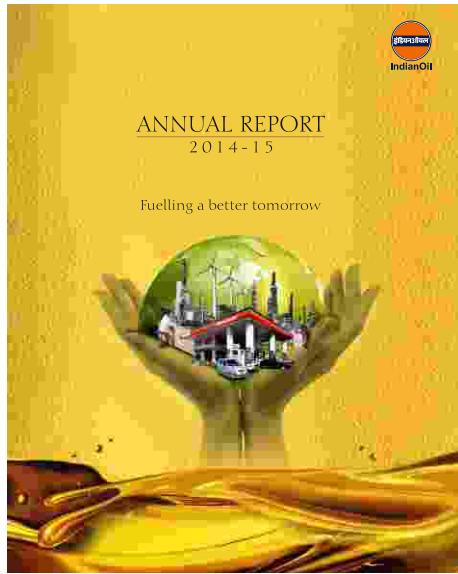


# ANNUAL REPORT

2014 - 15

Fuelling a better tomorrow





## Fuelling a better tomorrow

As India's largest commercial enterprise and downstream petroleum major, IndianOil caters to nearly half of India's petroleum consumption, 31% national refining capacity, and 71% downstream sector pipelines throughput capacity. As India stands poised to transform into a major economic power on the global arena, IndianOil too is investing majorly in raising its refining and pipelines throughput capacities, and expanding its countrywide marketing infrastructure and retailing network to meet the rising demand for petroleum fuels. Besides, its ambitious forays into petrochemicals and gas marketing are picking up momentum and adding significantly to the bottomline, while oil exploration & production and renewable, alternative fuels remain major thrust areas for future business expansion.

# Contents

13

Board of Directors

Directors' Report

21

60

Management  
Discussion & Analysis

Business  
Responsibility Report

69

78

Report on Corporate  
Governance

Standalone Financial  
Statement

95

223

Notice, Attendance Slip/  
Proxy Form

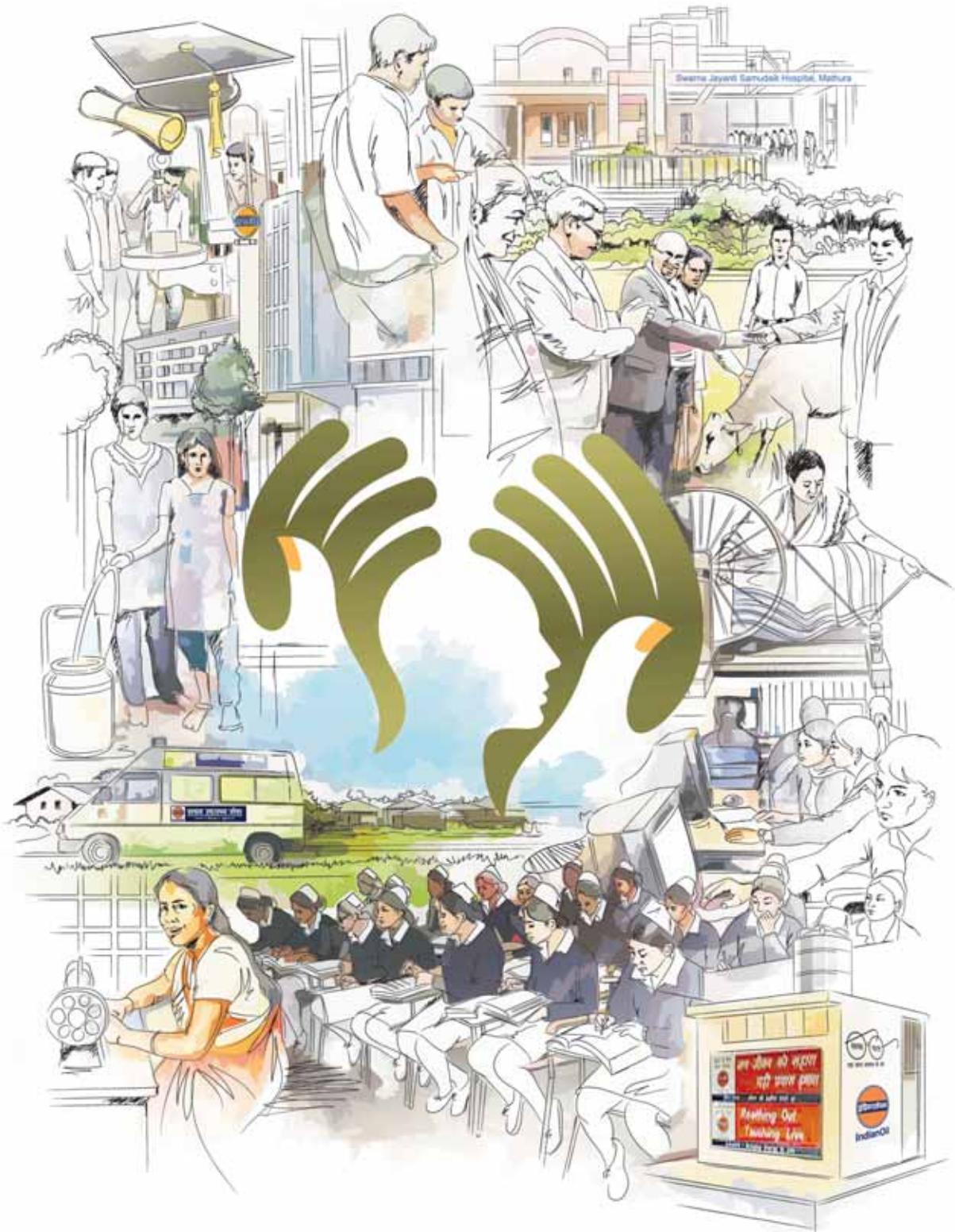


**Indian Oil Corporation Limited**

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.

□ Chairman's Message .....	3
□ Profile .....	8
□ Vision with Values .....	10
□ Objectives and Obligations .....	11
□ Board of Directors .....	13
□ Core Team .....	15
□ Senior Management Team .....	16
□ Main Offices & Major Units .....	17
□ Auditors, Registrar & Transfer Agent, Stock Exchanges, Bankers and Debenture Trustee .....	17
□ Group Companies & Joint Ventures .....	18
□ Performance at a Glance .....	19
□ Directors' Report .....	21
□ Annexures to Directors' Report .....	33
□ Awards & Recognitions .....	58
□ Management Discussion & Analysis .....	60
□ Business Responsibility Report .....	69
□ Report on Corporate Governance .....	78
□ Standalone Financial Statement .....	93
• Independent Auditors' Report .....	95
• Balance Sheet .....	100
• Profit & Loss Account .....	102
• Cash Flow Statement .....	104
• Notes .....	106
□ Income & Expenditure Account - Township etc. ....	155
□ Consolidated Financial Statements .....	157
□ Salient Features of the Financial Statement of Subsidiaries, JVs and Associates .....	212
□ Comments of the Comptroller and Auditor General of India .....	220
□ Notice .....	223
□ Attendance Slip/Proxy Form .....	231



## Committed to Creating a Better Tomorrow



IndianOil touches a million lives across the nation everyday. Being the largest enterprise in the country's energy sector, IndianOil well understands its responsibility to the society. With myriad initiatives under Corporate Social Responsibility, ranging from healthcare to hygiene and sanitation, education to nutrition, infrastructure development to community welfare, women empowerment and many more, IndianOil leaves no stone unturned to reinforce its commitment to the nation.



## CHAIRMAN'S MESSAGE

**Dear Members,**

My heartiest greetings to you on behalf of Indian Oil Corporation.

It is an honour and a privilege to share my thoughts with our valued shareholders through the Annual Report. I shall briefly touch upon the global trends that shaped the oil & gas industry in 2014-15, the highlights of your Corporation's performance during the year and its plans for the future.

### GLOBAL TRENDS

The global economy grew by a modest 3.4 per cent in 2014, the same as in 2013. Global growth is projected at 3.3 per cent in 2015, marginally lower than in 2014, with a gradual pick-up in advanced economies and slowdown in emerging markets and developing economies. In 2016, growth is expected to strengthen to 3.8 per cent.

Almost all major economies witnessed a slowdown in 2014, and the growth rates in emerging economies were higher than those of advanced economies. The drastic fall in crude oil and product prices in the international market, driven by over-supply and weak demand, was a major development during the year.

The global oil supply in 2014 increased to 93.6 mbpd (million barrels per day) from 91.4 mbpd in 2013. The entire increase of 2.2 mbpd came from incremental non-OPEC supply. In contrast, the world oil demand saw a modest increase of 0.6 mbpd, to 92.5 mbpd, in 2014, with countries outside the OECD (Organisation for Economic Co-operation and Development) accounting for all of the global consumption growth. In fact, oil consumption in developed nations dropped 1.2 per cent, the

**"Among major economies, India recorded the highest growth of 7.1 per cent in energy consumption in 2014-15... After a subdued performance in 2013-14, the demand for refined petroleum products grew by a significant 4.2 per cent to 165 million tonnes (3.3 mbpd) in 2014-15."**

eighth decrease in the past nine years. World natural gas consumption too grew only 0.4 per cent last year, compared to a 10-year average of 2.5 per cent.

Boosted by the shale oil revolution in North America, the US overtook Saudi Arabia as the world's biggest oil producer in 2014, with Russia in the third position and OPEC supply remaining unchanged. The US also surpassed Russia as the world's largest producer of oil and gas last year.

### DOMESTIC DEVELOPMENTS

"Among major economies, India recorded the highest growth of 7.1 per cent in energy consumption in 2014-15. It consumed 637.8 million tonnes of oil and oil equivalents. After a subdued performance in 2013-14, the demand for refined petroleum products grew by a significant 4.2 per cent to 165 million tonnes (3.3 mbpd) in 2014-15." Petrol and



LPG registered robust growths while diesel growth too turned positive from the previous year's negative growth. BS-IV fuels were introduced in north India from 1<sup>st</sup> April, 2015, as per the given timeline, and will be extended in phases to the rest of the country by 1<sup>st</sup> April, 2017.

India's GDP (gross domestic product) grew at a healthy rate of 7.3 per cent in 2014-15, accelerating from 6.9 per cent in 2013-14, aided by the good performance of the industries and services sectors, and low inflation rate. It is expected to accelerate further to 7.5 per cent in 2015-16, as per IMF projections. The year 2014-15 also saw a big push in the reforms process and monetary policies and a return to macro-economic stability, with international rating agencies turning positive on India's prospects.

### DOWNSTREAM SCENARIO

Today, India is the fourth largest consumer of energy in the world, and meets nearly 30 per cent of its energy requirements through imports. Dependence on crude oil imports is much higher, at about 84 per cent. It is, therefore, no wonder that a sharp plunge in global crude oil prices, together with total decontrol of diesel marketing, made 2014 a watershed year for the country's oil economy.

Crude oil prices in the international market crashed from US\$ 115 a barrel to US\$ 45 between July 2014 and January 2015. This brought great cheer for the consumers and much relief to oil-importing countries like India, whose foreign exchange outflow came down by US\$ 33 billion in 2014-15 compared to the previous year.

Decontrol of diesel prices with effect from 19<sup>th</sup> October, 2014, in the backdrop of falling crude oil prices, wiped out under-recoveries on the hitherto subsidised fuel, and the residual amount for the fiscal year was almost half of that of the previous year.

### INDIANOIL PERFORMANCE

IndianOil's own outgo on crude oil imports during the year 2014-15 came down by over ₹ 47,000 crore compared to 2013-14 even though the import quantum went up by 1 million tonnes. The Company's borrowings, interest cost and gross under-recoveries have also come down significantly.

However, with product prices following a similar trend, fall in prices also had a negative impact on your Company's financials in the form of huge inventory losses. For the full year 2014-15, your Company suffered inventory losses to the tune of ₹ 15,600 crore on crude oil, which works out to a loss of US\$ 6.46 a barrel in gross refining margins. IndianOil also suffered losses to the tune of over ₹ 2,000 crore on product inventories.

Despite this, we have been able to earn a net profit of Rs. 5,273 crore for the full year, thanks to all-round improved physical performance by the Company – in the form of record sales, 99 per cent refining capacity utilisation, and the highest ever pipelines throughput. Fiscal prudence and gains from new businesses, especially Petrochemicals, further helped shore up the bottom-line. Several initiatives in crude oil sourcing and inventory optimisation also helped boost profitability.

### Operational Excellence

IndianOil refineries together achieved a crude oil throughput of 53.6 million tonnes in 2014-15 and registered the best ever performance in three key parameters -- in raising distillate yield, controlling fuel & loss, and lowering specific energy consumption.

During 2014-15, IndianOil's crude oil & product pipelines network clocked the highest ever combined throughput of 75.7 million tonnes. The gas pipelines too turned in excellent operational performance during the year. Crude oil blending facilities at Paradip were upgraded for transport of heavier crudes to Haldia and Barauni.

Adding to the Company's intellectual wealth, its R&D Centre filed for 92 patents during the year and earned 14, raising the total number of patents earned to 384. As a leading research institution in tribology, the R&D Centre developed 125 more lubricant formulations during the year and

earned over 60 endorsements from original equipment manufacturers (OEMs) and defence services. Coveted OEM endorsements were also earned in the automotive sector, leading to substantial business gains.

The R&D scientists have also developed an LPG-based metal cutting gas with a proprietary additive and launched it as Indane Nanocut. This is our first nanotechnology initiative to be commercialised. It is a safer, cheaper and operationally superior alternative to oxy-acetylene gas.

### Market Leadership

With its pan-India presence, your Company has the unique distinction of being able to reach a wide range of petroleum products to every nook and corner of the country, surmounting adverse terrain, weather and logistics constraints.

Riding on this key strength and the year-round efforts of its field force, IndianOil maintained its leadership position in the market place during the year 2014-15 too, with sales of 76.51 million tonnes, including exports. Domestic sales at 71.8 million tonnes grew by 2.5 per cent over the previous year. MS and HSD sales registered positive growth, powered by expansion of the countrywide network of fuel stations to over 24,400, with addition of over 945 ROs during the year. *Kisan Seva Kendra* outlets in rural markets, which now number over 6,200, contributed 12.9 per cent to the total sales.

With a view to building customer confidence, your Company has completed automation of operations at 42 per cent of its regular fuel stations. IndianOil fuel stations in 30 cities are now fully automated. E-enabled applications are also taking us closer to the customers.

During 2014-15, 72.6 lakh new LPG customers were enrolled, raising the Indane customer base to 8.88 crore. At the industry level, IndianOil led the OMCs in implementing PaHaL, the world's largest direct benefit transfer scheme for LPG cooking gas, on an all-India basis. The percentage of LPG customers who became cash-transfer compliant stands at 87.5 per cent now.

Your Company has inherent strengths in bulk consumer business and is seen as an ethical and reliable partner, besides being the least-cost



A view of IndianOil's Panipat Refinery and Petrochemicals Complex at night.



*IndianOil's new large-format fuel station at Goregaon, Mumbai.*

supplier. This enabled it to weather major policy and structural changes, such as deregulation of both market and prices, and maintain its lion's share of the business, particularly in HSD.

#### New Businesses

IndianOil has now established itself as the second largest player in petrochemicals in India, with a full slate of products. With 17 per cent growth in sales in 2014-15, our domestic market share now stands at 25 per cent against our capacity share of 18 per cent. We are also exporting to nearly 70 countries.

IndianOil is the second largest non-APM gas seller in India with a market share of 30 per cent in the R-LNG segment. During 2014-15, despite tough market conditions, we achieved a 6 per cent growth in LNG sales. Besides making independent purchases, we have tied up with US and Canadian sources for long-term LNG supplies.

Our upstream portfolio comprises participating interest in 10 domestic and seven overseas oil & gas blocks. The overseas blocks are located in Libya, Gabon, Nigeria, Yemen, Venezuela, Canada and USA. We are scouting for new opportunities for investments in E&P.

#### FUTURE PLANS

In line with the projected robust expansion of the Indian economy in the coming years, with emphasis on manufacturing, infrastructure and services, the demand for energy will go up too. Within the energy basket, fossil fuels would remain the mainstay for the medium-term. And, as I see it, with the exception of a disruptive technological breakthrough, the demand for oil & gas would continue to rise, until the year 2040 at the least.

As an organisation fuelling the nation's growth for over five decades, IndianOil is fully focussed on these trends and is building the requisite capacities, infrastructure and capabilities to maintain its lead position.

As you are aware, IndianOil's business cycle begins with procurement of crude oil, which accounts for nearly 92 per cent of our overall costs. In the wake of the recent global developments, crude oil business is no

longer dictated by suppliers alone; it is gradually evolving into a buyers' market. As one of the major importers, your Company is, accordingly, taking a number of steps to reduce the cost of crude-sourcing. The crude oil basket is being expanded to include high-value grades and new suppliers -- from Latin American countries, for instance. We are also optimising the proportion of term and spot crudes to gain price advantage. Higher volumes of cheaper, heavy crude oil are being processed at our refineries to bring down costs. New practices are also being introduced in crude oil procurement to get better competitive offers.

Next comes refining, which accounts for the bulk of our investments. IndianOil's refining capacity (including that of its subsidiary CPCL) will cross 80 million tonnes per annum capacity once its 11<sup>th</sup> refinery, at Paradip on the east coast, goes online. Phase-wise commissioning of the mega-project commenced in March, 2015, and shall be completed in the current fiscal. This would greatly enhance your Company's competitiveness and operational flexibility in the eastern and southern States.

We are implementing in-house ideas to enhance profitability and margins, and improve systems and procedures in our refineries through a structured programme titled *Samriddhi*.

In line with capacity expansion, we are also building new pipeline grids and marketing facilities for smooth evacuation of finished products. This is particularly so in case of the States of Odisha, Chattisgarh and Jharkhand, which would be fed by Paradip Refinery.

There is no doubt that we shall be focussing more on pipeline transport, which is both economical and environment-friendly compared to other modes. IndianOil's pipelines network currently spans over 11,220 km, and has a throughput capacity of over 80 million tonnes per annum. We are implementing projects valued at over ₹ 12,000 crore, which would add an additional 22 million tonnes in capacity and about 6,000 km in length to the network.

A major initiative being pursued to further streamline the supply chain is relocation of old depots and terminals, which have outlived their service life and currently fall short on safety and service standards. Once



IndianOil's 'smart terminal' at Chittoor in Andhra Pradesh.

developed, the spacious modern terminals would have multimode operations - pipeline, rail, road, etc. They are being developed as 'smart' terminals and would not only have state-of-the-art features for safety and security but also more simpler, efficient and faster operations. I am sure this will go a long way in improving our safety performance, which has been very good in 2014-15.

On the marketing front, I firmly believe that the true impact of deregulation will be felt in the current fiscal. With a weak outlook for crude oil leading to stable prices, the next battleground would be the retail segment. A number of players who had withdrawn from the market are expected to step up their presence and challenge our traditional leadership in the segment. While we have drawn up ambitious plans for consolidating our business, these would be put to test now. However, IndianOil is confident that its clearly defined marketing strategy, countrywide infrastructure and reseller network, and strong brand equity will help maintain its market share. Your company has been tested in the past and survived on its resilience, and I have no doubt that it will replicate the same this time too.

The retail sector is unique, as it constitutes a volume of 79 million metric tonnes per annum today, which is 52% of the total petroleum consumption in the country. With the upbeat outlook for the economy and plans to add 13,000 km of highways, 10,000 km of expressways and 4.2 lakh km of rural roads by the year 2022, transportation needs are likely to see a growth trajectory in the future. More vehicles on the roads would mean enhanced per capita consumption of transportation fuels and further growth in the support infrastructure. This will drive passenger vehicle demand in the country, which is expected to reach 160 million in 2035. Besides, it is estimated that by 2030, 590 million people will live in cities, nearly twice the population of today, and the middle class population would be 91 million. In addition, new initiatives like 'Make in India' and the 'Digital India' campaigns will further boost retail demand.

Decontrol of the retail fuel business has opened up many possibilities to expand on the retail offerings. With some rationalisation of pricing and taxation structures, there is bound to be both scope and demand for expanding product offerings. From liquid to gaseous fuels and from commodity to branded fuels, customers would then have a wide choice. Moreover, the retailing opportunity beyond fuels also needs to be tapped.

Fuel retailing in India is still manpower-driven, leading to a large scope for employment in the business. Better skilled attendants on the fore-court would not only help in making the mundane fuelling experience of

customers more enjoyable but also act as a differentiator for sustaining business. At the same time, it is also a challenge to make such jobs interesting and to retain manpower. Training and skills development initiatives can bridge the gap. IndianOil's *Project Chetna* was a meaningful step in this direction. Over 98,000 customer attendants have been trained under the programme by the end of March 2015, and I am happy to share with you that the initiative has won the ATD (Association for Talent Development, USA) 'Excellence in Practice-2014' citation, which is a matter of great satisfaction for the Company.

Improvement in the quality of fuels helps improve the environment and the quality of life. In line with the fuel quality upgradation programme of the Government of India, BS-IV fuels have been introduced in northern India w.e.f. 1<sup>st</sup> April, 2015, as per timeline. It will be extended in phases to the rest of the country by 1<sup>st</sup> April, 2017. The Government is advocating direct switchover to BS-VI fuels by April 2020, which is being evaluated. Your Company has drawn up the required plans for upgradation of its refineries at an investment of about ₹ 12,000 crore.

I am a firm believer that one of the key success factors in a competitive environment is the agility and richness of the human capital of an organisation. For over five decades, IndianOil has been consistently topping the performance charts, meeting global benchmarks and even surpassing them. The task now is to further nurture this capability and make your Company future-ready in terms of developing the next generation of leaders. While IndianOil has always had a strong leadership bench, we are working to retain this edge and build a robust pipeline of leaders who will take pole positions in our expanding portfolio of new businesses.

Our petrochemicals and natural gas verticals have expanded manifold, both in scale and operations, to become a part of our core business. The next step is to maximise revenue and profits from them.

In petrochemicals, we are looking at ways to extract maximum value from every molecule. One way is to convert commodity products into special grades for enhanced profitability. Accordingly, several projects are being implemented and many more envisaged. For instance, a polypropylene plant and an ethylene glycol project are proposed at Paradip.

Considering the burgeoning growth of natural gas as a substitute fuel, we are expanding our natural gas infrastructure and associated pipeline networks. IndianOil is setting up a 5-MMTPA LNG import terminal at Ennore near Chennai. The project will be executed by a JV company. We are also



Warehouse for stocking PTA (purified terephthalic acid) at the petrochemicals marketing complex at Panipat .

working on capacity booking and equity participation in various upcoming LNG terminals in the country.

Due emphasis is being given to scaling up of natural gas pipelines. IndianOil is laying a 1,167-km pipeline to reach LNG imported at Ennore to Nagapattinam, Tuticorin, Madurai and Bengaluru. Once this and three other upcoming gas pipelines, that is, Mallavaram-Vijaipur, Mehsana-Bhatinda and Bhatinda-Srinagar, are commissioned, your Company would have a significant presence in the gas transmission business.

Besides serving bulk gas consumers, IndianOil also operates city gas distribution networks in Agra and Lucknow through a joint venture. Similar networks are coming up at Allahabad and Chandigarh, to be followed by Ernakulam, Daman and Panipat geographical areas. Recently, IndianOil, along with its JV partner, has also been awarded the Udhampur Singh Nagar (Uttarakhand) and Dharwad (Karnataka) geographical areas for taking up city gas distribution projects.

Your Company's world-class R&D Centre is extending its competitive edge to the Corporation's new businesses – petrochemicals, polymers and alternative energy sources – as well as emerging areas such as fuel cells, bio-energy and shale oil. The campus is being extended further to provide space for new facilities and pilot plants of commercial scale.

We are confident that the IndMax technology developed by the Centre, under implementation in a 4-million tonnes per annum unit at Paradip Refinery, will establish IndianOil as a world-class technology solutions provider. Similarly, to prove the efficacy of our inhouse-developed INDAdapt deep desulphurisation technology for production of petrol meeting Euro-V norms, we are setting up a demonstration unit of 35 tonnes per annum at our Guwahati Refinery.

***Among the commercial organisations in India, IndianOil undoubtedly has the largest customer interface. In the new market dynamics, it shall be our endeavour to further strengthen our reach, reliability and responsiveness, and be recognised as a customer-driven, customer-friendly organisation.***

Energy security has been a major concern across the globe. IndianOil's diversification into wind and solar energy demonstrates its commitment to ensuring energy availability for future generations. In 2014-15, we have added 6.3 MW wind capacity to our alternative energy portfolio, taking the total wind capacity to 69.3 MW and net renewable capacity to 74.3 MW. The portfolio is being further expanded in the coming years and I can assure you that we are committed to long-term value, and not short-term fixes, in adopting sustainable initiatives and best-in-class technology.

#### **CSR INITIATIVES**

IndianOil pursued Corporate Social Responsibility initiatives with renewed vigour during the year, especially as part of *Swachh Bharat Abhiyan*.



*Bio-energy research lab at IndianOil's R&D Centre in Faridabad.*

Construction of toilets and sanitation facilities in schools was taken up in a big way under the *Swachh Vidyalaya Abhiyan*. Skills development is another key initiative of the Government and IndianOil would be playing a major role in setting up skills development centres across the nation and conducting appropriate programmes.

IndianOil also took the lead in providing succour to the people hit by natural calamities, be it the floods in Jammu & Kashmir, *Cyclone Hudhud* in Andhra Pradesh, or the devastating earthquake in Nepal. The Corporation worked in close coordination with the defence forces and the local administrations in rescue and relief operations, and restored supplies of petroleum products in the affected areas at the earliest.

#### **CONCLUSION**

Among the commercial organisations in India, IndianOil undoubtedly has the largest customer interface. In the new market dynamics, it shall be our endeavour to further strengthen our reach, reliability and responsiveness, and be recognised as a customer-driven, customer-friendly organisation.

Our people are our greatest assets and, with their zeal, hard work and passion to grow, IndianOil would continue to be the company of choice for millions of customers even in the face of deregulation and competition. We shall face the increasing competition in the market space and sustain our leadership by maintaining operational excellence and financial prudence, by embracing the latest in process and digital technology, and by continuous innovation in the design and delivery of our products and services.

At the end, I would like to say that the year 2014-15 has been both challenging and rewarding for IndianOil in terms of physical and financial performance and I would like to thank all our members for their unstinted support. I hope that we shall continue to have their support and encouragement in the coming years.

  
**B Ashok**  
Chairman

## PROFILE

Indian Oil Corporation (IndianOil) is India's largest commercial enterprise, with a sales turnover of ₹ 4,50,756 crore (US\$ 73.7 billion) and profits of ₹ 5,273 crore for the year 2014-15. It is also the leading Indian corporate in *Fortune*'s prestigious 'Global 500' listing of the world's largest corporates, ranked at the 119<sup>th</sup> position currently.

As India's flagship national oil company, with a 33,000-strong work-force currently, IndianOil has been meeting India's energy demands for over half a century. With a corporate vision to be '*The Energy of India*' and to become 'A Globally Admired Company,' IndianOil's business interests straddle the entire hydrocarbon value-chain - from refining, pipeline transportation and marketing of petroleum products to exploration & production of crude oil & gas, marketing of natural gas and petrochemicals, besides forays into alternative energy and globalisation of downstream operations.

The IndianOil Group comprises 9 subsidiaries and 17 joint ventures with reputed business partners to pursue diverse business interests in India and abroad.

### Downstream major

IndianOil accounts for nearly half of India's petroleum products market share, 31% national refining capacity (together with its subsidiary Chennai Petroleum Corporation Ltd., or CPCL), and 71% downstream sector pipelines throughput capacity.

The IndianOil Group owns and operates 10 of India's 22 refineries with a combined refining capacity of 65.7 MMTPA (million metric tonnes per annum), i.e., approx. 1.31 million barrels per day. The 15-MMTPA refinery under commissioning at Paradip on the east coast will raise the capacity to over 80 MMTPA.

The Corporation's cross-country pipelines network, for transportation of crude oil to refineries and finished products to high-demand centres, spans over 11,220 km. With a throughput capacity of 80.49 MMTPA for crude oil and petroleum products and 9.5 MMSCMD for gas, this network meets the vital energy needs of the consumers in an efficient, economical and environment-friendly manner.

The Corporation has a portfolio of leading energy brands that includes Indane LPG cooking gas, SERVO lubricants, XTRAPREMIUM petrol, XTRAMILE diesel, PROPEL petrochemicals, etc. Besides IndianOil, both SERVO and Indane have earned the coveted Superbrand status.



IndianOil's Lotus Xangpo Memorial Filling Station in Leh, situated at 11,500 feet above mean sea level, is the world's highest altitude fuel station to be powered by solar energy.

### Countrywide Reach

IndianOil's network of over 43,000 customer touch-points reaches petroleum products to every nook and corner of the country. These include over 24,400 petrol & diesel stations, including 6,200 *Kisan Seva Kendra* outlets (KSKs) in the rural markets. The Corporation has a dominant share of the bulk consumer business, and about 6,400 dedicated pumps are in operation for the convenience of large-volume consumers like the defence services, railways and state transport undertakings, ensuring products and inventory at their doorstep. They are backed for supplies by 136 bulk storage terminals and depots, 98 aviation fuel stations and 91 LPG bottling plants.

Indane LPG cooking gas reaches the doorsteps of 8.8 crore households in about 3,264 markets through a network of 7,934 distributors.



Indane cylinders lined up for dispatch at Dhanaj LPG bottling plant in Maharashtra.

IndianOil's Aviation Service commands a 63.6% market share in aviation fuel business, serving national and international flag carriers, private airlines and the Indian defence services.

During the XII Plan period (2012-17), the Corporation is investing Rs. 56,200 crore in a host of projects that include augmentation of refining capacity, expansion of petrochemicals infrastructure, and building the E&P portfolio.



Petrochemicals research lab at the R&D Centre.

### Cutting-edge R&D

IndianOil's sprawling R&D Centre at Faridabad near Delhi is one of Asia's finest, and plays a key role in supporting the Corporation's business interests by developing economical, environment-friendly technology solutions. It has won recognition for four decades of pioneering work in lubricants formulation, refinery processes, pipeline transportation and alternative fuels, and holds 384 active patents, of which 233 are international patents.

The vibrant research undertaken by the Centre in tribology is showcased by IndianOil's SERVO® productline, with over 4,000 lubricant & grease formulations to suit all conceivable applications. The Centre has also developed several in-house refinery process technologies and catalysts to suit Indian conditions. Its alternative energy programmes include bio-energy, solar energy, Hydrogen energy, H-CNG blends, synthetic fuels and shale oil. The Centre is also focussed on cutting-edge research in the areas of nanotechnology, petrochemicals & polymers, coal gasification/ liquefaction, and gas-to-liquid technologies.

### New businesses

IndianOil is the second largest player in the domestic petrochemicals market, besides exports to about 70 countries. The Corporation offers a full slate of petrochemical products and intermediates under the brand name PROPEL.

IndianOil made its big-ticket entry into petrochemicals with the commissioning of the country's largest LAB (Linear Alkyl Benzene, used in the production of detergents) plant at its Koyali Refinery in August 2004. An integrated PX/PTA (Paraxylene/Purified Terephthalic Acid) complex came up at Panipat in Haryana in 2006. The PTA plant is the single largest unit in India, with a world-scale capacity of 5,53,000 MTPA, and produces polyester intermediates. A world-class Naphtha Cracker with downstream polymer units, set up at Panipat in 2010, is the largest operating cracker capacity in India producing polymer (plastics) intermediates.

To further consolidate its presence in the petrochemicals business, IndianOil is setting up a polypropylene plant at its Paradip Refinery.

As part of its Exploration & Production portfolio, IndianOil has participating interest in 10 domestic and seven overseas blocks. Of the 10 domestic blocks,

the Corporation 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 remaining eight. The seven overseas blocks are located in Libya, Gabon, Nigeria, Yemen, Venezuela, Canada and USA.

IndianOil took up natural gas marketing in 2004. Since then, the Corporation has expanded its customer base significantly by leveraging its inherent strengths and countrywide reach. Its innovative 'LNG at the doorstep' initiative has benefited bulk users located away from gas pipelines.

IndianOil is co-promoter of PLL (Petronet LNG Ltd.), which has set up LNG (Liquefied Natural Gas) import terminals at Dahej and Kochi, and has marketing rights for 30% of the LNG procured by PLL. It is also in the process of sourcing more quantities of 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. The Corporation has also formed a consortium with M/s. Adani Gas Ltd. to develop city gas distribution networks on a pan-India basis.

### Green energy initiatives

IndianOil has ambitious plans to broaden its energy basket with alternative energy options such as wind, solar, bio-fuels and nuclear power.

Wind power systems to the tune of 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, is operational since 2012. Solar power systems of about 900 kW have also been installed at various IndianOil installations and offices across the country. Steps are underway to set up an additional 200 MW of wind power and 60 MW of solar power systems.

As a major initiative in reducing carbon emissions, the Corporation has so far converted over 2,600 fuel stations to operate on solar energy. The cumulative capacity of 8.6 MW from these solar photo-voltaic power systems, with an annual generation capacity of 103 lakh units, has carbon emission reduction potential of 8,500 tonnes per year. IndianOil's extensive retail network in rural areas was leveraged to sell over 1.4 lakh rechargeable solar lanterns to help replace the traditional kerosene wick lamps in rural households which are not yet connected to grid power.

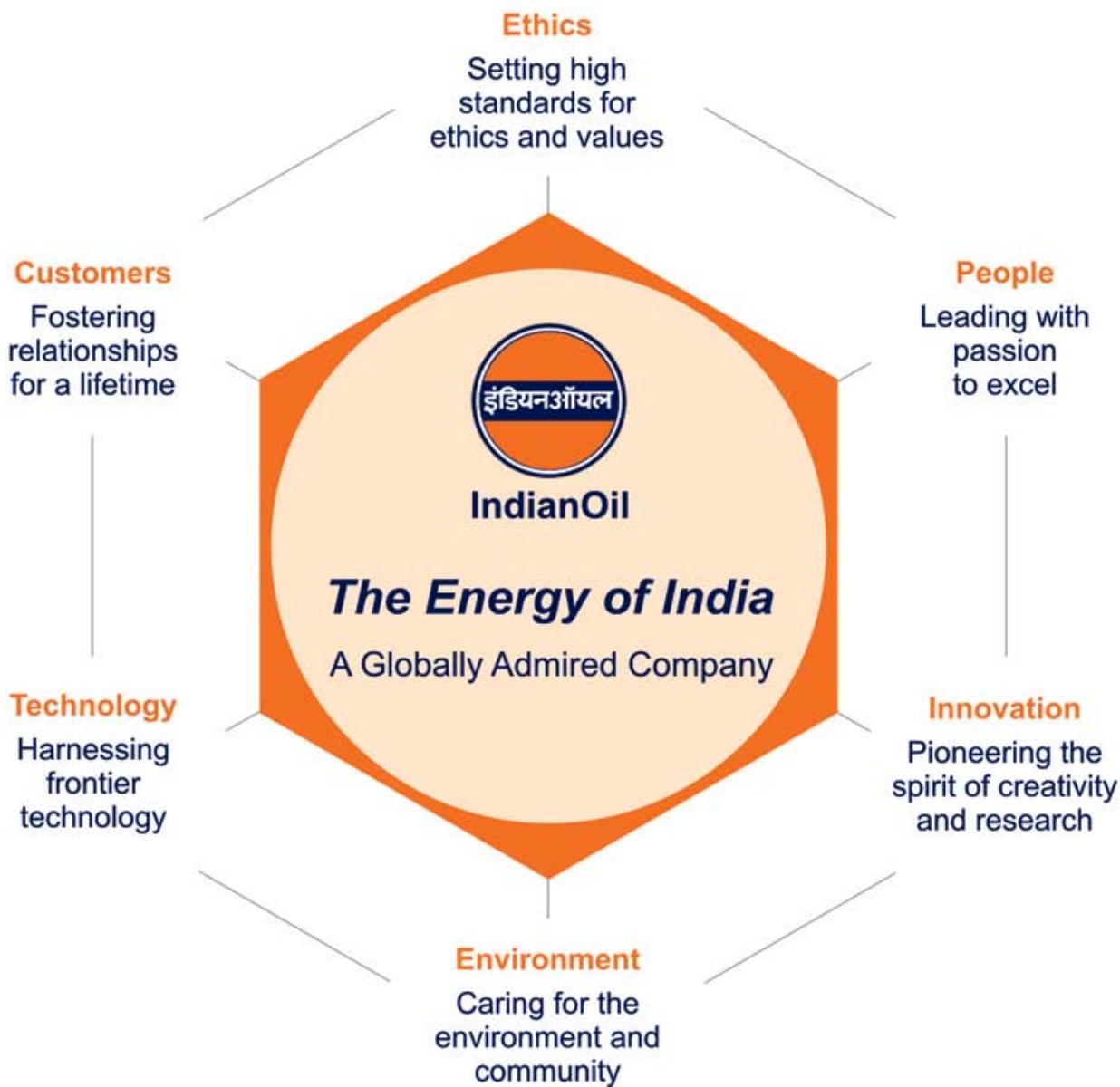
IndianOil has the largest captive plantation - covering 8,000 hectares - for bio-fuel production in India in the States of Chhattisgarh, Madhya Pradesh and Uttar Pradesh. The Corporation has formed two joint ventures, IndianOil CREDA Biofuels Ltd. and IndianOil Ruchi Biofuels LLP, to ensure its presence across the bio-fuel value chain. Currently, ethanol production from lignocellulosic sources such as rice straw, cotton stalk, bamboo, etc., is also being actively explored.

### Partnering communities

As the flagship public sector enterprise 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 length and breadth of the country.

Besides, the Corporation partners 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 in the forefront in times of national emergencies, and IndianOilPeople have 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 products bulk storage terminal at Panipat.



