indian LNG import and re-gasification segment is attracting significant investment and the Corporation has booked capacities in a number of upcoming terminals. The Corporation aspires to be the market leader in R-LNG business and is targeting a capacity of 16 MMTPA by the year 2021-22.

Another focus area for the Corporation is city gas distribution. The Corporation has adopted a consortium approach and is partnering other players to build CGD networks across the geographical areas identified by PNGRB, the regulatory authority.

#### **Exploration & Production (E&P)**

The Corporation has an E&P portfolio of 15 oil & gas assets across four continents in partnership with 19 reputed national and international energy companies. Its assets comprise a balanced portfolio of exploration,

development & production types, encompassing conventional and unconventional resource play types.

The Corporation has set itself the target of equity oil & gas production of 1.7 MMTPA for 2016-17 and 5 MMTPA for 2021-22. The Corporation already has a portfolio of three producing assets, all of them overseas blocks. The overseas acquisition drive has been pivotal in building the E&P portfolio and it envisages achieving these targets through further acquisitions/farm-in of producing/near-producing upstream assets, besides production from existing E&P assets. Besides, the Corporation has and will participate in Indian and international licensing/bidding rounds either alone or in consortium.

The crash in international crude oil prices has come as a big setback for upstream players globally, with many scaling down their investment plans significantly. While this has affected the Corporation's current investments to some extent, the lowering of crude oil prices has also presented an opportunity to acquire E&P assets at good valuations.

In the last couple of years, the Corporation's drive for acquisition of overseas producing assets has gained momentum. The recent acquisition of assets of Rosneft, Russia, is expected to add significantly to production capacity.

The lifting of Western sanctions on Iran has opened up E&P opportunities in this resource-rich country. In particular, prospects for the revival of development contract for Farzad-B block in which the Corporation has a stake.

On the domestic front, the ongoing overhaul of the E&P policies by the Government is a key positive for the sector and should go a long way in making India realize its full potential in this area and likewise has opened up new opportunities for the Corporation.

#### **Alternative Energy**

There is a renewed thrust on low-carbon energy across the world in the light of the global consensus on the urgency to tackle climate change. At the United Nations Framework Convention on Climate Change, Conference of Parties (COP-21) in Paris in September 2015, India has committed to produce 40 per cent of electricity from non-fossil fuel sources by the year 2030.

While the Corporation's core business is based on petroleum fuels, it is committed to reducing its carbon footprint in line with the national objectives and the changing business scenario. The Corporation has adopted a long-term plan to reduce its specific carbon emissions by 18 per cent from 2012-13 to 2019-20 and has adopted energy conservation, energy efficiency, renewable energy and tree plantation as pathways to achieve this goal.

With its R&D centre also venturing into alternative energy research in a big way, the Corporation has built a sizeable renewable energy portfolio of wind-power and solar energy. The grid-connected and off-grid plants of the Corporation accounted for renewable energy generation of 133 million units during the year 2015-16. This was about 3 per cent of the total electricity consumption of IndianOil refineries.

Opportunities are being explored to set up a plant for production of ethanol from second generation ligno-cellulosic sources.

Further, the notification of the Atomic Energy (Amendment) Act, 2015 by the Government of India during the year has paved the way for NPCIL-IndianOil Nuclear Energy Corporation Ltd., the NPCIL-led JV with IndianOil, to build and operate nuclear power plants.

The Corporation is committed to investing in renewable energy capacity to address the national goals and has plans to add 260 MW of renewable energy by the year 2019-20.

Electricity is gaining ground in many end-use sectors like railways traditionally fuelled by oil & gas, besides emergence of electric vehicles and hybrids and use of solar energy for replacement of power generators/heating fuels. The National Electric Mobility Mission Plan 2020 and a scheme of Faster Adoption and Manufacturing of Electric Vehicles (FAME) India are providing incentives for all forms of hybrid/pure electric vehicles, batteries and battery management systems and charging infrastructure. To take advantage of this opportunity, the Corporation is looking into investing in charging infrastructure for electric vehicles and plug-in hybrids.

Energy from waste is another area of opportunity that the Corporation is keen to pursue and, to begin with, is setting up waste-to-fuel plants in Varanasi as part of its CSR initiatives, besides exploring partnerships for production of biogas/bio-CNG from waste.

## R&D

Investment in proprietary research in lubricants, catalysts, refinery & pipelines operations and product offerings is viewed as a thrust area for the Corporation. IndianOil R&D is extending a competitive edge to the Corporation's new businesses of petrochemicals, polymers and alternative energy. In addition to this, research in carbon dioxide-to-fuel, nano-technologies, gasification of coal, pet-coke and biomass are also emerging as focus areas for the Corporation.

In refining technology, the Corporation has reached a stage where a number of technologies developed by it are being commercialised, with implementation of INDMAX at Paradip Refinery being the prime example. A number of projects based on in-house developed technologies, such as IndAdeptG, Indalin, Delayed Coker and Octamax, are also under implementation.

The Corporation views sustained research into alternative energy as an area of opportunity, and is setting up the IndianOil Centre for Alternative & Renewable Energy (i-CARE) at its new R&D campus in Faridabad. The Centre will undertake research activities and demonstration projects in several related to Alternative and Renewable Energy such as Integrated multi-feed gasification, Hydrogen production, storage, and transportation; fuel cells, solar energy, 2nd generation bio-fuels, etc.

## RISKS & CONCERNs

### Crude Oil Price Fluctuation

The Corporation is required to hold adequate crude oil inventory at any given time in refinery storage, crude stock in transit through pipelines feeding inland refineries and in tankers on high seas from the supplying countries. Any sharp variation in international oil prices results in huge

inventory gain/loss depending upon the direction of price movement. Moreover, fluctuations in international oil prices have implications on upstream investments of the Corporation as well.

### Geopolitical Risks

Security concerns and political instability, especially in the Middle East & North Africa region, is a major risk to the Corporation as the bulk of the crude oil is imported from this area. Any disturbance in this region also affects the Corporation's overseas investments made there.

### Foreign Exchange Fluctuations

Volatility in the global financial markets and consequently in exchange rate movement and capital flows also pose a risk to the Corporation. Given the country's high dependence on import of crude oil and exposure to foreign borrowings, sharp fluctuations in these have a direct impact on the Corporation's financials.

### Safety and Security of Assets and People

The huge risk potential of the hazards in the hydrocarbon industry calls for preventive actions in our processes and work culture. Human behaviour is widely recognised as an important factor in both cause and prevention of accidents. Therefore, in addition to strict compliance with the existing safety systems and procedures, improvement in safety culture and personal safety behaviour is being addressed effectively for sustenance of a safe working environment. Similarly, increased sensitivity towards physical and cyber-security also entails appropriate technological and human interventions.

### Pipeline Pilferage

Pipeline pilferage poses a major risk to the smooth & safe management of the supply chain of the Corporation. It not only leads to disruptions in crude oil and product supplies but puts lives and property at risk. The Corporation is taking a number of pro-active measures to curtail incidents of pilferage, such as round-the-clock monitoring, physical patrolling of the right-of-way, engagement with villagers, electronic surveillance and seeking the help of the local police for continuous monitoring.

### Policy & Regulatory Risks

Changes in policy, regulations, tax rates, delay in project clearances are profit and investment risks to the Corporation.

### Risk Review

The Corporation recognises that risk is an integral component of business and is committed to managing it in a proactive and professional manner. The Corporation's Enterprise Risk Management involves risk identification, assessment and categorisation (based on risk appetite) and is reviewed through risk owners to optimise risks with appropriate mitigation strategies.

## FINANCIAL REVIEW

### Revenue from Operations

The Corporation clocked a net revenue of ₹ 3,50,603 crore from operations in the year 2015-16 as against ₹ 4,37,524 crore in the previous year. The sales volumes for the year were higher than in the previous year but fall in international oil prices resulted into reduction in revenue.

### Profit Before Tax

The Corporation has earned a Profit Before Tax of ₹ 15,840 crore in 2015-16 as compared to ₹ 7,995 crore in 2014-15. The higher profits in the current year is on account of better operational performance, higher margins from refining, petrochemicals and lower inventory losses compared to the previous year.

### Provision for Taxation

An amount of ₹ 5,440 crore has been provided towards income tax for 2015-16 considering the applicable income tax rates, as against ₹ 2,722 crore provided during 2014-15.

### Profit After Tax

The Corporation has earned a Profit After Tax of ₹ 10,399 crore during the current financial year as compared to ₹ 5,273 crore in 2014-15.

### Depreciation & Amortisation

Depreciation for the year 2015-16 was ₹ 4,853 crore as against ₹ 4,529 crore for the year 2014-15.

### Finance Cost

Finance cost of the Corporation for the current year was ₹ 3,000 crore as against ₹ 3,435 crore during 2014-15.

### Borrowings

The borrowings of your Corporation were ₹ 52,469 crore as on 31<sup>st</sup> March, 2016 as compared to ₹ 55,248 crore as on 31<sup>st</sup> March, 2015. The total debt-to-equity ratio as on 31<sup>st</sup> March, 2016 works out to 0.71:1 as against 0.81:1 as on 31<sup>st</sup> March, 2015 and the long-term debt-to-equity ratio stands at 0.47:1 as on 31<sup>st</sup> March, 2016 as against 0.56:1 as on 31<sup>st</sup> March, 2015.

### Capital Expenditure

Gross fixed assets (including capital works in progress) increased from ₹ 1,57,967 crore as on 31<sup>st</sup> March, 2015 to ₹ 1,71,581 crore as on 31<sup>st</sup> March, 2016. Capital advances for LSTK projects have gone down from ₹ 993 crore as on 31<sup>st</sup> March, 2015 to ₹ 636 crore as on 31<sup>st</sup> March, 2016.

### Investments

Investments as on 31<sup>st</sup> March, 2016 were ₹ 23,975 crore as compared to ₹ 23,899 crore as on 31<sup>st</sup> March, 2015. During the year, provision for diminution (other than temporary) were made in the value of investments amounting to ₹ 881 crore in respect of IndOil Global B.V. for fall in global prices of oil & gas commodities and IOT Infrastructure & Energy Services Ltd for downturn in engineering, procurement and construction service industry.

The aggregate market value of quoted investments as on 31<sup>st</sup> March, 2016, i.e., investments made in ONGC Ltd., GAIL(India) Ltd., Oil India Ltd., Chennai Petroleum Corporation Ltd., Petronet LNG Ltd. and Lanka IOC Plc., is ₹ 20,498 crore (as against the acquisition price of ₹ 3,828 crore).

### Earnings Per Share

The Earnings Per Share for the current year works out to ₹ 42.83, as compared to ₹ 21.72 in the previous year.

### Earnings in Foreign Currency

During the year, the Corporation earned ₹ 13,924 crore in foreign currency as against ₹ 16,010 crore in 2014-15, which mainly comprises of export of petroleum/petrochemical products.

### SEGMENTWISE PERFORMANCE (₹ in Crore)

	Sale of Petroleum Products	Sale of Petro-chemicals	Other Business	Eliminations	Total
External Revenue	3,25,461	16,975	8,167	-	3,50,603
Inter-Segment Revenue	6,810	17	5,484	(12,311)	-
<b>Total Revenue</b>	<b>3,32,271</b>	<b>16,992</b>	<b>13,651</b>	<b>(12,311)</b>	<b>3,50,603</b>
Segment Results	11,307	5,180	(49)	-	16,438

#### Notes:

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

### INTERNAL CONTROL SYSTEMS

The Corporation has well-established internal control systems for orderly and efficient conduct of its business commensurate with its operations. Policies are well documented and detailed manuals are in place on almost all aspects of the business. The internal processes are continuously reviewed, strengthened and revision of policies and guidelines 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 works to internal and external customers, and extends IT-enabled services across the entire procurement-to-pay process chain.

The Corporation has an independent Internal Audit Department headed by a General Manager or Executive Director 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. Internal Audit carries out extensive audits throughout the year covering each and every aspect of the business .

The Statutory Auditors, during the process of financial audit, review the efficacy of internal financial controls. Significant observations, corrective actions and good practices suggested by the Statutory and Internal Auditors are reviewed by the management and the Audit Committee for appropriate implementation in order to further strengthen the controls on various business processes. The Audit Committee reviews the recommendations and observations of the Internal Audit Department on a regular basis.

## HUMAN RESOURCES

IndianOil is a people-centric company and believes in the importance of progressively harnessing human potential in an organisational setting. It has a philosophy of ensuring the welfare of its employees and this is reciprocated by the IOCs with their hard work and sincerity that has sustained the success of the organisation for over half a 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. One of the great features of IndianOil is that it gives every IOCian an opportunity to serve the nation by serving the Corporation.

## IR CLIMATE

The industrial relations climate in the Corporation has traditionally been harmonious. Both 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 that continues its glorious tradition of serving the nation in a dynamic world. At the unit level, non-executives are also a part of participatory decision-making and extend their support and cooperation to the management .The employee strength of the Corporation as on 31st March, 2016, was 32,803, which comprises 15,722 executives and 17,081 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):** L23201MH1959G0I011388
- 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:** 2015-16

- 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 group, class and sub-class are assigned by National Industrial Classification, Ministry of Statistics and Program Implementation.

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 liquified 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 and Gas.

- 9. Total number of locations where business activity is undertaken by the Company:**

- (i) **Number of International locations (as on 31.03.2016):** The Company undertakes overseas business activities through its subsidiaries in Mauritius, Sri Lanka, UAE, Sweden, USA and Netherlands.

In addition, the Company is engaged in exploration and production (E&P) of crude oil and gas through its consortium partners at 7 international locations, namely, USA, Libya, Gabon, Nigeria, Yemen, Canada and Venezuela.

- (ii) **Number of National locations (as on 31.03.2016):**

Locations	No.
Operating Refineries	09
Oil Depots & Terminals	129
Aviation Fuelling Stations	100
LPG Bottling Plants	91
Lube Blending Plants	13

Pipelines Terminals	83
R&D Centre	01
Retail Outlets (including Kisan Seva Kendra ROs)	25363
Kisan Seva Kendra (Rural Petrol/Diesel Stations)	6691
LPG Distributors (including distributorships under Rajiv Gandhi Gramin LPG Vitarak Yojana)	9144
SKO/LDO Dealers	3908
Consumer Pumps	6477
Solar Power Plant	01
Wind Power Project	03
Petrochemical producing plants	03
Explosives Plant	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):** 2427.95 crore (as on 31.03.2016)
2. **Total turnover (INR):** 399600.65 crore (FY 2015-16)
3. **Total profit after taxes (INR):** 10399.03 crore (FY 2015-16)
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:** 1.5% of the profit after tax during financial year 2015-16.
5. **List of activities in which expenditure in 4 above has been incurred:**

The broad areas, where the expenditure is incurred, are towards providing LPG connections to BPL families, healthcare, education and scholarships, skills development programmes, provision of drinking water, sanitation, etc. The details of activities are provided in Annexure II of 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 Pvt. Ltd.	Indian Subsidiary	Manufacturing of catalysts and additives
IndianOil (Mauritius) Ltd., Mauritius	Overseas Subsidiary	Terminalling, Retailing of Petroleum products & Aviation refuelling
Lanka IOC PLC, Colombo, Sri Lanka	Overseas Subsidiary	Retailing, Terminalling & Bunkering of Petroleum products
IOC Middle East FZE, Dubai, UAE	Overseas Subsidiary	Lube blending & Marketing of Lubricants
IOC Sweden AB, Sweden	Overseas Subsidiary	Exploration & Production
IOCL (USA) Inc., USA	Overseas Subsidiary	Shale Gas
IndOil Global B.V., The Netherlands	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 6 overseas subsidiaries.

The Indian subsidiaries do not participate in the Business responsibility 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 entities 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:

**DIN Number (if applicable):** NA

**Name:** Shri Sidhartha Mukherjee

**Designation:** Executive Director (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 / polices etc. issued by Government of India from time to time. Industry practices, national / international standards are kept in view while formulating 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 Board / Competent Authorities as per 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 respective principles information.								
Indicate the link for the policy to be viewed online?	The details are provided under respective principles information.								
Has the policy been formally communicated to all relevant internal and external stakeholders	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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, as per Statutory guidelines and business requirement, policies are amended from time to time.								

#### 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 constitute an integral part of 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 year 2014-15 can be accessed from the link: [https://www.iocl.com/download/Sustainability\\_Report\\_2014-15.pdf](https://www.iocl.com/download/Sustainability_Report_2014-15.pdf).

The Business Responsibility Report is being published as a part of the Annual Report annually since the year 2012-13. The BR Report 2014-15 can be accessed from Annual Report 2014-15 from the link: [https://www.iocl.com/AboutUs/AnnualReports/IOC\\_Annual\\_Report\\_2014-15.pdf](https://www.iocl.com/AboutUs/AnnualReports/IOC_Annual_Report_2014-15.pdf) [page no. 69-77].

**SECTION E: PRINCIPLE WISE REPLY****Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability.**

The governance framework in IndianOil follows the highest standards of ethical and responsible conduct of business to create value for all stakeholders. The cornerstones of IndianOil's Governance Philosophy are based on its core values, i.e. "Care, Innovation, Passion and Trust".

Responsible business practices in terms of ethics, transparency and accountability:

- IndianOil, a Public Sector Enterprise, conducts and governs itself as per policies mandated by the Government of India.
- The Company is committed to maintain the highest standards of ethics in all spheres of its business activities. The Board of Directors and senior management strive to set exemplary standards of ethical behaviour, both within the organization, as well as in their external relationships.
- IndianOil Management constantly endeavours to inculcate this ethical behaviour at all levels in the organization so that it becomes an essential part of the work culture. All business decisions and transactions are fair, transparent and amenable to disclosure.
- Empowerment and Delegation of Authority are essential components of the principle of governance that IndianOil follows. Sense of responsibility leads to creativity and innovation throughout the organization by truly vesting decision-making powers at the most appropriate levels in the organizational hierarchy. IndianOil believes that empowerment coupled with accountability provides the right impetus and environment for optimal performance and effective Corporate Governance.
- IndianOil's policies have been formulated after detailed consultation and discussion amongst the stakeholders and are reviewed from time-to-time to cater to emerging and new business paradigms. The policies and laid down procedures conform to statutes laid down by the Government of India. The policies are regularly communicated to all relevant internal and external stakeholders.
- IndianOil has a structured grievance redressal mechanism in place to address both employees' and stakeholders' grievances. For employees, company has a well laid down 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.

Initiatives related to ethics, transparency and accountability:

**Policies**

Code of conduct for Directors and Senior Management Personnel.	<a href="https://iocl.com/download/Code_of_Conduct_for_Board_Members_&amp;_SMP.pdf">https://iocl.com/download/Code_of_Conduct_for_Board_Members_&amp;_SMP.pdf</a>
Code of conduct for prevention of Insider Trading.	<a href="https://iocl.com/download/IOC_Insider_Trading_Code_2015.pdf">https://iocl.com/download/IOC_Insider_Trading_Code_2015.pdf</a>
Whistle Blower Policy	<a href="https://iocl.com/InvestorCenter/Whistle_Blower_policy.pdf">https://iocl.com/InvestorCenter/Whistle_Blower_policy.pdf</a>

**Initiatives**

MoU with Transparency International for implementing Integrity Pact in all its major works and procurements to enhance transparency in business	<a href="https://www.iocl.com/aboutus/draftmou.pdf">https://www.iocl.com/aboutus/draftmou.pdf</a>
E tenders for procurement of goods and services	<a href="https://iocletenders.gov.in/nicgep/app">https://iocletenders.gov.in/nicgep/app</a>
RTI manual	<a href="https://iocl.com/Talktous/right-to-information.aspx">https://iocl.com/Talktous/right-to-information.aspx</a>
Citizen Charter	<a href="https://iocl.com/Talktous/CitizensCharter.aspx">https://iocl.com/Talktous/CitizensCharter.aspx</a>

**Reports**

Corporate Governance Report	Part of Annual Report
Secretarial Audit report duly certified by practising Company Secretary	Part of Annual Report
Management's Discussion Analysis (MDA)	Part of Annual Report

**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 procedure. Hence these companies are not covered by IndianOil's Policy on ethics, bribery, corruption, human rights etc.

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 2015-16.

Stakeholder	No of complaint received	No of complaint resolved	% Resolved	Remarks
Related to Integrity Pact (IP)	2	2	100%	Complaints were received with regard to tenders floated by the Corporation and covered by the IP policy and the same were dealt in line with the extant guidelines on Integrity Pact and resolved.
Customers / Consumers	462348	462239	99.97%	Out of total 3979 complaints received from customers pertaining to Retail Sales, 13 complaints (0.32%) are pending.
				Out of total 458289 feedback/ complaints pertaining to LPG during 2015-16, 99.98% complaints resolved.
				Out of 26 complaints recorded pertaining to Lubes, 21 numbers have been resolved and 5 are pending.
				For IBP (cryogenics and explosives) division, total 54 complaints were received during the year and all of them were resolved satisfactorily.
Related to services, tenders and through Public Grievance Redressal	7030	7362	100%	The grievances were received through the MoP&NG portal. As on 01.04.2016, the no of grievances pending were 541. The total grievances received during the year were 7030 and resolved were 7362 and hence as on 31.03.16, 209 complaints are pending.
Shareholder's Complaints	911	911	100%	These are investor complaints forwarded by MCA / SEBI / 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.**

Economic development alone is no longer viewed as a strategy for poverty reduction and well being of the society. It is recognised that a society's economic goals are intricately linked with its social and environmental goals. This realisation is also the guiding force behind IndianOil's commitment 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 ameliorating the impact of business on the environment, towards a sustainable business environment.

All work practices, procedures and production endeavours comply with the highest Health, Safety and Environment standards as per the statutory norms.

IndianOil's agenda for 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 environmental issues such as climate change, global warming, etc.

IndianOil's state-of-the-art R&D Centre, in addition to developing a number of environment friendly formulations, is also conducting research in Bio-Energy and Hydrogen Fuel and is making continuous efforts to increase operational efficiency.

Owing to the nature of the industry IndianOil is working in, a lot of waste gets generated from all activities including refining, manufacturing and marketing of products. Through dedicated processes and practices, actions are taken to reduce, curtail and recycle the waste generated and minimize the adverse impact of our activities on the environment; e.g. installation 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 end users to have access to information about the impacts of products and services to make informed decisions. All IndianOil's products follow Bureau of Indian Standards guidelines for product information and labelling.

#### **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.

List of 3 such products is as under:

##### **Ethanol-Blended Petrol (EBP):**

- The total quantity of ethanol procured during 2015-16 was 4,23,413 KL.

- IndianOil has achieved blending performance of 3.46% during the year 2015-16.
- All states excluding NE states, J&K, A&N Islands and Lakshadweep are covered.

**BS-IV products:**

- As of 01.04.2016, states that have been covered by BS-IV fuels are Haryana, Himachal Pradesh, Uttarakhand, Delhi, J&K, Punjab and 4 Districts in Rajasthan and 28 Districts in Uttar Pradesh.

**Bio-Diesel:**

- The total quantity of bio-diesel procured during 2015-16 was 5,081 KL.
- IndianOil has achieved blending performance of 0.027% during the year 2015-16 (considering the period from Dec 2015 to Mar 2016).
- States where blending commenced are West Bengal, Odisha, Andhra Pradesh, Tamil Nadu & Gujarat.

**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?**

Ethanol procurement and blending not only helps the country with respect to fossil fuel import substitution but also reduces green house gas emission to certain extent. Also, it would incentivise rural development through improvement in employment / income generation.

Supply of low-Sulphur transportation fuels (petrol & diesel) have resulted in relatively lowering the negative impact on the environment.

The use of bio-diesel shall not only reduce import dependence on fossil fuels and save foreign exchange but also support “Make in India” mission. Producing biodiesel fuels also help create local economic revitalization and local environmental benefits.

**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. The Company has long and short-term contracts in place for its crude oil procurement. Moreover, the Company has diversified its global fuel sourcing centres. Further, efforts are put for optimization of crude basket and to minimize inventories, some of which are as under:

**Efficiency in crude oil sourcing & vessel utilization:**

- To optimize and enlarge the crude basket for IndianOil refineries, eight new types of crude oil were processed in 2015-16.
- Better freight optimisation was achieved by transporting around 75% of imported crude through VLCCs during the year.
- 98% utilisation of time charter crude vessels was achieved.
- Efficient realignment of crude oil mix in refining has led to savings of Rs. 8-12 crore per one parcel of VLCC.
- Much higher efficiency was achieved in transportation of crude, LPG and products through the sea route by engaging additional 10 vessels on time charter basis during the year.

As pipeline transportation is the most sustainable mode of transportation for crude oil and petroleum products, IndianOil has been expanding the pipeline network continuously. As on 01.04.2016, the total length of IndianOil pipelines stands at 11,746 km.

**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 the Govt. of India, purchase preference is given to Micro and Small Enterprises (MSEs) and PSUs. The procurement during the year 2015-16 from MSE's was 45.50% against the mandatory target of 20% set by the Govt. of India.

**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.**

Polymer products are 100% recyclable. A symbol of “recyclable” is printed on the package of the product as per ASTM International Resin Identification Coding System. Waste recycling such as waste-paper recycling and buy-back policies of waste materials for responsible disposal is in place. 17 Organic waste converters/ Bio-gas generator have been installed at various locations to enable eco-friendly recycling and utilization of organic waste.

IndianOil makes continuous efforts to recycle waste and natural resources through installation of Effluent Treatment Plants, Sewage Treatment Plants, Organic Waste Converters and other sustainable practices like bio-remediation of oily sludge, rainwater harvesting, etc. At all marketing locations, Oil Water Separators have been provided to separate out oil and water. Oil is reclaimed and recycled and water samples monitored for pollutants concentration.

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

The most important resource for the success of an organization is its human capital. IndianOil promotes well-being of its employees and their families. IndianOil maintains township at various locations throughout the country. Most of the townships located at its Refinery Location are self-sufficient with all the basic amenities like outdoor and indoor medical facilities, schools, markets, club and recreation centres. 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, 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 by well-known activists across its establishments. Women's cells, headed by an Apex Level WIPS (Women in Public Sector) representatives have been established across IndianOil. IndianOil extends various types of special leaves to women employees such as maternity leaves, husband joining leave, child care leave, child adoption leave, etc.

### **PRINCIPLE 3 QUESTIONS**

#### **1. Please indicate the Total number of employees.**

The total number of employees as on 31.03.2016 was 32,803.

#### **2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.**

As on 31.03.2016;

- 100 persons were engaged as Consultants/ Liaison officers/ doctors on contract, etc.
- 37 persons are working as casual labourer/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 as on 31.03.2016 was 55,419. IndianOil, as a principle 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 31.03.2016 was 2,632.

#### **4. Please indicate the Number of permanent employees with disabilities.**

The total number of permanent employees with disabilities as on 31.03.2016 was 555.

#### **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 executives.

#### **6. What percentage of your permanent employees is members of this recognized employee association?**

90% of the employees (non-executives and executives) are members of the recognised unions or officers' association.

#### **7. Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No of complaints filed during 2015-16	No. of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	2	4
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 given safety & skill up-gradation training during 2015-16
1	Permanent Male employees	58.62%
2	Permanent Women Employees	85.26%
3	Permanent Employees with Disability	27.75%
4	Casual/Temporary/Contractual Employees/Contract labor	100%

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

IndianOil nurtures the core values of Care, Innovation, Passion and Trust across the organization and in its engagement with its stakeholders. IndianOil continuously engages with its internal as well as external stakeholders to effectively engage with them in order to maintain a symbiotic relationship.

IndianOil's pan-India presence and nature of business that 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, trade associations, academia, financial institutions, advocacy, and advisory groups, etc.

IndianOil has processes in place to ensure inclusion of stakeholders' concerns and expectations in its business actions. Key issues are identified through regular stakeholder engagement and 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 shareholders and investors. Also, as per Companies Act, 2013, the company has formed Corporate Social Responsibility and Sustainable Development Committee of Board which recommends monitors and administers activities under Sustainability and CSR Policy and oversees its performance / implementation.

IndianOil has defined the mode of engagement, frequency of engagement, key agenda and feedback mechanism for its various stakeholders separately. The CSR projects are undertaken for disadvantaged, vulnerable and marginalised sections of society and are designed to yield long-term, sustainable benefits for the communities living in the periphery of its installations.

The formal process of engagement with various stakeholders includes:

- Identification of key stakeholders.
- Consultation with key stakeholders.
- Identification and prioritisation of concerns and needs.
- Addressing the prioritised concerns and needs in a consistent and transparent manner.

The mode of engagement with the stakeholders is as under:

Stakeholder Group	Engagement Mechanism	Key Agenda
Government/ Regulatory Bodies	Meetings, industry forums	Policy implementation review, Apprising the Government on organization Plans and progress, Communicating Industry's challenges and issues
Media	Website, events	Sharing information to stakeholders
Industry/ Trade Associations	Meetings, seminars, workshops	Policy advocacy, Interfacing for formulating Policy implementation
Shareholders	Annual General Meetings, regular communication through website, reports.	Financial Performance, Future strategies, Shareholders Concern
Business partners/ contractors	Dealer/ Distributor/ Kisan Seva Kendra Conventions, Transporters Meet, Meeting with Contractors/ Vendors, Seminar/ Workshops	Supply & Distribution, Quality and Quantity, Customer satisfaction
NGOs	Meetings	CSR Project Review/implementation
Community	Meetings, Public hearings	Corporate Social Responsibility initiatives, Capturing societal issues
Financial Institutions	Investors meet	Financial Performance, Future strategies, Shareholders' concern
Employees	Meetings, Workshops, surveys	Communicating Policies & Performance Resolving issues/ Concerns
Customers	Customer Surveys, Customer Meetings, Training programs, Customer Education Programmes/ Meet/ Grievance redressal forums	Feedback on product and services, Suggestions and Complains redressal

**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 up-liftment of disadvantaged, vulnerable and marginalised sections of the society. The details of such activities are available on the website. IndianOil also provides dealership 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 to promote inclusive growth.

**Principle 5: Businesses should respect and promote human rights.**

IndianOil 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 (UNG) and also report 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.

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, ESI Act 1948, Employees Provident Fund and Miscellaneous Act 1952, CLRA 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 complaints or disputes, the contractor is advised to settle the issue in accordance with the law. Various in-house policies like CDA rules (Conduct, Discipline and Appeal), medical rules, leave rules, House Building Allowance, conveyance advance, education loans etc also confirm to Human Right values.

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. No complaints, whatsoever, were reported during the year pertaining to child labour.

**Initiatives undertaken**

Policy
Policy on Prevention of sexual harassment of women at workplace.
Initiatives
Internal Committees constituted at every location/office of the Corporation
Engagement with stakeholders
All vendors/ contractors have to comply with human rights aspects through terms and conditions of General Conditions of Contract (GCC).
Declaration to be given by vendors/ contractors that no child labour is deployed by them through terms and conditions of General conditions of Contract (GCC).
Safety training provided to contract labour before commencement of a work awarded.

**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 procedure. Hence, none of these companies are covered by IndianOil's Policy on human rights etc.

**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 Principle 1, Question no 2.

**Principle 6: Business should respect, protect, and make efforts to restore the environment.**

IndianOil is committed to conduct business with a strong environmental conscience for sustainable development, ensuring safe workplaces and improvement of quality of life of its employees and the community.

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 society and a role in addressing the climate change and related sustainability challenges.

IndianOil's agenda for Sustainability stands on the pillars of minimizing its carbon, water and waste footprint. At the apex level, it has formed CSR & Sustainable Development Committee of the Board, which guides and monitors the CSR & Sustainable Development initiatives. IndianOil Board has approved policies on "Sustainability & CSR" and "Health, Safety & Environment (HSE)". A separate department named 'Alternate Energy and Sustainable Development' implements action plans to address environmental issues viz. climate change, global warming, etc.

IndianOil continually strives to mitigate the environmental impact from its business activities by investing in state-of-art technologies, effluent & solid waste management, environment monitoring and reporting, bio-diversity conservation efforts and up-gradation and sustenance of environment management systems. All its major units are accredited to international standards viz. ISO-14001 for environmental management systems.

As on 31.03.2016, 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 for non-compliance with environmental laws and regulations. No grievances were filed regarding adverse environmental and societal impacts caused by its operations.

#### **Initiatives taken for Principle 6**

<b>Reports</b>	Report on energy conservation, technology absorption and foreign exchange earnings	Part of Annual Report
<b>Initiatives with stakeholders</b>		
Vendors/ contractors have to ensure compliance to all environmental related rules and regulations.		
All contract vehicles for fuel transport to have PUC certificates which are inspected regularly.		
Awareness campaigns along the Right of Way (RoW) of pipelines and in the surrounding areas of Refinery installations to sensitize general public regarding the environmental impacts of oil/ gas leakage or fire incidents.		
<b>Sustainability measures</b>		
Use of e-tendering, e-procurement, e-payments, e-portals, online data transfer practices.		
Registration of projects as CDM (Clean Development Mechanism) under UNFCCC.		
Continuous reduction in fuel consumption by ENCON (energy conservation) measures. Measures to increase efficiency in refining, marketing and pipelines processes.		
Installation of solar power plants at various locations/ units. Replacement of diesel generators at Retail outlets with small solar power plants. Sale of rechargeable solar lanterns through fuel/ LPG outlets.		
Foray into renewable energy resources viz. off and on grid solar and wind energy, nuclear energy, Bio-fuel etc and less polluting energy resources viz. BS-IV and BS-VI fuels LNG and city gas distribution, etc.		
Preparedness and prompt response on oil spills.		
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 Effluent treatment plants at Refineries with real time monitoring of processes.		
Recycling of sludge, waste paper, water etc. Vermicomposting of canteen waste at major locations.		
Installation of rainwater harvesting system at units/ installations.		
Treatment of used water for various purposes viz. fire water, cooling towers etc. About 80-85% of water is reused in its refineries.		
Installation of tall stacks for emission dispersion. Online analysis of emission.		
Construction of green buildings. Installation of energy/ natural resource saving devices viz. automatic water sensor taps, automatic sensor lights, LED lights etc at major installations.		
Compliance with e-waste (Management and Handling) Rules, 2011 for disposal of e-waste		
<b>Assessment of environmental damage</b>		
Carbon and water footprinting of all locations.		
SCOPE 3 carbon footprinting of some locations.		
Energy audits of all refineries and select locations.		
Carrying out environment impact assessment as per environment protection rules of Ministry of Environment, Forest and Climate Change, Government of India.		

## 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.

- 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. IndianOil has taken cognizance of the risks of climate change. The key challenges in implementing climate change in IndianOil is to meet the upgraded environmental norms by continuous upgradation of technologies and processes.

The major environment issues across the globe are clean fuel regulations, marine transport risks and hazardous wastes. A separate department namely 'Alternate Energy & Sustainable Development' has been set up to implement action plans to address global environmental issues viz. climate change, global warming, etc. A link to the Corporate Sustainability webpage is <http://www.iocl.com/Aboutus/sustainability.aspx>

- 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?**

Yes. The company has six numbers of projects registered as CDM projects under UNFCCC. These include:

- AVU Energy optimization at Digboi Refinery
- Flare Gas Recovery Systems each at Barauni, Haldia, Gujarat & Guwahati Refineries
- Wind Power Project in Gujarat.

- 5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for webpage, etc.**

Yes. The company has diversified into alternate energy such as wind, solar, bio fuels and nuclear. IndianOil have also undertaken other sustainable initiatives.

Presently, three wind power projects, one of 21 MW capacity at Kutch, Gujarat and the other of 48.3 MW at Vajrakarur & Gandikota in Andhra Pradesh are in operation. During the year 2015-16, power generation from these plants reached 124 million units (kWh), which corresponds to an emission reduction of 102 TMTCO<sub>2</sub>e (thousand metric tonnes carbon-dioxide equivalent).

During the year, grid connected solar photo voltaic (PV) project of 5-MW capacity at Rawra in Rajasthan generated 7.6 million units of renewable electricity, resulting in carbon emission reduction of 6.2 TMTCO<sub>2</sub>e.

During the year, 1.7 MW of solar PV has been installed across various refineries, installations and office buildings with a total energy generation capacity of 1.7 million units and annual carbon emission reduction potential of 1.3 TMTCO<sub>2</sub>e.

IndianOil's Retail Outlets are switching to solar powered systems replacing polluting DG sets resulting in reduction of green house gas emissions. As of 31.03.2016, over 4100 fuel stations have been converted to operate on solar energy with a cumulative installed capacity of about 15 MW.

A comprehensive policy has been formulated for implementation of LED lighting in place of conventional lighting across all refineries, office buildings, townships, installations & fuel stations by the year 2017.

To serve as carbon sink, green belts have been developed with tree cover numbering 2 million at various installations. About 50,000 saplings were added during the year 2015-16. Also, 66 rain water harvesting systems were installed during the year. With this, the cumulative annual harvesting capacity is about 2.9 billion litres, covering a combined catchment area of 950 hectares through 550 rain water harvesting systems.

208 locations were Energy Audited (EA) during 2015-16 by Marketing division. EA completed for all operating locations except closure/relocation cases. Over 350 Locations audited from Sept. 2014 to Mar 2016 as part of long term Eco Footprint Mitigation plan.

The Refineries achieved lowest Fuel & Loss, Specific Energy Consumption (MBN) and Energy Intensity Index (EI) at 8.66%, 53.8 and 101.2 respectively as compared to previous best of 8.77%, 54.4 and 104.5 for the year 2014-15.

The concept of 'smokeless village' is initiated to improve LPG availability among the rural populace. More than 3,400 villages and towns have been declared smokeless as on 31<sup>st</sup> March, 2016.

Many events have been made for carbon neutral by plantation of requisite number of trees by other Divisions also. The details are given in the hyperlink <http://www.iocl.com/Aboutus/sustainability.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 are within the permissible limits given by CPCB/ SPCB norms in refineries. Pipeline transportation is done in closed circuit operation. No emissions/ waste were generated during the course of operations. Small quantity of waste generated is within the permissible limits given by CPCB/ SPCB norms.

**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.**

The status of show cause / legal notices received from CPCB / SPCB which are pending as on end of Financial Year is as follows:

- a) Refineries Division: 13 complaints/notices were received by the refineries and all have been responded and no adverse comments have been received.
- b) Pipelines Division: Nil
- c) Marketing Division: Nil
- d) R&D Division: Nil

**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
Association of Business Communicators of India	National
Indian Society of Advertisers (ISA)	National
International Advertising Association (IAA)	National
Council of Indian Employers (CIE)	National
All India Management Association (AIMA)	National
National HRD Network (NHRD)	National
India International collaborations (U21 Global Universitas, Singapore, IFP France, etc.)	International
Transparency International India (TII)	International
United Nations Global Compact (UNGC)	International
Indian Auto LPG Coalition (IAC)	National
Indian Institution of Industrial Engineering	National
Indian LP Gas Industry Association (ILPGIA)	National
International Air Transport Association (IATA)	International
World LP Gas Association, Paris	International
Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
Confederation of Indian Industry (CII)	National
Federation of Indian Chambers of Commerce and Industry (FICCI)	National
Petroleum Federation of India (PetroFed)	National
Standing Conference of Public Enterprises (SCOPE)	National
TERI-Business Council for Sustainable Development	National
All India Industrial Gas Manufacturers Association (AGMA)	National
Indian Dairy Association (IDA)	National

**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, anti- corruption 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.**

The most important role of any responsible organization today, is to ensure that there is a continuous improvement in its economic, environmental and social performance along with its operational success. Similarly, 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 has successfully combined its corporate social responsibility agenda with its business offerings, meeting the energy needs of millions of people every day, across the length and breadth of the country.

CSR initiatives are undertaken for communities, mostly in the vicinity where IndianOil operates, in areas viz. drinking water, health, family welfare, education, environment protection, providing potable water, sanitation, empowerment of women and other marginalized groups etc. with focus on welfare of the economically and socially deprived sections of the society. In many cases, MoU's are signed with the implementing partners or beneficiary organizations for successful adoption / sustainability of the projects.

The Corporation has formulated the Sustainability & Corporate Social Responsibility (S & CSR) policy which is in compliance with the Companies Act, 2013, DPE guidelines and other Government mandates. The policy has defined vision and mission statement and thrust areas and lays emphasis on the benefit of the disadvantaged, vulnerable and marginalized sections of the society.

At the apex level, the Corporation has a Corporate Social Responsibility and Sustainable Development Committee of the Board which recommends, monitors and administers activities under Sustainability and CSR Policy and oversee its performance / implementation. Director (HR) is the nodal Functional Director for implementation of CSR initiatives of the company. The Corporation has a CSR vertical, across corporate, divisional and unit levels to implement CSR action plans.

#### **Initiatives taken for Principle 8**

<b>Policy</b>	
Sustainability & CSR policy	<a href="https://iocl.com/AboutUs/IOC_S&amp;CSR_Policy.pdf">https://iocl.com/AboutUs/IOC_S&amp;CSR_Policy.pdf</a>
<b>Reports</b>	
Highlights of CSR activities	Part of Annual Report
<b>Initiatives</b>	
CSR activities during the year	<a href="https://iocl.com/AboutUs/corporatesocialresponsibility.aspx">https://iocl.com/AboutUs/corporatesocialresponsibility.aspx</a>

#### **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 S&CSR policy of the company. The details of projects have been 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, NGO's, third party vendors, Government agencies etc. The activities are implemented in 'project mode' and as directed by Government of India.

##### **3. Have you done any impact assessment of your initiative?**

Yes. Impact Assessment is carried out for all large value activities, with expenditure above ₹ 50 lakh. 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 contribution towards CSR for the year 2015-16 is ₹ 156.67 lakhs. The details of projects have been 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 it 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' meets and face-to-face interactions.

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 Marketing Discipline guidelines (MDG).

IndianOil has in place "e-Customer Feedback System (e-CFS) to seek customers feedback on products and services including its service providers / contractors etc., through electronic system. Complaints received from all sources, viz. official 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 complaints pertaining to Retail Sales/ Retail Outlets, registered on the Govt. of India Public Grievance portal website are also attended to by Corporation. Nodal Officers have been assigned in the system to whom the complaints gets directed in the portal and reply is 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. Recently, IndianOil has launched a dedicated website for SERVO, wherein customers can get all information relating to SERVO lubricants. Customers can register queries and complaints on technical issues through technical services Cell, which will be attended to by a team of marketing and R&D Officials for resolution.

#### **PRINCIPLE 9 QUESTIONS**

##### **1. What percentage of customer complaints/ consumer cases is pending as on the end of financial year.**

SI. No.	Division	% pending
1	P&BD	Nil
2	Marketing	0.32
3	R&D	Nil
4	IBP (Cryogenics)	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 the commercial products follow Bureau of Indian Standards (BIS) guidelines for product information and labelling.

**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:** Additional information like Application, Benefits, Performance standards, etc. are also printed on the product label.

**Bitumen:** It is mostly sold in Bulk in liquid form and only approx 10% of product is sold in packed form (in Barrel). It is ensured that product specifications are made available to the customers and highest QC & safety procedures are followed for marketing these products.

**Petrochemicals:** Information regarding product type, product name with grade and lot no., net weight, etc. are mentioned on the bags. Also, the symbols "recycle" and "use no hooks" are provided on 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.**

Two cases have been filed against the company regarding anti-competitive behavior. One Case is pending before Competition Commission of India (CCI) wherein complainant has alleged cartelization by Oil Marketing Companies, for collusive bidding in a tender for ATF supplies. The Delhi High Court has stayed the proceedings before CCI.

In another case, a party has alleged non-competitive price due to cartelization by Sugar Manufacturers & joint tendering by OMCs for ethanol. The party had appealed before Competition Appellate Tribunal (COMPAT) 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 has now 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 has been administering the Online Reputation Management (ORM) on the web, which seeks to track the customer's sentiments (negative/positive/neutral) with respect to IndianOil's products and services. The ongoing periodical reporting system and the online ORM dashboard content, capture all conversations on the web including the tweets (excluding Facebook accounts) on IndianOil by all its stakeholders including customers.

**LPG:** Besides regular customer engagement initiatives, IndianOil also conducts customer survey to get market feedback and improve upon the deliverables to meet the customer expectations. Provision of rating of LPG Distributor's Services is available in the transparency portal. Random customer contacts are also made by the field officers.

For major customers, Key Account Managers are allocated, who collect information periodically to measure Customer Satisfaction Index (CSI).

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

The governance framework in IndianOil follows the highest 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 i.e. Care, Innovation, Passion and Trust. For effective implementation of the Corporate Governance practices, IndianOil has a well-defined policy framework inter-alia consisting of the following:

- Code of Conduct for Directors and Senior Management Personnel
- Code of Conduct for prevention of Insider Trading
- Enterprise Risk Management Policy
- Integrity Pact to enhance transparency in business
- Whistle Blower Policy
- Conduct, Discipline and Appeal Rules for employees
- Corporate Social Responsibility & Sustainable Development Policy.
- Human Resources initiatives
- Policy on Related Party Transactions and Policy for determining Material Subsidiaries
- Policy for determination of Material / Price Sensitive Information and Disclosure Obligations
- Policy for Preservation of Documents

### 2. BOARD OF DIRECTORS

#### (a) Composition of Board of Directors

The Board of IndianOil comprises of combination of Executive (whole-time) and Non-Executive (part-time) Directors (which include Independent Directors and Government Nominee Directors). Independent Directors are eminent persons with proven record in diverse areas like business, academics, finance, economics, administration, etc.

As on 31.03.2016, the strength of the Board of Directors was 12 comprising of 7 Executive Directors (whole-time Directors including Chairman) and 5 part-time Non-Executive Directors, out of which 3 are Independent Directors and 2 are Government Nominee Directors. IndianOil has not been able to comply with the requirement of 50% Independent Directors on its Board as 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. The Company is pursuing with the Government of India to induct requisite number of Independent Directors 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<sup>st</sup> March, 2016, is given below:

Sl. No.	Name	Category
1.	Shri B. Ashok	Chairman
2.	Shri Sanjiv Singh	Director (Refineries)
3.	Shri Debasis Sen	Director (Planning & Business Development)
4.	Shri Arun Kumar Sharma	Director (Finance)
5.	Shri Verghese Cherian	Director (Human Resources)
6.	Shri Anish Aggarwal	Director (Pipelines)
7.	Shri Balwinder Singh Canth	Director (Marketing)
8.	Shri Ajay P. Sawhney	Government Nominee Director
9.	Shri Ashutosh Jindal	Government Nominee Director
10.	Shri Subroto Bagchi	Independent Director
11.	Shri Sanjay Kapoor	Independent Director
12.	Shri Parindu K. Bhagat	Independent Director

**b) Board Meetings**

The Board of Directors oversees the overall functioning of the Company and has set strategic objectives in order to achieve its Vision Statement. The Board defines 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 2015-16, 10 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. 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.
- Details of investment in any joint venture / subsidiary.
- New projects and expansion plans.
- Status of various projects.
- Risk management and minimization process.
- HR related issues.
- Safety / Security related matters
- General notices / matters of interest of Directors.
- Periodic reports to the Board on :
  - Treasury Operations
  - Project status
  - Risk Management
  - Secretarial reports
  - Compliance of laws
  - Disciplinary cases
  - Action Taken Report (ATR) on decisions of the Board
  - Foreign tour report of whole-time Directors / officials of the Company
  - Significant developments in between two Board Meetings

The Board Minutes are prepared promptly after the Board Meeting and thereafter the approval of the Directors and the Chairman is obtained. The approved minutes are then circulated to the concerned department / group for implementation. ATR on the decision of the Board is obtained and submitted to the Board periodically.

Details of the Board Meetings held during the year 2015-16 are as under:

Sl. No.	Date	Board Strength	No. of Directors Present
1.	29-Apr-2015	10	10
2.	29-May-2015	11	10
3.	01-Jul-2015	8	8
4.	22-Jul-2015	9	9
5.	13-Aug-2015	9	9
6.	08-Oct-2015	9	8
7.	03-Nov-2015	8	8
8.	18-Dec-2015	11	10
9.	12-Feb-2016	12	9
10.	21-Mar-2016	12	11

(c) Attendance of each Director at Board Meetings held during 2015-16, last Annual General Meeting (AGM) and Number of other Directorships and Chairmanship / Membership of Committees of each Director in various companies is as under:

Name of the Director	No. of Board Meetings attended out of meetings held during the tenure of Director	Attendance at the AGM on 15.09.2015 (Yes/No/ NA)	No. of Directorships in other companies as on 31.03.2016	Membership of committees in other companies as on 31.03.2016	Chairmanship of committees in other companies as on 31.03.2016
----------------------	-----------------------------------------------------------------------------------	--------------------------------------------------	----------------------------------------------------------	--------------------------------------------------------------	----------------------------------------------------------------

#### Whole-time Directors

Shri B. Ashok (DIN - 06861345) Chairman	10 (10)	Yes	2	-	-
Shri Sanjiv Singh (DIN - 05280701) Director (Refineries)	9 (10)	Yes	1	-	-
Shri Debasis Sen (DIN - 06862079) Director (P&BD)	9 (10)	Yes	3	-	-
Shri Arun Kumar Sharma (DIN - 06665266) Director (Finance)	10 (10)	Yes	2	-	-
Shri Verghese Cherian (DIN - 07001243) Director (Human Resources)	9 (10)	Yes	-	-	-
Shri Anish Aggarwal (DIN - 06993471) Director (Pipelines)	10 (10)	No	1	-	-
Shri Balwinder Singh Canth <sup>1</sup> (DIN - 07239321) Director (Marketing)	5 (5)	NA	1	-	-

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

Shri Ajay P. Sawhney <sup>2</sup> (DIN - 03359323)	5 (7)	No	2	-	-
Shri Ashutosh Jindal <sup>3</sup> (DIN - 05286122)	1 (2)	NA	1	-	-
Dr. Subhash Chandra Khuntia <sup>4</sup> (DIN - 05344972)	2 (2)	NA	3	-	-
Dr. Archana Mathur <sup>5</sup> (DIN - 02555904)	5 (5)	No	1	-	-

#### Part-time Non-Executive Independent Directors

Shri Subroto Bagchi <sup>6</sup> (DIN - 00145678)	2 (3)	NA	1	-	-
Shri Sanjay Kapoor <sup>7</sup> (DIN - 07348106)	3 (3)	NA	-	-	-
Shri Parindu K. Bhagat <sup>8</sup> (DIN - 01934627)	3 (3)	NA	-	-	-
Smt. Shyamala Gopinath <sup>9</sup> (DIN - 02362921)	2 (2)	NA	7	5	1
Shri Shyam Saran <sup>10</sup> (DIN - 03116287)	2 (2)	NA	1	1	-
Prof. Devang Khakhar <sup>11</sup> (DIN - 02756921)	5 (5)	NA	1	-	-

**Note 1:** 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.

**Note 2:** The membership / chairmanship of committee is considered only for Audit Committee and Stakeholders' Relationship Committee

**Note 3:** 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:

1. Shri Balwinder Singh Canth was inducted on the Board w.e.f. 08.10.2015
2. Shri Ajay P. Sawhney was inducted on the Board w.e.f. 22.07.2015
3. Shri Ashutosh Jindal was inducted on the Board w.e.f. 12.02.2016
4. Dr. Subhash Chandra Khuntia ceased to be Director w.e.f. 17.06.2015
5. Dr. Archana Mathur was inducted on the Board w.e.f. 29.05.2015 and ceased to be Director w.e.f. 29.10.2015
6. Shri Subroto Bagchi was inducted on the Board w.e.f. 02.12.2015
7. Shri Sanjay Kapoor was inducted on the Board w.e.f. 02.12.2015
8. Shri Parindu K. Bhagat was inducted on the Board w.e.f. 02.12.2015

9. Smt. Shyamala Gopinath ceased to be Director w.e.f. 26.06.2015
10. Shri Shyam Saran ceased to be Director w.e.f. 26.06.2015
11. Prof. Devang Khakhar ceased to be Director w.e.f. 15.09.2015

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 31.03.2016.

### **3. 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. The members of the Audit Committee have requisite financial and management expertise.

Upon completion of the tenure of Independent Directors, the Audit Committee was re-constituted on the following dates:

- On 01.07.2015 with the induction of Dr. Archana Mathur, Govt. Nominee Director and Shri Verghese Cherian, Director (HR) as members of the Committee in place of Smt. Shyamala Gopinath and Shri Shyam Saran, Independent Directors;
- On 28.10.2015 with the induction of Shri Ajay P. Sawhney, Govt. Nominee Director and Shri Anish Aggarwal, Director (Pipelines) as members of the Committee in place of Prof. Devang Khakhar, Independent Director;
- On 18.12.2015 with the induction of Shri Sanjay Kapoor, Shri Subroto Bagchi and Shri Parindu K. Bhagat, Independent Directors as members of the Committee;

The Audit Committee was reconstituted with Govt. Nominee Directors and Whole-time Directors for part of the year as the tenure of Independent Directors came to an end and new Independent Directors were appointed only with effect from 02.12.2015.

The Audit Committee comprised of following members as on 31.03.2016:

(1) Shri Sanjay Kapoor	-	Independent Director (Chairman)
(2) Shri Subroto Bagchi	-	Independent Director
(3) Shri Parindu K. Bhagat	-	Independent Director

The Terms of Reference of Audit Committee covers all matters specified under the provisions of the Companies Act 2013 as well as reg. 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 alongwith 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 Corporation.

The attendance at the ten meetings of the Audit Committee held during the year 2015-16 is given below:

Name	Meeting held on									
	17-04-15	29-04-15	28-05-15	01-07-15	21-07-15	12-08-15	02-09-15	03-11-15	11-02-16	21-03-16
Smt. Shyamala Gopinath	Yes	Yes	Yes	NA						
Shri Shyam Saran	Yes	Yes	Yes	NA						
Prof. Devang Khakhar	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	NA
Dr. Archana Mathur	NA	NA	NA	Yes	Yes	Yes	Yes	NA	NA	NA
Shri Verghese Cherian	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	NA	NA
Shri Anish Aggarwal	NA	NA	NA	NA	NA	NA	NA	Yes	NA	NA
Shri Ajay P. Sawhney	NA	NA	NA	NA	NA	NA	NA	Yes	NA	NA
Shri Sanjay Kapoor	NA	NA	NA	NA	NA	NA	NA	NA	Yes	Yes
Shri Subroto Bagchi	NA	NA	NA	NA	NA	NA	NA	NA	No	Yes
Shri Parindu K. Bhagat	NA	NA	NA	NA	NA	NA	NA	NA	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 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 are also submitted to the Committee as a follow up action.

Shri Raju Ranganathan, Company Secretary acts as the Secretary of the Audit Committee.

#### 4. 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 Corporation 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 existing Remuneration Committee and Establishment Committee of the Board were merged and renamed as Nomination and Remuneration Committee on 18.12.2015. The Committee comprised of the following members as on 31.03.2016:

- |                           |   |                                 |
|---------------------------|---|---------------------------------|
| 1. Shri Subroto Bagchi    | - | Independent Director (Chairman) |
| 2. Shri Parindu K. Bhagat | - | Independent Director            |
| 3. Shri Ajay P. Sawhney   | - | Govt. Nominee Director          |
| 4. Shri B. Ashok          | - | Chairman, IndianOil             |

The attendance at the meeting of Nomination & Remuneration Committee held during 2015-16 is given below:

Name	Meeting held on 12-02-2016
Shri Subroto Bagchi	No
Shri Parindu K. Bhagat	Yes
Shri Ajay P. Sawhney	Yes
Shri B. Ashok	Yes

The performance evaluation of the 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 vest with the Govt. of India. The same is also exempted to Govt. Companies under the provisions of the Companies Act 2013.