*The IndianOil Group accounts for 31% national refining capacity.*

# *Board of Directors*



**Shri B. Ashok**  
Chairman



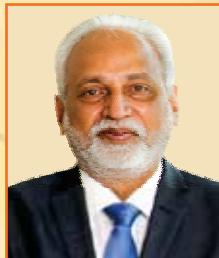
**Shri Sanjiv Singh**  
Director (Refineries)



**Shri D. Sen**  
Director (Planning & Business  
Development)



**Shri A. K. Sharma**  
Director (Finance)



**Shri Verghese Cherian**  
Director (Human Resources)



**Shri Anish Aggarwal**  
Director (Pipelines)



**Shri A.P. Sawhney**  
Government Nominee  
Director



**Dr. Archana S. Mathur**  
Government Nominee  
Director



**Prof. Devang Khakhar**  
Independent Director

## 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)	w.e.f. 15.09.2014
4.	<b>Shri A. K. Sharma</b>	Director (Finance)	w.e.f. 27.10.2014
5.	<b>Shri Verghese Cherian</b>	Director (Human Resources)	w.e.f. 06.01.2015
6.	<b>Shri Anish Aggarwal</b>	Director (Pipelines)	w.e.f. 01.02.2015
7.	<b>Shri A.P. Sawhney</b>	Government Nominee Director	w.e.f. 22.07.2015
8.	<b>Dr. Archana S. Mathur</b>	Government Nominee Director	w.e.f. 29.05.2015
9.	<b>Prof. Devang Khakhar</b>	Independent Director	
10.	<b>Shri A. M. K. Sinha</b>	Director(Planning & Business Development)	up to 31.07.2014
11.	<b>Shri P. K. Goyal</b>	Director (Finance)	up to 31.08.2014
12.	<b>Shri M. Nene</b>	Director (Marketing)	up to 31.12.2014
13.	<b>Shri V. S. Okhde</b>	Director (Pipelines)	up to 31.01.2015
14.	<b>Shri Rajive Kumar</b>	Government Nominee Director	up to 30.11.2014
15.	<b>Dr. S. C. Khuntia</b>	Government Nominee Director	up to 15.06.2015
16.	<b>Shri K. Jairaj</b>	Independent Director	up to 27.08.2014
17.	<b>Shri Nesar Ahmad</b>	Independent Director	up to 27.08.2014
18.	<b>Shri Sunil Krishna</b>	Independent Director	up to 27.08.2014
19.	<b>Shri Sayan Chatterjee</b>	Independent Director	up to 27.08.2014
20.	<b>Smt. Shyamala Gopinath</b>	Independent Director	up to 24.06.2015
21.	<b>Shri Shyam Saran</b>	Independent Director	up to 24.06.2015

### COMPANY SECRETARY

Shri Raju Ranganathan

# Core Team



**Standing (from Left to Right):** Shri Anish Aggarwal, Director (Pipelines),  
Shri A. K. Sharma, Director (Finance), Shri Verghese Cherian, Director (Human Resources)

**Sitting (from Left to Right):** Shri D. Sen, Director (Planning & Business Development),  
Shri B. Ashok (Chairman), Shri Sanjiv Singh, Director (Refineries)

## SENIOR MANAGEMENT TEAM

<b>SN Singh</b> Advisor (Security)	<b>UV Mannur</b> Executive Director (Tamil Nadu State Office)	Petrotech), Refineries
<b>Anand Kumar</b> Chief Vigilance Officer	<b>BS Canth</b> Executive Director (Consumer Sales), Marketing	<b>NVN Ramsai</b> Executive Director (Finance), Marketing
<b>HS Bedi</b> Executive Director (Human Resource), Marketing	<b>GK Satisfi</b> Executive Director I/C (Gas), Corporate Office	<b>DLN Sastri</b> Executive Director (International Trade), Corporate Office
<b>Amresh Kapoor</b> Executive Director(Corporate Communications), Corporate Office	<b>SPS Jolly</b> Executive Director (IndianOil Institute of Petroleum Management)	<b>Brijesh Kumar</b> Executive Director (Petrochemicals), Refineries
<b>NK Gupta</b> Executive Director (Optimisation), Corporate Office	<b>V Kasturi</b> Executive Director I/C (Finance), Marketing	<b>Siddhartha Bose</b> Executive Director (Operations), Refineries
<b>S Ganguli</b> Executive Director (Mathura Refinery)	<b>PK Singh</b> Executive Director (Anti-Adulteration Cell), Corporate Office	<b>RK Tiku</b> Executive Director (Gas Infrastructure), Corporate Office
<b>AK Digar</b> Executive Director I/C (Health, Safety & Environment), Marketing	<b>SK Singhal</b> Executive Director (Maintenance & Construction), Refineries	<b>S Majumdar</b> Executive Director (Corporate Planning & Economic Studies), Corporate Office
<b>S Balasubramanian</b> Executive Director (Operations), Marketing	<b>J Pradhan</b> Executive Director (Human Resource), Pipelines	<b>AP Gangopadhyay</b> Executive Director (Haldia Refinery)
<b>AN Jha</b> Executive Director (LPG), Marketing	<b>Utpal Sen</b> Executive Director I/C (Maintenance & Inspection), Refineries	<b>KL Murthy</b> Executive Director (Lubes), Marketing
<b>S Mitra</b> Executive Director (Petrochemicals), Corporate Office	<b>TS Khwaja</b> Executive Director (Aviation), Marketing	<b>Dipankar Ray</b> Executive Director (IndianOil AOD State Office)
<b>PM Nazirudeen</b> Executive Director(Co-ordination, Planning & Quality Control), Marketing	<b>R Suresh</b> Executive Director (Lube Technology), R & D	<b>P Harsha Shivaji</b> Executive Director (Supplies & Distribution), Marketing
<b>Rajiv Khanna</b> Executive Director (Finance), R & D	<b>Amita Singh (Ms.)</b> Executive Director (Pricing), Corporate Office	<b>Sajjan Kumar</b> Executive Director (Uttar Pradesh State Office-II)
<b>VK Khurana</b> Executive Director (Projects), Pipelines	<b>Sidhartha Mukherjee</b> Executive Director (Human Resource & CSR), Corporate Office	<b>Rajeev Agarwal</b> Executive Director (Corporate Finance & Risk Management), Corporate Office
<b>RK Arora</b> Executive Director (Cryogenics), IBP	<b>HP Sahi</b> Executive Director (Eastern Region Pipelines), Kolkata	<b>AK Verma</b> Executive Director (Uttar Pradesh State Office-I)
<b>Indrajit Bose</b> Executive Director (Corporate Communications & Branding), Marketing	<b>K Bora</b> Executive Director (Project Process), Refineries	<b>RK Samtani</b> Executive Director (Northern Region Pipelines), Panipat
<b>BP Das</b> Executive Director I/C, R&D	<b>RK Mittal</b> Executive Director (Exploration & Production), Corporate Office	<b>AK Tewari</b> Executive Director (Western Region Pipelines), Gauridat
<b>BD Yadav (Dr.)</b> Executive Director (Operations), Pipelines	<b>SK Dhargupta</b> Executive Director (Gujarat Refinery)	<b>SK Satija</b> Executive Director (Construction), Paradip-Raipur-Ranchi Pipeline, Bhubaneswar
<b>Rajiv Chawla</b> Executive Director (Information Systems), Corporate Office	<b>VK Shukla</b> Executive Director (Barauni Refinery)	<b>V Mohan</b> Executive Director (Shipping), Refineries
<b>P Rajendran</b> Executive Director (Regional Services - Western Region), Marketing	<b>MR Karandikar</b> Executive Director I/C (Supplies), Marketing	<b>Sunil Gupta</b> Executive Director (Gas Sourcing), Corporate Office
<b>Narinder Kumar</b> Executive Director I/C (Projects), Refineries	<b>BS Giridhar</b> Executive Director (Health, Safety & Environment), Marketing	<b>GS Singh</b> Executive Director (Technical), Paradip Refinery
<b>G Ramkumar</b> Executive Director (Automation), Marketing	<b>Deepak Dhawan</b> Executive Director (Corporate Affairs & Law), Corporate Office	<b>DK Garg</b> Executive Director (Internal Audit), Corporate Office
<b>AK Chowdhury</b> Executive Director (Human Resource), Refineries	<b>Raju Ranganathan</b> Executive Director (Company Secretary & Law)	<b>BV Ramagopal</b> Executive Director (Panipat Refinery)
<b>Rajiv Bahl</b> Executive Director I/C (Corporate Finance & Treasury), Corporate Office	<b>PK Das</b> Executive Director (Punjab State Office)	<b>LW Khongwir</b> Executive Director (Bongaigaon Refinery)
<b>Ramjee Ram</b> Executive Director I/C, Paradip Refinery	<b>YK Gupta</b> Executive Director (West Bengal State Office)	<b>DK Sharma</b> Executive Director (Retail Sales), Marketing
<b>Vijay Prakash</b> Executive Director (Panipat Refinery)	<b>Gurmeet Singh</b> Executive Director (Projects & Engineering), Marketing	<b>Jogen Barpujari</b> Executive Director (Guwahati Refinery)
<b>AS Malik</b> Executive Director I/C (Material & Contracts & Construction), Pipelines	<b>PM Mohan</b> Executive Director (Pricing), Marketing	<b>Gautam Bose</b> Executive Director (Regional Services - Eastern Region), Marketing
<b>SS Mishra</b> Executive Director (Delhi State Office)	<b>Rajesh Ahuja</b> Executive Director (Maintenance & Inspection and	<b>Murali Srinivasan</b> Executive Director (Kerala State Office)

## MAIN OFFICES & MAJOR UNITS

### Registered Office:

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

### Corporate Office

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

### Refineries Division:

#### Head Office

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

#### Barauni Refinery

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

#### Gujarat Refinery

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

#### Guwahati Refinery

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

#### Haldia Refinery

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

#### Mathura Refinery

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

### Panipat Refinery

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

### Bongaigaon Refinery

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

### Paradip Refinery Project

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, Gauridat,  
Rajkot - 360 003 (Gujarat)

#### Southern Region

IndianOil Bhawan,  
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 Parakh & Co., Mumbai  
M/s Dass Gupta & Associates, New Delhi  
M/s J Gupta & Co., Kolkata

### BRANCH AUDITORS

Shri S. Jaykishan, Kolkata  
M/s HDSG & Associates, New Delhi  
M/s M. Thomas & Co., Chennai  
M/s S. K. Naredi & Co., Kolkata  
M/s S. Mohan & Co., Panipat  
M/s Sri Associates, Kolkata

### COST AUDITORS

M/s Narasimha Murthy & Co., Hyderabad  
M/s A.C. Dutta & Co., Kolkata  
M/s B. M. Sharma & Co., Pune  
M/s DGM & Associates, Kolkata  
M/s G.R. Kulkarni & Associates, Mumbai  
M/s Goyal, Goyal & Associates, New Delhi  
M/s Jugal K. Puri & Associates, New Delhi  
M/s K. G. Goyal & Associates, New Delhi  
M/s P. Raju Iyer, M. Pandurang & Associates, Chennai  
M/s Shome & Banerjee, Kolkata

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. Nos.: (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
IndianOil - CREDA Biofuels Limited	Plantation of Jatropha and extraction of oil for bio-diesels
Indian Catalyst Private Limited	Manufacturing of FCC catalyst/additive
<b>Foreign Subsidiaries</b>	
IndianOil (Mauritius) Ltd., Mauritius	Terminalling, retailing & aviation refuelling
Lanka IOC PLC, Sri Lanka	Retailing, terminalling & bunkering
IOC Middle East FZE, UAE	Lube blending & marketing of lubricants
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	Partners	Business
Avi-Oil India Pvt. Ltd.	NYCO SA, France & Balmer Lawrie & Co. Ltd.	Speciality lubricants
Delhi Aviation Fuel Facility Private Limited	DIAL & BPCL	Setting up and operation of aviation Fuel Facility at Delhi Airport.
Green Gas Ltd.	GAIL (India) Ltd.	City gas distribution
GSPL India Transco Ltd.	GSPL, HPCL, BPCL	Setting up of natural gas pipelines
GSPL India Gasnet Ltd.		
IOT Infrastructure & Energy Services Ltd.	Oiltanking GmbH, Germany	Terminalling services
IndianOil Adani Gas Pvt. Ltd.	Adani Gas Ltd.	City gas distribution
IndianOil Petronas Pvt. Ltd.	Petronas, Malaysia	Terminalling services and parallel marketing of LPG
IndianOil Ruchi Bio Fuels LLP	Ruchi Soya	Bio-fuel related activities
IndianOil Skytanking Pvt. Ltd.	IOT Infrastructure & Energy Services Ltd., Skytanking GmbH, Germany.	Aviation fuel facility projects
Indian Synthetic Rubber Pvt. Limited	TSRC, Taiwan & Marubeni, Japan	Manufacturing of Styrene Butadiene Rubber at Panipat
Kochi Salem Pipelines Private Limited	BPCL	Laying pipeline for transport of LPG from Kochi to Salem
Lubrizol India Pvt. Ltd.	Lubrizol Inc., USA	Lube additives
Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	BPCL, HPCL & MIAL	Setting up of common-user integrated aviation fuel infrastructure.
NPCIL - IndianOil Nuclear Energy Corporation Limited	Nuclear Power Corporation of India Limited	For setting up nuclear power plant
Petronet LNG Ltd.	BPCL, ONGC, GAIL, GDF	LNG imports/distribution
Suntera Nigeria 205 Limited	Oil India Ltd. & Suntera Resources Ltd., Cyprus	Oil exploration activities.

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

## PERFORMANCE AT A GLANCE

	2014-15 —(US \$ Million)—	2013-14 —(US \$ Million)—	2014-15 —(₹ in Crore)—	2013-14 —(₹ in Crore)—	2012-13 —(₹ in Crore)—	2011-12 —(₹ in Crore)—	2010-11 —(₹ in Crore)—
<b>I FINANCIAL</b>							
Turnover (Inclusive of Excise Duty & Sale of Services)	73,701	75,669	4,50,756	4,57,571	4,14,919	3,73,943	3,03,713
Profit Before Exceptional Items, Finance Cost, Tax, Depreciation & Amortisation (EBITDA)	2,337	3,146	14,291	19,023	17,284	21,919	16,316
Profit Before Exceptional Items, Finance Cost & Tax (EBIT)	1,596	2,193	9,762	13,263	12,083	17,052	11,769
Profit Before Exceptional Items & Tax	1,034	1,353	6,327	8,179	5,648	11,462	9,096
Profit Before Tax	1,307	1,641	7,995	9,926	5,648	3,754	9,096
Profit After Tax	862	1,161	5,273	7,019	5,005	3,955	7,445
Dividend	262	349	1,602	2,112	1,505	1,214	2,307
Dividend Tax	53	59	326	359	256	194	359
Retained Earnings	547	752	3,345	4,548	3,244	2,547	4,779
Contribution to Central & State Exchequer	16,077	14,249	98,326	86,164	79,819	78,914	77,622
Cumulative Dividend			27,315	25,713	23,601	22,096	20,882
<b>Value Added</b>	<b>3,772</b>	<b>4,529</b>	<b>23,064</b>	<b>27,389</b>	<b>24,555</b>	<b>19,188</b>	<b>22,752</b>
Distribution :							
To Employees	1,162	1,095	7,105	6,619	7,271	4,977	6,436
To Providers of Capital							
- Finance Cost	562	840	3,435	5,084	6,435	5,590	2,673
- Dividend	262	349	1,602	2,112	1,505	1,214	2,307
To Government - Income Tax & Dividend Tax	498	539	3,048	3,266	899	(7)	2,010
Retained in Business							
- Depreciation	741	953	4,529	5,760	5,201	4,867	4,547
- Retained Earnings	547	753	3,345	4,548	3,244	2,547	4,779
<b>What Corporation Owns</b>	<b></b>	<b></b>	<b></b>	<b></b>	<b></b>	<b></b>	<b></b>
Gross Fixed Assets	19,460	18,793	1,21,643	1,12,609	1,04,840	99,183	93,137
Depreciation & Amortisation	8,861	8,288	55,392	49,660	44,207	39,336	34,950
Net Fixed Assets	10,599	10,505	66,251	62,949	60,633	59,847	58,187
Capital Work In Progress (CWIP) (including Capital Advances)	5,964	5,820	37,278	34,871	27,564	21,770	12,620
Investments (including current investments)	3,823	3,938	23,899	23,594	18,671	18,678	19,545
Working Capital	377	6,066	2,357	36,347	40,646	38,251	24,036
Misc. Expenditure	24	18	153	110	17	20	15
<b>Total</b>	<b>20,787</b>	<b>26,347</b>	<b>1,29,938</b>	<b>1,57,871</b>	<b>1,47,531</b>	<b>1,38,566</b>	<b>1,14,403</b>
<b>What Corporation Owes</b>	<b></b>	<b></b>	<b></b>	<b></b>	<b></b>	<b></b>	<b></b>
<b>Net Worth</b>	<b></b>	<b></b>	<b></b>	<b></b>	<b></b>	<b></b>	<b></b>
- Share Capital	388	405	2,428	2,428	2,428	2,428	2,428
- Reserves	10,485	10,608	65,542	63,564	58,696	55,449	52,904
<b>Total</b>	<b>10,873</b>	<b>11,013</b>	<b>67,970</b>	<b>65,992</b>	<b>61,124</b>	<b>57,877</b>	<b>55,332</b>
Borrowings	8,839	14,397	55,248	86,263	80,894	75,447	52,734
Deferred Tax Liability	1,075	937	6,720	5,616	5,513	5,242	6,337
<b>Total</b>	<b>20,787</b>	<b>26,347</b>	<b>1,29,938</b>	<b>1,57,871</b>	<b>1,47,531</b>	<b>1,38,566</b>	<b>1,14,403</b>

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

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

	2014-15 — (US \$) —	2013-14 — (US \$) —	2014-15	2013-14	2012-13 (₹)	2011-12	2010-11
<b>Ratios</b>							
Earnings Per Share	0.36	0.48	21.72	28.91	20.61	16.29	30.67
Cash Earnings Per Share	0.66	0.87	40.37	52.63	42.04	36.34	49.39
Networth Per Share	4.48	4.54	279.95	271.80	251.75	238.38	227.90
Debt Equity Ratio							
- Total Debt To Equity			0.81:1	1.31:1	1.32:1	1.30:1	0.95:1
- Long Term Debt To Equity			0.56:1	0.57:1	0.39:1	0.38:1	0.34:1
Return on Average Networth (%)			7.87	11.04	8.41	6.99	14.06
Return on Average Capital Employed (%)			9.61	11.45	10.69	16.48	13.90
PBT/Turnover (%)			1.40	1.79	1.36	3.07	2.99
EBITDA/Turnover (%)			3.17	4.16	4.17	5.86	5.37

Note: Exchange rate used:-

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

For 2013-14 Average Rate 1 US \$ = ₹ 60.47 and Closing Rate 1 US \$ = ₹ 59.92 as on 31.03.2014

1 Value Added	Profit Before Tax + Finance Cost + Depreciation & Amortisation + Employee benefit expenses
2 Borrowings (Total Debt)	Short Term Borrowing + Long Term Borrowings + Current Maturities of Long Term Debt + Interest Accured 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 Networth 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**

	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Operating Performance</b>					
Product Sales					
Domestic					
- Petroleum Products	Million Tonnes	68.467	67.136	68.617	68.103
- Gas	Million Tonnes	1.805	1.935	1.830	1.723
- Petrochemicals	Million Tonnes	2.390	1.991	1.963	1.473
- Explosives	Million Tonnes	0.100	0.085	0.080	0.071
<b>Total Domestic</b>	<b>Million Tonnes</b>	<b>72.762</b>	<b>71.147</b>	<b>72.490</b>	<b>71.370</b>
Export	Million Tonnes	3.749	4.384	3.747	4.291
<b>Total</b>	<b>Million Tonnes</b>	<b>76.511</b>	<b>75.531</b>	<b>76.237</b>	<b>75.661</b>
<b>Refineries Throughput</b>	<b>Million Tonnes</b>	<b>53.586</b>	<b>53.126</b>	<b>54.650</b>	<b>55.621</b>
<b>Pipelines Throughput</b>	<b>Million Tonnes</b>	<b>75.684</b>	<b>73.069</b>	<b>75.166</b>	<b>75.549</b>

**III MANPOWER NUMBERS**

	2014-15	2013-14	2012-13	2011-12	2010-11
Numbers	32,962	33,793	34,084	34,233	34,105

## DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors, it is my privilege to present the 56<sup>th</sup> Annual Report of the Corporation for the financial year ended 31<sup>st</sup> March, 2015, along with the Audited Financial Statement, Auditors' Report and the Report of the Comptroller & Auditor General of India on the Accounts.

### PERFORMANCE REVIEW

#### FINANCIAL

	2014-15	₹ in Crore	2013-14	₹ in Crore
	US\$ Million	US\$ Million		
<b>Turnover</b> (inclusive of Excise Duty & Sale of Services)	<b>73,701</b>	<b>450,756</b>	75,669	457,571
<b>EBITDA</b> (Profit Before Exceptional Items, Finance Cost, Tax, Depreciation & Amortisation)	<b>2,337</b>	<b>14,291</b>	3,146	19,023
Finance Cost	562	3,435	840	5,084
Depreciation	741	4,529	953	5,760
<b>Profit Before Tax &amp; Exceptional Items</b>	<b>1,034</b>	<b>6,327</b>	1,353	8,179
Exceptional Items	273	1,668	288	1,747
<b>Profit Before Tax</b>	<b>1,307</b>	<b>7,995</b>	1,641	9,926
Tax Provision	445	2,722	480	2,907
<b>Profit After Tax</b>	<b>862</b>	<b>5,273</b>	1,161	7,019
<b>Balance Brought Forward from Last Year</b>	-	-	399	2,174
<b>Less: Appropriations</b>				
Proposed Dividend	262	1,602	349	2,112
Corporate Dividend Tax	53	326	59	359
Insurance Reserve (Net)	3	19	3	20
Bond Redemption Reserve	113	693	258	1,558
CSR Reserve (Net)	-	(1)	(3)	(17)
General Reserve	431	2,632	894	5,161
<b>Balance Carried to Next Year</b>	-	-	-	-

#### SHARE VALUE

	2014-15	₹	2013-14	₹
	US\$	US\$		
Cash Earnings Per Share	0.66	40.37	0.87	52.63
Earnings Per Share	0.36	21.72	0.48	28.91
Book Value Per Share	4.48	279.95	4.54	271.80

**Note:** Exchange Rate used:-

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

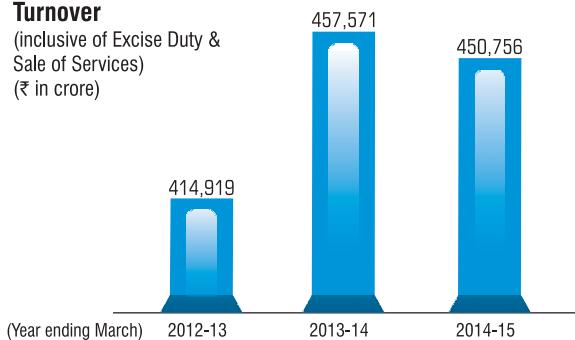
For 2013-14: Average Rate 1 US\$ = Rs.60.47 and Closing Rate 1 US\$ = Rs.59.92 as on 31.03.2014

#### PHYSICAL

	2014-15	Million Tonnes	2013-14
	US\$	US\$	
Refineries Throughput	53.59	53.13	
Pipelines Throughput	75.68	73.07	
Product Sales (inclusive of Gas, Petrochemicals & Exports)	76.51	75.53	

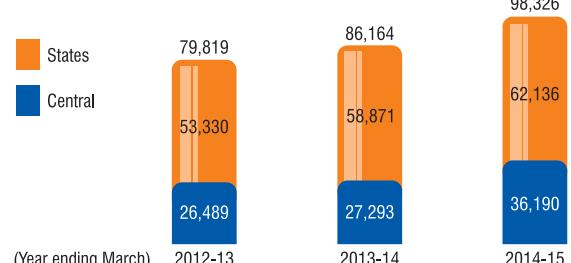
**Turnover**

(inclusive of Excise Duty & Sale of Services)  
₹ in crore

**Contribution to Exchequer**

(₹ in crore)

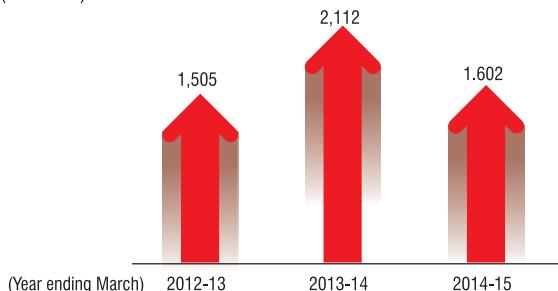
States  
Central

**DIVIDEND**

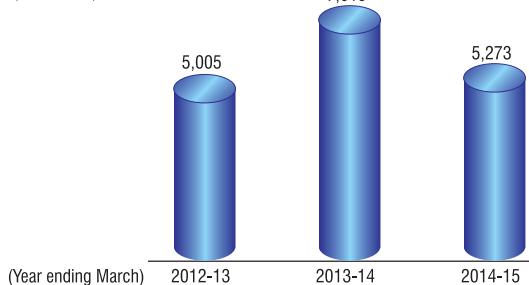
The Board of Directors of your Corporation has recommended a dividend of 66 per cent, i.e., ₹ 6.60 per equity share of ₹10/- each, on the paid-up Share Capital as against ₹ 8.70 per share declared in the previous year. This is the 48<sup>th</sup> consecutive year for which your Corporation has recommended payment of dividend. So far, your Corporation has paid a cumulative dividend of ₹ 25,713 crore, excluding the dividend of ₹ 1,602 crore payable for the current year, subject to approval by members. The 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 7<sup>th</sup> September, 2015.

**Dividend**

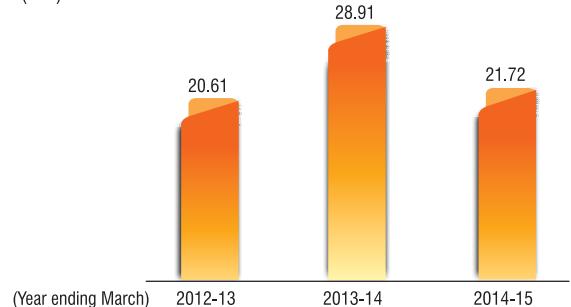
(₹ in crore)

**Profit After Tax**

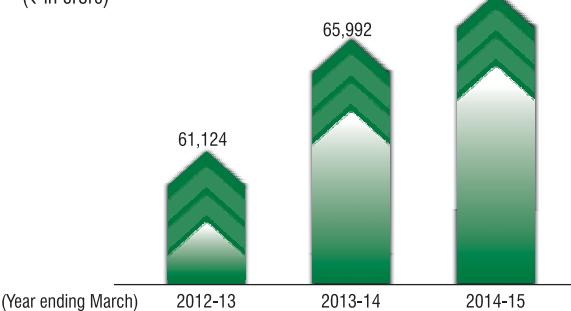
(₹ in crore)

**Earnings Per Share**

(in ₹)

**Net Worth**

(₹ in crore)

**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 2014-15, ₹ 98,326 crore was paid to the exchequer as against ₹ 86,164 crore paid in the previous year. An amount of ₹ 36,190 crore was paid to the Central Exchequer and ₹ 62,136 crore to the State Exchequers as against ₹ 27,293 crore and ₹ 58,871 crore paid in the previous year to the Central and State Exchequers respectively.

# IndianOil Group Refineries and Pipelines Network



	Length (km)	Capacity
Crude Oil Pipelines	4,448	40.40 MMTPA
Product Pipelines	6,633	40.09 MMTPA
Gas Pipeline	140	9.5 MMSCMD
<b>Total</b>	<b>11,221</b>	

(As on 31<sup>st</sup> March, 2015)

(Map not to scale)

**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:

	<b>2014-15</b> (US \$ million)	<b>2013-14</b> (₹ in crore) (US \$ million)		
Turnover (inclusive of Excise Duty & Sale of Services)	76,652	4,68,805	78,943	4,77,369
Profit Before Tax	1,147	7,014	1,650	9,978
Profit After Tax	797	4,872	1,152	6,967
Less: Share of Minority	(6)	(40)	(20)	(119)
Profit for the Group	803	4,912	1,172	7,086

**Note: Exchange Rate used:**

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

For 2013-14: Average Rate 1 US\$ = ₹60.47

**MoU PERFORMANCE**

The Memorandum of Understanding (MoU) of your Corporation with the Government of India, setting the performance parameters for the year 2014-15, was signed by the Chairman, IndianOil, and the Secretary (P&NG), Govt. of India, on 28<sup>th</sup> March, 2014. The thrust was broadly on the long-term perspective, while at the same time covering all the critical operations of the Corporation. Despite various challenges during the year, 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 2014-15 MoU is yet to be finalised by the Government.

**INTERNATIONAL TRADE**

Your Corporation imported 43.919 million tonnes of crude oil valued at ₹ 1,65,065 crore during the year, as against 42.55 million tonnes valued at ₹ 2,02,492 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 4.908 million tonnes, valued at ₹ 22,623 crore, as against 3.74 million tonnes valued at ₹ 21,414 crore in the

previous year. The Corporation also exported petroleum and petrochemical products worth ₹ 15,668 crore during the year as against ₹ 21,525 crore in the previous year. The reduction in exports is mainly due to decrease in international prices and absorption of products in the domestic market.

**OPERATIONAL PERFORMANCE****Refineries**

IndianOil refineries together achieved a crude oil throughput of 53.59 million tonnes during the year 2014-15 with a capacity utilisation of 98.9 per cent, as against a throughput of 53.13 million tonnes during the previous year. They achieved the best ever combined distillate yield of 78.8 wt% during the year as against the previous best of 78.1 wt% achieved during 2012-13 & 2013-14. With focussed efforts towards energy conservation, the refineries achieved the best ever overall specific energy consumption at 54.4 MBN<sup>1</sup> against the previous best of 55.8 MBN achieved during 2013-14.



IndianOil's Paradip Refinery in Odisha under commissioning.

During the year, 14 new crudes, including high-TAN crudes, have been processed for the first time in the Corporation's various refineries in an attempt to widen the crude basket and to tie up new crude sources as a measure for de-risking.

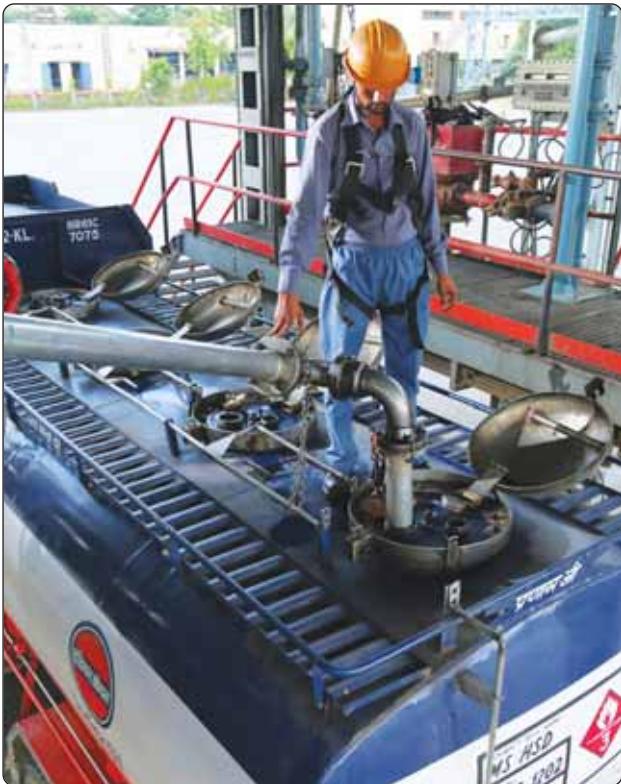
**Pipelines**

The pipelines network of the Corporation performed exceedingly well during the year, achieving the highest-ever pipelines throughput of 75.68 million tonnes



Network of product pipelines at an IndianOil bulk storage terminal.

<sup>1</sup> Thousand British Thermal Units/Barrel/Energy Factor (MBTU/BBL/NRGF)



Filling of a tank-truck at an IndianOil terminal.

as against the throughput of 73.07 million tonnes in 2013-14. The crude oil pipelines achieved the highest-ever throughput of 47.78 million tonnes, with a capacity utilisation of 118%, during the year as against the throughput of 45.86 million tonnes, during the previous year. The product pipelines achieved a throughput of 27.90 million tonnes during the year as against the throughput of 27.21 million tonnes achieved in the previous year. The gas pipeline too achieved the highest-ever throughput of 1,364 MMSCM, surpassing the previous best throughput of 1,168 MMSCM registered in 2013-14. The total length of the pipeline network for crude oil, product and gas pipelines as on 31st March, 2015, was 11,221 km.

#### Marketing

Your Corporation continued to dominate the domestic market in core product categories, i.e. petrol, diesel and LPG, by selling 68.47 million tonnes of petroleum products (excluding naphtha for own use) during the year, as against 67.14 million metric tonnes during the previous year. During the year, your Corporation led from the front in implementing far-reaching policy changes such as diesel deregulation, Direct Benefit Transfer for LPG (DBTL), launch of 5-kg subsidised LPG cylinders across the country, extension of availability of BS-IV fuels to 24 more cities, etc.

To maintain its leadership position in the market place, your Corporation commissioned 947 retail outlets (fuel stations, including 369 Kisan Seva Kendra outlets in rural areas) during the year, raising their total number to 24,405. The contribution of KSK outlets to total sales during the year reached a new high of 12.9 per cent in Petrol (Retail) and 12.8 per cent in Diesel (Retail). 1,610 retail outlets were fully automated during the year, taking the total number of automated retail outlets to 7,687. The concept of NANF (No Automation, No Fuelling) was extended to over 1,270 more retail outlets during the year. The city-specific automation programme was implemented in retail outlets of 25 cities during the year, taking the total number of such cities to 29. Your Corporation supports

the use of alternative energy, and as on 31<sup>st</sup> March, 2015, 2,663 of its retail outlets operate on solar energy.

IndianOil maintained its market share in the LPG segment during the year by releasing new connections, augmenting its bottling and storage capacities, and expanding its distributorship network, especially in rural areas. 72.6 lakh new domestic LPG connections were released, raising the Indane customer strength to 887.6 lakh. 250 regular LPG distributorships and 678 RGGLV (Rajiv Gandhi Gramin LPG Vitaran Yojana) distributorships for rural towns were commissioned during the year to further expand the network.

The modified DBTL scheme named PaHaL was rolled out initially in 54 districts on 15<sup>th</sup> Nov. 2014 and thereafter on 'pan-India' basis from 1<sup>st</sup> Jan. 2015. With the percentage of cash-transfer-compliant Indane LPG customers touching 82 per cent, ₹ 2,360 crore was directly transferred to the customers' accounts as permanent advance and ₹ 2,324 crore as subsidy. During the year, 5-kg free-trade LPG (FTL) cylinders were made available in 115 cities, enabling the Corporation to enrol 15,975 new customers and sell 29,054 refills. Your Corporation has signed an MoU with M/s. Sahaj e-Village Ltd. for selling 5-kg FTL Indane cylinders through their common service centres in the States of Assam, Bihar, Odisha, Tamil Nadu, Uttar Pradesh and West Bengal. Sahaj, which has more than 27,000 common service centres located in remote locations in the six States, reaches out to a rural consumer base of more than 27 crores.

IndianOil's finished lube sales registered a growth of 0.6 per cent over the previous year and institutional lube sales registered a growth of 1.9 per cent. Eighteen new lubricant formulations were developed during 2014-15. Of these, seven products have already been commercialised, accounting for 1,000 metric tonnes in terms of sales and an approximate foreign exchange savings of US\$ 11 Million.

IndianOil's Aviation Service maintained its leadership position during the year with market share of 63.6 per cent.



Aircraft refuelling at a metro airport.

#### Research & Development

During the year, your Corporation's R&D Centre at Faridabad took a quantum leap in developing its intellectual assets. The Centre filed a record number of 92 patents – 13 in India, 20 in USA and 59 in other countries, while 14 patents were granted. The patent portfolio expanded this year to 384, with 83 US patents, 151 Indian patents and 150 patents of other countries. In addition, 125 product formulations were also developed. Significant advancements were also made in demonstration and commercialisation of indigenously developed technologies in refining area.

During the year, the R&D Centre, together with Mathura Refinery, prepared a basic design and engineering package for a 55-KTA Octamax unit based on in-house developed technology for production of high-octane gasoline component from FCCU C<sub>4</sub> stream. Detailed engineering activities of INDADept<sup>G</sup> unit at

**PROJECTS**

IndianOil has always accorded the highest priority to timely completion of projects and its 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 projects completed, ongoing and future are as under:

**Completed Projects**

- ❖ Installation of a gas turbine alongwith Heat Recovery Steam Generator (HRSG) at Gujarat Refinery
- ❖ Sulphur pelletising units at Panipat Refinery and Mathura Refinery
- ❖ New tap-off point at Jasidih, Jharkhand, on the Haldia-Barauni-Kanpur pipeline
- ❖ Tikri Kalan terminal on Panipat-Delhi pipeline
- ❖ Effluent treatment plant modernisation project at Barauni Refinery
- ❖ LPG bottling plants at Mysore and Tirunelveli

**Ongoing Projects**

- ❖ 15-MMTPA grassroots refinery at Paradip, Odisha
- ❖ 5-MMTPA LNG import terminal project at Ennore (through a Joint Venture company)
- ❖ Polypropylene project at Paradip Refinery
- ❖ Distillate yield improvement project at Haldia Refinery
- ❖ Coke chamber replacement at Coker-A in Barauni Refinery
- ❖ Demonstration unit of INDADept<sup>G</sup> at Guwahati Refinery
- ❖ Reverse osmosis units at Gujarat Refinery and Barauni Refinery
- ❖ Installation of feed preparation unit at Haldia Refinery
- ❖ Paradip-Raipur-Ranchi product pipeline and associated tap-off points
- ❖ Debottlenecking of Salaya-Mathura crude oil pipeline
- ❖ Paradip-Haldia-Durgapur LPG pipeline
- ❖ Augmentation of Paradip-Haldia-Barauni crude oil pipeline
- ❖ Paradip-Hyderabad Pipeline
- ❖ Augmentation of Paradip-Haldia-Durgapur LPG pipeline and its extension up to Pathna and Muzaffarpur
- ❖ Jaipur-Panipat Naphtha Pipeline, along with augmentation of Koyal-Sanganer pipeline
- ❖ Ennore-Trichy-Madurai LPG pipeline
- ❖ Cauvery Basin Refinery-Trichy product pipeline
- ❖ LPG import terminal at Paradip and Kochi

**Future Projects**

- ❖ Quality upgradation projects for BS-IV petrol and diesel at Gujarat and Barauni refineries.
- ❖ Ethylene glycol project at Paradip
- ❖ Ennore-Nagapattinam-Tuticorin-Madurai-Bengaluru gas pipeline



Indane Nanocut high-therm cutting gas for use in metal-cutting.

Guwahati Refinery are in progress for installation of a demonstration unit to meet <10 ppm Sulphur in MS pool based on in-house technology. Revamp of existing 0.6 MMTPA Coker-A unit at Barauni jointly with EIL is being carried out, which involves major activities such as change of coke drums, medication of heater/fractionators/coke yard, change of pumps, etc., that are similar to licencing a grassroots unit.

During the year, a new product 'Indane Nanocut' was developed by the Centre, which will give a huge boost to the use of LPG in the metal-cutting segment as a superior product. The product will be marketed through the extensive network of Indane LPG distributors across India.

A cooperation agreement has been signed with Lummus Technology Inc, USA (a CB&I Company) for global marketing and licencing of IndMax technology. An MoU was also signed between IndianOil and Albemarle for supply of IndMax catalyst to IndMax licencees.

The product technologies, which predominantly include lubricant formulations, are adopted and marketed by the Corporation under the brand name SERVO. The refinery process technologies are licenced to identified engineering partners, who in turn market the same with pre-agreed licence and royalty-sharing formula. The refinery catalysts and additive technologies are licenced and outsourced for manufacturing and supplying to various IndianOil and non-IndianOil refineries at agreed commercial terms.

**Assam Oil and IBP**

The Assam Oil Division (AOD) continued to play a vital role in ensuring supply of petroleum products in the northeast region. The Digboi Refinery processed 0.59 million tonnes of crude oil during the year.

During the year, the Explosives and Cryogenics businesses of IBP Division continued with excellent performance and recorded the highest ever production and sales of explosives and cryocans. The Explosives group manufactured and sold 1,00,071 metric tonnes of explosives during the year, recording a growth of 17.37 per cent over the previous year's volume of 85,264 metric tonnes. The Cryogenics group sold 24,153 units of cryocans during 2014-15, recording 1.6 per cent growth over the previous year's sale of 23,747 units.

**EXPANDING BUSINESS****INTEGRATION & DIVERSIFICATION**

Integration and diversification beyond domestic petroleum downstream sector has been a major thrust area for the Corporation for over a decade now. The Corporation has made significant investments in these areas, and efforts in this direction have started yielding results. Your Corporation envisages a larger presence with greater contribution from these segments to its turnover and profit growth.



*Bagging of polypropylene granules at the petrochemicals marketing complex in Panipat.*

### Petrochemicals

During the year, the petrochemicals sales, including exports, touched a new high with sales of 2.49 million tonnes, against 2.12 million tonnes during the previous year, posting a growth of 17 per cent on year-on-year basis. The Petrochemical business has contributed significantly to the profits of the Company. Polymers, the largest segment of the Corporation's petrochemicals business, recorded sales of 1.23 million tonnes in the domestic market, posting a 25 per cent year-on-year growth. Polymer products portfolio has grown to 48 grades in the domestic market, covering over 90 per cent of the user industry applications.

The Corporation's state-of-the-art Product Application & Development Centre (PADC) located at Panipat has been developing new grades benchmarked against national and international products to meet customers' needs. Five new PP/PE Improved/High Performance Grades were launched during the year.

The Corporation has emerged as a major supplier of polymer products to leading multinationals and currently has 89 OEM (Original Equipment Manufacturer) approvals, out of which 30 were obtained during the year. The Corporation exports petrochemicals under the *PROPEL* brand to 70 countries.

### Gas

Your Corporation has been working towards expansion of its natural gas (LNG / RLNG / CNG) business by investing across the gas value chain and envisages greater presence in future.

During the year, the Corporation registered gas sales of 1.81 million tonnes against 1.94 million tonnes in the previous year. The lower sales was mainly due to the steep increase in the long-term LNG price vis-a-vis the international spot LNG prices since November 2014. LNG sales through the Corporation's unique 'LNG at the Doorstep' initiative also fell to 0.023 MMT from 0.030 MMT in 2013-14 on account of higher long-term LNG price and availability of alternative fuels at lower prices.

The Corporation is implementing a 5-MMTPA LNG import, storage and re-gassification terminal at Kamarajar Port (Ennore) near Chennai at a cost of ₹ 5,151 crore through a joint venture company (JVC). The terminal is targeted for completion in 2018 and pre-project activities are progressing on schedule.