**DIRECTORS REMUNERATION:**

The Independent Directors are not paid any remuneration except sitting fees for attending meetings of the Board or Committees thereof.

The remuneration paid to whole-time Directors during the financial year 2015-16 is as under:

Name of the Director	Designation	Salaries & Allowances	Other Benefits & Perquisites	Total Remuneration (₹ in Crore)
Shri B. Ashok	Chairman	0.39	0.06	0.45
Shri Sanjiv Singh	Director (Refineries)	0.34	0.06	0.40
Shri Debasis Sen	Director (P&BD)	0.29	0.06	0.35
Shri Arun Kumar Sharma	Director (Finance)	0.42	0.05	0.47
Shri Verghese Cherian	Director (HR)	0.38	0.05	0.43
Shri Anish Aggarwal	Director (Pipelines)	0.38	0.05	0.43
Shri Balwinder Singh Canth	Director (Marketing)	0.13	0.07	0.20
<b>TOTAL</b>		<b>2.33</b>	<b>0.40</b>	<b>2.73</b>

**Note:**

1. 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.
2. During the year no Stock Options have been issued to whole-time Directors.
3. 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.
4. The remuneration does not include the provision made on actuarial valuation of retirement benefit schemes and provision made during the year towards post retirement benefits as the same is not separately ascertainable for individual directors.

The Independent Directors were paid sitting fees of ₹ 40,000/- per meeting for attending meetings of the Board / Committee during the year. The sitting Fees paid during the financial year 2015-16 is as under:

Name of the Director	Sitting Fees (₹ in Lakh)
Shri Subroto Bagchi	3.20
Shri Sanjay Kapoor	6.00
Shri Parindu K. Bhagat	4.80
Smt. Shyamala Gopinath	2.00
Shri Shyam Saran	2.80
Prof. Devang Khakhar	6.00
<b>TOTAL</b>	
	<b>24.80</b>

**Notes:**

1. None of the Independent Directors was holding any shares of Company as on 31<sup>st</sup> March 2016.
2. There were no other materially significant pecuniary relationships or transactions of the Independent Directors vis-à-vis the Company.

**Shareholding of Directors as on 31.03.2016**

The following Directors were holding shares of IndianOil as on 31.03.2016 as per disclosure made by them:

Name	Designation	No. of shares
Shri B. Ashok	Chairman	3600
Shri Sanjiv Singh	Director (Refineries)	4200
Shri Arun Kumar Sharma	Director (Finance)	1350
Shri Verghese Cherian	Director (Human Resources)	2600
Shri Anish Aggarwal	Director (Pipelines)	2500
Shri Balwinder Singh Canth	Director (Marketing)	3600

## 5. 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 shareholders within a reasonable period of time.

The Committee comprised of the following three members as on 31.03.2016:

- |                           |                                   |
|---------------------------|-----------------------------------|
| 1. Shri Sanjay Kapoor     | - Independent Director (Chairman) |
| 2. Shri Arun Kumar Sharma | - Director (Finance)              |
| 3. Shri Vergheese Cherian | - Director (Human Resources)      |

The attendance at the meeting of the Stakeholders' Relationship Committee held during 2015-16 is given below:

Sl. No.	Name of the Director	Meeting held on 21-03-2016
1.	Shri Sanjay Kapoor	Yes
2.	Shri Arun Kumar Sharma	Yes
3.	Shri Vergheese Cherian	Yes

Shri Raju Ranganathan, Company Secretary is the Compliance Officer.

## Details of complaints received and redressed during the financial year 2015-16:

During the year, 911 complaints were received and all have been resolved. As on 31<sup>st</sup> March 2016, no complaints were pending. Further, during the year, 960 requests for change of address, recording of nomination, issue of duplicate share certificates / dividend warrant, etc. were received, out of which 34 requests were pending as on 31.03.2016, which were subsequently dealt with.

The Company has created a designated email-id [investors@indianoil.in](mailto:investors@indianoil.in) exclusively for investors and for responding to their queries.

## 6. OTHER COMMITTEES OF THE BOARD

In addition to the above statutory committees, the Board has delegated certain powers to various committees with distinct roles and responsibilities. The composition of various such committees as on 31.03.2016 is as under:

Sl. No.	Name of Committee	Role and Responsibilities	Members
1.	<b>Corporate Social Responsibility (CSR) &amp; Sustainable Development Committee</b>	To recommend, monitor and administer activities under CSR, Sustainable Development Plan, SD 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.	<b>Project Evaluation Committee</b>	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.	<b>Marketing Strategies Committee</b>	To evolve the strategies, policies, guidelines and take decisions on all matters relating to marketing activities of the Corporation including revival of dealerships / distributorships.	- 2 Independent Directors - 1 Government Nominee Director - Director (Refineries) - Director (P&BD) - Director (Finance) - Director (Marketing) The committee is headed by an Independent Director.
4.	<b>Deleasing of Immoveable Properties Committee</b>	To consider Deleasing of Company leased flats/ accommodation / immoveable properties.	- Chairman - Director (Finance) - Director (HR) - Director (Marketing) - 1 Government Nominee Director. The committee is headed by the Chairman of the Company.

Sl. No.	Name of Committee	Role and Responsibilities	Members
5.	<b>Contracts Committee</b>	To approve contracts beyond certain limits as provided in the DoA of the Corporation.	All whole-time Directors. The Committee is headed by the Chairman of the Company.
6.	<b>Planning &amp; Projects Committee</b>	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.	<b>Risk Management Committee</b>	<ul style="list-style-type: none"> <li>- To review risk management process involving risk assessment and minimisation procedure;</li> <li>- To approve the derivative transactions above USD 50 million on 'mark to market' basis.</li> </ul>	<ul style="list-style-type: none"> <li>- Chairman</li> <li>- Director (Finance)</li> <li>- Director (Refineries)</li> <li>- Director (Marketing)</li> <li>- Director (P&amp;BD)</li> </ul> <p>The committee is headed by the Chairman of the Company.</p>
8.	<b>Spot LNG Purchase Committee</b>	<ul style="list-style-type: none"> <li>- To approve execution of Master Sales and Purchase Agreement (MSPA) with suppliers on bilateral basis</li> <li>- To approve deviation to standard MSPA</li> <li>- To review and approve LNG price formula / gas pricing / SPA terms</li> <li>- To approve bids for purchase of LNG</li> <li>- Accept offer on single tender basis from domestic R-LNG suppliers</li> </ul>	<ul style="list-style-type: none"> <li>- Director (P&amp;BD)</li> <li>- Director (Finance)</li> <li>- Director (Refineries)</li> </ul> <p>The committee is headed by Director (P&amp;BD).</p>
9.	<b>LNG Sourcing Committee</b>	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"> <li>- Chairman</li> <li>- 1 Government Nominee Director</li> <li>- Director (P&amp;BD)</li> <li>- Director (Finance)</li> <li>- Director (Refineries)</li> </ul> <p>The committee is headed by the Chairman of the Company.</p>
10.	<b>Dispute Settlement Committee</b>	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"> <li>- 2 Independent Directors</li> <li>- Director (Finance)</li> <li>- Concerned Functional Director</li> <li>- Co-opt additional Director, if any.</li> </ul> <p>The committee is headed by Independent Director.</p>

Shri Raju Ranganathan, Company Secretary is the Secretary to all the Board Committees.

## 7. GENERAL MEETINGS

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

	2012-13	2013-14	2014-15
Date and Time	03.09.2013 10:30 AM	27.08.2014 10:30 AM	15.09.2015 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	Nil	1

No Extraordinary General Meeting of the Members was held during the year 2015-16.

## 8. POSTAL BALLOT

No approval of shareholders was sought by means of postal ballot during 2015-16.

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 require passing the resolution through Postal Ballot.

## **9. DISCLOSURES**

### **a. Separate meeting of Independent Directors**

A separate meeting of Independent Directors was held on 21<sup>st</sup> March 2016 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](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 Company has not entered into any material significant related party transactions during the year.

### **c. 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.

### **d. Whistle Blower Policy**

The Company has framed a whistle blower policy wherein the employees are free to report any improper activity resulting in violations of laws, rules, regulations or code of conduct by any of the employees, to the Competent Authority or Chairman of the Audit Committee, as the case may be. Any such complaint is reviewed by the Competent Authority or Chairman of the Audit Committee. The confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practice. No employee has been denied access to the Audit Committee.

### **e. Compliance with mandatory and adoption of non-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 one woman director and atleast 50% Independent Directors.

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 woman director.

### **f. CEO / CFO Certification**

Chairman and Director (Finance) of the Company have given the "CEO / CFO Certification" to the Board.

### **g. Integrity Pact**

IndianOil has 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 Corporation.

During the year 10 meetings of IEM's have taken place. Based on the above threshold value, 288 tenders came under the purview of IP during the year 2015-2016 against which 2 complaints were received which were referred to the IEMs and deliberated.

### **h. Relationship between Directors.**

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

### **i. 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/InvestorCenter/Independent-Directors-fa-2016-03-31\\_1.pdf](https://iocl.com/InvestorCenter/Independent-Directors-fa-2016-03-31_1.pdf)

### **j. 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 administrative and office expense were 2.35% of total expense during 2015-16 as against 1.20% during the previous year.

## 10. MEANS OF COMMUNICATION

#### a. Financial Results

The quarterly unaudited financial results / audited financial results of the Company are announced within the time limits prescribed by the SEBI (LODR). The results are published in leading newspaper like Times of India, Indian Express, Economic Times and Maharashtra Times (Marathi Newspaper). The financial results are also hosted on company's website [www.iocl.com](http://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](http://www.iocl.com).

**c. Website**

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

**d. Annual Report**

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

e. Chairman's Speech at AGM

Chairman's speech is distributed to the shareholders at the Annual General Meeting. The same is also placed on the website of the Company as well as published in the newspapers for information of the shareholders residing in various parts of the country.

#### **f. Investor Service Cell**

Investor Service Cell exists at the registered office in Mumbai and the Corporate Office, New Delhi to address the grievances / queries of shareholders / debenture holders. To facilitate the investors to raise queries / grievances through electronic mode, IndianOil has created a separate e-mail ID [investors@indianoil.in](mailto:investors@indianoil.in). M/s Karvy Computershare Pvt. Ltd., Registrar & Transfer Agent, have offices across the country, wherefrom the queries / grievances of the investors are also addressed.

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

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 2015-16 alongwith the notice convening the Annual General Meeting through email to those shareholders who have registered their email id with the DP's / R&T agents and have not opted for physical copy of the Annual report.

## 11. GENERAL SHAREHOLDER INFORMATION

**(a) Annual General Meeting:**

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

**(b) Financial Calendar for 2016-17 to approve quarterly / annual financial results**

Quarter ending 30 <sup>th</sup> June 2016	On or before 14.09.2016
Quarter ending 30 <sup>th</sup> September 2016	On or before 14.12.2016
Quarter ending 31 <sup>st</sup> December 2016	On or before 14.02.2017
Quarter and year ending 31 <sup>st</sup> March 2017	On or before 30.05.2017

**(c) Book Closure Dates for Final Dividend:**

**Book Closure Dates of Final Dividend:** 07.09.2016 to 14.09.2016, inclusive of both days.

**(d) Dividend Payment Date:**

An interim dividend of ₹ 5.50/- per share (55%) for the year 2015-16 was paid in February 2016. In addition, a final dividend of ₹ 8.50 per share (85%), as recommended by the Board of Directors, if approved at the AGM, shall be paid to the eligible shareholders well before the stipulated 30 days period after the AGM as provided under the Companies Act.

**(e) Listing of securities on Stock Exchanges:**

- The equity shares issued by the Company are listed on the BSE Limited and the National Stock Exchange of India Limited. The address of the BSE Ltd. & National Stock Exchange of India Ltd. 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 2015-16.

**(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 L23201MH1959G01011388.

**(g) Stock Code at BSE : 530965**

**(h) Stock Code at NSE : IOC**

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

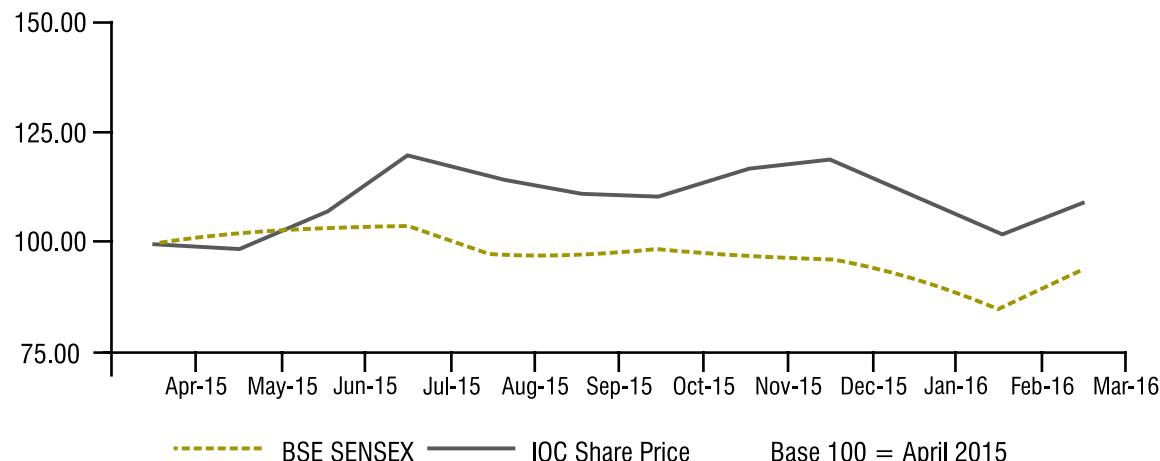
**(j) Stock Market Data:**

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2015	385.80	346.00	14,84,046	386.00	345.35	1,77,36,090
May 2015	374.80	324.05	17,33,710	374.65	323.40	1,84,64,032
June 2015	401.50	335.70	21,46,943	401.85	336.20	2,60,48,057
July 2015	465.40	385.40	46,04,199	465.90	383.00	4,70,07,208
August 2015	440.70	366.00	91,98,309	441.05	366.00	8,49,57,106
September 2015	422.00	384.45	24,46,107	422.00	384.00	5,12,83,927
October 2015	411.00	391.30	16,98,712	410.50	391.10	2,44,33,059
November 2015	427.70	387.75	31,74,302	428.25	387.00	3,43,21,112
December 2015	440.00	396.00	21,92,287	439.60	409.70	2,99,96,647
January 2016	455.00	390.80	18,28,041	456.00	390.70	2,73,10,051
February 2016	417.00	345.05	16,56,283	406.10	344.90	2,49,68,981
March 2016	408.45	370.90	18,76,165	408.60	371.00	2,61,86,367
<b>12 month High / Low</b>	<b>465.40</b>	<b>324.05</b>		<b>465.90</b>	<b>323.40</b>	

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

The relative comparison of monthly closing share price of IndianOil with monthly closing BSE SENSEX during 2015-16 is given below:

**RELATIVE MOVEMENT OF INDIANOIL SHARE CLOSING PRICE  
VIS-À-VIS BSE SENSEX DURING 2015-16**



**(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 31.03.2016. 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 - M/s Karvy Computershare Pvt. Ltd.

**(n) Distribution of shareholding as on 31<sup>st</sup> March 2016:**

SI. No.	Nominal Value of Equity Shares (₹)	No. of Shareholders (Folios)	% of Shareholders	Amount (₹)	% of Amount
1.	1 - 5000	149233	87.05	11,39,12,500	0.47
2.	5001 - 10000	6673	3.89	4,94,24,650	0.20
3.	10001 - 20000	5610	3.27	8,50,35,370	0.35
4.	20001 - 30000	3234	1.89	8,28,26,170	0.34
5.	30001 - 40000	5578	3.25	19,92,28,590	0.82
6.	40001 - 50000	293	0.17	1,32,20,850	0.05
7.	50001 - 100000	321	0.19	2,30,31,950	0.09
8.	100001 & Above	489	0.29	23,71,28,44,740	97.68
<b>Total</b>		<b>171431</b>	<b>100.00</b>	<b>24,27,95,24,820</b>	<b>100.00</b>

**(o) Categories of Shareholders as on 31<sup>st</sup> March 2016:**

SI. No.	Category	Shareholders (Folios)		Shares	
		No.	%	No.	%
1.	President of India	1	0.00	1,42,21,50,047	58.57
2.	Governor of Gujarat	1	0.00	27,00,000	0.11
3.	Government Company (ONGC)	1	0.00	33,43,03,814	13.77
4.	Government Company (Oil India)	1	0.00	12,13,97,624	5.00
5.	Corporate Bodies	1,456	0.85	2,83,72,625	1.17
6.	FII's/NRI	2,499	1.46	10,29,12,066	4.24
7.	Banks / Indian Financial Institutions	52	0.03	1,28,81,031	0.53
8.	Mutual Funds	133	0.08	3,98,73,205	1.64
9.	Insurance Companies	9	0.01	24,66,10,830	10.16
10.	Public	1,67,023	97.43	5,66,80,295	2.33
11.	Trusts	52	0.03	5,93,39,144	2.44
12.	Others	203	0.11	7,31,801	0.04
<b>Total</b>		<b>171431</b>	<b>100.00</b>	<b>2,42,79,52,482</b>	<b>100.00</b>

(p) Top 10 shareholders as on 31<sup>st</sup> March 2016:

Sl. No.	Name	No. of Shares	% to Equity
1.	President of India	142,21,50,047	58.57%
2.	Oil & Natural Gas Corporation Limited	33,43,03,814	13.77%
3.	Life Insurance Corporation of India	23,49,56,225	9.68%
4.	Oil India Limited	12,13,97,624	5.00%
5.	IOC Shares Trust	5,82,79,614	2.40%
6.	Government Pension Fund Global	1,08,48,394	0.45%
7.	Life Insurance Corporation of India P & G S Fund	1,03,65,914	0.43%
8.	Vanguard Emerging Markets Stock Index Fund A Series	87,15,527	0.36%
9.	CPSE ETF	61,84,214	0.25%
10.	General Insurance Corporation of India	60,30,158	0.25%

## (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 31<sup>st</sup> March 2016 is as under:

Type of Shareholding	Shareholders (Folios)		Shareholding	
	No.	%	No.	%
Physical	7,671	4.47	1,11,61,876	0.46
Demat	1,63,760	95.53	241,67,90,606	99.54
<b>TOTAL</b>	<b>1,71,431</b>	<b>100.00</b>	<b>242,79,52,482</b>	<b>100.00</b>

## (r) Corporate Action:

## i) Dividend payment history since 2000-01

Financial Year	Rate (%)	Remarks
2000-01	95 %	-
2001-02	110 %	-
2002-03	210 %	Includes interim of 50%
2003-04	210 %	Includes interim of 50%
2004-05	145 %	Includes interim of 45%
2005-06	125 %	-
2006-07	190 %	Includes interim of 60%
2007-08	55 %	-
2008-09	75 %	-
2009-10	130 %	-
2010-11	95 %	-
2011-12	50 %	-
2012-13	62 %	-
2013-14	87 %	-
2014-15	66 %	-

## ii) Bonus issue since listing of the shares:

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

**(s) Unpaid Dividend:**

Section 205 of the Companies Act, 1956 provides that any dividend that has remained unpaid / unclaimed for a period of seven years be transferred to the Investor Education and Protection Fund (IEPF) 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. Shareholders are also informed that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

The summarized details of dividend declared by IndianOil which remains unpaid as on 31.03.2016 are given below:

Year	Unpaid Dividend Amount (₹)
2008-09 to 2015-16 (Interim)	12,31,33,788.50

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

The Ministry of Corporate Affairs (MCA) had notified the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 in May 2012 by virtue of which every company is required to file information of all unclaimed and unpaid amount, as referred to under section 205C(2) of the Companies Act, 1956 within 90 days after holding of the AGM, in prescribed form 5 INV. Thereafter, a detailed investor-wise information is required to be uploaded on the IEPF website as well as the website of the company.

In line with the said rules, IndianOil has filed the information for the financial year 2014-15 in the prescribed form / format with the MCA / IEPF website and also hosted it on IndianOil's website [www.iocl.com](http://www.iocl.com).

**(t) Outstanding GDR's / ADR's / Warrants or any convertible instruments::**

The Company has not issued any GDR's / ADR's / Warrants or any Convertible instruments.

**(u) Plant locations:**

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

**(v) Address for Correspondence:**

Company Secretary  
 Indian Oil Corporation Limited  
 IndianOil Bhavan  
 G-9, Ali Yavar Jung Marg  
 Bandra (East)  
 Mumbai - 400051  
 Tel. No. : (022) 26447616 / 26447528  
 Fax : (022) 26447961  
 E-mail ID : [investors@indianoil.in](mailto: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, 2016, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges in India for the period 1<sup>st</sup> April 2015 to 30<sup>th</sup> November 2015 and as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period 1<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016 and the guidelines on Corporate Governance for Central Public Sector Enterprises, as enunciated by the Department of Public Enterprises (DPE).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement, 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 9.e of Report on Corporate Governance);
- b. The Company has not complied with the conditions with regard to appointment of woman director from 29.10.2015 (Refer item 9.e. of Report on Corporate Governance);
- c. Due to vacancies caused upon retirement of Independent Directors, the Audit Committee did not comprise of Independent Directors for part of the year (Refer item 3 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. 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. G SANKAR)**  
Partner  
M. No. 046050

**For C K PRUSTY & ASSOCIATES**  
Chartered Accountants  
(Firm Regn. No. 323220E)

Sd/-  
**(CA. C K PRUSTY)**  
Partner  
M. No. 057318

Place : Mumbai  
Date : 7<sup>th</sup> July 2016

*Standalone  
Financial Statements  
2015-16*



**Indian Oil Corporation Limited**

## INDEPENDENT AUDITORS' REPORT

To

The Members of Indian Oil Corporation Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Indian Oil Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, the Statement of Profit and Loss, the Cash Flow Statement 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 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgements 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 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cash flow for the year ended on that date.

### Other Matters

- a) We did not audit the financial statements/information of 4 branches included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of ₹ 44,201.59 crores as at 31<sup>st</sup> March, 2016 and total revenues of ₹ 2,04,924.52 crores 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 financial statements include the Company's proportionate share (relating to Jointly controlled operations) in assets ₹ 475.23 crores, liabilities ₹ 39.40 crores, income of ₹ 0.09 crore and expenditure ₹ 152.81 crores 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 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 and sub-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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
- (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (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 5<sup>th</sup> 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 financial statements - Refer Note 28 to the financial statements;
  - ii. The Company has made provision, 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 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, 1956 (1 of 1956) and Rules made there under by the Company.

**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 C K 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. G. SANKAR)**  
 Partner  
 M. No. 046050

Sd/-  
**(CA. CHANDRAKANTA PRUSTY)**  
 Partner  
 M. No. 057318

Place : New Delhi

Date : 27<sup>th</sup> May 2016

## ANNEXURE 1 TO THE AUDITORS' REPORT

Annexure referred to in our report of even date to the members of Indian Oil Corporation Limited on the accounts for the year ended 31<sup>st</sup> March 2016

- (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 18,61,775 square meters having cost of ₹ 68.25 crore and Freehold land of 12,05,098 square meters having cost of ₹ 376.11 crores and buildings having cost of ₹ 25.67 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. However, we have been informed that the company has complied with the provisions of section 186, where applicable. 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 31<sup>st</sup> March 2016 for a period of more than six months from the date they became payable.
- (b) The disputed statutory dues aggregating to ₹ 24,346.04 crore that have not been deposited on account of matters pending before appropriate authorities, details of which 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 ₹ 1.33 crore in contract works. We are further informed that the Company has obtained services in part, the balance is recovered in full and there is no financial loss to the company and systemic improvements are being made.
- (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 5<sup>th</sup> 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 Financial Statements, as required by the applicable 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. G. SANKAR)**  
Partner  
M. No. 046050

**For C K PRUSTY & ASSOCIATES**  
Chartered Accountants  
(Firm Regn. No. 323220E)

Sd/-  
**(CA. CHANDRAKANTA PRUSTY)**  
Partner  
M. No. 057318

Place : New Delhi  
Date : 27<sup>th</sup> May 2016

## ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT

Directions and sub 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 2015-16:

Sl.No.	Directions / Sub-Directions	Action Taken	Impact on financial statement								
<b>A. Directions</b>											
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 30,66,873 square meter land (Freehold Land 12,05,098 square meters and Leasehold Land 18,61,775 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> <thead> <tr> <th>Particulars</th> <th>₹ in crore</th> </tr> </thead> <tbody> <tr> <td>Write off of Doubtful Debts</td> <td>38.14</td> </tr> <tr> <td>Waiver of penalty and interest etc.</td> <td>2.84</td> </tr> <tr> <td>Total</td> <td>40.98</td> </tr> </tbody> </table>	Particulars	₹ in crore	Write off of Doubtful Debts	38.14	Waiver of penalty and interest etc.	2.84	Total	40.98	NIL
Particulars	₹ in crore										
Write off of Doubtful Debts	38.14										
Waiver of penalty and interest etc.	2.84										
Total	40.98										
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								
<b>B. Sub - Directions:</b>											
1.	Whether valuation of noble metals in the spent catalyst stock has been done based on the possibility of recovery as well as recoverable quantity as per best possible estimates? Further, the processing and purification charges required to be incurred in the recovery process have been adjusted against the value of noble metals, may be verified.	Recoverable noble metals in spent catalysts have been estimated and taken on the basis of technical evaluation.  Noble metal content in spent catalyst is valued at Historical cost. The same is compared with net realizable value (NRV) computed after adjustment of purification, processing and other charges required to extract the noble metal.  Specific provision for likely diminution in the value of spent catalyst is created in the books of account as per accounting policy of the company.	NIL								
2.	Independent verification may be made of information/inputs furnished to Actuary, viz number of employees, average salary, retirement age and assumptions made by the Actuary regarding discount rate, future cost increase, mortality rate, etc for arriving at the provision for liability of retirement benefits, viz gratuity, leave encashment, post-retirement medical benefits etc.	The information/ inputs furnished to the actuary for valuation of the liability of Retirement Benefits viz number of employees, average salary, retirement age etc. have been verified.  The assumptions made by the actuary for valuation of the liability of Retirement Benefits i.e. discount rate, mortality rate, future cost increase etc. are consistent over the period. The actuary has also confirmed in its report that the liability of Retirement Benefits has been valued as per provisions of Accounting Standard (AS-15).	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  
 (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 C K PRUSTY & ASSOCIATES**  
 Chartered Accountants  
 (Firm Regn. No. 323220E)  
 Sd/-  
**(CA. CHANDRAKANTA PRUSTY)**  
 Partner  
 M. No. 057318

Place : New Delhi  
 Date : 27<sup>th</sup> May 2016

## ANNEXURE 3 TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF INDIAN OIL CORPORATION LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

### **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 March 31, 2016 in conjunction with our audit of the standalone 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.

**For J GUPTA & CO.**  
Chartered Accountants  
(Firm Regn. No. 314010E)  
  
Sd/-  
**(CA. NANCY MURARKA)**  
Partner  
M. No. 067953

Place : New Delhi  
Date : 27<sup>th</sup> May 2016

**For S K MEHTA & CO.**  
Chartered Accountants  
(Firm Regn. No.000478N)  
  
Sd/-  
**(CA. ROHIT MEHTA)**  
Partner  
M. No. 091382

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 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 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, 2016, 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 V SANKAR AIYAR & CO.**  
Chartered Accountants  
(Firm Regn. No.109208W)  
  
Sd/-  
**(CA. G. SANKAR)**  
Partner  
M. No. 046050

**For C K PRUSTY & ASSOCIATES**  
Chartered Accountants  
(Firm Regn. No. 323220E)  
  
Sd/-  
**(CA. CHANDRAKANTA PRUSTY)**  
Partner  
M. No. 057318

**APPENDIX-A**
**REPORTING AS PER COMPANIES (AUDITOR'S REPORT)  
ORDER 2016 (DISPUTED STATUTORY DUES)**

SL. NO.	NAME OF THE STATUTE/ NATURE OF DUES	FORUM WHERE DISPUTE IS PENDING	AMOUNT (net of deposits) (₹ Crore)	PERIOD TO WHICH THE AMOUNT RELATES (FINANCIAL YEARS)
1	<b>Central Excise Act,1944</b> <b>Central Excise</b>	High Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) <b>Total</b>	19.83 2,225.95 40.46 91.59 <b>2,377.83</b>	2002 to 2016 1980 to 2016 2000 to 2016 1993 to 2016
2	<b>Customs Act, 1962</b> <b>Customs Duty</b>	Supreme Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) <b>Total</b>	6.98 0.06 51.02 0.12 <b>58.18</b>	1998 to 2001 1980 to 2016 2010 to 2012 2011 to 2012
3	<b>Sales tax/VAT legislations</b> <b>Sales tax/VAT/ Turnover Tax</b>	Supreme Court High Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) <b>Total</b>	35.31 1,039.94 3,403.09 884.06 2,910.64 <b>8,273.04</b>	1999 to 2012 1978 to 2016 1984 to 2016 1990 to 2011 1991 to 2016
4	<b>Income Tax Act, 1961</b> <b>Income Tax</b>	Tribunal Appellate Authority (Below Tribunal) <b>Total</b>	3.67 2,422.32 <b>2,425.99</b>	2010 to 2016 2006 to 2016
5	<b>Finance Act, 1994</b> <b>Service Tax</b>	Tribunal Revisionary Authority Appellate Authority (Below Tribunal) <b>Total</b>	30.83 0.59 8.19 <b>39.61</b>	2003 to 2016 2015-16 2009 to 2016
6	<b>State Legislations</b> <b>Entry Tax</b>	Supreme Court High Court Tribunal Appellate Authority (Below Tribunal) <b>Total</b>	8,365.97 2,695.12 62.85 3.73 <b>11,127.67</b>	1991 to 2012 2003 to 2016 1998 to 2012 2005 to 2016
7	<b>Other Central/State Legislations</b> <b>Others commercial Tax etc.</b>	Supreme Court High Court Tribunal Appellate Authority (Below Tribunal) <b>Total</b>	8.41 23.76 1.16 10.39 <b>43.72</b>	2004 to 2011 1989 to 2009 1999 to 2011 2008 to 2016
<b>GRAND TOTAL</b>			<b>24,346.04</b>	

Note: Dues include penalty and interest, wherever applicable.

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2016**

Particulars	Note No.	March-16	(₹ in Crore) March-15
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds:</b>			
(a) Share Capital	2	<b>2,427.95</b>	2,427.95
(b) Reserves and Surplus	3	<b>71,520.78</b>	<u>65,542.02</u>
			<b>73,948.73</b>
			67,969.97
<b>Non-current liabilities</b>			
(a) Long-term borrowings	4	<b>24,943.24</b>	32,731.26
(b) Deferred tax liabilities (Net)	5	<b>9,468.24</b>	6,720.21
(c) Other Long-term Liabilities	6	<b>17,655.36</b>	15,216.39
(d) Long-term provisions	7	<b>2,382.96</b>	<u>2,255.38</u>
			<b>54,449.80</b>
			56,923.24
<b>Current liabilities</b>			
(a) Short-term borrowings	8	<b>17,542.70</b>	16,979.31
(b) Trade payables	9		
(A) total outstanding dues to micro and small enterprises		<b>24.31</b>	14.33
(B) total outstanding dues to creditors other than micro and small enterprises		<b>22,387.84</b>	29,185.44
(c) Other current Liabilities	6	<b>28,873.00</b>	23,310.77
(d) Short-term provisions	7	<b>29,380.80</b>	<u>25,466.41</u>
			<b>98,208.65</b>
			<b>2,26,607.18</b>
			<u>2,19,849.47</u>
<b>TOTAL</b>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible assets	10	<b>90,227.86</b>	65,624.77
(ii) Intangible assets	11	<b>667.68</b>	626.70
(iii) Capital work-in-progress	12	<b>20,321.22</b>	35,564.09
(iv) Intangible assets under development	13	<b>700.96</b>	<u>759.41</u>
			<b>111,917.72</b>
			1,02,574.97
(b) Non-current investments	14	<b>16,964.26</b>	16,628.58
(c) Long-term loans and advances	15	<b>8,303.53</b>	7,740.89
(d) Other non-current assets	16	<b>71.93</b>	<u>94.56</u>
			<b>1,37,257.44</b>
			1,27,039.00

Contd...

(₹ in Crore)

Particulars	Note No.	March-16	March-15
<b>Current assets</b>			
(a) Current investments	14	<b>7,011.05</b>	7,270.91
(b) Inventories	17	<b>38,282.40</b>	45,543.85
(c) Trade receivables	18	<b>8,026.44</b>	6,758.17
(d) Cash and Bank Balances	19	<b>512.94</b>	115.62
(e) Short-term loans and advances	15	<b>31,159.23</b>	28,327.42
(f) Other current assets	16	<b>4,357.68</b>	4,794.50
		<hr/> <b>89,349.74</b>	<hr/> 92,810.47
<b>TOTAL</b>		<hr/> <b>2,26,607.18</b>	<hr/> 2,19,849.47

Significant Accounting Policies 1

Notes on Financial Statements 2 - 48

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. G. SANKAR)**  
 Partner  
 M. No. 046050

**For C K PRUSTY & ASSOCIATES**  
 Chartered Accountants  
 (Firm Regn. No. 323220E)

Sd/-  
**(CA. CHANDRAKANTA PRUSTY)**  
 Partner  
 M. No. 057318

Place : New Delhi  
 Date : 27<sup>th</sup> May 2016

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2016**

Particulars	Note No.	March-16	(₹ in Crore)
		March-16	March-15
<b>I. Revenue from operations (Gross)</b>	20	<b>4,07,296.02</b>	4,67,932.00
Less: Excise Duty		<b>56,692.93</b>	30,407.77
<b>Revenue from operations (Net)</b>		<b>3,50,603.09</b>	4,37,524.23
<b>II. Other Income</b>	21	<b>2,246.32</b>	4,145.95
<b>III. Total Revenue (I+II)</b>		<b>3,52,849.41</b>	<b>4,41,670.18</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	22	<b>1,42,265.03</b>	2,05,312.29
Purchase of Stock-in-Trade [Net of Duty Draw Back ₹ <b>3.64 crore</b> (2015: ₹ 1.68 crore)]		<b>1,43,628.80</b>	1,77,533.90
Changes in Inventories (Finished Goods, Work-in Progress and Stock-in-trade) 23		<b>3,607.24</b>	8,216.07
Employee benefits expenses	24	<b>7,637.09</b>	7,104.78
Finance cost	25	<b>3,000.10</b>	3,435.27
Depreciation and Amortization on:			
a) Tangible Assets		<b>4,720.75</b>	4,391.44
b) Intangible Assets		<b>132.04</b>	137.22
		<b>4,852.79</b>	4,528.66
Other Expenses	26	<b>33,406.09</b>	29,204.45
<b>Total Expenses</b>		<b>3,38,397.14</b>	<b>4,35,335.42</b>
<b>V. Profit before Prior Periods, Exceptional Items and Tax (III-IV)</b>		<b>14,452.27</b>	6,334.76
VI. Income / (Expenses) pertaining to Prior Periods (Net)	27	<b>22.98</b>	(7.56)
<b>VII. Profit before Exceptional Items and Tax (V+VI)</b>		<b>14,475.25</b>	<b>6,327.20</b>
VIII. Exceptional Items (Refer point 3 of Note - 48)		<b>1,364.25</b>	1,668.09
<b>IX. Profit before Tax (VII+VIII)</b>		<b>15,839.50</b>	<b>7,995.29</b>

Contd...

Particulars	Note No.	March-16	(₹ in Crore) March-15
X. Tax Expense:			
Current Tax [includes ₹ 132.87 crore (2015 : ₹ (142.86) crore) relating to prior years]		<b>3,747.89</b>	1,262.98
MAT Credit Entitlement [includes ₹ (249.84) crore (2015: ₹ Nil crore) relating to prior years]		<b>(1,092.23)</b>	(138.11)
Deferred Tax		<b>2,784.81</b>	1,597.39
<b>XI. Profit for the year (IX-X)</b>		<b>10,399.03</b>	<b>5,273.03</b>
<b>Earning per Equity Share (₹):</b>	33		
(1) Basic		<b>42.83</b>	21.72
(2) Diluted		<b>42.83</b>	21.72
Face Value Per Equity Share (₹)		<b>10</b>	10
Significant Accounting Policies	1		
Notes on Financial Statements	2 - 48		

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. G. SANKAR)**  
 Partner  
 M. No. 046050

**For C K PRUSTY & ASSOCIATES**  
 Chartered Accountants  
 (Firm Regn. No. 323220E)

Sd/-  
**(CA. CHANDRAKANTA PRUSTY)**  
 Partner  
 M. No. 057318

Place : New Delhi  
 Date : 27<sup>th</sup> May 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2016**

(₹ in Crore)

Particulars	March-16	March-15
<b>A Cash Flow from Operating Activities</b>		
1 Profit Before Tax	<b>15,839.50</b>	7,995.29
2 Adjustments for :		
Depreciation and Amortisation	4,799.52	4,500.07
Loss/(Profit) on sale of Assets (net)	61.64	(32.54)
Loss/(Profit) on sale of Investments (net)	7.26	(24.98)
Amortisation of Capital Grants	(18.14)	(3.19)
Amortisation of Premium on Forward Contracts	56.82	(669.70)
Provision for Probable Contingencies (net)	596.37	453.20
Provision for Loss on Investments (net)	881.58	(521.47)
Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores (net)	(16.25)	3.70
Provision for Dimunition in 'Receivable from trust' (net)	-	(348.34)
Provision for MTM Loss/(Gain) on Interest Rate Swap (IRS)	(42.72)	(47.75)
Foreign Currency Monetary Item Translation	302.21	(0.72)
Difference Account		
Interest Income on Investments	(923.45)	(964.35)
Dividend Income on Investments	(635.37)	(849.97)
Interest Expenditure	<b>2,999.83</b>	<b>3,435.20</b>
	<b>8,069.30</b>	4,929.16
3 Operating Profit before Working Capital	<b>23,908.80</b>	12,924.45
Changes (1+2)		
4 Change in Working Capital:		
(Excluding Cash & Bank Balances)		
Trade & Other Receivables	(3,934.67)	16,632.14
Inventories	7,255.26	19,136.80
Trade and Other Payables	(861.78)	(1,914.32)
Change in Working Capital	<b>2,458.81</b>	<b>33,854.62</b>
	<b>2,458.81</b>	33,854.62
5 Cash Generated From Operations (3+4)	<b>26,367.61</b>	46,779.07
6 Less : Taxes paid	<b>3,079.91</b>	2,249.67
7 Net Cash Flow from Operating Activities (5-6)	<b>23,287.70</b>	44,529.40
<b>B Cash Flow from Investing Activities:</b>		
Sale/Transfer of Assets	176.03	469.26
Sale / Maturity of Investments	714.37	553.13
Interest Income on Investments	927.60	985.84
Dividend Income on Investments	635.37	849.97
Purchase of Assets	(3,390.09)	(3,162.40)
Investments in Subsidiaries	(1,047.36)	(79.25)

Contd...

(₹ in Crore)

Particulars	March-16	March-15
Investments in Long Term Investments / Others	(643.07)	(207.00)
Expenditure on Construction Work in Progress	<u>(9,399.93)</u>	<u>(8,057.82)</u>
Net Cash Generated/(Used) in Investing Activities:	<u>(12,027.08)</u>	<u>(8,648.27)</u>
<b>C Net Cash Flow From Financing Activities:</b>		
Proceeds from Long-Term Borrowings	3,518.83	5,855.87
Repayments of Long-Term Borrowings	(7,479.74)	(5,307.37)
Proceeds from/(Repayments of) Short-Term Borrowings	562.99	(31,978.89)
Interest paid	(3,945.18)	(4,472.80)
Dividend/Dividend Tax paid	<u>(3,520.20)</u>	<u>(2,470.85)</u>
Net Cash Generated/(Used) from Financing Activities:	<u>(10,863.30)</u>	<u>(38,374.04)</u>
<b>D Net Change in Cash &amp; Bank Balances (A+B+C)</b>	<u><b>397.32</b></u>	<u><b>(2,492.91)</b></u>
<b>E - 1 Cash &amp; Bank Balances as at end of the year</b>	<b>512.94</b>	115.62
Less:		
<b>E - 2 Cash &amp; Bank Balances as at the beginning of year</b>	<b>115.62</b>	2,608.53
<b>NET CHANGE IN CASH &amp; BANK BALANCES (E 1-2)</b>	<b><u>397.32</u></b>	<b><u>(2,492.91)</u></b>

**Notes:**

1. Cash & Bank Balances as at end of the year **512.94** 115.62
- Less: Other Bank Balances **251.02** 14.12
- Cash and Cash Equivalents** **261.92** **101.50**
2. Cash and Bank balance includes ₹ **251.13 crore** (2015: ₹ 14.13 crore) which are not readily available for use (refer Note-19).
3. Cash Flow Statement is prepared using Indirect Method as per Accounting Standard-3: Cash Flow Statement.
4. 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 C K 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. G. SANKAR)**  
 Partner  
 M. No. 046050

Sd/-  
**(CA. CHANDRAKANTA PRUSTY)**  
 Partner  
 M. No. 057318

Place : New Delhi

 Date : 27<sup>th</sup> May 2016

## NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES

### 1. BASIS OF PREPARATION

- 1.1 The financial statements are prepared under historical cost convention on accrual basis of accounting in accordance with the mandatory accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 1.2 The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities as at the date of the financial statements and revenue and expenses during the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from assumptions and estimates.

### 2. FIXED ASSETS

#### 2.1 Tangible Assets

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

#### 2.2 Construction Period Expenses on Projects

- 2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are 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

- 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 a period of ten years or life of the underlying plant/ facility, whichever is earlier.
- 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 purchased/developed resulting in future economic benefits, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalised. However, where such computer software is still in development stage, costs incurred during the

development stage of such software are accounted as "Intangible Assets Under Development".

- 2.4.4 Cost of Right of Way for laying pipelines is capitalised and amortised on a straight line basis over the period of such Right of Way or 99 years whichever is less

#### 2.5 Depreciation/Amortization

- 2.5.1 Cost of leasehold land for 99 years or less is amortized over the lease period.
- 2.5.2 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 where useful life is considered based on technical assessment:

- a) Useful life of 15 years for Plant and Equipment relating to Retail Outlets (other than storage tanks and related equipments) and LPG cylinders & pressure regulators
- b) Useful life of 25 years for solar power plant

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 considered between 1% to 5% of cost of assets. Further, in case of catalyst with noble metal content, residual value is considered based on the value 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.

- 2.5.3 Assets, other than LPG Cylinders and Pressure Regulators, costing upto ₹ 5,000/- per item are depreciated fully in the year of capitalization. Insurance spares are depreciated up to 100% over the remaining life of the main asset. Further, components like catalyst without noble metal content and major overhaul/ inspection are also depreciated fully over their respective useful life.

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

### 3. LEASES (other than Land Leases)

#### 3.1 Operating Leases:

Lease rentals are recognized as expense or income 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 or given on lease.

#### 3.2 Finance leases as lessee:

The lower of the fair value of the assets and present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Statement of Profit and Loss as Finance Cost.

- 3.3 Depreciation on the assets taken on finance lease is charged in the same manner as applicable to similar type of owned fixed assets. If the leased assets are returnable to the lessor on the expiry of the

- lease period, full cost is depreciated over its useful life or lease period, whichever is less.
- 3.4 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.
- 4. Impairment of Assets**
- As at each balance sheet date, the carrying amount of cash generating units / assets is tested for impairment so as to determine:
- (a) the provision for impairment loss, if any, required; or
  - (b) the reversal, if any, required of impairment loss recognized in previous periods.
- Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.
- 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 TRANSLATION**
- 6.1 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.
- 6.2 Monetary items denominated in foreign currencies (such as cash, receivables, payables etc) outstanding at the end of reporting period, are translated at exchange rates prevailing as at the end of reporting period.
- 6.3 Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc.) are stated at the exchange rate prevailing on the date of the transaction.
- 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 monetary items.  
 (b) Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets in line with Para 46A of Accounting Standard -11. 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 monetary item by recognition as income or expense in each of such periods.
- 6.4.2 Premium/discount arising at the inception of the forward contracts entered into to hedge foreign currency risks are amortized as expense/income over the life of the contract. Outstanding forward contracts as at the reporting date are restated at the exchange rate prevailing on that date.
- 7. INVESTMENTS**
- 7.1 Long term investments are valued at cost and provision for diminution in value, thereof is made, wherever such diminution is other than temporary.
- 7.2 Current investments are valued at lower of cost or fair market value.
- 8. INVENTORIES**
- 8.1 Raw Materials & Stock-in-Process**
- 8.1.1 Raw materials including crude oil are valued at cost determined on weighted average basis or net realizable value, whichever is lower.
- 8.1.2 Stock in Process is valued at raw material cost plus conversion costs as applicable or net realizable value, whichever is lower.
- 8.1.3 Crude oil in Transit is valued at cost or net realizable value, whichever is lower.
- 8.2 Finished Products and Stock-in-Trade**
- 8.2.1 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.
- 8.2.2 Lubricants are valued at cost on weighted average basis or net realizable value, whichever is lower.
- 8.2.3 Imported products in transit are valued at cost or net realisable value whichever is lower.
- 8.3 Stores and Spares**
- 8.3.1 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, CERs rights and own products) towards likely diminution in the value.
- 8.3.2 Stores & Spares in transit are valued at cost.
- 8.3.3 Certified Emission Reductions (CERs) rights are valued at cost or net realizable value, whichever is lower.
- 9. TRADE RECEIVABLES**
- In addition to the specific provision made, an Adhoc provision @ 1% is also made in respect of Trade Receivables, other than those relating to Oil Marketing companies, Subsidiary & Joint Venture companies, Export Customers, DGS&D group of customers (i.e. DGS&D, Railway, Army, Air Force and Defence) and Retail Outlets enjoying temporary credit, to recognize the element of uncertainty.
- 10. CONTINGENT LIABILITIES & CAPITAL COMMITMENTS**
- 10.1 Contingent Liabilities**
- 10.1.1 Show-cause Notices issued by various Government Authorities are not considered as Obligation.
- 10.1.2 When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.
- 10.1.3 The treatment in respect of disputed obligations, in each case above ₹ 5 lakh, are as under:
- a) a provision is recognized in respect of present obligations where the outflow of resources is probable;
  - b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

**10.2 Capital Commitments**

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

**11. REVENUErecognition**

- 11.1 Revenue from sale of goods is recognized when sufficient risks and rewards are transferred to customers, which is generally on dispatch of goods.
- 11.2 Dividend income is recognized when the company's right to receive dividend is established.
- 11.3 Claims (including interest on outstanding) are recognized at cost when there is reasonable certainty regarding its ultimate collection.
- 11.4 Income and expenditure upto Rupees five lakhs in each case pertaining to previous years are accounted for in the current year.
- 11.5 Pre-paid expenses upto Rupees five lakhs in each case are charged to Statement of Profit & Loss in the year in which it is incurred.

**12. EXCISE DUTY**

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

**13. TAXES ON INCOME**

- 13.1 Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income tax Act, 1961.
- 13.2 The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date.
- 13.3 Deferred tax assets arising on account of unabsorbed losses/ unabsorbed depreciation are recognized only if there is virtual certainty that sufficient taxable income will be available to recover such deferred tax asset supported by convincing evidence. Other Deferred tax assets are recognized if it is reasonably certain, that there will be sufficient future income to recover such deferred tax asset.

**14. EMPLOYEES BENEFITS****14.1 Short Term Benefits:**

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

**14.2 Post-Employment Benefits and Other Long Term Employee Benefits:**

- a) The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the Company and charged to Statement of Profit and Loss.
- b) The Company operates defined benefit plans for Gratuity and Post Retirement Medical Benefits. The cost of providing such

defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year and are administered through respective Trusts.

- c) Obligations on Compensated Absences, Resettlement, Long Service Awards and Ex-gratia are provided using the projected unit credit method of actuarial valuation made at the end of the year.
- d) The Company operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.
- e) Actuarial gains/losses are charged to Statement of Profit and Loss.

**14.3 Termination Benefits:**

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

**15. GRANTS****15.1 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.

**15.2 Revenue Grants**

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

**16. OIL & GAS EXPLORATION ACTIVITIES**

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

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

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

- 16.3 The Company's proportionate share in the assets, liabilities, income and expenditure of jointly controlled operations are accounted as per the participating interest in such jointly controlled operations.

**17. COMMODITY HEDGING**

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

## NOTE - 2: SHARE CAPITAL

Particulars	₹ in Crore)	
	March-16	March-15
<b>Authorised:</b> 6,000,000,000 Equity Shares of ₹ 10 each	<u><u>6,000.00</u></u>	<u><u>6,000.00</u></u>
<b>Issued, Subscribed and Paid Up:</b> 2,427,952,482 (2015 : 2,427,952,482) Equity Shares of ₹ 10 each fully paid up	<u><u>2,427.95</u></u>	2,427.95
<b>TOTAL</b>	<u><u>2,427.95</u></u>	<u><u>2,427.95</u></u>
<b>A. Reconciliation of No. of Equity Shares</b>		
Opening Balance	<b>2,427,952,482</b>	2,427,952,482
Shares Issued	-	-
Shares bought back	-	-
Closing Balance	<b><u><u>2,427,952,482</u></u></b>	<u><u>2,427,952,482</u></u>
<b>B. Terms/Rights attached to equity shares</b>		
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.		
<b>C. Details of shareholders holdings more than 5% shares</b>		
Name of Shareholder	March-16	March-15
	Number of shares held	Percentage of Holding
PRESIDENT OF INDIA	1,422,150,047	58.57
OIL AND NATURAL GAS CORPORATION LIMITED	334,303,814	13.77
LIFE INSURANCE CORPORATION OF INDIA	234,956,225	9.68

During the year 2015-16, President of India disinvested 242,795,248 shares of the company under "Offer for Sale through Stock Exchange mechanism" and transferred 20,267 shares to Central Public Sector Enterprises Exchange Traded Fund towards issuance of loyalty units as per the terms of the disinvestment to the CPSE ETF in March 2014.

### D. For the period of preceding five years as on the Balance Sheet date, the:

- (a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash Nil
- (b) Aggregate number of shares allotted as fully paid up by way of bonus shares Nil
- (c) Aggregate number and class of shares bought back Nil

# 57<sup>th</sup> Annual Report 2015-16

## NOTE - 3: RESERVES AND SURPLUS

(₹ in Crore)

Particulars		March-16	March-15
<b>Capital Reserve :</b>			
As per last Account		<b>183.08</b>	183.08
<b>General Reserve :</b>			
As per last Account	A	<b>62,646.39</b>	59,130.32
Less: Adjustment of Depreciation (Companies Act, 2013)		<b>69.49</b>	948.76
Add : Transfer from Capital Grant		-	2.82
Add : Transfer from Bond Redemption Reserve		<b>456.65</b>	1,829.65
Add: Appropriation from Surplus		<b>5,597.85</b>	2,632.36
		<b>68,631.40</b>	62,646.39
<b>Insurance Reserve :</b>	B		
As per last Account		<b>163.48</b>	144.10
Less : Recoupment of uninsured fire loss		-	0.62
Add: Appropriation from Surplus		<b>20.00</b>	20.00
		<b>183.48</b>	163.48
<b>Export Profit Reserve</b>	C		
<b>Capital Grants:</b>	D		
As per last Account		<b>18.67</b>	23.34
Add: Received/ (Written Back) during the year		<b>63.51</b>	1.34
Less: Transfer to General Reserve		-	2.82
Less: Amortized during the year		<b>18.14</b>	3.19
		<b>64.04</b>	18.67
<b>Bond Redemption Reserve :</b>			
As per last Account		<b>2,559.19</b>	3,695.38
Add: Appropriation from Surplus		<b>717.58</b>	693.46
Less: Transfer to General Reserve		<b>456.65</b>	1,829.65
		<b>2,820.12</b>	2,559.19
<b>Corporate Social Responsibility Reserve:</b>	E		
As per Last Account		<b>19.61</b>	20.45
Add: Appropriation from Surplus		<b>141.50</b>	112.95
Less: Utilized during the year		<b>156.68</b>	113.79
		<b>4.43</b>	19.61
<b>Surplus (Balance in Statement of Profit and Loss):</b>			
Balance Brought Forward from Last Year's Account		-	-
Profit for the Year		<b>10,399.03</b>	5,273.03
<b>Less: Appropriations</b>			
Interim Dividend		<b>1,335.37</b>	-
Final Dividend (Proposed)		<b>2,063.76</b>	1,602.45
Corporate Dividend Tax on:			
Interim Dividend		<b>266.61</b>	-
Final Dividend (Proposed)		<b>413.04</b>	326.22
Insurance Reserve (Net)		<b>20.00</b>	19.38
Bond Redemption Reserve		<b>717.58</b>	693.46
Corporate Social Responsibility Reserve (Net)	E	<b>(15.18)</b>	(0.84)
General Reserve		<b>5,597.85</b>	2,632.36
Balance carried forward to next year		-	-
<b>Foreign Currency Monetary Item Translation Difference Account</b>			
As per Last Account		<b>(102.12)</b>	313.74
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items		<b>(619.58)</b>	(415.14)
Less: Amortized during the year		<b>(302.21)</b>	0.72
		<b>(419.49)</b>	(102.12)
	<b>TOTAL</b>	<b>71,520.78</b>	<b>65,542.02</b>

- A. Refer Point 4 of Note - 48.
- B. Reserve is created to mitigate risk of loss of assets not insured with external insurance agencies.
- C. Amount set aside out of profits from exports for availing income tax benefits.
- D. Grants received in respect of capital assets from various agencies.
- E. Reserve is created for meeting expenses relating to CSR activities in line with CSR policy of the Company. During the year, an amount of ₹ 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 ₹ 156.68 crore has been spent during the year. Also refer Note-47.

## NOTE - 4: LONG TERM BORROWINGS

(₹ in Crore)

Particulars		Long Term		Current Maturities*		
		March-16	March-15	March-16	March-15	
<b>SECURED LOANS</b>						
<b>Bonds:</b>						
Non-Convertible Redeemable Bonds-Series-VIII B	A	<b>1,070.00</b>	1,070.00	-	-	
Non-Convertible Redeemable Bonds-Series-IX	B&G	-	1,600.00	<b>1,600.00</b>	-	
Non-Convertible Redeemable Bonds-Series-XIII	C&G	-	405.00	<b>405.00</b>	-	
Non-Convertible Redeemable Bonds-Series-VII B	D&G	-	-	-	500.00	
Non-Convertible Redeemable Bonds-Series-XII	E&G	-	-	-	1,295.00	
Non-Convertible Redeemable Bonds-Series-V	F&G	<u>—</u>	31.60	<b>31.60</b>	31.60	
		<b>1,070.00</b>	<u>3,106.60</u>	<u>2,036.60</u>	<u>1,826.60</u>	
<b>Term Loans:</b>						
Oil Industry Development Board (OIDB)	H	<b>1,574.75</b>	1,374.00	<b>510.50</b>	405.50	
<b>Finance Lease Obligations</b>	I	<b>3,443.72</b>	3,563.85	<b>120.43</b>	108.10	
<b>Total Secured Loans</b>		<b><u>6,088.47</u></b>	<u>8,044.45</u>	<u>2,667.53</u>	<u>2,340.20</u>	
<b>UNSECURED LOANS</b>						
<b>Bonds</b>						
Foreign Currency Bonds	J	<b>8,783.25</b>	8,285.50	-	-	
US \$ 1,325.57 million (2015: US \$ 1,325.57 million)						
Senior Notes (Bank of America)	K&G	<b>1,325.20</b>	<u>1,875.15</u>	<b>662.60</b>	<u>—</u>	
US \$ 300 million (2015: US \$ 300 million)		<b>10,108.45</b>	10,160.65	<b>662.60</b>	-	
<b>Total Unsecured Loans</b>		<b><u>18,854.77</u></b>	<u>24,686.81</u>	<u>7,313.60</u>	<u>3,194.24</u>	
<b>TOTAL LONG-TERM BORROWINGS</b>		<b><u>24,943.24</u></b>	<u>32,731.26</u>	<u>9,981.13</u>	<u>5,534.44</u>	

\* Current maturities (including Finance Lease Obligations) are carried to Note - 6: Other Current 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 <sup>th</sup> September 2008	11.00 % p.a. payable annually on 15 <sup>th</sup> 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 <sup>th</sup> December 2008	10.70 % p.a. payable annually on 30 <sup>th</sup> June	After 8 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 Bonds Series V & VIII B holders and OIDB.

Contd...

	<b>Particulars</b>	<b>Allotment Date</b>	<b>Coupon Rate</b>	<b>Date of Redemption</b>	<b>Security Details</b>
C	17,000 Bonds of face value of ₹ 10,00,000/- each	6 <sup>th</sup> May 2013	8.14 % p.a. payable annually on 30 <sup>th</sup> 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 and the call option for remaining bonds is now exercised for which the amount shall be paid on 6 <sup>th</sup> 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 <sup>th</sup> September 2005	7.40% p.a. payable annually on 15 <sup>th</sup> 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 <sup>th</sup> April 2012	9.35 % p.a. payable annually on 30 <sup>th</sup> June	After 5 years with put/call option after 3 <sup>rd</sup> year from the date of allotment. During the year 2015-16 company has fully exercised call option on 30 <sup>th</sup> 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 <sup>th</sup> July, 2001	10.25% p.a. payable annually on 30 <sup>th</sup> September	Redeemable in 13 equal installments from the end of the 3 <sup>rd</sup> year upto the end of 15 <sup>th</sup> year from the date of allotment. Accordingly, 12 <sup>th</sup> instalment (STRPP L) was paid in July 2015.	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 8.00% Oil Marketing companies GOI Special Bonds 2026 of carrying value of ₹ 404.88 Crore (2015: 6.90% Oil Marketing companies GOI Special Bonds 2026 of carrying value of ₹ 273.99 crore) being 15% of the total bonds value of ₹ 2,699.20 crore (2015: ₹ 1,826.60 crore) maturing in the next financial year.				

**Secured Loans (Term Loans : H)****1. Security Details for OIDB Loans:**

- a) First Charge on the facilities at Paradip Refinery, Odisha.
- b) First charge on the facilities at Butadiene Extraction Unit, Panipat, Haryana.
- c) First charge on the facilities at FCC Unit at Mathura Refinery, Uttar Pradesh.
- d) First charge on the facilities at Paradip-Raipur-Ranchi pipeline
- e) First charge on the facilities at SMPL System
- f) First charge on the facilities at Paradip-Haldia-Durgapur LPG Pipeline

**2. Loan Repayment Schedule against loans from OIDB (Secured)-Term Loans**

<b>S. No.</b>	<b>Repayable During</b>	<b>Repayable Amount (₹ in crore)</b>	<b>Range of Interest Rate</b>
1	2016-17	510.50	8.20% - 9.27%
2	2017-18	688.31	8.12% - 9.27%
3	2018-19	425.81	8.12% - 9.27%
4	2019-20	282.81	8.12% - 8.45%
5	2020-21	177.82	8.12% - 8.27%
<b>Total</b>		<b>2,085.25</b>	

**I. Finance Lease Obligations**

The Finance Lease Obligations is against assets acquired under Finance Lease. The net carrying value of the same is ₹ 3,573.40 crores (2015: 3,661.90) (refer Note - 32).

**Unsecured Loans****J. Repayment Schedule of Foreign Currency Bonds**

<b>S. No.</b>	<b>Particulars of Bonds</b>	<b>Date of Issue</b>	<b>Date of Repayment</b>
1	USD 500 million Reg S bonds	1 <sup>st</sup> August 2013	Payable after 10 years from the date of issue
2	SGD 400 million Reg S bonds	15 <sup>th</sup> October 2012	On the same day, cross currency swap amounting to USD 325.57 Million.
3	USD 500 Million Reg S bonds	2 <sup>nd</sup> August 2011	Payable after 10 years from the date of issue

Contd...

**K. Repayment Schedule of Senior Notes (Bank of America)**

1 USD 300 Million US Private Placement bonds issued in four tranches of USD 75 Million dt. 6<sup>th</sup> June, 2<sup>nd</sup> July, 1<sup>st</sup> August and 4<sup>th</sup> Sept. 2007 is payable in three tranches of USD 100 Million each on 1<sup>st</sup> August 2016, 1<sup>st</sup> August 2017 and 1<sup>st</sup> August 2018.

**L. Repayment Schedule of loans from Banks and financial institutions**

S.No.	Particulars of Loans	Date of drawal	Date of Repayment
1	USD 250 Million syndication loan	29 <sup>th</sup> January 2016	Payable after 5 years from the date of drawal
2	USD 650 Million syndication loan	27 <sup>th</sup> June 2014	
3	USD 120 Million syndication loan	12 <sup>th</sup> March 2013	
4	USD 300 Million syndication loan	13 <sup>th</sup> July 2012	Payable after 3 years from the date of drawal
5	USD 500 Million syndication loan	In four tranches between 24 <sup>th</sup> December 2013 to 8 <sup>th</sup> January, 2014	
6	USD 500 Million syndication loan	In three tranches between 5 <sup>th</sup> September 2013 to 11 <sup>th</sup> September 2013	

**M. Repayment Schedule of Unsecured-Rupee Loans from OIDB**

S.No.	Repayable During	Repayable Amount (₹ in Crore)	Interest Rate
1	2016-17	25.00	8.89%
	Total	25.00	

## NOTE - 5: DEFERRED TAX

In compliance of Accounting Standard – 22 on “Accounting for Taxes on Income”, Deferred Tax expense amounting to ₹ 2,784.81 crore (2015: ₹ 1,597.39 crore) has been provided during the current year. The year end position of Deferred Tax Liability is given below:

Particulars	As on 01.04.2015	Adjusted in opening General Reserve*	Provided during the year in Statement of Profit and Loss	Balance as on 31.03.2016 (₹ in Crore)
<b>Deferred Tax Liability:</b>				
Related to Fixed Assets	10,579.70	(36.78)	2,701.68	13,244.60
Foreign Currency fluctuations on long term monetary item	51.34	-	132.46	183.80
<b>Total Deferred Tax Liability (A)</b>	<b>10,631.04</b>	<b>(36.78)</b>	<b>2,834.14</b>	<b>13,428.40</b>
<b>Deferred Tax Assets:</b>				
Provision on Inventories, Trade Receivables, Loans and advances, Investments etc.	358.31	-	278.10	636.41
Compensation for Voluntary Retirement Scheme	19.86	-	(4.80)	15.06
43B/ 40 (i)(a) Disallowances etc.	3,113.22	-	(246.01)	2,867.21
Capital Grants	6.46	-	1.10	7.56
Provision for Employee Benefits	412.98	-	20.77	433.75
Others	-	-	0.17	0.17
<b>Total Deferred Tax Assets (B)</b>	<b>3,910.83</b>	<b>-</b>	<b>49.33</b>	<b>3,960.16</b>
<b>Deferred Tax Liability (Net) (A – B)</b>	<b>6,720.21</b>	<b>(36.78)</b>	<b>2,784.81</b>	<b>9,468.24</b>
Previous Year Total	5,616.18	(493.36)	1,597.39	6,720.21

\* Refer point 4 of Note - 48

**NOTE - 6: OTHER LIABILITIES**

(₹ in Crore)

Particulars	Long Term		Current	
	March-16	March-15	March-16	March-15
Current maturities of long-term debt (Refer Note - 4)	-	-	9,981.13	5,534.44
Interest accrued but not due on borrowings	-	-	407.92	500.85
Interest accrued and due on borrowings	-	-	2.13	2.53
Liability for Capital Expenditure	-	-	2,566.78	2,026.68
Liability to Trusts and Other Funds	-	-	1,105.82	1,178.73
Employee Liabilities	-	-	1,198.48	823.66
Statutory Liabilities	-	-	6,837.37	5,637.93
Liability for Purchases on Agency Basis	-	-	1,611.37	1,951.89
Advances from Customers	-	-	2,089.73	2,864.43
Advances from Government of India for DBTL Scheme (Refer point 5 of Note-48)	-	-	233.64	-
Investor Education & Protection Fund to be credited on the due dates:				
- Unpaid Dividend	-	-	12.31	8.95
- Unpaid Matured Deposits	-	-	0.01	0.01
			12.32	8.96
Liability on Forward Contracts (Net of Receivables)	A	17,655.36	15,216.39	125.47
Security Deposits				945.35
Others				1,755.49
<b>TOTAL</b>		<b>17,655.36</b>	<b>15,216.39</b>	<b>28,873.00</b>
				23,310.77

A. Includes ₹ 505.68 crore (2015: ₹ 116.52 crore) towards LPG Connection issued under Rajiv Gandhi Gramin LPG Vitarak Yojana (RGGLVY) of Government of India.

**NOTE - 7: PROVISIONS**

(₹ in Crore)

Particulars	Long Term		Short Term	
	March-16	March-15	March-16	March-15
Provision for Employee Benefits	2,382.96	2,255.38	312.35	282.52
Proposed Dividend	-	-	2,063.76	1,602.45
Corporate Dividend Tax	-	-	420.13	326.22
Contingencies for probable obligations	A	-	26,584.56	23,212.50
Provision for MTM Loss on Interest Rate Swap	-	-	-	42.72
<b>TOTAL</b>	<b>2,382.96</b>	<b>2,255.38</b>	<b>29,380.80</b>	<b>25,466.41</b>

A1. In compliance of Accounting Standard – 29 on “Provisions, Contingent Liabilities and Contingent Assets”, the required information is as under :

(₹ in Crore)

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance*
Excise	5.61	6.82	-	0.52	11.91
Sales Tax	1,486.37	296.54	-	2.24	1,780.67
Entry Tax	21,606.43	2,110.10	-	-	23,716.53
Others	114.09	963.59	0.23	2.00	1,075.45
<b>TOTAL</b>	<b>23,212.50</b>	<b>3,377.05</b>	<b>0.23</b>	<b>4.76</b>	<b>26,584.56</b>
Previous Year Total	20,020.46	3,235.33	20.86	22.43	23,212.50

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	March-16	Utilization/reversal includes
	Addition includes	Utilization/reversal includes
- capitalized	509.47	0.05
- included in Raw Material	1,678.78	-
- included in Finance Cost	463.25	-
- included in Employee Benefit Expenses	124.24	-

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

A2. An amount of ₹ 17,121.77 crore (2015: ₹ 14,423.32 crore) has been deposited against 'Contingencies for Probable Obligations' and included in sundry deposits (Note-15).

## NOTE - 8: SHORT TERM BORROWINGS

Particulars	March-16	(₹ in Crore)	March-15
<b>SECURED LOANS</b>			
<b>Loans Repayable on Demand</b>			
<b>From Banks:</b>	<b>A</b>		
Working Capital Demand Loan	-	3,581.00	
Cash Credit	<u>5,286.37</u>	<u>1,963.53</u>	5,544.53
	<b>5,286.37</b>	<b>5,286.37</b>	
<b>From Others:</b>	<b>B</b>		
Loans through Collateralised Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd. (CCIL)	2,650.00	2,630.00	
	<u>7,936.37</u>	<u>8,174.53</u>	
<b>Total Secured Loans</b>	<b>7,936.37</b>	<b>8,174.53</b>	
<b>UNSECURED LOANS</b>			
<b>Loans Repayable on Demand</b>			
<b>From Banks/Financial Institutions</b>			
In Foreign Currency	9,606.33	7,804.78	
US \$ 1,449.79 million (2015: US \$ 1,248.66 million)	<u>9,606.33</u>	<u>9,606.33</u>	1,000.00
In Rupee	-	8,804.78	
	<b>9,606.33</b>	<b>9,606.33</b>	8,804.78
<b>Total Unsecured Loans</b>	<b>9,606.33</b>	<b>9,606.33</b>	
<b>TOTAL SHORT-TERM BORROWINGS</b>	<b>17,542.70</b>	<b>16,979.31</b>	

- 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 Oil Marketing Companies Government of India Special Bonds amounting to ₹ 4,365.00 crore (2015: ₹ 4,365.00 crore) and Bank Guarantees of ₹ 1,650.00 crore (2015: ₹ 1,650.00 crore) in favour of CCIL.

## NOTE - 9: TRADE PAYABLES

Particulars	March-16	(₹ in Crore)	March-15
Dues to Micro and Small Enterprises	24.31	14.33	
Dues to Related Parties	1,025.21	2,088.59	
Dues to others	<u>21,362.63</u>	<u>27,096.85</u>	
<b>TOTAL</b>	<b>22,412.15</b>	<b>29,199.77</b>	

**NOTE - 10: TANGIBLE ASSETS**

	Gross Block as at 1.04.15	Additions during the year	AT COST			Gross Block as at 31.03.16	Depreciation & Amortisation as at 1.04.15	DEPRECIATION,	
			Transfers from Construction Work-in-Progress	Disposals / Deductions / Transfers / Reclassifications	(Refer C)			Additional Dep. (Schedule-II) Charged to Opening Reserve/CWIP	Depreciation and Amortisation during the year
Land - Freehold	A&G	1,275.74	352.87	82.71	3.81	1,715.13	-	-	-
- Leasehold	A&G	1,354.21	38.12	6.53	(25.39)	1,373.47	153.31	-	20.28
Buildings, Roads etc.	B&G	10,828.54	72.00	1,281.44	(74.91)	12,107.07	3,455.62	-	549.35
Plant and Equipment	E	1,03,573.34	3,221.03	24,485.18	(778.80)	1,30,500.75	48,755.81	106.27	4,056.79
Office Equipments		1,512.65	108.84	84.86	(109.18)	1,597.17	1,092.96	-	197.71
Transport Equipments		236.62	1.72	0.59	(3.74)	235.19	202.51	-	4.69
Furnitures and Fixtures		745.00	26.07	52.00	(119.57)	703.50	387.18	-	61.81
Railway Sidings		208.47	5.38	33.06	(2.89)	244.02	153.04	-	7.28
Drainage, Sewage and Water Supply System		263.38	0.22	0.29	(1.20)	262.69	172.75	-	4.93
<b>Total</b>		<b>1,19,997.95</b>	<b>3,826.25</b>	<b>26,026.66</b>	<b>(1,111.87)</b>	<b>1,48,738.99</b>	<b>54,373.18</b>	<b>106.27</b>	<b>4,902.84</b>
Previous Year Total		1,11,037.96	3,160.65	6,561.00	(761.66)	1,19,997.95	48,781.34	1,454.30	4,465.43

- A. i) Freehold land includes 57.27 acres at a nominal value of ₹ 1 which was originally purchased at ₹ 16.65 crore and leased out to a jointly owned entity for a period of 99 years against reimbursement of cost by onetime premium. As per the lease deed the same is renewable for further periods.
- ii) Freehold land includes ₹ **7.59 crore** (2015: ₹ 7.59 crore) lying vacant due to title disputes/ litigation.
- B. i) Buildings include ₹ **0.01 crore** (2015: ₹ 0.01 crore) towards value of 1605 (2015: 1610) 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 ₹ **2,990.89 crore** (2015: ₹ 2,753.30 crore) and Net Block amounting to ₹ **1,099.14 crore** (2015: ₹ 1,145.76 crore).
- C. The cost of tangible assets are net of VAT CREDIT/CENVAT, wherever applicable.
- D.1 Depreciation charged to opening general reserve as per the transitional provisions of Schedule II to the Companies Act, 2013. Also refer point no 4 of Note-48.
- D.2 Depreciation and amortisation for the year includes ₹ **(53.02) crore** (2015: ₹ -29.49 crore) pertaining to prior year and ₹ **235.11 crore** (2015: ₹ 103.48 crore) relating to construction period expenses shown in Note-27 and Note-12.1 respectively.
- 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 ₹ **64.25 crores** (2015: ₹ 53.14 crores).
- F. Considering the Government policies and modalities of compensating the oil marketing companies towards under-recoveries, future cash flows are worked out based on desired margins for deciding on impairment of related Cash Generating Units. In view of the assumption being technical, peculiar to the industry and policy matter, the auditors have relied on the same.
- G. Land and Buildings include ₹ **470.03 crore** (2015: ₹ 138.54 crore) in respect of which Title / Lease Deeds are pending for execution or renewal.

**Details of assets under lease included above:**

Asset Particulars	Original Cost	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.16	W.D.V. as at 31.03.15
<b>Plant and Equipment:</b>					
Given on Operating Lease	20.64	17.76	-	2.88	2.36
Taken on Finance Lease	3,865.24	291.84	-	3,573.40	3,429.39

(₹ in Crore)

Disposals / Deductions / Transfers / Reclassifications	Total Depreciation and Amortisation upto 31.03.16	AMORTISATION AND IMPAIRMENT				NET BLOCK	
		Total Impairment Loss as at 01.04.15	Impairment Loss during the year	Impairment loss reversed during the year	Total Impairment Loss upto 31.03.16	AS AT 31.03.16	AS AT 31.03.15
(Refer F)							
-	-	-	-	-	-	1,715.13	1,275.74
(26.67)	146.92	-	-	-	-	1,226.55	1,200.90
(69.93)	3,935.04	-	-	-	-	8,172.03	7,372.92
(613.85)	52,305.02	-	-	-	-	78,195.73	54,817.53
(96.19)	1,194.48	-	-	-	-	402.69	419.69
(2.47)	204.73	-	-	-	-	30.46	34.11
(59.32)	389.67	-	-	-	-	313.83	357.82
(2.73)	157.59	-	-	-	-	86.43	55.43
-	177.68	-	-	-	-	85.01	90.63
<b>(871.16)</b>	<b>58,511.13</b>	-	-	-	-	<b>90,227.86</b>	<b>65,624.77</b>
(327.89)	54,373.18	-	-	-	-	65,624.77	

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

(₹ in Crore)

Assets Particulars	Name of Joint Owner	Original Cost	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.16	W.D.V. as at 31.03.15
Land - Freehold	HPC/BPC	3.10	-	-	3.10	3.10
Land - Leasehold	HPC/BPC/BALMER LAWRIE	0.18	0.06	-	0.12	0.12
Buildings	HPC/BPC/BALMER LAWRIE	67.55	38.29	-	29.26	29.32
Plant and Equipment	HPC/BPC/GSFC/IPCL/GNRE	85.54	52.39	-	33.15	29.49
Transport Equipment	RAILWAYS	-	-	-	-	-
Railway Sidings	HPC/BPC	53.12	44.98	-	8.14	8.53
Drainage, Sewage & Water Supply System	GSFC	0.99	0.94	-	0.05	0.05
Furniture	HPC/BPC	-	-	-	-	-
<b>Total</b>		<b>210.48</b>	<b>136.66</b>	-	<b>73.82</b>	<b>70.61</b>
Previous year		205.44	134.83	-	70.61	

### Additions to Gross Block Includes:

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	31.03.16	31.03.15	31.03.16	31.03.15
Land - Freehold	-	-	-	-
Land - Leasehold	-	-	-	-
Buildings	49.66	0.40	63.10	-
Plant and Equipment	2,216.80	164.27	2,183.12	27.91
Office Equipments	-	0.01	-	-
Transport Equipment	-	-	-	-
Furniture & Fixtures	-	-	-	-
Railway Sidings	-	-	-	-
Drainage, Sewage & Water Supply System	-	-	-	-
<b>Total</b>	<b>2,266.46</b>	<b>164.68</b>	<b>2,246.22</b>	<b>27.91</b>

**NOTE - 11: INTANGIBLE ASSETS**

	AT COST						
	Gross Block as at 1.04.15	Additions during the year	Transfers from Intangible Assets under Development	Disposals / Deductions / Transfers / Reclassifications	Gross Block as at 31.03.16	Total Amortisation as at 1.04.15	Amortisation during the year
(Refer A)							
Right of Way	165.26	47.04	-	0.74	213.04	13.46	1.82
Licenses	1,279.82	8.25	84.99	(2.58)	1,370.48	830.17	111.46
Computer Software	200.42	19.77	11.83	4.51	236.53	175.17	20.66
<b>Total</b>	<b>1,645.50</b>	<b>75.06</b>	<b>96.82</b>	<b>2.67</b>	<b>1,820.05</b>	<b>1,018.80</b>	<b>133.94</b>
Previous Year Total	1,571.05	31.01	46.60	(3.16)	1,645.50	878.88	140.13

A. (a) Amortisation for the year includes ₹ **(0.25) crore** (2015: ₹ 0.90 crore) pertaining to prior year taken to Note-27.

(b) Amortisation for the year includes ₹ **2.15 crore** (2015: ₹ 2.01 crore) relating to construction period expenses taken to Note-12.1

**Additions to Gross Block Includes:**

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	31.03.16	31.03.15	31.03.16	31.03.15
Licences	-	0.08	-	0.40

**NOTE - 12: CAPITAL WORK IN PROGRESS**

(₹ in Crore)

Particulars		March-16	March-15
Construction Work in Progress - Tangible Assets (Including unallocated capital expenditure, materials at site)	A	<b>13,566.18</b>	23,634.84
Less: Provision for Capital Losses		<b>19.19</b>	<b>11.03</b>
		<b>13,546.99</b>	<b>23,623.81</b>
Capital stores	B	<b>1,548.33</b>	3,841.29
Less: Provision for Capital Losses		<b>2.22</b>	<b>3.82</b>
		<b>1,546.11</b>	<b>3,837.47</b>
Capital Goods in Transit		<b>323.93</b>	269.24
Construction Period Expenses pending allocation:			
Balance as at beginning of the year		<b>7,833.57</b>	5,837.89
Add: Opening Balance Adjustment		-	12.18
Add: Net expenditure during the year (Note - 12.1)		<b>3,579.68</b>	2,075.97
		<b>11,413.25</b>	<b>7,926.04</b>
Less: Allocated during the year		<b>6,509.06</b>	<b>92.47</b>
		<b>4,904.19</b>	<b>7,833.57</b>
<b>TOTAL</b>		<b>20,321.22</b>	<b>35,564.09</b>
		<b>20.92</b>	-
A. Includes Capital Expenditure relating to ongoing Oil & Gas Exploration activities.		<b>164.64</b>	200.84
B. Includes Stock lying with Contractors			

(₹ in Crore)

Disposals / Deductions / Transfers / Reclassifications	AMORTISATION AND IMPAIRMENT				NET BLOCK	
	Total Amortisation upto 31.03.16	Total Impairment Loss as at 1.04.15	Impairment Loss during the year	Total Impairment Loss as at 31.03.16	AS AT 31.03.16	AS AT 31.03.15
0.39	15.67	-	-	-	197.37	151.80
(0.51)	941.12	-	-	-	429.36	449.65
(0.25)	195.58	-	-	-	40.95	25.25
<b>(0.37)</b>	<b>1,152.37</b>	-	-	-	<b>667.68</b>	<b>626.70</b>
(0.21)	1,018.80	-	-	-	626.70	

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

(₹ in Crore)

Particulars	March-16	March-15
Employee Benefit expenses	<b>294.47</b>	276.59
Repairs and Maintenance	<b>84.75</b>	18.43
Consumption of Stores and Spares	<b>2.48</b>	0.62
Power & Fuel	<b>267.47</b>	22.51
Rent	<b>76.98</b>	7.84
Insurance	<b>32.25</b>	40.54
Rates and Taxes	<b>0.30</b>	0.91
Travelling Expenses	<b>36.89</b>	33.14
Communication Expenses	<b>1.95</b>	2.69
Printing and Stationery	<b>1.07</b>	1.24
Electricity and Water Charges	<b>62.65</b>	53.74
Bank Charges	<b>0.22</b>	0.33
Technical Assistance Fees	<b>2.23</b>	0.77
Exchange Fluctuation	<b>903.06</b>	653.34
Finance Cost	<b>852.42</b>	863.25
Depreciation and Amortisation on:		
Tangible Assets	<b>235.11</b>	103.48
Intangible Assets	<b>2.15</b>	2.01
Start Up/ Trial Run Expenses (net of revenue)	<b>707.78</b>	0.39
Others	<b>40.92</b>	46.99
Total Expenses	<b>3,605.15</b>	2,128.81
Less : Recoveries	<b>25.47</b>	52.84
<b>Net Expenditure during the year</b>	<b>3,579.68</b>	<b>2,075.97</b>

## NOTE - 13: INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

Particulars	March-16	March-15
Work in Progress - Intangible Assets (Including Unallocated Capital Expenditure)	<b>832.81</b>	885.67
Less: Provision for Loss	<b>131.85</b>	126.26
A		
<b>TOTAL</b>	<b>700.96</b>	<b>759.41</b>
	<b>700.96</b>	<b>759.41</b>
	<b>388.09</b>	<b>382.76</b>

A. Includes Capital Expenditure (Net) relating to ongoing Oil &amp; Gas Exploration activities

**NOTE - 14: INVESTMENTS**

(₹ in Crore)

	No. and Particulars	Face Value (Rupees)	March-16	March-15
<b>I NON-CURRENT INVESTMENTS</b>				
(At Cost Less Provision other than temporary diminution):				
<b>1. QUOTED:</b>				
<b>Trade Investments:</b>				
<b>in Equity Shares</b>				
<b>In Subsidiary Companies:</b>				
Chennai Petroleum Corporation Limited	7,72,65,200 (2015: 7,72,65,200) Equity Shares each fully paid	10/-	<b>509.33</b>	509.33
Lanka IOC PLC (Quoted in Colombo Stock Exchange, Sri Lanka)	40,00,00,005 (2015: 40,00,00,005) Equity Shares each fully paid	10/- <sup>a</sup>	<b>194.13</b>	194.13
	<b>Sub-total: (a)</b>		<b>703.46</b>	703.46
<b>In Joint Venture Companies</b>				
Petronet LNG Limited	9,37,50,000 (2015: 9,37,50,000) Equity Shares each fully paid	10/-	<b>98.75</b>	98.75
	<b>Sub-total (b):</b>		<b>98.75</b>	98.75
<b>Others:</b>				
Oil and Natural Gas Corporation Limited	65,79,23,428 (2015: 65,79,23,428) Equity Shares each fully paid	5/-	<b>1,780.12</b>	1,780.12
GAIL (India) Limited	3,06,29,661 (2015: 3,06,29,661) Equity Shares each fully paid	10/-	<b>122.52</b>	122.52
Oil India Limited	2,67,50,550 (2015: 2,67,50,550) Equity Shares each fully paid	10/-	<b>1,123.52</b>	1,123.52
	<b>Sub-total (c):</b>		<b>3,026.16</b>	3,026.16
	<b>TOTAL: 1</b>		<b>3,828.37</b>	3,828.37
Aggregate Market Value of securities mentioned above is ₹ <b>20,497.94 crore</b> (March 2015: ₹ 25,454.23 crore) which includes ₹ <b>592.96 crore</b> (March 2015: ₹ 757.52 crore) in respect of Lanka IOC PLC, quoted on Colombo Stock Exchange, Sri Lanka, being equivalent in Indian currency.				
<b>2. UNQUOTED:</b>				
<b>A) Non-Trade Investments:</b>				
<b>In Consumer Cooperative Societies:</b>				
Barauni <sup>b</sup>	250 (2015: 250) Equity Shares each fully paid	10/-}	-	-
Guwahati <sup>c</sup>	750 (2015: 750) Equity Shares each fully paid	10/-}	-	-
Mathura <sup>d</sup>	200 (2015: 200) Equity Shares each fully paid	10/-}	-	-
Haldia <sup>e</sup>	1,663 (2015: 1663) Equity Shares each fully paid	10/-}	-	-
In Indian Oil Cooperative <sup>f</sup> Consumer Stores Limited, Delhi	375 (2015: 375) Equity Shares each fully paid	10/-}	-	-
<b>In Others:</b>				
<b>In Equity Shares</b>				
Shama Forge Co. Limited <sup>g</sup> (under liquidation)	1,00,000 (2015: 1,00,000) Equity Shares fully paid as revalued by Directors on 31.03.1979	10/-}	-	-
<b>In Preference Shares</b>				
Shama Forge Co. Limited <sup>h</sup> (under liquidation)	5,000 (2015: 5,000) 9.5% Cumulative Redeemable Preference Shares fully paid as revalued by Directors on 31.03.1979	100/-}	-	-
	<b>Sub-total: 2A</b>		<b>-</b>	<b>-</b>

- a. In Sri Lankan Rupees  
b. Amount Invested is ₹ 2,500 (2015: ₹ 2,500)  
c. Amount Invested is ₹ 2,500 (2015: ₹ 2,500)

- d. Amount Invested is ₹ 2,000 (2015: ₹ 2,000)  
e. Amount Invested is ₹ 16,630 (2015: ₹ 16,630)  
f. Amount Invested is ₹ 3,750 (2015: ₹ 3,750)

- g. Amount Invested is ₹ 100 (2015: ₹ 100)  
h. Amount Invested is ₹ 100 (2015: ₹ 100)

Contd...

## NOTE - 14: INVESTMENTS (Contd.)

(₹ in Crore)

	No. and Particulars	Face Value (Rupees)	March-16	March-15
<b>B) Trade Investments:</b>				
<b>a) In Subsidiary Companies</b>				
<b>In Equity Shares</b>				
Indian Oil Mauritius Limited	48,82,043 (2015: 48,82,043) Equity Shares each fully paid	100/- <sup>i</sup>	<b>75.67</b>	75.67
IOC Middle East FZE	2 (2015: 2) Equity Shares each fully paid	1 Million/- <sup>j</sup>	<b>2.30</b>	2.30
IndianOil Creda Bio Fuels Limited	1,83,07,197 (2015 : 1,82,33,197 )	10/-	<b>18.31</b>	18.23
Less: Provision for Diminution	Equity Shares each fully paid		<b>18.31</b>	18.23
IOC Sweden AB	42,04,835 (2015 : 41,26,424 )	100/- <sup>k</sup>	<b>294.03</b>	287.74
Equity Shares each fully paid				
IOCL (USA) Inc.	5,63,92,37,528 (2015 : 501,65,66,453 )	0.01/- <sup>l</sup>	<b>327.85</b>	287.73
Equity Shares each fully paid				
Indian Catalyst Private Limited (formerly known as Indo Cat Private Limited)	1,59,32,700 (2015 : 1,57,77,700)	10/-	<b>11.18</b>	11.03
Equity Shares each fully paid				
IndOil Global B.V.	1,11,63,02,435 (2015 : 1,11,61,72,924)	1/- <sup>m</sup>	<b>6,104.48</b>	6,103.83
Less: Provision for Diminution	Equity Shares each fully paid		<b>564.27</b>	-
			<b>5,540.21</b>	6,103.83
<b>In Preference Shares</b>				
Chennai Petroleum Corporation Limited	1,00,00,00,000 (2015: Nil) 6.65% Cumulative Redeemable Non Convertible Preference Shares each fully paid	10/-	<b>1,000.00</b>	-
			<b>7,251.24</b>	6,768.30
<b>b) In Joint Venture Entities</b>				
<b>(i) In Joint Venture Companies</b>				
<b>In Equity Shares</b>				
Avi-Oil India Private Limited	45,00,000 (2015: 45,00,000)	10/-	<b>4.50</b>	4.50
Equity Shares each fully paid				
Petronet India Limited	1,80,00,000 (2015: 1,80,00,000)	10/-	<b>18.00</b>	18.00
Equity Shares each fully paid				
Less: Provision for Diminution		<b>18.00</b>	-	18.00
IOT Infrastructure & Energy Services Limited	27,07,64,322 (2015 : 26,59,12,127)	10/-	<b>499.93</b>	491.68
Equity Shares each fully paid		<b>316.66</b>	-	-
Less: Provision for Diminution			<b>183.27</b>	491.68
Petronet VK Limited	2,59,99,970 (2015: 2,59,99,970)	10/-	<b>26.00</b>	26.00
Equity Shares each fully paid		<b>26.00</b>	-	26.00
Less: Provision for Diminution				-
Indian Oil Panipat Power Consortium Limited	8,40,000 (2015: 8,40,000)	10/-	<b>1.99</b>	1.99
Equity Shares each fully paid		<b>1.99</b>	-	1.99
Less: Provision for Diminution				-
Lubrizol India Private Limited	9,60,000 (2015: 9,60,000)	100/-	<b>118.67</b>	118.67
Equity Shares each fully paid				
Indian Oil Petronas Private Limited	13,40,00,000 (2015: 13,40,00,000)	10/-	<b>134.00</b>	134.00
Equity Shares each fully paid				
Petronet CI Limited (under liquidation)	37,44,000 (2015: 37,44,000)	10/-	<b>3.83</b>	3.83
Equity Shares each fully paid		<b>3.83</b>	-	3.83
Less: Provision for Diminution				-
Green Gas Limited	2,30,42,250 (2015: 2,30,42,250)	10/-	<b>23.04</b>	23.04
Equity Shares each fully paid				
IndianOil SkyTanking Private Limited (Converted into Private Limited Co. w.e.f. 10.03.15)	2,59,50,000 (2015: 1,73,00,000)	10/-	<b>73.28</b>	17.30
Equity Shares each fully paid				

i. In Mauritian Rupees

k. In Swedish Krona

m. In Canadian Dollars

j. In Arab Emirates Dirham

l. In USD

Contd...

**NOTE - 14: INVESTMENTS (Contd.)**

		No. and Particulars	Face Value (Rupees)	(₹ in Crore)	
				March-16	March-15
Suntera Nigeria 205 Limited	62,502 (2015: 62,502) Equity Shares each fully paid	1/-	-	-	-
Delhi Aviation Fuel Facility Private Limited	6,06,80,000 (2015: 6,06,80,000) Equity Shares each fully paid	10/-	<b>60.68</b>	60.68	
Indian Synthetic Rubbers Private Limited (Converted into Private Limited Co. w.e.f. 31.03.15)	22,28,61,375 (2015: 17,78,90,625) Equity Shares each fully paid	10/-	<b>222.86</b>	177.89	
NPCIL-IndianOil Nuclear Energy Corporation Limited	2,60,000 (2015: 2,60,000) Equity Shares each fully paid	10/-	<b>0.26</b>	0.26	
GSPL India Gasnet Limited	5,51,25,030 (2015 : 4,86,25,030) Equity Shares each fully paid	10/-	<b>55.13</b>	48.63	
GSPL India Transco Limited	4,29,00,000 (2015 : 3,64,00,000) Equity Shares each fully paid	10/-	<b>42.90</b>	36.40	
Indian Oil Adani Gas Private Limited	4,50,00,000 (2015 : 1,23,00,000) Equity Shares each fully paid	10/-	<b>45.00</b>	12.30	
Mumbai Aviation Fuel Farm Facility Private Limited	3,82,71,250 (2015 : 45,02,500) Equity Shares each fully paid	10/-	<b>38.27</b>	4.50	
Kochi Salem Pipeline Private Limited	4,00,00,000 (2015 : 25,00,000) Equity shares each fully paid	10/-	<b>40.00</b>	2.50	
IndianOil LNG Private Limited	5,000 (2015 : Nil) Equity shares each fully paid	10/-	<b>0.01</b>	-	
<b>In Debentures</b>					
IndianOil LNG Private Limited	3,265 (2015 : Nil) Fully and Compulsorily Convertible Debentures	10,00,000/-	<b>326.50</b>	-	
<b>(ii) In Limited Liability Partnership</b>					
Indian Oil Ruchi Biofuels LLP	Capital Fund		<b>1.50</b>	1.40	
Less: Provision for Diminution	(Limited Liability Partnership)		<b>1.50</b>	1.40	
	<b>Sub-total: (b)</b>		<b>1,368.37</b>		1,132.35
<b>c) In Government Securities</b>					
Oil Marketing Companies	47,70,000 (2015: 52,00,000) Number of Bonds	10,000/-	<b>4,770.00</b>	5,200.00	
GOI Special Bonds			<b>410.31</b>	488.80	
Less: Provision for Diminution			<b>4,359.69</b>	4,711.20	
	<b>Sub-total: (c)</b>		<b>4,359.69</b>		4,711.20
<b>d) In Others</b>					
International Cooperative Petroleum Association, New York	350 (2015: 350) Equity Shares (Common Stock) each fully paid up	\$100	<b>0.02</b>	0.02	
Haldia Petrochemical Limited	15,00,00,000 (2015: 15,00,00,000) Equity Shares each fully paid	10/-	<b>150.00</b>	150.00	
Vadodara Enviro Channel Limited (Formerly Effluent Channel Projects Limited)	7,151 (2015: 7,151) Equity Shares each fully paid	10/-	-	-	
Petroleum India International (AOP by Oil Companies)	Capital Fund Share in accumulated surplus		<b>0.15</b> <b>6.32</b>	15.00 23.24	
Woodlands Multispeciality Hospital Limited	1,01,095 (2015: 1,01,095) Equity shares each fully paid	10/-	<b>0.10</b>	0.10	
	<b>Sub-total: (d)</b>		<b>156.59</b>	188.36	
	<b>Sub-total: 2B</b>		<b>13,135.89</b>	12,800.21	
	<b>Total: 2</b>		<b>13,135.89</b>	12,800.21	
	<b>Total I: (1 + 2)</b>		<b>16,964.26</b>	16,628.58	
<b>Aggregate value of Unquoted Non Current Investments</b>				<b>14,496.76</b>	13,358.46
<b>Aggregate value of provisions on Unquoted Non Current Investments</b>				<b>1,360.87</b>	558.25

n. In Naira rupees {Amount Invested is ₹ 21,897 (2015: ₹ 21,897)} o. Amount Invested is ₹ 10 (2015: ₹ 10)

Contd...

## NOTE - 14: INVESTMENTS (Contd.)

No. and Particulars	Face Value (Rupees)	March-16	(₹ in Crore) March-15
<b>II CURRENT INVESTMENTS: (Valued at Lower of Cost or Fair Market Value)</b>			
<b>UNQUOTED:</b>			
In Government Securities			
Oil Marketing Companies	70,82,020 (2015: 73,12,020)	10,000/-	<b>7,082.02</b>
GOI Special Bonds	Number of Bonds		7,312.02
Less: Marked to Market Loss			<b>70.97</b>
			41.11
	<b>Total II:</b>		<b>7,011.05</b>
			<b>7,270.91</b>

**Note: A**

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

Name of the Company	No. of Shares	(₹ in Crore)
IOC Sweden AB	78,411	6.29
IOCL (USA) Inc.	62,26,71,075	40.12
Indian Catalyst Private Limited	1,55,000	0.15
IndOil Global B.V.	1,29,511	0.65
Indian Oil Adani Gas Private Limited	3,27,00,000	32.70
GSPL India Gasnet Limited	65,00,000	6.50
GSPL India Transco Limited	65,00,000	6.50
Indian Synthetic Rubbers Limited	4,49,70,750	44.97
Mumbai Aviation Fuel Farm Facility Private Limited	3,37,68,750	33.77
IndianOil Creda Bio Fuels Limited	74,000	0.08
IOT Infrastructure And Energy Services Limited	48,52,195	8.25
Indian Oil Skytanking Private Limited	86,50,000	55.98
Kochi Salem Pipeline Private Limited	3,75,00,000	37.50
IndianOil LNG Pvt Limited	5,000	0.01
IndianOil LNG Pvt Limited (Fully and Compulsorily Convertible Debentures)	3,265	326.50
Chennai Petroleum Corporation Limited (Preference Shares)	1,00,00,00,000	1,000.00
Indian Oil Ruchi Biofuels LLP	Partnership	0.10

**Note: B**

Investment in Oil Marketing Companies GOI Special Bonds consists of:

Nature of Bond	No. of Bonds	Face Value (₹ in Crore)	Marked to Market value (₹ in Crore)
<b>1. Non-Current Investments:</b>			
6.90% GOI SPECIAL BONDS 2026	43,65,000	4,365.00	3,954.69
8.00% GOI SPECIAL BONDS 2026	4,05,000	405.00	405.00
<b>Total Non-Current Investments</b>	<b>47,70,000</b>	<b>4,770.00</b>	<b>4,359.69</b>
<b>2. Current investment:</b>			
8.13% GOI SPECIAL BONDS 2021	78,000	78.00	78.00
7.95% GOI SPECIAL BONDS 2025	4,57,250	457.25	456.77
8.20% GOI SPECIAL BONDS 2023	14,53,510	1,453.51	1,453.51
6.90% GOI SPECIAL BONDS 2026	7,49,930	749.93	679.44
8.00% GOI SPECIAL BONDS 2026	12,38,270	1,238.27	1,238.27
8.20% GOI SPECIAL BONDS 2024	31,05,060	3,105.06	3,105.06
<b>Total Current Investments</b>	<b>70,82,020</b>	<b>7,082.02</b>	<b>7,011.05</b>

**Note: C - Other Disclosures**

- During the year company has also provided for diminution (other than temporary) in value of non-current investments of ₹ 880.93 crore in respect of IndOil Global B.V and IOT Infrastructure & Energy Services Limited on account of fall in global prices of Oil and Gas commodities and downturn in Engineering, Procurement and Construction service industry respectively.
- During the year, Oil Marketing Companies 8.00% GOI Special Bonds of face value ₹ 405 crore are reclassified from current to non current investments at face value and Oil Marketing Companies 6.90% GOI Special Bonds of face value ₹ 835 crore and carrying value of ₹ 756.51 crore are reclassified from non current to current investments at carrying value.
- Out of Oil Marketing Companies GOI Special Bonds classified as non-current, 6.90% Oil Marketing Companies GOI Special Bonds 2026 of face value ₹ 4,365.00 crore (2015: ₹ 4,365.00 crore) are pledged in favour of Clearing Corporation of India Ltd. (CCIL) for Loans through Collateralised Borrowings and Lending Obligation (CBL) of CCIL.
- Out of 8.00% Oil Marketing Companies GOI Special Bonds 2026, ₹ 404.88 crore (2015: 6.90% Oil Marketing Companies GOI Special Bonds 2026 of ₹ 273.99 crore) has been earmarked in line with the requirement of Companies (Share Capital and Debentures) Rules, 2014.
- During the year, Petroleum India International has reduced the capital from ₹ 15 crore to ₹ 0.15 crore and has partially distributed its surplus. Accordingly, ₹ 33.95 crore has been received during the year from Petroleum India International.
- Investment in IndianOil Creda Biofuels Limited, Petronet India Limited, Petronet VK Limited, Petronet CI Limited, Indian Oil Panipat Power Consortium Limited and Indian Oil Ruchi Biofuels LLP has been fully provided for based on management decision to exit from these entities.

**NOTE - 15: LOANS AND ADVANCES**

(Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

Particulars	Long Term		Short Term	
	March-16	March-15	March-16	March-15
<b>Advance for Capital Expenditure</b>				
<b>To Related Parties</b>				
Unsecured, Considered Good	<b>40.51</b>	16.38	-	-
	<b>40.51</b>	<b>16.38</b>	-	-
<b>To Others</b>				
Secured, Considered Good	<b>0.67</b>	5.26	-	-
Unsecured, Considered Good	<b>594.60</b>	971.23	-	-
Unsecured, Considered Doubtful	<b>0.10</b>	<b>0.10</b>	-	-
	<b>595.37</b>	<b>976.59</b>	-	-
	<b>635.88</b>	<b>992.97</b>	-	-
Less: Provision for Doubtful Advance	<b>0.10</b>	<b>0.10</b>	-	-
	<b>635.78</b>	<b>992.87</b>	-	-
<b>Advances for Investments</b>	A			
Joint Ventures	<b>11.40</b>	-	-	-
Subsidiary Companies	<b>0.07</b>	-	-	-
	<b>11.47</b>	-	-	-
Less: Provision for Diminution	<b>0.07</b>	-	-	-
	<b>11.40</b>	-	-	-
<b>Advance recoverable in cash or in kind or for value to be received</b>	B			
<b>From Related Parties</b>				
Secured, Considered Good	<b>0.08</b>	0.19	<b>0.02</b>	0.02
Unsecured, Considered Good	<b>437.97</b>	353.23	<b>80.74</b>	58.69
Unsecured, Considered Doubtful	-	-	<b>2.51</b>	<b>2.51</b>
	<b>438.05</b>	<b>353.42</b>	<b>83.27</b>	<b>61.22</b>
Less : Provision for Doubtful Advances	-	-	<b>2.51</b>	<b>2.51</b>
	<b>438.05</b>	<b>353.42</b>	<b>80.76</b>	<b>58.71</b>
<b>From Others</b>				
Secured, Considered Good	<b>707.75</b>	733.21	<b>60.62</b>	80.40
Unsecured, Considered Good	<b>1,511.95</b>	1,396.98	<b>2,243.66</b>	2,776.12
Unsecured, Considered Doubtful	<b>0.33</b>	<b>0.33</b>	<b>63.90</b>	<b>63.21</b>
	<b>2,220.03</b>	<b>2,130.52</b>	<b>2,368.18</b>	<b>2,919.73</b>
Less : Provision for Doubtful Advances	<b>0.33</b>	<b>0.33</b>	<b>63.90</b>	<b>63.21</b>
	<b>2,219.70</b>	<b>2,130.19</b>	<b>2,304.28</b>	<b>2,856.52</b>
	<b>2,657.75</b>	<b>2,483.61</b>	<b>2,385.04</b>	<b>2,915.23</b>
<b>Amount Recoverable from Central/State Govt.</b>				
Unsecured, Considered Good	-	-	<b>10,274.56</b>	10,012.54
<b>Finance Lease Receivables</b>		2.19	3.92	1.73
<b>Claims Recoverable:</b>	C			
<b>From Related Parties</b>				
Unsecured, Considered Good	-	-	<b>0.33</b>	1.24
Unsecured, Considered Doubtful	-	-	<b>2.61</b>	<b>2.61</b>
	-	-	<b>2.94</b>	<b>3.85</b>
<b>From Others</b>				
Unsecured, Considered Good	-	-	<b>908.61</b>	782.58
Unsecured, Considered Doubtful	-	-	<b>99.47</b>	<b>100.28</b>
	-	-	<b>1,008.08</b>	<b>882.86</b>
Less : Provision for Doubtful Claims	-	-	<b>102.08</b>	<b>102.89</b>
	-	-	<b>908.94</b>	<b>783.82</b>

Contd...

## NOTE - 15: LOANS AND ADVANCES (Contd.)

(Unsecured, Considered Good unless otherwise stated)

Particulars	Long Term		Short Term		(₹ in Crore)
	March-16	March-15	March-16	March-15	
<b>Balance with Customs, Port Trust and Excise Authorities:</b>					
Unsecured, Considered Good	-	-			<b>46.85</b> 33.01
<b>Deposits for Leave Encashment Fund</b>	<b>2,623.95</b>	2,407.32	-	-	
<b>Advance Tax</b>					
Advance payments for Current Tax	<b>10,526.39</b>	8,371.56	-	-	74.91
Less : Provisions	<b>10,078.09</b>	<b>7,330.19</b>	-	-	-
	<b>448.30</b>	<b>1,041.37</b>	-	-	74.91
Advance payments for Fringe Benefit Tax	<b>52.03</b>	52.03	-	-	-
Less : Provisions	<b>44.52</b>	<b>44.52</b>	-	-	-
	<b>7.51</b>	<b>7.51</b>	-	-	-
<b>Advance Tax (net)</b>	<b>455.81</b>	1,048.88	-	-	74.91
<b>Mat Credit Receivable</b>	<b>1,790.40</b>	698.17	-	-	-
<b>Sundry Deposits (Refer Note - 7 Point A2)</b>					
<b>To Others</b>					
Secured, Considered Good	<b>9.23</b>	9.23	-	-	-
Unsecured, Considered Good	<b>117.02</b>	96.89	<b>17,542.11</b>	14,506.17	
Unsecured, Considered Doubtful	<b>0.20</b>	0.20	<b>0.12</b>	0.22	
	<b>126.45</b>	<b>106.32</b>	<b>17,542.23</b>	14,506.39	
Less : Provision for Doubtful Deposits	<b>0.20</b>	0.20	<b>0.12</b>	0.22	
	<b>126.25</b>	<b>106.12</b>	<b>17,542.11</b>	14,506.17	
<b>TOTAL</b>	<b>8,303.53</b>	<b>7,740.89</b>	<b>31,159.23</b>	<b>28,327.42</b>	
<b>A.</b> Advances against equity pending allotment					
<b>B.</b> Includes:					
1. Due from Directors	<b>0.19</b>	0.26	<b>0.08</b>	0.07	
2. Due from Other Officers	<b>1.94</b>	1.47	<b>1.10</b>	0.93	
<b>C.</b> Includes:					
1. Customs/ Excise Duty/DEPB/Duty Drawback Claims which are in the process of being claimed with the Department.	-	-	<b>10.43</b>	29.85	
2. Claims recoverable from Customs Authorities pending for final assessment / settlement.	-	-	<b>97.33</b>	116.15	

**NOTE - 16: OTHER ASSETS**

(Unsecured, Considered Good unless otherwise stated)

Particulars	Non Current		Current		(₹ in Crore)
	March-16	March-15	March-16	March-15	
Interest Accrued on Investments/ Bank Deposits/Loans	-	-	<b>130.23</b>	134.38	
Gold Coins in Hand (at Cost)	-	-	<b>6.65</b>	6.60	
Less : Provision for Diminution in value	-	-	<b>0.15</b>	-	
			<b>6.50</b>	6.60	
Receivable from IOC Shares Trust	A	-		<b>1,989.78</b>	1,989.78
Premium/Discount on Forward Contract		-		<b>85.44</b>	-
Discount on Issue of Bonds		<b>7.51</b>	9.25	<b>1.74</b>	1.74
Unamortised Borrowing Cost		<b>64.42</b>	85.31	<b>47.18</b>	56.65
Receivables on Agency Sales		-		<b>1,593.43</b>	1,978.05
Assets Held for Disposal		-		<b>38.56</b>	26.17
Others	B	-		<b>471.31</b>	607.44
Less: Provision for doubtful asset		-		<b>6.49</b>	6.31
		-		<b>464.82</b>	601.13
<b>TOTAL</b>		<b>71.93</b>	<b>94.56</b>	<b>4,357.68</b>	<b>4,794.50</b>

A. Company has received an opinion of Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India (ICAI) during the year on accounting and disclosure of Trust Shares and Related Dividend Income wherein it was opined that the trust shares receivables are to be shown as deduction from Share Capital and Reserves & Surplus and the net dividend is to be appropriated from surplus. The company has represented to EAC that all the facts of the case have not been considered and accordingly, a fresh representation for EAC opinion is filed on the same issue. Pending the final opinion of EAC, the present accounting treatment of disclosing the trust share receivables as other current assets and recognising the dividend income on trust shares is continued.

B. Other Current Assets mainly includes interest receivables from Air India Limited ₹ **393.07 crore** (2015: ₹ 481.94 crore).

**NOTE - 17: INVENTORIES**

Particulars	(₹ in Crore)	
	March-16	March-15
<b>In Hand:</b>		
Stores, Spares etc.	A	<b>3,536.80</b>
Less : Provision for Losses		<b>165.62</b>
		<b>3,371.18</b>
		3,678.55
		159.43
Raw Materials	B	<b>8,004.57</b>
Finished Products	C	<b>15,906.29</b>
Stock in Trade	D	<b>3,144.30</b>
Stock in Process		<b>2,514.29</b>
Barrels and Tins	E	<b>35.51</b>
		5,630.69
		4,142.02
		32.95
		<b>32,976.14</b>
		38,383.96
<b>In Transit:</b>		
Stores, Spares etc.		<b>145.89</b>
Raw Materials		<b>4,431.54</b>
Stock in Trade		<b>728.83</b>
		152.42
		5,633.69
		1,373.78
		<b>5,306.26</b>
		7,159.89
		<b>38,282.40</b>
		45,543.85
<b>TOTAL</b>		
Includes-		
A.1 Includes Certified Emission Reductions (CER's) rights of ₹ <b>30,249</b> . Details given in Note-39.		
A.2 Includes stock lying with contractors		<b>24.47</b>
B Includes stock lying with others		<b>7.12</b>
C Includes stock lying with others		<b>942.03</b>
D Includes stock lying with others		<b>639.84</b>
E Includes stock lying with others		<b>1.26</b>
		22.68
		3.95
		1,035.86
		900.59
		1.22

## NOTE - 18: TRADE RECEIVABLES

(₹ in Crore)

Particulars		March-16	March-15
<b>Outstanding for a period exceeding Six Months from due date:</b>			
<b>From Related Parties</b>			
Unsecured, Considered Good		3.01	0.23
<b>From Others</b>			
Unsecured, Considered Good	A	481.22	355.68
Unsecured, Considered Doubtful	A	90.36	130.16
		571.58	485.84
<b>Total</b>		574.59	486.07
Less : Provision for Doubtful Debts	A	90.36	130.16
		484.23	355.91
<b>Others:</b>			
<b>From Related Parties</b>			
Unsecured, Considered Good		198.22	61.33
<b>From Others</b>			
Secured, Considered Good	B	34.93	48.74
Unsecured, Considered Good	B	7,309.06	6,292.19
Unsecured, Considered Doubtful	B	51.41	46.38
		7,395.40	6,387.31
<b>Total</b>		7,593.62	6,448.64
Less : Provision for Doubtful Debts	B	51.41	46.38
		7,542.21	6,402.26
<b>TOTAL</b>		8,026.44	6,758.17
Includes adhoc provision of 1% on Trade receivables as per accounting policy (refer para 9 of Note-1):			
A. Exceeding Six Months from due date		4.73	3.21
B. Others		51.41	46.38

## NOTE - 19: CASH AND BANK BALANCES

(₹ in Crore)

Particulars		March-16	March-15
<b>Cash and Cash Equivalents</b>			
<b>Bank Balances with Scheduled Banks :</b>			
Current Account		215.08	26.87
Fixed Deposit - Maturity within 3 months		0.01	0.01
		215.09	26.88
<b>Bank Balances with Non-Scheduled Banks</b>	A	11.32	6.61
<b>Cheques, Drafts in hand</b>		31.99	64.08
<b>Cash Balances, Including Imprest</b>	B	3.52	3.93
<b>Other Bank Balances</b>			
Fixed Deposit	C	4.99	4.99
Earmarked Balances	D	246.03	9.03
Blocked Account	E	-	0.10
		251.02	14.12
<b>TOTAL</b>		512.94	115.62

- A) There exists restrictions on repatriation of ₹ 0.01 crore (2015: ₹ 0.01 crore) from bank account in Myanmar.
- B) Includes ₹ 0.10 crore (2015: Nil) not available for use.
- C) Earmarked in favour of Statutory Authorities.
- D) Pertains to Buffer Account for DBTL of ₹ 233.64 crore (2015: Nil) (refer point 5 in Note-48) and Unpaid Dividend/Fractional Share Warrants of ₹ 12.39 crore (2015: ₹ 9.03 crore).
- E) Blocked in pursuance to Hon'ble High Court order.