The Corporation has been participating in the building of City Gas Distribution (CGD) infrastructure in the country. For this purpose, the Corporation had some time back formed two JVCs, namely, M/s. Green Gas Limited (GGL) and M/s. IndianOil-Adani Gas Private Limited (IOAGL). Currently, GGL operates two CGD networks, one each at Lucknow and Agra. IOAGL is implementing laying of CGD network in Chandigarh and Allahabad geographical areas and has also been authorised to develop CGD in Panipat, Daman and Ernakulam by PNGRB.

The Corporation has also been working on scaling up the cross-country gas pipeline infrastructure in the country. It had earlier formed two JVCs, viz., GSPL India Gasnet Ltd. and GSPL India Transco Ltd., for implementing the Mehsana-Bhatinda pipeline, the Bhatinda-Jammu-Srinagar pipeline and the Mallavaram-Bhopal-Bhilwara-Vijaipur pipeline respectively.

### Exploration & Production (E&P)

Significant headway has been made in the Corporation's drive to build its E&P portfolio, which now consists of participating interests in 10 domestic and seven overseas active assets.

The Corporation has three producing assets, viz., Niobrara Shale Project (USA), Pacific Northwest LNG Project (Canada) and Carabobo Project (Venezuela). During the year, the production from these assets increased to 3,299 mboe (million barrels oil equivalent) from 1,754 mboe in 2013-14, registering an 88 per cent rise. The proved and proved-developed reserves have increased from 1.66 mtoe (million tonnes oil equivalent) as on 31<sup>st</sup> March, 2014 to 2.18 mtoe as on 31<sup>st</sup> March, 2015, an increase of 32 per cent.

The cumulative total investment in the domestic assets stands at US\$ 353.80 Million (equivalent to ₹ 1849.63 crore), and a sum of US\$ 1,572.98 Million (equivalent to ₹ 9200.37 crore) has been invested in overseas projects.

During the year, the Corporation had two discoveries in Gujarat-Kutch offshore blocks, GK-OSN-2009/1 & GK-OSN-2009/2, and the plan of development of



*Operations at the lube blending & filling plant at Chennai.*

the Assam block, AAP-ON-94/1, has been approved. Additionally, during the year, a major milestone was reached as the development and production phase of the two CBM blocks in Jharkhand (BK-CBM-2001/1 and NK-CBM-2001/1) began after sustained gas flow from the test wells in both the blocks.

#### **Alternative Energy**

During the year, your Corporation added 6.3 MW wind-power in Andhra Pradesh; thereby expanding the renewable energy portfolio to 74.3 MW, which includes wind energy capacity of 69.3 MW and solar energy capacity of 5 MW. Plans are afoot for completion of a 4-MW solar power project at Narimanam marketing terminal in Tamil Nadu for captive consumption.

#### **Sustainable Development**

Minimising carbon, water and waste footprint are the three pillars of the Corporation's sustainability agenda. During the year, your Corporation added close to 4.8 MW of renewable energy through solarisation of its retail outlets, installation and office buildings; planted over 50,000 trees; held 17 carbon-neutral events; improved ground-water table by harvesting 2,700 tkl water through 437 Rainwater Harvesting systems and recycled 11.5 Tonnes of waste paper. Further, during the year the footprint accounting exercise was taken to a new level. Through an IT enabled data collection portal for the first time Carbon & Water Foot printing of all locations within the Corporation was implemented.

The Corporation's Sustainability Report 2013-14 in e-version as well as an abridged printed version were released on 31<sup>st</sup> October, 2014. This report is in compliance with the latest Global Reporting Initiative, GRI G4 and OGSS framework and is available on the website of the Corporation at the link [https://www.iocl.com/download/Iocl\\_SR\\_Oct\\_2013-14.pdf](https://www.iocl.com/download/Iocl_SR_Oct_2013-14.pdf)

#### **INFORMATION SYSTEMS**

Your Corporation maintained cent per cent uptime of SAP operations during the year. A new warehouse management system was introduced for the first time at a CFA in Bengaluru during the year. A comprehensive website on PaHaL, [www.MyLPG.in](http://www.MyLPG.in), was developed in English, Hindi and nine regional languages during the year under the aegis of MoP&NG. The website facilitates LPG consumers to make online booking of LPG refills and check their subsidy status, besides offering them a host of other facilities. A mobile application, m-power, for sales officers dealing with bulk consumers was launched during the year.

#### **HEALTH, SAFETY & ENVIRONMENT (HSE)**

Your Corporation is committed to conducting its business with a strong environment conscience, ensuring sustainable development, safe workplaces and enrichment of the quality of life of its employees, customers and the community at large. All refineries of your Corporation are certified to ISO:14064 standards for sustainable development as well as for the Occupational Health & Safety Management System (OHSMS/OHSAS-18001), besides operating 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, planned and surprise safety audits were carried out at various offices and locations.

#### **ENERGY CONSERVATION**

Your Corporation continues to accord importance and thrust to energy conservation at all its refineries and units. The performance of refineries is extensively 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 complexity of operations) in terms of MBN\* of refineries of your Corporation during the year is down to 54.4, which is the best ever achieved, as against the energy index of 55.8 in the previous year. The energy conservation schemes implemented during the year resulted in estimated fuel savings of



*IOCians: IndianOil's most valuable assets.*

1,07,000 MT Standard Refinery Fuel (SRF) in the year, valued at about ₹ 400 crore. In addition, your Corporation also spreads the message of energy conservation through workshops and seminars, besides conducting campaigns for retail and bulk consumers.

#### **HUMAN RESOURCES**

The employee strength of the Corporation was 32,962 as on 31<sup>st</sup> March, 2015; consisting of 15,298 executives and 17,664 non-executives. This includes 2,596 women employees comprising 7.87 per cent of the total workforce. During the year, cordial industrial relations were maintained.

Your Corporation provides comprehensive welfare facilities to its employees to take care of their health, efficiency, 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.

In order to rejuvenate the organisation through a dynamic hierarchy of executives, a number of strategic interventions were initiated during the year covering the entire employee life-cycle. The emphasis of HR during the year was on demonstrating the core values of Care, Innovation, Passion and Trust in day-to-day actions and in developing a culture of treating employees as internal customers. This was born out of the theme for HR in 2014-15, which was 'investing in our people' and making HR an effective business enabler, under which various initiatives were taken, which inter alia include the following:-

- (i) Review of capability building and competency development programmes with a view to shift the emphasis from training to 'compulsory learning'.
- (ii) Succession planning through leadership and development centres and multi-rater feedback mechanism.
- (iii) Ideas Utsav as well as internal surveys to generate ideas and seek suggestions for simplifying HR policies and enhancing HR services.

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, child care 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 Office 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 physically challenged and disabled persons in letter and spirit. Several 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, 2015, was 512, i.e., 1.55 per cent of the total employee strength.

Presidential Directives and other guidelines issued by the Ministry of Petroleum & Natural Gas/Department of Public Enterprises from time to time with regard to reservation in services for Scheduled Castes, Scheduled Tribes, etc., were meticulously followed. Liaison officers were appointed at various locations/units/installations all over the country to ensure implementation of the Government directives. Officials dealing with the subject were given training as required to enable them to update their knowledge on the subject and perform their job effectively. 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.

#### **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 conduct enquiries.

There were three complaints of sexual harassment that were pending as on 1<sup>st</sup> April, 2014. During the year, three complaints were received and one complaint was disposed of. As on 31<sup>st</sup> March, 2015, five complaints are pending, which are being examined.

#### **CORPORATE SOCIAL RESPONSIBILITY**

Corporate Social Responsibility has been the cornerstone of success for your Corporation right from its inception. The Corporation sees itself as an essential part of society and is well aware of its responsibilities beyond financial considerations towards improving the quality of life of the communities at large. 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://www.iocl.com/aboutus/ioc\\_s&csr\\_policy\\_07\\_2015.pdf](https://www.iocl.com/aboutus/ioc_s&csr_policy_07_2015.pdf)

#### **VIGILANCE**

The objective of vigilance is to ensure maintenance of the highest level of integrity throughout the Corporation. To achieve this objective, the Vigilance group carries out preventive and punitive action, with greater emphasis on the preventive aspects. During the year, 68 vigilance awareness programmes were conducted, which were attended by about 1,600 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 31.03.2015 were ₹55,000/- . The Company 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



IndianOil's new large-format fuel station at Haldia.

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.

#### **AUDIT COMMITTEE**

The Audit Committee during the year comprised three members, all of whom were Independent Directors. The recommendations made by the Audit Committee during the year were accepted by the Board. The other details of 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 2014-15 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 the Report.

Your Corporation being a Government Company, the selection and appointment of Directors, terms of appointment and the remuneration payable to Directors is decided by the Government of India as per the Government guidelines and not by the Board of Directors. In view thereof, the Corporation has not reconstituted its Remuneration Committee to include the terms provided under the Companies Act, 2013. The performance evaluation of the Directors is also carried out by the administrative Ministry (MoP&NG), Government of India, as per applicable Government guidelines. The above is in line with the exemption provided to Government Companies by the Ministry of Corporate Affairs.

#### **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 corporate 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 of senior management personnel is headed by Chief Risk Officer, which reviews the various risks associated with the Corporation's business. During the year, in line with the provisions of Clause-49 of the Listing Agreement, a Risk Management Committee comprising Functional Directors has been constituted to oversee the risk management activities. A report would be, thereafter, put up to the Audit Committee and 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 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, which is commensurate with the operations of the Corporation. The Corporation has a separate Internal Audit department headed by an Executive Director (below Board-level), 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.

#### **REMUNERATION TO THE AUDITORS**

The Office of the Comptroller & Auditor General of India had appointed the Statutory Auditors for the financial year 2014-15. The Auditors' remuneration for the year 2014-15 has been fixed at ₹ 114 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 2014-15. A remuneration of ₹ 16.50 lakh and applicable taxes had been fixed by the Board for payment to cost auditors for the year 2014-15, which was ratified by the shareholders in the last AGM. The cost audit for the year 2013-14 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 2014-15 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 being made to procure items specified for procurement from MSEs. Necessary provision has been made in all the tenders stating the eligibility of MSEs to participate in the tender. As against the target of 20% for procurement from MSEs, the actual procurement of your Corporation from MSEs during the year was about 41%.



IndianOil's floating fuel station at Haldia.

#### **SUBSIDIARIES AND JOINT VENTURES**

During the year, a new Joint Venture Company, 'Kochi Salem Pipelines Pvt. Ltd.', between IndianOil & BPCL with equity participation of 50 per cent each, was formed for the purpose of laying the Kochi-Coimbatore-Erode-Salem LPG pipeline. Pursuant to the JV agreement between IndianOil/BPCL/HPCL/MIAL for the purpose of setting up common user integrated aviation fuel infrastructure in Mumbai, your Corporation acquired 25 per cent equity stake in 'Mumbai Aviation Fuel Farm Facility Pvt. Ltd.' during the year. No subsidiary/JV 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 and is not repeated as part of the Directors' Report to avoid duplication.

In accordance with the provisions of the Listing Agreement, your Corporation has framed a policy for determining material subsidiaries which can be accessed on the Corporation's website at the link [https://www.iocl.com/InvestorCenter/Policy\\_on\\_Material\\_Subsidiary.pdf](https://www.iocl.com/InvestorCenter/Policy_on_Material_Subsidiary.pdf)

### RELATED PARTY TRANSACTIONS (RPTs)

In line with the provisions of the Companies Act, 2013 and the Listing Agreement, 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 & 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 of the statement of particulars of employees drawing remuneration of ₹ 60 lakh or more per annum, if employed throughout the financial year, or ₹ 5 lakh per month, if employed for part of the financial year. 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:-

- Shri A.M.K.Sinha, Director(Planning & Business Development) w.e.f. 01.08.2014
- Shri K.Jairaj, Independent Director w.e.f. 27.08.2014
- Shri Nesar Ahmad, Independent Director w.e.f. 27.08.2014
- Shri Sunil Krishna, Independent Director w.e.f. 27.08.2014

- Shri Sayan Chatterjee, Independent Director w.e.f. 27.08.2014
- Shri P.K.Goyal, Director (Finance) w.e.f. 01.09.2014
- Shri Rajive Kumar, Govt. Nominee Director w.e.f. 01.12.2014
- Shri M.Nene, Director(Marketing) w.e.f. 01.01.2015
- Shri V.S.Okhde, Director(Pipelines) w.e.f. 01.02.2015
- Dr. S.C.Khuntia, Govt. Nominee Director w.e.f. 16.06.2015.
- Smt. Shyamala Gopinath, Independent Director w.e.f. 25.06.2015
- Shri Shyam Saran, Independent Director w.e.f. 25.06.2015.

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

- Shri Debasis Sen, Director(Planning & Business Development) w.e.f. 15.09.2014
- Shri A.K.Sharma, Director(Finance) w.e.f. 27.10.2014
- Shri Verghese Cherian, Director (Human Resource) w.e.f. 06.01.2015
- Shri Anish Aggarwal, Director (Pipelines) w.e.f. 01.02.2015
- Dr. Archana Mathur, Govt. Nominee Director w.e.f. 29.05.2015
- Shri A.P.Sawhney, Govt. Nominee Director w.e.f. 22.07.2015

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 Clause 49 of the Listing Agreement. A separate meeting of Independent Directors was held as per provisions of the Companies Act, 2013 and Listing Agreement.

During the year, 13 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 Company and its operations in future.

### VIGIL MECHANISM / WHISTLE-BLOWER POLICY

The Company 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



IndianOil Jubilee outlet at Kochi.

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. 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, 2015, 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, 2015 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 achievements during the year 2014-15. 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 like bankers, investors, 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 Shri A.M.K.Sinha, Shri P.K.Goyal, Shri Rajive Kumar, Shri M.Nene, Shri V.S.Okhde, Dr. S.C.Khuntia, Smt. Shyamala Gopinath and Shri Shyam Saran during their tenure on the Board.

For and on behalf of the Board

**(B. Ashok)**  
Chairman

**Place :** New Delhi  
**Dated :** 22<sup>nd</sup> July, 2015

## ANNEXURE-I

### SC/ST/OBC REPORT-I

Annual Statement showing the representation of SCs, STs and OBCs as on 1<sup>st</sup> January 2015 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 1.1.2015)				Number of appointments made during the calendar year 2014									
					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	15404	2564	1079	2188	497	70	38	138	2812	492	192	3	0	0
Non-executives B	6069	995	606	199	No recruitment is made in this Group				419	76	54	0	0	0
C	10894	2260	793	1627	175	44	12	45	1544	284	89	2	0	0
D (Excluding Sweeper)	812	155	64	318	44	11	5	12	0	0	0	0	0	0
D (Sweeper)	2	2	0	0	0	0	0	0	0	0	0	0	0	0
Total (Executives in Grade 'A' plus Non-executives)	33181	5976	2542	4332	716	125	55	195	4775	852	335	5	0	0

### 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 2015 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 1.1.2015)				Number of appointments made during the calendar year 2014									
					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	259	37	20	80	39	5	1	10	0	0	0	0	0	0
24900-50500	3554	566	230	841	453	64	37	128	316	60	12	0	0	0
29100-54500	3678	586	269	644	5	1	0	0	659	112	49	0	0	0
32900-58000	2484	435	199	330	No recruitment is made in this Group.				572	117	47	0	0	0
36600-62000	1962	372	134	233					493	83	28	1	0	0
43200-66000	1342	301	125	54					299	60	27	0	0	0
51300-73000	1271	194	84	5					233	40	23	0	0	0
51300-73000	590	60	17	1					155	17	6	1	0	0
51300-73000	193	8	1	0					55	2	0	0	0	0
62000-80000	71	5	0	0					30	1	0	1	0	0
Grand Total	15404	2564	1079	2188	497	70	38	138	2812	492	192	3	0	0

## ANNEXURE-II

### HIGHLIGHTS OF CSR ACTIVITIES DURING 2014-15

IndianOil's CSR budget is earmarked for high-priority areas like safe drinking water, healthcare & sanitation, empowering women and socially & economically backward groups, education and employment-enhancing vocational skills, environment sustainability, protection of national heritage and promotion of art & culture, rural development, etc. preferably in the vicinity of its major installations/establishments for improving quality of life of the community, which include marginalised groups, viz., SCs, STs, etc. Brief details of IndianOil's CSR success stories are given below:

#### 1. IndianOil Academic Scholarships

IndianOil Academic Scholarships are awarded to 2,600 poor and deserving students on merit-cum-means basis, who are pursuing full-time courses in 10+/ITI, Engineering, Medical and MBA. Of these, 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). In the year 2014-15, about 53,000 applications were received for 2,600 scholarships.



Shri Dharmendra Pradhan, Hon'ble Minister of State (IN-Charge), Petroleum & Natural Gas, presenting IndianOil Scholarships to meritorious students in the presence of senior management members of IndianOil.

#### 2. Industrial Training Centre, Digboi, Assam

The Industrial Training Centre (ITC) at Digboi, under the aegis of the National Council for Vocational Training (NCVT), conducts Industrial Trade courses in various technical disciplines. ITC offers 68 seats across eight disciplines and a three-year Fresher Trade course and specialisation in jobs such as fitter, electrician, turner, mechanic, etc. So far, about 1,200 students have benefited from this scheme.

#### 3. IndianOil Sachal Swasthya Seva in Andhra Pradesh, Telangana and Uttar Pradesh

In January, 2012, IndianOil launched a primary mobile healthcare scheme titled *IndianOil Sachal Swasthya Seva* for running 52 mobile medical units (MMU) in Andhra Pradesh, Telangana and Uttar Pradesh. The MMUs are linked to the Corporation's special-format rural retail outlets called *Kisan Seva Kendra (KSK)*. The MMUs travel to the villages in the vicinity of the KSKs with a 4-member team headed by a doctor (MBBS) to provide free primary healthcare and free medicines. During 2014-15, 14.44 lakh patients were treated by 52 MMUs and in the last three years, more than 40 lakh patients have been treated. This project has completed its tenure and the MMUs will be handed over to the respective State Governments for operation.



Assam Oil School of Nursing run by IndianOil at Digboi.

#### 4. Assam Oil Division Hospital, Digboi, Assam

This 200-bed hospital with modern facilities caters to a population of about two lakhs with the catchment area extending to neighbouring Arunachal Pradesh and other areas of the northeast.

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

This 50-bed hospital provides medical assistance to residents near IndianOil's Mathura Refinery area. Two mobile dispensaries have also been put into service to provide medical care to nearby villagers. The hospital provides free treatment to the destitute and offers subsidised treatment to others.

#### 6. Assam Oil School of Nursing & Assam Oil College of Nursing, Digboi, Assam

Assam Oil School of Nursing provides professional training and diploma courses in the field of nursing and midwifery to young girls, where all costs are borne by IndianOil. Since inception, 354 students have successfully completed the course with 100% placement record. Assam Oil College of Nursing started functioning in Nov-2014 in the same premises with intake of 30 students in B.Sc. (Nursing) course.

#### 7. Swachh Vidyalaya Abhiyan (SVA)

IndianOil is constructing/repairing over 2,700 toilets in Government Schools across 16 States in India under 'Swachh Bharat - Swachh



One of the many toilet facilities constructed by IndianOil in schools as part of the Swachh Vidyalaya Abhiyan of the Government of India.

*Vidyalaya Abhiyan* for which budget allocation has been made from the CSR budget of 2014-15 and 2015-16.



Shri Dharmendra Pradhan, Hon'ble Minister of State (In-Charge), Petroleum & Natural Gas, leads the Swachh Bharat Abhiyan at New Delhi.

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

IndianOil Multi-Skill Development Institute (iMSDI), Digboi, provides vocational training on skills and competencies linked to industries. The project aims to provide vocational training to 400 beneficiaries per year and offers short duration courses which have been identified based on job requirement with members of Confederation of Indian Industries (CII). The first batch of 82 students was enrolled in August 2014.

#### 9. Rajiv Gandhi Gramin LPG Vitaran Yojana

As per the directives of the Government of India, IndianOil contributes 20% of 2% previous year's Net Profit towards release of one-time grant to Below Poverty Line (BPL) families in the rural areas for release of new



Multi-skills development centre at Digboi.



Enthusiastic school children supporting the cleanliness drive at Paradip beach.

LPG connections under Rajiv Gandhi Gramin LPG Vitaran Yojana (RGGLVY). During 2014-15, ₹ 28.08 crore was allocated for this initiative.

#### 10. Shikshak Dakshyata Vikas Abhiyan, Digboi, Assam

In order to improve the soft skills of Government school teachers, IndianOil launched a unique initiative along with the district education department, Digboi. So far, 248 teachers have been trained under this project.

#### 11. The IndianOil Foundation

The IndianOil Foundation (IOF), a non-profit trust, in collaboration with the Archeological Survey of India (ASI) and the National Culture Fund (NCF), Government of India, is undertaking works to develop tourist-friendly facilities at various national monuments of archaeological and historical importance, viz., Sun Temple, Konark (Odisha), Khajuraho (Madhya Pradesh), Vaishali (Bihar), Kanheri Caves (Maharashtra) and Bhoga-Nandeeshwara temple (Karnataka). New projects identified during 2014-15 are Hampi (Karnataka), Golconda Fort (Telangana), Rani Ki Vav (Gujarat), Chittorgarh Fort (Rajasthan) and Brihadeeswara Temple, Tamil Nadu.

In line with its objectives, IOF has also launched a programme titled CATCH (Cultivating Awareness Towards Conservation of Heritage) to create awareness and interest about our national heritage among students. During 2014-15, about 150 students were exposed to issues concerning conservation of Heritage and Culture.

#### 12. Serve Santu Niramaya, Digboi, Assam

Under this unique project, free health consultation and medicines are provided to both human beings and livestock. Eight such camps were organised during 2014-15, where over 1,500 poor patients and 16,000 cattle/poultry were treated.

#### 13. Awards and Accolades

IndianOil was conferred the Standing Conference of Public Enterprises (SCOPE) Meritorious Award for Corporate Social Responsibility and Responsiveness by the Hon'ble President of India, Mr. Pranab Mukherjee.

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2014-15

### **1. A brief outline of the company's S&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.
- Tourist friendly facilities at monuments of national importance.
- Environmentally sustainable practices within & beyond the organization's premises:
- Promotion of responsible business practices: Conduct business with transparency, integrity and accountability.

Sustainability & CSR Policy 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 and projects or programs**  
[https://www.iocl.com/Aboutus/ioc\\_s&csr\\_policy\\_07\\_2015.pdf](https://www.iocl.com/Aboutus/ioc_s&csr_policy_07_2015.pdf)

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

- 1) Shri Shyam Saran - Independent Director & Chairman, CSR & Sustainable Development Committee
- 2) Prof. Devang Khakhar - Independent Director
- 3) Director (Planning & Business Development)
- 4) Director (Finance)
- 5) Director (Human Resources)
- 6) Director (Marketing)

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

₹ 5647.50 crore

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

The allocation for the year 2014-15 as per the provisions of the Companies Act 2013 works out to ₹ 112.95 crore. However, after considering the amount of ₹ 20.45 crore carried forward from the previous year, the total budget for 2014-15 was ₹ 133.40 crore [₹ 112.95 crore + ₹ 20.45 crore].

### **5. Details of CSR spent during 2014-15.**

#### **(a) Total amount spent for the financial year**

Rs. 113.79 crore

#### **(b) Amount unspent, if any**

As against the current year allocation of ₹ 112.95 crore, the CSR expenditure during the year was ₹ 113.79 crore. However, after considering the amount of ₹ 20.45 crore carried forward from the previous year, an amount of ₹ 19.61 crore remained unspent and is carried forward to 2015-16.

#### **(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 2014-15. However, after considering the carry forward of ₹ 20.45 crore from the previous year, an amount of ₹ 19.61 crore has been carried forward to 2015-16.

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

Sd/-

**B. Ashok**  
(Chairman)

Sd/-

**Shyam Saran**  
(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 minimises negative impact on environment and enhances the 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 organisation's premises:
  - Clean energy options.
  - Rainwater harvesting (at company-owned premises, retail outlets).
  - Limit emission of greenhouse gases.
  - Reduce/reuse/recycle resources/waste & dispose waste streams in an 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 six components:

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

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

# Annual Report 2014-15

## Overview of projects to be undertaken (Part of Policy)

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						108.27
	Carry forward from previous year						20.45
	<b>CSR Budget for 2014-15</b>						<b>128.72</b>
1	Contribution to LPG Schemes-RGGVY	Env. Sust.	Other	All India	All India	Committee of Marketing Division	28.08
2	Swachh Vidyalaya Abhiyan	Sanitation	Local	All India	All India	Committees of Refineries & Marketing Divisions	24.04
3	Training/Capability Building						
4	Administrative overheads (Salaries)						0.15
5	Baseline Study/Impact Assessment						5.04
	<b>Sub total-1</b>						1.25
	<b>Continuing CSR Projects</b>						<b>58.56</b>
6	Tata Medical Centre, Kolkata	Healthcare	Local	West Bengal	Kolkata	Unit level Committee	20.00
7	Academic Scholarships	Education	Other	All India	All India	Committee of iIPM Gurgaon	12.00
8	IndianOil Sachal Swasthya Seva	Healthcare	Local	AP & UP	13 districts	Project Implementation Committee	7.00
9	AOD Hospital, Digboi, Assam	Healthcare	Local	Assam	Tinsukia	Unit level Committee of AOD, Digboi	5.30
10	Swarna Jayanti Samudayik Hospital, Mathura	Healthcare	Local	UP	Mathura	Unit level Committee of Mathura Refinery	4.97
11	Barauni Kendriya Vidyalaya	Education	Local	Bihar	Begusarai	Unit level committee at Barauni Refinery	2.80
12	Assam Oil School of Nursing	Education	Local	Assam	Tinsukia	Unit level Committee of AOD, Digboi	0.85
13	Sports Scholarship	Sports	Other	All India	All India	Unit level Committee of Marketing Division	0.80
14	Industrial Training Centre, Digboi	Education	Local	Assam	Tinsukia	Unit level Committee of AOD, Digboi	0.40
	<b>Sub total-2 (Continuing CSR Projects)</b>						<b>54.12</b>
	<b>New CSR Projects</b>						
15	Refineries Division	Local	7 States	9 districts	Divisional/Unit level Committee		5.18
16	Marketing Division	Local	All India	All India	Divisional/Unit level Committee		3.57
17	Pipelines Division	Local	All India	All India	Divisional/Unit level Committee		2.00
18	R&D Centre	Local	Haryana	Faridabad	Divisional/Unit level Committee		0.20
19	BP Division	Local	Maharashtra	Nashik	Divisional/Unit level Committee		0.10
20	Corporate Office	Other	All India	All India	Divisional/Unit level Committee		5.00
	<b>Sub total-3 (New CSR Projects)</b>						<b>16.05</b>
	<b>Grand Total</b>						<b>128.72</b>

**ANNEXURE C**
**Details of the amount spent during 2014-15**

Sl. No.	CSR project or activity identified	Sector, in which the project is covered	CSR Expenses - Project-wise 2014-15			Amount spent outlay #	Direct exp	Overheads	Cumulative exp	Amount spent in crore	Direct or through Implementing Agency (IA)
			Projects or programs	State/ District	₹ in crore						
1	Contribution to LPG Schemes - RGGLVY	Environment Sust.	Other	All India	28.08	28.08	1.40	29.48			
2	Swarach Vidyalya Abilayan	Sanitation	Other	All India	24.04	7.30	0.37	7.67			
3	Tata Medical Centre, Kolkata	Healthcare	Local	West Bengal/Kolkata	20.00	20.00	1.00	21.00			
4	AOD Hospital, Digboi, Assam	Healthcare	Local	Assam/Tinsukia	5.30	5.00	0.25	5.25			
5	Swarna Jayanti Samudayik Hospital, Mathura	Healthcare	Local	Uttar Pradesh/Mathura	4.97	4.10	0.21	4.31			
6	IndianOil Sachal Swasthya Seva	Healthcare	Local	AP/Telengana/UP/13 dist	7.00	7.34	0.37	7.71			
7	Educational Scholarship	Education/Skill dev	Other	All India	12.00	10.27	0.51	10.78			
8	Barauni KV School	Education/Skill dev	Local	Bihar/Begusarai	2.80	2.29	0.11	2.40			
9	Assam Oil School of Nursing	Education/Skill dev	Local	Assam/Tinsukia	0.85	0.85	0.04	0.89			
10	Industrial Trg. Centre, Digboi	Education/Skill dev	Local	Assam/Tinsukia	0.40	0.40	0.02	0.42			
11	IndianOil Multi-Skill Development Institute -Digboi	Education/Skill dev	Local	Assam/Tinsukia	0.00	0.66	0.03	0.69	CII		
12	Sports Scholarship	Sports	Other	All India	0.80	0.47	0.02	0.49			
13	Sishu Bhawan Hospital, Cuttack	Healthcare	Local	Odisha/Cuttack	0.00	9.68	0.48	10.16			
14	Refineries Division - New Projects *	-	Local	9 States	5.18	3.68	0.18	3.86			
15	Marketing Division - New Projects *	-	Local	All India	3.56	3.81	0.19	4.00			
16	Pipelines Division - New Projects *	-	Local	All India	2.00	2.02	0.10	2.12			
17	R&D Centre - New Projects *	-	Local	Haryana/Faridabad	0.20	0.20	0.01	0.21			
18	IBP Division - New Projects *	-	Local	Maharashtra/Nashik	0.10	0.10	0.01	0.11			
19	Corporate Office - New Projects *	-	Local	All India	5.00	2.13	0.11	2.24			
	<b>Total</b>				<b>122.28</b>	<b>108.38</b>	<b>5.41</b>	<b>113.79</b>			

# Amount outlay excludes Rs.6.44 crore (5% of CSR budget) allocated towards Overheads, against which ₹ 5.41 crore was appropriated.

\* New projects of various Divisions include activities like development of skills development centers, construction of school buildings, provision of furniture, computers, books, etc. installation of hand pumps / bore wells, construction of elevated water tanks, provision of water tap connection, water purifiers/water coolers to schools/ community centres, rainwater harvesting, organising health camps for immunisation, 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, 2015

[Pursuant 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 L23201MH1959GOI0111388)** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / 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 31<sup>st</sup> March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board - process (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 31<sup>st</sup> March, 2015 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;
    - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - (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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (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;
  - (i) The Oil Industry (Development) Act, 1974;
- VIII. 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.

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 Independent Directors on its Board as required under the provisions of Section 149(4) of the Act and revised Clause 49 of the Equity Listing Agreement.
- b) The Company has a Remuneration Committee to approve certain perquisites for whole-time Functional Directors and below Board level Executives, which are within the powers of the Board, as well as to approve performance related pay to the executives of the Company. However, the Company has not reconstituted and renamed its Remuneration Committee and revised its terms of reference pursuant to Section 178 of the Act and revised Clause 49 of the Equity Listing Agreement.
- c) The Board of the Company has mandated that all Whole-time Directors i.e. Directors in the Whole-time Employment of the Company, would be termed as Key Managerial Personnel (KMP) as required under the provisions of the Act. The Board of Directors in order to promptly give effect to the Directives of MoP&NG, appoint the Whole-time Directors by passing a Board Resolution by Circulation. At the time of noting of the said Circular Resolution in the subsequent Board Meeting, a resolution for their appointment as KMP is also passed.

**D. We further report that,--**

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except that the Company has not been able to appoint requisite number of Independent Directors as required under

the provisions of Section 149(4) of the Act and revised Clause 49 of the Equity Listing Agreement. 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 except as stated above.

- 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 well deliberated before passing the same and the views / observations made by the Directors are recorded in the minutes.
- E. We further report that there are adequate systems and process in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- F. We further report that during the audit period
  - I. The Members of the Company, by means of Special Resolution passed through Postal Ballot on 11<sup>th</sup> August, 2014, have approved Borrowing Limit up to ₹ 1,10,000 crore pursuant to Section 180(1)(c) of the Act and also for creation of security on the properties of the Company in favour of lenders, as may be decided by the Board, pursuant to Section 180(1)(a) of the Act.
  - II. The Members of the Company, by means of Special Resolution passed through Postal Ballot on 11<sup>th</sup> August, 2014, have approved the issue of secured / unsecured redeemable non-convertible bonds / debentures ("Bonds") of face value aggregating up to ₹ 11,000 crore (from domestic as well as overseas market) during a period of one year from the date of approval by shareholders' within the overall borrowing limits approved by Shareholders.
- G. We further report that during the audit period none of the following events has taken place:
  - I. Public / Rights / Preferential Issue of Shares / Debentures / Sweat equity etc.
  - II. Redemption / 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 : 11<sup>th</sup> June, 2015

## 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, a number of Energy Conservation projects have been implemented during 2014-15 in refineries resulting in saving of 1,07,000 MT Standard Refinery Fuel (SRF) in the year equivalent to about ₹400 crore. Some of the major schemes implemented and capital expenditure thereon are as under:

SI. No	PARTICULARS	ESTIMATED COST (₹ in Lakh)	EST. FUEL SAVING (Standard Refinery Fuel equivalent) MT/Year
1	Utilization of Straight Run Gas Oil (SRGO) Circulating Reflux (CR) and KERO CR for replacing Naphtha Splitter Furnaces (F-001 & F-002) at Guwahati Refinery.	49.0	1223
2	Routing of hot condensate from process units to Deaerator-4 in Thermal Power Station (TPS) at Guwahati Refinery	3.5	1050
3	Coker-A Single Furnace Operation at Barauni Refinery	18.0	5000
4	Installation of Kettle type heat exchanger in Diesel Hydrotreater Unit (DHDT) at Barauni Refinery	273.0	3200
5	Low Pressure steam generation from Light Cycle Oil (LCO) stream in Fluidized Catalytic Cracking Unit (FCC) at Gujarat Refinery	45.0	500
6	Routing Hydrogen Rich off gases of Catalytic Reforming Unit (CRU) to Hydrogen header instead of Fuel Gas at Gujarat Refinery.	Nil	7850
7	Pre-heat Improvement in Crude Distillation Unit (CDU-I) by 14°C by installation of Helical exchangers at Haldia	600.0	1020
8	Replacement of Supplementary Naphtha firing in HRSG-2&3 with Fuel Gas resulting in saving of Naphtha and thereby reduction of flare loss at Haldia Refinery	Nil	14000
9	Direct routing of Continuous Catalytic Reforming Unit (CCRU) rich gas to H2 header at Mathura Refinery	16.5	400
10	Enhancement of Power Sale to APDCL up to 8 MW from existing 5 MW at Digboi Refinery	118.0	2041
11	New SRU Incinerator (WHA 57-E-108 A/B) tube bundle replacement at Panipat Refinery.	132.0	3310

12	Floating of Atmospheric Vacuum Unit (AVU-2) Main-fractionator with Resid Fluidized Catalytic Cracking Unit (RFCCU) Wet Gas Compressor at Panipat Refinery.	12.0	3098
13	CDU-II crude preheat train revamp (Crude preheat improvement from 234°C to 265 °C) at Bongaigaon Refinery.	707.0	3207
14	Stepless capacity control for DHDT MUG compressor at Bongaigaon Refinery	666.0	2669

#### b) In addition, the following projects are under implementation:

##### Guwahati Refinery:

- Replacement of INDMAX De-butanizer and De-ethanizer steam reboilers, with hydrocarbon reboilers.
- Installation of stepless capacity control in RGC & MUG-A (standby) compressors of HDT
- Destaging of HDT feed pump from 9 stages to 8 stages.

##### Barauni Refinery:

- Routing of RSU off-gas to RFCCU Wet Gas Compressor
- Routing of low-purity DHDT stripper off-gas to LPG Recovery Unit (LRU)
- Partial bypass of RSU column by routing reformate directly to MS pool. Stopping one air compressor by segregating the compressed air header for RFCC and Coker
- Replacing HP steam in SHU splitter, NHDT stripper reboiler, ISOM stabilizer & SHU pre-heater with MP steam

##### Gujarat Refinery:

- Hot feed to coker (preheat improvement by 8°C)
- Feed Preparation Unit (FPU-1) internal replacement
- Facility for fuel gas firing in Hydrogen units
- FCC MAB overhauling

##### Haldia Refinery:

- Replacement of existing APH and burners in CDU-II
- Preheat improvement in Catalytic Iso-dewaxing Unit (CIDW)
- Improvement of KHDS recompression compressor capacity
- CDU-II Preheat improvement by 9° C
- Improvement in performance of MAB and WGC turbines

##### Mathura Refinery:

- Installation of waste heat boiler for heat recovery from flue gas ex-incinerator of BBU unit
- Maximisation of HRSG output - increasing generation rate from 75-85 T/Hr to 103 T/Hr at base load of GT.

##### Digboi Refinery:

- Recovery of Hydrogen from Hydrogen Rich off-gases from Catalytic Reforming Unit (CRU)/ Wax Hydro Finishing Unit (WHFU) by routing the same through Hydrogen Generation Unit (HGU).
- Hot feed routing of NSU of MSQU.
- Condensate recovery from Solvent Dewaxing Unit (SDU) & Wax Hydro Finishing Unit (WHFU)

**Panipat Refinery:**

- Reduction of STG condensing through Woodward governors implementation in all STGs.
- c) **Steps taken by the Company for utilising alternative sources of energy**  
325 KW of renewable energy sources have been installed in the refineries. Activities for addition of another 2000.075 KW in the refineries are being undertaken.

**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 the 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 the R&D Centre of IndianOil for converting heavy distillate and residue into LPG/light distillate products has been implemented successfully at Guwahati Refinery and is under implementation at Paradip Refinery Project. It has also been selected for implementation at Bongaigaon Refinery.

ii. **Hexane Hydrogenation Technology**

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

iii. **Diesel Hydrotreatment Technology**

Diesel Hydrotreatment technology developed by the R&D Centre of IndianOil and licensed jointly with EIL has been implemented at Bongaigaon Refinery for meeting diesel quality requirements.

iv. **Isomerisation Technology**

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

v. **INDAdeptG Technology**

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

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, 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, The Netherlands is being implemented at Paradip Refinery Project.

v. **Fluidised Catalytic Cracking Technology**

Fluidised Catalytic Cracking (FCC) technology from M/s. UOP, USA has been implemented in Gujarat and Mathura refineries for conversion of vacuum gas oil to LPG, MS and diesel. Technology from M/s. ABB Lummus, USA has been successfully implemented for revamp of FCCU at Mathura Refinery for reliability improvement and maximisation of value-added propylene.

vi. **Resid Fluidised Catalytic Cracking Technology**

The Resid Fluidised Catalytic Cracking (RFCC) technology from M/s. S&W, USA has been successfully implemented at Panipat, Haldia and Barauni refineries.

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

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

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

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

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

Process technology from M/s. IFP, France for hydrofinishing of paraffin wax has been implemented at Digboi refinery. The same technology from M/s. IFP, France for production of microcrystalline wax has been implemented at Haldia Refinery.

x. **Biturox Technology**

To produce various grades of bitumen as well as to meet the quality requirements, Biturox technology from M/s. Ponter, Austria has been employed at Gujarat and Mathura Refineries. The same technology has also been selected and 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. Technology from M/s. UHDE, Germany has been selected and is under implementation at Paradip Refinery Project. Similar technology from M/s. KTI, The Netherlands, has been implemented for Hydrogen generation at Guwahati, Digboi, and Mathura refineries and has been commissioned at Haldia Refinery under Once-through Hydrocracker Project. Hydrogen generation technology from M/s. Technip Benelux BV, The 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), The Netherlands. The sulphur recovery technology from M/s. Delta Hudson, Canada has been employed at Panipat refinery. Further, sulphur recovery technologies from M/s. B&V Pritchard, USA has been implemented under Panipat Refinery expansion project and has been implemented at Gujarat Refinery under resid upgradation project and the same is under implementation at Paradip Refinery Project. Technology from M/s. Technip, KTI, Spain has been implemented at Haldia Refinery under Once-through Hydrocracker Project. Technology from M/s. Jacobs, The Netherlands, has been implemented under additional Sulphur Recovery Unit at Mathura Refinery. Technology from M/s. Lurgi, Germany has been selected for implementation under distillate yield improvement (Coker) project at Haldia Refinery.

#### **xiii. ISOSIV Technology at Guwahati Refinery**

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

#### **xiv. Delayed Coker Technology**

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

#### **xvi. Continuous Catalytic Reforming Technology**

For improvement in octane number of Motor Spirit, continuous catalytic reforming technology from M/s. IFP, France has been implemented at Mathura & Panipat refineries. Technology from M/s. UOP, USA has been implemented at Gujarat Refinery under MS quality upgradation project and is also being implemented at Paradip Refinery Project.