**NOTE - 20: REVENUE FROM OPERATIONS (GROSS)**

Particulars		March-16 (₹ in Crore)	March-15 (₹ in Crore)
Sale of Products and Crude		<b>4,06,374.24</b>	4,56,988.50
Less: Discounts		<b>6,794.83</b>	6,250.94
Sales (Net of Discounts)		<b>3,99,579.41</b>	4,50,737.56
Sale of Services		<b>21.24</b>	18.02
Other Operating Revenues (Note "20.1")		<b>1,281.68</b>	1,134.21
		<b>4,00,882.33</b>	4,51,889.79
Net Claim/(Surrender) of SSC		<b>(520.94)</b>	(569.91)
Subsidy From Central/State Govt.	A	<b>49.37</b>	1,652.12
Grant from Government of India	B	<b>6,885.26</b>	14,960.00
	<b>TOTAL</b>	<b>4,07,296.02</b>	4,67,932.00

- A. Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ₹ **27.31 crore** (2015 : ₹ 1,604.9 crore) and subsidies on sales of SKO & LPG to customers in Bhutan amounting to ₹ **19.29 crore** (2015 : ₹ 44.04 crore) have been reckoned as per the schemes notified by Governments. In addition, incentive of ₹ **2.77 crore** (2015: ₹ 3.18 crore) have been reckoned against sale of power from wind mills.
- B1. The company has accounted for Budgetary Support of ₹ **6,885.26 crore** towards under-recovery on sale of SKO (PDS) for the current year [2015 : ₹ 14,960 crore towards under-recovery on sale of HSD (upto 18.10.2014), SKO (PDS) and LPG (Domestic)] in the Statement of Profit and Loss as Revenue Grants.
- B2. In line with the scheme formulated by Petroleum Planning and Analysis Cell (PPAC), the Company has received during the year, discounts of ₹ **689.62 crore** from ONGC/OIL on crude oil purchased (2015: ₹ 19,476.47 crore from ONGC/GAIL/OIL on Crude Oil/Products) and ₹ **173.22 crore** (2015 : ₹ 4,120.64 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) (2015: under recovery suffered on sale of HSD (upto 18.10.2014), SKO (PDS) and LPG (Domestic)). Out of this, ₹ **689.62 crore** (2015: ₹ 18,447.80 crore) has been adjusted against purchase of raw material and ₹ **173.22 crore** (2015: ₹ 5,149.31 crore) has been adjusted against purchase of stock in trade.

Category wise sales has been shown as per Note - 41.

**NOTE - 20.1: OTHER OPERATING REVENUES**

Particulars		March-16 (₹ in Crore)	March-15 (₹ in Crore)
Sale of Power and Water		<b>117.31</b>	130.53
Unclaimed / Unspent liabilities written back		<b>38.44</b>	33.22
Provision for Doubtful Debts, Advances, Claims, and Stores written back		<b>69.65</b>	27.73
Provision for Contingencies written back		<b>4.94</b>	43.29
Recoveries from Employees		<b>25.45</b>	24.79
Retail Outlet License Fees		<b>164.98</b>	120.75
Income from Non Fuel Business		<b>196.40</b>	154.17
Commission and Discount Received		<b>8.91</b>	12.67
Sale of Scrap		<b>106.63</b>	113.52
Income from Finance Leases		<b>0.60</b>	0.75
Amortization of Capital Grants		<b>18.14</b>	3.19
Commodity Hedging Gain (Net)		<b>-</b>	6.29
Revenue Grants		<b>2.12</b>	0.70
Terminalling Charges		<b>37.78</b>	20.67
Other Miscellaneous Income		<b>490.33</b>	441.94
	<b>TOTAL</b>	<b>1,281.68</b>	1,134.21

## NOTE - 21: OTHER INCOME

Particulars		March-16	(₹ in Crore) March-15
<b>Interest on:</b>	A		
Loans and Advances		<b>69.47</b>	71.17
Fixed Deposits with Banks		<b>0.47</b>	0.46
Short Term Deposits with Banks		-	2.01
Customers Outstanding		<b>298.43</b>	358.10
Oil Companies GOI SPL Bonds		<b>923.45</b>	964.35
Others		<b>229.27</b>	212.81
		<b>1,521.09</b>	1,608.90
<b>Dividend:</b>	B		
From Related Parties		<b>117.24</b>	135.34
From Other Companies		<b>518.13</b>	714.63
		<b>635.37</b>	849.97
Profit on Sale of Investments (Net)		-	24.98
Provision For Diminution in value of Investment Written Back (Net)		-	521.47
Provision for Diminution in value of Trust Shares Written Back (Net)		-	348.34
Profit on sale and disposal of Assets		-	32.54
Amortisation of Premium/Discount on Forward Contracts		-	669.70
MTM Gain on Interest Rate Swap (IRS)		<b>42.72</b>	47.75
Amortisation of Foreign Currency Monetary Item Translation		-	0.72
Other Non Operating Income	C	<b>47.14</b>	41.58
	<b>TOTAL</b>	<b>2,246.32</b>	4,145.95
A 1. Includes Tax Deducted at Source		<b>32.13</b>	25.90
A 2. Includes interest received under section 244A of the Income Tax Act.		<b>4.44</b>	-
A 3. Include interest on:			
Current Investments		<b>594.26</b>	605.55
Non-Current Investments		<b>332.08</b>	358.80
B. Pertains to Dividend on Non-Current Investments.			
Includes ₹ <b>25.22 crore</b> (2015: ₹ 34.81 crore) dividend received from subsidiaries.			
C. Includes share of profit in Petroleum India International		<b>2.18</b>	1.71

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

Particulars	(₹ in Crore)	March-16	March-15
Opening Stock		15,938.41	27,311.21
Add: Purchases		1,38,762.73	1,93,939.49
		1,54,701.14	2,21,250.70
Less: Closing Stock		12,436.11	15,938.41
<b>TOTAL</b>		<b>1,42,265.03</b>	<b>2,05,312.29</b>

Particulars relating to consumption of raw material are shown as per Note - 43. Purchases has been adjusted by ₹ 689.62 crore received as discount on crude oil purchased from ONGC/OIL (2015: ₹ 18,447.80 crore from ONGC/GAIL/OIL).

**NOTE - 23: CHANGES IN INVENTORIES (FINISHED GOODS, WORK-IN PROGRESS AND STOCK-IN-TRADE)**

Particulars	(₹ in Crore)	March-16	March-15
<b>Closing Stock</b>			
Finished Products		15,906.29	14,754.46
Stock in Process		2,514.29	4,142.02
Stock- in - trade		3,873.13	7,004.47
		<b>22,293.71</b>	<b>25,900.95</b>
Less:			
<b>Opening Stock</b>			
Finished Products		14,754.46	21,630.08
Stock in Process		4,142.02	5,460.15
Stock - in - Trade		7,004.47	7,026.79
		<b>25,900.95</b>	<b>34,117.02</b>
<b>NET INCREASE / (DECREASE)</b>		<b>(3,607.24)</b>	<b>(8,216.07)</b>

Category wise Purchases, Sales, Opening and Closing Stock are shown as per Note - 41 and Note - 42.

**NOTE - 24: EMPLOYEE BENEFITS EXPENSES**

Particulars	(₹ in Crore)	March-16	March-15
Salaries, Wages, Bonus etc		5,242.25	4,940.13
Contribution to Provident & Other Funds		1,770.74	1,226.01
Voluntary Retirement Compensation		13.49	2.35
Staff Welfare Expenses		610.61	936.29
<b>TOTAL</b>		<b>7,637.09</b>	<b>7,104.78</b>

- A. Includes ₹ 82.23 crore (2015 : ₹ 274.88 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 ₹ 124.24 crore (2015: NIL) towards provision for probable obligation for gratuity.
- B. Above excludes ₹ 294.47 crore (2015: ₹ 276.59 crore) included in capital work in progress (Note - 12.1) and ₹ 7.41 crore (2015: ₹ 5.28 crore) included in CSR expenses (Note - 26.1).
- C. Includes ₹ 709.40 crore towards additional provision for Post Retirement Medical Benefit Scheme based on actuarial certificate.
- D. Disclosure in compliance with Accounting Standard-15 (Revised 2005) on "Employee Benefits" is given in Note - 29.

## NOTE - 25: FINANCE COST

Particulars	March-16	(₹ in Crore) March-15
Interest Payments on:		
Fixed period loans from Banks/Financial Institutions/Others	261.53	360.26
Bonds	366.97	589.85
Short Term loans from Banks	418.64	481.13
Others *	<u>1,405.19</u>	<u>1,062.12</u>
	<u>2,452.33</u>	2,493.36
Other Borrowing Cost	59.99	66.22
Applicable Net (Gain) / Loss on Foreign Currency Transactions and Translation	<u>487.78</u>	<u>875.69</u>
	<u>3,000.10</u>	3,435.27

\* Mainly includes interest on Entry Tax Liability ₹ **432.02 crore** (2015: ₹ 426.36 crore), Finance lease charges ₹ **403.73 crore** (2015: ₹ 407.43 crore) and interest payable to Delhi Development Authority consequent to Delhi High court order dated 11.05.2016 of ₹ **254.06 crore** (2015: Nil).

## NOTE - 26: OTHER EXPENSES

Particulars	March-16	(₹ in Crore) March-15
Consumption:		
a) Stores, Spares and Consumables	1,351.21	1,509.34
b) Packages & Drum Sheets	<u>444.22</u>	<u>462.89</u>
	<u>1,795.43</u>	1,972.23
Power & Fuel	13,309.64	19,961.49
Less : Fuel from own production	<u>8,701.77</u>	<u>13,837.80</u>
	<u>4,607.87</u>	6,123.69
Throughput, Processing & Blending Fees, Royalty and Other Charges	1,133.69	941.10
Ostroi, Other Levies and Irrecoverable taxes	<u>1,109.74</u>	<u>1,009.32</u>
Repairs and Maintenance		
i) Plant & Equipment	2,558.84	2,265.74
ii) Buildings	227.77	209.27
iii) Others	<u>357.81</u>	<u>313.66</u>
	<u>3,144.42</u>	2,788.67
Freight, Transportation Charges and Demurrage	12,157.20	10,629.52
Office Administration, Selling and Other Expenses (Note "26.1")	<u>7,958.49</u>	<u>5,203.48</u>
	<u>31,906.84</u>	28,668.01
Less: Company's use of own Products and Crude	1,459.38	856.19
	<u>30,447.46</u>	27,811.82
Duties (Net)	A	1,392.63
	<u>2,958.63</u>	1,392.63
	<u>33,406.09</u>	29,204.45

A. Includes an amount of ₹ **2,925.67 crore** (2015 : ₹ 1,376.12 Crore) on account of difference of Excise Duty between opening and closing stock of finished goods.

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

(₹ in Crore)

Particulars	A	March-16	March-15
Rent		<b>900.56</b>	484.40
Insurance		<b>88.68</b>	117.19
Rates & Taxes		<b>88.43</b>	90.19
Donations		<b>4.15</b>	-
Payment to auditors			
a) Audit Fees	1.56		1.21
b) Tax Audit Fees	0.16		0.11
c) Other Services(for issuing certificates etc.)	0.52		0.36
d) Re-imbursement of Expenses	0.30		0.48
		<b>2.54</b>	2.16
Travelling & Conveyance		<b>508.22</b>	481.32
Communication Expenses		<b>55.98</b>	60.17
Printing & Stationery		<b>37.24</b>	36.79
Electricity & Water		<b>288.90</b>	267.73
Bank Charges		<b>16.08</b>	23.20
Bad Debts, Advances & Claims written off		<b>40.98</b>	2.55
Provision/ Loss on Assets sold or written off (Net)		<b>61.64</b>	-
Technical Assistance Fees		<b>32.35</b>	23.35
Exchange Fluctuation (net)		<b>1,406.15</b>	643.71
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.		<b>53.40</b>	31.43
Provision for Diminution/Loss on Revaluation in Investments (net)		<b>881.58</b>	-
Security Force Expenses		<b>410.23</b>	354.62
Sales Promotion Expenses (Incl. Commission)		<b>746.59</b>	686.53
Handling Expenses		<b>330.37</b>	311.22
Expenses on Enabling Facilities		<b>38.67</b>	87.31
Commodity Hedging Losses (Net)		<b>14.31</b>	-
Provision for Probable Contingencies		<b>601.31</b>	496.49
Exploration & Production Cost		<b>222.75</b>	376.23
Amortization of Premium on Forward Contracts		<b>56.82</b>	-
Amortization of FC Monetary Item Translation		<b>302.21</b>	-
Loss on Sale of Investments (Net)		<b>7.26</b>	-
Expenses on CSR Activities		<b>156.68</b>	113.79
Miscellaneous Expenses		<b>604.41</b>	513.10
<b>TOTAL</b>		<b>7,958.49</b>	5,203.48

- A. Rent includes ₹ **358.61 crore** (2015: ₹ Nil) on account of rentals payable to Delhi Development Authority consequent to Delhi High court order dated 11.05.2016.
- B. Expenses Includes:
- i) Expenditure on Public Relations and Publicity amounting to ₹ **74.35 crore** (2015 : ₹ 57.40 crore) which is inclusive of ₹ **18.33 crore** (2015 : ₹ 18.45 crore) on account of Staff and Establishment and ₹ **56.02 crore** (2015 : ₹ 38.95 crore) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00019:1 (2015 : 0.00013:1)
  - ii) Entertainment Expenses ₹ **4.91 crore** (2015 : ₹ 4.44 crore).

## NOTE - 27: INCOME / EXPENSES PERTAINING TO PRIOR PERIODS

Particulars	₹ in Crore	
	March-16	March-15
<b>Income:</b>		
Miscellaneous Income	7.58	1.62
<b>Total Income</b>	<b>7.58</b>	<b>1.62</b>
<b>Expenditure:</b>		
Purchase of Products and Crude	1.83	19.65
Depreciation and Amortization on:		
Tangible Assets	(53.02)	(29.49)
Intangible assets	(0.25)	0.90
Consumption of Stores, Spares and Consumables	(0.21)	0.70
Technical fees	-	(0.54)
Power and Fuel	21.70	-
Repairs and Maintenance	0.45	2.84
Interest	(0.27)	(0.07)
Rent	(4.14)	(0.07)
Rates & Taxes	-	0.17
Employee Benefit Expenses	90.49	-
Other Expenses	(71.98)	15.09
<b>Total Expenditure</b>	<b>(15.40)</b>	<b>9.18</b>
<b>NET INCOME /(EXPENDITURE)</b>	<b>22.98</b>	<b>(7.56)</b>

## NOTE - 28: CONTINGENT LIABILITIES & COMMITMENTS

### A. Contingent Liabilities

#### A.1 Claims against the Company not acknowledged as debt

Claims against the Company not acknowledged as debt amounting to **₹ 13,840.15 crore** (2015: ₹ 12,702 crore) are as under :

- A.1.1 **₹ 151.13 crore** (2015: ₹ 155.01 crore) being the demands raised by the Central Excise /Customs/ Service Tax authorities including interest of **₹ 22.23 crore** (2015: ₹ 22.67 crore).
- A.1.2 **₹ 2,466.15 crore** (2015: ₹ 2,133.47 crore) in respect of demands for Entry Tax from State Governments including interest of **₹ 41.74 crore** (2015: ₹ 345.77 crore).
- A.1.3 **₹ 4,081.15 crore** (2015: ₹ 4,275.75 crore) in respect of VAT/ Sales Tax demands including interest of **₹ 1,382.15 crore** (2015: ₹ 1,485.44 crore).
- A.1.4 **₹ 3,953.57 crore** (2015: ₹ 3,078.95 crore) in respect of Income Tax demands including interest of **₹ 975.54 crore** (2015: ₹ 257.46 crore).
- A.1.5 **₹ 2,182.56 crore** (2015: ₹ 2,198.61 crore) including **₹ 1,716.93 crore** (2015: ₹ 1,449.52 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of **₹ 55.96 crore** (2015: ₹ 71.27 crore).
- A.1.6 **₹ 1,005.59 crore** (2015: ₹ 860.21 crore) in respect of other claims including interest of **₹ 254.06 crore** (2015: ₹ 272.32 crore).

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

#### A.2 Guarantees

- A.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 **₹ 2,427.56 crore - USD 366.37 million** (2015: ₹ 2,295.63 crore- USD 367.27 million).

- A.2.2 The company has issued Corporate Guarantee on behalf of 'Indian Synthetic Rubber Private Limited (ISRPL), joint venture company to the extent of obligations of later company under loans (principal and interest both) made to ISRPL by Japan Bank for International Cooperation (JBIC)' and 'Mizuho Corporate Bank (MHCB)'. The Company's share of such obligation is estimated at **₹ 368.91 crore - USD 55.67 million** (2015: ₹ 347.79 crore – USD 55.64 million).

- A.2.3 The company has entered into Master Guarantee Agreement, on behalf of its subsidiaries viz. Indoil Global B.V. and Indoil Montney Ltd. for all of its payments and performance obligations under the various Project Agreements entered by the subsidiaries with PETRONAS Carigali Canada B.V. and Progress Energy Canada Ltd. The total amount sanctioned by the Board of Directors is

CAD 3,924.76 million. The estimated amount of such obligation (net of amount paid) is **₹ 12,201.06 crore - CAD 2,382.11 million** (2015: ₹ 12,478.71 crore - CAD 2,547.51 million).

- A.2.4 The company has issued Corporate Guarantee on behalf of step down subsidiary 'IndOil Montney Ltd.(IML), to the extent of obligations of later company under loans (principal and interest both) made to IML by 'Bank of Tokyo-Mitsubishi UFJ, Canada, Mizuho Bank Ltd, Canada Branch, Sumitomo Mitsui Banking Corporation, Singapore Branch, Export Development Canada, State Bank of India, Canada, Land Bank of Taiwan, Offshore Banking Branch'. The limit of Corporate Gurantee sanctioned to the member banks is CAD 618.30 million. The Company's share of such obligation is estimated at **₹ 2,049.23 crore – CAD 400.09 million** (2015: ₹ 570.99 crore – CAD 116.57 million).
- A.2.5 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** (2015: NIL).

#### A.3 Other money for which the company is contingently liable

- A.3.1 Air India Limited has entered into tripartite agreement with State Bank of India (2015: Standard Chartered Bank) to raise bill discounting facilities only for payment of fuel purchases from our company. The bank has recourse of recovery from the company in case of nonpayment by M/s Air India Limited to the bank. The estimated amount of such obligation is **₹ 177.87 Crore** (2015 : ₹ 271.03 crore).
- A.3.2 Pending decision of the Government, no liability could be determined and provided for in respect of additional compensation, if any, payable to the land owners and the Government for certain lands acquired.

### B. Commitments

#### B.1.1 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account not provided for **₹ 8,225.98 crore** (2015: ₹ 10,252.52 crore).

#### B.1.2 Other Commitments

- B.1.2.1 The Company has an export obligation to the extent of **₹ 5,124.14 crore** (2015: ₹ 3,787.84 crore) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.
- B.1.2.2 To meet the direction of Honorable Supreme court, company has commitments to incur **₹ 356.54 Crore** towards construction of water treatment plant in the state of Orissa, for removal of shoals from the upstream of Mahanadi Barrage and other expenses.
- B.1.2.3 IndianOil LNG Private Limited(IOLPL), Joint venture company, has entered into Debenture Subscription Agreement with ICICI Bank (ICICI), in which, the Company, as promoter of IOLPL, has provided put option under certain condition in which ICICI has option to sell Compulsory Convertible Debenture (CCD) to the Company. The Company's share of such obligation is estimated at **₹ 150.00 crore** (2015:NIL).

## NOTE – 29: EMPLOYEE BENEFITS

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

### (A) PROVIDENT FUND

- (i) The Company has three Provident Funds maintained by respective PF Trusts. All these three PF Trusts do not have any shortfall as on 31.03.2016.
- (ii) During the year, Company has conducted Actuarial Valuation of all three PF Trusts. As per Actuarial Valuation, all three PF Trusts do not have any deficit as on 31<sup>st</sup> March 2016. Accordingly, other related disclosures in respect of Provident Fund have not been made.
- (iii) During the year, the company has recognised ₹ 335.25 crore (2015 : ₹ 327.05 crore) as Employer's contribution to Provident Fund in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 24/ Construction period expenses in Note-12.1).
- (iv) In addition, during the year, the company has recognised ₹ 41.95 crore (2015 : ₹ 30.19 crore) as contribution to EPS-95 in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 24/ Construction period expenses in Note-12.1).

### (B) PENSION SCHEME

During the year, the company has recognised ₹ 439.67 crore (2015 : ₹ 201.42 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 - 24/ Construction period expenses in Note-12.1).

### (C) DEFINED BENEFIT PLANS- GENERAL DESCRIPTION

#### 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.

D. The summarised position of various defined benefits / Long Term Employee Benefits recognised in the Statement of Profit & Loss, Balance Sheet are as under:

### (I) RECONCILIATION OF BALANCE OF DEFINED BENEFIT / LONG TERM EMPLOYEE BENEFIT OBLIGATIONS (₹ in Crore)

	Gratuity	Leave Encashment	PRMS	Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD	Ex-Gratia
	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Funded	Non-Funded
Defined Obligation at the beginning	1,459.86	2,068.94	2,575.58	83.59	182.14	5.31	203.12
	1,348.55	1,986.07	1,952.77	74.07	190.69	5.86	182.97
Current Service Cost	8.09	152.19	116.85	13.84	34.15	0.11	-
	8.70	122.80	94.77	12.59	36.28	0.18	-
Interest Cost	116.06	164.48	204.76	6.65	14.48	0.36	16.09
	125.82	185.30	181.02	6.91	17.79	0.46	16.60
Benefits paid	(153.04)	(378.38)	(151.60)	(5.74)	(36.24)	(1.40)	(28.83)
	(132.35)	(519.74)	(133.11)	(4.97)	(24.11)	(1.06)	(24.12)
Actuarial (gain)/ loss on obligations	(2.25)	196.37	769.69	(16.32)	17.82	(0.07)	6.90
	109.14	294.51	480.13	(5.01)	(38.51)	(0.13)	27.67
Defined Benefit Obligation at the end of the year	1,428.72	2,203.60	3,515.28	82.02	212.35	4.31	197.28
	1,459.86	2,068.94	2,575.58	83.59	182.14	5.31	203.12

Contd...

**II. RECONCILIATION OF BALANCE OF FAIR VALUE OF PLAN ASSETS**

(₹ in Crore)

	Gratuity Funded	Leave Encashment Non-Funded	PRMS Funded	Resettlement Allowance Non-Funded	Long Service Award Non-Funded	Staff Pension Fund at AOD Funded	Ex-Gratia Non-Funded
Fair Value of Plan Assets at the beginning of the year	1,845.81	-	1,419.69	-	-	5.37	-
	1,812.03	-	1,212.49	-	-	5.01	-
Expected return on plan assets	146.74		112.87			0.42	
	157.65		105.49			0.45	
Contribution by employer	-		1,008.40			-	
	-		197.25			1.00	
Contribution by Employees	-		1.22			-	
	-		1.10			-	
Benefit paid	(153.04)	-	(151.60)	-	-	(1.40)	-
	(132.35)	-	(133.11)	-	-	(1.06)	-
Actuarial gain / (losses)	12.91		73.26			(0.07)	
	8.48		36.47			(0.03)	
Fair value of plan assets at the end of the year	1,852.42	-	2,463.84	-	-	4.32	-
	1,845.81	-	1,419.69	-	-	5.37	-

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

(₹ in Crore)

	Gratuity Funded	Leave Encashment Non-Funded	PRMS Funded	Resettlement Allowance Non-Funded	Long Service Award Non-Funded	Staff Pension Fund at AOD Funded	Ex-Gratia Non-Funded
Fair Value of Plan Assets at the end of the year	1,852.42	-	2,463.84	-	-	4.32	-
	1,845.81	-	1,419.69	-	-	5.37	-
Defined Benefit Obligation at the end of the year	1,428.72	2,203.60	3,515.28	82.02	212.35	4.31	197.28
	1,459.86	2,068.94	2,575.58	83.59	182.14	5.31	203.12
Amount recognised in the Balance Sheet	(423.70)	2,203.60	1,051.44	82.02	212.35	(0.01)	197.28
	(385.95)	2,068.94	1,155.89	83.59	182.14	(0.06)	203.12

**(IV) AMOUNT RECOGNISED IN STATEMENT OF PROFIT AND LOSS / CWIP**

(₹ in Crore)

	Gratuity Funded	Leave Encashment Non-Funded	PRMS Funded	Resettlement Allowance Non-Funded	Long Service Award Non-Funded	Staff Pension Fund at AOD Funded	Ex-Gratia Non-Funded
Current Service Cost	8.09	152.19	116.85	13.84	34.15	0.11	-
	8.70	122.80	94.77	12.59	36.28	0.18	-
Interest Cost	116.06	164.48	204.76	6.65	14.48	0.36	16.09
	125.82	185.30	181.02	6.91	17.79	0.46	16.60
Expected (return) / loss on plan asset	(146.74)	-	(112.87)	-	-	(0.42)	-
	(157.65)	-	(105.49)	-	-	(0.45)	-
Contribution by Employees	-		(1.22)			-	
	-		(1.10)			-	
Actuarial (gain)/ loss	(15.16)	196.37	696.43	(16.32)	17.82	-	6.90
	100.66	294.51	443.66	(5.01)	(38.51)	(0.10)	27.67
Expenses for the year	(37.75)	513.04	903.95	4.17	66.45	0.05	22.99
	77.53	602.61	612.86	14.49	15.56	0.09	44.27

Contd...

#### (V) MAJOR ACTUARIAL ASSUMPTIONS

	Gratuity	Leave Encashment	PRMS	Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD	Ex-Gratia
	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Funded	Non-Funded
Discount rate	<b>7.96%</b>	<b>7.96%</b>	<b>8.06%</b>	<b>7.96%</b>	<b>7.96%</b>	<b>7.30%</b>	<b>7.81%</b>
	7.95%	7.95%	7.95%	7.95%	7.95%	7.80%	7.92%
Expected return on plan assets	<b>7.96%</b>	-	<b>8.06%</b>	-	-	<b>9.00%</b>	-
	7.95%	-	7.95%	-	-	9.00%	-
Salary escalation	<b>8.00%</b>	<b>8.00%</b>	-	-	-	<b>8.00%</b>	-
	8.00%	8.00%	-	-	-	8.00%	-
Inflation	-	-	<b>7.00%</b>	<b>6.00%</b>	-	-	-
	-	-	7.00%	6.00%	-	-	-

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. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management and historical results of the return on plan assets.

#### (VI) ACTUAL RETURN ON PLAN ASSETS

	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded
Actual Return on Plan Assets	<b>8.63%</b> 9.08%	<b>9.59%</b> 10.79%	<b>7.22%</b> 8.09%

#### (VII) INVESTMENT DETAILS

	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded
Investment with Insurer (LIC)	97.33%	55.39%	62.63%
Self managed investments	2.67%	44.61%	37.37%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

#### DETAILS OF THE INVESTMENT PATTERN FOR THE ABOVE-MENTIONED FUNDED OBLIGATIONS IS AS UNDER:

	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded
Government of India securities	53.14%	29.23%	2.73%
Investment in Equity Shares	5.79%	3.26%	-
Investment in Debentures	28.42%	16.00%	-
Other approved investments (incl. Cash)	12.65%	51.51%	97.27%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

#### (VIII) EFFECT OF INCREASE/DECREASE IN HEALTHCARE COST (PRMS):

(₹ in Crore)

	March-16	March-15
Change in Liability for 1% increase in inflation rate	305.73	157.77
Change in Liability for 1% decrease in inflation rate	(253.62)	(134.18)

Contd...

## (IX) OTHER DISCLOSURES:

## GRATUITY AMOUNT FOR THE CURRENT AND PREVIOUS PERIODS ARE AS FOLLOWS:

(₹ in Crore)

	March-16	March-15	March-14	March-13	March-12
Defined benefit obligation	1,428.72	1,459.86	1,348.55	1,444.72	1,384.32
Plan Assets	1,852.42	1,845.81	1,812.03	1,786.20	1,631.02
Surplus / (Deficit)	423.70	385.95	463.48	341.48	246.70
Expected contribution for next financial year	-	-	-	-	23.75
Experience adjustment on plan liabilities - (Gain)/Loss	(1.35)	(8.21)	4.06	21.63	(2.25)
Experience adjustment on plan assets - Gain/(Loss)	12.91	8.48	7.67	14.91	17.91

## PRMS AMOUNT FOR THE CURRENT AND PREVIOUS PERIODS ARE AS FOLLOWS:

(₹ in Crore)

	March-16	March-15	March-14	March-13	March-12
Defined benefit obligation	3,515.28	2,575.58	1,952.77	1,685.72	882.94
Plan Assets	2,463.84	1,419.69	1,212.49	943.22	882.94
Surplus / (Deficit)	(1,051.44)	(1,155.89)	(740.28)	(742.50)	-
Expected contribution for next financial year	1,219.68	1,272.74	246.66	223.70	70.56
Experience adjustment on plan liabilities - (Gain)/Loss	(95.78)	113.32	391.95	(50.32)	-
Experience adjustment on plan Assets - Gain/(Loss)	73.26	36.47	19.46	13.45	-

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

## NOTE - 30: SEGMENT INFORMATION

Information regarding Primary Segment Reporting as per AS-17 for the year ended March 31, 2016 is as under:

	March-16					March-15					(₹ in Crore)
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	
<b>Revenue</b>											
External Revenue	3,25,460.89	16,975.37	8,166.83	-	3,50,603.09	4,07,951.94	20,243.96	9,328.33	-	4,37,524.23	
Inter-segment Revenue	6,810.00	16.99	5,484.40	(12,311.39)	0.00	11,312.32	20.88	7,847.86	(19,181.06)	0.00	
<b>Total Revenue</b>	<b>3,32,270.89</b>	<b>16,992.36</b>	<b>13,651.23</b>	<b>(12,311.39)</b>	<b>3,50,603.09</b>	<b>4,19,264.26</b>	<b>20,264.84</b>	<b>17,176.19</b>	<b>(19,181.06)</b>	<b>4,37,524.23</b>	
<b>Result</b>											
Segment Results excluding Exchange Gain/(Loss)	12,792.97	5,177.85	(49.11)	-	17,921.71	3,830.63	2,472.98	(35.82)	-	6,267.79	
Segmental Exchange Gain/(Loss)	(1,486.40)	2.09	0.45	-	(1,483.86)	(981.74)	8.31	0.44	-	(972.99)	
<b>Segment Results</b>	<b>11,306.57</b>	<b>5,179.94</b>	<b>(48.66)</b>	<b>-</b>	<b>16,437.85</b>	<b>2,848.89</b>	<b>2,481.29</b>	<b>(35.38)</b>	<b>-</b>	<b>5,294.80</b>	
<b>Less: Unallocable Expenditure</b>											
- Finance Cost					3,000.10					3,435.27	
- Loss on Sale of Investments (Net)					7.26					-	
- Provision for diminution in Investments (Net)					881.58					-	
- Loss on sale and disposal of Assets (Net)					61.64					-	
- Amortisation of Premium/Discount on Forward Contracts					56.82					-	
- Amortisation of FC Monetary Item Translation					302.21					-	
<b>Add: Unallocable Income</b>											
- Interest/Dividend Income					2,156.46					2,458.87	
- Profit on Sale of Investments (Net)					-					24.98	
- Provision for diminution in Investments written back (Net)					-					521.47	
- Provision for diminution in Trust written back (Net)					-					348.34	
- Profit on sale and disposal of Assets (Net)					-					32.54	
- Exchange Gain - (Net)					77.71					329.28	
- Amortisation of Premium/Discount on Forward Contracts					-					669.70	
- MTM Gain on IRS					42.72					47.75	
- Amortisation of FC Monetary Item Translation					-					0.72	
- Other non operating income					47.14					41.58	
- Prior year income/(expenses) - Net					22.98					(7.56)	
<b>Profit before Exceptional Items and Tax</b>					14,475.25					6,327.20	
Exceptional Items					1,364.25					1,668.09	
<b>Profit Before Tax</b>					15,839.50					7,995.29	
Less: Income Tax (including deferred tax)					5,440.47					2,722.26	
<b>Profit After Tax</b>					10,399.03					5,273.03	
<b>Other Information</b>											
Segment Assets	1,79,199.06	14,220.63	1,897.86		1,95,317.55	1,72,263.32	15,358.70	1,721.15		1,89,343.17	
Corporate Assets					31,289.63					30,506.30	
<b>Total Assets</b>					2,26,607.18					2,19,849.47	
Segment Liabilities	86,378.89	422.38	902.46		87,703.73	86,331.03	321.52	786.96		87,439.51	
Corporate Liabilities					64,954.72					64,439.99	
<b>Total Liabilities</b>					1,52,658.45					1,51,879.50	
<b>Capital Employed</b>											
Segment Wise	92,820.17	13,798.25	995.40		1,07,613.82	85,932.29	15,037.18	934.19		1,01,903.66	
Corporate					(33,665.09)					(33,933.69)	
<b>Total Capital Employed</b>					73,948.73					67,969.97	
Capital Expenditure	14,133.17	197.99	35.22	-	14,366.38	11,792.48	383.98	67.90	-	12,244.36	
Depreciation and Amortization	3,924.79	894.88	33.12	-	4,852.79	3,576.11	922.03	30.52	-	4,528.66	

- 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.
- Segment Revenue comprises of the following:
  - Turnover (Net of Excise Duties)
  - Net Claim/(Surrender) of SSC
  - Subsidy / Grants received from Governments
  - Other Operating Revenue
- Inter segment pricing at Arm's length basis
- There are no reportable geographical segments.

## NOTE - 31: RELATED PARTY DISCLOSURES

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

### 1. RELATIONSHIP

#### A) Details of Joint Venture Entities/Associates

- 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) Sunteria Nigeria 205 Limited
- 14) Delhi Aviation Fuel Facility Private Limited
- 15) Indian Synthetic Rubber Private Limited
- 16) IndianOil 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) Petroleum India International - AOP (An Associate)

#### B) Details of Joint Ventures (Unincorporated)

- 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) YEMEN 83 (upto 12.08.2014)
- 18) AREA 95-96

#### C) Key Managerial Personnel

- 1) Shri B. Ashok (w.e.f. 16.07.2014)
- 2) Shri R.S. Butola (up to 31.05.2014)
- 3) Dr. R.K. Malhotra (up to 30.06.2014)
- 4) Shri Sudhir Bhalla (up to 22.05.2014)
- 5) Shri A.M.K. Sinha (up to 31.07.2014)
- 6) Shri P. K. Goyal (up to 31.08.2014)
- 7) Shri R.K. Ghosh (up to 30.06.2014)
- 8) Shri Makarand Nene (up to 31.12.2014)
- 9) Shri V.S. Okhde (up to 31.01.2015)
- 10) Shri Sanjiv Singh (w.e.f. 01.07.2014)
- 11) Shri Debasis Sen (w.e.f. 15.09.2014)
- 12) Shri A.K. Sharma (w.e.f. 27.10.2014)
- 13) Shri Verghese Cherian (w.e.f. 06.01.2015)
- 14) Shri Anish Aggarwal (w.e.f. 01.02.2015)
- 15) Shri B.S. Canth (w.e.f. 08.10.2015)
- 16) Shri Raju Ranganathan

#### 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 (IndianOil 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 1A & 1B above:

(₹ in Crore)

		March-16	March-15
<b>1 Sales</b>	[Mainly Includes sales to Indian Synthetic Rubber Private Limited ₹ <b>213.45 crore</b> (2015: ₹ 137.92 crore), IndianOil Petronas Private Limited ₹ <b>125.38 crore</b> (2015: ₹ 367.03 crore) and Lubrizol India Private Limited ₹ <b>50.08 crore</b> (2015: ₹ 95.28 crore)]	<b>389.91</b>	613.47
<b>2 Interest received</b>	[Mainly includes interest received from IndianOil LNG Private Limited ₹ <b>5.34 crore</b> (2015: Nil ) and Indian Synthetic Rubber Private Limited ₹ <b>3.33 crore</b> (2015: ₹ 1.86 crore)]	<b>8.67</b>	1.86
<b>3 Consultancy Services/Other Income</b>	[Mainly includes Consultancy Service/Other Income from Indian Synthetic Rubber Private Limited ₹ <b>59.27 crore</b> (2015: ₹ 68.47 crore), IndianOil Petronas Private Limited ₹ <b>41.96 crore</b> (2015: ₹ 42.92 crore), Petronet LNG Limited ₹ <b>23.33 crore</b> (2015: ₹ 23.26 crore) and Lubrizol India Private Limited ₹ <b>19.20 crore</b> (2015: ₹ 28.80 crore)]	<b>162.91</b>	186.04
<b>4 Purchase of Products</b>	[Mainly includes Purchase of Products from Petronet LNG Limited ₹ <b>9,374.63 crore</b> (2015: ₹ 14,276.69 crore)]	<b>9,471.72</b>	14,362.99
<b>5 Purchase of Chemicals/materials</b>	[Mainly includes Purchase of chemicals /materials from Lubrizol India Private Limited ₹ <b>258.55 crore</b> (2015: ₹ 312.24 crore)]	<b>258.55</b>	312.46
<b>6 Handling / Other Expenses</b>	[Mainly includes Handling / Other Expenses to IndianOil Petronas Private Limited ₹ <b>339.89 crore</b> (2015: ₹ 316.08 crore), IndianOil SkyTanking Private Limited ₹ <b>261.95 crore</b> (2015: ₹ 231.21 crore) and Mumbai Aviation Fuel Farm Facility Private Limited ₹ <b>75.75 crore</b> (2015: ₹ 12.69 crore)]	<b>725.36</b>	584.51

Contd...

		(₹ in Crore)	
		March-16	March-15
<b>7</b>	<b>Exploration &amp; Production Expenses</b> [Exploration & Production Expenses to SHAKTHI GABON ₹ <b>74.19 crore</b> (2015: ₹ 10.12 crore) and AA-ONN-2001/2 ₹ <b>15.85 crore</b> (2015: ₹ 0.72 crore)]	<b>152.81</b>	263.55
<b>8</b>	<b>Reimbursement of Expenses</b> [Mainly includes Reimbursement of Expenses pertaining to IndianOil LNG Private Limited ₹ <b>56.53 crore</b> (2015: Nil)]	<b>68.31</b>	7.48
<b>9</b>	<b>Investments made/ (dis)investments during the year</b> [Includes Investment made in IndianOil LNG Private Limited ₹ <b>326.51 crore</b> (2015: Nil) and IndianOil SkyTanking Private Limited ₹ <b>55.98 crore</b> (2015: Nil)]	<b>521.01</b>	257.47
<b>10</b>	<b>Purchase/Acquisition of Fixed Assets including CWIP</b> [Includes Purchase/Acquisition of Fixed Assets incl. CWIP from AAP-ON-94/1 ₹ <b>20.79 crore</b> (2015: ₹ 4.54 crore), IOT Infrastructure & Energy Services Limited ₹ <b>13.47 crore</b> (2015: ₹ 36.95 crore) and AA-ONN-2001/2 ₹ <b>6.60 crore</b> (2015: ₹ 5.20 crore)]	<b>42.81</b>	68.26
<b>11</b>	<b>Sale of fixed Assets</b> [Sale of Fixed Assets to Mumbai Aviation Fuel Farm Facility Private Limited- <b>Nil</b> (2015: ₹ 47.19 crore)]	<b>-</b>	47.19
<b>12</b>	<b>Provisions made/(written off) during the year</b> [Mainly includes Provision for diminution in value of investment in IOT Infrastructure & Energy Services Limited ₹ <b>316.66 crore</b> (2015: Nil)]	<b>322.35</b>	1.40
<b>13</b>	<b>Outstanding Receivables / Loans &amp; Advances</b> [Mainly includes Outstanding Receivables / Loans & Advances from Petronet LNG Limited ₹ <b>337.08 crore</b> including Service Tax (2015: ₹ 253.20 crore including Service Tax) and Suntera Nigeria 205 Limited ₹ <b>107.02 crore</b> (2015: ₹ 100.42 crore)]	<b>611.14</b>	491.79
<b>14</b>	<b>Outstanding Payables</b> [Mainly includes Outstanding payable to Petronet LNG Limited ₹ <b>319.37 crore</b> (2015: ₹ 401.60 crore)]	<b>469.50</b>	505.69
<b>15</b>	<b>Investments in Joint Venture Entities/ Associates as on 31.03.2016</b>	<b>1,473.59</b>	1,269.34

**Note:** Transactions in excess of 10% of the total related party transactions for each type has been disclosed above.

**b) Details relating to the parties referred to in Item No. 1C above:**

		(₹ in Crore)
<b>Apr-Mar'16</b>		
<b>B.1) Details of Key Managerial Personnel</b>	<b>Remuneration</b>	<b>Interest &amp; Furniture Hire Charges</b>
		<b>Outstanding loans/advances receivables</b>
1) Shri B. Ashok	0.45	-
2) Shri R.S. Butola	-	-
3) Dr. R.K. Malhotra	-	-
4) Shri Sudhir Bhalla	-	-
5) Shri A.M.K. Sinha	-	-
6) Shri P.K. Goyal	-	-
7) Shri R.K. Ghosh	-	-
8) Shri Makarand Nene	-	-
9) Shri V.S. Okhde	-	-
10) Shri Sanjiv Singh	0.40	-
11) Shri Debasis Sen	0.35	-
12) Shri A.K. Sharma	0.47	-
13) Shri Verghese Cherian	0.43	-
14) Shri Anish Aggarwal	0.43	0.02
15) Shri B. S. Canth	0.20	-
16) Shri Raju Ranganathan	0.42	-
<b>TOTAL</b>	<b>3.15</b>	<b>0.02</b>
		<b>0.27</b>

Contd...

Apr-Mar'15 B.2) Details of Key Managerial Personnel		Remuneration	Interest & Furniture Hire Charges	Outstanding loans/advances receivables
1)	Shri B. Ashok	0.35	-	0.02
2)	Shri R.S. Butola	0.76	-	-
3)	Dr. R.K. Malhotra	0.62	-	-
4)	Shri Sudhir Bhalla	1.25	-	-
5)	Shri A.M.K. Sinha	0.79	-	-
6)	Shri PK. Goyal	0.99	-	-
7)	Shri R.K. Ghosh	0.81	-	-
8)	Shri Makarand Nene	0.79	-	-
9)	Shri V.S. Okhde	1.10	-	-
10)	Shri Sanjiv Singh	0.34	-	0.05
11)	Shri Debasis Sen	0.28	-	-
12)	Shri A.K. Sharma	0.21	0.01	0.13
13)	Shri Verghese Cherian	0.13	-	0.02
14)	Shri Anish Aggarwal	0.06	-	0.09
15)	Shri B. S. Canth	-	-	-
16)	Shri Raju Ranganathan	0.41	-	0.02
<b>TOTAL</b>		<b>8.89</b>	<b>0.01</b>	<b>0.33</b>

## c) Details relating to the parties referred to in Item No.1D above:

(₹ in Crore)

	March-16	March-15
<b>1. Sales</b> M/s. JOT Filling Station	1.75	-
<b>2. Remuneration</b> Shri Harvinder Singh Kainth	0.11	-
<b>3. Outstanding Receivables / Loans &amp; Advances</b> Shri Harvinder Singh Kainth	0.03	-
<b>4. Outstanding Payables</b> M/s. JOT Filling Station	0.07	-

## Notes:

- This does not include the impact of provision made on actuarial valuation of retirement benefit schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors.
- In addition, whole-time Directors are also allowed the use of Corporation's car for private purposes up to 12,000 kms per annum on a payment of ₹ 2,000/- per mensem.
- No disclosure is required for Subsidiary Companies which can be treated as State controlled enterprises ('i.e. ownership by Central/State Govt, directly or indirectly, of more than 50% of voting rights, shall be treated as State controlled enterprise)
- In case of Joint Venture Companies constituted/acquired during the period, transactions w.e.f. date of constitution/acquisition is disclosed.
- In case of Joint Venture Companies which have been closed/divested during the period, transactions up to the date of closure/disinvestment only are disclosed.

## NOTE - 32: LEASES

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

#### FINANCE LEASES:

##### a) As Lessee

The company has entered into following finance leases:

- (i) BOOT agreement with IOT Utkal Energy Services Ltd. in respect of Tankages facility for a period of 15 years. Lessor will transfer ownership to the company after 15 Years at Nil value.
- (ii) BOOT agreement with IL&FS in respect of Water Intake facility for a period of 25 years. Lessor will transfer ownership to the company after 25 Years at ₹ 0.01 crore.

##### A. Disclosure under Finance Lease as Lessee:

Particulars	(₹ in Crore)	
	March-16	March-15
<b>i) Minimum lease payments:</b>		
- Not later than one year	519.10	519.10
- Later than one year and not later than five years	2,076.39	2,076.38
- Later than five years	4,895.94	5,415.04
<b>Total</b>	<b>7,491.43</b>	<b>8,010.52</b>
<b>ii) Present value of minimum lease payments:</b>		
- Not later than one year	488.55	488.55
- Later than one year and not later than five years	1,486.09	1,486.09
- Later than five years	1,589.51	1,697.31
<b>Total</b>	<b>3,564.15</b>	<b>3,671.95</b>
Add: Future Finance Charges	3,927.28	4,338.57
<b>Total</b>	<b>7,491.43</b>	<b>8,010.52</b>
<b>B. The Net Carrying amount of the assets acquired under Finance Lease included in Note – 10 &amp; 12.</b>		
Plant & Equipment- Tangible Assets	3,573.40	3,429.39
Plant & Equipment- Capital Work in Progress	-	232.51
<b>Total</b>	<b>3,573.40</b>	<b>3,661.90</b>

##### b) As Lessor

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.

Particulars	(₹ in Crore)	
	March-16	March-15
<b>A. Gross Investments in Finance Lease</b>	<b>415.64</b>	<b>415.64</b>
Less: Unearned Finance Income	0.78	1.36
Less: Finance Income Received	170.36	169.79
Less: Minimum Lease payment received	240.58	238.83
<b>Net Investment in Finance Lease as on Date</b>	<b>3.92</b>	<b>5.66</b>
<b>B. Unearned finance Income</b>	<b>0.78</b>	<b>1.36</b>
<b>C. Present Value of Minimum Lease Payments Receivable</b>		
Not Later than one year	1.73	1.74
Later than one year and not later than five years	2.19	3.91
Later than Five years	-	0.01
<b>Total :</b>	<b>3.92</b>	<b>5.66</b>
<b>D. Break-up of un-earned income</b>		
Not Later than one year	0.40	0.58
Later than one year and not later than five years	0.38	0.78
Later than Five years	-	-
<b>Total:</b>	<b>0.78</b>	<b>1.36</b>

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## Operating leases:

### a) As Lessee

- (i) Lease Rentals charged to the Statement of profit and loss/CWIP and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements:

Particulars	(₹ in Crore)	March-16	March-15
A. Lease rentals recognized during the period		205.49	173.63
B. Lease Obligations			
- Not later than One Year		231.27	171.13
- Later than one year and not later than five years		848.27	638.08
- Later than five years		2,087.80	1,365.34

These relate to leases in respect of Port facilities in Gujarat, storage tankage facilities for petroleum products and Nitrogen Plant, Hydrogen Plant and Quality Control Lab.

- (ii) The company has taken certain assets (including office/residential premises) on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements. During the year ₹ 75.75 crore (2015: ₹ 73.92 crore) had been paid towards cancellable Operating Lease.

### b) As Lessor

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

Particulars	(₹ in Crore)	March-16	March-15
A. Lease rentals recognized as income during the period		3.61	4.42
B. Value of assets given on lease included in tangible assets (Category of assets – Plant & Equipment)			
- Gross Carrying Amount		20.64	14.76
- Accumulated Depreciation		17.76	12.40
- Depreciation recognized in the Statement of Profit and Loss		0.22	0.20

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

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

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

Particulars	March-16	March-15
Net profit after tax (₹ in Crore)	10,399.03	5,273.03
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	2,427,952,482	2,427,952,482
Earning Per Share (Basic and Diluted) (₹)	42.83	21.72
Face value per share (₹)	10/-	10/-

## NOTE - 34: INTEREST IN JOINT VENTURES

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

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

#### (a) Jointly Controlled Operations:

The Corporation has entered into production sharing agreements for oil and gas exploration blocks with the Govt. of India and other body corporates. These joint ventures are:

Name	Country of Origin	Participating Interest of IOC(%)	31.03.2016	31.03.2015
<b>IN INDIA</b>				
<b>Under NELP Block</b>				
MN-OSN-2000/2	India	20.00	20.00	20.00
AA-ONN-2001/2	India	20.00	20.00	20.00
MB-OSN-2004/1	India	20.00	20.00	20.00
MB-OSN-2004/2	India	20.00	20.00	20.00

Contd...

Name	Country of Origin	Participating Interest of IOC(%)	
		31.03.2016	31.03.2015
KG-DWN-2005/1	India	20.00	20.00
GK-OSN-2009/1*	India	25.00	20.00
GK-OSN-2009/2	India	30.00	30.00
CB-ONN-2010/6	India	20.00	20.00
Others			
AAP-ON-94/1**	India	29.03	43.55
BK-CBM-2001/1	India	20.00	20.00
NK-CBM-2001/1	India	20.00	20.00
<b>OUTSIDE INDIA</b>			
FARSI BLOCK	Iran	40.00	40.00
LIBYA BLOCK 86	Libya	50.00	50.00
LIBYA BLOCK 102/4	Libya	50.00	50.00
SHAKTHI-II GABON	Gabon	50.00	50.00
YEMEN 82	Yemen	15.00	15.00
AREA 95-96	Libya	25.00	25.00

\* Participating Interest changed to 25% for Exclusive Operations in Appraisal phase on account of non participation by GSPC.

\*\* Participating Interest revised to 29.03% in development phase on account of back in right availed by M/s Oil India as licensee.

**(b) Jointly Controlled Assets:**

IOC's share in jointly controlled/ owned assets have been shown in Note 10 "Tangible Assets". IOC's Share in aggregate of Contingent Liabilities and Capital Commitments of Jointly Controlled Assets is **NIL** as on 31.03.2016 (2015: NIL).

**(c) Jointly Controlled Entities:**

Name	Country of Incorporation	Ownership Interest of IOC(%)	
		31.03.2016	31.03.2015
(i) IOT Infrastructure & Energy Services Limited	India	48.81	48.79
(ii) Lubrizol India Private Limited	India	50.00	50.00
(iii) Petronet VK Limited*	India	26.00	26.00
(iv) Petronet CI Limited*	India	26.00	26.00
(v) IndianOil SkyTanking Private Limited	India	50.00	33.33
(vi) Delhi Aviation Fuel Facility Private Limited	India	37.00	37.00
(vii) IndianOil Petronas Private Limited	India	50.00	50.00
(viii) Suntera Nigeria 205 Limited	Nigeria	25.00	25.00
(ix) IndianOil Panipat Power Consortium Limited*	India	50.00	50.00
(x) Avi-Oil India Private Limited	India	25.00	25.00
(xi) Petronet India Limited*	India	18.00	18.00
(xii) Petronet LNG Limited	India	12.50	12.50
(xiii) Indian Synthetic Rubber Private Limited	India	50.00	50.00
(xiv) IndianOil Ruchi Biofuels LLP*	India	50.00	50.00
(xv) Green Gas Limited	India	49.97	49.97
(xvi) NPCIL IndianOil Nuclear Energy Corporation Limited	India	26.00	26.00
(xvii) GSPL India Transco Limited	India	26.00	26.00
(xviii) GSPL India Gasnet Limited	India	26.00	26.00
(xix) IndianOil Adani Gas Private Limited	India	50.00	50.00
(xx) Mumbai Aviation Fuel Farm Facility Private Limited	India	25.00	25.00
(xxi) Kochi Salem Pipelines Private Limited	India	50.00	50.00
(xxii) IndianOil LNG Private Limited (incorporated on 29.05.15)	India	50.00	-

\* Proportionate consolidation has not been considered as the Management has decided to exit from these entities and provided for full diminution in the value of investment.

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

(₹ in Crore)

	Jointly Controlled Entities		Jointly Controlled Operations#	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
(i) Assets				
- Non-Current Assets	4,890.34	4,385.33	402.06	382.78
- Current Assets	1,957.79	1,828.62	73.17	16.51
(ii) Liabilities				
- Non-current Liabilities	2,758.51	2,760.04	-	-
- Current Liabilities	2,028.65	1,654.73	39.40	33.72
(iii) Income	6,133.73	7,499.24	0.09	1.35
(iv) Expenses	5,782.04	7,659.95	152.81	263.55
(v) Contingent Liabilities	595.06	581.52	0.27	0.20
(vi) Capital Commitments	311.73	317.82	1,055.82	1,186.20

#the accounts are unaudited

**NOTE - 35: EXPOSURE TO FINANCIAL AND COMMODITY DERIVATIVES****Financial and Derivative Instruments:**

- All derivative contracts entered into by the Company are for hedging its foreign currency, interest rate & commodity exposures relating to underlying transactions and firm commitments and not for any speculative or trading purposes.
- The Derivative contracts entered into by the Company and outstanding as on 31<sup>st</sup> March 2016 are as below:

**(a) For Hedging Currency Risks:**Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31<sup>st</sup> March 2016 is given below:

(₹ in Crore)

S. No.	Particulars	Unit of Currency	As on 31.03.16		As on 31.03.15	
			No. of contracts	Aggregate amount	No. of contracts	Aggregate amount
1.	Forward Contracts for Foreign Currency Loans	USD	10	2,936.22	-	-

**(b) For Hedging Commodity Related Risks:**Category-wise quantitative data about commodity derivative transactions that are outstanding as on 31<sup>st</sup> March 2016 is given below:

Quantity (in lakh bbls)

S. No.	Particulars	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
		No. of contracts	Aggregate amount	No. of contracts	Aggregate amount
1.	Swaps on Crude oil	-	-	-	4.50
2.	Margin Hedging	0.50	-	-	3.00

**(c) For Hedging Interest Rate Related Risks:**

Interest rate swap for ₹ NIL (2015: ₹ 3,125.00 crore - USD 500 million) syndicated loan (swap from 6 month USD LIBOR till maturity to 2.222% Fixed)

S. No.	Particulars	Number of Contracts	
		As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
1	Interest Rate Swap	-	1

- Foreign currency exposure that are not hedged by a derivative instrument as on 31<sup>st</sup> March 2016 is given below:

(₹ in Crore)

S. No.	Particulars	As on 31.03.2016		As on 31.03.2015	
		No. of contracts	Aggregate amount	No. of contracts	Aggregate amount
1	Unhedged- Payables*	-	46,607.40	-	52,010.56
2	Unhedged- Receivables	-	198.44	-	456.71

\* Including cross currency swaps amounting to ₹ 2,157.25 crore (2015: ₹ 2,035.00 crore)

## NOTE – 36: DISCLOSURES AS REQUIRED BY REGULATION 34(3)OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

In compliance of Regulation 34(3)of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the required information is given as under:

(₹ in Crore)

	Amount as on		Maximum Amount outstanding during the year ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>I. Loans and Advances in the nature of loans:</b>				
A) To Subsidiary Companies	-	-	-	-
B) To Associates /Joint Venture				
(i) Petronet V. K. Ltd. (No repayment schedule available)	<b>0.50</b>	0.50	<b>0.50</b>	0.50
(ii) Suntera Nigeria 205 Ltd. (For Exploration activities)	<b>106.46</b>	100.42	<b>106.46</b>	100.42
C) To Firms/Companies in which directors are interested	-	-	-	-
<b>II. Investment by the loanee (as detailed above)</b>				
in the shares of IOC and its subsidiaries	-	-	-	-

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

The dues to Micro, Small and Medium Enterprises to the extent information available is given below:

(₹ in Crore)

Particulars	March-16	March-15
Amount due and Payable at the year end		
- Principal	<b>34.52</b>	32.48
- Interest on above Principal	<b>0.01</b>	0.04
Payments made during the year after the due date		
- Principal	<b>1.80</b>	3.34
- Interest	-	0.06
Interest due and payable for principals already paid	<b>0.04</b>	0.12
Total Interest accrued and remained unpaid at year end	<b>0.05</b>	0.16

## NOTE - 38: RESEARCH AND DEVELOPMENT EXPENDITURE

Research and Development Expenses of ₹ 362.04 crore (2015: ₹ 93.66 crore) have been capitalized and ₹ 235.27 Crore (2015 : ₹ 169.31 crore) have been accounted for in the Statement of Profit and Loss during the year. Detailed break up of total expenditure is as under:

### A. CAPITAL EXPENSES (FIXED ASSETS)

S.No.	Asset Block	Gross Block as at 01.04.2015	Additions during the year	Transferred from CWIP	Transfer/Deduct- ion/Disposal during the year	Gross Block as at 31.03.2016	Work-in- Progress as on 01.04.2015	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in- Progress as on 31.03.2016	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)
<b>(a) FIXED ASSETS</b>											
1	Land - Free Hold	0.81	318.42	-	-	319.23	-	-	-	-	318.42
2	Building, Roads etc.	104.78	0.11	8.10	-	112.99	11.63	4.32	8.10	7.85	4.43
3	Plant & Equipment	733.71	18.06	31.06	11.82	771.01	34.11	17.87	31.06	20.92	35.93
4	Office Equipment	41.99	1.40	1.12	1.72	42.79	-	1.12	1.12	-	2.52
5	Transport Equipment	0.49	0.08	-	-	0.57	-	-	-	-	0.08
6	Furniture & Fixtures	17.07	0.15	0.11	0.13	17.20	-	0.11	0.11	-	0.26
7	Drainage & Sewage	1.72	-	-	-	1.72	-	-	-	-	-
	<b>Sub Total :</b>	<b>900.57</b>	<b>338.22</b>	<b>40.39</b>	<b>13.67</b>	<b>1,265.51</b>	<b>45.74</b>	<b>23.42</b>	<b>40.39</b>	<b>28.77</b>	<b>361.64</b>
<b>(b) INTANGIBLE ASSETS</b>											
1	Right of way	-	-	-	-	-	-	-	-	-	-
2	Licenses / Technical Know-how	0.38	-	-	-	0.38	-	-	-	-	-
3	Computer Software	9.68	0.40	0.04	-	10.12	0.04	-	0.04	-	0.40
	<b>Sub Total :</b>	<b>10.06</b>	<b>0.40</b>	<b>0.04</b>	<b>-</b>	<b>10.50</b>	<b>0.04</b>	<b>-</b>	<b>0.04</b>	<b>-</b>	<b>0.40</b>
	<b>TOTAL :</b>	<b>910.63</b>	<b>338.62</b>	<b>40.43</b>	<b>13.67</b>	<b>1,276.01</b>	<b>45.78</b>	<b>23.42</b>	<b>40.43</b>	<b>28.77</b>	<b>362.04</b>
	Previous year :	863.68	65.22	17.01	35.28	910.63	34.35	28.44	17.01	45.78	93.66

### B. RECURRING EXPENSES

	Particulars	2015-16	2014-15
1	Consumption of Stores, Spares & Consumables	7.19	7.58
2	Repairs & Maintenance		
	(a) Plant & Machinery	9.39	7.54
	(b) Building	5.99	6.05
	(c) Others	0.68	0.71
3	Freight, Transportation Charges & demurrage	0.17	0.08
4	Payment to and Provisions for employees	106.28	97.54
5	Office Administration, Selling and Other Expenses	105.57	49.81
	<b>TOTAL :</b>	<b>235.27</b>	<b>169.31</b>

### C. TOTAL RESEARCH EXPENSES

	Particulars	2015-16	2014-15
1	Capital Expenditure	362.04	93.66
2	Recurring Expenditure	235.27	169.31
	<b>TOTAL</b>	<b>597.31</b>	<b>262.97</b>

## NOTE - 39: DISCLOSURE RELATING TO CERTIFIED EMISSION REDUCTIONS

The disclosure in respect of self-generated Certified Emission Reductions (CERs) is as under:

Particulars	March-16	March-15
No. of CERs held as inventory	2,693	2,693
No. of CERs under certification	74,045	74,045
Depreciation and Operating and Maintenance costs of Emission Reduction Equipments expensed during the year (₹ in Crore)	5.71	5.58

Stores and Spares etc. in Note 17-inventories includes CER rights valuing ₹ 30,249 (2015: ₹ 30,249).

## NOTE - 40: LICENCED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

	UNIT	Licenced Capacity (Refer Note A)		Installed Capacity (Refer Note B)		Actual Production		(Figures in Lakh)
		March'16	March'15	March'16	March'15	March'16	March'15	
i)	Crude Processing	MTs	668.50	518.50	692.00	542.00	518.73	472.30
								(Refer Note C)
ii)	Lubricating Oil	MTs	Note D	4.71	4.71	4.68	4.68	4.65 4.35
			Note E	1.46	1.46	0.34	0.34	0.22 0.17
			Note F	0.11	-	0.02	-	0.01 -
iii)	Wax/Bitumen/Asphalt							
	Lube Oil Drums	Nos	Note E	15.00	15.00	15.00	15.00	4.03 3.41
iv)	Propylene Recovery Unit	MTs		1.89	0.24	1.89	0.24	0.66 0.21
v)	MTBE Unit	MTs		0.37	0.37	0.37	0.37	0.30 0.36
vi)	Naphtha Cracker plant	MTs		14.60	14.60	14.60	14.60	18.99 18.15
vii)	LAB Plant	MTs		1.20	1.20	1.20	1.20	1.00 1.05
viii)	PX/PTA Plant	MTs		5.53	5.53	5.53	5.53	5.16 5.34
ix)	Cryocontainer & Accessories	Nos.		0.13	0.13	0.23	0.23	0.28 0.24
x)	Site Mixed Slurry Explosives	MTs		1.82	1.38	1.26	0.91	1.44 1.00

- A. i) Licensed Capacity of 6.50 lakh MT for Digboi Refinery is not specified and there is variance in licensed capacity vis –a- vis installed capacity of 12.00 Lakh MT & 5.00 Lakh MT for Gujarat & Mathura Refinery respectively.  
ii) Capacity for projects under construction is not considered.  
iii) Paradip Refinery with a capacity of 15 MMTPA has started its commercial production from 1st March, 2016.
- B. As certified by the Management.
- C. i) Represents finished petroleum products.  
ii) Excludes crude processed in secondary units for other companies/refiners
- D. Per year operating in single shift.
- E. Per year operating in two shifts.
- F. Per year operating in triple shifts.

## NOTE - 41: FINISHED PRODUCTS AND STOCK IN TRADE - QUANTITY AND VALUE PARTICULARS

	MTs	OPENING STOCK		PURCHASES		SALES		CLOSING STOCK	
		QUANTITY (MTs in Lakh)	VALUE (₹ in Crore)						
<b>Petroleum Products</b>									
Year ended 31.03.16		53.34	21,187.20	338.57	1,36,231.06	855.35	3,78,828.73	55.81	19,364.49
Year ended 31.03.15		54.83	27,511.69	331.97	1,68,742.35	807.86	4,24,591.20	53.34	21,187.20
<b>Petrochemicals</b>	MTs								
Year ended 31.03.16		1.24	564.99	0.01	8.84	25.37	19,374.28	1.16	389.03
Year ended 31.03.15		1.37	1,136.73	0.08	92.91	24.87	23,080.65	1.24	564.99
<b>Others</b>									
Year ended 31.03.16			6.74		7,388.90		8,171.23		25.90
Year ended 31.03.15			8.45		8,698.64		9,316.65		6.74
<b>GRAND TOTAL:</b>									
Year ended 31.03.16			21,758.93		1,43,628.80		4,06,374.24		19,779.42
Year ended 31.03.15			28,656.87		1,77,533.90		4,56,988.50		21,758.93

**Note:**

Purchase values are net of discounts of ₹ **173.22 crore** (2015: ₹ 5,149.31 crore). (Refer Footnote B2 of Note 20)

## NOTE - 42: STOCK IN PROCESS - QUANTITY AND VALUE PARTICULARS

	MTs	Opening Stock		Closing Stock	
		Quantity (MTs in Lakh)	Value (₹ in Crore)	Quantity (MTs in Lakh)	Value (₹ in Crore)
<b>Petroleum Products</b>					
Year ended 31.03.16		13.93	3,870.26	12.44	2,354.96
Year ended 31.03.15		10.96	4,908.12	13.93	3,870.26
<b>Petrochemicals</b>					
Year ended 31.03.16	MTs	0.79	263.84	0.73	152.26
Year ended 31.03.15		0.93	544.03	0.79	263.84
<b>Others</b>					
Year ended 31.03.16			7.92		7.07
Year ended 31.03.15			8.00		7.92
<b>GRAND TOTAL :</b>					
Year ended 31.03.16			4,142.02		2,514.29
Year ended 31.03.15			5,460.15		4,142.02

## NOTE - 43: CONSUMPTION PARTICULARS OF RAW MATERIALS, STORES, SPARE PARTS AND COMPONENTS

	IMPORTED		INDIGENOUS		QUANTITY	TOTAL
	VALUE (₹ in Crore)	% to total consumption	VALUE (₹ in Crore)	% to total consumption	MTs (in Lakh)	(₹ in Crore)
<b><u>March-16</u></b>						
Crude Oil	1,12,131.71	83	23,326.74	17	580.08	1,35,458.45
Natural Gas/RLNG	651.02	31	1,436.87	69	12.52	2,087.89
Base Oil	0.48	0	1,189.35	100	4.41	1,189.83
Other Raw Materials	136.89	4	3,391.97	96		3,528.86
Stores & Spares	307.91	23	1,043.30	77		1,351.21
Packing Materials	-	-	444.22	100		444.22
Components/ Others	149.98	18	701.99	82		851.97
<b><u>March-15</u></b>						
Crude Oil	1,78,875.18	90	19,611.94	10	535.86	1,98,487.12
Natural Gas/RLNG	435.03	14	2,718.60	86	6.30	3,153.63
Base Oil	0.77	0	1,773.87	100	4.18	1,774.64
Other Raw Materials	241.88	13	1,655.02	87		1,896.90
Stores & Spares	285.22	19	1,224.12	81		1,509.34
Packing Materials	-	-	462.89	100		462.89
Components/ Others	80.40	10	705.36	90		785.76

**Note:**

Consumption excludes value adjustments if any, shown under items pertaining to the prior period.

## NOTE - 44: EXPENDITURE IN FOREIGN CURRENCY FOR ROYALTY, KNOW-HOW, PROFESSIONAL & CONSULTATION FEES, GOODS FOR RESALE, INTEREST, DIVIDEND & OTHER MATTERS

(₹ in Crore)

	March-16	March-15
1. Royalty	23.27	4.34
2. Professional, Consultation Fees and Technical Service Fees	81.09	107.50
3. Interest	1,100.13	1,199.19
4. Purchase of Products	20,351.03	22,262.71
5. Commodity Hedging	25.79	290.25
6. Others	A TOTAL	3,255.56 3,490.48
	<b>24,836.87</b>	<b>27,354.47</b>

- A. Includes ₹ 1,697.42 crore (2015 : ₹ 2,716.38 Crore) on account of purchase of indigenous crude oil.  
B. Expenditure in Foreign Currency has been considered on accrual basis.

## NOTE - 45: EARNINGS IN FOREIGN EXCHANGE

(₹ in Crore)

	March-16	March-15
1. Exports	A 13,874.05	15,667.56
2. Income from Royalty	0.33	0.40
3. Interest	0.72	-
4. Commodity Hedging	11.48	296.54
5. Others	37.08	45.49
	<b>13,923.66</b>	<b>16,009.99</b>

- A. Includes ₹ 4,190.16 crore (2015 : ₹ 4,742.44 crore) received in Indian Currency out of the repatriable funds of Foreign Customers and other Export Sales through canalising agencies.  
B. Earnings in Foreign Exchange have been considered on accrual basis.

## NOTE - 46: CIF VALUE OF IMPORTS

(₹ in Crore)

	March-16	March-15
1. Crude Oil	A 1,08,988.65	1,65,065.42
2. Natural Gas	1,425.41	523.31
3. Additives	102.49	91.16
4. Capital Goods	256.12	294.88
5. Other Raw Materials	12.02	1.05
6. Revenue Stores, Component, Spare and Chemicals	567.10	944.32
	<b>1,11,351.79</b>	<b>1,66,920.14</b>

- A. In addition, Corporation has imported crude oil of ₹ 15,486.00 crore (2015 : ₹ 31,500.72 crore) on behalf of its subsidiary company as canalising agent.  
B. CIF value of Imports have been considered on accrual basis.

## NOTE - 47: DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

As per Companies Act'2013, the disclosure in respect of CSR expenditure is as under:

Particulars	₹ in Crore	
	March-16	March-15
<b>(a) Gross amount required to be spent by the company during the year.</b>		
Annual CSR Allocation	141.50	112.95
Carry forward from previous year	19.61	20.45
<b>Gross amount required to be spent</b>	<b>161.11</b>	<b>133.40</b>

	₹ in Crore					
	2015-16			2014-15		
	In cash	Yet to be paid In cash*	Total	In cash	Yet to be paid In cash*	Total
<b>(i) Construction/acquisition of any assets</b>	-	-	-	-	-	-
<b>(ii) On purposes other than (i) above</b>						
Health and Sanitation	11.59	2.85	14.44	22.20	11.31	33.51
Contribution towards RGGLVY	30.11	-	30.11	14.04	14.03	28.07
Flagship Projects-CSR	11.84	4.70	16.54	16.65	3.38	20.03
Educational Scholarship	6.21	-	6.21	9.47	0.80	10.27
Swachh Bharat	41.61	1.13	42.74	1.45	5.22	6.67
Education/employment vocational skills	17.88	1.58	19.46	3.18	0.87	4.05
Administration Expenses, training etc.	7.45	-	7.45	5.34	0.08	5.42
Drinking Water	3.02	0.31	3.33	1.58	0.97	2.55
Other expenses	15.52	0.88	16.40	3.19	0.03	3.22
<b>Total Expenses (ii)</b>	<b>145.23</b>	<b>11.45</b>	<b>156.68</b>	<b>77.10</b>	<b>36.69</b>	<b>113.79</b>
<b>Grand Total (i) and (ii)</b>			<b>156.68</b>			<b>113.79</b>

\*Provisions made for liabilities incurred

## NOTE - 48: 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 includes income of ₹ **1,364.25 crore** (2015: ₹ 1,668.09 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 30<sup>th</sup> March 2013.
- 4 Pursuant to the requirements prescribed under Schedule II to the Companies Act, 2013 the Company has, effective 1<sup>st</sup> April 2015, reviewed and identified the components (significant parts) of the main asset having different useful lives as compared to the main asset and depreciation has been charged accordingly. Due to this, the depreciation for the year 2015-16 is higher by ₹ 301.95 crore (including depreciation capitalized of ₹ 2.73 crore).

In view of the above change, expenses on replacement of catalyst , hitherto charged to the statement of Profit and Loss, have also been identified as significant component in certain cases which has resulted in decrease in expenses on consumption of Stores, spares & consumables and increase in gross tangible assets by ₹ 196.76 Crore.

In addition, as per the transitional provisions, the Company has charged ₹ 69.49 crore (net of deferred tax of ₹ 36.78 crore) to the opening balance of General reserve as at 1<sup>st</sup> April, 2015.

- 5 Government of India vide OM dated 10th April 2015 has announced the fund flow mechanism for direct benefit transfer of domestic LPG (DBTL) to customers. As per the scheme, the fixed subsidy amount received from Government is kept by the company in separate "Buffer account" with Banks which is to be utilized against the settlement of actual subsidy claims made by the company. The surplus balance in the "Buffer account" and interest thereon does not belong to the company. Accordingly, interest thereon is not accounted as income and balance of ₹ 233.64 crore including interest accrued in buffer account is disclosed as earmarked balances in Note-19: Cash and Bank Balances and corresponding amount as liability in Note-6: Other Liabilities.
- 6 The company has changed its accounting policy to exclude the freight in case of FOB contracts for voyage charter in valuation of imported products in transit. Due to this, there is a decrease in expenses on freight (Note-26) , Trade Payables (Note-9) and stock in trade (Note-17) by ₹ 14.29 crore. There is no impact on profit during the year on this account.
- 7 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 C K 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. G. SANKAR)**  
Partner  
M. No. 046050

Sd/-  
**(CA. CHANDRAKANTA PRUSTY)**  
Partner  
M. No. 057318

Place : New Delhi  
Date : 27<sup>th</sup> May 2016

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016 ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES

(₹ in Crore)

	March-16	March-15
<b>INCOME :</b>		
1. Recovery of House Rent	8.91	8.22
2. Recovery of Utilities-Power and Water	5.88	5.64
3. Recovery of Transport Charges	0.28	0.21
4. Other Recoveries	7.34	9.58
5. Excess of Expenditure over Income	<b>551.76</b>	500.26
	<b>574.17</b>	<b>523.91</b>
<b>TOTAL :</b>		
<b>EXPENDITURE :</b>		
1. Salaries, Wages and PF & Gratuity Contribution	126.53	128.36
2. Consumable Stores and Medicines	37.12	36.21
3. Repairs and Maintenance	153.63	107.92
4. Interest	18.78	17.72
5. Depreciation	30.90	52.59
6. Miscellaneous Expenses :		
Taxes, License Fees, Insurance etc.	54.83	30.45
7. Utilities-Power, Water and Gas	117.23	116.99
8. Rent	0.17	0.23
9. Subsidies for Social & Cultural Activities	28.34	24.58
10. Bus Hire Charges	0.50	1.58
11. Club and Recreation	-	0.34
12. Others	6.14	6.94
	<b>574.17</b>	<b>523.91</b>
<b>TOTAL:</b>		

**SCHEDULE OF FIXED ASSETS (TOWNSHIP) FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

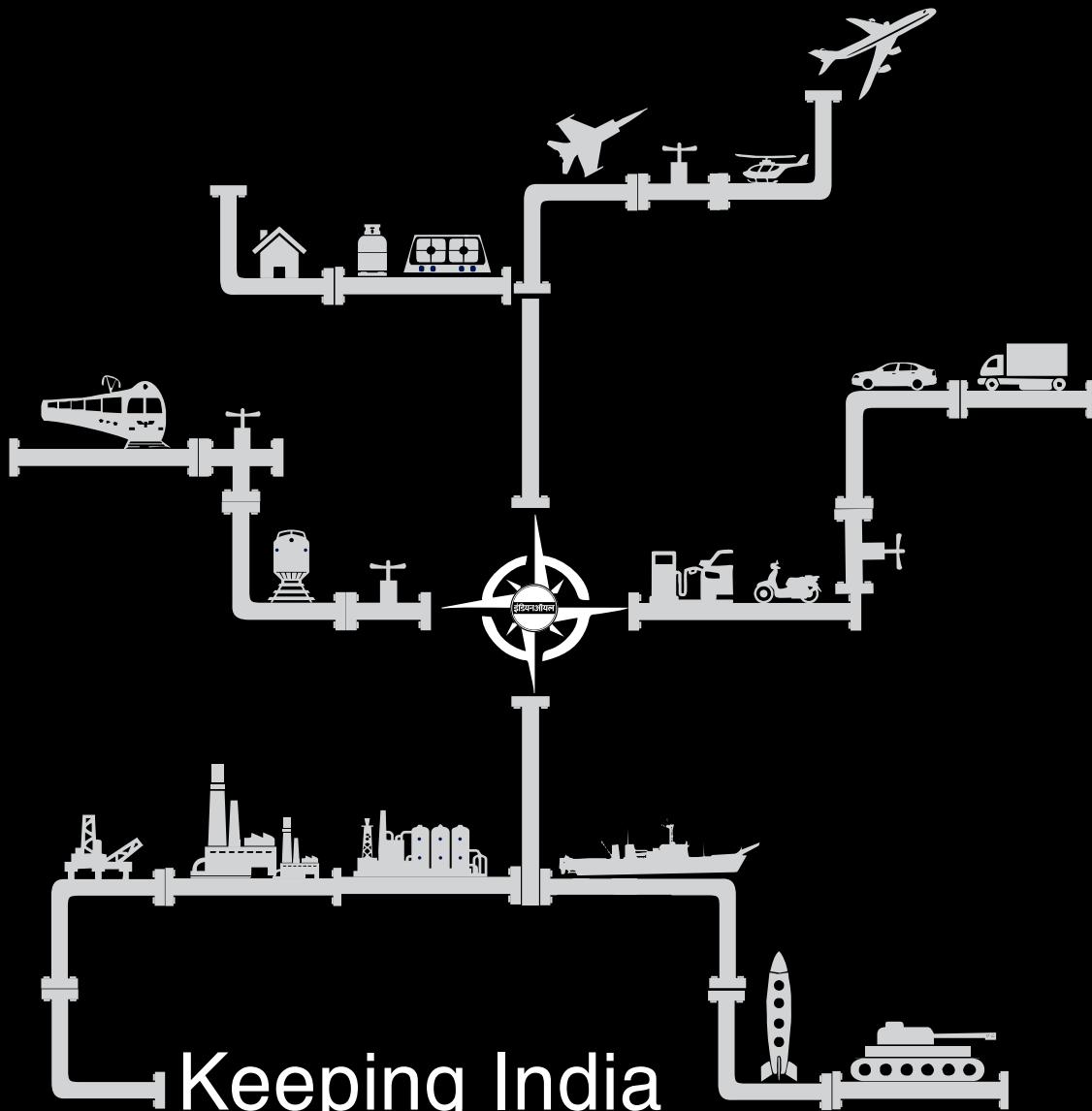
(₹ in Crore)

Particulars	Gross Block as on 01.04.2015 (At cost)	Additions during the Year (At Cost)	Transfers from Construction W-I-P (At Cost)	Transfers Deduction Reclass. (At Cost)	Gross Block as on 31.3.2016 (At Cost)	Depern./ Amorts. provided during the year	Total Dep. & Amorts. up to 31.3.2016	Net Depreciated Block	
								As on 31.3.2016	As on 31.3.2015
LAND FREEHOLD	43.09	0.08	-	1.63	44.80	-	-	44.80	43.09
LAND-LEASEHOLD	12.13	-	-	1.14	13.27	0.19	4.14	9.13	8.63
BUILDINGS, ROADS ETC.	885.84	4.64	36.25	(0.51)	926.22	23.79	207.54	718.68	700.32
PLANT & EQUIPMENT	48.07	1.24	3.33	(2.45)	50.19	3.40	24.85	25.34	25.11
OFFICE EQUIPMENT	34.13	1.68	1.17	0.77	37.75	2.45	26.58	11.17	10.57
FURNITURE & FIXTURES	16.64	0.28	0.72	(0.30)	17.34	0.99	8.80	8.54	8.54
DRAINAGE, SEWAGE & WATER SUPPLY SYS	19.24	-	-	-	19.24	0.03	16.90	2.34	2.37
VEHICLES	2.30	-	-	(0.20)	2.10	0.05	1.77	0.33	0.39
<b>GRAND TOTAL :</b>	<b>1,061.44</b>	<b>7.92</b>	<b>41.47</b>	<b>0.08</b>	<b>1,110.91</b>	<b>30.90</b>	<b>290.58</b>	<b>820.33</b>	<b>799.02</b>
<b>PREVIOUS YEAR :</b>	<b>662.73</b>	<b>30.95</b>	<b>39.82</b>	<b>327.93</b>	<b>1,061.43</b>	<b>52.59</b>	<b>262.41</b>	<b>799.02</b>	

*Consolidated  
Financial Statements  
2015-16*



**Indian Oil Corporation Limited**



## Keeping India on the move

IndianOil is nation's leading refiner and carrier of crude & products with 11 refineries of over 80 MMTPA capacity and a pipeline network of nearly 12,000 kms.

Our nationwide network of more than 45,000 customer touch points makes us the largest energy supplier in the country and our state-of-the-art R&D Centre possesses research excellence in delivering eco-friendly & sustainable technology solutions. With foray into petrochemicals, E&P and natural gas, we are India's biggest integrated petroleum company.



**IndianOil**

# INDEPENDENT AUDITORS' REPORT

To

The Members of Indian Oil Corporation Limited

## **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Indian Oil Corporation Limited (hereinafter referred to as "the Holding Company") its subsidiaries and its jointly controlled entities (collectively referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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 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 provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 of the Group as at 31<sup>st</sup> March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other Matters**

We did not audit the financial statements / financial information of the following subsidiaries and jointly controlled entities whose financial statements / financial information reflect the details given below of total assets as at 31<sup>st</sup> March 2016, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the Consolidated Financial Statements:

(₹ in Crore)

Name of the Companies	Total Assets	Total Revenues	Net Cash Flows
<b>Subsidiaries:</b>			
Chennai Petroleum Corporation Limited	10,456.57	26,316.69	29.99
Lanka IOC PLC	1,125.19	3,395.23	(36.87)
Indian Oil (Mauritius) Limited	370.47	1,208.70	(17.79)
IOC Middle East FZE	40.21	63.84	4.30
IOC Sweden AB	388.61	2.45	(0.02)
IOCL(USA) INC.	272.90	33.55	(2.04)
Indian Catalyst Private Limited	6.47	-	(0.01)
IndOil Global B.V.	7,421.12	241.97	18.25
<b>Jointly Controlled Entities :</b>			
IOT Infrastructure & Energy Services Limited	2,547.14	1,140.66	8.44
Lubrizol India Private Limited	326.91	447.34	30.98
AVI-OIL India Private Limited	13.49	14.64	0.39
Petronet LNG Limited	1,590.93	3,424.45	227.48
Indian Oil Petronas Private Limited	607.53	495.46	12.71
Green Gas Limited	127.55	91.59	0.37
IndianOil Skytanking Private Limited	79.60	196.61	(0.61)
Suntera Nigeria 205 Limited	122.56	-	0.03
Delhi Aviation Fuel Facility (Private) Limited	139.71	41.37	(1.42)
Indian Synthetic Rubber Private Limited	638.36	242.64	43.63
NPCIL IndianOil Nuclear Energy Corporation Limited	0.30	0.03	-
GSPL India Transco Limited	46.39	0.34	(2.22)
GSPL India Gasnet Limited	57.83	0.45	(0.57)
IndianOil Adani Gas Private Limited	116.15	0.08	5.67
Mumbai Aviation Fuel Farm Facility Private Limited	92.58	28.77	7.93
IndianOil LNG Private Limited	294.02	-	42.67
Kochi Salem Pipelines Private Limited	69.20	0.45	5.61
<b>Total</b>	<b>26,951.79</b>	<b>37,387.31</b>	<b>376.90</b>

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, 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 and jointly controlled entities is based solely on the reports of the other auditors.

Our opinion on the consolidated 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 and the financial statements / financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, 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 financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the reports of the statutory auditors of jointly controlled companies incorporated in India, none of the directors of jointly controlled companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2016 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 5<sup>th</sup> June 2015 issued by Ministry of Corporate Affairs.
- f) With reference to the adequacy of the internal financial controls over financial reporting of the Group 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 28 to the consolidated financial statements.
  - ii. Provision has been made in the consolidated 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, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary and jointly controlled companies incorporated in India.

**For J GUPTA & CO.**  
 Chartered Accountants  
 (Firm Regn. No. 314010E)

**For S K MEHTA & CO.**  
 Chartered Accountants  
 (Firm Regn. No. 000478N)

**For V SANKAR AIYAR & CO.**  
 Chartered Accountants  
 (Firm Regn. No.109208W)

**For C K 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. G. SANKAR)**  
 Partner  
 M. No. 046050

Sd/-  
**(CA. CHANDRAKANTA PRUSTY)**  
 Partner  
 M. No. 057318

**Place :** New Delhi  
**Date :** 27<sup>th</sup> May 2016

## **ANNEXURE 1 TO THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF INDIAN OIL CORPORATION LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

### **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 financial statements of the Company as of and for the year ended March 31, 2016, 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 and jointly controlled companies, 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 and jointly controlled companies, 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 and jointly controlled companies, 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 31,2016 except in case of two jointly controlled companies 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 16 jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For J GUPTA & CO.**  
 Chartered Accountants  
 (Firm Regn. No. 314010E)

**For S K MEHTA & CO.**  
 Chartered Accountants  
 (Firm Regn. No. 000478N)

**For V SANKAR AIYAR & CO.**  
 Chartered Accountants  
 (Firm Regn. No. 109208W)

**For C K 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. G. SANKAR)**  
 Partner  
 M. No. 046050

Sd/-  
**(CA. CHANDRAKANTA PRUSTY)**  
 Partner  
 M. No. 057318

**Place :** New Delhi

**Date :** 27<sup>th</sup> May 2016

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2016**

(₹ in Crore)

Particulars	Note No.	March-16	March-15
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds:</b>			
(a) Share capital	2	<b>2,427.95</b>	2,427.95
(b) Reserves and surplus	3	<b>73,566.01</b>	<u>66,404.32</u>
			<u>75,993.96</u>
<b>Minority Interest</b>		<b>1,414.33</b>	1,073.33
<b>Non-current liabilities</b>			
(a) Long-term borrowings	4	<b>30,367.12</b>	36,795.89
(b) Deferred tax liabilities	5	<b>9,656.44</b>	6,883.52
(c) Other Long-term Liabilities	6	<b>18,019.90</b>	15,454.21
(d) Long-term provisions	7	<b>2,475.89</b>	<u>2,321.15</u>
			<u>60,519.35</u>
<b>Current liabilities</b>			
(a) Short-term borrowings	8	<b>20,482.47</b>	21,358.20
(b) Trade payables	9		
(A) total outstanding dues to micro and small enterprises		<b>27.80</b>	14.50
(B) total outstanding dues to creditors other than micro and small enterprises		<b>24,893.16</b>	31,478.11
(c) Other current Liabilities	6	<b>29,059.72</b>	23,776.03
(d) Short-term provisions	7	<b>29,633.48</b>	<u>25,756.13</u>
			<u>1,04,096.63</u>
<b>TOTAL</b>		<b>2,42,024.27</b>	<u>2,33,743.34</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible assets	10	<b>1,01,223.27</b>	76,047.21
(ii) Intangible assets	11	<b>697.76</b>	663.19
(iii) Capital work-in-progress	12	<b>22,634.18</b>	36,718.15
(iv) Intangible assets under development	13	<b>3,878.94</b>	<u>3,659.92</u>
		<b>1,28,434.15</b>	<u>1,17,088.47</u>
(b) Non-current investments	14	<b>8,666.59</b>	8,761.11
(c) Deferred tax assets	5	<b>40.64</b>	47.97
(d) Long-term loans and advances	15	<b>10,183.70</b>	9,608.41
(e) Other non-current assets	16	<b>145.76</b>	<u>201.52</u>
		<b>1,47,470.84</b>	<u>1,35,707.48</u>
<b>Goodwill on Consolidation</b>		<b>79.05</b>	70.48

Contd...

(₹ in Crore)

Particulars	Note No.	March-16	March-15
<b>Current assets</b>			
(a) Current investments	14	<b>7,011.05</b>	7,307.57
(b) Inventories	17	<b>42,094.67</b>	49,917.39
(c) Trade receivables	18	<b>8,660.38</b>	7,648.35
(d) Cash and Bank Balances	19	<b>2,013.65</b>	1,224.89
(e) Short-term loans and advances	15	<b>31,793.04</b>	28,920.00
(f) Other current assets	16	<b>2,901.59</b>	2,947.18
		<b>94,474.38</b>	97,965.38
<b>TOTAL</b>		<b>2,42,024.27</b>	2,33,743.34

Principles of Consolidation and Significant Accounting Policies	1
Notes on Financial Statements	2 - 44

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. G. SANKAR)**  
 Partner  
 M. No. 046050

**For C K PRUSTY & ASSOCIATES**  
 Chartered Accountants  
 (Firm Regn. No. 323220E)

Sd/-  
**(CA. CHANDRAKANTA PRUSTY)**  
 Partner  
 M. No. 057318

Place : New Delhi  
 Date : 27<sup>th</sup> May 2016

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2016**

Particulars	Note No.		(₹ in Crore)
		March-16	March-15
<b>I. Revenue from operations (Gross)</b>	20	<b>4,21,737.38</b>	4,86,038.69
Less: Excise Duty		<b>65,810.76</b>	36,531.93
Revenue from operations (Net)		<b>3,55,926.62</b>	4,49,506.76
<b>II. Other income</b>	21	<b>2,246.08</b>	4,205.89
<b>III. Total Revenue (I+II)</b>		<b>3,58,172.70</b>	<b>4,53,712.65</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	22	<b>1,68,141.76</b>	2,48,712.16
Purchases of Stock-in-Trade		<b>1,17,361.72</b>	1,40,817.40
Changes in Inventories (Finished Goods, Work-In Progress and Stock-in-trade)	23	<b>3,721.72</b>	9,854.11
Employee benefits expenses	24	<b>8,227.62</b>	7,662.49
Finance costs	25	<b>3,629.98</b>	4,174.64
Depreciation, Depletion, Amortisation and Impairment on :			
a) Tangible Assets		<b>5,775.64</b>	5,074.33
b) Intangible Assets		<b>142.87</b>	144.68
		<b>5,918.51</b>	5,219.01
Other expenses	26	<b>35,292.21</b>	31,912.19
<b>Total expenses</b>		<b>3,42,293.52</b>	<b>4,48,352.00</b>
<b>V. Profit before Prior Periods, Exceptional Items and Tax (III-IV)</b>		<b>15,879.18</b>	5,360.65
VI. Income / (Expenses) pertaining to Prior Periods (Net)	27	<b>15.12</b>	(14.39)
<b>VII. Profit before Exceptional Items and Tax (V+VI)</b>		<b>15,894.30</b>	<b>5,346.26</b>
VIII. Exceptional Items (Refer point 3 of Note - 44)		<b>1,364.25</b>	1,668.09
<b>IX. Profit before Tax (VII+VIII)</b>		<b>17,258.55</b>	<b>7,014.35</b>
<b>X. Tax expense:</b>			
Current tax [includes ₹ <b>124.74 crore</b> (2015: ₹ (151.15) crore) relating to prior years]		<b>3,939.37</b>	1,388.18
MAT Credit Entitlement [includes ₹ <b>(251.22) crore</b> (2015: ₹ (9.58) crore) relating to prior years]		<b>(1,098.97)</b>	(164.44)
Deferred tax [includes ₹ <b>Nil crore</b> (2015: ₹ (703.40) crore) relating to prior years]		<b>2,812.43</b>	918.83

Contd...

Particulars	Note No.	March-16	March-15
<b>XI. Profit for the year (IX-X)</b>		<b>11,605.72</b>	4,871.78
XII. Less: Share of Minority		<b>386.50</b>	(40.24)
<b>XIII. Profit for the Group (XI-XII)</b>		<b>11,219.22</b>	4,912.02
<b>Earning per Equity Share (₹):</b>	33		
(1) Basic		<b>46.21</b>	20.23
(2) Diluted		<b>46.21</b>	20.23
Face Value Per Equity Share (₹)		<b>10</b>	10
Principles of Consolidation and Significant Accounting Policies	1		
Notes on Financial Statements	2 - 44		

Total Revenue includes ₹ **6,428.70 crore** (2015: ₹ 7,514.82 crore) share of jointly controlled entities.

Total Expenses includes ₹ **6,033.91 crore** (2015: ₹ 7,675.86 crore) share of jointly controlled entities.

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. G. SANKAR)**  
 Partner  
 M. No. 046050

**For C K PRUSTY & ASSOCIATES**  
 Chartered Accountants  
 (Firm Regn. No. 323220E)

Sd/-  
**(CA. CHANDRAKANTA PRUSTY)**  
 Partner  
 M. No. 057318

Place : New Delhi  
 Date : 27<sup>th</sup> May 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

(₹ in Crore)

Particulars	March-16	March-15
<b>A Cash Flow from Operating Activities</b>		
1 Profit Before Tax	<b>17,258.55</b>	7,014.35
2 Adjustments for :		
Depreciation, Depletion, Amortization and Impairment	5,865.24	5,190.42
Loss/(Profit) on sale of Assets (net)	106.57	(23.33)
Loss/(Profit) on sale of Investments (net)	(4.54)	(33.32)
Amortisation of Capital Grants	(18.14)	(3.19)
Amortisation of Premium on Forward Contracts	66.50	(669.70)
Provision for Probable Contingencies (net)	590.77	453.20
Provision for Loss on Investments (net)	(12.74)	(521.47)
Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores (net)	(2.14)	25.92
Provision for Dimunition in 'Receivable from trust' (net)	-	(348.34)
Provision for MTM Loss/(Gain) on Interest Rate Swap (IRS)	(42.72)	(47.75)
Foreign Currency Monetary Item Translation	302.21	(0.72)
Difference Account		
Interest Income on Investments	(923.45)	(964.35)
Dividend Income on Investments	(521.24)	(821.15)
Interest Expenditure	<b>3,629.71</b>	<b>4,174.57</b>
	<b>9,036.03</b>	6,410.79
3 Operating Profit before Working Capital Changes (1+2)	<b>26,294.58</b>	13,425.14
4 Change in Working Capital: (Excluding Cash & Bank Balances)		
Trade & Other Receivables	(3,748.48)	14,078.40
Inventories	7,810.60	22,400.59
Trade and Other Payables	<b>(87.04)</b>	<b>(1,467.84)</b>
	<b>3,975.08</b>	35,011.15
5 Cash Generated From Operations (3+4)	<b>30,269.66</b>	48,436.29
6 Less : Taxes Paid	<b>3,249.86</b>	2,344.17
7 Net Cash Flow from Operating Activities (5-6)	<b>27,019.80</b>	46,092.12
<b>B Cash Flow from Investing Activities:</b>		
Sale/Transfer of Assets	(60.23)	785.16
Sale / Maturity of Investments	628.65	586.78
Interest Income on Investments	925.78	980.74
Dividend Income on Investments	521.24	821.15
Purchase of Assets	(4,183.42)	(4,626.60)
Investments in Long Term Investments / Others	(220.33)	(191.77)
Expenditure on Construction Work in Progress	<b>(11,416.53)</b>	<b>(8,570.69)</b>
Net Cash Generated/(Used) in Investing Activities:	<b>(13,804.84)</b>	(10,215.23)

Contd...

(₹ in Crore)

Particulars	March-16	March-15
<b>C Net Cash Flow From Financing Activities:</b>		
Proceeds from Long-Term Borrowings	<b>5,379.56</b>	7,851.38
Repayments of Long-Term Borrowings	<b>(8,688.20)</b>	(6,582.97)
Proceeds from/(Repayments of) Short-Term Borrowings	<b>(866.82)</b>	(31,754.15)
Interest paid	<b>(4,660.75)</b>	(5,187.91)
Dividend/Dividend Tax paid	<b>(3,589.99)</b>	(2,609.01)
Net Cash Generated/(Used) from Financing Activities:	<b>(12,426.20)</b>	(38,282.66)
<b>D Net Change in Cash &amp; Bank Balances</b>	<b>788.76</b>	(2,405.77)
<b>(A+B+C)</b>		
E - 1 Cash & Bank Balances as at end of the year	<b>2,013.65</b>	1,224.89
Less:		
E - 2 Cash & Bank Balances as at the beginning of year	<b>1,224.89</b>	3,630.66
<b>NET CHANGE IN CASH &amp; BANK BALANCE (E 1-2)</b>	<b>788.76</b>	(2,405.77)

**Notes:**

1. Cash & Bank Balances as at end of the year
  2. Less: Other Bank Balances
  3. Total Cash and Cash Equivalents
  4. 2,013.65
  5. 694.83
  6. 1,318.82
  7. 1,224.89
  8. 379.79
  9. 845.10
1. Cash & Bank Balances as at end of the year
2. Cash and Bank balance includes ₹ **340.38 crore** (2015: ₹ 101.12 crore) which are not readily available for use (refer Note-19).
3. Cash Flow Statement is prepared using Indirect Method as per Accounting Standard-3: Cash Flow Statement.
4. Figures for previous year have been regrouped wherever necessary for uniformity in presentation.

 Sd/-  
**(B. Ashok)**  
 Chairman

 Sd/-  
**(A.K. Sharma)**  
 Director (Finance)

 Sd/-  
**(Raju Ranganathan)**  
 Company Secretary

As per our attached Report of even date

**For J GUPTA & CO.**  
 Chartered Accountants  
 (Firm Regn. No. 314010E)

 Sd/-  
**(CA. NANCY MURARKA)**  
 Partner  
 M. No. 067953

**For S K MEHTA & CO.**  
 Chartered Accountants  
 (Firm Regn. No. 000478N)

 Sd/-  
**(CA. ROHIT MEHTA)**  
 Partner  
 M. No. 091382

**For V SANKAR AIYAR & CO.**  
 Chartered Accountants  
 (Firm Regn. No. 109208W)

 Sd/-  
**(CA. G. SANKAR)**  
 Partner  
 M. No. 046050

**For C K PRUSTY & ASSOCIATES**  
 Chartered Accountants  
 (Firm Regn. No. 323220E)

 Sd/-  
**(CA. CHANDRAKANTA PRUSTY)**  
 Partner  
 M. No. 057318

 Place : New Delhi  
 Date : 27<sup>th</sup> May 2016

## NOTE - 1: PRINCIPLES OF CONSOLIDATION & SIGNIFICANT ACCOUNTING POLICIES

### A. Principles of Consolidation

- A.1. The consolidated financial statements relate to Indian Oil Corporation Limited (Holding Company), its subsidiaries and Joint Venture entities (together referred to as "the Group"). The consolidated financial statements have been prepared on the following basis:
- A.1.1. The financial statements of the Holding Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating the intra-group balances, intra-group transactions and unrealized profits or losses in accordance with Accounting Standard-21 on "Consolidated Financial Statements". The share of Minority Interest in the Subsidiaries has been disclosed separately in the "Consolidated Financial Statements".
  - A.1.2. The financial statements of Joint Ventures have been combined by applying proportionate consolidation method on a line-by-line basis on items of assets, liabilities, income, and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard-27 on "Financial Reporting of Interests in Joint Ventures".
  - A.1.3. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's separate financial statements.
  - A.1.4. The excess/shortfall of cost to the Parent Company of its investment in the respective subsidiary companies and joint venture companies is recognized in the financial statements as goodwill/capital reserve respectively as per the equity method of valuation.
- A.2. The Consolidated Financial Statements include the results of the following entities:

Sl. No.	Name of Company	Country of incorporation	Relation	Ownership Interest of IOCL
1.	Chennai Petroleum Corporation Limited (CPCL)*	India	Subsidiary	51.89%
2.	Lanka IOC PLC	Sri Lanka	Subsidiary	75.12%
3.	Indian Oil (Mauritius) Limited	Mauritius	Subsidiary	100%
4.	IOC Middle East FZE	Dubai- UAE	Subsidiary	100%
5.	IOC Sweden AB*	Sweden	Subsidiary	100%
6.	IOCL(USA) INC.	USA	Subsidiary	100%
7.	Indian Catalyst Pvt. Limited.	India	Subsidiary	100%
8.	IndOil Global B.V.*	Netherlands	Subsidiary	100%
9.	IOT Infrastructure & Energy Services Limited*	India	Joint Venture	48.81%
10.	Lubrizol India Private Limited	India	Joint Venture	50%
11.	AVI-OIL India Private Limited	India	Joint Venture	25%
12.	Petronet LNG Limited*	India	Joint Venture	12.5%
13.	Indian Oil Petronas Private Limited	India	Joint Venture	50%
14.	Green Gas Limited	India	Joint Venture	49.97%
15.	IndianOil Skytanking Private Limited*	India	Joint Venture	50.00%

16.	Suntera Nigeria 205 Limited	Nigeria	Joint Venture	25%
17.	Delhi Aviation Fuel Facility (Private) Limited	India	Joint Venture	37%
18.	Indian Synthetic Rubber Private Limited	India	Joint Venture	50%
19.	NPCIL IndianOil Nuclear Energy Corporation Limited	India	Joint Venture	26%
20.	GSPL India Transco Limited	India	Joint Venture	26%
21.	GSPL India Gasnet Limited	India	Joint Venture	26%
22.	IndianOil Adani Gas Private Limited	India	Joint Venture	50%
23.	Mumbai Aviation Fuel Farm Facility Private Limited	India	Joint Venture	25%
24.	Kochi Salem Pipelines Private Limited	India	Joint Venture	50%
25.	IndianOil LNG Private Limited	India	Joint Venture	50%

\*Consolidated financial statements are considered.

**Note:** Consolidation in respect of Investments in Subsidiary company, M/s IndianOil CREDA Bio-Fuels Ltd. and Joint controlled entities, M/s Petronet CI Ltd., Petronet VK Ltd; Petronet India Ltd., Indianoil Panipat Power Consortium Ltd., Indian Oil Ruchi Biofuels LLP and National Aromatics and Petrochemical Corporation Limited ( joint venture entity of CPCL) have not been incorporated in the preparation of consolidated financial statements as the Management has decided to exit from these entities and provided for full diminution in the value of investment.

### B. Significant Accounting Policies

- B.1. Significant accounting policies of the Holding company are enclosed as Annexure-I. In addition to the policies of the Holding company, major accounting policies in respect of group companies are as under:

#### B.1.1. Producing Properties:

1. Producing properties are created for a block / field having proved developed oil & gas reserves when any well in that block / field is ready to commence commercial production.
2. All acquisition costs, cost of successful exploratory wells and all development wells, all related development costs including depreciation on support equipment and facilities and estimated abandonment costs relating to producing properties are capitalized as Producing Properties.
3. Producing properties are depleted using the "Unit of Production Method". The rate of depletion for all capitalized costs is computed with reference to the Block / field by considering the related proved and developed reserves excepting for acquisition costs which are depleted by considering the proved reserves.
4. Producing properties, development wells in progress and fixed assets of a cash generating units (CGU) are reviewed for impairment at each balance sheet date. In case, event and circumstances indicates any impairment, recoverable amount of these assets is determined, being the higher of net selling price and value in use. An impairment loss is recognised, whenever the carrying value of such assets exceeds the recoverable amount by writing down such assets to their recoverable value. For the purposes of estimating future cash flows both proved and probable reserves are considered. For this purpose, full estimate of expected cost of evaluation/development (i.e., in arriving at the proved reserves) should

- be considered while applying the impairment test.
5. An impairment loss is reversed if there is any change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets, which in the case of CGU, is allocated to its assets on a prorata basis. Subsequent to impairment, depreciation is provided on the revised carrying value of the assets over the remaining useful life.

#### B.1.2. Revenue Recognition: Construction Contracts

Revenue from construction contract is recognized by reference to the overall estimated profitability of the contract under the percentage completion method. Foreseeable losses in any contract are provided for irrespective of the stage of completion of the contract activity. The satge of the completion of contract is determined considering the nature of the contract and proportion of cost incurred (including material fabricated/made especially for the contract/s, inspected and/or approved technically) to the estimated total costs.

- B.2. For certain items, the Company and its subsidiaries and Joint ventures have followed different accounting policies. Impact of change in accounting policy, wherever material, has been

considered in the financial statements based on the accounting policies of the Group.

- B.3. In respect of Indian subsidiaries and joint ventures, the depreciation on tangible assets is provided considering the residual value not more than 5% of the original cost of the asset and useful lives as prescribed in Schedule II of the Companies Act'2013, except in few cases where the useful life/residual value is considered based on technical / internal evaluation. However, the impact of the different useful life/residual value is not material for the financial statements.
- C. Material differences arising due to conversion of foreign group companies accounts to IGAAP (generally accepted accounting principles in India) have been adjusted in the consolidated financial statements.
- D. Financial statements of Indian Oil (Mauritius) Ltd, Lanka IOC PLC, IOC Middle East FZE, IOC Sweden AB, IndOil Global B.V., IOCL (USA) INC. and Sunteria Nigeria are drawn in Mauritius Rupees, Sri Lankan Rupees, UAE Dirhams, Euro, CAD and USD respectively. The transactions with these foreign subsidiaries/Joint Ventures are considered as non integral operation as per Accounting Standard-11 on "The Effects of Changes in Foreign Exchange Rates" and accordingly, the Financial Statements have been translated in Indian Rupees for the purpose of Consolidated Financial Statements.

## NOTE - 2: SHARE CAPITAL

Particulars	(₹ in Crore)			
	March-16	March-15		
<b>Authorised:</b> 6,000,000,000 Equity Shares of ₹ 10 each	<b>6,000.00</b>	6,000.00		
<b>Issued Subscribed and Paid Up:</b> 2,427,952,482 (2015: 2,427,952,482) Equity Shares of ₹ 10 each fully paid up	<b>2,427.95</b>	2,427.95		
<b>TOTAL</b>	<b>2,427.95</b>	2,427.95		
<b>A. Reconciliation of No. of Equity Shares</b>				
Opening Balance	2,427,952,482	2,427,952,482		
Shares Issued	-	-		
Shares bought back	-	-		
Closing Balance	<b>2,427,952,482</b>	2,427,952,482		
<b>B. Terms/Rights attached to equity shares</b>				
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.				
<b>C. Details of shareholders holdings more than 5% shares</b>				
Name of Shareholder	March-16		March-15	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
PRESIDENT OF INDIA	1,422,150,047	58.57	1,664,965,562	68.57
OIL AND NATURAL GAS CORPORATION LIMITED	334,303,814	13.77	334,303,814	13.77
LIFE INSURANCE CORPORATION OF INDIA	234,956,225	9.68	67,324,039	2.77

During the year 2015-16, President of India disinvested 242,795,248 shares of the company under "Offer for Sale through Stock Exchange mechanism" and transferred 20,267 shares to Central Public Sector Enterprises Exchange Traded Fund towards issuance of loyalty units as per the terms of the disinvestment to the CPSE ETF in March 2014.

#### D. For the period of preceding five years as on the Balance Sheet date, the:

- (a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash Nil
- (b) Aggregate number of shares allotted as fully paid up by way of bonus shares Nil
- (c) Aggregate number and class of shares bought back Nil

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## NOTE - 3: RESERVES AND SURPLUS

(₹ in Crore)

Particulars		March-16	March-15
<b>Capital Reserve:</b>			
As per Last Account		449.04	388.25
On Consolidation		(0.05)	60.79
		<u>448.99</u>	<u>449.04</u>
<b>Securities Premium</b>			
As per Last Account		88.30	194.09
Add: Opening Balance Adjustment		2.11	-
Add: Addition during the year		(1.13)	(105.79)
Less: Calls in Arrears		(0.11)	-
		<u>89.39</u>	<u>88.30</u>
<b>General Reserve</b>			
As per Last Account	A	64,394.99	60,993.59
Less: Adjustment of Depreciation (Companies Act, 2013)		85.34	987.23
Add : Transfer from Capital Grant		-	2.82
Add : Transfer from Bond Redemption Reserve		456.65	1,829.65
Add: Opening Balance Adjustment	B	(80.94)	(32.02)
Add: Appropriation from Surplus		<u>5,850.35</u>	<u>2,588.18</u>
		<u>70,535.71</u>	<u>64,394.99</u>
<b>Insurance Reserve</b>	C		
As per Last Account		163.48	144.10
Less : Recoupment of uninsured fire loss		-	0.62
Add: Appropriation from Surplus		<u>20.00</u>	<u>20.00</u>
		<u>183.48</u>	<u>163.48</u>
<b>Export Profit Reserve</b>	D		
<b>Capital Grants</b>	E		
As per Last Account		18.67	23.34
Add: Received/ (Written Back) during the year		63.51	1.34
Less: Transfer to General Reserve		-	2.82
Less: Amortised during the year		<u>18.14</u>	<u>3.19</u>
		<u>64.04</u>	<u>18.67</u>
<b>Bond Redemption Reserve :</b>			
As per Last Account		2,570.86	3,697.26
Add: Appropriation from Surplus		877.37	703.25
Less: Transfer to General Reserve		<u>456.65</u>	<u>1,829.65</u>
		<u>2,991.58</u>	<u>2,570.86</u>
<b>Corporate Social Responsibility Reserve:</b>	F		
As per Last Account		19.61	20.45
Add: Appropriation from Surplus		144.13	112.95
Less: Utilised during the year		<u>156.68</u>	<u>113.79</u>
		<u>7.06</u>	<u>19.61</u>
<b>Surplus (Balance in Statement of Profit and Loss)</b>			
Balance Brought Forward from Last Year's Account		(712.55)	(360.27)
Add: Opening Balance Adjustment		236.80	69.22
Add: Profit for the Year		<u>11,219.22</u>	<u>4,912.02</u>
<u>Less: Appropriations</u>			
Interim Dividend		1,335.37	-
Final Dividend (Proposed)		<u>2,063.76</u>	<u>1,681.08</u>
Corporate Dividend Tax on:			
Interim Dividend		269.34	-
Final Dividend (Proposed)		<u>455.82</u>	<u>342.47</u>
			Contd...

Particulars		(₹ in Crore)	March-16	March-15
Insurance Reserve (Net)	20.00			19.38
Bond Redemption Reserve	877.37			703.25
Corporate Social Responsibility Reserve (Net)	(12.55)			(0.84)
General Reserve	<u>5,850.35</u>			2,588.18
Balance carried forward to next year			(115.99)	(712.55)
<b>Foreign Currency Monetary Item Translation Difference Account</b>				
As per Last Account	(102.12)			316.36
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	(619.58)			(417.76)
Less: Amortised during the year	<u>(302.21)</u>			0.72
			(419.49)	(102.12)
<b>Translation Reserve on Consolidation</b>				
As per Last Account	(539.68)			14.18
Add : Translation difference	<u>267.20</u>			(553.86)
			(272.48)	(539.68)
<b>TOTAL</b>		<b>73,566.01</b>	<b>66,404.32</b>	
Share of jointly controlled entities			<u>1,045.20</u>	843.66

- A. Refer point no. 4 of Note - 44.  
 B. Includes Super Gain Tax of ₹ 67.97 crore in respect of Lanka IOC PLC (Refer point (b) of Note - 40).  
 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.  
 E. Grants received in respect of capital assets from various agencies.  
 F. Reserve is created for meeting expenses relating to CSR activities.