#### **xvii. Technology for Paraxylene**

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

#### **xviii. Technology for Purified Terephthalic Acid (PTA)**

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

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

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

#### **xx. MS Quality Upgradation Technology**

For MS quality upgradation, Isomerisation technology of M/s. UOP, USA have been implemented at Mathura, Panipat and Gujarat Refineries. Technology from M/s. Axens, France has been implemented at Haldia, Guwahati, Digboi and Barauni refineries. FCC Gasoline desulphurisation technology (Prime-G) from M/s. Axens, France has been employed 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., polypropylene 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 has been selected at Paradip Refinery Project for production of polypropylene.

#### **xxii. Alkylation Technology**

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

#### **xxiii. Ethyl Benzene/Styrene Technology**

For production Ethyl Benzene/Styrene, technology from M/s. ABB Lummus, USA has been selected for implementation at Paradip Refinery Project.

#### **xxiv. Regenerative type Flue Gas De-Sulphurisation Technology**

In order to recover Sulphur Di-Oxide from Boiler flue gases, a regenerative type flue gas desulphurisation technology from M/s. Cansolv Technology Incorporate (CTI), Canada, has been selected for implementation at Paradip Refinery Project.

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

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

#### **xxvi. ATF Treatment Technology**

ATF treatment technology from M/s. UOP, USA has been implemented at Gujarat and Panipat refineries. Technology from M/s. Merichem, USA is under implementation at Paradip Refinery Project.

#### **xxvii. LPG Treatment Technology**

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

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

Coker gas oil hydrotreatment technology from M/s. Axens, France has been selected for implementation at Haldia Refinery under the distillate yield improvement (Coker) project.

#### **xxix. MTBE Technology**

Technology from M/s. CD Tech, USA has been commissioned 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 and Panipat refineries.

#### **xxxi. Sulphur Pelletisation Technology**

For production of sulphur in pellet form, technology from M/s. Sandvik, Germany has been implemented at Gujarat Refinery and has been commissioned at Mathura and Panipat refineries.

#### **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 such as gas oil, kerosene, etc.
- (ii) Removal of sulphur from products like gas oil, motor spirit, jet fuel, etc., so that these fuels can conform to BS-III/BS-IV fuel

- standards and the 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 the quality of LPG and ATF
  - (ix) Production of Styrene Butadiene Rubber and Butene-1, which are import substitution products.
- d) Details of technology imported during the last three financial years:**
- (i) The details of technology imported: Technology for production of olefins from RFCC and Coker off gases at Panipat Naphtha Cracker complex. Licenser - M/s. Lummus Technology, USA  
**The year of import:** January, 2015  
**Whether the technology has been fully absorbed:** The project is in implementation stage - Preparation of BDEP (Basic Design and Engineering Package) is in progress, with expected completion in July 2015. P&ID review planned during second fortnight of June. Selection of consultants for DFR and EPCM jobs is in progress.
  - (ii) **The details of technology imported:** Biturox Technology for production of high-quality road paving bitumen at Barauni Refinery  
**The year of import:** August, 2013  
**Whether the technology has been fully absorbed:** The project is in implementation stage - Preparation of BDEP (Basic Design and Engineering Package) completed, detailed engineering study is in advanced stages of completion.

#### C. Foreign Exchange Earnings and Outgo

The Corporation continues to explore new markets for export of its petroleum and petrochemical products. The petrochemical products are now exported to 70 countries.

##### Total foreign exchange earned and used during the year:

Sr. No.	Particulars	(₹ in Crore)
1	Foreign exchange earned	16,010
2	Foreign exchange used	2,25,073

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

- Crude assay and transportation solutions
- Development & demonstration of refinery process technologies
- Licensing & commercialisation of refinery process technologies
- Trouble shooting, revamp and optimisation for refineries
- Process modeling and simulation
- Technical services to refineries, petrochemicals and pipelines
- Development of catalysts for refining and petrochemical processes
- Specialty bituminous products
- Petrochemicals & polymers
- Development of intelligent and caliper pigs for monitoring health of pipelines
- Material failure analyses, corrosion and remaining life assessment
- Boundary lubrication and metal working tribology
- Product development - Lubricants, greases and specialties
- Development of fuel additives
- Fuel and emission studies
- Biotechnology interventions for refinery ETP
- Carbon dioxide mitigation
- Alternative fuels - HCNG, 2<sup>nd</sup> & 3<sup>rd</sup> generation bio-fuels
- Nanotechnological interventions for development of fuels and lubricants
- Alternative energy - Solar

Your Corporation incurred the following expenditure on Research & Development:

Sr. No.	Particulars	(₹ in crore)
1.	Capital Expenditure	93.66
2.	Revenue Expenditure	169.31
	Total	262.97

**ANNEXURE-V****Form No. MGT - 9****EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2015**

[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	<p>IndianOil Bhavan G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai 400051, India</p> <p>Phone No. : (022) 26447616 Fax no. : (022) 26447961 Email id : investors@indianoil.in Website : <a href="http://www.iocl.com">www.iocl.com</a></p>	
vi) Whether shares listed	Yes	
vii) Name, address and contact details of Registrar & Transfer Agents, if any	<p>Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad 500 032</p> <p>Phone No. : (040) 6716 2222 Fax no. : (040) 2300 1153 Email id : einward.ris@karvy.com Website : <a href="http://www.karvycomputershare.com">www.karvycomputershare.com</a></p>	

**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	92.91%

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1.	Chennai Petroleum Corporation Ltd. 536, Anna Salai, Teynampet Chennai - 600 018	L40101TN1965GOI005389	Subsidiary	51.89	2(87)(ii)
2.	IndianOil - CREDA Biofuels Ltd. IndianOil Bhavan, VIP Road, Post - Ravigram, Telibandha, Raipur - 492 006	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)

<b>Sl. No.</b>	<b>Name of the Company</b>	<b>CIN</b>	<b>Holding / Subsidiary / Associate</b>	<b>% of shares held</b>	<b>Applicable section</b>
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	48.79	2(6)
11.	Lubrizol India Pvt. Ltd. 2nd 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, 11th 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 Ltd. Marine Tank Farm, Reliance Industries Limited, Dist. Jamnagar Sikka - 361 140	U23200GJ1998PLC034144	Associate	26.00	2(6)
15.	Petronet LNG Ltd. 1 <sup>st</sup> Floor, World Trade Centre Babar Road, New Delhi - 110 001	L74899DL1998PLC093073	Associate	12.50	2(6)
16.	Petronet India Ltd. BPCL Sewree A/K Installation Sewree Fort Road, Sewree (East) Mumbai - 400 015	U45203MH1997PLC108251	Associate	18.00	2(6)
17.	Green Gas Ltd. Fortuna Towers, 2nd 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	33.33	2(6)

Sl. No.	Name of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Applicable section
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)
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 Pvt. Ltd. 10 <sup>th</sup> Floor, Core-2, North Tower, SCOPE Minar, Laxmi Nagar, District Centre, Delhi-110 092	U25190DL2010PTC205324	Associate	50.00	2(6)
22.	IndianOil Ruchi Biofuels LLP 9 <sup>th</sup> Floor, IndianOil Bhavan, No-1, Sri 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 No.1, Sri 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 Pvt. Ltd. Irimpanam Installation Irimpanam P O, Kochi - 682 309	U40300KL2015PTC037849	Associate	50.00	2(6)
29	IndianOil Panipat Power Consortium Ltd. H-1/ 204, 2nd Floor, Vikramaditya Tower, Alaknanda Shopping Complex New Delhi - 110 019	U74899DL1999PLC101853	Associate	50.00	2(6)
30	Petronet CI Ltd. C/O Indian Oil Corp Ltd Koyali-Ahmedabad Pipeline P O Jawahar Nagar Vadodara - 391 320	U23201GJ2000PLC039031	Associate	26.00	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	1664965562	-	1664965562	68.57	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
b) Banks/Fl	-	-	-	-	-	-	-	-	-
c) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>1664965562</b>	-	<b>1664965562</b>	<b>68.57</b>	<b>1664965562</b>	-	<b>166496552</b>	<b>68.57</b>	-
<b>(2) Foreign</b>									
a) NRIs - 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>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>1664965562</b>	-	<b>1664965562</b>	<b>68.57</b>	<b>1664965562</b>	-	<b>166496552</b>	<b>68.57</b>	-
<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	22661396	5994	22667390	0.93	24348466	5994	24354460	1.00	0.07
b) Banks / Fl	8681601	12663	8694264	0.36	3202917	12663	3215580	0.13	(0.23)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-	-
f) Insurance Companies	84939381	1300	84940681	3.50	83885598	1300	83886898	3.46	(0.04)
g) FlI's	52858981	-	52858981	2.18	63396554	-	63396554	2.61	0.43
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
i) Funds Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>169141359</b>	<b>19957</b>	<b>169161316</b>	<b>6.97</b>	<b>174833535</b>	<b>19957</b>	<b>174853492</b>	<b>7.20</b>	<b>0.23</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corp.	464255744	24606	464280350	19.12	464536009	24564	464560573	19.13	0.01
b) Individuals									
i. Individual Shareholders holding nominal share capital up to ₹ 1 lakh	53223881	9724867	62948748	2.59	49309734	9031497	58341231	2.40	(0.19)
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	3275153	27264	3302417	0.14	2071921	27264	2099185	0.09	(0.05)

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	864453	-	864453	0.04	415497	-	415497	0.02	(0.02)
Foreign Nationals	506	-	506	-	506	-	506	-	-
Governor of Gujarat	-	2700000	2700000	0.11	-	2700000	2700000	0.11	-
Non Resident Indians	832122	110226	942348	0.04	722463	120136	842599	0.03	-
Trusts	58746336	-	58746336	2.42	59133391	-	59133391	2.44	0.02
<b>Sub-total (B)(2))</b>	<b>581198195</b>	<b>12627409</b>	<b>593825604</b>	<b>24.46</b>	<b>576189521</b>	<b>11943907</b>	<b>588133428</b>	<b>24.22</b>	<b>(0.23)</b>
<b>Total Public Shareholding</b>									
<b>(B) = (B)(1)+(B)(2)</b>	<b>750339554</b>	<b>12647366</b>	<b>762986920</b>	<b>31.43</b>	<b>751023056</b>	<b>11963864</b>	<b>762986920</b>	<b>31.43</b>	<b>-</b>
<b>(C) Shares held by custodian for GDR's &amp; ADR's</b>									
<b>Grand Total (A+B+C)</b>	<b>2415305116</b>	<b>12647366</b>	<b>2427952482</b>	<b>100.00</b>	<b>2415988618</b>	<b>11963864</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	-	1664965562	68.57	-	-
	<b>TOTAL</b>	<b>1664965562</b>	<b>68.57</b>	<b>-</b>	<b>1664965562</b>	<b>68.57</b>	<b>-</b>	<b>-</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
3.	At the end of the year	1664965562	68.57	1664965562	68.57

**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	% of total shares	No. of Shares	% of total shares
1	Oil & Natural Gas Corp. Ltd.	01-Apr-14	Opening Balance	334303814	13.77		
		31-Mar-15	Closing Balance			334303814	13.77
2	Oil India Ltd.	01-Apr-14	Opening Balance	121397624	5.00		
		31-Mar-15	Closing Balance			121397624	5.00
3	Life Insurance Corporation of India	01-Apr-14	Opening Balance	69544401	2.86		
		17-Oct-14	Sale (Net)	228977	0.01	69315424	2.85
		24-Oct-14	Sale (Net)	717405	0.03	68598019	2.83
		31-Oct-14	Sale (Net)	899937	0.04	67698082	2.79
		07-Nov-14	Sale (Net)	1124476	0.05	66573606	2.74
		14-Nov-14	Sale (Net)	2837066	0.12	63736540	2.63

Sl. No.	Name	Date	Remarks	Change in Shareholding		Cumulative Shareholding	
				No. of Shares	% of total shares	No. of Shares	% of total shares
		19-Dec-14	Purchase (Net)	407647	0.02	64144187	2.64
		31-Dec-14	Purchase (Net)	1508456	0.06	65652643	2.70
		02-Jan-15	Purchase (Net)	1194940	0.05	66847583	2.75
		09-Jan-15	Purchase (Net)	448440	0.02	67296023	2.77
		23-Jan-15	Purchase (Net)	28016	0.00	67324039	2.77
		31-Mar-15	Closing Balance			67324039	2.77
		01-Apr-14	Opening Balance	58279614	2.40		
4	IOC Shares Trust	31-Mar-15	Closing Balance			58279614	2.40
	Government Pension Fund Global	01-Apr-14	Opening Balance	9149396	0.38		
		11-Apr-14	Purchase (Net)	427836	0.02	9577232	0.39
		18-Apr-14	Sale (Net)	93097	0.00	9484135	0.39
		25-Apr-14	Purchase (Net)	26910	0.00	9511045	0.39
		02-May-14	Purchase (Net)	320489	0.01	9831534	0.40
		09-May-14	Sale (Net)	83356	0.00	9748178	0.40
		16-May-14	Sale (Net)	35577	0.00	9712601	0.40
		04-Jul-14	Sale (Net)	479099	0.02	9233502	0.38
		11-Jul-14	Sale (Net)	85242	0.00	9148260	0.38
		18-Jul-14	Sale (Net)	104434	0.00	9043826	0.37
		25-Jul-14	Sale (Net)	41787	0.00	9002039	0.37
		15-Aug-14	Purchase (Net)	207583	0.01	9209622	0.38
		12-Dec-14	Purchase (Net)	1066114	0.04	10068153	0.41
		19-Dec-14	Purchase (Net)	2337406	0.10	11339445	0.47
		16-Jan-15	Purchase (Net)	2873549	0.12	11875588	0.49
		23-Jan-15	Purchase (Net)	3843436	0.16	12845475	0.53
		06-Feb-15	Purchase (Net)	4093973	0.17	13096012	0.54
		20-Mar-15	Purchase (Net)	3944218	0.16	13153840	0.54
		31-Mar-15	Closing Balance			13153840	0.54
	CPSE ETF	01-Apr-14	Opening Balance	8394900	0.35		
		04-Apr-14	Purchase (Net)	17310	0.00	8412210	0.35
		11-Apr-14	Sale (Net)	2488031	0.10	5924179	0.24
		18-Apr-14	Sale (Net)	419073	0.02	5505106	0.23
		25-Apr-14	Sale (Net)	408355	0.02	5096751	0.21
		02-May-14	Sale (Net)	220010	0.01	4876741	0.20
		09-May-14	Sale (Net)	117110	0.00	4759631	0.20
		16-May-14	Sale (Net)	168381	0.01	4591250	0.19
		23-May-14	Purchase (Net)	66308	0.00	4657558	0.19
		30-May-14	Purchase (Net)	73084	0.00	4730642	0.19
		06-Jun-14	Purchase (Net)	33880	0.00	4764522	0.20
		13-Jun-14	Sale (Net)	13068	0.00	4751454	0.20
		20-Jun-14	Purchase (Net)	5808	0.00	4757262	0.20
		30-Jun-14	Purchase (Net)	10164	0.00	4767426	0.20
		04-Jul-14	Purchase (Net)	7744	0.00	4775170	0.20
		11-Jul-14	Sale (Net)	2420	0.00	4772750	0.20
		18-Jul-14	Purchase (Net)	4549	0.00	4777299	0.20
		25-Jul-14	Purchase (Net)	6292	0.00	4783591	0.20
		01-Aug-14	Purchase (Net)	4356	0.00	4787947	0.20
		08-Aug-14	Purchase (Net)	1452	0.00	4789399	0.20
		15-Aug-14	Sale (Net)	484	0.00	4788915	0.20

Sl. No.	Name	Date	Remarks	Change in Shareholding		Cumulative Shareholding	
				No. of Shares	% of total shares	No. of Shares	% of total shares
		22-Aug-14	Sale (Net)	32121	0.00	4756794	0.20
		29-Aug-14	Sale (Net)	11544	0.00	4745250	0.20
		05-Sep-14	Sale (Net)	5727	0.00	4739523	0.20
		12-Sep-14	Sale (Net)	25064	0.00	4714459	0.19
		19-Sep-14	Sale (Net)	14942	0.00	4699517	0.19
		30-Sep-14	Purchase (Net)	20726	0.00	4720243	0.19
		03-Oct-14	Sale (Net)	1928	0.00	4718315	0.19
		10-Oct-14	Sale (Net)	482	0.00	4717833	0.19
		17-Oct-14	Purchase (Net)	19762	0.00	4737595	0.20
		24-Oct-14	Purchase (Net)	16388	0.00	4753983	0.20
		31-Oct-14	Sale (Net)	9158	0.00	4744825	0.20
		07-Nov-14	Purchase (Net)	26028	0.00	4770853	0.20
		14-Nov-14	Sale (Net)	78990	0.00	4691863	0.19
		21-Nov-14	Sale (Net)	205716	0.01	4486147	0.18
		28-Nov-14	Sale (Net)	15642	0.00	4470505	0.18
		05-Dec-14	Sale (Net)	9954	0.00	4460551	0.18
		12-Dec-14	Sale (Net)	7110	0.00	4453441	0.18
		19-Dec-14	Sale (Net)	9954	0.00	4443487	0.18
		31-Dec-14	Purchase (Net)	43098	0.00	4486585	0.18
		02-Jan-15	Sale (Net)	17612	0.00	4468973	0.18
		09-Jan-15	Purchase (Net)	23800	0.00	4492773	0.18
		16-Jan-15	Sale (Net)	13328	0.00	4479445	0.18
		23-Jan-15	Sale (Net)	10472	0.00	4468973	0.18
		30-Jan-15	Sale (Net)	21896	0.00	4447077	0.18
		06-Feb-15	Sale (Net)	9996	0.00	4437081	0.18
		13-Feb-15	Sale (Net)	952	0.00	4436129	0.18
		20-Feb-15	Sale (Net)	645838	0.03	3790291	0.16
		27-Feb-15	Sale (Net)	3690	0.00	3786601	0.16
		06-Mar-15	Sale (Net)	7857	0.00	3778744	0.16
		13-Mar-15	Purchase (Net)	53763	0.00	3832507	0.16
		20-Mar-15	Purchase (Net)	3304	0.00	3835811	0.16
		27-Mar-15	Purchase (Net)	25080	0.00	3860891	0.16
		31-Mar-15	Sale (Net)	836	0.00	3860055	0.16
		31-Mar-15	Closing Balance			3860055	0.16
7	General Insurance Corporation of India	01-Apr-14	Opening Balance	7056495	0.29		
		08-Aug-14	Sale (Net)	27203	0.00	7029292	0.29
		15-Aug-14	Sale (Net)	29134	0.00	7000158	0.29
		31-Mar-15	Closing Balance			7000158	0.29
8	Vanguard Emerging Markets Stock Index Fund, A Series	01-Apr-14	Opening Balance	5538422	0.23		
		04-Apr-14	Purchase (Net)	40240	0.00	5578662	0.23
		11-Apr-14	Purchase (Net)	49294	0.00	5627956	0.23
		18-Apr-14	Purchase (Net)	7042	0.00	5634998	0.23
		23-May-14	Purchase (Net)	18108	0.00	5653106	0.23
		11-Jul-14	Purchase (Net)	35210	0.00	5688316	0.23
		25-Jul-14	Purchase (Net)	40240	0.00	5728556	0.24
		01-Aug-14	Purchase (Net)	64384	0.00	5792940	0.24
		22-Aug-14	Purchase (Net)	25150	0.00	5818090	0.24
		12-Sep-14	Purchase (Net)	28168	0.00	5846258	0.24

Sl. No.	Name	Date	Remarks	Change in Shareholding		Cumulative Shareholding	
				No. of Shares	% of total shares	No. of Shares	% of total shares
		28-Nov-14	Purchase (Net)	28168	0.00	5874426	0.24
		05-Dec-14	Purchase (Net)	25150	0.00	5899576	0.24
		09-Jan-15	Sale (Net)	41246	0.00	5858330	0.24
		16-Jan-15	Sale (Net)	18108	0.00	5840222	0.24
		23-Jan-15	Sale (Net)	17102	0.00	5823120	0.24
		06-Feb-15	Sale (Net)	5030	0.00	5818090	0.24
		13-Feb-15	Sale (Net)	20120	0.00	5797970	0.24
		31-Mar-15	Sale (Net)	15090	0.00	5782880	0.24
		31-Mar-15	Closing Balance			5782880	0.24
		01-Apr-14	Opening Balance	5366990	0.22		
9	HDFC Trustee Co. Ltd. - HDFC Equity Fund	25-Apr-14	Sale (Net)	437773	0.02	4929217	0.20
		23-May-14	Sale (Net)	218000	0.01	4711217	0.19
		30-May-14	Sale (Net)	100000	0.00	4611217	0.19
		23-Jan-15	Sale (Net)	422000	0.02	4189217	0.17
		31-Mar-15	Closing Balance			4189217	0.17
		01-Apr-14	Opening Balance	3335619	0.14		
10	HDFC Trustee Co. Ltd. - HDFC Top 200 Fund	25-Apr-14	Sale (Net)	172000	0.01	3163619	0.13
		30-Sep-14	Sale (Net)	100000	0.00	3063619	0.13
		17-Oct-14	Sale (Net)	50000	0.00	3013619	0.12
		23-Jan-15	Sale (Net)	422000	0.02	2591619	0.11
		31-Mar-15	Closing Balance			2591619	0.11
		01-Apr-14	Opening Balance	3181246	0.13		
11	United India Insurance Co. Ltd.	31-Mar-15	Closing Balance			3181246	0.13
		01-Apr-14	Opening	2775888	0.11		
12	Edgbaston Asian Equity Trust	11-Apr-14	Purchase (Net)	78550	0.00	2854438	0.12
		09-May-14	Purchase (Net)	46895	0.00	2901333	0.12
		06-Jun-14	Purchase (Net)	44881	0.00	2946214	0.12
		04-Jul-14	Purchase (Net)	39891	0.00	2986105	0.12
		08-Aug-14	Purchase (Net)	41876	0.00	3027981	0.12
		15-Aug-14	Purchase (Net)	128446	0.01	3156427	0.13
		12-Sep-14	Purchase (Net)	129870	0.01	3286297	0.14
		10-Oct-14	Purchase (Net)	94106	0.00	3380403	0.14
		17-Oct-14	Sale (Net)	158040	0.01	3222363	0.13
		31-Oct-14	Sale (Net)	190971	0.01	3031392	0.12
		07-Nov-14	Sale (Net)	177186	0.01	2854206	0.12
		14-Nov-14	Purchase (Net)	77227	0.00	2931433	0.12
		21-Nov-14	Sale (Net)	318514	0.01	2612919	0.11
		05-Dec-14	Sale (Net)	177500	0.01	2435419	0.10
		12-Dec-14	Sale (Net)	220605	0.01	2214814	0.09
		19-Dec-14	Sale (Net)	231566	0.01	1983248	0.08
		16-Jan-15	Purchase (Net)	49330	0.00	2032578	0.08
		27-Feb-15	Purchase (Net)	35751	0.00	2068329	0.09
		06-Mar-15	Purchase (Net)	34689	0.00	2103018	0.09
		13-Mar-15	Purchase (Net)	145215	0.01	2248233	0.09
		31-Mar-15	Closing			2248233	0.09

## 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-14	3600	-	3600	-
		31-Mar-15	3600	-	3600	-
2	Shri Sanjiv Singh Director (Refineries)	01-Apr-14	4200	-	4200	-
		31-Mar-15	4200	-	4200	-
3	Shri A. K. Sharma Director (F)	01-Apr-14	1350	-	1350	-
		31-Mar-15	1350	-	1350	-
4	Shri Verghese Cherian Director (HR)	01-Apr-14	2600	-	2600	-
		31-Mar-15	2600	-	2600	-
5	Shri Anish Aggarwal Director (Pipelines)	01-Apr-14	2500	-	2500	-
		31-Mar-15	2500	-	2500	-
6	Shri Raju Ranganathan Company Secretary	01-Apr-14	100	-	100	-
		31-Mar-15	100	-	100	-

## V. INDEBTEDNESS

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

(Amount in ₹ Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal amount	20284.70	65932.90	-	86217.60
ii) Interest due but not paid	-	45.19	-	45.19
iii) Interest accrued but not due	472.11	203.09	-	675.20
<b>Total (i + ii + iii)</b>	<b>20756.81</b>	<b>66181.18</b>	-	<b>86937.99</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	552637.52	113727.96	-	666365.48
- Reduction	(554478.00)	(143077.08)	-	(697555.08)
<b>Net Change</b>	<b>(1840.48)</b>	<b>(29349.12)</b>	-	<b>(31189.60)</b>
<b>Indebtedness at the end 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>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**  
**A. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

Sl. No.	Particulars of Remuneration	Name of Whole Time Directors										<b>Total</b>				
		B. Astrok	R. S. Butola	R. K. Malhotra	Sudhir Bhalla	A. M. K. Sinha	P. K. Goyal	R. K. Ghosh	M. Nene	V. S. Okhde	Sanjiv Singh					
1. <b>Gross salary</b>																
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2901205	5675991	5081567	12196801	6252041	8193702	6649140	6970432	9931156	2792443	2271610	1614243	1131597	394873	72056799
	(b) Value of perquisites u/s 17(2)(income-tax Act, 1961)	611825	1904029	1154584	335332	1658675	1726683	1407006	904636	1023500	582822	506734	448745	207194	180960	12652725
	(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>3513030</b>	<b>7580020</b>	<b>6236151</b>	<b>12532133</b>	<b>7910715</b>	<b>9920386</b>	<b>8056146</b>	<b>7875068</b>	<b>10954656</b>	<b>3375264</b>	<b>2770344</b>	<b>2062988</b>	<b>1338790</b>	<b>575833</b>	<b>84709524</b>	
Ceiling as per the Act																

₹ 810.91 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:**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Sudhakar Rao	Shyamala Gopinath	Shyam Saran	Devang Khakhar	K. Jairaj	Nesar Ahmad	Sunil Krishna	Sayan Chatterjee	
1.	Independent Directors - Fee for attending Board / Committee meetings - Commission - Others (please specify)	120000	680000	520000	540000	100000	100000	120000	100000	2280000
	Total (1)	120000	680000	520000	540000	100000	100000	120000	100000	2280000
2.	Other Non-Executive Directors - Fee for attending Board / Committee meetings - Commission - Others (please specify)									
	Total (2)	-	-	-	-	-	-	-	-	-
	<b>Total (1+2)</b>	<b>120000</b>	<b>680000</b>	<b>520000</b>	<b>540000</b>	<b>100000</b>	<b>100000</b>	<b>120000</b>	<b>100000</b>	<b>2280000</b>
	<b>Total Managerial Remuneration (A+B)</b>									<b>86989524</b>
	Overall ceiling as per Act	₹ 892 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	-	-	3392440	3392440
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	733390	733390
	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>4125830</b>	<b>4125830</b>

# The remuneration paid to Shri R. S. Butola (Chairman up to 31.05.2014), Shri B. Ashok (Chairman w.e.f. 16.07.2014), Shri P K Goyal (Director Finance up to 31.08.14) and Shri A. K. Sharma (Director Finance w.e.f. 27.10.2014,) 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					
Punishment					
Compounding					
<b>C. OTHERS OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

NIL

## AWARDS & RECOGNITIONS

- IndianOil was ranked 119<sup>th</sup> among the world's largest corporates (and first among Indian enterprises) in the prestigious *Fortune* 'Global 500' listing for the year 2015
- IndianOil retained its top position among corporate listings by Fortune 'India 500', *Financial Express 500* and The Economic Times 500 listings in 2014
- IndianOil was conferred the SCOPE Meritorious Award-2014 (Gold Trophy) for CSR and Responsiveness by the President of India. The award was instituted by the Standing Conference of Public Enterprises.
- IndianOil won the 'Reader's Digest Most Trusted Brand' Gold Award for the 8<sup>th</sup> time in a row in the Petrol Station category. The award is in recognition of IndianOil's constant endeavour to provide world-class fuels and services to customers at its fuel stations.
- IndianOil won the annual Express Logistics and Supply-chain Leadership Award for the seventh time in a row, in the category of 'Excellence-Oil & Gas.' The award is one of the most coveted industry recognitions.



IndianOil received the SCOPE meritorious gold award 2014 for CSR

- IndianOil has been adjudged as the second Best Company in Public Sector in India by the annual survey conducted by the Great Place to Work (GPW) Institute, India, and The Economic Times in 2014.
- IndianOil won the 'Global Human Resources Development Award-2014' in the category 'Improved Quality of Working Life' instituted by the International Federation of Training & Development Organisations (IFTDO).
- IndianOil's R&D Centre was adjudged the winner in the category of Innovation in Green Polymeric Materials & Products at the 4th National Awards for Technology Innovation in Petrochemical & Downstream Plastics Processing Industry. IndianOil's Petrochemicals Group was adjudged runner-up for 'Innovation in Polymeric Material' at the same event.
- *Project Chetna* training programme for customer attendants manning IndianOil fuel stations bagged the coveted ATD (Association for Talent Development, USA) 'Excellence in Practice' citation for 2014
- IndianOil also won the 9<sup>th</sup> BML Munjal Award for Business Excellence through Learning and Development in the Public Sector category.
- IndianOil Marketing Division has bagged an award under the 'Innovation Architect' category for a bouquet of applications designed and developed by its IS group at the 9<sup>th</sup> Annual Symposium & Awards ceremony



IndianOil was bestowed the 5<sup>th</sup> PSE Excellence Award-2014.

- 
- organised by CIO-100, an exclusive forum of corporate representatives who have contributed significantly to the IT industry.
- IndianOil's Haldia and Panipat refineries won the prestigious Greentech Environment Award-2015 and Greentech Safety Award-2014 in Platinum category for outstanding achievement in environment protection and safety respectively. Panipat refinery was conferred the Greentech Environment Award-2014 in Gold category. The awards were conferred by Greentech Foundation, Delhi.
  - The Quality Control Department of Marketing Division HO was conferred the Golden Peacock National Quality Award-2014 given out by the Institute of Directors, being one of the most well-known corporate excellence awards worldwide.
  - The Governor of Maharashtra, Mr. C Vidyasagar Rao, presented the *Navshakti Sanman Sandhya* CSR award to IndianOil, in recognition of its stellar efforts in enriching Corporate Social Responsibility with various social initiatives.
  - IndianOil - North Zone won the prestigious OISD (Oil Industry Safety Directorate) award in the POL Marketing Organisations category for the year 2012-13.
  - IndianOil was bestowed with the 'Best Vendor' award by M/s. Hyundai Motors in 'Oil & Chemicals - After-Market' category.



IndianOil's Mathura Refinery won the Rajbhasha award 2014. The award was handed over by the Hon'ble President of India



Indane LPG cooking gas reaches the  
doorsteps of 8.8 crore households.

इंडने

## MANAGEMENT'S DISCUSSION & ANALYSIS

(Forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2015)

### ECONOMIC OVERVIEW & OUTLOOK

#### Global Economic Situation

*During the period under review, the international landscape was marked by many critical political, geo-political, business, policy and diplomatic developments and these affected the performance of the global economy considerably. The Ukraine-Russia stand-off, followed by sanctions on Russia; ISIS crisis in Iraq; tensions in many other MENA countries; progress on Iran's nuclear deal with global powers; escalation of Greece debt crisis and its implications on the future of Euro Area; OPEC's decision to abandon price targeting; phasing out and ending of US Federal Reserve's Quantitative Easing(QE); expansion of Bank of Japan's QE programme and beginning of QE by the European Central Bank were some of the major developments.*

During the period under review, global economy's performance as a whole was modest and growth was uneven across groups. In 2014, global output expanded by 3.4 per cent, which was the same as the growth recorded in 2013. However, growth in the advanced economies group picked up to 1.8 per cent from 1.4 per cent, while that in the emerging markets and developing economies group fell to 4.6 per cent from 5 per cent in 2013.

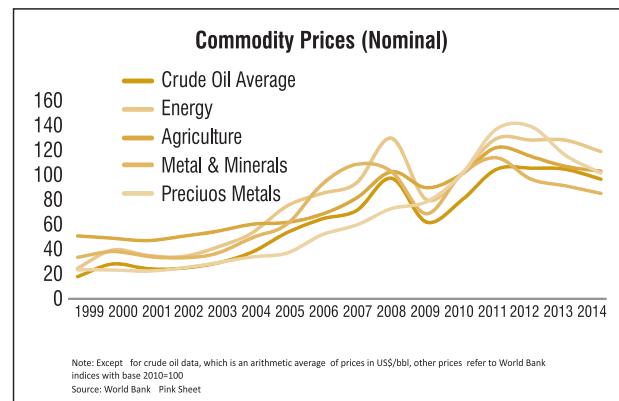
The US economy posted an accelerated GDP growth of 2.4 per cent and industrial production growth of 4.1 per cent, up from 2.2 per cent and 2.9 per cent recorded in 2013, respectively. There was a sizeable drop in the unemployment rate, which fell from 7.4 per cent in 2013 to 6.2 per cent in 2014, which is the lowest since the 5.8 per cent recorded in 2008. However, in the first quarter of 2015, GDP contracted in the US by 0.2 per cent due to harsh winter.

In the Euro Area, the pickup in growth continued albeit at a slow pace, GDP grew by 0.8 per cent in 2014 after declining by 0.4 per cent in 2013. Moderation in unemployment rate was witnessed too. Industrial production also picked up in the Euro Area; after declining by 0.7 per cent in 2013, it rose by 0.8 per cent in 2014.

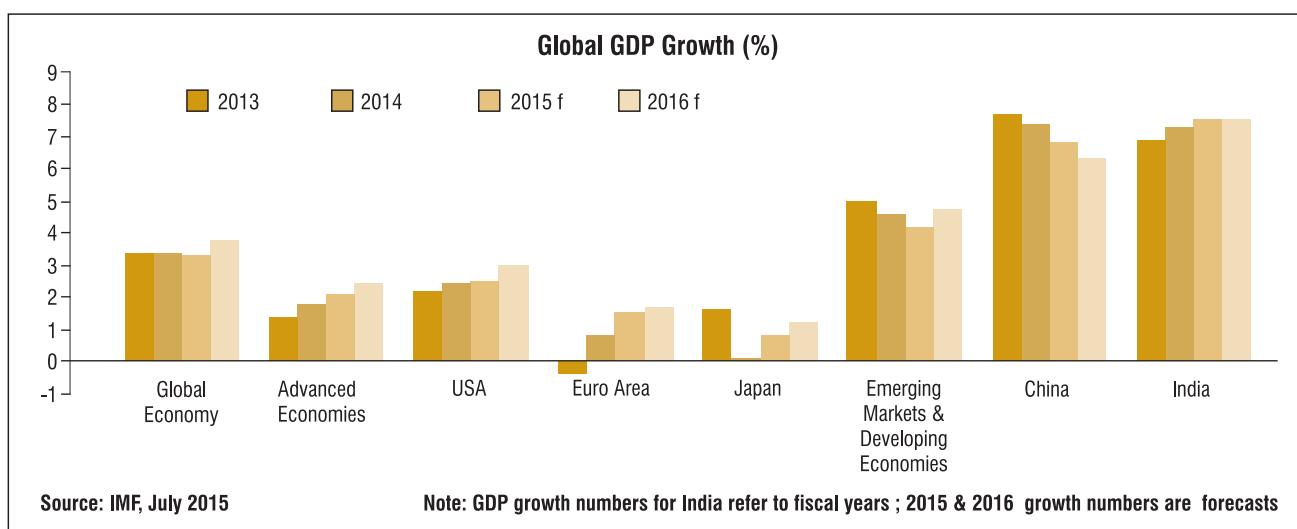
Within the emerging markets & developing economies group, growth slowed down in most of the emerging markets, India being an exception. The slowdown in China's growth being witnessed since the last quarter of 2013, furthered

and during the year Chinese GDP growth slipped to 7.4 per cent, the lowest since 1991. This was mainly on account of a slowdown in investment, particularly in the real estate sector. This had a sobering effect on the overall global growth.

During the year, there was a moderation in commodity prices, a continuation of the fall in prices being witnessed since 2012. However, what differentiated this year from the previous one was the dramatic decline in international crude oil price in the latter half of 2014. Brent prices fell by 55 per cent between July 2014 and January 2015. The decline was seen to be primarily driven by surplus supply in the face of weak demand.



During the year, the US Federal Reserve ended the Quantitative Easing in view of improvements in the performance of the US economy. On the other hand, Bank of Japan (BoJ) scaled up its Quantitative and Qualitative Easing programme to a total of ¥ 80 trillion per year to counter the downward pressure on price and achieve the target of 2 per cent inflation rate. Similarly, European Central Bank (ECB) in March 2015 commenced its sovereign debt purchase programme of € 60 billion per month (till September 2016). In many emerging economies, central banks went in for rate cuts as inflationary pressures eased.



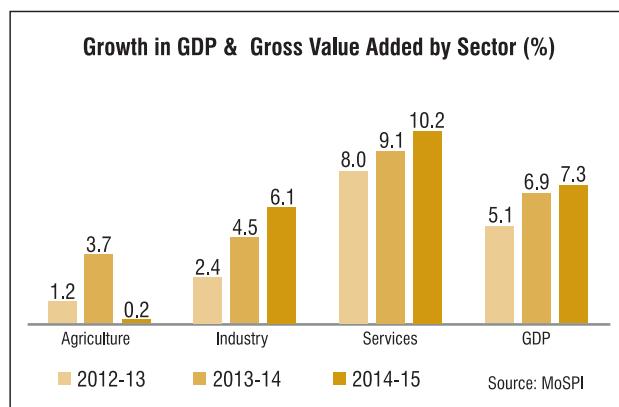
Portfolio capital flows to emerging markets economies were robust in 2014 despite weakening of economic activity in these economies. Portfolio flows rose to US\$ 216 billion from US\$ 196 billion in 2013.

Looking ahead, global growth in 2015 is expected to be more or less the same as that of 2014 and pick up in 2016. Weak growth in the first quarter of 2015 in the US, a more than expected rise in oil prices in the second quarter of 2015 and risk related to the uncertainty around the future of Greece are expected to affect recovery in 2015. However, generally low oil prices and accommodative monetary policies are expected to provide support to growth in 2016.

### Indian Economic Situation

*The year began with the coming in of a new Government at the Centre, after a decisive electoral mandate. Along with this came in a new reforms agenda and major thrust on infrastructure development. The year witnessed a rise in the confidence of the international investors in the Indian growth story. Indian stock markets touched new highs and rating agencies upgraded the Indian economy. The Government introduced several policy initiatives as well, 'Make in India' being one such, to transform India into a manufacturing hub. The year was marked by the return of growth and macroeconomic stability in the economy.*

During the year, GDP growth accelerated to 7.3 per cent from 6.9 per cent



recorded in 2013-14, based on the new methodology and new base year of 2011-12. Growth in industrial and services sectors moved up, while agricultural growth, affected by weak monsoons, took a hit. The services sector recorded double-digit growth of 10.2 per cent, up from 9 per cent recorded in the previous fiscal. Industrial growth moved up to 6.1 per cent from 4.5 per cent previously

and agricultural growth declined to a mere 0.2 per cent from 3.7 per cent recorded in the previous fiscal.

High-frequency real sector indicators broadly exhibited an overall improvement barring a few monthly fluctuations. The Index of Industrial Production (IIP) grew by 2.8 per cent during 2014-15. Accelerated growth was seen in all sub-sectors, viz., electricity, mining and manufacturing. Accelerated growth was posted by all segments of vehicles, with the commercial vehicles segment being the only exception. The Purchasing Manager's Index for Indian manufacturing was throughout in the expansion zone in the year. The turnaround in air traffic growth strengthened further as both passenger and cargo traffic growth scaled up significantly. Port and railway traffic growth was upbeat as well.