## NOTE - 4: LONG TERM BORROWINGS

Particulars		Long Term		Current Maturities		
		March-16	March-15	March-16	March-15	
<b>SECURED LOANS</b>						
<b>Bonds:</b>						
Non-Convertible Redeemable Bonds-Series-VIII B	A	1,070.00	1,070.00	-	-	
Non-Convertible Redeemable Bonds-Series-IX	B&G	-	1,600.00	1,600.00	-	
Non-Convertible Redeemable Bonds-Series-XIII	C&G	-	405.00	405.00	-	
Non-Convertible Redeemable Bonds-Series-VII B	D&G	-	-	-	500.00	
Non-Convertible Redeemable Bonds-Series-XII	E&G	-	-	-	1,295.00	
Non-Convertible Redeemable Bonds-Series-V	F&G	<u>-</u>	31.60	<u>31.60</u>	31.60	
		<u>1,070.00</u>	3,106.60	<u>2,036.60</u>	1,826.60	
Non-Convertible Debentures (Issued by Subsidiary/JV entities)	H	2,168.02	2,238.78	-	1,000.00	
<b>Term Loans:</b>						
From banks	I	<u>418.93</u>	470.04	<u>210.87</u>	169.01	
From other parties						
Oil Industry Development Board (OIDB)		1,574.75	1,374.00	510.50	405.50	
Others		<u>95.12</u>	134.23	<u>39.11</u>	35.04	
		<u>2,088.80</u>	1,978.27	<u>760.48</u>	609.55	
<b>Finance Lease Obligation</b>	J	<u>3,444.53</u>	3,565.02	<u>120.79</u>	108.42	
<b>Total Secured Loans</b>		<u>8,771.35</u>	<u>10,888.67</u>	<u>2,917.87</u>	3,544.57	

Contd...

(₹ in Crore)

Particulars		Long Term		Current Maturities	
		March-16	March-15	March-16	March-15
<b>UNSECURED LOANS</b>					
<b>Bonds</b>					
Foreign Currency Bonds	K	<b>8,783.25</b>	8,285.50	-	-
Senior Notes (Bank of America)	L&G	<b>1,325.20</b>	<u>1,875.15</u>	<b>662.60</b>	<u>-</u>
		<b>10,108.45</b>	<u>10,160.65</u>	<b>662.60</b>	<u>-</u>
<b>Debentures (Issued by JV entities):</b>					
Non-Convertible Debentures	M	<b>162.50</b>	162.50	-	-
Convertible Debentures		<b>238.25</b>	<u>-</u>	<u>-</u>	<u>-</u>
		<b>400.75</b>	<u>162.50</u>	<u>-</u>	<u>-</u>
<b>Term Loans:</b>					
From Banks/Financial Institutions:	N				
In Foreign Currency Loans		<b>10,940.67</b>	15,459.01	<b>6,873.05</b>	3,142.99
From Others					
In Rupees		<b>24.95</b>	27.19	<b>25.00</b>	51.25
		<b>10,965.62</b>	<u>15,486.20</u>	<b>6,898.05</b>	<u>3,194.24</u>
Inter-Corporate Deposits		<b>13.75</b>	-	-	-
Loans and advances from related parties	O	<b>107.03</b>	97.87	-	-
Other Loans and Advances		<b>0.17</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Unsecured Loans</b>		<b>21,595.77</b>	<u>25,907.22</u>	<b>7,560.65</b>	<u>3,194.24</u>
<b>TOTAL LONG-TERM BORROWINGS</b>		<b>30,367.12</b>	<u>36,795.89</u>	<b>10,478.52</b>	<u>6,738.81</u>
Share of jointly controlled entities		<b>2,378.05</b>	<u>2,493.02</u>	<b>497.39</b>	<u>204.37</u>

**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 <sup>th</sup> September 2008	11.00 % p.a. payable annually on 15 <sup>th</sup> 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 Bhalabhai 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 <sup>th</sup> December 2008	10.70 % p.a. payable annually on 30 <sup>th</sup> June	After 8 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 Bhalabhai 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 <sup>th</sup> May 2013	8.14 % p.a. payable annually on 30 <sup>th</sup> 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 year 2015-16 company has partly exercised the call option for ₹ 1295 crore and the call option for remaining bonds is now excercised for which the amount shall be paid on 6 <sup>th</sup> 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 <sup>th</sup> September 2005	7.40% p.a. payable annually on 15 <sup>th</sup> 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 <sup>th</sup> April 2012	9.35 % p.a. payable annually on 30 <sup>th</sup> June	After 5 years with put/call option after 3rd year from the date of allotment. During the year 2015-16 company has fully excercised call option on 30 <sup>th</sup> 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.

**Secured Loans (Bonds : A - G)**

	<b>Particulars</b>	<b>Allotment Date</b>	<b>Coupon Rate</b>	<b>Date of Redemption</b>	<b>Security Details</b>
F	158 Bonds of face value of ₹ 2,60,00,000/- each	18 <sup>th</sup> July, 2001	10.25% p.a. payable annually on 30 <sup>th</sup> September	Redeemable in 13 equal installments from the end of the 3 <sup>rd</sup> year upto the end of 15 <sup>th</sup> year from the date of allotment. Accordingly, 12 <sup>th</sup> instalment (STRPP L) was paid in July 2015.	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 shwres 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 8.00% Oil Marketing companies GOI Special Bonds 2026 of carrying value of ₹ 404.88 Crore (2015: 6.90% Oil Marketing companies GOI Special Bonds 2026 of carrying value of ₹ 273.99 crore) being 15% of the total bonds value of ₹ 2699.20 crore (2015: ₹ 1826.60 crore) maturing in the next financial year.				

**Debentures (H):**
**Non-Convertible Debentures:**

	<b>Particulars</b>	<b>Allotment Date</b>	<b>Coupon Rate</b>	<b>Date of Repayment</b>	<b>Security Details</b>
1	10,000 Nos. of 9.65% secured Redeemable Non convertible debentures (Series-II) of ₹ 10 Lakh each	10 <sup>th</sup> January 2014	9.65 % p.a. payable annually on 10 <sup>th</sup> 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.
2	10,000 Nos. of 9.65% secured Redeemable Non convertible debentures (Series-I) of ₹ 10 Lakh each	18 <sup>th</sup> February 2013	8.85 % p.a. payable annually on 18th February.	Redeemed During the year. 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.	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.
3	Secured Redeemable and Non Convertible Bonds in the nature of Debentures.	9 <sup>th</sup> April 2014	Series II to IV (9.84% to 10.63% p.a. payable on maturity of STRPP, Quarterly and Semi-Annual)	Debentures : Series II - Repayment at any time after 20 <sup>th</sup> May 2015 but before 20 <sup>th</sup> March 2021 alongwith interest at the option of the debenture holder; Series III-Repayable in quarterly installments from 20 <sup>th</sup> April 2021 to 20 <sup>th</sup> October 2028. Series IV-Repayable in semi-annual installments from 20 <sup>th</sup> April 2014 to 20 <sup>th</sup> October 2028.	Debtentres: A first ranking inter se pari passu Security Interest including first pari passu charge/assignment on Project's Cash Flows and receivables; charge/mortgage on the fixed assets (moveable and immovable property), intangible assets of the Company; all rights, titles and interests of the company in and under all Project Documents, Insurances, charge/assignment on the Accounts (as well as amounts lying to the credit thereof, including a Guarantee of IOT)

**Secured Loans (Term Loans : I)**
**1. Security Details for OIDB Loans:**

- a) First Charge on the facilities at Paradip Refinery, Orissa.
- b) First charge on the facilities at Butadiene Extraction Unit, Panipat, Haryana.
- c) First charge on the facilities at FCC Unit at Mathura Refinery, Uttar Pradesh.
- d) First charge on the facilities at Paradip-Raipur-Ranchi pipeline
- e) First charge on the facilities at SMPL System
- f) First charge on the facilities at Paradip-Haldia-Durgapur LPG Pipeline

**2. Loan Repayment Schedule against loans from OIDB (Secured)-Term Loans**

<b>Sl. No.</b>	<b>Repayable During</b>	<b>Repayable Amount (₹ In Crore)</b>	<b>Range of Interest Rate</b>
1	2016-17	510.50	8.20% - 9.27%
2	2017-18	688.31	8.12% - 9.27%
3	2018-19	425.81	8.12% - 9.27%
4	2019-20	282.81	8.12% - 8.45%
5	2020-21	177.82	8.12% - 8.27%
<b>Total</b>		<b>2,085.25</b>	

**3. Security and other details for other term loans**

<b>Sl.No.</b>	<b>Particulars</b>	<b>Rate of Interest</b>	<b>Repayment Period</b>	<b>Security Details</b>
a)	Term Loan (₹ 34.66 Crs)	Base Rate plus 70 bps p.a.	Repayable in 20 quarterly installments from June 2014	First Charge by way of mortgage of specific Land and Buildings and hypothecation of specific plant and equipments / moveable fixed assets of the JV company.
b)	Term Loan (₹ 107.63 Crs)	Base Rate plus 125 bps p.a.	Repayable in 38 quarterly installments from June 2016	First Charge by way of mortgage of immovable property and hypothecation of movable assets relating to the JV Company's Raipur Terminal Project.
c)	Term Loan (₹ 59.79 Crs)	Base Rate plus 75 bps p.a.	Repayable in 16 scheduled quarterly installments commencing from December 2016.	First Charge on the immovable property and moveable assets relating to the JV Company's Navghar Terminal in Navi Mumbai, second charge on the immovable and movable assets of Raipur Terminal project and second charge on JV Company's Current Assets.
d)	Term Loan (₹ 2.13 Crs)	10.05% to 10.50% p.a.	Repayable in 48 monthly installment.	Purchase of Plant and Machinery
e)	FCNR (B) - (₹ 10.35 Crs)	USD Libor plus 3.75%	Repayment of USD 1.04 Million in 36 monthly installment and remaining amount will be converted into rupee loan at end of 36 months.	Secured by way of hypothecation over plant and machinery acquired and mortgage over factory land and building situated at Savli and Office Premises situated at Vadodara.
f)	Term Loan (₹ 63.78 Crs)	HDFC Bank Base Rate.	32 Equal Quarterly Installment from 30.09.2012 till 31/06/2020	First Charge on Fixed Assets of Ennore LPG Import / Export Terminal and Haldia LPG Import / Export Terminal, both present and future.
g)	Term Loan (₹ 100.00 Crs)	Weighted Average Cost of 8.47% p.a. (inclusive of hedging cost)	Repayable in 7 to 14 semiannual installments ending in 2022.	First Ranking Mortgage and First Charge on pari passu on all movable and immovable properties, both present and future including current assets except on Trade Receivables on which second charge is created on pari passu basis.
h)	Term Loan (₹ 45.11 Crs)	HDFC Bank Rate.	42 quarterly installments from Sept. 2015.	First Pari Passu Charge by way of hypothecation of receivables, cash flows, revenue under Escrow mechanism after deduction of statutory dues and license fees payment to Mumbai International Airport Private Ltd.
i)	Term Loan (₹ 5.14 Crs)	Fixed Rate of interest by entering into a cross currency and interest rate swap	8 Quarterly Installments as on 31.03.2016 (2016-17 - ₹ 5.16 Crs & 2017-18 - ₹ 5.13 Crs)	Hypothecation of Plant & Machinery & Other movable assets, inventory, present & future assignment of payment under multiple banking arrangement, ranking pari passu.
j)	Term Loan (₹ 35.58 Crs)	Indian Bank Base Rate	48 / 20 Quarterly Installments of ₹ 1.65 Crs (from July '11) & ₹ 0.32 Crs (on actual disbursement) respectively.	Charge on Receivables, Cash flow, revenue under escrow account after Statutory Dues & License Fees
k)	Term Loan (₹ 49.88 Crs)	State Bank Base Rate + 1%	Principal Repayment ranging from ₹ 1.80 crore to ₹ 10.55 crore quarterly from March 2019.	First Ranking Pari Passu Charge/ mortgage on the fixed assets (movable and immovable) of the borrower in relation to the project, both present and future, Second ranking charge / mortgage on the current assets of the project and first pari passu charge / assignment on the Debt Service Reserve Account and Trust and Retention Accounts formed under the Trust and Retention Account Agreement.

Note: Above excludes current maturities of long term debts in Jointly controlled entities.

#### J. Finance Lease Obligation

The Finance Lease Obligations is against assets acquired under Finance Lease. The net carrying value of the same is ₹ **3,574.87 crores** (2015: 3,663.54) (refer Note - 32).

#### 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 <sup>st</sup> August 2013	Payable after 10 years from the date of issue
2	SGD 400 million Reg S bonds	15 <sup>th</sup> 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 <sup>nd</sup> 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<sup>th</sup> June, 2<sup>nd</sup> July, 1<sup>st</sup> August and 4<sup>th</sup> Sept. 2007 is payable in three tranches of USD 100 million each on 1<sup>st</sup> August 2016, 1<sup>st</sup> August 2017 and 1<sup>st</sup> August 2018

#### M. Debentures

##### 1. Unsecured Non Convertible Debentures

Sl.No.	Particulars of Bonds	Date of Issue	Date of Repayment
1	₹ 162.50 Cr - 3 Series of Bonds - 8.35% to 9.05%	Series I : 2013 Series I : 2014 Series II : 2014	Repayable at Par from year 2017 to 2019

##### 2. Convertible Debentures

1	Convertible Bonds in the nature of Debentures.	18 <sup>th</sup> January 2016	Govt Security Rate + Spread	CCDs will be automatically and compulsarily converted into equity upon expiry of 36 months from deemed date of allotment of first Tranche dated 18.01.2016 except in case of Buy-Out / accelerated Buy-out option exercised by IOC.
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#### N. Repayment Schedule of loans from Banks and financial institutions

1 Foreign Currency Term Loan facility of USD 600 million. Drawal upto 31.03.2016 is USD 399.61 million (₹ 2045.83 Crs). The Term Loan is available and can be drawn upon until March 31, 2017 (the "Availability Period"), with each advance drawn maturing and being payable 5 years after the date the advance was drawn (the "Maturity Date"). The Term Loan bears an interest rate of the CDOR rate on the quotation date, being the CDOR rate 2 days before the relevant interest period, plus 1.05% per annum. The Company may prepay any or all advances beginning after the Availability Period and prior to the Maturity Date, provided the respective Company has given the lender notice of not less than 7 business days.

Sl.No.	Particulars of Loans	Date of drawal	Date of Repayment
2	USD 250 Million syndication loan	29 <sup>th</sup> Jan 2016	
3	USD 650 Million syndication loan	27 <sup>th</sup> June 2014	
4	USD 120 Million syndication loan	12 <sup>th</sup> March 2013	{ Payable after 5 years from the date of drawal
5	USD 300 Million syndication loan	13 <sup>th</sup> July 2012	
6	USD 500 Million syndication loan	In four trances between 24 <sup>th</sup> December 2013 to 8 <sup>th</sup> January 2014	{ Payable after 3 years from the date of drawal
7	USD 500 Million syndication loan	In three trances between 5 <sup>th</sup> September 2013 to 11 <sup>th</sup> September 2013	
8	₹ 123.52 Crore	(LIBOR + 1.00%)	Loan Taken from Mizuho Bank Limited (Proportionate amount USD 18.50 Million)- Repayment from March' 2017 to November'2021

Note: Above excludes current maturities of long term debts in Jointly controlled entities.

Sl.No.	Particulars	Rate of Intt.	Repayment schedule
1	₹ 23.89 Crore	USD LIBOR plus 275 bps p.a.	Repayable in 7 years commencing from November 2011 after an initial moratorium of two years. The loan is fully hedged w.e.f. 31 <sup>st</sup> March 2015.
2	₹ 26.06 crore	Pertains of JV companies	

Note: Above excludes current maturities of long term debts in Jointly controlled entities.

**Repayment Schedule of Unsecured-Rupee Loans from OIDB**

₹ In Crore

Sl.No.	Repayable During	Repayable Amount	Interest Rate
1	2016-17	25.00	8.89%
	<b>Total</b>	<b>25.00</b>	

**O. Loans and advances from related parties**

Sl.No.	Amount	Rate of Intt.	Repayment schedule
1	₹ 107.03 Cr	8.75% p.a.	Loan Agreement Valid Till 31 <sup>st</sup> January 2022. Repayment will commence after cash flow generation through production of Hydrocarbons.

**NOTE - 5: DEFERRED TAX**

In compliance of Accounting Standard – 22 on "Accounting for Taxes on Income, the item wise details of Deferred Tax Liability (net) are as under:

(₹ in Crore)

	As on 01.04.2015	Adjusted in Opening General Reserve**	Provided during the year*	Balance as on 31.03.2016
<b>Deferred Tax Liability:</b>				
Related to Fixed Assets	11,592.67	(36.78)	2,754.04	14,309.93
Foreign Currency fluctuations on long term monetary item	51.34	-	132.46	183.80
Retirement benefits to employees	-	-	0.91	0.91
<b>Total Deferred Tax Liability (A)</b>	<u>11,644.01</u>	<u>(36.78)</u>	<u>2,887.41</u>	<u>14,494.64</u>
<b>Deferred Tax Assets:</b>				
Provision on Inventories, Trade Receivables, Loans and advances, Investments	379.61	-	271.70	651.31
Compensation for Voluntary Retirement Scheme	19.86	-	(4.80)	15.06
43B/ 40 (i)(a) Disallowances etc.	3,119.22	-	(245.85)	2,873.37
Capital Grants	6.46	-	1.10	7.56
Provision for Employee Benefits	416.48	-	18.04	434.52
Carry forward Business Loss / Unabsorbed Depreciation	770.19	-	11.03	781.22
Others	96.64	-	19.16	115.80
<b>Total Deferred Tax Assets (B)</b>	<u>4,808.46</u>	<u>-</u>	<u>70.38</u>	<u>4,878.84</u>
<b>Deferred Tax Liability (Net) (A – B)</b>	<u><b>6,835.55</b></u>	<u><b>(36.78)</b></u>	<u><b>2,817.03</b></u>	<u><b>9,615.80</b></u>
Previous Year Total	6,422.84	(493.51)	906.22	6,835.55
Share of jointly controlled entities	122.35			136.11
<b>As per Balance Sheet</b>				
Deferred Tax Liability	6,883.52			9,656.44
Deferred Tax Asset	47.97			40.64
<b>Deferred Tax Liability (Net)</b>	<u><b>6,835.55</b></u>			<u><b>9,615.80</b></u>

\* Includes:

1. Considered in Translation Reserve due to translation of Opening Balance at closing exchange rate. 0.40
2. Opening Balance Adjustment 4.20

\*\* Refer point 4 of Note - 44

## NOTE - 6: OTHER LIABILITIES

Particulars	Long Term		Current		(₹ in Crore)
	March-16	March-15	March-16	March-15	
Current maturities of long-term debt (Refer Note - 4)	-	-	<b>10,478.52</b>	6,738.81	
Interest accrued but not due on loans	-	-	<b>531.89</b>	607.35	
Interest accrued and due on borrowings	-	-	<b>16.98</b>	8.07	
Income received in advance	-	-	<b>0.07</b>	-	
Liability for Capital Expenditure	<b>181.65</b>	118.53	<b>2,849.19</b>	2,196.51	
Liability to Trusts and Other Funds	-	-	<b>1,105.89</b>	1,178.84	
Employee Liabilities	<b>0.02</b>	0.02	<b>1,283.73</b>	930.10	
Statutory Liabilities	-	-	<b>7,344.14</b>	6,025.26	
Advances from Customers	<b>175.00</b>	112.50	<b>2,163.07</b>	2,957.21	
Advances from Government of India for DBTL Scheme (Refer point 7 of Note - 44)	-	-	<b>233.64</b>	-	
Investor Education & Protection Fund to be credited on the due dates :					
- Unpaid Dividend	-		<b>46.97</b>	44.75	
- Unpaid Matured Deposits	-	-	<b>0.01</b>	0.01	
	-	-	<b>46.98</b>	44.76	
Liability on Forward Contracts (Net of Receivables)	-	-	<b>131.50</b>	-	
Security Deposits	<b>17,659.47</b>	15,221.38	<b>985.06</b>	895.85	
Long Term Trade Payables	<b>0.50</b>	1.08	-	-	
Other Liabilities	<b>3.26</b>	0.70	<b>1,889.06</b>	2,193.27	
<b>TOTAL</b>	<b>18,019.90</b>	<b>15,454.21</b>	<b>29,059.72</b>	<b>23,776.03</b>	
Share of jointly controlled entities	<b>178.80</b>	114.47	<b>1,048.76</b>	752.55	

**NOTE - 7: PROVISIONS**

Particulars	(₹ in Crore)			
	Long Term		Short Term	
	March-16	March-15	March-16	March-15
Provision for Employee Benefits	<b>2,463.55</b>	2,320.89	<b>399.73</b>	385.99
Provision for Taxation	<b>6.74</b>	-	<b>23.81</b>	16.16
Proposed Dividend	-	-	<b>2,092.42</b>	1,681.08
Corporate Dividend Tax	-	-	<b>462.78</b>	342.04
Contingencies for probable obligations	A	-	<b>26,654.60</b>	23,288.14
Provision for MTM Loss on Interest Rate Swap	-	-	-	42.72
Others	<b>5.60</b>	0.26	<b>0.14</b>	-
<b>TOTAL</b>	<b>2,475.89</b>	<b>2,321.15</b>	<b>29,633.48</b>	<b>25,756.13</b>
Share of jointly controlled entities	<b>38.87</b>	17.21	<b>234.98</b>	193.84

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

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	(₹ in Crore)
					Closing Balance*
Excise	5.61	6.82	-	0.52	11.91
Sales Tax	1,486.37	296.54	-	2.24	1,780.67
Entry Tax	21,606.43	2,110.10	-	-	23,716.53
Others	189.73	963.59	0.23	7.60	1,145.49
<b>TOTAL</b>	<b>23,288.14</b>	<b>3,377.05</b>	<b>0.23</b>	<b>10.36</b>	<b>26,654.60</b>
Previous Year Total	20,021.43	3,310.00	20.86	22.43	23,288.14

	March-16	
	Addition includes	Utilization/reversal includes
- capitalized	509.47	0.05
- included in Raw Material	1,678.78	-
- included in Finance Cost	463.25	-
- included in Employee Benefit expenses	124.24	-

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

## NOTE - 8: SHORT TERM BORROWINGS

Particulars		March-16	(₹ in Crore) March-15
<b>SECURED LOANS</b>			
<b>Loans Repayable on Demand</b>			
<b>From Banks:</b>			
Working Capital Demand Loan	A	166.24	4,512.79
Cash Credit		5,291.87	1,982.80
Foreign Currency Loans		<u>27.08</u>	816.89
		<u>5,485.19</u>	7,312.48
<b>From Others:</b>			
Loans through Collateralised Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd. (CCIL)	B	2,650.00	2,630.00
		<u>8,135.19</u>	9,942.48
<b>UNSECURED LOANS</b>			
<b>Loans Repayable on Demand</b>			
<b>From Banks/Financial Institutions:</b>			
In Foreign Currency		10,548.86	9,805.85
In Rupees		991.44	1,001.89
<b>From Others</b>			
Commercial Paper		700.00	600.00
Inter-Corporate Deposits		<u>2.94</u>	-
		<u>12,243.24</u>	11,407.74
<b>Other Loans and Advances</b>		104.04	7.98
		<u>12,347.28</u>	<u>11,415.72</u>
		<u>20,482.47</u>	21,358.20
		<b>277.68</b>	199.53
<b>TOATL SHORT-TERM BORROWINGS</b>			

Share of jointly controlled entities

- 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 banks.
- B. Against pledging of Oil Marketing Companies Government of India Special Bonds amounting to ₹ 4,365.00 crore (2015: ₹ 4,365.00 crore) and Bank Guarantees of ₹ 1,650.00 crore (2015: ₹ 1,650.00 crore) in favour of CCIL.

## NOTE - 9: TRADE PAYABLES

Particulars		March-16	(₹ in Crore) March-15
<b>Dues to Micro and Small Enterprises</b>			
		27.80	14.50
<b>Due to Related Parties</b>		434.80	503.01
<b>Due to others</b>		<u>24,458.36</u>	30,975.10
		<u>24,920.96</u>	31,492.61
<b>Share of jointly controlled entities</b>		<b>505.31</b>	507.46

**NOTE - 10: TANGIBLE ASSETS**

	AT COST					DEPRECIATION, DEPLETION		
	Gross Block as at 1.04.15	Additions during the year	Transfers from Construction Work-in-Progress	Disposals / Deductions / Transfers / Reclassifications	Gross Block as at 31.03.16	Depreciation, Depletion & Amortisation as at 1.04.15	Additional Dep. (Schedule-II) Charged to Opening Reserve/CWIP	Depreciation Depletion and Amortisation during the year
(Refer C)								
Land - Freehold	1,462.11	425.78	83.02	2.00	1,972.91	0.00	0.00	0.00
- Leasehold	1,416.26	33.67	6.53	(25.25)	1,431.21	164.60	0.00	21.78
Buildings, Roads etc.	D 11,474.04	136.84	1,299.20	(68.33)	12,841.75	3,709.35	0.00	577.89
Plant and Equipment	1,13,990.46	3,723.62	24,505.65	(771.59)	1,41,448.14	53,392.88	122.12	4,453.60
Office Equipments	1,597.44	116.87	85.37	(107.54)	1,692.14	1,154.33	0.00	206.56
Transport Equipments	275.42	4.27	0.59	12.55	292.83	229.00	0.00	7.54
Furnitures and Fixtures	790.73	30.34	52.48	(120.94)	752.61	411.89	0.00	66.38
Railway Sidings	217.32	12.79	33.06	(2.26)	260.91	160.78	0.00	8.58
Drainage, Sewage and Water Supply System	287.39	0.22	0.29	(1.20)	286.70	178.03	0.00	6.06
E&P Producing Properties	4,266.65	122.39	635.14	187.10	5,211.28	329.75	0.00	316.82
<b>Total</b>	<b>1,35,777.82</b>	<b>4,606.79</b>	<b>26,701.33</b>	<b>(895.46)</b>	<b>1,66,190.48</b>	<b>59,730.61</b>	<b>122.12</b>	<b>5,665.21</b>
Previous Year Total	1,25,197.88	4,636.31	7,076.74	(1,133.11)	1,35,777.82	53,516.74	1,492.92	5,150.77

A 1 Considering the Government policies and modalities of compensating the oil marketing companies towards under-recoveries, future cash flows have been worked out based on desired margins for deciding on impairment of related Cash Generating Units. In view of the assumption being technical, peculiar to the industry and policy matter, the auditors have relied on the same.

A 2 Impairment Loss of ₹ 279.37 crore pertains to IndOil Global B.V. (a subsidiary company) (refer point no. (c) of Note - 40) and ₹ 15.64 crore pertains to IOT Infrastructure & Energy Services Limited (a Joint Venture company).

B Land and Buildings include ₹ **470.21 crore** (2015: ₹ 138.72 crore) in respect of which Title / Lease Deeds are pending for execution or renewal.

C Depreciation charged to opening general reserve as per the transitional provisions of Schedule II to the Companies Act, 2013. Also refer point no 4 of Note-44.

D Includes Roads, Bridges etc. (i.e. Assets other than Building) of Gross Block amounting to ₹ **3,012.68 crore** (2015: ₹ 2,775.13 crore) and Net Block amounting to ₹ **1,109.74 crore** (2015: ₹ 1,158.13 crore).

Net Block of Tangible Assets includes ₹ **2,363.38 crore** (2015 : ₹ 2,134.73 crore) share of jointly controlled entities.

**Details of assets under lease included above:**

Asset Particulars	Original Cost	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.16	W.D.V. as at 31.03.15
<b>Plant and Equipment:</b>					
Given on Operating Lease	20.64	17.76	-	2.88	2.36
Taken on Finance Lease	3,865.24	291.84	-	3,573.40	3,429.39
<b>Furnitures and Fixtures:</b>					
Taken on Finance Lease	1.84	0.37	-	1.47	1.64

(₹ in Crore)

Disposals / Deductions / Transfers / Reclassifications	Total Depreciation, Depletion and Amortisation as at 31.03.16	AMORTISATION AND IMPAIRMENT				NET BLOCK	
		Total Impairment Loss as at 1.04.15	Impairment Loss during the year	Impairment loss reversed during the year	Total Impairment Loss as at 31.03.16	AS AT 31.03.16	AS AT 31.03.15
(Refer A)							
0.00	0.00	0.00	0.00	0.00	0.00	1,972.91	1,462.11
(26.67)	159.71	0.00	0.00	0.00	0.00	1,271.50	1,251.66
(71.11)	4,216.13	0.00	0.20	0.00	0.20	8,625.42	7,764.69
(611.23)	57,357.37	0.00	14.84	0.00	14.84	84,075.93	60,597.58
(95.81)	1,265.08	0.00	0.16	0.00	0.16	426.90	443.11
(0.90)	235.64	0.00	0.02	0.00	0.02	57.17	46.42
(60.55)	417.72	0.00	0.42	0.00	0.42	334.47	378.84
(2.61)	166.75	0.00	0.00	0.00	0.00	94.16	56.54
0.00	184.09	0.00	0.00	0.00	0.00	102.61	109.36
23.14	669.71	0.00	279.37	0.00	279.37	4,262.20	3,936.90
(845.74)	<b>64,672.20</b>	<b>0.00</b>	<b>295.01</b>	<b>0.00</b>	<b>295.01</b>	<b>1,01,223.27</b>	<b>76,047.21</b>
(429.82)	59,730.61	0.00	0.00	0.00	0.00	76,047.21	

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

(₹ in Crore)

Assets Particulars	Name of Joint Owner	Original Cost	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.16	W.D.V. as at 31.03.15
Land - Freehold	HPC/BPC	3.10	-	-	3.10	3.10
Land - Leasehold	HPC/BPC/BALMER LAWRIE	0.18	0.06	-	0.12	0.12
Buildings	HPC/BPC/BALMER LAWRIE	67.55	38.29	-	29.26	29.32
Plant and Equipment	HPC/BPC/GSFC/IPCL/GNRE	85.54	52.39	-	33.15	29.49
Transport Equipment	RAILWAYS	-	-	-	-	-
Railway Sidings	HPC/BPC	53.18	45.04	-	8.14	8.53
Drainage,Sewage & Water Supply System	GSFC	0.99	0.94	-	0.05	0.05
Furniture	HPC/BPC	-	-	-	-	-
<b>Total</b>		<b>210.54</b>	<b>136.72</b>	-	<b>73.82</b>	<b>70.61</b>
Previous year		205.50	134.89	-	70.61	

### Additions to Gross Block Includes:

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	31.03.16	31.03.15	31.03.16	31.03.15
Land - Freehold	-	-	-	-
Land - Leasehold	-	-	-	-
Buildings	49.73	0.40	63.10	-
Plant and Equipment	2,238.95	179.97	2,183.12	30.59
Office Equipments	-	0.01	-	-
Transport Equipment	0.23	-	-	-
Furniture & Fixtures	-	-	-	-
Railway Sidings	-	-	-	-
Drainage,Sewage & Water Supply System	-	-	-	-
<b>Total</b>	<b>2,288.91</b>	<b>180.38</b>	<b>2,246.22</b>	<b>30.59</b>

**NOTE - 11: INTANGIBLE ASSETS**

	AT COST						
	Gross Block as at 1.04.15	Additions during the year	Transfers from Intangible Assets under Development	Disposals / Deductions / Transfers / Reclassifications	Gross Block as at 31.03.16	Total Amortisation as at 1.04.15	Amortisation during the year
Right of Way	174.98	48.05	0.00	0.74	223.77	13.80	1.84
Licenses	1,335.37	8.38	84.99	2.53	1,431.27	864.36	117.46
Computer Software	229.97	22.85	11.83	5.36	270.01	201.16	24.08
Goodwill	A	3.66	0.00	0.01	3.67	1.57	1.42
Other Intangible Assets	0.46	0.00	0.00	0.03	0.49	0.36	0.11
<b>Total</b>	<b>1,744.44</b>	<b>79.28</b>	<b>96.82</b>	<b>8.67</b>	<b>1,929.21</b>	<b>1,081.25</b>	<b>144.91</b>
Previous Year Total	1,754.30	36.88	47.17	(93.91)	1,744.44	968.88	147.74

A. Goodwill is due to the excess of purchase consideration paid to the Government of Sri Lanka and Ceylon Petroleum Corporation over the net assets value representing applicable shares allotted in the acquisition of retail outlets.

Net Block of Intangible Assets includes ₹ **25.29 crore** (2015: ₹ 30.00 crore) share of jointly controlled entities.

**Additions to Gross Block Includes:**

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	31.03.16	31.03.15	31.03.16	31.03.15
Licences	-	0.08	-	0.40

**NOTE - 12: CAPITAL WORK IN PROGRESS**

Particulars		March-16	(₹ in Crore)
Construction Work in Progress - Tangible Assets (Including unallocated capital expenditure, materials at site)	A	15,735.43	24,716.43
Less: Provision for Capital Losses	19.19	15,716.24	24,705.40
Capital stores	1,637.87		3,875.04
Less: Provision for Capital Losses	2.22	1,635.65	3,871.22
Capital Goods in Transit		325.05	274.70
Construction Period Expenses pending allocation:			
Balance as at beginning of the year	7,866.83		5,853.53
Add: Opening Balance Adjustment	-		12.18
Add: Net expenditure during the year (Note - "12.1")	3,716.87		2,138.40
Less: Allocated during the year	11,583.70		8,004.11
Share of jointly controlled entities	6,626.46		137.28
<b>TOTAL</b>		<b>4,957.24</b>	<b>7,866.83</b>
		<b>22,634.18</b>	<b>36,718.15</b>
		<b>654.36</b>	<b>348.92</b>

A. Includes Capital Expenditure amounting to ₹ **25.64 crore** (2015: 11.94 crore) relating to ongoing Oil & Gas Development activities.

(₹ in Crore)

Disposals / Deductions / Transfers / Reclassifications	AMORTISATION AND IMPAIRMENT				NET BLOCK	
	Total Amortisation as at 31.03.16	Total Impairment Loss as at 1.04.15	Impairment Loss during the year	Total Impairment Loss as at 31.03.16	AS AT 31.03.16	AS AT 31.03.15
0.39	16.03	0.00	0.00	0.00	207.74	161.18
4.58	986.40	0.00	0.00	0.00	444.87	471.01
0.30	225.54	0.00	0.00	0.00	44.47	28.81
0.00	2.99	0.00	0.00	0.00	0.68	2.09
0.02	0.49	0.00	0.00	0.00	0.00	0.10
<b>5.29</b>	<b>1,231.45</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>697.76</b>	<b>663.19</b>
(35.37)	1,081.25	0.00	0.00	0.00	663.19	

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

(₹ in Crore)

Particulars	March-16	March-15
Employee Benefit expenses	<b>313.63</b>	291.12
Repairs and Maintenance	<b>84.92</b>	18.43
Consumption of Stores and Spares	<b>2.48</b>	5.10
Power & Fuel	<b>268.29</b>	22.52
Rent	<b>78.64</b>	8.55
Insurance	<b>32.35</b>	40.56
Rates and Taxes	<b>0.41</b>	0.96
Travelling Expenses	<b>37.43</b>	33.64
Communication Expenses	<b>1.97</b>	2.71
Printing and Stationery	<b>1.11</b>	1.25
Electricity and Water Charges	<b>62.65</b>	53.74
Bank Charges	<b>0.53</b>	3.76
Technical Assistance Fees	<b>7.14</b>	3.41
Exchange Fluctuation	<b>903.06</b>	653.34
Finance Cost	<b>955.58</b>	893.99
Depreciation, Depletion and Amortisation on:		
Tangible Assets	<b>237.60</b>	105.93
Intangible Assets	<b>2.29</b>	2.16
Start Up/ Trial Run Expenses (net of revenue)	<b>707.78</b>	0.39
Others	<b>44.67</b>	49.68
	<b>Total Expenses</b>	
	<b>3,742.53</b>	2,191.24
	<b>Less : Recoveries</b>	
	<b>25.66</b>	52.84
	<b>Net Expenditure during the year</b>	
	<b>3,716.87</b>	2,138.40

**NOTE - 13: INTANGIBLE ASSETS UNDER DEVELOPMENT**

Particulars		(₹ in Crore)	March-16	March-15
Work in Progress - Intangible Asset (Including Unallocated Capital Expenditure)	A	4,010.79	3,786.18	
Less: Provision for Loss		<u>131.85</u>	<u>126.26</u>	
<b>TOTAL</b>		<b><u>3,878.94</u></b>	<b><u>3,659.92</u></b>	
Share of jointly controlled entities		<b><u>3,878.94</u></b>	<b><u>3,659.92</u></b>	
		<b><u>108.43</u></b>	<b><u>101.10</u></b>	

A. Includes Capital Expenditure (Net) amounting to ₹ 3,451.67 crore (2015: ₹ 3,176.20 crore) relating to ongoing Oil & Gas Exploration activities.

**Note - 14: INVESTMENTS**

Particulars		(₹ in Crore)	March-16	March-15
<b>NON-CURRENT INVESTMENTS (At cost less provision other than temporary diminution):</b>				
<b>1. QUOTED:</b>				
<b>Trade Investments:</b>				
<b>In Equity Shares</b>				
Oil and Natural Gas Corporation Limited	65,79,23,428 (2015: 65,79,23,428) Equity Shares each fully paid	1,780.12	1,780.12	
GAIL (India) Limited	3,06,29,661 (2015: 3,06,29,661) Equity Shares each fully paid	122.52	122.52	
Oil India Limited	2,67,50,550 (2015: 2,67,50,550) Equity Shares each fully paid	1,123.52	1,123.52	
	<b>TOTAL (1)</b>	<b><u>3,026.16</u></b>	<b><u>3,026.16</u></b>	
(Market Value of ₹ 16,015.07 crore (2015: ₹ 22,560.32 Crore)				
<b>2. UNQUOTED:</b>				
<b>Trade Investments:</b>				
<b>(a) In Government Securities</b>				
Oil Marketing Companies GOI Special Bonds	47,70,000 (2015: 52,00,000)	4,770.00	5,200.00	
Less: Provision for Diminution	Number of Bonds	410.31	488.80	
	<b>TOTAL (2a)</b>	<b><u>4,359.69</u></b>	<b><u>4,711.20</u></b>	
<b>(b) In Equity Shares</b>				
Indian Additives Limited	(2015: 11,83,401) Equity Shares each fully paid	-	11.83	
BioTech Consortium India Ltd.	1,00,000 (2015: 1,00,000) Equity Shares each fully paid	0.10	0.10	
MRL Industrial Cooperative Service Society Ltd	9,000 (2015: 9,000) Equity Shares each fully paid	0.01	0.01	
Ceylon Petroleum Storage Terminal Limited*	75,00,00,000 (2015: 75,00,00,000) Equity Shares each fully paid	202.67	206.85	
Mer Rouge Oil Storage Terminal (MOST)	5,000 (2015: 5,000) Equity Shares each fully paid	0.94	0.87	
Pacific Northwest LNG Ltd.	10,000 (2015: 10,000) Equity Shares each fully paid	0.51	0.49	
IndianOil Creda Bio-Fuels Limited	1,83,07,197 (2015 : 1,82,33,197) Equity Shares each fully paid	18.31	18.23	
Less: Provision for Dimunition		18.31	18.23	
		<u>0.00</u>	<u>0.00</u>	
Petronet India Limited	1,80,00,000 (2015: 1,80,00,000) Equity Shares each fully paid	18.00	18.00	
Less: Provision for Dimunition		18.00	18.00	
		<u>0.00</u>	<u>0.00</u>	

\* Refer point (a) of Note - 40.

Contd...

## Note - 14: INVESTMENTS (Contd.)

Particulars		(₹ in Crore)	
		March-16	March-15
Petronet VK Limited	2,59,99,970 (2015: 2,59,99,970)	<b>26.00</b>	26.00
Less: Provision for Dimunition	Equity Shares each fully paid	<b>26.00</b>	26.00
		-	-
IndianOil Panipat Power Consortium Limited	8,40,000 (2015: 8,40,000)	<b>1.99</b>	1.99
Less: Provision for Dimunition	Equity Shares each fully paid	<b>1.99</b>	1.99
		-	-
Petronet CI Limited (under liquidation)	37,44,000 (2015: 37,44,000)	<b>3.83</b>	3.83
Less: Provision for Dimunition	Equity Shares each fully paid	<b>3.83</b>	3.83
		-	-
International Cooperative Petroleum Association, New York	350 (2015: 350) Equity Shares (Common Stock) each fully paid up	<b>0.02</b>	0.02
Haldia Petrochemicals Limited	15,00,00,000 (2015: 15,00,00,000)	<b>150.00</b>	150.00
	Equity Shares each fully paid		
Vadodara Enviro Channel Limited (Formerly Effluent Channel Projects Limited) {Amount Invested is ₹ 10 (2015: ₹ 10)}	7,151 (2015: 7,151)	-	-
	Equity Shares each fully paid		
Woodlands Multispeciality Hospital Limited	1,01,095 (2015: 1,01,095)	<b>0.10</b>	0.10
	Equity Shares each fully paid		
Adani Petronet (Dahej) Port Private Limited	Proportionate share in holdings of JV entities	-	11.25
Bharuch Dahej Railway Co. Limited	5,63,225 (2015: NIL)	<b>0.56</b>	-
	Equity Shares each fully paid		
National Aromatics and Petrochemical Corporation Limited	25,000 (2015: 25,000)	<b>0.03</b>	0.03
Less: Provision for Dimunition	Equity Shares each fully paid	<b>0.03</b>	0.03
		-	-
PetroCarabobo S.A	3.5% of Capital Stock	<b>376.71</b>	349.97
Carabobo Ingenieria Y Construcciones S.A	12.1% of Capital Stock	<b>6.09</b>	5.56
	<b>TOTAL (2b)</b>	<b>737.71</b>	737.05
<b>(c) In Debentures</b>			
IndianOil LNG Pvt Limited	3,265 (2015 : Nil)	<b>326.50</b>	-
	Fully and Compulsorily Convertible Debentures		
	<b>TOTAL (2c)</b>	<b>326.50</b>	-
<b>(d) Others</b>			
IndianOil Ruchi Biofuels LLP	Capital Fund	<b>1.50</b>	1.40
Less: Provision for Diminution	(Limited Liability Partnership)	<b>1.50</b>	1.40
		-	-
Pacific Northwest LNG LLP	Capital Fund	<b>207.77</b>	147.60
British Columbia Shale Gas Partnership	Capital Fund	-	87.38
In Petroleum India International (AOP by Oil Companies)			
- Capital Fund		<b>0.20</b>	20.00
- Share in accumulated surplus		<b>8.56</b>	31.72
		<b>8.76</b>	51.72
	<b>TOTAL (2d)</b>	<b>216.53</b>	286.70
	<b>TOTAL (2)</b>	<b>5,640.43</b>	5,734.95
<b>TOTAL NON CURRENT INVESTMENTS</b>	<b>TOTAL (1+2)</b>	<b>8,666.59</b>	8,761.11

Contd...

**Note - 14: INVESTMENTS (Contd.)**

Particulars	March-16	(₹ in Crore) March-15
<b>CURRENT INVESTMENTS: (Valued at lower of cost or fair market value)</b>		
<b>UNQUOTED:</b>		
<b>(a) In Government Securities</b>		
Oil Marketing Companies GOI Special Bonds	70,82,020 (2015: 73,12,020)	7,082.02
Less: Provision for Diminution		7312.02
	Number of Bonds	70.97
		41.11
		7,011.05
		7,270.91
<b>(b) In Liquid Mutual Funds</b>		
	Proportionate share in holdings of JV entities	-
		36.66
		7,011.05
		7,307.57
<b>TOTAL CURRENT INVESTMENTS</b>		
<b>TOTAL INVESTMENTS</b>		
Share of jointly controlled entities		15,677.64
		16,068.68
		383.36
		403.44

**Note: A**

Investment in Oil Marketing Companies GOI Special Bonds consists of:

Nature of Bond	No. of Bonds	Face Value (₹ in Crore)	Marked to Market value (₹ in Crore)
1. Non-Current Investments:			
6.90% GOI SPECIAL BONDS 2026	43,65,000	4,365.00	3,954.69
8.00% GOI SPECIAL BONDS 2026	4,05,000	405.00	405.00
<b>Total Non-Current Investments</b>	47,70,000	4,770.00	4,359.69
2. Current investment:			
8.13% GOI SPECIAL BONDS 2021	78,000	78.00	78.00
7.95% GOI SPECIAL BONDS 2025	4,57,250	457.25	456.77
8.20% GOI SPECIAL BONDS 2023	14,53,510	1,453.51	1,453.51
6.90% GOI SPECIAL BONDS 2026	7,49,930	749.93	679.44
8.00% GOI SPECIAL BONDS 2026	12,38,270	1,238.27	1,238.27
8.20% GOI SPECIAL BONDS 2024	31,05,060	3,105.06	3,105.06
<b>Total Current Investments</b>	<b>70,82,020</b>	<b>7,082.02</b>	<b>7,011.05</b>

**Note-B: Other Disclosures:**

- Out of 8.00% Oil Marketing Companies GOI Special Bonds 2026, ₹ **404.88 crore** (2015: 6.90% Oil Marketing Companies GOI Special Bonds 2026 of ₹ 273.99 crore) has been earmarked in line with the requirement of Companies (Share Capital and Debentures) Rules, 2014.
- Out of Oil Marketing Companies GOI Special Bonds classified as non-current, 6.90% Oil Marketing Companies GOI Special Bonds 2026 of face value ₹ **4,365.00 crore** (2015: ₹ 4,365.00 crore) are pledged in favour of Clearing Corporation of India Ltd. (CCIL) for Loans through Collateralised Borrowings and Lending Obligation (CBLO) of CCIL.
- During the year, Petroleum India International has reduced the capital from ₹ **20.00 crore** to ₹ **0.20 crore** and has partially distributed its surplus. Accordingly, ₹ **45.93 crore** has been received during the year from Petroleum India International.
- Consolidated financial statements of Chennai Petroleum Corporation limited (a subsidiary company) and Petronet LNG Limited (a Joint Venture) which includes the financial statements of Indian Aditives Limited and Adani Petronet (Dahej) Port Private Limited are used for consolidation of group accounts of current year. As a result, the investments in Indian Aditives Limited and Adani Petronet (Dahej) Port Private Limited are eliminated in the consolidation process in current year. Also refer point no. 8 of Note - 44.
- Investment in IndianOil CREDA Biofuels Limited, Petronet India Limited, Petronet VK Limited, Petronet CI Limited, IndianOil Panipat Power Consortium Limited, IndianOil Ruchi Biofuels LLP and National Aromatics and Petrochemical Corporation Limited has been fully provided for based on Management decision to exit from these entities.

## NOTE - 15: LOANS AND ADVANCES

(Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

Particulars	Long Term		Short Term	
	March-16	March-15	March-16	March-15
<b>Advance for Capital Expenditure</b>				
<b>To Related Parties</b>				
Unsecured, Considered Good	<b>40.51</b>	16.38	-	-
	<b>40.51</b>	<u>16.38</u>	<u>-</u>	<u>-</u>
<b>To Others</b>				
Secured, Considered Good	<b>0.67</b>	5.26	-	-
Unsecured, Considered Good	<b>805.71</b>	1,169.36	-	-
Unsecured, Considered Doubtful	<b>0.10</b>	<u>0.10</u>	<u>-</u>	<u>-</u>
	<b>806.48</b>	<u>1,174.72</u>	<u>-</u>	<u>-</u>
	<b>846.99</b>	<u>1,191.10</u>	<u>-</u>	<u>-</u>
Less: Provision for Doubtful Advance	<b>0.10</b>	0.10	-	-
	<b>846.89</b>	<u>1,191.00</u>	<u>-</u>	<u>-</u>
<b>Advance recoverable in cash or in kind or for value to be received:</b>				
<b>From Related Parties</b>				
Secured, Considered Good	<b>0.12</b>	0.23	<b>0.03</b>	0.03
Unsecured, Considered Good	<b>439.94</b>	353.28	<b>80.12</b>	83.29
Unsecured, Considered Doubtful	<b>-</b>	-	<b>8.56</b>	<u>8.96</u>
	<b>440.06</b>	<u>353.51</u>	<u>88.71</u>	<u>92.28</u>
Less: Provision for Doubtful Advances	<b>-</b>	-	<b>8.56</b>	<u>8.96</u>
	<b>440.06</b>	<u>353.51</u>	<u>80.15</u>	<u>83.32</u>
<b>From Others</b>				
Secured, Considered Good	<b>741.59</b>	773.46	<b>68.48</b>	85.37
Unsecured, Considered Good	<b>1,560.10</b>	1,436.56	<b>2,358.00</b>	2,918.30
Unsecured, Considered Doubtful	<b>0.33</b>	0.33	<b>63.90</b>	<u>63.21</u>
	<b>2,302.02</b>	<u>2,210.35</u>	<u>2,490.38</u>	<u>3,066.88</u>
Less : Provision for Doubtful Advances	<b>0.33</b>	0.33	<b>63.90</b>	<u>63.21</u>
	<b>2,301.69</b>	<u>2,210.02</u>	<u>2,426.48</u>	<u>3,003.67</u>
	<b>2,741.75</b>	<u>2,563.53</u>	<u>2,506.63</u>	<u>3,086.99</u>
<b>Amount Recoverable from Central/State Govt.:</b>				
Unsecured, Considered Good			<b>10,274.56</b>	10,012.54
<b>Finance Lease Receivables</b>	<b>1,364.61</b>	1,386.54	<b>57.24</b>	78.46
<b>Claims Recoverable:</b>				
<b>From Related Parties</b>				
Unsecured, Considered Good	-	-	<b>0.37</b>	0.14
Unsecured, Considered Doubtful	-	-	<b>17.01</b>	<u>17.01</u>
	-	-	<b>17.38</b>	<u>17.15</u>
<b>From Others</b>				
Unsecured, Considered Good	-	-	<b>1,038.95</b>	878.42
Unsecured, Considered Doubtful	-	-	<b>101.65</b>	<u>105.06</u>
	-	-	<b>1,140.60</b>	<u>983.48</u>
Less : Provision for Doubtful Claims	-	-	<b>118.66</b>	<u>122.07</u>
	-	-	<b>1,039.32</b>	<u>878.56</u>

Contd...

**NOTE - 15: LOANS AND ADVANCES (Contd.)**

(Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

Particulars	Long Term		Short Term	
	March-16	March-15	March-16	March-15
<b>Balance with Customs, Port Trust and Excise Authorities:</b>				
Unsecured, Considered Good	<b>3.80</b>	-	<b>206.82</b>	159.47
<b>Deposits for Leave Encashment Fund</b>	<b>2,623.95</b>	2,407.32	<b>46.84</b>	76.64
<b>Advance Tax (net)</b>	<b>539.47</b>	1,117.77	<b>6.66</b>	87.23
<b>Mat Credit Receivable</b>	<b>1,827.22</b>	728.25	-	-
<b>Sundry Deposits</b>				
a) To Related Parties				
i) Unsecured, Considered Good	<b>58.76</b>	58.71	-	-
	<b>58.76</b>	58.71	-	-
b) To Others				
i) Secured, Considered Good	<b>9.23</b>	9.23	-	-
ii) Unsecured, Considered Good	<b>168.02</b>	146.06	<b>17,654.97</b>	14,540.11
iii) Unsecured, Considered Doubtful	<b>0.20</b>	0.20	<b>0.12</b>	0.22
	<b>177.45</b>	155.49	<b>17,655.09</b>	14,540.33
	<b>236.21</b>	214.20	<b>17,655.09</b>	14,540.33
Less: Provision for Doubtful Deposits	<b>0.20</b>	0.20	<b>0.12</b>	0.22
	<b>236.01</b>	214.00	<b>17,654.97</b>	14,540.11
<b>TOTAL</b>	<b>10,183.70</b>	<b>9,608.41</b>	<b>31,793.04</b>	<b>28,920.00</b>
Share of jointly controlled entities	<b>1,655.47</b>	1,633.15	<b>235.22</b>	307.19
<b>Includes:</b>				
Due from Directors	<b>0.22</b>	0.29	<b>0.09</b>	0.08
Due from Officers	<b>3.82</b>	3.56	<b>2.15</b>	1.89

**NOTE - 16: OTHER ASSETS**

(Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

Particulars	Non Current		Current		
	March-16	March-15	March-16	March-15	
Interest Accrued on Investments/ Bank Deposits	-	-	<b>139.56</b>	141.89	
Gold Coins in Hand (at Cost)	-		<b>7.28</b>	7.28	
Less : Provision for Diminution	-	-	<b>0.29</b>	-	
			<b>6.99</b>	7.28	
Receivable from IOC Shares Trust	A	-	<b>1,989.78</b>	1,989.78	
Premium on Forward Contract		-	<b>88.33</b>	-	
Discount on Issue of Bonds		<b>7.51</b>	9.25	<b>1.74</b>	1.74
Unamortized Borrowing Cost		<b>98.24</b>	133.03	<b>59.89</b>	66.02
Assets Held for Disposal		-		<b>48.25</b>	37.49
Others	<b>40.01</b>	59.24	<b>573.54</b>	709.29	
Less: Provision for doubtful asset	-	-	<b>6.49</b>	6.31	
	<b>40.01</b>	59.24	<b>567.05</b>	702.98	
<b>TOTAL</b>	<b>145.76</b>	<b>201.52</b>	<b>2,901.59</b>	<b>2,947.18</b>	
Share of jointly controlled entities	<b>41.11</b>	59.24	<b>120.75</b>	120.22	

A. Company has received an opinion of Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India (ICAI) during the year on accounting and disclosure of Trust Shares and Related Dividend Income wherein it was opined that the trust shares receivables are to be shown as deduction from Share Capital and Reserves & Surplus and the net dividend is to be appropriated from surplus. The company has represented to EAC that all the facts of the case have not been considered and accordingly, a fresh representation for EAC opinion is filed on the same issue. Pending the final opinion of EAC, the present accounting treatment of disclosing the trust share receivables as other current assets and recognising the dividend income on trust shares is continued.