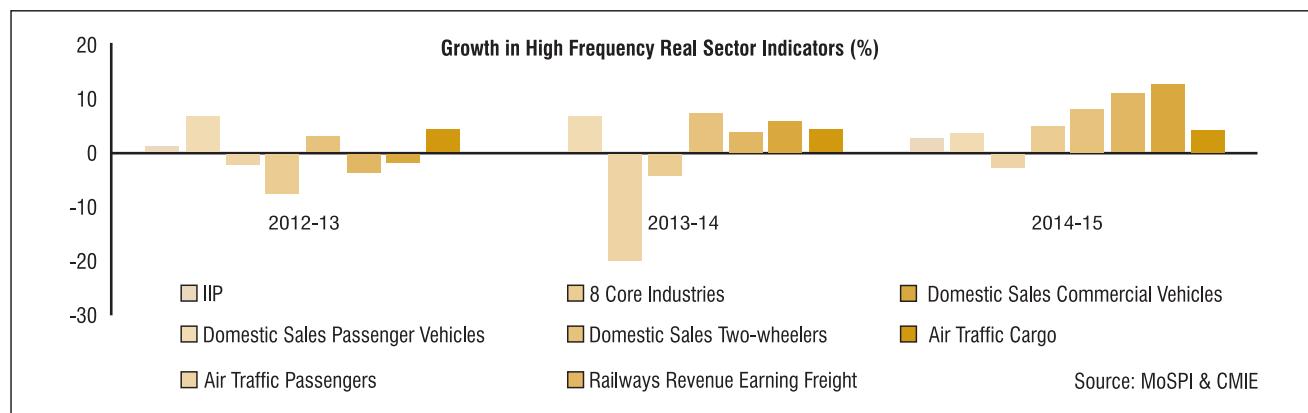
In terms of demand side analysis of growth, private consumption expenditure growth accelerated to 6.3 per cent from 6.2 per cent in the previous fiscal, and Government consumption expenditure grew at a slower pace this year; at 6.6 per cent, it was lower than 8.2 per cent recorded in 2013-14. Investment growth also received a fillip during the year, and rose to 5.4 per cent after declining by 2.4 per cent in the previous year. However, the rate of investment in the country, measured as a percentage of GDP, has been declining; in 2014-15, it fell to 33.1 per cent from 33.7 per cent in the previous year and 36.9 per cent in 2012-13.

Infrastructure deficit in India has been stark and is well recognised to be a major drag on the economy. During the year, a number of policy initiatives, announcements and reforms were taken forward to ramp up the investment climate in the country. In the budget 2015-16, a sizeable increase in outlays of roads and railways, establishment of National Investment and Infrastructure Fund, and issuance of tax-free infrastructure bonds for the projects in the rail, road and irrigation sectors were announced. In addition, National Industrial Corridor Authority was formed. Since, it is well recognised that private sector is required to play the leading role in infrastructure development in the country; the Government is placing significant thrust on PPP mode.

Respite on the inflation front came in as a very positive development as both CPI and WPI moderated in the latter half of the year. CPI inflation fell to 5.9 per cent from 10 per cent in 2013-14, and WPI inflation dipped to 2 per cent from 6.0 per cent in 2013-14.

Monetary Policy stance through most of the year remained anti-inflationary. Between April-December 2014, RBI kept the policy rates unchanged. Only upon a definitive decline in the inflation numbers, RBI went in for policy rate cuts in the last quarter of the year.

There was improvement on the fiscal front as well. Both Fiscal Deficit and Revenue Deficit are estimated to have contracted to 4.1 per cent and 2.9 per cent of GDP, from 4.4 per cent and 3.1 per cent of GDP respectively in 2013-14.



On the external sector front, India's merchandise trade deficit position was comfortable. Trade deficit in 2014-15 rose slightly to US\$ 137.0 billion from US\$ 134.0 billion. Overall, India's exports declined by 1.8 per cent to US\$ 309.3 billion in 2014-15. The drastic fall in international crude oil prices affected the petroleum exports realisation. Imports fell for the second year in a row in 2014-15, falling marginally by 0.4 per cent. However, gold and other non-oil imports exhibited strong growth. It was the fall in oil imports, again owing to low oil prices, that drove the decline in total imports. As regards services exports segment, net inflows from service exports rose by 3.7 per cent. As a result, CAD deficit fell to 1.3 per cent of GDP in 2014-15 from 1.7 per cent of GDP in 2013-14, the lowest level witnessed since 2008-09.

Foreign investment flows received a fillip during the year. Net investments from Foreign Institutional Investors rose to US\$ 46 billion in 2014-15 from US\$ 9 billion in 2013-14. Net FDI flows also revived, rising to US\$ 33 billion in 2014-15 from US\$ 21.6 billion in 2013-14. With flush of funds on the capital account, India's forex reserves rose to an all-time high of US\$ 341 billion at the end of 2014-15.

During the year, the Rupee-Dollar exchange rate exhibited stability, averaged slightly higher at ₹ 61.16/US\$ as compared to ₹ 60.47/US\$ in 2013-14. Rupee depreciated on an average basis by 1 per cent vis-a-vis a 10 per cent depreciation experienced in 2013-14.

Looking ahead, international agencies are optimistic about the Indian economy. As per IMF's projections, India is set to surpass China in 2015 and emerge as the fastest growing large economy.

## INDUSTRY STRUCTURE & DEVELOPMENTS

### Oil Market-International

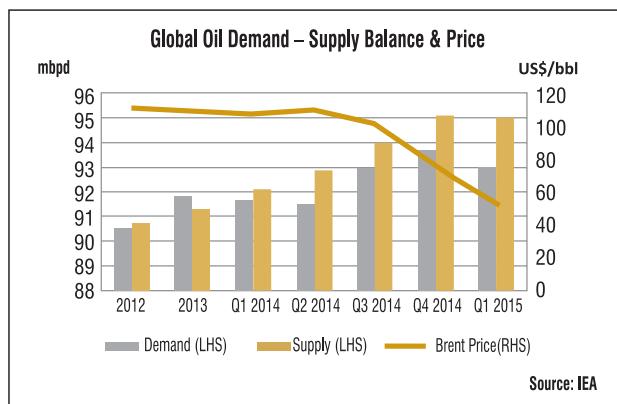
On the supply side, the overall oil supply in 2014 increased to 93.6 mbpd (million barrels per day) from 91.4 mbpd in 2013. The entire increase in the global oil supply came from incremental non-OPEC supply, which saw a major scale-up from 54.6 mbpd in 2013 to 57 mbpd in 2014. US crude oil production, owing to the shale oil revolution, has grown from 6.8 mbpd in 2008 to a level of 11.6 mbpd in 2014. In fact, in 2014, US crude oil production rose by 1.6 mbpd, making it the largest producer of oil in the world, surpassing Saudi Arabia. OPEC supply remained unchanged at 36.7 mbpd.

In comparison, the world oil demand increased modestly by 0.6 mbpd to 92.5 mbpd in 2014. Oil consumption among OECD countries, after rising by 0.2 mbpd in 2013, again fell in 2014 by 0.5 mbpd and reached a level of 45.6 mbpd. Non-OECD demand grew by 1.1 mbpd to reach a level of 46.9 mbpd.

In the first quarter of 2014-15, international oil prices had hardened to US\$ 109.8/bbl mainly on the back Ukraine-Russia stand-off and geo-political concerns in Iraq. This was followed by one of the most dramatic declines in international crude oil prices. In the four year period that preceded, monthly average oil prices had fluctuated in a band of US\$ 93 to US\$ 118 per barrel. On an average, Brent prices fell by 20.6 percent to an average of US\$ 85.4 per barrel in 2014-15 from US\$ 107.6 per barrel in 2013-14.

An over-supplied market was at the crux of the decline. Since the beginning of 2014, demand fell short of supply. Weak economic conditions and slower growth, especially in China, on the one hand and growing oil supplies, especially that of shale oil from US, formed a wedge between demand & supply that put pressure on the prices. This was further accentuated when, in November 2014, OPEC decided to maintain their collective production ceiling of 30 mbpd and abandoned price targeting. These events triggered a massive slide in crude oil prices. The strengthening of the US Dollar in the latter half of 2014 also further deepened the oil price fall.

The falling oil prices came as a welcome development. International Monetary Fund estimates that declining oil prices will increase global output by a range of 0.3 per cent to 0.7 per cent this year and more for big oil importers such as



India. The fall in oil prices also presented a unique opportunity to reduce or do away with the difficult oil subsidies and bring in better targeted programmes.

Falling oil prices particularly hit E&P companies. In 2015, many oil majors slashed their capital expenditures. The falling oil prices also affected the rig count in the US, which witnessed a fall since December 2014. However, latest reports have shown that the US shale oil producers have adapted to lower oil prices through optimising costs of production. EIA estimates that US crude oil production averaged 0.3 mbpd higher in the first half of 2015 than the average production during the fourth quarter of 2014.

### Refining

During 2014, global crude distillation capacity was largely unchanged, with a marginal rise by 0.03 mbpd to 92.5 mbpd. In terms of regions, the largest increase was witnessed in East Asia, where capacity rose by 0.68 mbpd, other regions that saw an increase in capacity were, South Asia, Middle East, Africa & FSU East. On the other hand, there were refinery closures on the OECD countries, with the steepest fall being seen in OECD Asia to the tune of 0.52 mbpd.

In the next two years, by 2017, global crude distillation capacity is set to rise by around 3.5 mbpd to reach a level of 96.1 mbpd. East Asia will account for 1.1 mbpd rise, Middle East for another 1.1 mbpd, South Asia to add 0.64 mbpd, Central and South America to move up by 0.5 mbpd and North America will add 0.5 mbpd. North America has a distinct advantage in terms of low energy and feedstock costs that are supporting margins, which is working in favour of the project economics. Closures to the tune of 0.2 mbpd and 0.4 mbpd in Europe and OECD Asia, respectively, are likely by 2017.

As far as the refining sector was concerned, the fall in crude oil prices had a positive effect on cracks. As per EIA, there was a rise in gasoline crack spreads, with the main factors being lowest crude oil prices in several years, robust U.S. gasoline consumption and exports, and higher-than-expected demand for liquid fuels in Europe and some countries outside the OECD.

### Oil Market-Domestic

#### Demand Side

Refined petroleum products demand was buoyant, grew by 4.2 per cent to 165 MMT (million metric tonnes, or 3.3 mbpd) after a subdued performance in the previous year. Top performers were MS, LPG & petcoke that registered accelerated growth in the double-digit range.

MS sales were supported by the price cuts in the domestic retail price as a pass-through of decline in international oil prices supported by the surging sales of two-wheelers that account for over 60 per cent of MS consumption.

LPG growth received a fillip from the increase in the number of subsidised LPG cylinders from 6 to 12 and release of new connections.

Petcoke growth was supported by buoyancy in user sectors such as those of aluminum and copper.

In addition to these high-growth products, a major push to the growth in petroleum products consumption was given by the upturn in HSD sales this year. HSD accounts for more than 40 per cent share in the Indian fuel basket. After declining by 1 per cent in the previous year, HSD consumption turned around and grew at 1.5 per cent. Deregulation of HSD prices in October 2014, and the consequent fall in the retail prices of diesel as international oil prices declined, helped pump up diesel sales. Moreover, HSD sales also benefited from a pickup in industrial activity in the country. In the remaining products, the performance was lacklustre.

During the year, petroleum exports fell in both value and quantity terms. At 63.9 MMT, exports were 6.0 per cent lower than the 67.9 MMT level achieved in 2013-14. In value terms, the fall was starker as product prices fell in line with falling crude oil prices. India's petroleum exports forex earnings fell by over 22 per cent to a level of US\$ 47.1 billion. For public sector refiners, however, the main focus being the domestic market, exports are mostly post-absorption by the domestic market.

#### Supply Side

The domestic crude oil production scene continued to be downcast as crude oil production declined by 0.9 per cent to 37.5 MMT. For some years now, crude oil production by National Oil Companies (NOCs) has been falling. Moreover, this year, a worrisome observation was that of fall in production by private companies, led by falling onshore production.

Performance of the Indian refineries sector was muted. Refinery throughput grew marginally by 0.4 per cent, mainly because of planned shutdowns by big refiners.

Crude oil imports continued to be high but did not exhibit growth, were more or less same at the level of 189 MMT. The crude oil price crash helped tone down the import bill to US\$ 113 billion in 2014-15 from US\$ 143 billion in 2013-14.

#### Financials

The Government decontrolled the retail diesel prices in October 2014, making it market-linked. This move, coupled with the falling international crude oil and

petroleum product prices, enabled Oil Marketing Companies (OMCs) to reduce diesel prices. Consequent to deregulation, under-recovery on diesel has been wiped out. This development augurs well for the sector; it would not only improve the financial health of the public sector OMCs but also increase competition in the market. Under-recovery for the sector almost halved to ₹ 72,314 crore in 2014-15, from ₹ 139,869 crore in the previous year.

#### Gas Market-International

Global natural gas production rose by 1.6 per cent in 2014, rising to 3,461 BCM following a 0.8 per cent growth in 2013. In the US, the largest producer of gas in the world with a share of around 21 per cent, the total marketed gas production growth accelerated to 6.1 percent *vis-a-vis* around 1.2 per cent growth recorded in 2013. US accounted for 77 per cent of the net global growth in gas production. On the other hand, production declined in many countries, with largest absolute declines witnessed in Russia & The Netherlands.

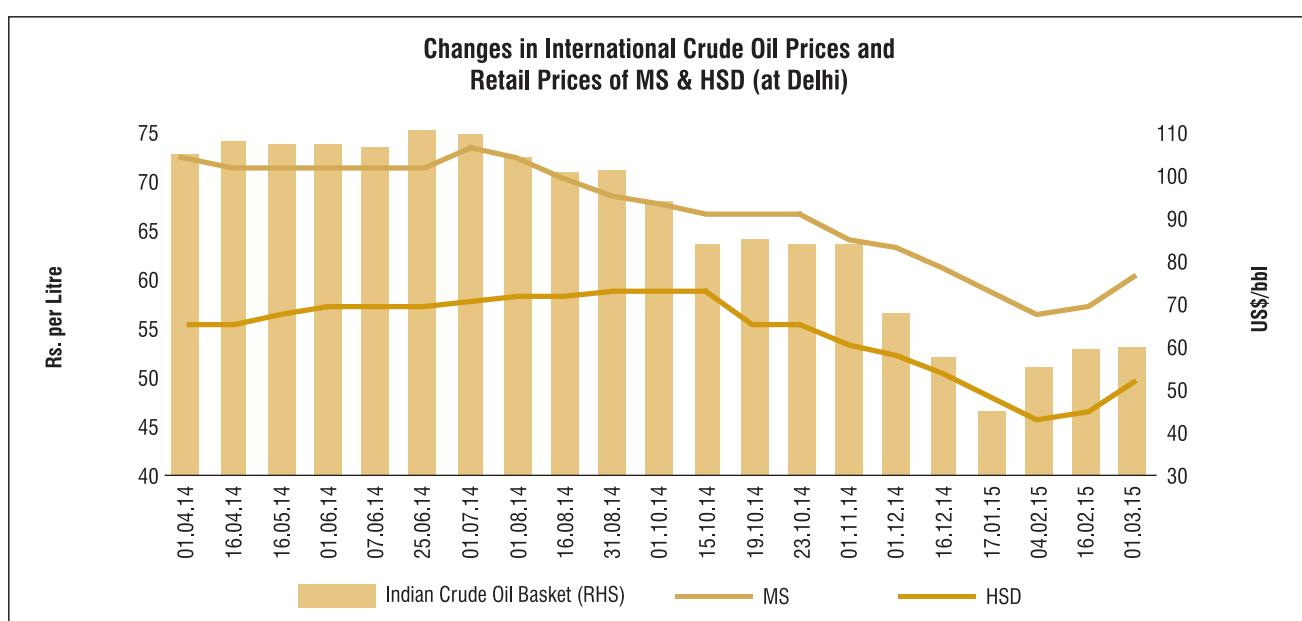
On the consumption front, global natural gas consumption stood at 3,393 BCM (Billion Cubic Metres) in 2014. Growth was lacklustre, growth in world natural gas consumption decelerated to a mere 0.4 per cent in 2014 from 1 per cent growth recorded in 2013. In both the years, growth continued to be below the 10-year average of 2.4 per cent.

The natural gas market is undergoing rapid change as the North American shale revolution has transformed the global energy picture. North American LNG is expected to be available in Asia from 2016, with sizeable volumes expected only from 2019-2020 onwards. For the next few years, however, Asia will continue to rely on LNG from its traditional supply sources such as the Middle East, Australia and Russia.

#### Gas Market-Domestic

In India, domestic gas production continued to decline during the year. It was 33.7 BCM, which was 4.9 per cent lower due to declining offshore production.

LNG imports rose to 11.5 MMT (15.6 BCM) in 2014-15 from 10.8 MMT (14.8 BCM) in the previous year. Spot LNG price for India fell from US\$ 16.24/MMBTU (Million British Thermal Units) in April 2014 to US\$ 7.83/MMBTU in March 2015. In comparison, the long-term LNG price for Qatar gas, which is the main source for LNG in India, continued to be high as it is based on a formula linked to five-year average of Japan Crude Cocktail (JCC) price.



Domestic LNG import infrastructure is to witness a major scale-up in the coming years. A number of LNG import terminal projects are under implementation and the capacity is expected to increase significantly in the coming years.

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

The Indian oil & gas sector is at a critical juncture. In the liberalisation period, the sector witnessed many big reforms and now the time has come for the next round of big reforms.

**Deregulation of Retail Diesel Prices:** Deregulation of diesel prices during the year was a much-awaited and a major policy change. On 19th October, 2014, the Government of India deregulated diesel prices at the retail level. With this, diesel prices have become fully deregulated (bulk diesel price had been deregulated earlier in January 2013). This decision paved the way for greater competition level in the market.

**PAHAL (DBTL):** During the year, a landmark scheme for nation-wide direct transfer of cash subsidy on LPG was launched. Under the scheme, LPG cylinders are sold at market price and the entitled consumers get the subsidy directly in their bank accounts. This is done through either an Aadhaar linkage or a bank account linkage. It covers 11.89 crore LPG consumers (as on 05.03.2015) and is one of the largest cash-transfer programmes in the world.

**Revision in the Gas Pricing Formula:** Gas pricing is critical to the development of the gas sector in the country. The Government revised the earlier approved gas pricing formula, raised the natural gas price to \$5.6/MMBTU from \$4.2/MMBTU effective November 2014. This price, based on the revised formula, was much lower than the initially proposed \$8.4/MMBTU. Gas prices will be revised semi-annually instead of the earlier proposed quarterly revisions.

**E&P Policy Review:** India's exploration acreage continues to be largely unexplored. It is pertinent to raise the attractiveness of investment opportunities in the E&P sector in India. During the year a number of initiatives were taken, viz.-

- Reforms in Production-Sharing Contracts to push Investment in Exploration: The Government ironed out a number of rigidities in production-sharing contracts.
- Reassessment of Hydrocarbon Potential: Plan to reassess hydrocarbon resources in India's sedimentary basins, which will provide greater clarity to future investors on the prospects of the basins.
- National Data Repository (NDR) being set up in the Directorate General of Hydrocarbons (DGH)
- Project for Survey of Un-appraised Sedimentary Basins of India: A project has been undertaken to appraise about 1.5 million sq. km area in 24 sedimentary basins where scanty geo-scientific data is available.

Further to this, the Government is contemplating to replace NELP with a Uniform Licencing Policy (ULP). The Government is also reviewing the present profit-sharing model vis-a-vis revenue-sharing model.

**Gas Grid:** The cross-country gas pipeline network needs a scale-up. In addition to the existing 15,000-km gas pipeline network, another 15,000 km has been planned by the Government for completion of the gas grid.

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

The Corporation has been the bellwether of the Indian downstream oil industry. From its humble beginnings more than half a century ago, the Corporation has grown from strength to strength. Today, it has the largest refining capacity in the country, has a pan-India marketing and pipeline network with total solutions for the customer needs.

Indian economy is set to emerge as the fastest growing large economy by surpassing China in this very year and is being envisioned to become a manufacturing powerhouse. Industrial activity and infrastructure development

are all set to witness unprecedented scaling up. The 'Make in India' initiative of the Government, coupled with the industrial and economic corridors being conceptualised and the ambitious 100 smart cities programme, would give a big push to hydrocarbons and petrochemicals demand in the country. As a flagship energy supplier and as a major petrochemicals player in India, opportunities for growth of business are plentiful and, in fact, multiplying.

#### **Refining**

With a group refining capacity of 65.7 MMTPA (million metric tonnes per annum), IndianOil currently operates 10 of India's 22 refineries, and is the country's largest refiner. The twin objectives of the Corporation's refining business are to meet customer aspirations with quality products while protecting its margins. The operations of these refineries in themselves have supported an ecosystem that leads to the growth of downstream infrastructure of oil & gas marketing in the country. The presence of IndianOil's refineries has over the years successfully contributed to significant economic value addition in their respective regions.

The Corporation's state-of-the-art 15 MMTPA coastal refinery at Paradip has entered the commissioning phase with successful intake of crude oil on 12<sup>th</sup> March, 2015. One of the most modern refineries in the world, Paradip refinery will rank among the best refineries on major performance parameters, viz., distillate yield, complexity factor and energy consumption. Once commissioned, it will increase the competitiveness of the Corporation, provide enhanced operational flexibility with its configuration to process heavy and high-sulphur crude oil varieties along with the capability to produce futuristic Euro-V standard fuels. A major constraint for the Corporation in the past has been the fact that it has land-locked refineries. However, with the coming of Paradip Refinery, this disadvantage would be somewhat offset. The Corporation is simultaneously planning to augment the capacity of its existing refineries to meet the growing demand.

The Corporation is committed to providing quality fuels, compliant with fuel quality specifications. BS-IV quality grades have been implemented in 63 cities in a staggered manner till 31<sup>st</sup> March, 2015. The entire country is to be BS-IV compliant in a phased manner by 1<sup>st</sup> April, 2017. Further, the Auto Fuel Quality Vision and Policy 2025 report has laid down the roadmap for introduction of BS-VI quality auto fuels, with the entire country to be BS-V compliant by 1<sup>st</sup> April, 2020, and BS-VI compliant by 1<sup>st</sup> April, 2024. As per Auto Fuel Quality Vision and Policy 2025, auto fuel specifications to meet BS-V and BS-VI emission standards remain same. Only vehicle manufacturers need to upgrade their design and technology to meet the stringent emission norms. In order to make all the refineries of the Corporation 100 per cent BS-V compliant, modifications with significant capital investment worth several thousand crores is being planned.

Operational excellence has been at the core of our business processes. The Corporation has always been striving towards the highest levels of excellence, working especially, to control its costs, and maximise value from inputs. In this context, the Corporation has been working on raising its distillate yield, controlling fuels & loss and lowering specific energy consumption. In fact, significant improvement on these three parameters during 2014-15 contributed considerably to the profitability of the Corporation. Another initiative, in this pursuit has been to process low cost, opportunity crude oil varieties. The Corporation is also undertaking an initiative to increase asset reliability and reduce the number of unplanned shutdowns. In this context, long-term strategic initiatives to improve asset reliability are under implementation.

#### **Marketing**

The Corporation has been a market leader and its pan-India network is its key strength. It dominates the industry with an overwhelming 50.5 per cent share in the industry-marketing infrastructure. With the commissioning of Paradip refinery, commensurate marketing infrastructure in the States of Odisha, Chhattisgarh and Jharkhand are also being readied to further strengthen the supply chain network.

Over the past couple of years, the domestic petroleum products market has been witnessing major structural changes owing to ushering in of price deregulation, initially of petrol, followed by bulk diesel and finally, deregulation of retail prices of diesel in October 2014. Therefore, layers of competition are on a constant rise and are expected to increase in the coming years. In terms of growth potential, the market is ripe and has a modest growth lined up in conjunction with the growing energy demand of the country. It is in this milieu that the Corporation has to protect its market share in this growing market.

On the marketing front, the Corporation enjoys the unique distinction in its endeavours to reach petroleum products to the far-flung and remotest parts of the country, meeting the inherent logistics challenges of these regions. This hard-earned recognition of its services has been possible due to vast infrastructure supports created over a period of time through assiduous efforts.

The Corporation places significant thrust on automation and IT-led innovations to improve productivity, add ease and convenience to work processes, and enhance collaboration with stakeholders, whether it is employees, customers or channel partners.

During the year, the Corporation's share in the retail space of MS amongst PSUs rose, while that of HSD in retail space amongst PSUs fell. On industry basis, for both MS and HSD, share in retail space dropped marginally due to entry of private players. The Corporation is committed to a retail strategy for maintaining its market leadership.

Enriched customer experience over time converts into customer loyalty. Automation, modernisation of the dispensing units, improving visual identity of retail outlets and imparting training to dealers and pump attendants are key steps being taken by the Corporation to enhance customer experience. The Corporation has modernised more than 85 per cent of eligible A & B site Retail Outlets (ROs) and in 2015-16, emphasis will be on achieving cent per cent modernisation of the balance eligible A and B site ROs. Further, thrust is also being placed on strengthening of *XTRAREWARDS* loyalty cards in urban centres by increasing the reach from the existing 1,412 ROs.

A key initiative, Project '*Chehra*', directed towards improving customer delight is under implementation. Under this, customer attendants at retail outlets are being trained to provide improved service experience to customers; more than 98,000 attendants have been trained under the project so far.

Another tenet of the retail strategy is market coverage. To maintain its position of a lead supplier in the growing market, the Corporation recognises the need to commensurately expand its network. During 2014-15, the Corporation commissioned 947 ROs, which is 46.8 per cent of commissioning by PSU OMCS.

Within this overall strategy, the Corporation has a two-pronged approach. For the urban centres it has "Urban Proposition" strategy, which has been focussing on commissioning ROs in strategic sites of metros and major towns. During 2014-15, 10 ROs at strategic sites were commissioned. The "Rural Proposition" strategy focuses on the untapped potential of the rural market. The Corporation has been a pioneer in catering to this market with its special-format *Kisan Seva Kendra* (KSK) outlets. During 2014-15, 369 KSK outlets were commissioned, taking their total to 6,230.

Highway retail outlets form a major revenue-generating segment of the Corporation's retail outreach. For this segment, the Corporation has a "Highway Proposition" strategy. To maintain leadership in highway retail business, as a short-term strategy, the Corporation is working towards "networking" select ROs initially on the Golden Quadrilateral and North-South & East-West Corridors in the first phase, and subsequently on all major national highways and select high-potential State highways in order to provide an end-to-end fuelling solution to the Inter-State fleet operators. As a part of this short-term highway strategy, 1,000 ROs on all national highways and select high-potential State highways were identified for networking. As on 1st April, 2015, the Corporation has already

networked 850 ROs, which will have 16 standard facilities and uniform service levels, including automation and *XTRAPOWER* fleet card facilities. As part of long-term strategy, greenfield large-format ROs are planned to be developed to offer state-of-the-art facilities to highway motorists. The Corporation has also introduced a loyalty programme for fleet drivers through the "Driver Card," and for the farmers through the "Kisan Card."

Consumer sales is another major segment where the Corporation has a strong hold as a reliable and ethical business partner, supported by a wide network of supply points and sales offices. During the year, the Corporation beat competition in market share and raised its share in bulk HSD customer business more than offsetting its marginal fall in the retail market share leading to an overall positive market share growth of 0.09 per cent in industry for total HSD sales. The Corporation's efforts for improving the core value proposition and making value delivery mechanism smarter have clearly reaped results.

On the operations and supply chain front, the objective is to be the least-cost supplier for all customer segments. Accordingly, the Corporation continued to pursue many automation and IT-led innovations during the year 2014-15 to improve productivity, add ease and convenience to work processes, and enhance collaboration with stakeholders, whether it is employees, customers or channel partners. The Corporation received excellent support and cooperation from the collectives in this focus area - in implementing a host of measures, including optimum utilisation of existing manpower, restructuring, re-deployment, elimination of unproductive work practices, cost-reduction measures, and safety measures. In this connection, the concept of 'smart terminals' was introduced during the year to strengthen the Corporation's core competency. Such terminals will 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; etc.

#### Pipelines

The Corporation has the largest crude oil and product pipeline network in the country. It is a major source of strength as it facilitates cost-effective, reliable, safer and environment-friendly transportation. Further, compared to roads, pipelines also reduce significant road congestion, which can be gainfully utilized for movement of other goods/passenger traffic.

During the year, significant progress was achieved in creating evacuation facilities synchronising with the commissioning of Paradip Refinery. When ready, the two major pipelines, viz., Paradip-Raipur-Ranchi pipeline and Paradip-Hyderabad pipeline, will further strengthen product availability in eastern and southern regions of the country.

The Corporation is steadily raising the contribution of heavy crude oil grades in its refinery crude mix. Therefore, it is pertinent that its crude oil pipelines are also in a position to pump these heavy crude varieties. The Corporation presently has three crude oil pipelines, out of which two are already pumping heavy crudes as well as Rajasthan crude (10-15 per cent) in admixture with normal crude oil. In 2014-15, 1.44 MMT of Rajasthan crude has been pumped through the above pipelines in addition to about 1.17 MMT of heavy crude oil grades. Further, augmentation of Salaya-Mathura pipeline (SMPL) and Paradip-Haldia-Barauni pipeline (PHBPL) is under implementation. Upon completion of this augmentation, the Corporation's pipeline system would be ready to supply heavy crude oil grades as per the processing capacity of its refineries.

One of the major thrust areas in this segment is to scale up LPG pipelines infrastructure. LPG positioning cost through pipelines is significantly cheaper as compared to road transportation. However, LPG pipelines infrastructure is limited and is an area where substantial expansion in the pipeline network has been planned. LPG imports account for around 40 per cent of India's product imports and building a nationwide LPG pipeline grid for bringing imported LPG and domestic LPG to the consuming centres is a special area of focus for the Corporation.

The Corporation's first LPG pipeline from Panipat to Jalandhar was commissioned in 2008. A number of LPG pipeline projects are presently under implementation. Upon commissioning of the Paradip-Haldia-Durgapur LPG pipeline, evacuation through pipeline would be possible from refineries at Paradip and Haldia and also from Haldia port. Further, extension of this pipeline up to Patna and Muzaffarpur, along with construction of LPG import facility at Paradip, has been approved by the Corporation's Board recently. In addition to this, Ennore-Trichy-Madurai pipeline, which is also under implementation, would be used for LPG evacuation from the newly commissioned Ennore import facility.

Natural gas pipelines are increasingly emerging as a new opportunity for the Corporation. At present, gas pipelines capacity in the country is low at 350.5 mmscmd (million metric standard cubic metres per day), with majority of the infrastructure confined to the north and western parts of the country. Having built its stronghold in the petroleum pipelines, the Corporation is aiming to occupy a significant position in the national natural gas grid, development of which is receiving significant policy thrust. The Corporation, in consortium with GSPL, BPCL and HPCL, is participating in setting up three gas pipelines.

#### Petrochemicals

The currently low levels of polymer consumption in India, the advantage of high population and projected high economic growth, all point to the high growth potential of the petrochemicals business. Today, with an extensive product portfolio and a countrywide logistics and marketing set-up, the Corporation has emerged as the second largest player in the petrochemicals business in the country. Petrochemicals business has steadily emerged as a major contributor to the Corporation's bottom-line and is fulfilling the vision of downstream integration.

Going forward, the Corporation has ambitious plans to penetrate further and leverage the growth opportunity in this business space. Presently, the Corporation is implementing a new Polypropylene plant of 680 KTA (kilo tonne per annum) capacity at Paradip at an estimated investment of ₹ 3,150 crore. The project is expected to be commissioned by 2017-18.

Besides, further growth opportunities are being constantly explored. The Corporation plans to consolidate its existing business of LAB, PTA, MEG and polymers by the de-bottlenecking of existing facilities and by adding new capacities. Various such projects are in pre-feasibility/feasibility studies stages and will be implemented subject to their techno-commercial feasibility.

Another element of the petrochemicals growth strategy is to enter into niche and chemical segments. The Corporation plans to enter into niche segments of business, viz., Acrylic Acid/Acrylates at Vadodara, C4/C5 derivatives from Panipat Naphtha Cracker, etc., based on the feedstock available from its own system.

#### Gas

Low penetration of natural gas in the Indian energy mix (7 per cent share), coupled with significant scaling up of supply sources, make this segment a candidate for high growth in the future. The Corporation has presence across the gas value chain and plans to expand its horizon further in the gas business.

The Corporation is implementing the 5-MMTPA import, storage and re-gassification terminal at Kamarajar Port (Ennore) near Chennai. The project has been accorded approval of the Board with an investment cost of ₹ 5,151 crore through a joint venture company. The terminal is targeted for completion in 2018.

The Corporation has been marketing R-LNG and intends to scale this up. In this context, it envisages booking capacities in other upcoming terminals and lining up long-term sourcing contracts. The Corporation wants to enter building of gas infrastructure in the country in a big way. In pursuit of this, it has entered into construction of cross-country gas pipelines and city gas distribution networks and plans to scale these up significantly.

#### E&P

The Corporation has been consolidating its foray into the E&P space. Its drive for acquisition of overseas producing assets is going strong. A major recent breakthrough has been the taking up of 10 per cent participating interest by the Corporation in the multi-billion dollar integrated upstream and LNG project, the Pacific Northwest LNG, in Canada. This is the Corporation's biggest overseas acquisition so far. The total approved investment on cash-sink basis in this project is CAD 3.9 billion

Production of oil & gas production has already started from the Corporation's Niobrara Shale Project (USA), PNW LNG Project (Canada) and Carabobo Project (Venezuela).

The Corporation has three discovered blocks overseas, one each in Libya, Gabon and Nigeria. During the year, hydrocarbon discoveries in the two Gujarat-Kutch Offshore NELP-VIII blocks were intimated to the Ministry of Petroleum & Natural gas. With these, the number of domestic blocks with oil & gas discoveries has now increased to five, the other three being in Assam, Mizoram & Mahanadi.

In addition to these, the Corporation has two CBM blocks in Jharkhand (BK-CBM-2001/1 and NK-CBM-2001/1). During the year, a major milestone was reached as the Development & Production Phase of the two CBM blocks began after obtaining sustained gas flow from the test wells in both the blocks.

Exploration activities have been progressing in the other four blocks. This includes one overseas block in Yemen and three domestic blocks. Domestic blocks include one PL block in Mehsana, Gujarat, and two operatorship blocks.

Looking forward, the Corporation plans to make further headway in its search for quality producing/near-producing assets for its E&P portfolio. In pursuit of this, the Corporation is in various stages of dialogue with potential strategic partners internationally. The prevailing low oil prices and the expectation of suppressed prices for the next few years offers the Corporation an opportunity to acquire assets at good valuations.

#### R&D

The Corporation places significant emphasis on knowledge and research-based growth. In the context of the vagaries of the international crude oil prices and changing domestic pricing regime, R&D is viewed as a key competitive advantage driver for the Corporation. 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 competitive edge to the Corporation's new businesses of petrochemicals, polymers and alternative energy. In addition to this, R&D in CO<sub>2</sub>-to-fuel, nanotechnologies, gasification of coal, pet-coke and biomass are also emerging as other focus areas for the Corporation.

#### RISKS & CONCERNs

**Crude oil price fluctuation:** During 2014-15, there has been very sharp movement in the crude oil and product prices in the international market. During this period, Brent crude prices moved between \$115-\$45/barrel. As the Corporation is required to hold large crude oil inventory at any given time in its refinery tanks, pipelines feeding inland refineries and in transit from supplier countries, any sharp variation in prices results in huge inventory gain/loss depending upon the price movement.

**Exposure to borrowings and foreign exchange fluctuations:** Instability in the global economy, volatility in exchange rate movement and capital flows pose a risk to the Corporation. Given the high dependency on import of crude oil and exposure to foreign borrowings, sharp fluctuations in these have a bearing on the Corporation's financials.

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

**Pipeline pilferage:** This is emerging as a major area of concern for the Corporation. Pipeline pilferage poses a major risk to the smooth and safe management of the supply chain of the Corporation. Pilferages in pipelines lead to disruptions in crude oil and product supplies and put at risk life and property. The Corporation is taking a number of pro-active initiatives to curtail such incidents of pilferage, such as round-the-clock monitoring, physical monitoring of right-of-way, engagement with villagers, electronic surveillance and engagement with local police.

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

## FINANCIAL REVIEW

### Revenue from Operations

The Corporation clocked net revenue from operations of ₹ 4,37,526 crore in the year 2014-15 as against ₹ 4,73,210 crore in the previous year. The turnover of your Corporation (inclusive of excise duty and sale of services) was ₹ 4,50,756 crore as compared to ₹ 4,57,571 crore in the previous year.

### Profit Before Tax

The Corporation has earned a Profit Before Tax of ₹ 7,995 crore in 2014-15 as compared to ₹ 9,926 crore in 2013-14.

### Provision for Taxation

An amount of ₹ 2,722 crore has been provided towards income tax for 2014-15 considering the applicable income tax rates as against ₹ 2,907 crore provided during 2013-14.

### Profit After Tax

The Corporation has earned a Profit After Tax of ₹ 5,273 crore during the current financial year as compared to ₹ 7,019 crore in 2013-14.

### Depreciation & Amortisation

Depreciation & Amortisation for the year 2014-15 was ₹ 4,529 crore as against ₹ 5,760 crore for the year 2013-14. The reduction in depreciation is on account of adoption of useful life of asset as per Schedule II of the new Companies Act 2013.

### Finance Cost

Finance Cost of the Corporation for the current year was ₹ 3,435 crore as against ₹ 5,084 crore during 2013-14. The reduction is mainly due to reduction in working capital owing to low oil prices and reduction in dues from Government.

### Borrowings

The borrowings of your Corporation were ₹ 55,248 crore as on 31<sup>st</sup> March, 2015, as compared to ₹ 86,263 crore as on 31<sup>st</sup> March, 2014. The Total Debt to Equity ratio as on 31<sup>st</sup> March, 2015, works out to 0.81:1 as against 1.31:1 as on 31<sup>st</sup> March, 2014, and the Long Term Debt to Equity ratio stands at 0.56:1 as on 31<sup>st</sup> March, 2015, as against 0.57:1 as on 31<sup>st</sup> March, 2014.

### Capital Expenditure

Gross Fixed Assets (including Capital Works in Progress) increased from ₹ 1,46,488 crore as on 31<sup>st</sup> March, 2014, to ₹ 1,57,966 crore as on 31<sup>st</sup> March, 2015. Capital advances for LSTK projects have gone down from ₹ 992 crore in 2013-14 to ₹ 955 crore in 2014-15.

### Investments

Investments as on 31<sup>st</sup> March, 2015, were ₹ 23,899 crore as compared to ₹ 23,594 crore as on 31<sup>st</sup> March, 2014. The increase in investments during the year is mainly due to investment in subsidiaries and joint ventures. The aggregate market value of quoted investments as on 31<sup>st</sup> March, 2015, 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 ₹ 25,454 crore (as against the acquisition price of ₹ 3,828 crore).

### Earnings Per Share

Earnings Per Share works out to ₹ 21.72 for the current year as compared to ₹ 28.91 in the previous year.

### Earnings in Foreign Currency

During the year, the Corporation earned ₹ 16,010 crore in foreign currency as against ₹ 21,608 crore in 2013-14, which is mainly on account of export of petroleum/petrochemical products.

### SEGMENTWISE PERFORMANCE (₹ in Crore)

	Sale of Petroleum Products	Sale of Petro-chemicals	Other Businesses	Eliminations	Total
External Revenue	4,07,954	20,244	9,328	-	4,37,526
Inter-Segment Revenue	11,312	21	7,848	(19,181)	-
<b>Total Revenue</b>	<b>4,19,266</b>	<b>20,265</b>	<b>17,176</b>	<b>(19,181)</b>	<b>4,37,526</b>
Segment Results	3,832	2,473	(35)	-	6,270

### 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 Businesses and Wind Mill & Solar Power Generation.

### INTERNAL CONTROL SYSTEMS

The Corporation has well-established internal control systems for its operations. Detailed manuals and well-documented policies are in place on various aspects of business activities. The internal processes are continuously reviewed, strengthened and revision of policies and guidelines carried out from time to time to align with the changing needs.

The Corporation has put in place the process of e-tendering for its procurements. The IT team continuously works with various departments to provide solutions to internal and external customers, and extends IT-enabled services across the entire procurement-to-pay process.

The Corporation has an independent Internal Audit Department headed by an Executive Director (below Board-level), who reports to the Chairman. 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 activities. The Statutory Auditors, during the process of financial audit, check the internal control efficacy. 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 strengthen the controls on various business processes. The Audit Committee reviews the recommendations and observations of the Internal Audit Department regularly.

#### **HUMAN RESOURCES/INDUSTRIAL RELATIONS**

The Corporation recognises the importance of human capital for the success of its business. The Corporation endeavours to acquire the best talent in the country from leading institutes and universities. It has been working towards nurturing and retaining talent. Job rotation and inter-location transfers throughout the organisation facilitate planned development of careers and broaden outlook.

The industrial relations climate in the Corporation remained harmonious, peaceful and cordial during the year. Employees' participation has been ensured through information-sharing with employees regularly, seeking their support, suggestions and cooperation. The Corporation continues to align its HR strategies with organisational strategies. The employee strength of the Corporation as on 31<sup>st</sup> March, 2015, was 32,962, which includes 15,298 executives.