## NOTE - 17: INVENTORIES

Particulars		March-16	(₹ in Crore) March-15
<b>In Hand:</b>			
Stores, Spares etc.	3,845.50		3,970.12
Less : Provision for Losses	<u>199.84</u>		187.72
		<b>3,645.66</b>	3,782.40
Raw Materials	8,792.24		11,417.77
Finished Products	17,036.26		15,849.44
Stock in Trade	3,517.76		5,972.58
Stock in Process	2,825.80		4,630.02
Construction Material	7.78		10.46
Barrels and Tins	<u>35.56</u>		33.02
		<b>35,861.06</b>	41,695.69
<b>In Transit :</b>			
Stores, Spares etc.	151.42		159.53
Raw Materials	5,323.80		6,685.26
Finished Products	5.74		1.65
Stock in Trade	<u>752.65</u>		1,375.26
		<b>6,233.61</b>	8,221.70
<b>TOTAL</b>		<b>42,094.67</b>	49,917.39
Share of jointly controlled entities		<b>272.83</b>	342.52

## NOTE - 18: TRADE RECEIVABLES

Particulars		March-16	(₹ in Crore) March-15
<b>Outstanding for a period exceeding Six Months from due date:</b>			
<b>From Related Parties</b>			
Unsecured, Considered Good	3.01		0.23
<b>From Others</b>			
Unsecured, Considered Good	585.72		516.78
Unsecured, Considered Doubtful	<u>122.91</u>		155.63
		<b>708.63</b>	672.41
<b>Total</b>		<b>711.64</b>	672.64
Less : Provision for Doubtful Debts	<u>122.91</u>		155.63
		<b>588.73</b>	517.01
<b>Others:</b>			
<b>From Related Parties</b>			
Unsecured, Considered Good	52.59		67.97
<b>From Others</b>			
Secured, Considered Good	164.71		139.12
Unsecured, Considered Good	7,854.35		6,924.25
Unsecured, Considered Doubtful	<u>57.52</u>		48.23
		<b>8,076.58</b>	7,111.60
<b>Total</b>		<b>8,129.17</b>	7,179.57
Less : Provision for Doubtful Debts	<u>57.52</u>		48.23
		<b>8,071.65</b>	7,131.34
<b>TOTAL</b>		<b>8,660.38</b>	7,648.35
Share of jointly controlled entities		<b>502.90</b>	501.20

**NOTE - 19: CASH AND BANK BALANCES**

Particulars		March-16	(₹ in Crore) March-15
<b>Cash and Cash Equivalents</b>			
<b>Bank Balances with Scheduled Banks :</b>			
Current Account	588.33		354.51
Fixed Deposit - Maturity within 3 months	<u>682.94</u>		414.71
		<u>1,271.27</u>	769.22
<b>Bank Balances with Non-Scheduled Banks</b>	A	11.39	6.61
<b>Cheques, Drafts in hand</b>		<u>31.99</u>	64.41
<b>Cash Balances, Including Imprest</b>	B	4.17	4.86
<b>Other Bank Balances</b>			
Fixed Deposit	C	413.98	334.77
Earmarked Balances	D	<u>280.85</u>	44.92
Blocked Account	E	-	0.10
		694.83	379.79
	<b>TOTAL</b>	<u>2,013.65</u>	1,224.89
Share of jointly controlled entities		<u>963.41</u>	536.99

- A) There exists restrictions on repatriation of ₹ **0.01 crore** (2015: 0.01 crore) from bank account in Myanmar.
- B) Includes ₹ **0.10 crore** (2015: Nil) not available for use.
- C) Includes fixed deposits of ₹ **54.43 crore** (2015: ₹ 51.10 crore) held as security/ cash collateral in accordance with terms related to issue of non-convertible debentures and ₹ **4.99 crore** (2015: ₹ 4.99 crore) earmarked in favour of Statutory Authorities.
- D) Includes balance in Buffer Account for DBTL of ₹ **233.64 crore** (2015: ₹ Nil) (refer point 7 of Note - 44) and Unpaid Dividend/Fractional Share Warrants of ₹ **46.28 crore** (2015: ₹ 44.05 crore).
- E) Blocked in pursuance to Hon'ble High Court order.

**NOTE - 20: REVENUE FROM OPERATIONS (GROSS)**

Particulars		March-16	(₹ in Crore) March-15
Sale of Products and Crude		4,19,451.92	4,73,759.25
Less: Discounts		<u>6,954.41</u>	6,382.97
Sales (Net of Discounts)		<u>4,12,497.51</u>	4,67,376.28
Sale of Services		1,324.84	1,257.78
Other Operating Revenues (Note "20.1")		<u>1,501.34</u>	1,362.42
		4,15,323.69	4,69,996.48
Net Claim/(Surrender) of SSC		(520.94)	(569.91)
Subsidy From Central/State Govt.	A	49.37	1,652.12
Grant from Government of India	B	<u>6,885.26</u>	14,960.00
	<b>TOTAL</b>	<u>4,21,737.38</u>	4,86,038.69

- A. Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ₹ **27.31 crore** (2015: ₹ 1,604.90 crore) and subsidies on sales of SKO & LPG to customers in Bhutan amounting to ₹ **19.29 crore** (2015: ₹ 44.04 crore) have been reckoned as per the schemes notified by Governments. In addition, incentive of ₹ **2.77 crore** (2015: ₹ 3.18 crore) have been reckoned against sale of power from wind mills.
- B1. The Group has accounted for Budgetary Support of ₹ **6,885.26 crore** towards under-recovery on sale of SKO (PDS) for the current year [2015: ₹ 14,960.00 crore towards under-recovery on sale of HSD (upto 18.10.2014), SKO (PDS) and LPG (Domestic) ] in the Statement of Profit and Loss as Revenue Grants.
- B2. In line with the scheme formulated by Petroleum Planning and Analysis Cell (PPAC), the Group has received during the year, discounts of ₹ **862.84 crore** on Crude Oil from ONGC/OIL (2015: ₹ 23,597.11 crore from ONGC/GAIL/OIL on Crude Oil/ Products Purchased). Out of this, ₹ **862.84 crore** (2015: ₹ 22,568.44 crore) has been adjusted against purchase of raw material cost and ₹ NIL (2015: ₹ 1,028.67 crore) has been adjusted against purchase of stock in trade.

## NOTE - 20.1: OTHER OPERATING REVENUES

Particulars	(₹ in Crore)	
	March-16	March-15
Sale of Power and Water	<b>118.69</b>	131.46
Unclaimed / Unspent liabilities written back	<b>42.39</b>	44.46
Provision for Doubtful Debts, Advances, Claims, and Stores written back	<b>69.65</b>	27.73
Provision for Contingencies written back	<b>10.54</b>	43.29
Recoveries from Employees	<b>26.56</b>	25.70
Retail Outlet Licence Fees	<b>164.98</b>	120.75
Income from Non Fuel Business	<b>196.40</b>	154.17
Commission and Discount Received	<b>12.17</b>	13.73
Sale of Scrap	<b>119.21</b>	128.61
Income from Finance Leases	<b>187.04</b>	171.58
Amortisation of Capital Grants	<b>18.14</b>	3.19
Commodity Hedging Gain (Net)	-	6.29
Revenue Grants	<b>2.12</b>	0.70
Terminalling Charges	<b>37.78</b>	20.74
Other Miscellaneous Income	<b>495.67</b>	470.02
<b>TOTAL</b>	<b>1,501.34</b>	<b>1,362.42</b>

**NOTE - 21: OTHER INCOME**

(₹ in Crore)

Particulars		March-16	March-15
<b>Interest on :</b>	A		
Loans and Advances		<b>79.71</b>	83.00
Fixed Deposits with Banks		<b>50.61</b>	44.06
Short Term Deposits with Banks		<b>3.35</b>	3.89
Customers Outstandings		<b>303.85</b>	365.34
Oil Companies GOI SPL Bonds		<b>923.45</b>	964.35
Others		<b>239.72</b>	228.65
		<b>1,600.69</b>	1,689.29
Dividend	B	<b>521.24</b>	821.15
Profit on Sale of Investments (Net)		<b>4.54</b>	33.32
Provision For Diminution in value of Investment Written Back (Net)		<b>12.74</b>	521.47
Provision for Diminution in value of Trust Shares Written Back (Net)		-	348.34
Profit on sale and disposal of Assets (Net)		-	23.33
Amortisation of Premium/Discount on Forward Contracts		-	669.70
MTM Gain on Interest Rate Swap (IRS)		<b>42.72</b>	47.75
Amortisation of FC Monetary Item Translation		-	0.72
Other Non Operating Income	C	<b>64.15</b>	50.82
		<b>2,246.08</b>	<b>4,205.89</b>
<b>TOTAL</b>			
<b>A. Include interest on:</b>			
Current Investments		<b>594.26</b>	605.55
Non-Current Investments		<b>332.08</b>	358.80
<b>B. Dividend Income consists of Dividend on:</b>			
Current Investments		<b>0.16</b>	0.07
Non-Current Investments		<b>521.08</b>	821.08
<b>C. Includes share of profit in Petroleum India International</b>		<b>2.97</b>	2.31

## NOTE - 22: COST OF MATERIAL CONSUMED

(₹ in Crore)

Particulars	March-16	March-15
<b>Raw Material Consumed :</b>		
Opening Balance	<b>18,103.03</b>	31,091.42
Opening Stock Adjustment	<b>16.71</b>	-
Add: Purchases	<b>1,64,138.06</b>	2,35,723.77
	<b>1,82,257.80</b>	2,66,815.19
Less: Closing Stock	<b>14,116.04</b>	18,103.03
<b>TOTAL</b>	<b>1,68,141.76</b>	<b>2,48,712.16</b>

Particulars relating to consumption of raw material are shown as per Note - 39. Purchases has been adjusted by ₹ **862.84 crore** received as discount on crude oil purchased from ONGC/OIL (2015: ₹ 22,568.44 crore from ONGC/GAIL/OIL).

## NOTE - 23: CHANGES IN INVENTORIES (FINISHED GOODS, WORK-IN PROGRESS AND STOCK-IN-TRADE)

(₹ in Crore)

Particulars	March-16	March-15
<b>Closing Stock</b>		
Finished Products	<b>17,042.00</b>	15,851.09
Stock in Process	<b>2,825.80</b>	4,630.02
Stock-in-trade	<b>4,270.41</b>	7,347.84
	<b>24,138.21</b>	27,828.95
Less:		
<b>Opening Stock</b>		
Finished Products	<b>15,851.09</b>	23,816.68
Add: Opening Stock Adjustment	<b>15.54</b>	-
Stock in Process	<b>4,630.02</b>	6,297.23
Add: Opening Stock Adjustment	<b>15.44</b>	-
Stock-in-Trade	<b>7,347.84</b>	7,569.14
Add: Opening Stock Adjustment	<b>-</b>	<b>0.01</b>
	<b>27,859.93</b>	<b>37,683.06</b>
<b>NET INCREASE / (DECREASE)</b>	<b>(3,721.72)</b>	<b>(9,854.11)</b>

## NOTE - 24: EMPLOYEE BENEFIT EXPENSES

(₹ in Crore)

Particulars	March-16	March-15
Salaries, Wages, Bonus etc	<b>5,719.96</b>	5,381.48
Contribution to Provident & Other Funds	<b>1,830.72</b>	1,267.29
Voluntary Retirement Compensation	<b>13.49</b>	2.76
Staff Welfare Expenses	<b>663.45</b>	1,010.96
<b>TOTAL</b>	<b>8,227.62</b>	<b>7,662.49</b>

- A. Includes ₹ **82.23 crore** (2015 : ₹ 274.88 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 ₹ **124.24 crore** (2015: NIL) towards provision for probable obligation for gratuity.
- B. Includes ₹ **709.40 crore** towards additional provision for Post Retirement Medical Benefit Scheme based on actuarial certificate.
- C. Disclosure in compliance with Accounting Standard-15 (Revised 2005) on "Employee Benefits" is given in Note - 29.

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## NOTE - 25: FINANCE COST

Particulars	March-16	(₹ in Crore) March-15
<b>Interest Payments on:</b>		
Fixed period loans from Banks/Financial Institutions/Others	409.52	515.33
Bonds/ Debentures	602.67	911.05
Short Term loans from Banks	572.22	663.16
Others	<u>1,407.88</u>	<u>1,064.13</u>
	<u>2,992.29</u>	<u>3,153.67</u>
Other Borrowing Cost	88.46	87.07
Applicable Net Gain / (Loss) on Foreign	549.23	933.90
Currency Transactions and Translation	<u>TOTAL</u>	<u>3,629.98</u>
	<u>4,174.64</u>	

## NOTE - 26: OTHER EXPENSES

Particulars	March-16	(₹ in Crore) March-15
Consumption:		
a) Stores, Spares and Consumables	1,420.06	1,595.50
b) Packages & Drum Sheets	<u>449.06</u>	<u>465.70</u>
	<u>1,869.12</u>	<u>2,061.20</u>
Power & Fuel	15,358.94	23,458.82
Less : Fuel from own production	<u>10,597.20</u>	<u>17,184.90</u>
	<u>4,761.74</u>	<u>6,273.92</u>
Throughput, Processing & Blending Fees, Royalty and Other Charges	1,192.53	989.28
Octroi, Other Levies and Irrecoverable taxes	1,239.59	1,238.39
Repairs and Maintenance		
i) Plant & Equipment	2,763.34	2,386.73
ii) Buildings	236.70	216.88
iii) Others	<u>416.75</u>	<u>373.12</u>
	<u>3,416.79</u>	<u>2,976.73</u>
Freight, Transportation Charges and Demurrage	12,348.64	10,724.57
Office Administration, Selling and Other Expenses (Note- "26.1")	8,815.07	7,134.12
	<u>33,643.48</u>	<u>31,398.21</u>
Less: Company's use of own Products and Crude	1,460.14	856.19
	<u>32,183.34</u>	<u>30,542.02</u>
Duties (Net)	A	1,370.17
	<u>3,108.87</u>	<u>31,912.19</u>
	<u>35,292.21</u>	

A. Includes an amount of ₹ 3,070.80 crore (2015 : ₹ 1,377.29 Crore) on account of difference of Excise Duty between opening and closing stock of finished goods.

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

Particulars		March-16	March-15 (₹ in Crore)
Rent	A	<b>940.92</b>	527.84
Insurance		<b>122.57</b>	154.59
Rates & Taxes		<b>107.88</b>	118.15
Donations		<b>4.28</b>	0.02
<b>Payment to auditors</b>			
a) Audit Fees		<b>2.51</b>	1.90
b) Tax Audit Fees		<b>0.33</b>	0.26
c) Other Services(for issuing certificates etc.)		<b>0.77</b>	0.43
d) Re-imbursement of Expenses		<b>0.35</b>	0.58
		<b>3.96</b>	3.17
Travelling & Conveyance		<b>556.12</b>	524.37
Communication Expenses		<b>61.37</b>	65.12
Printing & Stationery		<b>38.60</b>	38.16
Electricity & Water		<b>291.33</b>	269.68
Bank Charges		<b>19.64</b>	26.52
Bad Debts, Advances & Claims written off		<b>48.13</b>	37.85
Provision/ Loss on Assets sold or written off (Net)		<b>106.57</b>	-
Technical Assistance Fees		<b>38.08</b>	30.96
Exchange Fluctuation (net)		<b>1,603.70</b>	797.00
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.		<b>67.51</b>	53.65
Security Force Expenses		<b>434.38</b>	376.27
Sales Promotion Expenses (Incl. Commission)		<b>757.41</b>	697.20
Handling Expenses		<b>383.73</b>	347.06
Expenses on Enabling Facilities		<b>38.67</b>	87.31
Commodity Hedging Losses (Net)		<b>14.31</b>	-
Terminalling Charges		<b>24.65</b>	30.21
Provision for Probable Contingencies		<b>601.31</b>	496.49
Exploration & Production Cost		<b>450.96</b>	599.30
Amortisation of Premium on Forward Contracts		<b>66.50</b>	-
Amortisation of FC Monetary Item Translation		<b>302.21</b>	-
Expenses on CSR Activities		<b>159.62</b>	117.13
Miscellaneous Expenses		<b>1,570.66</b>	1,736.07
<b>TOTAL</b>		<b>8,815.07</b>	7,134.12

A. Rent includes ₹ **358.61 crore** (2015: ₹ Nil) on account of rentals payable to Delhi Development Authority consequent to Delhi High court order dated 11.05.2016.

**NOTE - 27: INCOME / EXPENSES PERTAINING TO PRIOR PERIODS**

Particulars	(₹ in Crore)	
	March-16	March-15
<b>Income:</b>		
Miscellaneous Income	<b>7.58</b>	1.62
	<b>7.58</b>	1.62
<b>Expenditure:</b>		
Purchase of Products and Crude	<b>1.83</b>	19.65
Depreciation, Depletion and Amortization on:		
Tangible Assets	(53.02)	(29.49)
Intangible assets	(0.25)	0.90
Consumption of Stores, Spares and Consumables	(0.21)	0.70
Power and Fuel	<b>21.70</b>	-
Repairs and Maintenance	0.45	2.84
Interest	(0.27)	(0.07)
Rent	<b>6.02</b>	(0.07)
Rates & Taxes	-	0.17
Employee Benefit Expenses	<b>90.49</b>	-
Other Expenses	(74.28)	21.38
	<b>(7.54)</b>	16.01
	<b>15.12</b>	(14.39)

**NOTE - 28: CONTINGENT LIABILITIES & COMMITMENTS****A. Contingent Liabilities\*****A.1 Claims against the Group not acknowledged as debt**

Claims against the Group not acknowledged as debt amounting to ₹ **14,470.46 crore** (2015: ₹ 13,088.70 crore) are as under :

A.1.1 ₹ **4,724.13 crore** (2015: ₹ 4,707.24 crore) being the demands raised by the Central Excise /Customs/ Service Tax/ VAT/ Sales Tax Authorities including interest of ₹ **1,404.38 crore** (2015: ₹ 1,508.11 crore).

A.1.2 ₹ **2,466.15 crore** (2015: ₹ 2,133.47 crore) in respect of demands for Entry Tax from State Governments including interest of ₹ **41.74 crore** (2015: ₹ 345.77 crore) .

A.1.3 ₹ **4,050.93 crore** (2015: ₹ 3,149.71 crore) in respect of Income Tax demands including interest of ₹ **975.54 crore** (2015: ₹ 257.46 crore).

A.1.4 ₹ **2,204.76 crore** (2015: ₹ 2,215.75 crore) including ₹ **1,739.13 crore** (2015: ₹ 1,466.66 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator.This includes interest of ₹ **55.96 crore** (2015: ₹ 71.27 crore).

A.1.5 ₹ **1,024.49 crore** (2015: ₹ 882.53 crore) in respect of other claims including interest of ₹ **254.06 crore** (2015: ₹ 272.32 crore).

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

**A.2 Other money for which the Group is contingently liable**

A.2.1 Air India Limited has entered into tripartite agreement with State Bank of India (2015: Standard Chartered Bank) to raise bill discounting facilities only for payment of fuel purchases from the holding company. The bank has recourse of recovery from the company in case of non payment by M/s Air India Limited to the bank. The estimated amount of such obligation is ₹ **177.87 crore** (2015 : ₹ 271.03 crore)

A.2.2 Pending decision of the Government, no liability could be determined and provided for in respect of additional compensation, if any, payable to the land owners and the Government for certain lands acquired.

**B. Commitments****B.1 Capital Commitments\***

Estimated amount of contracts remaining to be executed on Capital Account not provided for ₹ **9,784.17 crore** (2015: ₹ 12,764.57 crore).

**B.2 Other Commitments**

B.2.1 The Group has an export obligation to the extent of ₹ **5,526.69 crore** (2015: ₹ 3,884.37 crore) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods/ advance License scheme on import of crude oil.

B.2.2 To meet the direction of Honorable Supreme court, the holding company has commitments to incur ₹ **356.54 crore** towards construction of water treatment plant in the state of Orissa, for removal of shoals from the upstream of Mahanadi Barrage and other expenses.

\* The above excludes proportionate share of contingent liabilities and capital commitments in respect of jointly controlled operations and entities disclosed in Note-34- Interest in joint ventures.

## NOTE - 29: EMPLOYEE BENEFITS

The Group has adopted Accounting Standard 15 (AS15) on "Employee Benefits". These consolidated financial statements include the obligations as per the requirements of this standard except for those subsidiaries which are incorporated outside India who have determined the valuation/provision for employee benefits as per requirements of their respective countries. The disclosure in compliance with the Standard is as under:

**(a) Provident Fund**

- (i) During the year, the company has recognised ₹ **362.24 crore** (2015 : ₹ 347.92 crore) as Employer's contribution to Provident Fund in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 24/ Construction period expenses in Note-12.1).
- (ii) In addition, during the year, the company has recognised ₹ **44.33 crore** (2015 : ₹ 32.00 crore) as contribution to EPS-95 in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 24/ Construction period expenses in Note-12.1).

**(b) Pension**

During the year, the company has recognised ₹ **461.95 crore** (2015 : ₹ 207.44 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 - 24/ Construction period expenses in Note-12.1).

**(c) Reconciliation of balance of Defined Benefit Obligation / Long Term Employee Benefits is given as under:**

(₹ in Crore)

	Gratuity		Leave Encashment		PRMS		Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD	Ex Gratia
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded	Non-Funded
Defined Obligation at the beginning of the year	<b>1,547.68</b> 1,424.12	<b>3.36</b> 2.42	<b>6.91</b> 5.80	<b>2,158.48</b> 2,059.79	<b>2,575.58</b> 1,952.77	<b>54.63</b> 44.27	<b>83.59</b> 74.07	<b>182.14</b> 190.69	<b>5.31</b> 5.86	<b>203.12</b> 182.97
Transalation Difference	-	<b>(0.06)</b>	-	-	-	-	-	-	-	-
		0.07	-	-	-	-	-	-	-	-
Current Service Cost	<b>9.89</b> 10.33	<b>0.47</b> 0.38	<b>0.29</b> 0.27	<b>156.86</b> 126.44	<b>116.85</b> 94.77	<b>1.12</b> 0.80	<b>13.84</b> 12.59	<b>34.15</b> 36.28	<b>0.11</b> 0.18	-
Interest Cost	<b>123.04</b> 132.70	<b>0.30</b> 0.25	<b>0.50</b> 0.48	<b>170.07</b> 191.34	<b>204.76</b> 181.02	<b>4.17</b> 3.49	<b>6.65</b> 6.91	<b>14.48</b> 17.79	<b>0.36</b> 0.46	<b>16.09</b> 16.60
Benefits paid	<b>(158.05)</b> (137.85)	<b>(0.55)</b> (0.04)	<b>(1.21)</b> (1.28)	<b>(416.12)</b> (534.53)	<b>(151.60)</b> (133.11)	<b>(2.62)</b> (2.48)	<b>(5.74)</b> (4.97)	<b>(36.24)</b> (24.11)	<b>(1.40)</b> (1.06)	<b>(28.83)</b> (24.12)
Actuarial (gain)/ loss on obligations	<b>0.10</b> 118.38	<b>0.29</b> 0.28	<b>0.91</b> 1.64	<b>203.78</b> 315.44	<b>769.69</b> 480.13	<b>7.43</b> 8.55	<b>(16.32)</b> (5.01)	<b>17.82</b> (38.51)	<b>(0.07)</b> (0.13)	<b>6.90</b> 27.67
Defined Benefit Obligation at the end of the year	<b>1,522.66</b> 1,547.68	<b>3.81</b> 3.36	<b>7.40</b> 6.91	<b>2,273.07</b> 2,158.48	<b>3,515.28</b> 2,575.58	<b>64.73</b> 54.63	<b>82.02</b> 83.59	<b>212.35</b> 182.14	<b>4.31</b> 5.31	<b>197.28</b> 203.12

**(d) Reconciliation of balance of Fair Value of Plan Assets**

(₹ in Crore)

	Gratuity		Leave Encashment		PRMS		Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD	Ex Gratia
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded	Non-Funded
Fair Value of Plan Assets at the beginning of the year	<b>1,925.03</b> 1,887.46	-	<b>6.32</b> 5.41	-	<b>1,419.69</b> 1,212.49	-	-	-	<b>5.37</b> 5.01	-
Expected return on plan assets	<b>153.65</b> 164.06	-	<b>0.50</b> 0.45	-	<b>112.87</b> 105.49	-	-	-	<b>0.42</b> 0.45	-
Contribution by Employer	<b>9.27</b> 2.62	-	<b>1.26</b> 1.65	-	<b>1,008.40</b> 197.25	-	-	-	-	-
Contribution by Employees	-	-	-	-	<b>1.22</b> 1.10	-	-	-	-	-
Benefit paid	<b>(158.06)</b> (137.85)	-	<b>(1.22)</b> (1.28)	-	<b>(151.60)</b> (133.11)	-	-	-	<b>(1.40)</b> (1.06)	-
Actuarial gain / (losses)	<b>16.35</b> 8.74	-	<b>0.08</b> 0.09	-	<b>73.26</b> 36.47	-	-	-	<b>(0.07)</b> (0.03)	-
Fair value of plan assets at the end of the year	<b>1,946.24</b> 1,925.03	-	<b>6.94</b> 6.32	-	<b>2,463.84</b> 1,419.69	-	-	-	<b>4.32</b> 5.37	-

Contd...

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

(₹ in Crore)

	Gratuity		Leave Encashment		PRMS		Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD	Ex Gratia Non-Funded
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded	Non-Funded
Fair Value of Plan Assets at the end of the year	1,946.24 1,925.03	- -	6.94 6.32	- -	2,463.84 1,419.69	- -	- -	- -	4.32 5.37	- -
Defined Benefit Obligation at the end of the year	1,522.66 1,547.68	3.81 3.36	7.40 6.91	2,273.07 2,158.48	3,515.28 2,575.58	64.73 54.63	82.02 83.59	212.35 182.14	4.31 5.31	197.28 203.12
Amount recognised in the Balance Sheet	(423.58) (377.35)	3.81 3.36	0.46 0.59	2,273.07 2,158.48	1,051.44 1,155.89	64.73 54.63	82.02 83.59	212.35 182.14	(0.01) (0.06)	197.28 203.12

(f) Amount recognised in CWIP / Statement of Profit and Loss

(₹ in Crore)

	Gratuity		Leave Encashment		PRMS		Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD	Ex Gratia Non-Funded
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded	Non-Funded
Current Service Cost	9.89 10.33	0.47 0.38	0.29 0.27	156.86 126.44	116.85 94.77	1.12 0.80	13.84 12.59	34.15 36.28	0.11 0.18	- -
Interest Cost	123.04 132.70	0.30 0.25	0.50 0.48	170.07 191.34	204.76 181.02	4.17 3.49	6.65 6.91	14.48 17.79	0.36 0.46	16.09 16.60
Expected (return) / loss on plan asset	(153.65) (164.06)	- -	(0.50) (0.45)	- -	(112.87) (105.49)	- -	- -	- -	(0.42) (0.45)	- -
Contribution by Employees	- -	- -	- -	- -	(1.22) (1.10)	- -	- -	- -	- -	- -
Actuarial (gain)/ loss	(16.25) 109.64	0.29 0.28	0.83 1.55	203.78 315.44	696.43 443.66	7.43 8.55	(16.32) (5.01)	17.82 (38.51)	- (0.10)	6.90 27.67
Expenses for the year	(36.97) 88.61	1.06 0.91	1.12 1.85	530.71 633.22	903.95 612.86	12.72 12.84	4.17 14.49	66.45 15.56	0.05 0.09	22.99 44.27

(g) Major Actuarial Assumptions

	Gratuity		Leave Encashment		PRMS		Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD	Ex Gratia Non-Funded*
	Funded*	Non-Funded	Funded	Non-Funded*	Funded*	Non-Funded	Non-Funded*	Non-Funded*	Funded*	Non-Funded*
Discount rate	7.96% 7.95%	12.00% 10.09%	7.85% 7.90%	7.96% 7.95%	8.06% 7.95%	7.90% 7.80%	7.96% 7.95%	7.96% 7.95%	7.30% 7.80%	7.81% 7.92%
Expected return on plan assets	7.96% 7.95%	9.00% 8.50%	9.00% 8.06%	8.06% 7.95%					9.00% 9.00%	
Salary escalation	8.00% 8.00%	2.0%-8.0% 2.0%-7.5%	8.00% 8.00%	8.00% 8.00%					8.00% 8.00%	
Inflation					7.00% 7.00%	7.00% 7.00%	6.00% 6.00%			

\*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. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management and historical results of the return on plan assets.

(h) Actual Return on Plan Assets

	Gratuity Funded	Leave Encashment Funded	PRMS Funded	Staff Pension Fund at AOD Funded
Actual Return on Plan Assets	8.78% 9.06%	8.75% 9.21%	9.59% 10.79%	7.22% 8.09%
Note:				

- General description of the defined benefit plans applicable to the Holding company are given in the Note-29 of the Standalone financial statements
- Investment details, Investment pattern, effect of increase/decrease in healthcare cost for PRMS scheme and additional disclosure for gratuity relevant to the holding company is given in Note-29 of the Standalone financial statements.

## NOTE - 30: SEGMENT INFORMATION

Information regarding Primary Segment Reporting as per AS-17 for the year ended March 31, 2016 is as under:

	March-16					March-15					(₹ in Crore)
	Petroleum Products	Petrochemicals	Other Business	Eliminations	Total	Petroleum Products	Petrochemicals	Other Business	Eliminations	Total	
<b>Revenue</b>											
External Revenue	3,26,746.89	17,218.01	11,961.72	-	355,926.62	415,470.83	20,243.96	13,791.97	-	449,506.76	
Inter-segment Revenue	6,810.00	16.99	5,484.40	(12,311.39)	-	11,312.32	20.88	7,847.86	(19,181.06)	-	
<b>Total Revenue</b>	<b>3,33,556.89</b>	<b>17,235.00</b>	<b>17,446.12</b>	<b>(12,311.39)</b>	<b>355,926.62</b>	<b>426,783.15</b>	<b>20,264.84</b>	<b>21,639.83</b>	<b>(19,181.06)</b>	<b>449,506.76</b>	
<b>Result</b>											
Segment Results excluding Exchange Gain/(Loss)	14,631.65	5,131.21	(420.80)	-	19,342.06	3,510.04	2,471.48	144.88	-	6,126.40	
Segmental Exchange Gain/(Loss)	(1,644.45)	2.09	0.79	-	(1,641.57)	(1,113.69)	8.64	0.49	-	(1,104.56)	
<b>Segment Results</b>	<b>12,987.20</b>	<b>5,133.30</b>	<b>(420.01)</b>	<b>-</b>	<b>17,700.49</b>	<b>2,396.35</b>	<b>2,480.12</b>	<b>145.37</b>	<b>-</b>	<b>5,021.84</b>	
<b>Less: Unallocable Expenditure</b>											
Finance Cost					3,629.98					4,174.64	
Loss on sale and disposal of Assets (Net)					106.57					-	
Amortisation of Premium/Discount on Forward Contracts					66.50					-	
Amortisation of FC Monetary Item Translation					302.21					-	
<b>Add: Unallocable Income</b>											
Interest/Dividend Income					2,121.93					2,510.44	
Profit on Sale of Investments (Net)					4.54					33.32	
Provision for diminution in Investments written back (Net)					12.74					521.47	
Provision for diminution in Trust written back (Net)					-					348.34	
Profit on sale and disposal of Assets (Net)					-					23.33	
Exchange Gain (Net)					37.87					307.56	
Amortisation of Premium/Discount on forward contracts					-					669.70	
MTM Gain on IRS					42.72					47.75	
Amortisation of FC Monetary item Translation					-					0.72	
Other non operating income					64.15					50.82	
Prior year income/(expenses) -net					15.12					(14.39)	
<b>Profit before Exceptional items and Tax</b>					<b>15,894.30</b>					<b>5,346.26</b>	
Exceptional Items					1,364.25					1,668.09	
<b>Profit Before Tax</b>					<b>17,258.55</b>					<b>7,014.35</b>	
Less: Income Tax (including deferred tax)					5,652.83					2,142.57	
<b>Profit After Tax</b>					<b>11,605.72</b>					<b>4,871.78</b>	
<b>Other Information</b>											
Segment Assets	1,92,344.43	14,858.99	11,646.00	-	2,18,849.42	1,84,860.77	15,902.17	10,132.98	-	2,10,895.92	
Corporate Assets					23,095.80					22,776.94	
<b>Total Assets</b>					<b>2,41,945.22</b>					<b>2,33,672.86</b>	
Segment Liabilities	88,322.27	483.52	1,559.52	-	90,365.31	87,399.44	389.53	1,574.93	-	89,363.90	
Corporate Liabilities					74,250.67					74,473.84	
<b>Total Liabilities</b>					<b>1,64,615.98</b>					<b>1,63,837.74</b>	
<b>Capital Employed</b>											
Segment Wise	1,04,022.16	14,375.47	10,086.48	-	1,28,484.11	97,461.33	15,512.64	8,558.05		1,21,532.02	
Corporate				-	(51,154.87)					(51,696.90)	
<b>Total Capital Employed</b>					<b>77,329.24</b>					<b>69,835.12</b>	
Capital Expenditure	15,815.30	138.58	1,315.01		17,268.89	13,179.91	462.45	472.74		14,115.10	
Depreciation, Depletion and Amortization	4,325.34	918.99	674.18		5,918.51	3,954.28	922.03	342.70		5,219.01	

**Notes:**

1. The Group 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.
2. Segment Revenue comprises of the following:
  - a) Turnover (Net 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

## NOTE - 31: RELATED PARTY DISCLOSURES

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

### 1. RELATIONSHIP

#### A) Details of Joint Venture Entities/Associates

- 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) Sunteria Nigeria 205 Limited
- 14) Delhi Aviation Fuel Facility Private Limited
- 15) Indian Synthetic Rubber Private Limited
- 16) IndianOil 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) Petroleum India International - AOP (An Associate)
- 24) Indian Additives Ltd.
- 25) National Aromatics and Petrochemicals Corporation Ltd.
- 26) Ceylon Petroleum Storage terminal Ltd.
- 27) IndOil Netherlands B.V.

#### B) Details of Joint Ventures (Unincorporated)

- 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) YEMEN 83 (up to 12.08.2014)
- 18) AREA 95-96
- 19) Niobrara Shale Project
- 20) BCShale Gas Partnership
- 21) North Montney Joint Venture

#### C) Key Managerial Personnel

- 1) Shri B. Ashok (w.e.f. 16.07.2014)
- 2) Shri R.S.Butola (up to 31.05.2014)
- 3) Dr. R.K.Malhotra (up to 30.06.2014)
- 4) Shri Sudhir Bhalla (up to 22.05.2014)
- 5) Shri A.M.K.Sinha (up to 31.07.2014)
- 6) Shri P.K.Goyal (up to 31.08.2014)
- 7) Shri R.K.Ghosh (up to 30.06.2014)
- 8) Shri Makarand Nene (up to 31.12.2014)
- 9) Shri V.S. Okhde (up to 31.01.2015)
- 10) Shri Sanjiv Singh (w.e.f. 01.07.2014)
- 11) Shri Debasis Sen (w.e.f. 15.09.2014)
- 12) Shri A.K.Sharma (w.e.f. 27.10.2014)
- 13) Shri Verghese Cherian (w.e.f. 06.01.2015)
- 14) Shri Anish Aggarwal (w.e.f. 01.02.2015)
- 15) Shri B. S. Canth (w.e.f. 08.10.2015)
- 16) Shri Raju Ranganathan

#### D. Relatives of Key Managerial Personnel and Nature of Relation

- 1) M/s. JOT Filling Station, Rureke, Punjab (IndianOil 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 1A & 1B above:

(₹ in Crore)

	March-16	March-15
<b>1 Sales</b> [Mainly includes sales to North Montney Joint Venture ₹ <b>241.97 crore</b> (2015: ₹ 416.80 crore), Indian Synthetic Rubber Private Limited ₹ <b>213.45 crore</b> (2015: ₹ 137.92 crore) and IndianOil Petronas Private Limited ₹ <b>125.38 crore</b> (2015: ₹ 367.03 crore)]	<b>710.49</b>	1,156.55
<b>2 Interest received</b> [Mainly includes interest received from IndianOil LNG Private Limited ₹ <b>5.34 crore</b> (2015: Nil) and Indian Synthetic Rubber Private Limited ₹ <b>3.33 crore</b> (2015: ₹ 1.86 crore)]	<b>8.67</b>	1.86
<b>3 Consultancy Services/Other Income</b> [Mainly includes Consultancy Service/Other Income from Indian Synthetic Rubber Private Limited ₹ <b>59.27 crore</b> (2015: ₹ 68.47 crore) and Ceylon Petroleum Storage Terminal Limited ₹ <b>53.32 crore</b> (2015: Nil)]	<b>131.38</b>	192.36
<b>4 Purchase of Products</b> [Mainly includes Purchase of Products from Petronet LNG Limited ₹ <b>9,374.63 crore</b> (2015: ₹ 14,276.69 crore)]	<b>9,471.72</b>	14,362.99
<b>5 Purchase of Chemicals/materials</b> [Mainly includes Purchase of chemicals /materials from Lubrizol India Private Limited ₹ <b>258.55 crore</b> (2015: ₹ 312.24 crore)]	<b>258.55</b>	312.46

Contd...

(₹ in Crore)

	March-16	March-15
<b>6 Handling / Other Expenses</b> [Mainly includes Handling / Other Expenses to IndianOil Petronas Private Limited ₹ <b>339.89 crore</b> (2015: ₹ 316.08 crore), North Montney Joint Venture ₹ <b>248.79 crore</b> (2015: ₹ 225.78 crore) and IndianOil SkyTanking Private Limited ₹ <b>261.95 crore</b> (2015: ₹ 231.21 crore)]	<b>1,045.13</b>	907.69
<b>7 Exploration &amp; Production Expenses</b> [Exploration & Production Expenses to North Montney Joint Venture ₹ <b>201.98 crore</b> (2015: ₹ 192.49 crore) and SHAKTHI GABON ₹ <b>74.19 crore</b> (2015: ₹ 10.12 crore)]	<b>389.58</b>	486.62
<b>8 Reimbursement of Expenses</b> [Mainly includes Reimbursement of Expenses pertaining to IndianOil LNG Private Limited ₹ <b>56.53 crore</b> (2015: Nil)]	<b>68.31</b>	7.48
<b>9 Purchase/Acquisition of Fixed Assets including CWIP</b> [Mainly includes Purchase/Acquisition of Fixed Assets incl. CWIP from North Montney Joint Venture ₹ <b>331.32 crore</b> (2015: ₹ 1,174.39 crore)]	<b>408.10</b>	1,325.53
<b>10 Sale of fixed Assets</b> [Sale of Fixed Assets to Mumbai Aviation Fuel Farm Facility Private Limited- <b>Nil</b> (2015: ₹ 47.19 crore)]	-	47.19
<b>11 Provisions made/(written off) during the year</b> [Mainly includes Provision for Intangible Assets under development in YEMEN 82 ₹ <b>5.59 crore</b> (2015: Nil)]	<b>5.69</b>	1.40
<b>12 Outstanding Receivables / Loans &amp; Advances</b> [Mainly includes Outstanding Receivables / Loans & Advances from Petronet LNG Limited ₹ <b>337.08 crore</b> including Service Tax (2015: ₹ 253.20 crore including Service Tax), Suntera Nigeria 205 Limited ₹ <b>107.02 crore</b> (2015: ₹ 100.42 crore) and North Montney Joint Venture ₹ <b>81.61 crore</b> (2015: ₹ 103.08 crore)]	<b>698.88</b>	602.46
<b>13 Outstanding Payables</b> [Mainly includes Outstanding payable to Petronet LNG Limited ₹ <b>319.37 crore</b> (2015: ₹ 401.60 crore)]	<b>530.68</b>	631.25
<b>14 Claims Recoverable</b> (Claims recoverable from National Aromatics and Petrochemicals Corporation Ltd. ₹ <b>14.40 crore</b> (2015: ₹ 14.40 crore))	<b>14.40</b>	14.40
<b>15 Provision for Doubtful Claims</b> (Provision for Doubtful Claims in respect of National Aromatics and Petrochemicals Corporation Ltd. ₹ <b>14.40 crore</b> (2015 : ₹ 14.40 crore))	<b>14.40</b>	14.40

**Note:** Transactions in excess of 10% of the total related party transactions for each type has been disclosed above.

**b) Details relating to the parties referred to in Item No. 1C above:**

(₹ in Crore)

	March-16	Remuneration	Interest & Furniture Hire Charges	Outstanding loans/advances receivables
<b>B.1) Details of Key Managerial Personnel</b>				
1) Shri B. Ashok	0.45		-	0.01
2) Shri R.S. Butola	-		-	-
3) Dr. R.K. Malhotra	-		-	-
4) Shri Sudhir Bhalla	-		-	-
5) Shri A.M.K. Sinha	-		-	-
6) Shri P.K. Goyal	-		-	-
7) Shri R.K. Ghosh	-		-	-
8) Shri Makarand Nene	-		-	-
9) Shri V.S. Okhde	-		-	-
10) Shri Sanjiv Singh	0.40		-	0.04
11) Shri Debasis Sen	0.35		-	-
12) Shri A.K. Sharma	0.47		-	0.11
13) Shri Verghese Cherian	0.43		-	0.02
14) Shri Anish Aggarwal	0.43		0.02	0.07
15) Shri B. S. Canth	0.20		-	0.02
16) Shri Raju Ranganathan	0.42		-	-
<b>TOTAL</b>	<b>3.15</b>		<b>0.02</b>	<b>0.27</b>

Contd...

<b>March-15</b> <b>B.2) Details of Key Managerial Personnel</b>		<b>Remuneration</b>	<b>Interest &amp; Furniture Hire Charges</b>	<b>Outstanding loans/advances receivables</b>
1)	Shri B. Ashok	0.35	-	0.02
2)	Shri R.S. Butola	0.76	-	-
3)	Dr. R.K. Malhotra	0.62	-	-
4)	Shri Sudhir Bhalla	1.25	-	-
5)	Shri A.M.K. Sinha	0.79	-	-
6)	Shri P.K. Goyal	0.99	-	-
7)	Shri R.K. Ghosh	0.81	-	-
8)	Shri Makarand Nene	0.79	-	-
9)	Shri V.S. Okhde	1.10	-	-
10)	Shri Sanjiv Singh	0.34	-	0.05
11)	Shri Debasis Sen	0.28	-	-
12)	Shri A.K. Sharma	0.21	0.01	0.13
13)	Shri Verghese Cherian	0.13	-	0.02
14)	Shri Anish Aggarwal	0.06	-	0.09
15)	Shri B.S. Canth	-	-	-
16)	Shri Raju Ranganathan	0.41	-	0.02
<b>TOTAL</b>		<b>8.89</b>	<b>0.01</b>	<b>0.33</b>

## c) Details relating to the parties referred to in Item No.1D above:

(₹ in Crore)

	<b>March-16</b>	<b>March-15</b>
<b>1. Sales</b> M/s. JOT Filling Station	<b>1.75</b>	-
<b>2. Remuneration</b> Shri Harvinder Singh Kainth	<b>0.11</b>	-
<b>3. Outstanding Receivables / Loans &amp; Advances</b> Shri Harvinder Singh Kainth	<b>0.03</b>	-
<b>4. Outstanding Payables</b> M/s. JOT Filling Station	<b>0.07</b>	-

## Notes:

- 1) This does not include the impact of provision made on actuarial valuation of retirement benefit Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors.
- 2) In addition, whole - time Directors are also allowed the use of Corporation's car for private purposes upto 12,000 kms per annum on a payment of ₹ 520/- per mensem for car less than 16 hp or ₹780/- per mensem for car of above 16 hp as specified in the terms of appointment.
- 3) No disclosure is required for Subsidiary Companies which can be treated as state controlled enterprises '(i.e. ownership by Central/State Govt, directly or indirectly, of more than 50% of voting rights, shall be treated as state controlled enterprise)
- 4) In case of Joint Venture Companies constituted/acquired during the period, transactions w.e.f. date of constitution/acquisition is disclosed.
- 5) In case of Joint Venture Companies which have been closed/divested during the period, transactions upto the date of closure/disinvestment only are disclosed.

## NOTE - 32: LEASES

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

#### FINANCE LEASES:

##### a) As Lessee

The Group has entered into following finance leases:

- (i) BOOT agreement with IOT Utkal Energy Services Ltd. in respect of Tankages facility for a period of 15 years. Lessor will transfer ownership to the holding company after 15 Years at Nil value.
- (ii) BOOT agreement with IL&FS in respect of Water Intake facility for a period of 25 years. Lessor will transfer ownership to the holding company after 25 Years at ₹ 0.01 crore.
- (iii) The lease for furniture and fixtures involves monthly payments of lease rentals on advance basis with an option to purchase the asset on expiry of the contract. However, there is no escalation clause. The contract is non-cancellable for a period of 2 years (lock-in-period) and the lessee has no right to sublease the asset.

##### A. Disclosure under Finance Lease as Lessee:

Particulars	(₹ in Crore)	
	March-16	March-15
i) Minimum lease payments:		
- Not later than one year	519.56	519.56
- Later than one year and not later than five years	2,077.29	2,077.73
- Later than five years	4,895.94	5,415.04
<b>Total</b>	<b>7,492.79</b>	<b>8,012.33</b>
ii) Present value of minimum lease payments:		
- Not later than one year	488.91	488.88
- Later than one year and not later than five years	1,486.90	1,487.25
- Later than five years	1,589.51	1,697.31
<b>Total</b>	<b>3,565.32</b>	<b>3,673.44</b>
Add: Future Finance Charges		
<b>Total</b>	<b>3,927.47</b>	<b>4,338.89</b>
<b>Total</b>	<b>7,492.79</b>	<b>8,012.33</b>
B. The Net Carrying amount of the assets acquired under Finance Lease included in Note – 10 & 12		
Furniture & Fixture	1.47	1.64
Plant & Equipment- Tangible Assets	3,573.40	3,429.39
Plant & Equipment- Capital Work in Progress	-	232.51
	<b>3,574.87</b>	<b>3,663.54</b>

##### b) As Lessor

Lease Agreement with Indian Railways in respect of BTPN Tank Wagons is 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.

Particulars	(₹ in Crore)	
	March-16	March-15
A. Gross Investments in Finance Lease		
Less: Unearned Finance Income	0.78	1.36
Less: Finance Income Received	170.36	169.79
Less: Minimum Lease payment received	240.58	238.83
<b>Net Investment in Finance Lease as on Date</b>	<b>3.92</b>	<b>5.66</b>
B. Unearned finance Income	0.78	1.36
C. Present Value of Minimum Lease Payments Receivable		
Not Later than one year	1.73	1.74
Later than one year and not later than five years	2.19	3.91
Later than Five years	-	0.01
<b>Total :</b>	<b>3.92</b>	<b>5.66</b>
D. Break-up of un-earned income		
Not Later than one year	0.40	0.58
Later than one year and not later than five years	0.38	0.78
Later than Five years	-	-
<b>Total:</b>	<b>0.78</b>	<b>1.36</b>

(₹ in Crore)

Particulars	March-16	March-15
<b>Finance Lease Receivables in case of joint ventures</b>		
Present Value of Minimum Lease Payments Receivable	1,417.93	1,459.34
Not Later than one year	55.51	76.72
Later than one year	1,362.42	1,382.62

**Operating leases:****a) As Lessee**

- (i) Lease Rentals charged to the Statement of Profit and Loss/CWIP and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements:

(₹ in Crore)

Particulars	March-16	March-15
A. Lease rentals recognized during the period	217.53	185.38
B. Lease Obligations		
- Not later than One Year	242.84	181.00
- Later than one year and not later than five years	891.47	678.45
- Later than five years	2,320.67	1,607.13

These mainly relate to leases in respect of Port facilities in Gujarat, storage tankage facilities for petroleum products and Nitrogen Plant, Hydrogen Plant and Quality Control Lab.

- (ii) Certain assets (including office/residential premises) are taken on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements. During the year ₹ 77.82 crore (2015: ₹ 78.60 crore) had been paid towards cancellable Operating Lease.

**b) As Lessor**

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

(₹ in Crore)

Particulars	March-16	March-15
A. Lease rentals recognized as income during the period	0.12	0.18
B. Value of assets given on lease included in tangible assets (Category of assets – Plant & Equipment)		
- Gross Carrying Amount	3.41	3.41
- Accumulated Depreciation	2.09	1.98
- Depreciation recognized in Statement of Profit and Loss	0.10	0.11

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

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

Particulars	March-16	March-15
Net Profit After Tax for the Group (₹ in Crore)	11,219.22	4,912.02
Total Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	2,427,952,482	2,427,952,482
Earning Per Share (Basic and Diluted) (₹)	46.21	20.23
Face value per share (₹)	10/-	10/-

## NOTE - 34: INTEREST IN JOINT VENTURES

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

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

(a) Jointly Controlled Operations:

Name	Country of Origin	Participating Interest of IOC(%) 31.03.2016	31.03.2015
<b>IN INDIA</b>			
<b>Under NELP Block</b>			
MN-OSN-2000/2	India	20.00	20.00
AA-ONN-2001/2	India	20.00	20.00
MB-OSN-2004/1	India	20.00	20.00
MB-OSN-2004/2	India	20.00	20.00
KG-DWN-2005/1	India	20.00	20.00
GK-OSN-2009/1*	India	25.00	20.00
GK-OSN-2009/2	India	30.00	30.00
CB-ONN-2010/6	India	20.00	20.00
<b>Others</b>			
AAP-ON-94/1**	India	29.03	43.55
BK-CBM-2001/1	India	20.00	20.00
NK-CBM-2001/1	India	20.00	20.00
<b>OUTSIDE INDIA</b>			
FARSI BLOCK	Iran	40.00	40.00
LIBYA BLOCK 86	Libya	50.00	50.00
LIBYA BLOCK 102/4	Libya	50.00	50.00
SHAKTHI-II GABON	Gabon	50.00	50.00
YEMEN 82	Yemen	15.00	15.00
AREA 95-96	Libya	25.00	25.00
BC Shale Gas Partnership***	Canada	-	10.00
North Montney Joint Venture	Canada	10.00	10.00
Niobrara Shale Project	USA	10.00	10.00

\* Participating Interest changed to 25% for Exclusive Operations in Appraisal phase on account of non participation by GSPC.

\*\* Participating Interest revised to 29.03% in development phase on account of back in right availed by M/s Oil India Ltd. as licensee.

\*\*\* Partnership dissolved w.e.f. 31<sup>st</sup> December 2015

**(b) Jointly Controlled Assets:**

Details of Group's share of Jointly Owned Assets is given in note-10. Group share in aggregate of Contingent Liabilities and Capital Commitments of Jointly Controlled Assets is **NIL** as on 31.03.2016 (2015: NIL).

**(c) Jointly Controlled Entities:**

Name	Country of Incorporation	Ownership Interest of IOC(%)	
		31.03.2016	31.03.2015
(i) IOT Infrastructure & Energy Services Ltd	India	<b>48.81</b>	48.79
(ii) Lubrizol India Private Ltd.	India	<b>50.00</b>	50.00
(iii) Petronet VK Ltd.*	India	<b>26.00</b>	26.00
(iv) Petronet CI Ltd.*	India	<b>26.00</b>	26.00
(v) IndianOil SkyTanking Private Ltd.	India	<b>50.00</b>	33.33
(vi) Delhi Aviation Fuel Facility Private Ltd.	India	<b>37.00</b>	37.00
(vii) IndianOil Petronas Private Ltd.	India	<b>50.00</b>	50.00
(viii) Suntera Nigeria 205 Ltd	Nigeria	<b>25.00</b>	25.00
(ix) IndianOil Panipat Power Consortium Ltd.*	India	<b>50.00</b>	50.00
(x) Avi-Oil India Private Ltd.	India	<b>25.00</b>	25.00
(xi) Petronet India Ltd.*	India	<b>18.00</b>	18.00
(xii) Petronet LNG Ltd.	India	<b>12.50</b>	12.50
(xiii) Indian Synthetic Rubber Private Limited	India	<b>50.00</b>	50.00
(xiv) IndianOil Ruchi Biofuels LLP*	India	<b>50.00</b>	50.00
(xv) Green Gas Ltd.	India	<b>49.97</b>	49.97
(xvi) NPCIL IndianOil Nuclear Energy Corporation Limited	India	<b>26.00</b>	26.00
(xvii) GSPL India Transco Ltd.	India	<b>26.00</b>	26.00
(xviii) GSPL India Gasnet Ltd.	India	<b>26.00</b>	26.00
(xix) IndianOil Adani Gas Private Ltd.	India	<b>50.00</b>	50.00
(xx) Mumbai Aviation Fuel Farm Facility Private Ltd.	India	<b>25.00</b>	25.00
(xxi) Kochi Salem Pipelines Private Limited	India	<b>50.00</b>	50.00
(xxii) IndianOil LNG Private Limited (incorporated on 29.05.15)	India	<b>50.00</b>	-
(xxiii) Indian Additives Ltd.	India	<b>50.00</b>	50.00
(xxiv) National Aromatics and Petrochemicals Corporation Ltd.*	India	<b>50.00</b>	50.00
(xxv) INDOIL Netherlands B.V.	Netherlands	<b>50.00</b>	50.00

\* Proportionate consolidation has not been considered as the management has decided to exit from these entities and provided for full diminution in the value of investment.

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

(₹ in Crore)

	Jointly Controlled Entities		Jointly Controlled Operations*	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
(i) Assets				
- Non-Current Assets	<b>5,306.04</b>	4,770.50	<b>7,814.18</b>	7,315.52
- Current Assets	<b>2,095.11</b>	1,947.58	<b>75.45</b>	20.09
(ii) Liabilities				
- Non-current Liabilities	<b>2,772.47</b>	2,770.41	<b>181.65</b>	118.53
- Current Liabilities	<b>2,072.64</b>	1,699.11	<b>86.52</b>	154.34
(iii) Income	<b>6,428.70</b>	7,779.70	<b>275.61</b>	482.39
(iv) Expenses	<b>6,033.91</b>	7,919.79	<b>704.47</b>	774.24
(v) Contingent Liabilities	<b>599.53</b>	586.92	<b>0.27</b>	0.20
(vi) Capital Commitments	<b>2,739.79</b>	2,614.20	<b>13,256.88</b>	13,664.91

\* The accounts are unaudited

## NOTE - 35: EXPOSURE TO FINANCIAL AND COMMODITY DERIVATIVES

Disclosure of financial and Derivative Instruments in respect of the Holding company and Subsidiary companies is as under:

1. All derivative contracts entered are for hedging its foreign currency, interest rate & commodity exposures relating to underlying transactions and firm commitments and not for any speculative or trading purposes.
2. The Derivative contracts entered into by the Group and outstanding as on 31<sup>st</sup> March 2016 are as below:

**(a) For Hedging Currency Risks:**

Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31<sup>st</sup> March 2016 is given below:

S. No.	Particulars	Unit of Currency	As on 31.03.16		As on 31.03.15		(₹ in Crore)
			No of contracts	Aggregate amount	No of contracts	Aggregate amount	
1.	Forward Contracts for Foreign Currency Loans	USD	14	3,379.50	0	0	0

**(b) For Hedging Commodity Related Risks:**

Category-wise quantitative data about commodity derivative transactions that are outstanding as on 31<sup>st</sup> March 2016 is given below:

S. No.	Particulars	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	Quantity (in lakh bbls)
		As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015		
1.	Swaps on Crude oil	0.00	4.50		
2.	Margin Hedging	0.50	3.00		

**(c) For Hedging Interest Rate Related Risks:**

Interest rate swap for ₹ NIL (2015: ₹ 3,125.00 crore - USD 500 million) syndicated loan (swap from 6 month USD LIBOR till maturity to 2.222% Fixed)

S. No.	Particulars	Number of Contracts		As at 31 <sup>st</sup> March 2015
		As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015	
1	Interest Rate Swap	0	1	1

3. Foreign currency exposure that are not hedged by a derivative instrument as on 31<sup>st</sup> March 2016 is given below:

S. No.	Particulars	As on 31.03.2016		As on 31.03.2015	(₹ in Crore)
		As on 31.03.2016	Aggregate amount		
1	Unhedged- Payables*	48,906.65		55,939.89	
2	Unhedged- Receivables	200.69		456.71	

\* Including cross currency swaps amounting to ₹ 2,157.25 crore (2015: ₹ 2,035.00 crore)

## NOTE – 36: DISCLOSURE RELATING TO CERTIFIED EMISSION REDUCTIONS

The disclosure in respect of self-generated Certified Emission Reductions (CERs) is as under :

Particulars	March-16	March-15
No. of CERs held as inventory	2,693	2,693
No. of CERs under certification	74,045	74,045
Depreciation and Operating and Maintenance costs of Emission Reduction	5.71	5.58
Equipments expensed during the year (₹ in crore)		

Stores and Spares etc. in Note 17-inventories includes CER rights valuing ₹ 30,249 (2015: ₹ 30,249).