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

#### **CAUTIONARY STATEMENT**

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

## BUSINESS RESPONSIBILITY REPORT

### Section A: General Information about the Company

1. **Corporate Identity Number (CIN):** L23201MH1959GOI011388
2. **Name of the Company:** Indian Oil Corporation Limited
3. **Registered Address:** Indian Oil Corporation Limited, IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai-400051
4. **Website:** www.iocl.com
5. **Email id:** investors@indianoil.in
6. **Financial Year reported:** 2014 - 2015

### 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.

<b>Group</b>	<b>Class</b>	<b>Sub-class</b>	<b>Description</b>
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.
	2512	25121	Manufacture of metal containers for compressed or liquified gas
352	3520	35202	Distribution and sale of gaseous fuels through mains.
061	0610	06102	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	4661	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:** The Company undertakes overseas business activities through its subsidiaries at Mauritius, Sri Lanka, UAE, Sweden, USA and The 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 31.03.2015)

<b>Locations</b>	<b>No.</b>
Operating Refineries:	8
New Refinery under commissioning : (Paradip Refinery Project, Odisha)	1
Oil Depots & Terminals:	136
Aviation Fuelling Stations:	96
LPG Bottling Plants:	91
Lube Blending Plants:	10
Pipelines Terminals:	80
R&D Centre:	1
Retail Outlets: (including Kisan Seva Kendra ROs):	24405
Kisan Seva Kendra (Rural Petrol/Diesel Stations):	6230

LPG Distributors (including distributorships under Rajiv Gandhi Gramin LPG Vitarak Yojana):	7934
SKO/LDO Dealers:	3919
Consumer Pumps:	6399
Solar Power Plant:	1
Wind Power Project:	3
Petrochemical producing plants:	3
Explosives Plant :	11
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):** ₹ 2,428 crore (as on 31.03.2015)
2. **Total turnover (INR):** ₹ 4,50,756 crore (for FY 2014-15)
3. **Total profit after taxes (INR):** ₹ 5,273 crore (for FY 2014-15)
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 2.2 % of the profit after tax during financial year 2014-15
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.

**Section C: Other Details**

**1. Does the Company have any Subsidiary Company/Companies?**

As given 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: BR 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**

1. DIN Number (if applicable)	NA
2. Name	Shri Sidhartha Mukherjee
3. Designation	Executive Director (HR & CSR)
4. Telephone number	011-26260070
5. e-mail id	sidhartha@indianoil.in

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

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These, briefly, are as under:

- P1** – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2** – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3** – Businesses should promote the well-being of all employees.
- P4** – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- P5** – Businesses should respect and promote human rights.
- P6** – Businesses should respect, protect, and make efforts to restore the environment.
- P7** – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8** – Businesses should support inclusive growth and equitable development.
- P9** – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Questions	P 1: Ethics	P 2: Products & Services	P 3: Employees	P 4: Stakeholder Engagement	P 5: Human Rights	P 6: Environment	P 7: Public Policy	P 8: Inclusive Growth/ CSR	P 9: Customer
Do you have policy/policies for....	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has the policy being formulated in consultation with the relevant stakeholders?									
Does the policy conform to any national /international standards? If yes, specify? (50 words)									
Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?									
Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?									
Indicate the link for the policy to be viewed online?									
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?									

## 3. Governance related to BR:

- 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 / Committee of the Board from time to time.

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

Yes, IndianOil publishes Corporate Sustainability Report annually. Sustainability Report 2013-14 can be accessed from the following link: <https://www.iocl.com/Aboutus/sustainability.aspx>. The Business Responsibility Report is published as a part of the Annual Report since the year 2012-13. The BR Report 2013-14 can be accessed from Annual Report 2013-14 (page no. 67 to 75) through the following link:

[https://www.iocl.com/AboutUs/AnnualReports/16A\\_Business\\_Responsibility\\_Report\\_2014.pdf](https://www.iocl.com/AboutUs/AnnualReports/16A_Business_Responsibility_Report_2014.pdf)

**Section E: Principle-wise performance****Principle 1**

- 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?**

The Company has in place adequate measures and controls to address issues relating to ethics, bribery and corruption in the context of appropriate policy guidelines issued by the Government from time to time. The policy relating to ethics, bribery and corruption covers the company as well as its business partners.

- 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 Company received 1444 complaints from the shareholders during the year 2014-15, which were subsequently resolved.

**Other complaints during the year**

In addition, 11 complaints were received under the Integrity Pact (IP) with regard to tenders floated by the Corporation and the same were dealt in line with the extant guidelines on Integrity Pact and resolved.

Moreover, during the year, the company received 5,70,668 no. of complaints relating to sales, services, tenders and through Public Grievance Redressal system, out of which 5,69,416 no. of complaints (99.8%) were resolved.

**Principle 2**

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Over the years, the Company has spent more than ₹ 20,000 crore towards quality improvement of its transportation fuels, namely Motor Spirit (MS) & High Speed Diesel (HSD), which constitute two of its major products.

Further, in order to supply 100% BS-IV grade products from its existing refineries, the company has plan to spend about ₹ 7000 Crore.

IndianOil has an advanced state-of the-art R&D Centre, which has developed a number of environment-friendly formulations and is conducting research in Bio-Energy and Hydrogen Fuel.

These initiatives not only meet the stringent environmental norms but additionally through a constant upgradation of processes and absorption of technology, have led the company towards attaining product stewardship.

**List of 3 such products**

List of such products or services

**Ethanol-Blended Petrol (EBP):** IndianOil procured around 1,86,100 kilolitres of ethanol for blending into petrol during 2014-15, thereby substituting precious fossil fuels to that extent. Ethanol procurement also helps in rural development, i.e., improvement in employment / income generation for sugarcane farmers.

**BS-IV products:**

Status of BS-IV implementation:

- As on 31.03.2015, BS-IV quality fuels have been implemented in 63 cities across India.
- As per the roadmap laid down by Auto Fuel Vision & Policy 2025, BS-IV grade MS and HSD has been implemented in the whole of North India covering J&K, Punjab, Haryana, Himachal Pradesh, Uttarkhand, Delhi and parts of Rajasthan and Western UP as on 01.04.2015.

**Future Roadmap**

BS IV Grades MS/HSD coverage as per expert committee report on the Auto Fuel Vision & Policy 2025

<b>States to be covered</b>	<b>Target Date</b>
All of Goa, Kerala, Karnataka, Telangana, Odisha and the Union Territories of Daman & Diu, Dadra-Nagar-Haveli and Andaman & Nicobar, parts of Maharashtra and Gujarat	1 <sup>st</sup> Apr 2016
Rest of the country	1 <sup>st</sup> Apr 2017

**Auto Gas:** Auto Gas (brand name for Auto-LPG) is a clean, high octane and eco-friendly fuel (lower emissions with respect to Petrol and Diesel). The Company has set up 374 Auto LPG dispensing stations covering 207 cities/towns across India and is the Market Leader in this product.

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

- Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
- Reduction during usage by consumers (energy, water) has been achieved since the previous year?

**Lower negative impact on Environment**

Supply of low-Sulphur transportation fuels (petrol & diesel) and alternate fuels have led to fossil-fuel substitution and relatively lower negative impact on the environment. At present, maximum sulphur content in IndianOil's BS-IV petrol & diesel is as low as 50 ppm (vs. 500 ppm in BS-II grades, which were supplied earlier).

**Efficiency in crude oil sourcing & vessel utilization: Cost of sea-borne transportation of crude oil was optimized adopting the following strategy:**

- Approximately 82% of crude oil was transported through Very Large Crude Carrier (VLCC) parcels.
- Increasing parcel size of BH Crude Cargo from 50 to 65 TMT leading to savings in port charges .
- Optimum utilization of Time Charter (TC) vessels: Judicious use of TC vessels in spot chartering market led to softening of charter rates.

- TC vessel utilization has been 98%.
- Increasing the credit period for Basrah loading from 30 to 60 days resulting in benefit of US \$ 0.47 per British barrel.

**Efficiency improvement** in transportation of LPG by taking one Very Large Gas Carriers (VLGC) on time charter basis for 3 years.

#### **Energy Conservation:**

As a part of continued efforts towards energy conservation, 106 Energy Conservation schemes/ projects have been implemented during 2014-15 in refineries resulting in saving of 107,000 Standard Refinery Fuel Tons (SRFT) in the year, equivalent to about ₹ 400 crore.

IndianOil Refineries have achieved the lowest ever MBN of 54.4 during the year against the previous year's MBN of 55.8. [The specific energy consumption at refineries is measured in terms of MBN (MBTU/BBL/NRGF), which is the amount of energy consumed in a refinery per barrel of crude processed per unit energy factor.

#### **Resource foot-printing exercise**

Under a long-term plan, carbon and water foot-printing exercise has been completed for the entire organization and waste foot-printing exercise is currently in progress. The long-term plan envisages reduction target of 18% and 20% in carbon and water footprints respectively by the year 2019-20, considering 2012-13 as base year. Additionally, the Company has also undertaken SCOPE 3 carbon foot-printing at some of the locations.

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

Yes.

##### **i. If yes, what percentage of your inputs was sourced sustainably?**

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 centers. Further, efforts are put for optimization of crude basket and to minimize inventories.

Company purchases Liquefied Natural Gas (LNG), etc. under long-term as well as short-term purchase contract from global sources. Also e-Tendering, e-Procurement and e-Payment have already been implemented. An MoU has been entered into with Transparency International India (TII) for implementing an Integrity Pact programme focused on enhancing transparency in business transactions, contracts and procurement processes.

As pipeline transportation is the most sustainable mode of transportation for petroleum products, IndianOil has been expanding the pipeline network relentlessly. As on 31.3.2015 the total length of pipelines stands at 11,221 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?**

As per the Public Procurement Policy of the Govt. of India for procurement from Micro and Small Enterprises (MSEs), necessary steps have been initiated by the various divisions of the Corporation for its implementation. Endeavors 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. The MSEs and NSICs are exempted from payment of tender fees / earnest money deposit. As against the target of procurement of 20% from MSEs, the procurement from MSEs during the year by various divisions was around 41%.

#### **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.**

IndianOil makes continuous efforts to recycle products and waste 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. During the year, about 83.2% of treated effluent was reused in refinery operations and 35,068 MT of oily sludge was treated for oil recovery.

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 and, if found to be less than 8 ppm, are let out into external water drains, ponds or pits.

#### **Principle 3**

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

Total number of employees as on 31.3.2015 is 32,962.

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

- 57 persons were engaged as Consultants/ Liaison officers/ Specialist doctors, etc. during the year.
- 37 persons are working as casual laborers/temporary workers.
- IndianOil awards job contracts to contractors at its various locations for several ongoing projects as well as for operational needs. The contractors, in turn, engaged 54,173 contract workers during the year. IndianOil, as the principal employer, ensures that all statutory requirements are duly complied with.

##### **3. Please indicate the Number of permanent women employees.**

Total number of permanent women employees as on 31.3.2015 is 2,596.

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

There are 512 permanent employees with disabilities.

##### **5. Do you have an employee association that is recognized by management?**

Yes. There are 23 recognized unions (one for each geographical location) representing non-executive employees and IndianOil Officers' Association (IOOA) represents the executives.

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

Over 91% of the employees (non-executives and executives) are members of the recognized unions and 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.**

As given below:

Sl. No.	Category	No. of complaints filed during 2014-15	No. of complaints pending as on end of the financial yr
1	Child labour/forced labor/involuntary labor	Nil	Nil
2	Sexual harassment	3	5
3	Discriminatory employment	Nil	Nil

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

	% of employees given safety & skill up-gradation training during 2014-15
Permanent Male employees	79.5%
Permanent Women Employees	75%
Permanent Employees with Disability	21.67%
Casual/Temporary/Contractual Employees/Contract labor	76.47%

**Principle 4**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes.

**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. For engagement of disadvantaged, vulnerable and marginalized external stakeholders, various initiatives, viz. allotment of dealership/ distributorship, petty contracts, CSR initiatives, etc. are undertaken. Under CSR, 558159 LPG connections were released to BPL families during 2014-15.

LPG distributorships commissioned in 2014-15 under SC/ST:-204 nos, OBC:- 77 nos. (Includes Regular & Rajiv Gandhi Gramin LPG Vitaran Yojana (RGGLV). 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. Grievance/ Complaint Registers are also maintained at Division/ Region/ Unit levels for registering grievances. Efforts are made to promptly dispose off representations / grievances received from OBC/ SC/ ST employees. Facilities like Braille machine, ramp, etc. are provided for persons with disabilities.

**Principle 5**

**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?**

The policy of the company covers human right principles. As a part of the commitment towards meeting its societal needs, IndianOil believes in safeguarding human rights within its sphere of influence.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

Nil

**Principle 6**

**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 (HSE) covers the Company only. IndianOil is committed to conducting its business with a strong environmental conscience ensuring sustainable development, safe work places and enrichment of quality of life of employees, customers and the community at large.

**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. Company's Sustainability Policy encompasses environmental, social and economical aspects of the entire business operations and identifies roles and responsibilities of various departments to achieve goals of sustainable development. A separate department namely 'Renewable Energy & Sustainable Development', is dedicated to formulate strategies and implement action plans to address environmental issues such as climate change, global warming, etc.

The Board Committee on CSR & Sustainable Development is the apex body to plan strategies and monitor Sustainable Development initiatives.

Corporate Sustainability Report is published annually which gives a full account of all Sustainable Development initiatives, environmental, social and economical performances of the Company. The last two Sustainability Reports have been released in e-version on the corporate website along with a 20-page printed version namely Sustainability Highlights. Our strategies/ initiatives concerning global environmental issues and mitigation action plan can be accessed through the link <http://www.iocl.com/Aboutus/sustainability.aspx>

**3. Does the company identify and assess potential environmental risks? Y/N**

Yes. Regular assessment of the environmental risks associated with operations is carried out. Environmental risk assessment is carried out before any project is executed and then only Environmental clearance is granted by statutory authorities.

**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.

Six projects of the company were registered as CDM projects under the United Nations Framework Convention on Climate Change (UNFCCC) with total emission reduction potential of 89,341 MT CO<sub>2</sub> equivalent/year. 2693 CERs has been issued for our AVU Energy Optimization project at Digboi Refinery in 2014. Project-wise Details are given below:

<b>Sl. No.</b>	<b>Project</b>	<b>Location</b>	<b>Reduction of CO2e (MT/Yr.)</b>	<b>Date of Registration</b>	<b>Present Status</b>
1.	AVU Energy optimization	Digboi Refinery	2,693	4.12.2008	2693 CERs issued by UNFCCC up to Dec. 2010 on 3 <sup>rd</sup> Jan. 2014
2.	Flare Gas Recovery System	Haldia Refinery	17,610	19.2.2009	Project is under Technical Review comments by TUV (DOE); reply awaited from consultant M/s E&Y
3.	Flare Gas Recovery System	Barauni Refinery	8,320	4.5.2009	TUV-India sent verification report for Technical Review at TUV-Germany on 28 May 2013. Response awaited
4.	Flare Gas Recovery System	Gujarat Refinery	27,834	30.10.2009	Project is under Technical Review comments by TUV (DoE) reply awaited from consultant M/s E&Y
5.	Flare Gas Recovery System	Guwahati Refinery	3,690	27.10.2010	Monitoring report (for 1 year operation) to be submitted by IOC to M/s TUV
6.	21-MW wind power project	Gujarat Refinery	29,377	23.5.2011	–
<b>Total Annual Reduction</b>		<b>(MT/Yr.) CO<sub>2</sub> equiv</b>	<b>89,524 (MT/Yr.) CO<sub>2</sub> equiv</b>		

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

Yes. The company has undertaken initiatives of alternative energy generation through wind, solar (including solarisation of retail outlets), biofuels and nuclear. ENCON projects, LED lighting, energy audits etc. are implemented as our energy efficiency initiatives.

The details of the same can be accessed at

<http://www.iocl.com/Aboutus/sustainability.aspx>;

<https://iocl.com/Aboutus/Environment.aspx>;

[https://iocl.com/Aboutus/Research\\_Development.aspx](https://iocl.com/Aboutus/Research_Development.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 by our establishments are within the prescribed limits of Central Pollution Control Board (CPCB) / State Pollution Control Board (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 by end of Financial Year 2014-15 are as follows:

**a) Refineries Division:**

- Haldia refinery received 5 show cause notices which have been replied to. There have been no adverse references to the replies by the State Pollution Control Board.
- Gujarat Refinery has received 2 show cause notices from Gujarat Pollution Control Board, which have been replied to. No adverse references have been received from the Board in respect of the replies sent.

**b) Pipelines Division: Nil.**

**c) Marketing Division:** Chittorgarh Terminal and Bharatpur Depot received notices from Rajasthan Pollution Control Board. An order has been issued by National Green Tribunal, West Zone, Pune to IndianOil Ahmednagar, Maharashtra alleging contamination of water with Oil. The matters are being duly addressed legally.

**Principle 7**

**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 provided below:

<b>Associations</b>	<b>National/International</b>
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

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)

Yes. In association with various national and international professional bodies, the Company actively participates and firms up opinions on Industry-related issues which have significant impact on public policy. 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 ten guiding principles in United Nations' agenda on human rights, labour standards, environment and anti-corruption.

IndianOil also actively participates in various committees of the 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

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. Brief about major CSR programs are as follows:

Scheme	Benefits
IndianOil Academic Scholarships Scheme	During 2014-15, about 53,000 applications were received and scholarships were awarded to 2600 students on merit-cum-means basis (2000 ITI/10+, 300 Engineering, 200 MBBS and 100 MBA students).
Industrial Training Centre, Digboi, Assam	During 2014-15, 25 students completed various courses and so far, about 1200 students have benefitted from this scheme.
IndianOil Sachal Swasthya Seva: 52 Mobile Medical Units in Andhra Pradesh, Telengana & Uttar Pradesh.	During 2014-15, 14.44 lakh patients were treated. In last 3 years, more than 40 lakh patients have benefitted from this programme.
AOD Hospital, Digboi, Assam: 200-bed hospital	During 2014-15, 1.06 lakh patients were treated at this hospital, which included 19,586 non-employee patients. Since 2005-06, more than 10 lakh patients have been treated (including about 2 lakh non-employee patients).
Swarna Jayanti Samudaik Hospital, Mathura, Uttar Pradesh: 50 bed hospital	During 2014-15, 48,588 non-employee patients were treated. Since 1999, about 7.4 lakh patients have been treated at this hospital
Assam Oil School of Nursing, Digboi, Assam	Since inception, 354 students have successfully completed the course with 100% placement record. Assam Oil College of Nursing (AOCN) started functioning in November 2014 with intake of 30 students in B.Sc. (Nursing) course.
IndianOil Multi-Skill Development Institute, Digboi Assam	During 2014-15, 162 students in 2 batches were enrolled, classes for which commenced in September 2014.
Rajiv Gandhi Grameen LPG Vitaran Yojana of the Government of India	Under this project, one-time grant is provided to Below Poverty Line (BPL) families in the rural areas for availing of new LPG connection. During 2014-15, 5.6 lakh new connections were released and since 2009-10, 9.6 lakh new connections have been released by IOCL under this schme.
Shikshak Dakshyata Vikas Abhiyan, Digboi, Assam	This project aims to improve soft skills of government school teachers. During 2014-15, 87 teachers covering 10 villages in and around Digboi were trained and so far, 248 teachers have been trained under this project.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

Programs / projects are implemented through NGOs, vendors, institutions, government bodies, etc. and some projects are implemented by in-house teams.

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

Yes. Impact Assessment is carried out for all large value activities, with expenditure above Rs.50 lakh. This assessment is carried out 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.**

As given below :

Major CSR Scheme	Expenditure in 2014-15 (including overheads) (₹ in Crore)
1 Contribution to LPG Schemes-RGGLVY	29.48
2 Swachh Vidyalaya Abhiyan	7.67
3 Tata Medical Centre, Kolkata	21.00
4 AOD Hospital, Digboi, Assam	5.25
5 Swarna Jayanti Samudayik Hospital, Mathura	4.31
6 IndianOil Sachal Swasthya Seva	7.71
7 Academic Scholarships	10.78
8 Barauni KV School	2.40
9 Assam Oil School of Nursing	0.89
10 Industrial Training Centre, Digboi	0.42
11 IndianOil Multi-Skill Development Institute-Digboi	0.69
12 Sports Scholarships	0.49
13 Sishu Bhavan Hospital, Cuttack	10.16
14 Refineries Division - New Projects *	3.86
15 Marketing Division - New Projects *	4.00
16 Pipelines Division - New Projects *	2.12
17 R&D Centre - New Projects *	0.21
18 IBP Division - New Projects *	0.11
19 Corporate Office - New Projects *	2.24
<b>Total</b>	<b>113.79</b>

\*CSR Initiatives in various areas viz. healthcare, education, skill development, drinking water, sanitation, etc. were also undertaken near the Company's installations in respective Divisions.

**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. Various social welfare initiatives, viz. providing LPG connections to BPL families, healthcare, education and scholarships, skill development programs, provision of drinking water, sanitation, etc. are undertaken with focus on the economically and socially deprived sections of society, mostly in the vicinity of Company's establishments. These enabling provisions are made to close the last mile social service / inclusivity gap of the Government with an aim to make the projects sustainable in the long-term by involving local Government authorities and local populace during the implementation stage itself.

**Principle 9**

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

1.5 % of complaints are pending (6,505 complaints are pending out of 4,34,727 no. of complaints).

**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 our commercial products follow Bureau of Indian Standards (BIS) guidelines for product information and labeling.

In case of LPG distribution, Cylinder, Pressure Regulator & valves conform to BIS Standards, which are displayed on equipment. The Distributors are also under instruction to sell Rubber Tube / LPG Hose and Hot Plates conforming to BIS Standards.

All Lubricant product labels besides complying with Legal Metrology requirement, are also displaying the product information for the benefit of customers regarding the technical specification and use of the product being marketed.

**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. Besides regular customer engagement initiatives, the Company conducts consumer survey / market feedback to improve upon deliverables to meet customer expectations. There are provisions for rating LPG Distributor Services. Customer feedback is also obtained on non-fuel services provided through the IndianOil retail outlets.

## 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 maximising value for all its stakeholders like customers, employees and society at large in order to build an environment of trust and confidence among all the constituents. The Company endeavours to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning, which are vital to achieve its Vision of being "The Energy of India" and becoming "A Globally Admired Company".

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

- Code of Conduct for Directors and Senior Management Personnel
- Code of Conduct for prevention of insider trading
- Enterprise Risk Management Policy
- Integrity Pact to enhance transparency in business
- Whistle-Blower Policy
- Conduct, Discipline and Appeal Rules for employees
- Corporate Social Responsibility/Sustainable Development
- Human resources initiatives
- Policy on Related Party Transactions and Policy for determining Material Subsidiaries

### 2. BOARD OF DIRECTORS

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

The Board of IndianOil comprises an optimum combination of Executive (Whole-time) and Non-Executive (Part-time) Directors (which includes Independent Directors and Government Nominee Directors). Independent Directors are eminent persons with proven record in diverse areas like energy, academics, finance, economics, administration, etc.

As on 31<sup>st</sup> March, 2015, the strength of the Board of Directors was ten comprising of six Executive Directors (Whole-time Directors, including Chairman) and four Part-time Non-Executive Directors, out of whom three are Independent Directors and one is a Government Nominee Director. IndianOil has not been able to comply with the requirement of 50% Independent Directors on its Board as it being a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the Directors are nominated by the Government of India. The Company is pursuing with the Government of India to induct the requisite number of Independent Directors as required under the provisions of the Companies Act 2013, the revised Clause 49 of the Listing Agreement 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, 2015, is given below:

Sl. No.	Name	Category
1.	Shri B. Ashok	Chairman
2.	Shri Sanjiv Singh	Director (Refineries)
3.	Shri D. Sen	Director (Planning & Business Development)
4.	Shri A. K. Sharma	Director (Finance)
5.	Shri Verghese Cherian	Director (Human Resources)
6.	Shri Anish Aggarwal	Director (Pipelines)
7.	Dr. S. C. Khuntia	Government Nominee Director
8.	Smt. Shyamala Gopinath	Independent Director
9.	Shri Shyam Saran	Independent Director
10.	Prof. Devang Khakhar	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 the Company's policy and oversees its implementation in attaining its objectives. The Board has constituted various committees to facilitate the smooth and efficient flow of the decision-making process.

During the financial year 2014-15, 13 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. The agenda items are comprehensive and informative in nature to facilitate deliberations and appropriate decisions at the Board Meeting.

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

- Annual operating plans and capital and revenue budgets.
- Quarterly and annual financial results of the Company.
- Dividend declaration.
- Quarterly report on borrowings and treasury operations.
- Constitution of Board Committees with terms of reference.
- Minutes of meetings of Audit Committee and other committees of the Board, as also resolutions passed by circulation.
- Details of investment in any joint venture/subsidiary.
- New projects and expansion plans.
- Status of various projects.
- Risk management and minimisation process.
- HR related issues.
- Safety/security related matters
- General notices/matters of interest of Directors.
- Periodic reports to the Board on:
  - Treasury Operations
  - Projects 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 development in between two Board meetings.

The Board minutes are prepared promptly after the Board Meeting and thereafter the approval of the Whole-time Directors and the Chairman is obtained. Thereafter, the minutes are circulated among the departments/groups concerned for implementation. ATR on the decisions of the Board is obtained and submitted to the Board periodically.

The details of the Board meetings held during the year 2014-15 are as under:

<b>Sl. No.</b>	<b>Date</b>	<b>Board Strength</b>	<b>No. of Directors Present</b>
1.	29-04-2014	18	15
2.	29-05-2014	17	15
3.	27-06-2014	15	12
4.	30-07-2014	15	13
5.	12-08-2014	14	14
6.	18-09-2014	10	9
7.	17-10-2014	10	8
8.	13-11-2014	11	10
9.	08-12-2014	10	9
10.	29-12-2014	10	8
11.	29-01-2015	10	10
12.	13-02-2015	10	10
13.	26-03-2015	10	8

- (c) Attendance of each Director at Board meetings held during 2014-15, last Annual General Meeting (AGM) and the 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	Attendance at the AGM on 27.08.2014 (Yes/No/ NA)	No. of Directorships in other companies as on 31.03.2015	Membership of committees in other companies as on 31.03.2015	Chairmanship of committees in other companies as on 31.03.2015
<b>Whole-time Directors</b>					
Shri B. Ashok <sup>1</sup> Chairman	10 (10)	Yes	2	-	-
Shri Sanjiv Singh <sup>2</sup> Director (Refineries)	10 (10)	Yes	1	-	-
Shri D. Sen <sup>3</sup> Director (P&BD)	8 (8)	NA	3	-	-
Shri A. K. Sharma <sup>4</sup> Director (Finance)	6 (6)	NA	2	-	-
Shri Verghese Cherian <sup>5</sup> Director (Human Resources)	3 (3)	NA	-	-	-
Shri Anish Aggarwal <sup>6</sup> Director (Pipelines)	2 (2)	NA	2	-	-
Shri R. S. Butola <sup>7</sup> Chairman	2 (2)	NA	2	-	-
Dr. R. K. Malhotra <sup>8</sup> Director (R&D)	3 (3)	NA	2	-	-
Shri Sudhir Bhalla <sup>9</sup> Director (Human Resources)	NIL (1)	NA	-	-	-
Shri Rajkumar Ghosh <sup>10</sup> Director (Refineries)	3 (3)	NA	2	-	-
Shri A. M. K. Sinha <sup>11</sup> Director (P&BD)	4 (4)	NA	5	2	-
Shri P. K. Goyal <sup>12</sup> Director (Finance)	5 (5)	Yes	3	-	-
Shri M. Nene <sup>13</sup> Director (Marketing)	9 (10)	Yes	4	-	-
Shri V. S. Okhde <sup>14</sup> Director (Pipelines)	11 (11)	Yes	2	-	-
<b>Part-time Non-Executive Directors (Govt. nominees)</b>					
Dr. S. C. Khuntia	11 (13)	Yes	3	-	-
Shri Rajive Kumar <sup>15</sup>	6 (8)	No	2	-	-
<b>Part-time Non-Executive Independent Directors</b>					
Dr. Sudhakar Rao <sup>16</sup>	2 (2)	NA	8	4	2
Smt. Shyamala Gopinath	8 (13)	Yes	7	5	1
Shri Shyam Saran	10 (13)	No	1	1	-
Prof. Devang Khakhar	8 (13)	No	1	-	-
Shri K. Jairaj <sup>17</sup>	5 (5)	No	3	1	-
Shri Nesar Ahmad <sup>18</sup>	5 (5)	No	3	-	-
Shri Sunil Krishna <sup>19</sup>	5 (5)	No	-	-	-
Shri Sayan Chatterjee <sup>20</sup>	5 (5)	No	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 B. Ashok was inducted on the Board w.e.f. 16.07.2014
2. Shri Sanjiv Singh was inducted on the Board w.e.f. 01.07.2014
3. Shri D. Sen was inducted on the Board w.e.f. 15.09.2014
4. Shri A. K. Sharma was inducted on the Board w.e.f. 27.10.2014
5. Shri Verghese Cherian was inducted on the Board w.e.f. 06.01.2015
6. Shri Anish Aggarwal was inducted on the Board w.e.f. 01.02.2015
7. Shri R. S. Butola ceased to be Chairman w.e.f. 01.06.2014
8. Dr. R. K. Malhotra ceased to be Director w.e.f. 01.07.2014

9. Shri Sudhir Bhalla ceased to be Director w.e.f. 22.05.2014
10. Shri Rajkumar Ghosh ceased to be Director w.e.f. 01.07.2014
11. Shri A. M. K. Sinha ceased to be Director w.e.f. 01.08.2014
12. Shri P. K. Goyal ceased to be Director w.e.f. 01.09.2014
13. Shri M. Nene ceased to be Director w.e.f. 01.01.2015
14. Shri V. S. Okhde ceased to be Director w.e.f. 01.02.2015
15. Shri Rajive Kumar ceased to be Director w.e.f. 01.12.2014
16. Dr. Sudhakar Rao ceased to be Director w.e.f. 30.05.2014
17. Shri K. Jairaj ceased to be Director w.e.f. 27.08.2014
18. Shri Nesar Ahmad ceased to be Director w.e.f. 27.08.2014
19. Shri Sunil Krishna ceased to be Director w.e.f. 27.08.2014
20. Shri Sayan Chatterjee ceased to be Director w.e.f. 27.08.2014

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

A brief resume of the Directors, who are being 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 IndianOil's Code of Conduct for the financial year ended 31<sup>st</sup> March, 2015.

**3. AUDIT COMMITTEE:**

The Audit Committee has been constituted in line with the provisions of Clause 49 of the Listing Agreement and also meets the requirements of the provisions of the Companies Act. The members of the Audit Committee have requisite financial and management expertise. The Audit Committee was reconstituted on 27.06.2014 with the induction of Shri K. Jairaj and Shri Sunil Krishna, Independent Directors, as members of the Committee in place of Dr. Sudhakar Rao, Independent Director. The Audit Committee was reconstituted again on 27.08.2014 with the induction of Prof. Devang Khakhar, Independent Director, as a member of the Committee in place of Shri K. Jairaj and Shri Sunil Krishna, Independent Directors.

The Audit Committee comprised the following three Independent Directors as on 31<sup>st</sup> March, 2015:

- (1) Smt. Shyamala Gopinath - Independent Director (Chairperson)
- (2) Shri Shyam Saran - Independent Director
- (3) Prof. Devang Khakhar - Independent Director

The Terms of Reference of the Audit Committee cover all matters specified under the provisions of the Companies Act 2013 as well as revised Clause 49 of the Listing Agreement of the Stock Exchanges, which inter alia includes the following:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing with management the quarterly and annual financial statements along with related party transactions, if any, before submission to the Board.
- Reviewing with the management and statutory and internal auditors, the adequacy of internal control systems.
- Discussion with internal auditors on Annual Internal Audit Program, Significant Audit Findings and follow-up on such issues.
- Discussion with statutory auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- Reviewing with the management, the observations/comments/assurances of the Comptroller & Auditor General of India (CAG).
- Review with the management, the follow-up action taken on the recommendations of the Parliamentary Committee on Public Undertakings (CoPU).
- Review of Cost Audit Report.
- To examine, decide and deal with all issues relating to ethics in the Corporation.
- Approval or any subsequent modification of transactions of the Company with related parties.

The attendance at the seven meetings of the Audit Committee held during the year 2014-15 is given below:

Name	Attendance at meeting held						
	19-04-14	28-05-14	11-08-14	30-08-14	13-11-14	29-01-15	12-02-15
Smt. Shyamala Gopinath	Yes	Yes	Yes	Yes	No	Yes	Yes
Dr. Sudhakar Rao	Yes	Yes	NA	NA	NA	NA	NA
Shri Shyam Saran	Yes	Yes	Yes	No	Yes	Yes	Yes
Prof. Devang Khakhar	NA	NA	NA	Yes	Yes	Yes	Yes
Shri K. Jairaj	NA	NA	No	NA	NA	NA	NA
Shri Sunil Krishna	NA	NA	Yes	NA	NA	NA	NA

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 to the Audit Committee meetings while considering the quarterly/annual financial statements and discussion on the nature and scope of Annual Audit. The Cost Auditors are invited when the Cost Audit Reports are considered by the Audit Committee.

The minutes of the meetings of the Audit Committee are circulated among the members of the Audit Committee and among all concerned for necessary action and are also submitted to the Board for information. The ATR on the decisions of the Audit Committee are also submitted to the Committee as a follow-up action.

The Chairperson of the Audit Committee was present at the last Annual General Meeting.

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

#### 4. REMUNERATION COMMITTEE:

IndianOil being a Government Company, the appointment and the terms and conditions of such appointment (including remuneration) of the Whole-time Directors is decided by the Government of India. However, the Board has constituted a Remuneration Committee to approve certain perquisites for Whole-time Directors and below Board-level Executives, which are within the powers of the Board, as well as to approve performance-related pay to the executives of the Company. The Independent Directors are not paid any remuneration except sitting fees for attending meetings of the Board or Committees thereof.

The Committee comprised the following Directors as on 31<sup>st</sup> March, 2015:

- |                           |   |                                    |
|---------------------------|---|------------------------------------|
| 1. Smt. Shyamala Gopinath | - | Independent Director (Chairperson) |
| 2. Prof. Devang Khakhar   | - | Independent Director               |
| 3. Shri A. K. Sharma      | - | Director (Finance)                 |
| 4. Shri Verghese Cherian  | - | Director (Human Resources)         |

The attendance at two meetings of the Remuneration Committee held during 2014-15 is given below:

Name	Attendance at meeting held	
	12-02-2015	20-02-2015
Smt. Shyamala Gopinath	Yes	Yes
Prof. Devang Khakhar	Yes	Yes
Shri A. K. Sharma	Yes	Yes
Shri Verghese Cherian	Yes	Yes

#### DIRECTORS REMUNERATION:

The remuneration paid to Whole-time Directors during the financial year 2014-15 is as under:

(₹ in Crore)

Name of the Director	Designation	Salaries & Allowances	Other Benefits & Perquisites	Total Remuneration
Shri B. Ashok	Chairman	0.29	0.06	0.35
Shri Sanjiv Singh	Director (Refineries)	0.28	0.06	0.34
Shri D. Sen	Director (P&BD)	0.23	0.05	0.28
Shri A. K. Sharma	Director (Finance)	0.16	0.05	0.21
Shri Verghese Cherian	Director (HR)	0.11	0.02	0.13
Shri Anish Aggarwal	Director (Pipelines)	0.04	0.02	0.06
Shri R. S. Butola	Chairman	0.57	0.19	0.76
Dr. R. K. Malhotra	Director (R&D)	0.51	0.11	0.62
Shri Sudhir Bhalla	Director (HR)	1.22	0.03	1.25
Shri A. M. K. Sinha	Director (P&BD)	0.62	0.17	0.79
Shri Rajkumar Ghosh	Director (Refineries)	0.66	0.14	0.80
Shri P. K. Goyal	Director (Finance)	0.82	0.17	0.99
Shri M. Nene	Director (Marketing)	0.70	0.09	0.79
Shri V. S. Okhde	Director (Pipelines)	1.00	0.10	1.10
<b>TOTAL</b>		<b>7.21</b>	<b>1.26</b>	<b>8.47</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 employees 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 a 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 ₹ 20,000/- for attending meetings of the Board/Committee during the year, which was enhanced to ₹ 40,000/- per meeting w.e.f. 29.01.2015. The sitting fees paid to Independent Directors during the financial year 2014-15 is as under:

(₹ in Lakh)

Name of the Director	Sitting Fees
Dr. Sudhakar Rao	1.20
Smt. Shyamala Gopinath	6.80
Shri Shyam Saran	5.20
Prof. Devang Khakhar	5.40
Shri K. Jairaj	1.00
Shri Nesar Ahmad	1.00
Shri Sunil Krishna	1.20
Shri Sayan Chatterjee	1.00
<b>TOTAL</b>	<b>22.80</b>

**Notes:**

- None of the Independent Directors was holding any shares of Company as on 31<sup>st</sup> March, 2015.
- There were no other materially significant pecuniary relationships or transactions of the Independent Directors vis-à-vis the Company.

**Shareholding of Directors as on 31.03.2015**

The following Directors are holding shares of IndianOil as on 31<sup>st</sup> March, 2015, as per disclosures made by them:

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

**5. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The erstwhile Shareholders'/Investors Grievance Committee (SIGC) was renamed as Stakeholders' Relationship Committee (SRC) on 27.06.2014 pursuant to the provisions of the Companies Act 2013. The 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 the following four members as on 31<sup>st</sup> March, 2015:

- Smt. Shyamala Gopinath - Independent Director (Chairperson)
- Prof. Devang Khakhar - Independent Director
- Shri A.K.Sharma - Director (Finance)
- Shri Verghese Cherian - Director (Human Resources)

The attendance at two meetings of the committee held during the year 2014-15 is given below:

Sl. No.	Name of the Director	Attendance at meeting held	
		28-05-2014	21-03-2015
1.	Smt. Shyamala Gopinath	Yes	Yes
2.	Prof. Devang Khakhar	Yes	Yes
3.	Shri P.K.Goyal	No	NA
4.	Shri A.K.Sharma	NA	No
5.	Shri Verghese Cherian	NA	No

Shri Raju Ranganathan, Company Secretary is the Compliance Officer.

**Details of complaints received and redressed during the financial year 2014-15:**

During the year, 1,444 complaints were received and all have been resolved. As on 31<sup>st</sup> March, 2015, no complaints were pending. Further, during the year, 1,687 requests for change of address, recording of nomination, issue of duplicate share certificates/dividend warrants, etc., were received, out of which 17 requests were pending as on 31<sup>st</sup> March, 2015, which were subsequently dealt with.

The Company has created a designated email-id investors@indianoil.in exclusively for investor servicing 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<sup>st</sup> March, 2015, is as under:

<b>Sl. No.</b>	<b>Name of Committee</b>	<b>Role and Responsibilities</b>	<b>Members</b>
1.	<b>Project Evaluation Committee</b>	To appraise projects costing ₹ 250 crore and above before their submission to the Board for approval.	Three Independent Directors, one Government Director and Director (Finance). The committee is headed by a Government Director.
2.	<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.	Two Independent Directors, Director (Human Resources), Director (Finance), Director (Marketing) and Director (P&BD). The committee is headed by an Independent Director.
3.	<b>Health, Safety &amp; Environment Committee</b>	To review compliance of safety systems, procedures, rules and regulations on safety, occupational health and environment protection and to review the safety audit in various Divisions.	One Independent Director, Director (Marketing), Director (Refineries) & Director (Pipelines). The committee is headed by an Independent Director.
4.	<b>Marketing Strategies Committee</b>	To evolve strategies, policies, guidelines and take decisions on all matters relating to marketing activities of the Corporation, including revival of dealerships/distributorships.	Two Independent Directors, Director (Finance), Director (Marketing) and Director (P&BD). The committee is headed by an Independent Director.
5.	<b>Establishment Committee</b>	To create and sanction posts as well as to consider promotions for Executives in Grade 'H' (General Manager) and above.	Chairman and all Whole-time Directors, one Government Director and two Independent Directors. The committee is headed by the Chairman of the Company.
6.	<b>De-leasing of Immoveable Properties Committee</b>	To consider de-leasing of Company-leased flats/accommodation/immoveable properties.	Chairman, Director (Human Resources), Director (Finance), Director (Marketing) and one Government Director. The committee is headed by the Chairman of the Company.
7.	<b>Contracts Committee</b>	To approve contracts beyond certain limits as provided in the DoA of the Corporation.	Chairman and all Whole-time Directors. The committee is headed by the Chairman of the Company.
8.	<b>Planning &amp; Projects Committee</b>	To consider and approve all project proposals above ₹ 100 crore and up to ₹ 250 crore.	Chairman and all Whole-time Directors. The committee is headed by the Chairman of the Company.
9.	<b>Risk Management Committee</b>	To review the risk management process, involving risk assessment and minimisation procedure; To approve derivative transactions above USD 50 million on 'mark to market' basis.	Chairman, Director (Finance), Director (Refineries), Director (Marketing) and Director (P&BD). The committee is headed by the Chairman of the Company.
10.	<b>Spot LNG Purchase Committee</b>	To approve execution of Master Sales & Purchase Agreement (MSPA) with suppliers on bilateral basis. To approve deviation to standard MSPA. To review and approve LNG price formula/gas pricing/SPA terms. To approve bids for purchase of LNG. Accept offer on single tender basis from domestic R-LNG suppliers.	Director (P&BD), Director (Finance) and Director (Refineries). The committee is headed by Director (P&BD)
11.	<b>LNG Sourcing Committee</b>	To review the terms & conditions of LNG sales & Purchase Agreement and recommend the same to Board for approval for purchase of LNG on long term basis.	Chairman, Director (P&BD), Director (Finance), Director (Refineries) and one Government Director. The committee is headed by the Chairman of the Company.
12	<b>Disputes 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.	One Independent Director, Director (Finance), concerned Director, co-opt additional Director, if any. The committee is headed by an Independent Director.

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 AGMs held for the past three years are as under:

	2011-12	2012-13	2013-14
Date & Time	14.09.2012 10:30 AM	03.09.2013 10:30 AM	27.08.2014 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	Nil

No Extraordinary General Meeting of the Members was held during the year 2014-15.

## 8. POSTAL BALLOT

Approval of the shareholders by means of Special Resolution on the following items was sought through postal ballot:

- i. For borrowing limits up to ₹ 1,10,000 crore under section 180(1)(c) of the Companies Act 2013;
- ii. For charging/mortgaging the moveable/immoveable properties of the Company for borrowings under Section 180(1)(a) of the Companies Act 2013;
- iii. To raise funds by issue of bonds on private placement basis under Section 42 of the Companies Act 2013.

The postal ballot was circulated to all the members on 09.07.2014 and the last date of receipt of the duly filled-in postal ballot form was 08.08.2014. The shareholders were also given the facility to vote through electronic means. The resolutions were approved by the shareholders with requisite majority and the result was announced on 11.08.2014. The postal ballot exercise was conducted by Shri Nrupang Dholakia, Practicing Company Secretary of M/s. Dholakia & Associates, Mumbai.

The details of the voting pattern in respect of Special Resolutions passed through postal ballot (including the votes cast through e-voting) are as under:

Particulars	Resolution No. 1 (Special)	Resolution No. 2 (Special)	Resolution No. 3 (Special)
Number of valid votes received	212,18,67,538	212,17,98,557	212,18,02,003
Votes in favour	212,17,89,646	212,16,81,154	212,17,21,432
Votes against	49,700	84,189	46,123
Abstained from voting	28,192	33,214	34,448
% of votes in favour	99.99 %	99.99 %	99.99 %

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 of a 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, 2015, as per provisions of the Companies Act 2013 and Listing Agreement.

### b. Materially significant Related Party Transactions

Pursuant to the revised Clause 49(VII)(C) of the Listing Agreement, 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://www.iocl.com/InvestorCenter/Policy\\_on\\_Related\\_Party\\_Transactions.pdf](https://www.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 and no penalties/strictures were enforced on the Company by Stock Exchanges/SEBI or any other statutory authority on any matter related to capital markets during the last three years.

### d. Whistle-Blower Policy

The Company 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 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 & adoption of non-mandatory requirement of Clause 49

The Company has complied with all the mandatory requirements of the revised Clause 49 of the Listing Agreement except the following:

- i) In respect of composition of the Board of Directors with regard to 50 per cent 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 for induction of the requisite number of Independent Directors.

- ii) Reconstitution and renaming of the Remuneration Committee as Nomination and Remuneration Committee and revision of its terms of reference pursuant to the revised Clause 49 of the Equity Listing Agreement.

The terms of reference of the Remuneration Committee have not been revised since the terms and conditions of appointment of Directors, including their remuneration, vests with the Government of India.

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

- Unqualified Financial Statement
- Training of Board Members

The newly appointed Directors of the Company are familiarised with the various aspects of the Company like Constitution, Vision & Mission Statement, core activities, board procedures, strategic directions, etc., by way of a detailed presentation. Information material like Code of Conduct, Insider Trading Code, and Performance highlights, etc., are provided to supplement the above presentation. Periodic presentations are made at the Board and Committee meetings to update them on all business-related issues and new initiatives undertaken. A strategy meet of the Board is held generally once in a year to deliberate in detail the strategic issues, policy decisions and prospective plans for the future. The Directors are also nominated for training programmes/seminars conducted by SCOPE and other Government authorities.

#### **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 an Integrity Pact (IP) programme focused on enhancing transparency, probity, equity and competitiveness in its procurement process.

At present, 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, 12 meetings of IEMs have taken place. Based on the above threshold value, 318 tenders came under the purview of IP during the year 2014-2015 against which 11 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. Guidelines on Corporate Governance by DPE**

IndianOil is complying with all the requirements of the DPE Guidelines on Corporate Governance except in respect of composition of the Board of Directors with regard to 50 per cent Independent Directors. IndianOil, being a Government Company, is pursuing with the Government of India for induction of the 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 that are not for the purpose of business. No expenses that are of personal nature have been incurred for the Board of Directors and top management.

The administrative & office expense were 1.20 per cent of total expense during 2014-15 as against 1.72 per cent 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 listing agreement. The results are published in leading newspaper like The Times of India and Maharashtra Times (Marathi Newspaper). The financial results are also hosted on the 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 the stock exchange as and when deemed necessary.

#### **b. News Releases**

Official press releases, detailed presentations made to the 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**

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

#### **e. Chairman's Speech at AGM**

Chairman's speech is distributed to the shareholders at the Annual General Meeting. The same is also placed on the website of the Company 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 the electronic mode, IndianOil has created a separate e-mail ID investors@indianoil.in. M/s. Karvy Computershare Pvt. Ltd., Registrar & Transfer Agent, have offices across the country, wherefrom the queries/grievances of the investors are also addressed.

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

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 2014-15 along with 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 a physical copy of the Annual report.

**11. GENERAL SHAREHOLDER INFORMATION**

**(a) Annual General Meeting:**

Date, Time & Venue of the Annual General Meeting	Tuesday, 15 <sup>th</sup> September, 2015, at 1030 hrs at Nehru Centre Auditorium Discovery of India Building, Worli, Mumbai - 400 018.
--	---

**(b) Financial Calendar for 2015-16 to approve quarterly/annual financial results:**

Quarter ending 30 <sup>th</sup> June, 2015	On or before 14.08.2015
Quarter ending 30 <sup>th</sup> September, 2015	On or before 14.11.2015
Quarter ending 31 <sup>st</sup> December, 2015	On or before 14.02.2016
Quarter and year ending 31 <sup>st</sup> March, 2016	On or before 30.05.2016

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

Book Closure for Dividend	08.09.2015 to 15.09.2015, inclusive of both days.
---------------------------	---

**(d) Dividend Payment Date:**

A dividend of ₹ 6.60 per share (66%), as recommended by the Board of Directors, if approved at the AGM, shall be paid to the eligible shareholders well before the stipulated 30 days period after the AGM as provided under the Companies Act.

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

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

The Company has paid listing fees in respect of its listed securities to both the stock exchanges.

**(f) Corporate Identity Number (CIN):**

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

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

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

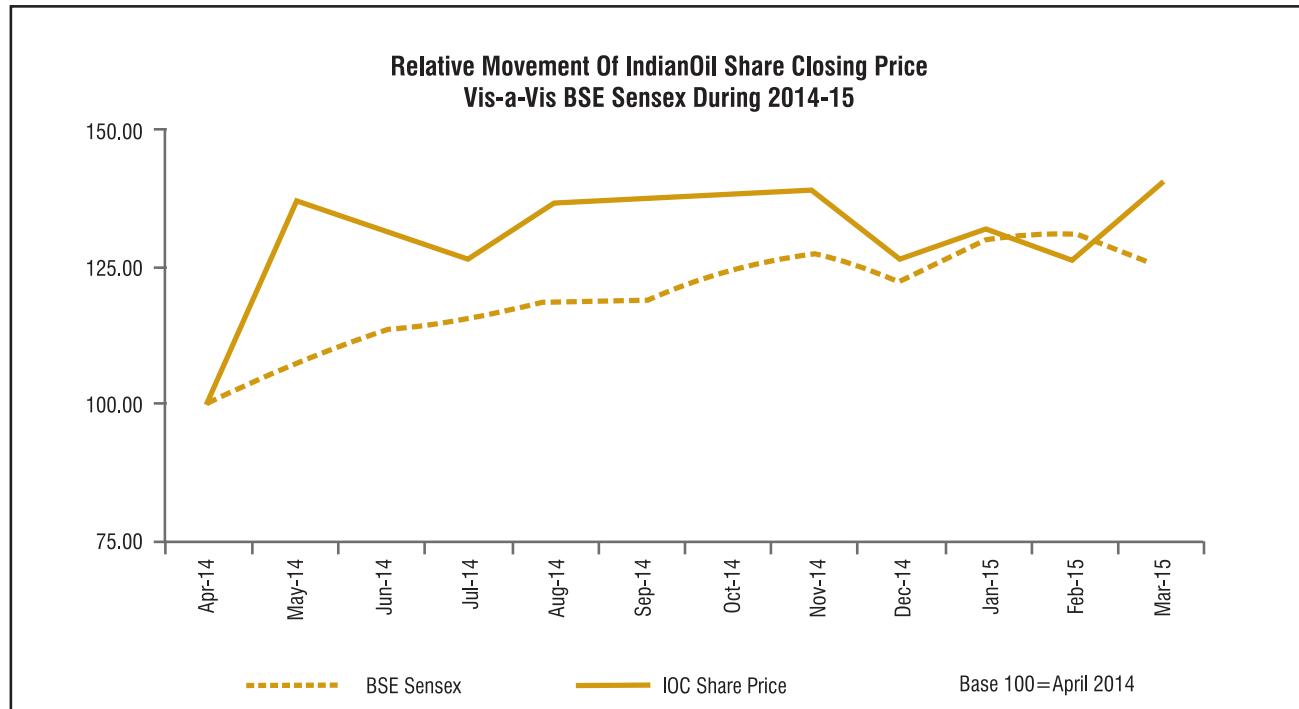
**(i) Demat ISIN Number at NSDL / CDSL:** INE 242A01010

**(j) Stock Market Data:**

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2014	287.00	258.80	1,207,702	286.00	258.15	18,265,640
May 2014	381.00	264.00	3,769,917	381.45	263.85	31,188,101
June 2014	385.35	319.00	3,500,237	385.05	318.15	30,046,997
July 2014	354.80	319.90	2,009,345	355.00	319.55	15,897,192
August 2014	373.55	322.70	2,035,006	373.50	323.50	20,541,929
September 2014	410.90	334.75	3,669,787	411.20	334.05	28,219,955
October 2014	394.50	351.15	3,051,297	394.00	351.55	24,002,413
November 2014	385.80	337.00	3,720,056	386.00	336.70	30,119,732
December 2014	373.80	317.30	3,431,388	372.20	316.35	22,555,928
January 2015	355.00	323.00	1,870,881	355.00	326.65	18,074,454
February 2015	347.90	307.00	2,108,112	347.45	306.75	18,231,505
March 2015	375.00	337.30	2,099,802	375.40	337.00	19,944,370
<b>12 month High/Low</b>	<b>410.90</b>	<b>258.80</b>		<b>411.20</b>	<b>258.15</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 2014-15 is given below:

**(l) Debt Securities:**

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.

**(m) Registrar & Transfer Agents (R&T):**

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

**(n) 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<sup>st</sup> March, 2015. In order to expedite the process of share transfer and in line with Clause 49 of the Listing Agreement, the Company has delegated the power of share transfer to R&T Agent "M/s Karvy Computershare Pvt. Ltd."

(o) Distribution of shareholding as on 31<sup>st</sup> March 2015:

Sl. No.	Nominal Value of Equity Shares (₹)	No. of Shareholders (Folios)	% of Shareholders	Amount (₹)	% of Amount
1.	1 - 5000	1,51,166	86.46	11,70,11,920	0.48
2.	5001 - 10000	6,957	3.98	5,22,40,540	0.22
3.	10001 - 20000	6,079	3.48	9,24,87,210	0.38
4.	20001 - 30000	3,466	1.98	8,85,85,740	0.36
5.	30001 - 40000	6,184	3.54	22,08,87,220	0.91
6.	40001 - 50000	321	0.18	1,45,11,380	0.06
7.	50001 - 100000	310	0.18	2,16,80,690	0.09
8.	100001 & Above	352	0.20	2367,21,20,120	97.50
<b>Total</b>		<b>1,74,835</b>	<b>100.00</b>	<b>2427,95,24,820</b>	<b>100.00</b>

(p) Categories of Shareholders as on 31<sup>st</sup> March 2015:

Sl. No.	Category	Shareholders (Folios)		Shares	
		No.	%	No.	%
1.	President of India	1	0.00	166,49,65,562	68.57
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	1,522	0.87	88,59,135	0.36
6.	FIIs/NRI	2,271	1.30	6,42,39,659	2.65
7.	Banks	56	0.03	32,15,580	0.13
8.	Mutual Funds	69	0.04	2,43,54,460	1.00
9.	Insurance Companies	9	0.01	8,38,86,898	3.46
10.	Public	1,70,594	97.57	6,04,40,416	2.49
11.	Trusts	47	0.03	5,91,33,391	2.44
12.	Others	263	0.15	4,55,943	0.02
<b>Total</b>		<b>174835</b>	<b>100.00</b>	<b>242,79,52,482</b>	<b>100.00</b>

(q) Top 10 shareholders as on 31<sup>st</sup> March 2015:

Sl. No.	Name	No. of Shares	% to Equity
1.	President Of India	166,49,65,562	68.57 %
2.	Oil and Natural Gas Corporation Limited	33,43,03,814	13.77 %
3.	Oil India Limited	12,13,97,624	5.00 %
4.	Life Insurance Corporation of India	6,73,24,039	2.77 %
5.	IOC Shares Trust	5,82,79,614	2.40 %
6.	Government Pension Fund Global	1,31,53,840	0.54 %
7.	General Insurance Corporation of India	70,00,158	0.29 %
8.	Vanguard Emerging Markets Stock Index Fund A-Series	57,82,880	0.24 %
9.	HDFC Trustee Company Limited - HDFC Equity Fund	41,89,217	0.17 %
10.	CPSE ETF	38,60,055	0.16 %

**(r) 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 2015 is as under:

Type of Shareholding	Shareholders (Folios)		Shareholding	
	No.	%	No.	%
Physical	8060	4.61	11963864	0.49
Demat	166775	95.39	2415988618	99.51
<b>TOTAL</b>	<b>174835</b>	<b>100.00</b>	<b>2427952482</b>	<b>100.00</b>

**(s) 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 %	-

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

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

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

The summarised details of dividend declared by IndianOil and its erstwhile subsidiary, i.e., Bongaigaon Refinery & Petrochemicals Ltd. (since merged with IndianOil), which remains unpaid as on 31.03.2015 are given below:

Name	Year	Unpaid Dividend Amount (₹)
Indian Oil Corporation Ltd.	2007-08 to 2013-14	8,71,77,859.15
Bongaigaon Refinery & Petrochemicals Ltd. (merged w.e.f. 25.03.2009)	2007-08	23,50,010.00

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 the 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 2013-14 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).

**(u) Outstanding GDRs/ADRs/ Warrants or any convertible instruments:**

The Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments.

**(v) Plant locations:**

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

**(w) Address for Correspondence:**

Company Secretary  
Indian Oil Corporation Limited  
IndianOil Bhavan  
G-9, Ali Yavar Jung Marg  
Bandra (East)  
Mumbai - 400051  
Tel. No. : (022) 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 Ltd.**

We have examined the compliance of conditions of Corporate Governance by Indian Oil Corporation Limited for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges in India and the guidelines on Corporate Governance for Central Public Sector Enterprises, as enunciated by the Department of Public Enterprises (DPE).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement as well as the DPE guidelines except for non-compliance relating to the number of Independent Directors on the Board of Directors of the Company which was less than half of the total strength of Board during the year.

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 DASS GUPTA & ASSOCIATES**

Chartered Accountants  
(Firm Regn. No. 000112N)

**For PARAKH & CO.**

Chartered Accountants  
(Firm Regn. No. 001475C)

**For J GUPTA & CO.**

Chartered Accountants  
(Firm Regn. No. 314010E)

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

Sd/-  
**(CA. Thalendra Sharma)**  
Partner  
M. No. 079236

Sd/-  
**(CA. Jai Narayan Gupta)**  
Partner  
M. No. 051428

**Date :** Mumbai

**Place:** 23<sup>rd</sup> June 2015

# *Standalone Financial Statement*

---



*The Indian Oil Group owns and operates 10 of India's 22 refineries.*

## 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 31st March 2015, 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.

### 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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, 2015, and its profit and its cash flow for the year ended on that date.

### Other Matters

- We did not audit the financial statements/information of 10 branches included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of ₹ 40,285.61 Crores as at 31<sup>st</sup> March, 2015 and total revenues of ₹ 2,58,884.05 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.
- The financial statements include the Company's proportionate share (relating to Jointly controlled operations) in assets ₹ 399.29 Crores, liabilities ₹ 33.72 Crores, income of ₹ 1.35 crore and expenditure ₹ 263.55 Crores and the elements making up 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 18 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 other matters.

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015 ("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.
- 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 Comptroller and Auditor General of India.
- As required by Section 143 (3) of the Act, we report that:
  - 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.
  - (c) 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.
  - (d) 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.
  - (e) On the basis of written representations received from the directors none of the directors is disqualified from being appointed as a director in terms of Section 164(2) of the Act as on 31st March 2015.
  - (f) 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 on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring the amount to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made there under by the Company.

**For DASS GUPTA & ASSOCIATES**

Chartered Accountants  
(Firm Regn. No. 000112N)

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

**Place :** New Delhi  
**Date :** 29<sup>th</sup> May, 2015

**For J GUPTA & CO.**

Chartered Accountants  
(Firm Regn. No. 314010E)

Sd/-  
**(CA. Nancy Murarka)**  
Partner  
M. No. 067953

**For PARAKH & CO.**

Chartered Accountants  
(Firm Regn. No. 001475C)

Sd/-  
**(CA. Indra Pal Singh)**  
Partner  
M. No. 410433

## 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 2015

- (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.
- (ii) (a) The inventory has been physically verified by the management at reasonable intervals.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured to any companies, firms or other parties covered in register maintained under Section 189 of the Companies Act, 2013.  
In view of the above, the clauses 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventory & fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (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 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, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, 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 2015 for a period of more than six months from the date they became payable.
- (b) The disputed statutory dues aggregating to ₹ 20,606.32 crore that have not been deposited on account of matters pending before appropriate authorities, details of which are annexed in annexure A with this report.
- (c) According to the information and explanations given to us, the Company has transferred the amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made there under.
- (viii) The Company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) 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 or debenture holders.
- (x) According to the information and explanations given to us, in respect of the guarantee given by the Company for the loans taken by others from a bank, the terms and conditions thereof are not, prima facie, prejudicial to the interest of the company.
- (xi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- (xii) 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 case of frauds has been committed on or by the Company during the year.

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

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

Place : New Delhi  
 Date : 29<sup>th</sup> May, 2015

**For J GUPTA & CO.**  
 Chartered Accountants  
 (Firm Regn. No. 314010E)

Sd/-  
**(CA. Nancy Murarka)**  
 Partner  
 M. No. 067953

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

Sd/-  
**(CA. Indra Pal Singh)**  
 Partner  
 M. No. 410433

## ANNEXURE-A

**REPORTING AS PER COMPANIES (AUDITORS' REPORT)  
ORDER 2015 (DISPUTED CASES)**

SL. NO.	NAME OF THE STATUTE/ NATURE OF DUES	FORUM WHERE DISPUTE IS PENDING	AMOUNT (Net of deposits) (₹ in Crore)	PERIOD TO WHICH THE AMOUNT RELATES (FINANCIAL YEARS)
1	<b>CENTRAL EXCISE</b>	High Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) <b>Total</b>	1,223.79 1,177.09 34.20 15.90 <b>2,450.98</b>	2002 to 2015 1980 to 2015 2000 to 2015 1993 to 2015
2	<b>CUSTOMS DUTY</b>	Supreme Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) <b>Total</b>	0.52 64.65 0.11 0.61 <b>65.89</b>	1998 to 2015 1980 to 2015 2011 to 2015 2011 to 2015
3	<b>SALES TAX/ VAT/ TURNOVER TAX</b>	Supreme Court High Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) <b>Total</b>	30.87 769.21 3,698.81 1,170.56 1,983.58 <b>7,653.03</b>	1999 to 2015 1978 to 2015 1985 to 2015 1979 to 2015 1981 to 2015
4	<b>INCOME TAX</b>	Tribunal Appellate Authority (Below Tribunal) <b>Total</b>	11.27 134.47 <b>145.74</b>	2003 to 2015 2002 to 2015
5	<b>SERVICE TAX</b>	Tribunal Appellate Authority (Below Tribunal) <b>Total</b>	30.33 39.24 <b>69.57</b>	2002 to 2015 2001 to 2015
6	<b>ENTRY TAX</b>	Supreme Court High Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) <b>Total</b>	8,177.59 1,863.93 83.15 2.57 33.17 <b>10,160.41</b>	1991 to 2015 2003 to 2015 2000 to 2015 2010 to 2015 1998 to 2015
7	<b>Others (Commercial Tax/ Entertainment Tax etc.)</b>	Supreme Court High Court Tribunal Appellate Authority (Below Tribunal) <b>Total</b>	6.48 41.03 1.17 12.02 <b>60.70</b>	1995 to 2015 1989 to 2015 1998 to 2015 1999 to 2015
<b>GRNAD TOTAL</b>			<b>20,606.32</b>	

## ANNEXURE 2 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 2015

Sl. No.	Directions / Sub-Directions	Action Taken	Impact on financial statement								
<b>A. Directions</b>											
1	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed and General Reserves) may be examined including the mode and present stage of disinvestment process	The department of disinvestment had floated a request for Proposal (RFP) for engagement of merchant bankers and selling brokers for disinvestment of 10% stake in IOCL through the offer of sale by the promoters through stock exchanges (OFS method) in the domestic market and the last date of submission was 04.02.2015. As informed by management no further progress was made in the matter till 31 <sup>st</sup> March 2015. Therefore, the process of valuation of assets & liabilities has not been undertaken till that date.	Nil								
2	Please report 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 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".	Nil								
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities?	Proper records are maintained for inventories lying with third parties. No assets have been received by the company as gifts from government or other authorities during the current year.	Nil								
4	A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	There are 1041 pending legal/arbitration cases against the company. The age-wise classification obtained from the management is as under:  <table style="margin-left: auto; margin-right: auto;"> <tr> <td>More than 25 years :</td> <td>34</td> </tr> <tr> <td>Fifteen to Twenty Five years :</td> <td>84</td> </tr> <tr> <td>Five to Fifteen years :</td> <td>433</td> </tr> <tr> <td>Less than Five years :</td> <td>490</td> </tr> </table> <p>These cases are pending for hearing /disposal at the respective forums. The Company has a system for monitoring expenditure on legal cases (foreign and local) which in our view is effective.</p>	More than 25 years :	34	Fifteen to Twenty Five years :	84	Five to Fifteen years :	433	Less than Five years :	490	Nil
More than 25 years :	34										
Fifteen to Twenty Five years :	84										
Five to Fifteen years :	433										
Less than Five years :	490										
B. Sub - Directions: NIL											

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

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

**For J GUPTA & CO.**  
 Chartered Accountants  
 (Firm Regn. No. 314010E)

Sd/-  
**(CA. Nancy Murarka)**  
 Partner  
 M. No. 067953

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

Sd/-  
**(CA. Indra Pal Singh)**  
 Partner  
 M. No. 410433

Place : New Delhi  
 Date : 29<sup>th</sup> May, 2015

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2015**

Particulars	Note No.	March-15	(₹ in Crore) March-14
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds:</b>			
(a) Share Capital	2	2,427.95	2,427.95
(b) Reserves and Surplus	3	<u>65,542.02</u>	<u>63,564.13</u>
		<b>67,969.97</b>	<b>65,992.08</b>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	4	32,731.26	31,683.58
(b) Deferred tax liabilities (Net)	5	6,720.21	5,616.18
(c) Other Long-term Liabilities	6	15,216.48	13,411.58
(d) Long-term provisions	7	<u>410.20</u>	<u>390.12</u>
		<b>55,078.15</b>	<b>51,101.46</b>
<b>Current liabilities</b>			
(a) Short-term borrowings	8	16,979.31	48,915.54
(b) Trade payables	9	29,199.77	35,697.30
(c) Other current Liabilities	6	23,310.68	24,319.15
(d) Short-term provisions	7	<u>27,311.59</u>	<u>25,529.12</u>
		<b>96,801.35</b>	<b>1,34,461.11</b>
<b>TOTAL</b>		<b><u>2,19,849.47</u></b>	<b><u>2,51,554.65</u></b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible assets	10	65,624.77	62,256.62
(ii) Intangible assets	11	626.70	692.17
(iii) Capital work-in-progress	12	35,563.98	33,150.65
(iv) Intangible assets under development	13	<u>759.52</u>	<u>728.59</u>
		<b>1,02,574.97</b>	<b>96,828.03</b>
(b) Non-current investments	14	16,628.58	16,311.49
(c) Long-term loans and advances	15	4,620.34	4,640.55
(d) Other non-current assets	16	<u>94.56</u>	<u>70.02</u>
		<b>1,23,918.45</b>	<b>1,17,850.09</b>

Contd...

(₹ in Crore)

Particulars	Note No.	March-15	March-14
<b>Current assets</b>			
(a) Current investments	14	<b>7,270.91</b>	7,282.70
(b) Inventories	17	<b>45,543.85</b>	64,697.37
(c) Trade receivables	18	<b>6,758.17</b>	11,022.92
(d) Cash and Bank Balances	19	<b>111.90</b>	2,608.53
(e) Short-term loans and advances	15	<b>31,451.69</b>	40,701.12
(f) Other current assets	16	<b>4,794.50</b>	7,391.92
		<hr/> <b>95,931.02</b>	<hr/> 1,33,704.56
<b>TOTAL</b>		<hr/> <b>2,19,849.47</b>	<hr/> 2,51,554.65
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 DASS GUPTA & ASSOCIATES**  
 Chartered Accountants  
 (Firm Regn. No. 000112N)

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

**For J GUPTA & CO.**  
 Chartered Accountants  
 (Firm Regn. No. 314010E)

Sd/-  
**(CA. Nancy Murarka)**  
 Partner  
 M. No. 067953

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

Sd/-  
**(CA. Indra Pal Singh)**  
 Partner  
 M. No. 410433

Place : New Delhi  
 Date : 29<sup>th</sup> May, 2015

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2015**

Particulars	Note No.	March-15	(₹ in Crore) March-14
<b>Revenue from operations (Gross)</b>	20	<b>4,67,933.90</b>	4,97,114.13
Less: Excise Duty		<b>30,407.77</b>	23,904.04
<b>Revenue from operations (Net)</b>		<b>4,37,526.13</b>	4,73,210.09
<b>Other Income</b>	21	<b>4,144.05</b>	3,417.29
<b>Total Revenue</b>		<b>4,41,670.18</b>	<b>4,76,627.38</b>
<b>Expenses:</b>			
Cost of materials consumed	22	<b>2,05,049.94</b>	2,27,012.01
Purchase of Stock-in-Trade [Net of Duty Draw Back ₹ 1.68 crore (2014: ₹ 5.12 crore)]		<b>1,77,533.90</b>	1,95,971.04
Changes in Inventories	23	<b>8,216.07</b>	(1,153.00)
Employee benefit expenses	24	<b>7,104.78</b>	6,618.97
Finance cost	25	<b>3,435.27</b>	5,084.42
Depreciation and Amortization on:			
a) Tangible Assets (refer point 4 of Note - 48)		<b>4,391.44</b>	5,616.78
b) Intangible Assets		<b>137.22</b>	143.31
		<b>4,528.66</b>	5,760.09
Other Expenses	26	<b>29,466.80</b>	29,058.84
<b>Total Expenses</b>		<b>4,35,335.42</b>	<b>4,68,352.37</b>
<b>Profit before Prior Periods, Exceptional Items and Tax</b>		<b>6,334.76</b>	8,275.01
Income / (Expenses) pertaining to Prior Periods (Net)	27	<b>(7.56)</b>	(96.30)
<b>Profit before Exceptional Items and Tax</b>		<b>6,327.20</b>	<b>8,178.71</b>
Exceptional Items (Refer point 3 of Note - 48)		<b>1,668.09</b>	1,746.80
<b>Profit before Tax</b>		<b>7,995.29</b>	<b>9,925.51</b>

Contd...

(₹ in Crore)

Particulars	Note No.	March-15	March-14
Tax Expense:			
Current Tax [includes ₹ <b>(142.86) crore</b> (2014 : ₹ (116.31) crore) relating to prior years]		<b>1,262.98</b>	2,802.90
MAT Credit Entitlement		<b>(138.11)</b>	-
Deferred Tax		<b>1,597.39</b>	103.52
<b>Profit for the year</b>		<b>5,273.03</b>	<b>7,019.09</b>
Earning per Equity Share (₹):	33		
(1) Basic		<b>21.72</b>	28.91
(2) Diluted		<b>21.72</b>	28.91
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 DASS GUPTA & ASSOCIATES**  
 Chartered Accountants  
 (Firm Regn. No. 000112N)

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

**For J GUPTA & CO.**  
 Chartered Accountants  
 (Firm Regn. No. 314010E)

Sd/-  
**(CA. Nancy Murarka)**  
 Partner  
 M. No. 067953

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

Sd/-  
**(CA. Indra Pal Singh)**  
 Partner  
 M. No. 410433

Place : New Delhi  
 Date : 29<sup>th</sup> May, 2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2015**

(₹ in Crore)

Particulars	March-15	March-14
<b>A Cash Flow from Operating Activities</b>		
1 Profit Before Tax	7,995.29	9,925.51
2 Adjustments for:		
Depreciation	4,500.07	5,768.65
Loss/(Profit) on sale of Assets (net)	(32.54)	57.51
Loss/(Profit) on sale of Investments (net)	(24.98)	42.54
Amortisation of Capital Grants	(3.19)	(2.26)
Amortisation of Premium on Forward Contracts	(669.70)	(583.20)
Provision for Probable Contingencies (net)	453.20	238.11
Provision for Loss on Investments (net)	(521.47)	483.12
Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores (net)	3.70	103.84
Provision for Dimunition in 'Receivable from trust' (net)	(348.34)	(0.29)
Provision for MTM Loss/(Gain) on interest rate swap	(47.75)	(30.61)
Foreign Currency Monetary Item Translation Difference Account	(0.72)	(47.66)
Interest Income on Investments	(964.35)	(1,037.41)
Dividend Income on Investments	(849.97)	(884.91)
Interest Expenditure	<u>3,435.20</u>	<u>5,086.60</u>
	4,929.16	9,194.03
3 Operating Profit before Working Capital Changes (1+2)	<u>12,924.45</u>	19,119.54
4 Change in Working Capital: (Excluding Cash & Bank Balances)		
Trade & Other Receivables	16,590.16	(2,291.88)
Inventories	19,136.80	(5,391.55)
Trade and Other Payables	<u>(1,914.32)</u>	12,340.42
Change in Working Capital	<u>33,812.64</u>	4,656.99
	33,812.64	4,656.99
5 Cash Generated From Operations (3+4)	<u>46,737.09</u>	23,776.53
6 Less : Taxes paid	<u>2,249.67</u>	1,726.64
7 Net Cash Flow from Operating Activities (5-6)	<u>44,487.42</u>	22,049.89
<b>B Cash Flow from Investing Activities:</b>		
Sale/Transfer of Assets	469.26	449.63
Sale / Maturity of Investments	553.13	1,117.42
Interest Income on Investments	985.84	1,037.32
Dividend Income on Investments	849.97	884.91
Purchase of Assets	(3,162.40)	(4,876.39)
Investments in Subsidiaries	(79.25)	(6,269.09)
Investments in Long Term Investments / Others	(207.00)	(187.66)
Expenditure on Construction Work in Progress	<u>(8,019.56)</u>	<u>(9,992.72)</u>
Net Cash Generated/(Used) in Investing Activities:	<u>(8,610.01)</u>	<u>(17,836.58)</u>

Contd...

(₹ in Crore)

Particulars	March-15	March-14
<b>C Net Cash Flow From Financing Activities:</b>		
Proceeds from Long-Term Borrowings	5,863.27	16,288.21
Repayments of Long-Term Borrowings	(5,314.77)	(2,548.12)
Proceeds from/(Repayments of) Short-Term Borrowings	(31,978.89)	(8,010.39)
Interest paid	(4,472.80)	(6,075.83)
Dividend/Dividend Tax paid	(2,470.85)	(1,761.94)
Net Cash Generated/(Used) from Financing Activities:	<u>(38,374.04)</u>	<u>(2,108.07)</u>
<b>D Net Change in Cash &amp; Bank Balances</b>	<u><b>(2,496.63)</b></u>	<u><b>2,105.24</b></u>
<b>(A+B+C)</b>		
 <b>E 1 Cash &amp; Bank Balances as at end of the year</b>	 111.90	2,608.53
Less:		
<b>E 2 Cash &amp; Bank Balances as at the beginning of year</b>	<b>2,608.53</b>	503.29
<b>NET CHANGE IN CASH &amp; BANK BALANCES (E 1-2)</b>	<b><u>(2,496.63)</u></b>	<b><u>2,105.24</u></b>

**Notes:**

1. Cash & Bank Balances as at end of the year	111.90	2,608.53
Less: Other Bank Balances	1.37	776.37
<b>Cash and Cash Equivalents</b>	<b>110.53</b>	<b>1,832.16</b>
2. Cash and Bank balance includes ₹ 10.41 crore which are not readily available for use (refer Note-19).		
3. Figures for previous periods 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 DASS GUPTA & ASSOCIATES**  
 Chartered Accountants  
 (Firm Regn. No. 000112N)

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

**For J GUPTA & CO.**  
 Chartered Accountants  
 (Firm Regn. No. 314010E)

Sd/-  
**(CA. Nancy Murarka)**  
 Partner  
 M. No. 067953

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

Sd/-  
**(CA. Indra Pal Singh)**  
 Partner  
 M. No. 410433

Place : New Delhi  
 Date : 29<sup>th</sup> May, 2015

## NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES

### 1. BASIS OF PREPARATION

- 1.1 The financial statements are prepared under historical cost convention in accordance with the mandatory accounting standards 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 and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates.

### 2. FIXED ASSETS

#### 2.1 Tangible Assets

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

#### 2.2 Construction Period Expenses on Projects

- 2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are 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 Depreciation/Amortization

- 2.4.1 Cost of leasehold land for 99 years or less is amortized over the lease period.
- 2.4.2 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/solar panels

Depreciation 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.

- 2.4.3 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.

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

#### 2.5 INTANGIBLE ASSETS

- 2.5.1 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.

- 2.5.2 Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.

- 2.5.3 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".

- 2.5.4 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.

### 3. LEASES (other than Land Leases)

#### 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.

#### 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.

#### 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 valued 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. Cost of Finished Products produced is determined based on raw material cost and processing cost.
- 8.2.2 Lubricants are valued at cost on weighted average basis or net realizable value, whichever is lower. Cost of lubricants internally produced is determined based on cost of inputs and processing cost.
- 8.2.3 Imported products in transit are valued at CIF 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, 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 accounted:
  - a) When there is certainty that the claims are realizable
  - b) Generally at cost
- 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. Closing stock value includes excise duty payable / paid on finished goods.

#### **13. TAXES ON INCOME**

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

#### **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, will be made good by the Company and charged to Statement of Profit and Loss.
- b) The Company operates defined benefit plans for Gratuity and Post Retirement Medical Benefits. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year and are administered through respective Trusts. Actuarial gains/losses are charged to Statement of Profit and Loss.
- c) Obligations on Compensated Absences, Resettlement, 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.

#### **14.3 Termination Benefits:**

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

#### **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 and 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-15	March-14
<b>Authorised:</b> 600,00,00,000 Equity Shares of ₹ 10 each	<u>6,000.00</u>	6,000.00
<b>Issued, Subscribed and Paid Up:</b> 2,42,79,52,482 (2014 : 2,42,79,52,482) Equity Shares of ₹ 10 each	<u>2,427.95</u>	2,427.95
<b>TOTAL</b>	<u>2,427.95</u>	2,427.95
<b>A. Reconciliation of No. of Equity Shares</b>		
Opening Balance	<u>2,42,79,52,482</u>	2,42,79,52,482
Shares Issued	-	-
Shares bought back	-	-
Closing Balance	<u>2,42,79,52,482</u>	2,42,79,52,482
<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 corporation in proportion to the number of equity shares held.		
<b>C. Details of shareholders holdings more than 5% shares</b>		
Name of Shareholder	March-15	March-14
	Number of shares held	Percentage of Holding
PRESIDENT OF INDIA	1664965562	68.57
OIL AND NATURAL GAS CORPORATION LIMITED	334303814	13.77

**D. Aggregate shares allotted as fully paid up Bonus Shares by Capitalization of General Reserve / Securities Premium during preceding five years (in November 2009) are 1,21,39,76,241 no. of equity shares of ₹ 10 each.**

**NOTE - 3: RESERVES AND SURPLUS**

Particulars		March-15	(₹ in Crore) March-14
<b>Capital Reserve:</b>			
As per last Account		183.08	183.08
<b>General Reserve:</b>			
As per last Account		59,130.32	53,607.57
Less: Adjustment of Depreciation (Companies Act, 2013)	A	948.76	-
Add : Transfer from Capital Grant	A	2.82	-
Add : Transfer from Bond Redemption Reserve		1,829.65	361.65
Add: Appropriation from Profit and Loss		2,632.36	5,161.10
		<b>62,646.39</b>	59,130.32
<b>Insurance Reserve:</b>	B		
As per last Account		144.10	124.10
Less : Recoupment of uninsured fire loss		0.62	-
Add: Appropriation from Profit and Loss		20.00	20.00
		<b>163.48</b>	144.10
<b>Export Profit Reserve</b>	C		
		<b>53.72</b>	53.72
<b>Capital Grants:</b>	D		
As per last Account		23.34	17.09
Add: Received/ (Written Back) during the year		1.34	8.51
Less: Transfer to General Reserve	A	2.82	-
Less: Amortized during the year		3.19	2.26
		<b>18.67</b>	23.34
<b>Bond Redemption Reserve:</b>			
As per last Account		3,695.38	2,499.52
Add: Provision during the year		693.46	1,557.51
Less: Write-back of provision on redemption of bonds		1,829.65	361.65
		<b>2,559.19</b>	3,695.38
<b>Corporate Social Responsibility Reserve:</b>	E		
As per Last Account		20.45	37.48
Add: Appropriation from Profit and Loss		112.95	64.88
Less: Utilized during the year		113.79	81.91
		<b>19.61</b>	20.45
<b>Balance of Profit and Loss:</b>			
Balance Brought Forward from Last Year's Account		-	2,173.80
Profit for the Year		5,273.03	7,019.09
<b>Less: Appropriations</b>			
Final Dividend (Proposed)		1,602.45	2,112.32
Corporate Dividend Tax on Final Dividend (Proposed)		326.22	358.99
Insurance Reserve (Net)		19.38	20.00
Bond Redemption Reserve		693.46	1,557.51
Corporate Social Responsibility Reserve (Net)		(0.84)	(17.03)
General Reserve		2,632.36	5,161.10
Balance carried forward to next year		-	-
<b>Foreign Currency Monetary Item Translation Difference Account</b>			
As per Last Account		313.74	-
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items		(415.14)	361.40
Less: Amortized during the year		0.72	47.66
		<b>(10.12)</b>	313.74
<b>TOTAL</b>		<b>65,542.02</b>	<b>63,564.13</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 ₹ 112.95 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 ₹ 113.79 crore has been spent during the year. Also refer Note-47.