**NOTE - 37A: BREAK-UP FOR SALE OF PRODUCTS**

	March-16	March-15
- Petroleum Products	<b>3,87,980.72</b>	4,35,770.96
- Petrochemical Products	<b>19,641.91</b>	23,211.52
- Upstream Business	<b>275.52</b>	480.89
- Others	<b>11,553.77</b>	14,295.88
<b>Total</b>	<b><u>4,19,451.92</u></b>	<u>4,73,759.25</u>

**NOTE - 37B: BREAK-UP FOR SALE OF SERVICES**

	March-16	March-15
- Construction and engineering services	<b>725.91</b>	737.94
- Terminalling and infrastructure services	<b>534.24</b>	377.27
- Other services	<b>64.69</b>	142.57
<b>Total</b>	<b><u>1,324.84</u></b>	<u>1,257.78</u>

**NOTE - 37C: BREAK-UP FOR PURCHASE OF STOCK-IN-TRADE**

	March-16	March-15
- Petroleum Products	<b>1,09,963.97</b>	1,32,025.85
- Petrochemical Products	<b>8.84</b>	92.91
- Others	<b>7,388.91</b>	8,698.64
<b>Total</b>	<b><u>1,17,361.72</u></b>	<u>1,40,817.40</u>

**NOTE - 38: STOCK IN PROCESS**

	Opening Stock	Closing Stock
<b>Petroleum Products</b>		
Year ended 31.03.16*	4,371.17	2,666.07
Year ended 31.03.15	5,744.00	4,355.73
<b>Petrochemical Products</b>		
Year ended 31.03.16	266.37	152.66
Year ended 31.03.15	545.23	266.37
<b>Others</b>		
Year ended 31.03.16	7.92	7.07
Year ended 31.03.15	8.00	7.92
<b>Total WIP</b>		
Year ended 31.03.16*	4,645.46	2,825.80
Year ended 31.03.15	6,297.23	4,630.02

\* Includes ₹ 15.44 crore as opening balance adjustment [Refer Point (8) of Note 44]

## NOTE - 39: CONSUMPTION OF RAW MATERIALS, STORES, SPARE-PARTS AND COMPONENTS

	Imported		Indigenous		Total (₹ in Crore)
	Value (₹ in Crore)	% to total consumption	Value (₹ in Crore)	% to total consumption	
<b><u>March-16</u></b>					
Crude Oil	1,29,244.51	81.7	28,913.50	18.3	1,58,158.01
Natural Gas/RLNG	3,785.47	71.2	1,534.86	28.8	5,320.33
Base Oil	0.48	0.1	391.33	99.9	391.81
Other Raw Materials	638.99	15.0	3,632.62	85.0	4,271.61
Stores & Spares	312.73	22.0	1,107.33	78.0	1,420.06
Packing Materials Consumed	-	-	449.06	100.0	449.06
Components	151.56	16.3	777.24	83.7	928.80
<b><u>March-15</u></b>					
Crude Oil	2,12,615.46	89.5	25,071.54	10.5	2,37,687.00
Natural Gas/RLNG	5,136.38	64.7	2,802.48	35.3	7,938.86
Base Oil	0.77	0.1	575.50	99.9	576.27
Other Raw Materials	634.16	25.3	1,875.87	74.7	2,510.03
Stores & Spares	302.72	19.0	1,292.78	81.0	1,595.50
Packing Materials Consumed	-	-	465.70	100.0	465.70
Components	95.49	11.5	737.84	88.5	833.33

**Note:**

Consumption excludes value adjustments if any, shown under items pertaining to the prior period.

## NOTE - 40: ADDITIONAL DISCLOSURES BY GROUP COMPANIES

### Lanka IOC PLC

- a) Lanka IOC PLC owns 1/3rd share of Ceylon Petroleum Storage Terminal Limited (CPSTL), also known as the "Common User Facility" (CUF). The Company paid US\$ 45 million to Treasury on 22 January 2004 for the acquisition 1/3rd share. The Ceylon Petroleum Corporation owns 2/3rd share of CPSTL and controls through the nomination of six of the nine board members. Lanka IOC PLC nominates the balance three board members. Due to the government influence and the sensitivity of the industry towards the national economy, the directors nominated by Lanka IOC PLC do not have significant influence over decisions of CPSTL. As such, the investment is recorded at cost.

	(₹ in Crore)	March-16	March-15
At the beginning of the year		206.85	201.35
Translation Difference		(4.18)	5.50
Closing Net book amount		202.67	206.85

- b) 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 ₹ 67.97 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 1 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 01 April 2015 in the Financial Statement.

### IndOil Global B.V.

- c) The Company conducted tests of impairment as at March 31, 2016 on all of its petroleum and natural gas assets as a result of decrease in the outlook of future commodity prices compared to those at March 31, 2015. In estimating the recoverable amount used to assess impairment, the following information was incorporated:

The net present value of the after-tax cash flows from proved plus probable oil and gas reserves associated with proved properties based on reserves estimated by the Company's independent reserve evaluator at December 31, 2015 rolled forward to March 31, 2016, adjusted for the net present value of the after – tax abandonment and reclamation costs on proved plus probable undeveloped oil and gas reserves. The discount rate used to calculate the net present value of cash flows is based on the Company's approximate weighted average cost of capital. Changes in the general economic environment could result in significant changes to this estimate. The estimated recoverable amounts were based on fair value less cost of disposal calculations using after-tax discount rates that are based on the Company's estimated weighted average cost of capital of 7.7%, and the following forward commodity price in the range of \$2.33/MMBtu to \$4.63/MMBtu.

For the year ended March 31, 2016, the Company recorded impairment charges totaling \$ 5.46 crore on its petroleum and natural gas assets, which was recognized in Depreciation, Depletion and Amortization on Tangible Assets in the Statement of Profit and Loss. The recoverable amount of \$73.27 crore was determined using an after tax discount rate of 7.7%.

The fair value less cost of disposal values used to determine the recoverable amounts of the impaired tangible assets are classified as Level 3 fair value measurements. Key assumptions are not based on observable market data but, rather, Management's best estimates. The results of the impairment tests conducted during the year ended March 31, 2016 are sensitive to changes in any of the key judgments, such as a revision in reserves or resources, a change in forecast commodity prices, expected royalties, required future development capital expenditures or expected future production costs, which could decrease or increase the recoverable amounts of assets and result in additional impairment charges or recovery of impairment charges.

### Petronet LNG Ltd.

- d) Customs Duty on import of Project material/equipment has been assessed provisionally (current and previous years) and additional liability/refund, if, any, on this account will be accounted for in books on final assessment.

### IOT Infrastructure & Energy Services Ltd.

- e) Disclosure in respect of construction contracts in progress as at the end of the year pursuant to Accounting Standard 7 'Accounting for Construction Contracts' is as under:

Group Share	(₹ in Crore)	March-16	March-15
Contract Revenue Recognized		755.12	726.00
Aggregate amount of contracts incurred		296.29	397.27
Amount of Customer Advances outstanding for contracts in progress		15.18	87.29
Retention Amount due from customers for contracts in progress		73.28	102.49
Gross Amount Due from Customers (Unbilled Revenue)		73.17	81.77
Gross Amount Due to Customers (Advance Billings)		70.08	85.41

## NOTE - 41: STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, JVs AND ASSOCIATES (FORM AOC - I)

**Part A: Subsidiaries**

(₹ in Crore)

Sl. No.	1	2	3	4	5	6	7	8
Name of the Subsidiary	Chennai Petroleum Corporation Limited	Indian Catalyst Private Limited	IndianOil (Mauritius) Limited	Lanka IOC PLC	IOC Middle East FZE	IOC Sweden AB	IOCL (USA) Inc.	IndOil Global BV.
Reporting Currency	INR	INR	MUR	SLR	AED	EURO	USD	CAD
Exchange Rate (INR):								
Closing as on 31.03.2016	-	-	1.8750	0.4613	18.0553	75.2700	66.2500	51.1960
Average Rate 2015-16	-	-	1.8510	0.4719	17.8000	72.3079	65.4611	49.9238
Share Capital	1,149.00	15.93	75.67	250.54	2.30	294.03	327.85	6,104.48
Reserves & Surplus	2,253.89	(9.46)	170.98	566.42	27.67	88.81	(64.57)	(959.25)
Liabilities	7,053.68	-	123.82	308.23	10.24	5.77	9.62	2,275.89
Total Liabilities	10,456.57	6.47	370.47	1,125.19	40.21	388.61	272.90	7,421.12
Total Assets	10,456.57	6.47	370.47	1,125.19	40.21	388.61	272.90	7,421.12
Investments	2.40	-	0.94	202.67	-	382.80	-	208.28
Turnover	35,277.40	-	1,196.24	3,364.80	63.34	2.43	33.55	241.97
Profit Before Taxation	824.92	(8.63)	(5.03)	125.92	5.74	(0.64)	(70.57)	(547.63)
Provision for Taxation	34.62	-	(1.51)	20.51	-	-	13.90	4.05
Profit After Taxation	790.30	(8.63)	(3.52)	105.41	5.74	(0.64)	(84.47)	(551.68)
Proposed Dividend	114.45	-	5.27	24.82	1.38	-	-	-
Percentage of shareholding	51.89%	100%	100%	75.12%	100%	100%	100%	100%

INR Indian Rupees

MUR Mauritian rupees

SLR Sri Lankan Rupees

AED United Arab Emirates Dirham

USD United States Dollars

CAD Canadian Dollars

**Notes:**

- 1 Indian Catalyst Private Limited is yet to commence operations.
- 2 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.

Part "B": Statement of Salient features of the Financial Statement of Jointly Controlled Entities and Associates (FORM AOC - I)

(₹ in Crore)

Name of the Associates / Joint Ventures	IOT Infrastructure & Energy Services Limited	Lubrizol India Private Limited	Indian Oil Petronas Private Limited	Avi-Oil India Private Limited	Petronet LNG Limited	Green Gas Limited	Mumbai Aviation Fuel Farm Facility Private Limited	IndianOil Skytanking Private Limited	Suntera Nigeria 205 Limited
Latest Audited Balance Sheet Date	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.12.2015
Shares of Associate / Joint Ventures held by the company on the year end									
i. No.	270764322	960000	134000000	4500000	93750000	23042250	38271250	25950000	62502
ii. Amount of Investment in Associates / Joint Venture	499.93	118.67	134.00	4.50	98.75	23.04	38.27	73.28	0.00
iii. Extent of Holding %	48.81%	50.00%	50.00%	25.00%	12.50%	49.97%	25.00%	50.00%	25.00%
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
Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
Networth attributable to Shareholding as per latest audited Balance Sheet	183.27	226.25	377.80	10.12	803.06	103.96	39.63	45.55	(61.67)
Profit / (Loss) for the year	(14.26)	84.63	219.77	7.89	928.53	34.45	17.94	29.47	(30.41)
i. Considered in Consolidation	(6.96)	42.32	109.88	1.97	116.07	17.21	4.49	11.91	(7.60)
ii. Not Considered in Consolidation	(7.30)	42.31	109.89	5.92	812.46	17.24	13.45	17.56	(22.81)

Part "B": Statement of Salient features of the Financial Statement of Jointly Controlled Entities and Associates (FORM AOC - I)

(₹ in Crore)

Name of the Associates / Joint Ventures	Delhi Aviation Fuel Facility Private Limited	Indian Synthetic Rubber Private Limited	NPCIL-IndianOil Nuclear Energy Corporation Limited	GSPL India Gasnet Limited	GSPL India Transco Limited	IndianOil Adani Gas Private Limited	Kochi Salem Pipelines Private Limited	IndianOil LNG Private Limited	Petroleum India International (AOP)
Latest Audited Balance Sheet Date	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2015
Shares of Associate / Joint Ventures held by the company on the year end									
i. No.	60680000	222861375	260000	55125030	42900000	45000000	40000000	50000	NA
ii. Amount of Investment in Associates / Joint Venture	60.68	222.86	0.26	55.13	42.90	45.00	40.00	0.01	8.76
iii. Extent of Holding %	37.00%	50.00%	26.00%	26.00%	26.00%	50.00%	50.00%	50.00%	36.36%
Description of how there is significant influence	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Contribution to Capital Fund
Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated till 31.03.2015
Networth attributable to Shareholding as per latest audited Balance Sheet	75.29	23.46	0.29	56.35	44.17	41.16	38.80	0.01	8.76
Profit / (Loss) for the year	37.55	(140.96)	0.07	1.16	0.87	(4.82)	(2.41)	0.00	8.17
i. Considered in Consolidation	13.89	(70.48)	0.02	0.30	0.23	(2.41)	(1.21)	0.00	2.97
ii. Not Considered in Consolidation	23.66	(70.48)	0.05	0.86	0.64	(2.41)	(1.20)	0.00	5.20

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) IndianOil Adani Gas Private Limited
- vi) Kochi Salem Pipelines Private Limited
- vii) Indian Oil LNG Private Limited

Proportionate 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) IndianOil Ruchi Biofuels LLP
- ii) Petronet CI Limited
- iii) Petronet VK Limited
- iv) Petronet India Limited
- v) IndianOil Panipat Power Consortium Limited
- vi) National Aromatics & Petrochemical Corporation Ltd

## NOTE 42: ADDITIONAL INFORMATION FOR CONSOLIDATED FINANCIAL STATEMENTS AS PER SCHEDULE III TO COMPANIES ACT 2013.

Name of the Entity	Net Assets		Share in Profit/(loss)	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated Profit or Loss	Amount (₹ in Crore)
Indian Oil Corporation Limited	97.31%	73,948.73	92.67%	10,399.03
<b>Subsidiaries</b>				
<b>Indian</b>				
Chennai Petroleum Corporation Limited	4.48%	3,402.89	7.05%	790.30
Indian Catalyst Private Limited	0.01%	6.47	-0.08%	(8.63)
<b>Foreign</b>				
IndianOil (Mauritius) Ltd	0.32%	246.65	-0.03%	(3.52)
Lanka IOC PLC	1.08%	816.96	0.94%	105.41
IOC Middle East FZE	0.04%	29.97	0.05%	5.74
IOC Sweeden AB	0.50%	382.84	-0.01%	(0.64)
IOCL (USA) Inc.	0.35%	263.28	-0.75%	(84.47)
IndOil Global BV.	6.77%	5,145.23	-4.92%	(551.68)
Less: Minority Interests in all subsidiaries	1.79%	1,359.13	3.62%	406.45
<b>Joint Ventures</b>				
<b>Indian</b>				
IOT Infrastructure & Energy Services Limited	0.24%	183.27	-0.06%	(6.96)
Lubrizol India Private Limited	0.30%	226.25	0.38%	42.32
Indian Oil Petronas Private Limited	0.50%	377.80	0.98%	109.88
Avi-Oil India Private Limited	0.01%	10.12	0.02%	1.97
Petronet LNG Limited	1.06%	803.06	1.04%	116.07
Green Gas Limited	0.14%	103.96	0.15%	17.21
Mumbai Aviation Fuel Farm Facility Private Limited	0.05%	39.63	0.04%	4.49
IndianOil Skytanking Private Limited	0.06%	45.55	0.11%	11.91
Delhi Aviation Fuel Facility Private Limited	0.10%	75.29	0.13%	13.89
Indian Synthetic Rubber Private Limited	0.03%	23.46	-0.63%	(70.48)
NPCIL - IndianOil Nuclear Energy Corporation Limited	0.00%	0.29	0.00%	0.02
GSPL India Gasnet Limited	0.07%	56.35	0.00%	0.30
GSPL India Transco Limited	0.06%	45.18	0.00%	0.23
IndianOil Adani Gas Private Limited	0.06%	48.66	-0.02%	(2.41)
Kochi Salem Pipelines Private Limited	0.05%	38.80	-0.01%	(1.21)
Indian Oil LNG Private Limited	0.00%	0.01	0.00%	-
<b>Foreign</b>				
Sunteria Nigeria 205 Ltd.	-0.08%	(61.67)	-0.07%	(7.60)
Intra-Group Eliminations	-11.72%	(8,905.94)	6.64%	744.50
<b>TOTAL</b>	<b>100.00%</b>	<b>75,993.96</b>	<b>100.00%</b>	<b>11,219.22</b>

**Note:**

- Figures in respect of an associate (Petroleum India International) being an Association of Person (AOP) is included in standalone financial statements.
- 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 diminution in value of investment:
  - Indianoil Creda Biofuels Ltd. (Subsidiary)
  - Indian Oil Ruchi Biofuels LLP (Joint Venture)
  - Petronet CI Ltd. (Joint Venture)
  - Petronet VK Ltd. (Joint Venture)
  - Petronet India Ltd. (Joint Venture)
  - IndianOil Panipat Power Consortium Ltd. (Joint Venture)
  - National Aromatics & Petrochemical Corporation Ltd. (Joint Venture)

## NOTE - 43: DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

The dues to Micro, Small and Medium Enterprises to the extent information available is given below:

Particulars	₹ in Crore	
	March-16	March-15
Amount due and Payable at the year end		
- Principal	38.36	33.32
- Interest on above Principal	0.01	0.04
Payments made during the year after the due date		
- Principal	1.80	3.34
- Interest	-	0.06
Interest due and payable for principals already paid	0.04	0.12
Total Interest accrued and remained unpaid at year end	0.05	0.16

## NOTE - 44: 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 includes income of ₹ 1,364.25 crore (2015: ₹ 1,668.09 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 requirements prescribed under Schedule II to the Companies Act, 2013 the Group has, effective 1<sup>st</sup> April 2015, reviewed and identified the components (significant parts) of the main asset having different useful lives as compared to the main asset and depreciation has been charged accordingly. Due to this, the depreciation for the year 2015-16 is higher by ₹ 341.79 crore (including depreciation capitalized of ₹ 2.73 crore)
- In view of the above change, expenses on replacement of catalyst, hitherto charged to the statement of Profit and Loss, have also been identified as significant component in certain cases which has resulted in decrease in expenses on consumption of Stores, spares & consumables and increase in gross tangible assets by ₹ 218.42 crore.
- In addition, as per the transitional provisions, the Company has charged ₹ 85.34 crore (net of deferred tax of ₹ 36.78 crore) to the opening balance of General reserve as at 1<sup>st</sup> April, 2015.
- 5 Disclosure relating to Corporate Social Responsibility (CSR) Expenditure in respect of the Holding Company is given in Note-47 of the Standalone Financial Statement.
  - 6 Disclosure as required by guidance note on "Accounting for Oil & Gas Producing Activities" regarding share of Group in Proved and Proved Developed Reserves on the geographical basis is as under:

Assets	Details	Crude Oil#		Gas#		Oil Equivalent#	
		As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Niobrara Shale Project, USA	Opening	74.82	37.60	12.13	6.07	84.55	42.48
	Addition	15.43	58.42	11.49	13.71	24.67	69.42
	Production	19.18	21.20	8.67	7.65	26.15	27.35
	Closing	71.07	74.82	14.95	12.13	83.07	84.55
Pacific Northwest LNG, Canada	Opening	175.65	135.84	2,396.70	1,842.75	2,099.79	1,615.25
	Addition	100.81	72.71	1,718.04	1,019.83	1,480.09	891.45
	Production	36.63	32.90	544.55	465.88	473.81	406.91
	Closing	239.83	175.65	3,570.19	2,396.70	3,106.07	2,099.79
Total Outside India	Opening	250.47	173.44	2,408.83	1,848.82	2,184.34	1,657.73
	Addition	116.24	131.13	1,729.53	1,033.54	1,504.76	960.87
	Production	55.81	54.10	553.22	473.53	499.96	434.26
	Closing	310.90	250.47	3,585.14	2,408.83	3,189.14	2,184.34

# Unaudited

\* 1.2456 Thousand Cubic Meter gas = 1 Ton Oil Equivalent

- 7 Government of India vide OM dated 10th April 2015 has announced the fund flow mechanism for direct benefit transfer of domestic LPG (DBTL) to customers. As per the scheme, the fixed subsidy amount received from Government is kept by the holding company in separate "Buffer account" with Banks which is to be utilized against the settlement of actual subsidy claims made by the holding company. The surplus balance in the "Buffer account" and interest thereon does not belong to the holding company. Accordingly, interest thereon is not accounted as income and balance of ₹ 233.64 crore including interest accrued in buffer account is disclosed as earmarked balances in Note-19: Cash and Bank Balances and corresponding amount as liability in Note-6: Other Liabilities.
- 8 Pursuant to the requirement of the Companies Act, 2013, any company having only joint venture or associate and not having subsidiaries are also required to prepare Consolidated Financial Statements w.e.f. F.Y. 2015-16. Accordingly, consolidated financial statements of M/s Chennai Petroleum Corporation Ltd. (a subsidiary company) and M/s Petronet LNG Ltd. (a joint venture company) are considered for consolidation in F.Y. 2015-16 against their respective standalone figures being considered till FY 2014-15.
9. The Holding company has changed its accounting policy to exclude the freight in case of FOB contracts for voyage charter in valuation of imported products in transit. Due to this, there is a decrease in expenses on freight (Note-26), Trade Payables (Note-9) and stock in trade (Note-17) by ₹ 14.29 crore. There is no impact on profit during the year on this account.
10. 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. G. SANKAR)**  
Partner  
M. No. 046050

**For C K PRUSTY & ASSOCIATES**  
Chartered Accountants  
(Firm Regn. No. 323220E)

Sd/-  
**(CA. CHANDRAKANTA PRUSTY)**  
Partner  
M. No. 057318

Place : New Delhi  
Date : 27<sup>th</sup> May 2016

## ANNEXURE-1

# SIGNIFICANT ACCOUNTING POLICIES

## 1. BASIS OF PREPARATION

- 1.1 The financial statements are prepared under historical cost convention on accrual basis of accounting in accordance with the mandatory accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 1.2 The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities as at the date of the financial statements and revenue and expenses during the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from assumptions and estimates.

## 2. FIXED ASSETS

### 2.1 Tangible Assets

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

### 2.2 Construction Period Expenses on Projects

- 2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are 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

- 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 a period of ten years or life of the underlying plant/ facility, whichever is earlier.
- 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 purchased/developed resulting in future economic benefits, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalised. However, where such computer software is still

in development stage, costs incurred during the development stage of such software are accounted as "Intangible Assets Under Development".

- 2.4.4 Cost of Right of Way for laying pipelines is capitalised and amortised on a straight line basis over the period of such Right of Way or 99 years whichever is less

### 2.5 Depreciation/Amortization

- 2.5.1 Cost of leasehold land for 99 years or less is amortized over the lease period.

- 2.5.2 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 where useful life is considered based on technical assessment:

a) Useful life of 15 years for Plant and Equipment relating to Retail Outlets (other than storage tanks and related equipments) and LPG cylinders & pressure regulators

b) Useful life of 25 years for solar power plant

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 considered between 1% to 5% of cost of assets. Further, in case of catalyst with noble metal content, residual value is considered based on the value 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.

- 2.5.3 Assets, other than LPG Cylinders and Pressure Regulators, costing upto ₹ 5,000/- per item are depreciated fully in the year of capitalization. Insurance spares are depreciated up to 100% over the remaining life of the main asset. Further, components like catalyst without noble metal content and major overhaul/ inspection are also depreciated fully over their respective useful life.

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

## 3. LEASES (other than Land Leases)

### 3.1 Operating Leases:

Lease rentals are recognized as expense or income 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 or given on lease.

### 3.2 Finance leases as lessee:

The lower of the fair value of the assets and present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Statement of Profit and Loss as Finance Cost.

- 3.3 Depreciation on the assets taken on finance lease is charged in the same manner as applicable to similar type of owned fixed assets. If the leased assets are returnable to the lessor

- on the expiry of the lease period, full cost is depreciated over its useful life or lease period, whichever is less.
- 3.4 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.
- 4. Impairment of Assets**
- As at each balance sheet date, the carrying amount of cash generating units / assets is tested for impairment so as to determine:
- (a) the provision for impairment loss, if any, required; or
  - (b) the reversal, if any, required of impairment loss recognized in previous periods.
- Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.
- 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 TRANSLATION**
- 6.1** Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.
  - 6.2** Monetary items denominated in foreign currencies (such as cash, receivables, payables etc) outstanding at the end of reporting period, are translated at exchange rates prevailing as at the end of reporting period.
  - 6.3** Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc.) are stated at the exchange rate prevailing on the date of the transaction.
  - 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 monetary items.  
 (b) Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets in line with Para 46A of Accounting Standard -11. 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 monetary item by recognition as income or expense in each of such periods.
  - 6.4.2** Premium/discount arising at the inception of the forward contracts entered into to hedge foreign currency risks are amortized as expense/income over the life of the contract. Outstanding forward contracts as at the reporting date are restated at the exchange rate prevailing on that date.
- 7. INVESTMENTS**
- 7.1** Long term investments are valued at cost and provision for diminution in value, thereof is made, wherever such diminution is other than temporary.
- 7.2** Current investments are valued at lower of cost or fair market value.
- 8. INVENTORIES**
- 8.1 Raw Materials & Stock-in-Process**
- 8.1.1 Raw materials including crude oil are valued at cost determined on weighted average basis or net realizable value, whichever is lower.
  - 8.1.2 Stock in Process is valued at raw material cost plus conversion costs as applicable or net realizable value, whichever is lower.
  - 8.1.3 Crude oil in Transit is valued at cost or net realizable value, whichever is lower.
- 8.2 Finished Products and Stock-in-Trade**
- 8.2.1 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.
  - 8.2.2 Lubricants are valued at cost on weighted average basis or net realizable value, whichever is lower.
  - 8.2.3 Imported products in transit are valued at cost or net realisable value whichever is lower.
- 8.3 Stores and Spares**
- 8.3.1 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, CERs rights and own products) towards likely diminution in the value.
  - 8.3.2 Stores & Spares in transit are valued at cost.
  - 8.3.3 Certified Emission Reductions (CERs) rights are valued at cost or net realizable value, whichever is lower.
- 9. TRADE RECEIVABLES**
- In addition to the specific provision made, an Adhoc provision @ 1% is also made in respect of Trade Receivables, other than those relating to Oil Marketing companies, Subsidiary & Joint Venture companies, Export Customers, DGS&D group of customers (i.e. DGS&D, Railway, Army, Air Force and Defence) and Retail Outlets enjoying temporary credit, to recognize the element of uncertainty.
- 10. CONTINGENT LIABILITIES & CAPITAL COMMITMENTS**
- 10.1 Contingent Liabilities**
- 10.1.1 Show-cause Notices issued by various Government Authorities are not considered as Obligation.
  - 10.1.2 When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.
  - 10.1.3 The treatment in respect of disputed obligations, in each case above ₹ 5 lakh, are as under:
    - a) a provision is recognized in respect of present obligations where the outflow of resources is probable;
    - b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.
- 10.2 Capital Commitments**
- Estimated amount of contracts remaining to be executed on capital account above ₹ 5 lakhs, in each case, are considered for disclosure.

## **11. REVENUErecognition**

- 11.1 Revenue from sale of goods is recognized when sufficient risks and rewards are transferred to customers, which is generally on dispatch of goods.
- 11.2 Dividend income is recognized when the company's right to receive dividend is established.
- 11.3 Claims (including interest on outstanding) are recognized at cost when there is reasonable certainty regarding its ultimate collection.
- 11.4 Income and expenditure upto Rupees five lakhs in each case pertaining to previous years are accounted for in the current year.
- 11.5 Pre-paid expenses upto Rupees five lakhs in each case are charged to Statement of Profit & Loss in the year in which it is incurred.

## **12. EXCISE DUTY**

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

## **13. TAXES ON INCOME**

- 13.1 Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income tax Act, 1961.
- 13.2 The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date.
- 13.3 Deferred tax assets arising on account of unabsorbed losses/ unabsorbed depreciation are recognized only if there is virtual certainty that sufficient taxable income will be available to recover such deferred tax asset supported by convincing evidence. Other Deferred tax assets are recognized if it is reasonably certain, that there will be sufficient future income to recover such deferred tax asset.

## **14. EMPLOYEES BENEFITS**

### **14.1 Short Term Benefits:**

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

### **14.2 Post-Employment Benefits and Other Long Term Employee Benefits:**

- a) The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the Company and charged to Statement of Profit and Loss.
- b) The Company operates defined benefit plans for Gratuity and Post Retirement Medical Benefits. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made

at the end of the year and are administered through respective Trusts.

- c) Obligations on Compensated Absences, Resettlement, Long Service Awards and Ex-gratia are provided using the projected unit credit method of actuarial valuation made at the end of the year.
- d) The Company operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.
- e) Actuarial gains/losses are charged to Statement of Profit and Loss.

### **14.3 Termination Benefits:**

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

## **15. GRANTS**

### **15.1 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.

### **15.2 Revenue Grants**

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

## **16. OIL & GAS EXPLORATION ACTIVITIES**

### **16.1**

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

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

### **16.2**

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

### **16.3**

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

## **17. COMMODITY HEDGING**

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

**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 2016**

The preparation of financial statements of Indian Oil Corporation Limited for the year ended 31 March 2016 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 27 May 2016.

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 31 March 2016. 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 auditors' report.

**For and on the behalf of the  
Comptroller and Auditor General of India**



(Suparna Deb)

**Director General of Commercial Audit  
& Ex-officio Member, Audit Board-II  
New Delhi**

**Place: New Delhi**  
**Date: 03.08.2016**

## **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 2016**

The preparation of consolidated financial statements of Indian Oil Corporation Limited for the year ended 31 March 2016 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 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 27.05.2016.

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 31 March 2016. 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 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 Auditor nor conducted the supplementary audit of the 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 auditors' report.

**For and on the behalf of the  
Comptroller and Auditor General of India**



(Suparna Deb)

**Director General of Commercial Audit  
& Ex-officio Member, Audit Board-II  
New Delhi**

**Place: New Delhi  
Date: 22.07.2016**

**Annexure-A**

**Name of the Company/Subsidiaries/JVs/associate companies of which supplementary audit conducted:**

<b>Sl. No.</b>	<b>Name of Companies</b>	<b>Type of Company</b>
1.	Indian Oil Corporation Limited	Holding Company
2.	Chennai Petroleum Corporation Limited	Subsidiary
3.	Greens Gas Limited	Joint Venture
4.	Indian Catalyst Pvt. Limited	Subsidiary
5.	Mumbai Aviation Fuel Farm Facility Pvt. Limited	Joint Venture

**Annexure-B**

**Name of the Subsidiaries/JVs/associate companies of which supplementary audit not conducted:**

<b>Sl. No.</b>	<b>Name of Company</b>	<b>Type of Company</b>
1.	Delhi Aviation Fuel Facility (Private) Limited	Joint Venture
2.	NPCIL Indian Oil Nuclear Energy Corporation Limited	Joint Venture
3.	Kochi Salem Pipelines Private Limited	Joint Venture

**Annexure-C**

**List of all Subsidiaries/Joint ventures/associates to which sec 139(5) and 143 (6)(b) of the Companies Act, 2013 are not applicable:**

**Not Government Company**

<b>Sl. No.</b>	<b>Name of Company</b>	<b>Type of Company</b>
1.	IOT Infrastructure & Energy Services Limited	Joint Venture
2.	Lubrizol India Pvt. Limited	Joint Venture
3.	AVI-Oil India Pvt. Limited	Joint Venture
4.	Petronet LNG Limited	Joint Venture
5.	Indian Oil Petronas Pvt. Limited	Joint Venture
6.	Indian Oil Sky Tanking Pvt. Limited	Joint Venture
7.	Indian Synthetic Rubber Private Limited	Joint Venture
8.	GSPL India Transco Limited	Joint Venture
9.	GSPL India Gasnet Limited	Joint Venture
10.	Indian Oil Adani Gas Private Limited	Joint Venture
11.	Indian Oil LNG Private Limited	Joint Venture

**Entities incorporated in foreign countries**

<b>Sl. No.</b>	<b>Name of Company</b>	<b>Type of Company</b>
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.	Suntera Nigeria 205 Limited	Joint Venture

## **Indian Oil Corporation Limited**

[CIN - L23201MH1959G0I011388]

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](mailto:investors@indianoil.in), Website: [www.iocl.com](http://www.iocl.com)

### **NOTICE**

NOTICE is hereby given that the **57<sup>th</sup> Annual General Meeting** of the members of **INDIAN OIL CORPORATION LIMITED** will be held at **Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai - 400018** on **Wednesday, the 14<sup>th</sup> September, 2016 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, 2016 together with Reports of the Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend and to declare the Final Dividend on equity shares for the year 2015-16.
3. To appoint a Director in place of Shri A. K. Sharma (DIN: 06665266), who retires by rotation and is eligible for reappointment.

#### **SPECIAL BUSINESS**

4. To appoint Shri B. S. Canth (DIN: 07239321) as Director (Marketing) 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, Shri B. S. Canth (DIN: 07239321), who was appointed as an Additional Director and designated as Director (Marketing) by the Board of Directors with effect from 08.10.2015 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 (Marketing) of the Company, liable to retire by rotation."

5. To appoint Shri Subroto Bagchi (DIN: 00145678) as Independent Director of the Company.

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and 161(1) read with Schedule IV & other applicable provisions, if any of the Companies Act 2013 and the rules notified thereunder including any statutory modification or re-enactment thereof for the time being in force, the Articles of Association of the Company and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Shri Subroto Bagchi (DIN: 00145678), who was appointed as an Additional Director and Independent Director by the Board of Directors with effect from 02.12.2015 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 Independent Director of the Company for a period of 3 years from the date of appointment on the Board, not liable to retire by rotation."

6. To appoint Shri Sanjay Kapoor (DIN: 07348106) as Independent Director of the Company.

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and 161(1) read with Schedule IV & other applicable provisions, if any of the Companies Act 2013 and the rules notified thereunder, including any statutory modification or re-enactment thereof for the time being in force , the Articles of Association of the Company and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Shri Sanjay Kapoor (DIN: 07348106), who was appointed as an Additional Director and Independent Director by the Board of Directors with effect from 02.12.2015 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 Independent Director of the Company for a period of 3 years from the date of appointment on the Board, not liable to retire by rotation."

7. To appoint Shri Parindu K. Bhagat (DIN: 01934627) as Independent Director of the Company.

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and 161(1) read with Schedule IV & other applicable provisions, if any of the Companies Act 2013 and the rules notified thereunder including any statutory modification or re-enactment thereof for the time being in force , the Articles of Association of the Company and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Shri Parindu K. Bhagat (DIN: 01934627), who was appointed as an Additional Director and Independent Director by the Board of Directors with effect from 02.12.2015 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 Independent Director of the Company for a period of 3 years from the date of appointment on the Board, not liable to retire by rotation."

8. To appoint Shri G. K. Satish (DIN: 06932170) as Director (Planning & Business 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, the Articles of Association of the Company, Shri G. K. Satish (DIN: 06932170) who has been appointed as an Additional Director and designated as Director (Planning & Business Development ) by the Board of Directors with effect from 01.09.2016 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 (Planning & Business Development) of the Company, liable to retire by rotation."

9. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2017.

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, 2017, be and is hereby ratified."

10. 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 ₹ 12,000 crore (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: 5<sup>th</sup> August 2016

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

(Raju Ranganathan)  
Company Secretary

## NOTICE

(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 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](http://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 Wednesday, the 7<sup>th</sup> September, 2016 to Wednesday, the 14<sup>th</sup> September, 2016 (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 Tuesday, the 6<sup>th</sup> September, 2016.

(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](mailto: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:

i) **For shares held in dematerialised form** - to their respective Depository Participant

ii) **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 :

i) Change in their residential status on return to India for permanent settlement.

ii) 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 205A & 205C of the Companies Act, 1956, the Company has transferred all unpaid dividend declared upto the financial year 2007-08 to Investor Education & Protection Fund (IEPF) established by the Central Government. The dividend for the financial year 2008-09 and thereafter, 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 2008-09 in October, 2016. The members, who have not encashed their dividend warrant so far, for the financial years 2008-09 to 2015-16 (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.

(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 is Wednesday, the 7<sup>th</sup> September, 2016.**

(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:

## NOTICE (Contd.)

- 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:
- 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. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. 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.
  - 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.**
- On successful login, the system will prompt you to select the “EVENT” i.e. Indian Oil Corporation Limited.
  - 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. In case you do not wish to cast your vote you may choose the option “ABSTAIN”.
  - 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 abstained.
  - Members holding multiple demat accounts / folios shall choose the voting process separately for each demat account / folio.
  - You may then cast your vote by selecting an appropriate option and click on “Submit”.
  - 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).
  - 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: [ioclevoting2016@dholakia-associates.com](mailto:ioclevoting2016@dholakia-associates.com) with a copy marked to [evoting@karvy.com](mailto: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 57 AGM**”.
- (3) The e-voting would commence on Sunday, September 11, 2016 at 9:30 A.M. (IST) and end on Tuesday, September 13, 2016 at 05.00 PM. (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 through ballot paper would also be made available at the AGM venue. Members who cast their votes electronically should not vote through ballot paper at the AGM. However, in case a member votes electronically as well as through ballot paper, the vote cast through ballot paper 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 share in 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 2 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](http://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 A. K. Sharma (DIN: 06665266), who retires by rotation and is eligible for reappointment.**

Shri A. K. Sharma, Director (Finance), aged 57 years, is a Commerce & Law graduate as well as a Chartered Accountant. Shri Sharma has rich and varied experience in the Petroleum Industry. He joined IndianOil in 1983 and has handled various assignments in Finance function both in Marketing as well as the Refineries Division of IndianOil. As head of Treasury, he was credited for issuing the first ever Foreign Currency Bonds (\$500 million REG-S bonds) of IndianOil in the International Markets in 2010. Shri Sharma

## NOTICE (Contd.)

possesses vast experience of Project appraisal, Project Finance and Treasury Operations. Shri Sharma is also the Chairman of IndianOil Mauritius Ltd. (subsidiary company) besides being Director on the Board of IndOil Gobal BV (subsidiary company) and IndOil Montney Ltd. (step down subsidiary company).

<b>Details of Directorships in Other Companies (excluding Foreign Companies)</b>	NIL
<b>Membership / Chairmanship in the Committees of other Companies</b>	NIL
<b>No. of Shares held in the Company as on date</b>	1893
<b>Relationship between Directors inter-se</b>	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. 4 - To appoint Shri B. S. Canth (DIN: 07239321) as Director (Marketing) of the Company.

Shri B. S. Canth, aged 58 years, was appointed as an Additional Director with effect from 08.10.2015 by the Board of Directors, and designated as Director (Marketing) pursuant to Article 94(l) 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.

Shri B. S. Canth is a Post Graduate in Personnel Management & Industrial Relations and a Law Graduate. He joined IndianOil in August, 1983 and has over three decades of experience in the downstream petroleum industry. He has diverse regional and functional experience with a strong commitment towards driving sales, profit and market share growth. He has held several key portfolios and handled various assignments including Sales, Operations, Human Resources, Information Systems etc. As head of business in the states of Uttar Pradesh and Telangana & Andhra Pradesh, Shri Canth developed unique business plans, which were highly successful and helped Uttar Pradesh to attain No. 1 position on All India basis. He made significant contribution as member of Retail Advisory Committee of the Corporation. Prior to his appointment as Director (Marketing), Shri Canth was Executive Director, Consumer Sales business of the Marketing Division of the Company. Shri Canth is also the Chairman of Lanka IOC PLC, a subsidiary company of IndianOil.

<b>Details of Directorships in Other Companies (excluding Foreign Companies)</b>	NIL
<b>Membership/Chairmanship in the Committees of other Companies</b>	NIL
<b>No. of Shares held in the Company as on date</b>	4143
<b>Relationship between Directors inter-se</b>	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 Shri B. S. Canth as a candidate for the office of Director.

Shri B. S. Canth 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 Shri B. S. Canth is interested or concerned in the resolution.

#### The Directors, therefore, recommend the Ordinary Resolution for approval by members.

#### Item No. 5 - To appoint Shri Subroto Bagchi (DIN: 00145678) as Independent Director of the Company.

Shri Subroto Bagchi, aged 59 years, was appointed as an Additional Director and Independent Director with effect from 02.12.2015 by the Board of Directors, pursuant to Article 94(l) of the Articles of Association of the Company and Section 149, 150, 152 & 161 of the Companies Act, 2013 and holds office up to the date of this Annual General Meeting.

Shri Subroto Bagchi is a non-Executive Director of Mindtree Limited, a company which was co-founded by him in 1999. He started the Company as Chief Operating Officer and member of the Board and went on to become the Chairman of the Company. He has been instrumental in articulating the mission, vision and values of the company. He led the leadership development initiatives, marketing and knowledge management that differentiated Mindtree right from the start-up stage. In 2008, he focused full-time on the Top-100 leaders at Mindtree to expand leadership capacity beyond the founding team. He is a well-known writer and his books have been translated into many languages including Chinese, Hindi, Marathi, Malayalam, Kannada, Korean, Telugu and Vietnamese, making him India's No. 1 business author. He has been actively involved in philanthropic areas like mental health, blindness, geriatric care and engineering innovation through various foundations.

#### Details of Directorships in Other Companies (excluding Foreign Companies)

Name of the Company	Position held
MindTree Limited	Director
<b>Membership/Chairmanship in the Committees of other Companies</b>	
Nomination & Remuneration Committee of MindTree Limited	Member
<b>No. of Shares held in the Company as on date</b>	NIL
<b>Relationship between Directors inter-se</b>	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 Shri Subroto Bagchi as a candidate for the office of Director. Shri Bagchi has given a declaration to the Board of Directors of the company that he meets the criteria of Independence as required under Section 149 of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Shri Subroto Bagchi 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 Shri Subroto Bagchi is interested or concerned in the resolution.

#### The Directors, therefore, recommend the Ordinary Resolution for approval by members.

# 57<sup>th</sup> Annual Report 2015-16

## NOTICE (Contd.)

### **Item No. 6 - To appoint Shri Sanjay Kapoor (DIN: 07348106) as Independent Director of the Company.**

Shri Sanjay Kapoor, aged 49 years, was appointed as an Additional Director and Independent Director with effect from 02.12.2015 by the Board of Directors, pursuant to Article 94(l) of the Articles of Association of the Company and Section 149, 150, 152 & 161 of the Companies Act, 2013 and holds office up to the date of this Annual General Meeting.

Shri Sanjay Kapoor, a Chartered Accountant is the Managing Partner of M/s Sanjay Yashpal Kapoor & Associates, a firm of Chartered Accountants. He has over 20 years of post-qualification work experience in consulting services across multiple industries and domains including Income Tax, Service Tax, Company Law matters, Audit, special investigation, manufacturing, financial, banking, service, retail & distribution, oil and gas etc.

<b>Details of Directorships in Other Companies (excluding Foreign Companies)</b>	NIL
<b>Membership/Chairmanship in the Committees of other Companies</b>	NIL
<b>No. of Shares held in the Company as on date</b>	NIL
<b>Relationship between Directors inter-se</b>	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 Shri Sanjay Kapoor as a candidate for the office of Director. Shri Kapoor has given a declaration to the Board of Directors of the company that he meets the criteria of Independence as required under Section 149 of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Shri Sanjay Kapoor 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 Shri Sanjay Kapoor is interested or concerned in the resolution.

### **The Directors, therefore, recommend the Ordinary Resolution for approval by members.**

### **Item No. 7 - To appoint Shri Parindu K. Bhagat (DIN: 01934627) as Independent Director of the Company.**

Shri Parindu K. Bhagat, aged 63 years, was appointed as an Additional Director and Independent Director with effect from 02.12.2015 by the Board of Directors, pursuant to Article 94(l) of the Articles of Association of the Company and Section 149, 150, 152 & 161 of the Companies Act, 2013 and holds office up to the date of this Annual General Meeting.

Shri Parindu K. Bhagat, a Chemical Engineer and a Law graduate, is a legal practitioner in taxation and financial services. Shri Bhagat has vast experience in understanding financial, social and economic aspects of governance and its administration. His expertise in technical domain gives him an insight to evaluate things with broader perspective. He was a member of the Board of Directors of Kandla Port Trust, where he played a vital role in technological reforms. With a solution-centric approach, his work has been acknowledged in various private and public firms and government bodies where he has been appointed in advisory position. He has been involved in CSR activities, through various NGOs, trusts and religious institutions for the benefit of society at large.

<b>Details of Directorships in Other Companies (excluding Foreign Companies)</b>	NIL
<b>Membership/Chairmanship in the Committees of other Companies</b>	NIL
<b>No. of Shares held in the Company as on date</b>	NIL
<b>Relationship between Directors inter-se</b>	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 Shri Parindu K. Bhagat as a candidate for the office of Director. Shri Bhagat has given a declaration to the Board of Directors of the company that he meets the criteria of Independence as required under Section 149 of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Shri Parindu K. Bhagat 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 Shri Parindu K. Bhagat is interested or concerned in the resolution.

### **The Directors, therefore, recommend the Ordinary Resolution for approval by members.**

### **Item No. 8 - To appoint Shri G. K. Satish (DIN: 06932170) as Director (Planning & Business Development) of the Company.**

Shri G. K. Satish, aged 55 years, has been appointed as an Additional Director with effect from 01.09.2016 by the Board of Directors and designated as Director (Planning & Business Development), pursuant to Article 94(l) of the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013 and holds office upto the date of this Annual General Meeting.

Shri G. K. Satish is a Mechanical Engineer from NIT, Surat and a Post Graduate in Management from MDI, Gurgaon. He has over 30 years experience in various disciplines in IndianOil like Terminal Operations, Logistics, Shipping, International Trade, Business Development, Natural Gas Business, Human Resources and Corporate Communications. Before joining the Board, he was Executive Director I/C (Gas) in IndianOil. Shri Satish is also the Chairman of IndianOil-Adani Gas Pvt. Ltd. and IndianOil LNG Pvt. Ltd. besides being Director on the Board of Green Gas Ltd., GSPL India Gasnet Ltd. and GSPL India Transco Ltd., all Joint Venture Companies of IndianOil.

<b>Details of Directorships in Other Companies (excluding Foreign Companies)</b>	5
<b>Membership/Chairmanship in the Committees of other Companies</b>	NIL
<b>No. of Shares held in the Company as on date</b>	603
<b>Relationship between Directors inter-se</b>	None

## NOTICE (Contd.)

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 Shri G. K. Satish as a candidate for the office of Director. Shri G. K. Satish, 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 Shri G. K. Satish is interested or concerned in the resolution.

**The Directors, therefore, recommend the Ordinary Resolution for approval by members.**

**Item No. 9 - To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2017.**

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, 2017:

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
<b>TOTAL</b>		<b>18,50,000</b>

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, 2017. None of the Directors / Key Managerial Personnel of the Company are interested or concerned in the resolution.

**The Directors, therefore, recommend the Ordinary Resolution for approval by members.**

**Item No. 10 - 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 ₹ 12,000 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 are 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

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

  
 (Raju Ranganathan)  
 Company Secretary

Date: 5<sup>th</sup> August 2016

**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) HELD

\* Applicable for members who are holding shares in dematerialised form.

I/We hereby record my / our presence at the **57<sup>th</sup> Annual General Meeting** of the Company, held on **Wednesday, 14<sup>th</sup> September 2016** at 10:30 a.m. at **Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai - 400018**.

Name of the Member \_\_\_\_\_

Signature of the Member \_\_\_\_\_

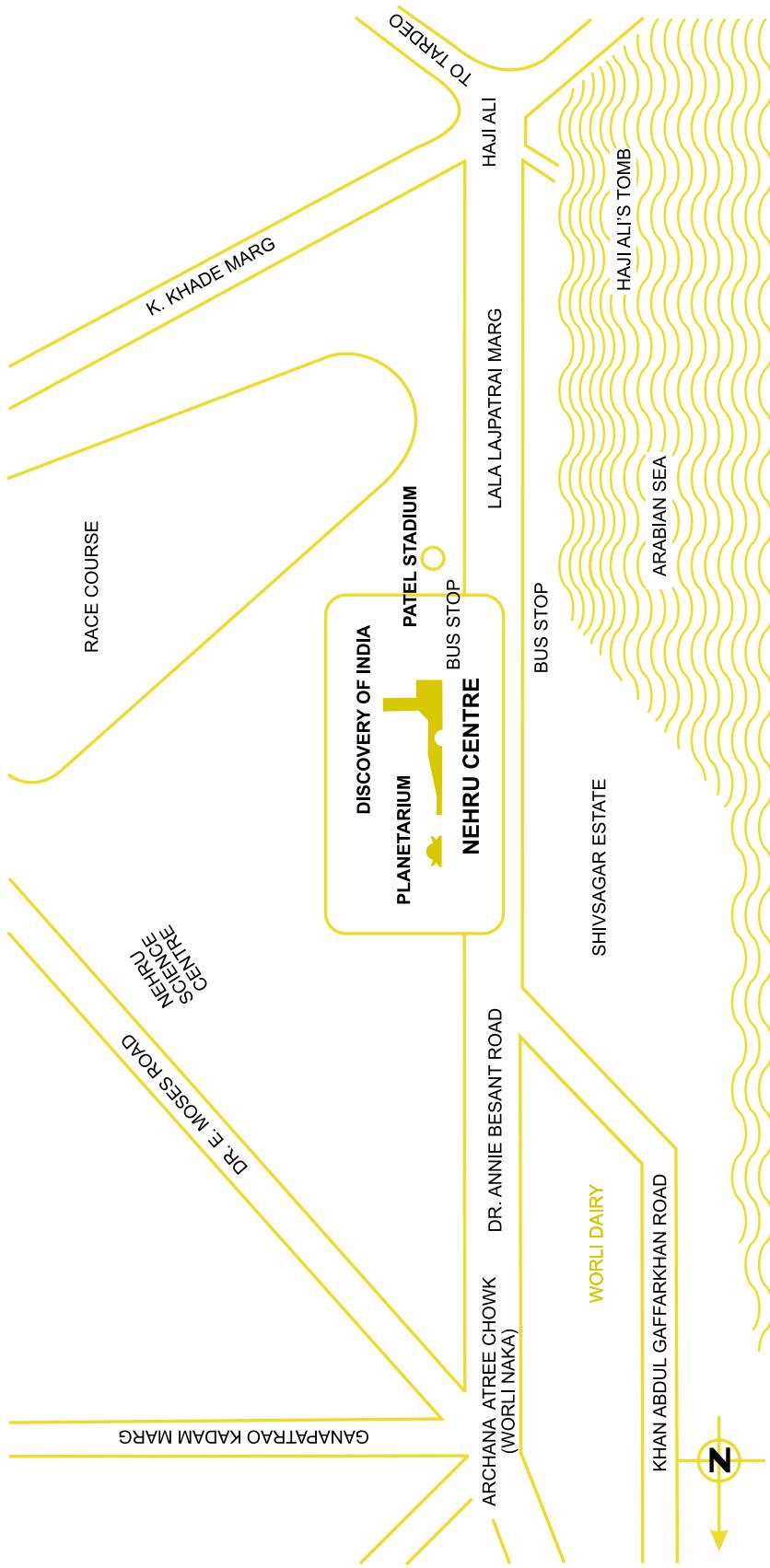
Name of the Proxy \_\_\_\_\_

Signature of the Proxy \_\_\_\_\_

#### NOTES:

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

# Location Map of Nehru Centre





## 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 dematerialised 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 57<sup>th</sup> Annual General Meeting of the Company, to be held on **Wednesday, 14<sup>th</sup> September 2016 at 10:30 a.m.** at **Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai - 400018** and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	RESOLUTIONS
	<b>ORDINARY BUSINESS</b>
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, 2016 together with Reports of the Directors and the Auditors thereon.
2	To confirm the payment of Interim Dividend and to declare the Final Dividend on equity shares for the year 2015-16.
3	To appoint a Director in place of Shri A. K. Sharma (DIN: 06665266), who retires by rotation and is eligible for reappointment.
	<b>SPECIAL BUSINESS</b>
4	To appoint Shri B. S. Canth (DIN: 07239321) as Director (Marketing) of the Company.
5	To appoint Shri Subroto Bagchi (DIN: 00145678) as Independent Director of the Company.
6	To appoint Shri Sanjay Kapoor (DIN: 07348106) as Independent Director of the Company.
7	To appoint Shri Parindu K. Bhagat (DIN: 01934627) as Independent Director of the Company.
8	To appoint Shri G. K. Satish (DIN: 06932170) as Director (Planning & Business Development) of the Company.
9	To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2017
10	To approve issuance of debentures on private placement basis as a Special Resolution.

Signed this ..... day of ..... 2016.

.....  
Signature of Member

Please Affix  
Revenue  
Stamp

.....  
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.**



## **NOTES**

## NOTES

## NOTES

## NOTES

# India's Energy Champion is also India's Green Champion

260 MW renewable energy plan  
over the next five years



**IndianOil**  
*Nurturing nature.*  
*Nourishing earth.*

IndianOil. India's flagship national oil company. Straddling the hydrocarbon value chain to ensure energy security, access and countrywide delivery. With a green conscience, IndianOil is championing the cause of nature too. By diversifying its business portfolio with forays into renewable energy. To alleviate energy poverty and improve energy access to people at the 'bottom of the pyramid.' While striving to optimise use of key resources like energy and water in its operations, IndianOil has imbibed the '3R' (Reduce, Recycle and Reuse) philosophy for waste management.

- Bio-fuels
- Wind-power projects
- Grid-connected solar-power plants
- Off-grid solar PV projects
- Fuel stations solarisation
- Solar lanterns
- LED lighting
- Waste management system
- Green belts
- Rainwater harvesting
- Minimise carbon & water footprint



## **Book Post**

**Department of Posts, Delhi Postal Circle**  
**“Permitted to post on prepayment of postage in cash  
at IP BPC, New Delhi-110002, under CPMG, Delhi Circle,  
Licence No. DEL/BDM/BPC, IPHO/IOCL/09/08-08-2016 to  
22-08-2016/78000/37 dated 04-08-2016.”**



If undelivered, please return to:

Company Secretary,

Indian Oil Corporation Ltd.

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

[www.iocl.com](http://www.iocl.com)