## NOTE - 4: LONG TERM BORROWINGS

(₹ in Crore)

Particulars	Long Term		Current Maturities*	
	March-15	March-14	March-15	March-14
<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-XIII	B	<b>405.00</b>	-	-
Non-Convertible Redeemable Bonds-Series-XII	C&G	-	1,295.00	<b>1,295.00</b>
Non-Convertible Redeemable Bonds-Series-IX	D	<b>1,600.00</b>	1,600.00	-
Non-Convertible Redeemable Bonds-Series-VII B	E&G	-	500.00	<b>500.00</b>
Non-Convertible Redeemable Bonds-Series-V	F&G	<b>31.60</b>	63.20	<b>31.60</b>
		<b>3,106.60</b>	4,528.20	<b>1,826.60</b>
				1,731.60
<b>Term Loans:</b>				
From other parties				
Oil Industry Development Board (OIDB)	H	<b>1,374.00</b>	1,359.50	<b>405.50</b>
Finance Lease Obligation	I	<b>3,563.85</b>	2,959.54	<b>108.10</b>
		<b>8,044.45</b>	<b>8,847.24</b>	<b>2,340.20</b>
				2,418.71
<b>UNSECURED LOANS</b>				
<b>Bonds</b>				
Foreign Currency Bonds	J&G	<b>8,285.50</b>	7,942.84	-
US \$ 1,325.58 million (2014: US \$ 1,825.58 million)				2,996.00
Senior Notes (Bank of America)	K	<b>1,875.15</b>	1,797.60	-
US \$ 300 million (2014: US \$ 300 million)				-
		<b>10,160.65</b>	9,740.44	-
				2,996.00
<b>Term Loans:</b>				
From Banks				
In Foreign Currency Loans	L	<b>14,501.16</b>	13,019.65	<b>3,142.99</b>
US \$ 2,822.84 million (2014: US \$ 2,178.52 million)				34.02
From Others				
In Rupees	M	<b>25.00</b>	76.25	<b>51.25</b>
		<b>14,526.16</b>	<b>13,095.90</b>	<b>3,194.24</b>
		<b>24,686.81</b>	<b>22,836.34</b>	<b>3,194.24</b>
		<b>32,731.26</b>	<b>31,683.58</b>	<b>5,534.44</b>
				5,618.48

\* 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 15th September	After 10 years from the date of allotment	These are secured by way of registered mortgage over the immovable properties of the Company i.e. Flat no. 3/62 Nanik Niwas of Shyam Co-op. Housing Society Ltd. situated at 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	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 company has partly exercised the call option for ₹ 1,295 crore.	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.

Contd...

Particulars	Allotment Date	Coupon Rate	Date of Redemption	Security Details
C 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.	These are 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.
D 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.
E 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.	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 XII & 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, 11th instalment (STRPP K) was paid in July 2014.	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 6.90% Oil Marketing companies GOI Special Bonds 2026 of carrying value of ₹ 273.99 Crore (2014 : ₹ 709.14 crore) being 15% of the total bonds value of ₹ 1,826.6 crore (2014 : ₹ 4,727.60 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, 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.

**2. Loan Repayment Schedule against loans from OIDB (Secured)-Term Loans**

(₹ In Crore)

S.No.	Repayable During	Repayable Amount	Range of Interest Rate
1	2015-16	405.50	8.20% - 9.27%
2	2016-17	510.50	8.20% - 9.27%
3	2017-18	510.50	8.20% - 9.27%
4	2018-19	248.00	8.20% - 9.27%
5	2019-20	105.00	8.20% - 8.45%
<b>Total</b>		<b>1,779.50</b>	

**I. Finance Lease Obligation**

The Finance Lease Obligation is against assets acquired under Finance Lease. The carrying value of the same is ₹ 3,661.90 Crores (refer Note - 32).

**Unsecured Loans****J. Repayment Schedule of Foreign Currency Bonds**

S.No.	Particulars of Bonds	Date of Issue	Date of Repayment
1	USD 500 million Reg S bonds	1st August 2013	Payable after 10 years from the date of issue
2	SGD 400 million Reg S bonds	15th October 2012	On the same day, cross currency swap amounting to USD 325.58 Million. Payable after 10 years from the date of issue
3	USD 500 Million Reg S bonds	2nd August 2011	Payable after 10 years from the date of issue

**K. Repayment Schedule of Senior Notes (Bank of America)**

- 1 USD 300 million US Private Placement bonds issued in four tranches of USD 75 Million dt. 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

1 USD 56.77 Million long term credit (credit in four tranches of USD 7.39 Million dt. 31<sup>st</sup> March 2004, USD 15.29 Million dt 30<sup>th</sup> Nov. 2004, USD 32.49 Million dt. 22<sup>nd</sup> April 2005 and USD 1.60 Million dt 10<sup>th</sup> June 2005) guaranteed by US Ex-Im Bank is payable in 20 semi annual installments of USD 2.84 Million starting from 20th March 2006.

S.No.	Particulars of Loans	Date of drawal	Date of Repayment
1	USD 500 Million syndication loan	31 <sup>st</sup> Dec. 2010	
2	USD 250 Million syndication loan	15 <sup>th</sup> Dec. 2011	
3	USD 300 Million syndication loan	13 <sup>th</sup> July. 2012	{ Payable after 5 years from the date of drawal
4	USD 120 Million syndication loan	12 <sup>th</sup> March 2013	
5	USD 650 Million syndication loan	27 <sup>th</sup> June 2014	
6	USD 500 Million syndication loan	In three trances between 5 <sup>th</sup> September 2013 to 11 <sup>th</sup> September 2013	{
7	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

#### M. Repayment Schedule of Unsecured-Rupee Loans from OIDB

(₹ In Crore)

S.No.	Repayable During	Repayable Amount	Range of Interest Rate
1	2015-16	51.25	7.20% - 8.89%
2	2016-17	25.00	8.89%
	<b>Total</b>	<b>76.25</b>	

## NOTE - 5: DEFERRED TAX

In compliance of Accounting Standard – 22 on “Accounting for Taxes on Income”, Deferred Tax expense amounting to ₹ 1,597.39 crore (2014: ₹ 103.52 crore) has been recognized during the current year. The year end position of Deferred Tax Liability is given below:

Particulars	As on 01.04.2014	Adjusted in opening General Reserve	Provided during the year in Statement of Profit and Loss	Balance as on 31.03.2015
<b>Deferred Tax Liability:</b>				
Related to Fixed Assets	9,890.38	(494.32)	1,183.64	10,579.70
<b>Total Deferred Tax Liability (A)</b>	<b>9,890.38</b>	<b>(494.32)</b>	<b>1,183.64</b>	<b>10,579.70</b>
<b>Deferred Tax Assets:</b>				
Provision on Inventories, Trade Receivables, Loans and advances, Investments etc.	569.66	-	(211.35)	358.31
Compensation for Voluntary Retirement Scheme	27.50	-	(7.64)	19.86
43B Disallowances etc.	3,048.40	-	64.82	3,113.22
Foreign Currency gain on long term monetary item	73.97	-	(125.31)	(51.34)
Capital Grants	7.93	(0.96)	(0.51)	6.46
Provision for leave encashment	546.74	-	(133.76)	412.98
<b>Total Deferred Tax Assets (B)</b>	<b>4,274.20</b>	<b>(0.96)</b>	<b>(413.75)</b>	<b>3,859.49</b>
<b>Deferred Tax Liability (Net) (A – B)</b>	<b>5,616.18</b>	<b>(493.36)</b>	<b>1,597.39</b>	<b>6,720.21</b>
Previous Year	5,512.66	-	103.52	5,616.18

**NOTE - 6: OTHER LIABILITIES**

Particulars	Long Term		Current		(₹ in Crore)
	March-15	March-14	March-15	March-14	
Current maturities of long-term debt (Refer Note - 4)	-	-	5,534.44	5,618.48	
Interest accrued but not due on borrowings	-	-	500.85	675.20	
Interest accrued and due on borrowings	-	-	2.53	45.19	
Liability for Capital Expenditure	-	-	2,026.68	2,096.12	
Liability to Trusts and Other Funds	-	-	1,178.73	747.49	
Employee Liabilities	-	-	823.66	900.80	
Statutory Liabilities	-	-	5,637.93	5,101.05	
Liability for Purchases on Agency Basis	-	-	1,951.89	5,002.36	
Advances from Customers	-	-	2,864.43	1,930.48	
Investor Education & Protection Fund to be credited on the due dates:					
- Unpaid Dividend	-	-	8.95	8.49	
- Unpaid Matured Deposits	-	-	0.01	0.01	
			8.96	8.50	
Security Deposits	15,215.01	13,409.72	865.82	741.98	
Deposits for materials given on loan (Net) (Refer Note - 15)	-	-	-	0.01	
Others	1.47	1.86	1,914.76	1,451.49	
<b>TOTAL</b>	<b>15,216.48</b>	<b>13,411.58</b>	<b>23,310.68</b>	<b>24,319.15</b>	

**NOTE - 7: PROVISIONS**

Particulars	Long Term		Short Term		(₹ in Crore)
	March-15	March-14	March-15	March-14	
Provision for Employee Benefits	410.20	390.12	2,127.70	2,043.75	
Provision for Taxation:					
For Current Tax	-	-	4,340.08	4,208.12	
Less : Advance payments	-	-	4,415.41	3,304.99	
	-	-	(75.33)	903.13	
Provision for Taxation (Net of Advance Tax)	-	-	-	903.13	
Proposed Dividend	-	-	1,602.45	2,112.32	
Corporate Dividend Tax	-	-	326.22	358.99	
Contingencies for probable obligations	A	-	23,212.50	20,020.46	
Provision for MTM Loss on Interest Rate Swap	-	-	42.72	90.47	
<b>TOTAL</b>	<b>410.20</b>	<b>390.12</b>	<b>27,311.59</b>	<b>25,529.12</b>	

A1. 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)	
Excise	5.09	0.52	-	-		5.61
Sales Tax	1,012.69	493.76	6.01	14.07		1,486.37
Entry Tax	18,902.48	2,714.50	10.55	-		21,606.43
Others	100.20	26.55	4.30	8.36		114.09
<b>TOTAL</b>	<b>20,020.46</b>	<b>3,235.33</b>	<b>20.86</b>	<b>22.43</b>		<b>23,212.50</b>

Contd...

Addition includes	March-15
- capitalized	26.39
- included in Raw Material	2,263.97
- included in Finance Cost	447.31
- Amount transferred from Liabilities to Provisions	0.66
- Contingency recoverable from Debtors	0.51

\* Expected timing of outflow is not ascertainable at this stage as the matters are under dispute with respective authorities.

A2. An amount of ₹ 14,421.04 crore (2014: ₹ 11,806.52 crore) has been deposited against 'Contingencies for Probable Obligations' and included in sundry deposits (Note-15).

## NOTE - 8: SHORT TERM BORROWINGS

Particulars	(₹ in Crore)	March-15	March-14
<b>SECURED LOANS</b>			
<b>Loans Repayable on Demand</b>			
<b>From Banks:</b>	A		
Working Capital Demand Loan		3,581.00	9,000.00
Cash Credit		1,963.53	-
		5,544.53	9,000.00
<b>From Others:</b>			
Loans through Collateralised Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd. (CCIL)	B	2,630.00	18.75
<b>Total Secured Loans</b>		8,174.53	9,018.75
<b>UNSECURED LOANS</b>			
<b>Loans Repayable on Demand</b>			
<b>From Banks</b>			
In Foreign Currency		7,804.78	29,360.02
US \$ 1,248.66 million (2014: US \$ 4,899.87 million)		1,000.00	9,625.00
In Rupee		8,804.78	38,985.02
<b>From Others</b>			
Commercial Papers		-	675.00
Inter-Corporate Deposits		-	236.77
		-	911.77
<b>Total Unsecured Loans</b>		8,804.78	39,896.79
<b>TOTAL SHORT-TERM BORROWINGS</b>		16,979.31	48,915.54

- 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.
- Against pledging of Oil Marketing Companies Government of India Special Bonds amounting to ₹ 4,365.00 crore and Bank Guarantees of ₹ 1,650.00 crore in favour of CCIL.

## NOTE - 9: TRADE PAYABLES

Particulars	(₹ in Crore)	March-15	March-14
Dues of Micro, Small and Medium Enterprises		14.54	14.33
Dues to Related Parties		2,088.59	2,278.06
Dues to others		27,096.64	33,404.91
<b>TOTAL</b>		29,199.77	35,697.30

**NOTE - 10: TANGIBLE ASSETS**

		AT COST					DEPRECIATION,		
		Gross Block as at 1.04.14	Additions during the year	Transfers from Construction Work-in-Progress	Disposals / Deductions / Transfers / Reclassifications	Gross Block as at 31.03.15	Depreciation & Amortisation as at 1.04.14	Additional Dep. (Schedule-II) Charged to Opening Reserve/CWIP	Depreciation and Amortisation during the year
						(Refer C)		(Refer D1)	(Refer D2)
Land-Freehold	A&G	1,211.20	65.44	-	(0.90)	1,275.74	-	-	-
-Leasehold		734.09	619.80	0.53	(0.21)	1,354.21	120.06	-	33.28
Buildings, Roads etc.	B&G	9,927.93	84.23	854.84	(38.46)	10,828.54	1,791.22	910.60	725.59
Plant and Equipment	E	95,877.22	2,232.40	5,566.97	(103.25)	1,03,573.34	45,030.15	332.36	3,348.96
Office Equipments		2,014.26	120.01	81.16	(702.78)	1,512.65	989.08	165.29	261.30
Transport Equipments		412.35	4.99	16.68	(197.40)	236.62	327.56	0.29	6.16
Furnitures and Fixtures		354.31	21.28	18.13	351.28	745.00	180.13	36.32	75.33
Railway Sidings		200.47	11.49	-	(3.49)	208.47	137.02	9.44	10.13
Drainage, Sewage and Water Supply System		306.13	1.01	22.69	(66.45)	263.38	206.12	-	4.68
<b>Total</b>		<b>1,11,037.96</b>	<b>3,160.65</b>	<b>6,561.00</b>	<b>(761.66)</b>	<b>1,19,997.95</b>	<b>48,781.34</b>	<b>1,454.30</b>	<b>4,465.43</b>
Previous Year		1,03,295.55	4,911.44	3,682.86	(851.89)	1,11,037.96	43,472.10	-	5,653.89

- 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** (2014: ₹ 7.59 crore) lying vacant due to title disputes/ litigation.
- iii) Leasehold Land includes an amount of ₹ 741 crore for land Development Cost.
- B. Buildings include ₹ **0.01 crore** (2014: ₹ 0.01 crore) towards value of 1610 (2014: 1610) Shares in Co-operative Housing Societies towards membership of such societies for purchase of flats.
- C. The cost of assets are net of VAT CREDIT/CENVAT, wherever applicable.
- D.1 Depreciation charged to opening general reserve due to change in useful life 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 ₹ **(29.49) crore** (2014: ₹ 8.43 crore) pertaining to prior year and ₹ 103.48 crore (2014: ₹ 28.68 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 ₹ **53.14 crores** (2014: ₹ 57.40 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 ₹ **96.62 crore** (2014: ₹ 94.23 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 31.03.15	W.D.V. as at 31.03.14
<b>Plant and Equipment:</b>					

**Plant and Equipment:**

Given on Operating Lease	14.76	12.40	-	2.36	2.23
Taken on Finance Lease	3,572.34	142.95	-	3,429.39	1,875.60

(₹ in Crore)

Disposals / Deductions / Transfers / Reclassifications	Total Depreciation and Amortisation upto 31.03.15	Total Impairment Loss as at 1.04.14	AMORTISATION AND IMPAIRMENT			NET BLOCK	
			Impairment Loss during the year	Impairment loss reversed during the the year	Total Impairment Loss upto 31.03.15	AS AT 31.03.15	AS AT 31.03.14
(Refer F)							
-	-	-	-	-	-	1,275.74	1,211.20
(0.03)	153.31	-	-	-	-	1,200.90	614.03
28.21	3,455.62	-	-	-	-	7,372.92	8,136.71
44.34	48,755.81	-	-	-	-	54,817.53	50,847.07
(322.71)	1,092.96	-	-	-	-	419.69	1,025.18
(131.50)	202.51	-	-	-	-	34.11	84.79
95.40	387.18	-	-	-	-	357.82	174.18
(3.55)	153.04	-	-	-	-	55.43	63.45
(38.05)	172.75	-	-	-	-	90.63	100.01
<b>(327.89)</b>	<b>54,373.18</b>	-	-	-	-	<b>65,624.77</b>	<b>62,256.62</b>
(344.65)	48,781.34	-	-	-	-	62,256.62	

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

Assets Particulars	Name of Joint Owner	Original Cost	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	(₹ in Crore)	
					W.D.V. as at 31.03.15	W.D.V. as at 31.03.14
Land - Freehold	HPC/BPC	3.10	-	-	3.10	3.10
Land - Leasehold	HPC/BPC/BALMER LAWRIE	0.18	0.06	-	0.12	0.13
Buildings	HPC/BPC/BALMER LAWRIE	18.74	8.32	-	10.42	11.44
Plant and Equipment	HPC/BPC/GSFC/IPCL/GNRE	127.48	79.09	-	48.39	51.27
Transport Equipment	RAILWAYS	-	-	-	-	-
Railway Sidings	HPC/BPC	54.95	46.42	-	8.53	12.55
Drainage,Sewage & Water Supply	GSFC	0.99	0.94	-	0.05	0.05
Furniture	HPC/BPC	-	-	-	-	-
<b>Total</b>		<b>205.44</b>	<b>134.83</b>	-	<b>70.61</b>	<b>78.54</b>
Previous year		205.23	126.69	-	78.54	

### Additions to Gross Block Includes:

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	31.03.15	31.03.14	31.03.15	31.03.14
Land - Freehold	-	-	-	-
Land - Leasehold	-	-	-	-
Buildings	0.40	(0.03)	-	0.38
Plant and Equipment	164.27	420.91	27.91	51.52
Office Equipments	0.01	-	-	-
Transport Equipment	-	-	-	-
Furniture & Fixtures	-	0.01	-	-
Railway Sidings	-	-	-	-
Drainage,Sewage & Water Supply	-	-	-	-
<b>Total</b>	<b>164.68</b>	<b>420.89</b>	<b>27.91</b>	<b>51.90</b>

**NOTE - 11: INTANGIBLE ASSETS**

	AT COST					DEPRECIATION	
	Gross Block as at 1.04.14	Additions during the year	Transfers from Construction Work-in-Progress	Disposals / Deductions / Transfers / Reclassifications	Gross Block as at 31.03.15	Total Amortisation as at 1.04.14	Amortisation during the year
Right of Way	156.38	8.90	-	(0.02)	165.26	10.30	3.15
Licenses	1,236.39	4.80	41.51	(2.88)	1,279.82	712.42	117.75
Computer Software	178.28	17.31	5.09	(0.26)	200.42	156.16	19.23
<b>Total</b>	<b>1,571.05</b>	<b>31.01</b>	<b>46.60</b>	<b>(3.16)</b>	<b>1,645.50</b>	<b>878.88</b>	<b>140.13</b>
Previous Year	1,543.93	20.05	6.87	0.20	1,571.05	734.65	144.13

- A. (a) Amortisation for the year includes ₹ **0.90 crore** (2014: ₹ 0.13 crore) pertaining to prior year taken to Note-27.  
(b) Amortisation for the year includes ₹ **2.01 crore** (2014: ₹ 0.69 crore) relating to construction period expenses taken to Note-12.1.

**Additions to Gross Block Includes:**

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	31.03.15	31.03.14	31.03.15	31.03.14
Licences	0.08	0.25	0.40	0.01
Computer Software	-	0.01	-	-

**NOTE - 12: CAPITAL WORK IN PROGRESS**

(₹ in Crore)

Particulars	March-15	March-14
Construction Work in Progress - Tangible Assets (Including unallocated capital expenditure, materials at site)	<b>23,634.73</b>	22,919.77
Less: Provision for Capital Losses	<b>11.03</b>	16.83
	<b>23,623.70</b>	22,902.94
Capital stores	<b>3,841.29</b>	4,132.62
Less: Provision for Capital Losses	<b>3.82</b>	3.49
	<b>3,837.47</b>	4,129.13
Capital Goods in Transit	<b>269.24</b>	280.69
Construction Period Expenses pending allocation:		
Balance as at beginning of the year	<b>5,837.89</b>	3,474.66
Add: Opening Balance Adjustment	<b>12.18</b>	-
Add: Net expenditure during the year (Note - 12.1)	<b>2,075.97</b>	2,559.28
	<b>7,926.04</b>	6,033.94
Less: Allocated to Assets during the year	<b>92.47</b>	196.05
	<b>7,833.57</b>	5,837.89
<b>TOTAL</b>	<b>35,563.98</b>	<b>33,150.65</b>
A. Includes Stock lying with Contractors	<b>196.37</b>	112.38

(₹ in Crore)

Disposals / Deductions / Transfers / Reclassifications	AMORTISATION AND IMPAIRMENT				NET BLOCK	
	Total Amortisation upto 31.03.15	Total Impairment Loss as at 1.04.14	Impairment Loss during the year	Total Impairment Loss upto 31.03.15	AS AT 31.03.15	AS AT 31.03.14
0.01	13.46	-	-	-	151.80	146.08
-	830.17	-	-	-	449.65	523.97
(0.22)	175.17	-	-	-	25.25	22.12
(0.21)	<b>1,018.80</b>	-	-	-	<b>626.70</b>	<b>692.17</b>
0.10	878.88	-	-	-	692.17	

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

(₹ in Crore)

Particulars	March-15	March-14
Employee Benefit expenses	<b>276.59</b>	249.31
Repairs and Maintenance	<b>18.43</b>	15.45
Consumption of Stores and Spares	<b>0.62</b>	4.42
Power & Fuel	<b>22.51</b>	37.89
Rent	<b>7.84</b>	9.87
Insurance	<b>40.54</b>	35.12
Rates and Taxes	<b>0.91</b>	0.20
Travelling Expenses	<b>33.14</b>	39.03
Communication Expenses	<b>2.69</b>	2.17
Printing and Stationery	<b>1.24</b>	1.30
Electricity and Water Charges	<b>53.74</b>	16.69
Bank Charges	<b>0.33</b>	0.40
Technical Assistance Fees	<b>0.77</b>	0.04
Exchange Fluctuation	<b>653.34</b>	1,131.19
Finance Cost	<b>863.25</b>	992.97
Depreciation and Amortization on:		
Tangible Assets	<b>103.48</b>	28.68
Intangible Assets	<b>2.01</b>	0.69
Start Up/ Trial Run Expenses (net of revenue)	<b>0.39</b>	(0.45)
Others	<b>46.99</b>	45.20
	<b>2,128.81</b>	2,610.17
Total Expenses		
Less : Recoveries	<b>52.84</b>	50.89
<b>Net Expenditure during the year</b>	<b>2,075.97</b>	<b>2,559.28</b>

## NOTE - 13: INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

Particulars	March-15	March-14
Work in Progress - Intangible Asset (Including Unallocated Capital Expenditure)	<b>885.78</b>	854.85
Less: Provision for Loss	<b>126.26</b>	126.26
	<b>759.52</b>	728.59
<b>TOTAL</b>	<b>759.52</b>	<b>728.59</b>

A. Includes Capital Expenditure (Net) amounting to ₹ 382.76 crore (2014 : ₹ 358.46 crore) relating to ongoing Oil & Gas Exploration activities.

**NOTE - 14: INVESTMENTS**

	No. and Particulars	Face Value per Share (Rupees)	March-15	(₹ in Crore) March-14
<b>I NON-CURRENT INVESTMENTS (At Cost Less Provision Other than temporary diminution):</b>				
<b>1. QUOTED:</b>				
<b>Trade Investments:</b>				
<b>In Subsidiary Companies:</b>				
Chennai Petroleum Corporation Limited	7,72,65,200 (2014: 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 (2014: 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 (2014: 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 (2014: 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 (2014: 3,06,29,661) Equity Shares each fully paid	10/-	<b>122.52</b>	122.52
Oil India Limited	2,67,50,550 (2014: 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 ₹ 25,454.23 crore (2014: ₹ 25,934.61 crore) which includes ₹ 757.52 crore (2014: ₹ 706.65 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 (2014: 250) Equity Shares each fully paid	10/-}		
Guwahati <sup>c</sup>	750 (2014: 750) Equity Shares each fully paid	10/-}		
Mathura <sup>d</sup>	200 (2014: 200) Equity Shares each fully paid	10/-}		
Haldia <sup>e</sup>	1,663 (2014: 1663) Equity Shares each fully paid	10/-}		
In Indian Oil Cooperative <sup>f</sup> Consumer Stores Ltd., Delhi	375 (2014: 375) Equity Shares each fully paid	10/-}		
<b>In Others:</b>				
<b>In Equity Shares</b>				
Shama Forge Co. Ltd. <sup>g</sup> (under liquidation)	1,00,000 (2014: 1,00,000) Equity Shares fully paid as revalued by Directors on 31.03.1979	10/-}		
<b>In Preference Shares</b>				
Shama Forge Co. Ltd. <sup>h</sup> (under liquidation)	5,000 (2014: 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 (2014: ₹ 2,500)

c. Amount Invested is ₹ 2,500 (2014: ₹ 2,500)

d. Amount Invested is ₹ 2,000 (2014: ₹ 2,000)

e. Amount Invested is ₹ 16,630 (2014: ₹ 16,630)

f. Amount Invested is ₹ 3,750 (2014: ₹ 3,750)

g. Amount Invested is ₹ 100 (2014: ₹ 100)

h. Amount Invested is ₹ 100 (2014: ₹ 100)

## NOTE - 14: INVESTMENTS (Contd.)

	No. and Particulars	Face Value per Share (Rupees)	March-15	(₹ in Crore) March-14
<b>B) Trade Investments:</b>				
<b>a) In Subsidiary Companies</b>				
Indian Oil Mauritius Limited	48,82,043 (2014: 48,82,043) Equity Shares each fully paid	100/- <sup>i</sup>	<b>75.67</b>	75.67
IOC Middle East FZE	2 (2014: 2) Equity Shares each fully paid	1 Million/- <sup>i</sup>	<b>2.30</b>	2.30
IndianOil Creda Bio Fuels Ltd.	1,82,33,197 (2014 : 1,74,49,197 )	10/-	<b>18.23</b>	17.45
Less: Provision for Diminution	Equity Shares each fully paid		<b>18.23</b>	-
IOC Sweden AB	41,26,424 (2014 : 36,89,537 ) Equity Shares each fully paid	100/- <sup>k</sup>	<b>287.74</b>	256.20
IOCL (USA) Inc.	501,65,66,453 (2014 : 429,65,80,467 ) Equity Shares each fully paid	0.01/- <sup>i</sup>	<b>287.73</b>	243.36
Indian Catalyst Private Limited (formerly known as Indo Cat Private Limited)	1,57,77,700 (2014 : 1,40,12,200) Equity Shares each fully paid	10/-	<b>11.03</b>	9.26
IndOil Global B.V.	111,61,72,924 (2014 : 111,60,31,500) Equity Shares each fully paid	1/- <sup>m</sup>	<b>6,103.83</b>	6,103.04
	<b>Sub-total: (a)</b>		<b>6,768.30</b>	<b>6,707.28</b>
<b>b) In Joint Venture Entities</b>				
<b>(i) In Joint Venture Companies</b>				
Avi-Oil India Private Limited	45,00,000 (2014: 45,00,000) Equity Shares each fully paid	10/-	<b>4.50</b>	4.50
Petronet India Limited	1,80,00,000 (2014: 1,80,00,000) Equity Shares each fully paid	10/-	<b>18.00</b>	18.00
Less: Provision for Diminution			<b>18.00</b>	<b>18.00</b>
IOT Infrastructure & Energy Services Limited	26,59,12,127 (2014 : 15,31,17,537) Equity Shares each fully paid	10/-	<b>491.68</b>	299.93
Petronet VK Limited	2,59,99,970 (2014: 2,59,99,970) Equity Shares each fully paid	10/-	<b>26.00</b>	26.00
Less: Provision for Diminution			<b>26.00</b>	<b>26.00</b>
Indian Oil Panipat Power Consortium Limited	8,40,000 (2014: 8,40,000) Equity Shares each fully paid	10/-	<b>1.99</b>	1.99
Less: Provision for Diminution			<b>1.99</b>	<b>1.99</b>
Lubrizol India Private Limited	9,60,000 (2014: 9,60,000) Equity Shares each fully paid	100/-	<b>118.67</b>	118.67
Indian Oil Petronas Private Limited	13,40,00,000 (2014: 13,40,00,000) Equity Shares each fully paid	10/-	<b>134.00</b>	134.00
Petronet CI Limited	37,44,000 (2014: 37,44,000) Equity Shares each fully paid	10/-	<b>3.83</b>	3.83
Less: Provision for Diminution			<b>3.83</b>	<b>3.83</b>
Green Gas Limited	2,30,42,250 (2014: 12,500) Equity Shares each fully paid	10/-	<b>23.04</b>	0.01
IndianOil SkyTanking Pvt. Limited (Converted into Pvt. Ltd. Co. w.e.f. 10.03.15)	1,73,00,000 (2014: 1,73,00,000) Equity Shares each fully paid	10/-	<b>17.30</b>	17.30

- i. In Mauritian Rupees  
j. In Arab Emirates Dirham  
k. In Swedish Krona

- I. In USD  
m. In Canadian Dollars

Contd...

**NOTE - 14: INVESTMENTS (Contd.)**

	No. and Particulars	Face Value per Share (Rupees)	March-15	(₹ in Crore) March-14
Suntera Nigeria 205 Limited	62,502 (2014: 62,502) Equity Shares each fully paid	1/-	-	-
Delhi Aviation Fuel Facility Pvt. Ltd.	6,06,80,000 (2014: 6,06,80,000) Equity Shares each fully paid	10/-	<b>60.68</b>	60.68
Indian Synthetic Rubbers Pvt. Ltd. (Converted into Pvt. Ltd. Co. w.e.f. 31.03.15)	17,78,90,625 (2014: 17,57,81,250) Equity Shares each fully paid	10/-	<b>177.89</b>	175.78
NPCIL-IndianOil Nuclear Energy Corporation Limited	2,60,000 (2014: 2,60,000) Equity Shares each fully paid	10/-	<b>0.26</b>	0.26
GSPL India Gasnet Limited	4,86,25,030 (2014 : 3,56,25,030) Equity Shares each fully paid	10/-	<b>48.63</b>	35.63
GSPL India Transco Limited	3,64,00,000 (2014 : 2,99,00,000) Equity Shares each fully paid	10/-	<b>36.40</b>	29.90
Indian Oil Adani Gas Pvt. Ltd.	1,23,00,000 (2014 : 25,000) Equity Shares each fully paid	10/-	<b>12.30</b>	0.03
Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	45,02,500 (2014 : Nil) Equity Shares each fully paid	10/-	<b>4.50</b>	-
Kochi Salem Pipeline Private Ltd.	25,00,000 (2014 : Nil) Equity shares each fully paid	10/-	<b>2.50</b>	-
<b>(ii) In Limited Liability Partnership</b>				
Indian Oil Ruchi Biofuels LLP	Capital Fund	<b>1.40</b>	1.30	
Less: Provision for Diminution	(Limited Liability Partnership)	<b>1.40</b>	-	
	<b>Sub-total: (b)</b>		<b>1,132.35</b>	877.99
<b>c) In Government Securities</b>				
6.90% Oil Marketing Companies GOI Special Bonds 2026	52,00,000 (2014: 52,00,000) Number of Bonds	10,000/-	<b>5,200.00</b>	5,200.00
Less: Provision for Diminution			<b>488.80</b>	488.80
	<b>Sub-total: (c)</b>		<b>4,711.20</b>	4,711.20
			<b>4,711.20</b>	4,711.20
<b>d) In Others</b>				
International Cooperative Petroleum Association, New York	350 (2014: 350) Equity Shares fully paid up and partly paid up Common stock of \$72.31	\$100	<b>0.02</b>	0.02
Haldia Petrochemical Limited	15,00,00,000 (2014: 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 (2014: 7,151) Equity Shares each fully paid	10/- °	-	-
Petroleum India International (AOP by Oil Companies)	Capital Fund Share in accumulated surplus		<b>15.00</b> <b>23.24</b>	15.00 21.53
			<b>38.24</b>	36.53
Woodlands Multispeciality Hospital Limited	1,01,095 (2014: 1,01,095) Equity shares each fully paid	10/-	<b>0.10</b>	0.10
	<b>Sub-total: (d)</b>		<b>188.36</b>	186.65
	<b>Sub-total: 2B</b>		<b>12,800.21</b>	12,483.12
	<b>Total: 2</b>		<b>12,800.21</b>	12,483.12
	<b>Total I: (1 + 2)</b>		<b>16,628.58</b>	16,311.49
<b>Aggregate value of Unquoted Non Current Investments</b>			<b>13,358.46</b>	13,021.74
<b>Aggregate value of provisions on Unquoted Non Current Investments</b>			<b>558.25</b>	538.62

n. In Naira rupees {Amount Invested is ₹ 21,897 (2014: ₹ 21,897)}  
o. Amount Invested is ₹ 10 (2014: ₹ 10)

No. and Particulars	Face Value (Rupees)	March-15	(₹ in Crore) March-14
<b>II CURRENT INVESTMENTS: (Valued at Lower of Cost or Fair Market Value)</b>			
<b>UNQUOTED:</b>			
In Government Securities			
Oil Marketing Companies	73,12,020 (2014: 79,74,040)	10,000/-	<b>7,312.02</b>
GOI Special Bonds	Number of Bonds		7,974.04
Less: Marked to Market Loss			<b>41.11</b>
			691.34
	<b>Total II:</b>		<b>7,270.91</b>
			<b>7,282.70</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	4,36,887	31.54
IOC (USA) Inc.	71,99,85,986	44.37
Indian Catalyst Private Limited	17,65,500	1.77
IndOil Global B.V.	1,41,424	0.79
Indian Oil Adani Gas Pvt. Ltd.	1,22,75,000	12.27
GSPL India Gasnet Limited	1,30,00,000	13.00
GSPL India Transco Limited	65,00,000	6.50
Indian Synthetic Rubbers Limited	21,09,375	2.11
Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	45,02,500	4.50
IndianOil Creda Bio Fuels Limited	7,84,000	0.78
IOT Infrastructure & Energy Services Limited	11,27,94,590	191.75
Green Gas Limited	2,30,29,750	23.03
Kochi Salem Pipeline Private Ltd.	25,00,000	2.50
Indian Oil Ruchi Biofuels LLP	Partnership	0.10

**Note: B**

**Current investment Consists:**

Nature of Bond	No. of Bonds	Face Value (₹ in Crore)	Marked to Market value (₹ in Crore)
8.13% GOI SPECIAL BONDS 2021	78,000	78.00	78.00
7.95% GOI SPECIAL BONDS 2025	4,57,250	457.25	457.25
8.20% GOI SPECIAL BONDS 2023	14,53,510	1,453.51	1,453.51
6.90% GOI SPECIAL BONDS 2026	5,74,930	574.93	533.82
8.00% GOI SPECIAL BONDS 2026	16,43,270	1,643.27	1,643.27
8.20% GOI SPECIAL BONDS 2024	31,05,060	3,105.06	3,105.06
<b>Total</b>	<b>73,12,020</b>	<b>7,312.02</b>	<b>7,270.91</b>

**Note: C - Other Disclosures**

Out of 6.90% Oil Marketing Companies GOI Special Bonds 2026, ₹ **273.99 crore** (2014 : ₹ 709.14 crore) has been earmarked in line with the requirement of Companies (Share Capital and Debentures) Rules, 2014.

**NOTE - 15: LOANS AND ADVANCES**

Particulars	Long Term		Short Term		(₹ in Crore)
	March-15	March-14	March-15	March-14	
<b>Advance for Capital Expenditure</b>					
<b>To Related Parties</b>					
Unsecured, Considered Good	<b>16.38</b>	1.54	-	-	
	<b>16.38</b>	1.54	-	-	
<b>To Others</b>					
Secured, Considered Good	<b>5.26</b>	91.25	-	-	
Unsecured, Considered Good	<b>932.97</b>	899.24	-	-	
Unsecured, Considered Doubtful	<b>0.10</b>	0.10	-	-	
	<b>938.33</b>	990.59	-	-	
	<b>954.71</b>	992.13	-	-	
Less: Provision for Doubtful Advance	<b>0.10</b>	0.10	-	-	
	<b>954.61</b>	992.03	-	-	
<b>Advances for Investments</b>	A				
Joint Ventures	-	25.53	-	-	
Subsidiary Companies	-	0.20	-	-	
		25.73	-	-	
<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>0.19</b>	0.03	<b>0.02</b>	0.01	
Unsecured, Considered Good	<b>353.23</b>	180.54	<b>58.69</b>	37.94	
Unsecured, Considered Doubtful	-	-	<b>2.51</b>	2.25	
	<b>353.42</b>	180.57	<b>61.22</b>	40.20	
Less : Provision for Doubtful Advances	-	-	<b>2.51</b>	2.25	
	<b>353.42</b>	180.57	<b>58.71</b>	37.95	
<b>From Others</b>					
Secured, Considered Good	<b>733.21</b>	757.02	<b>80.40</b>	76.60	
Unsecured, Considered Good	<b>1,435.24</b>	1,497.54	<b>2,776.12</b>	4,349.81	
Unsecured, Considered Doubtful	<b>0.33</b>	0.33	<b>63.21</b>	63.48	
	<b>2,168.78</b>	2,254.89	<b>2,919.73</b>	4,489.89	
Less : Provision for Doubtful Advances	<b>0.33</b>	0.33	<b>63.21</b>	63.48	
	<b>2,168.45</b>	2,254.56	<b>2,856.52</b>	4,426.41	
		2,435.13		<b>2,915.23</b>	4,464.36
<b>Amount Recoverable from Central/State Govt.</b>		<b>2,521.87</b>			
Unsecured, Considered Good	-	-		<b>10,012.54</b>	20,533.12
<b>Finance Lease Receivables</b>		<b>3.92</b>	5.66		
<b>Claims Recoverable:</b>	C			<b>1.74</b>	1.68
<b>From Related Parties</b>					
Unsecured, Considered Good	-	-		<b>1.24</b>	0.16
Unsecured, Considered Doubtful	-	-		<b>2.61</b>	2.61
	-	-		<b>3.85</b>	2.77
<b>From Others</b>					
Unsecured, Considered Good	-	-		<b>782.58</b>	1,046.33
Unsecured, Considered Doubtful	-	-		<b>100.28</b>	96.73
	-	-		<b>882.86</b>	1,143.06
Less : Provision for Doubtful Claims	-	-		<b>102.89</b>	99.34
		-		<b>783.82</b>	1,046.49

Contd...

## NOTE - 15: LOANS AND ADVANCES (Contd.)

(₹ in Crore)

Particulars	Long Term		Short Term	
	March-15	March-14	March-15	March-14
<b>Balance with Customs, Port Trust and Excise Authorities:</b>				
Unsecured, Considered Good	-	-	33.01	33.06
<b>Deposits for Leave Encashment Fund</b>	-	-	2,407.32	2,197.60
<b>Advance Tax/Provision for Taxation</b>				
Advance payments for Current Tax	4,031.06	2,837.73	4,415.41	3,304.99
Less : Provisions	2,990.11	1,805.01	4,340.08	4,208.12
	1,040.95	1,032.72	75.33	(903.13)
Advance payments for Fringe Benefit Tax	52.03	52.03	-	-
Less : Provisions	44.52	44.52	-	-
	7.51	7.51	-	-
<b>Advance Tax (net)</b>	1,048.46	1,040.23	75.33	-
<b>Mat Credit Receivable</b>	-	-	698.17	560.06
<b>Materials given on loan (Refer Note - 6)</b>				
<b>To Related Parties</b>				
Secured, Considered Good	-	-	-	0.14
Less : Deposits received	-	-	-	0.15
	-	-	-	(0.01)
<b>Sundry Deposits (Refer Note - 7 Point A2)</b>	-	-	-	-
<b>To Others</b>				
Secured, Considered Good	9.23	9.23	-	-
Unsecured, Considered Good	82.25	132.54	14,524.53	11,864.75
Unsecured, Considered Doubtful	0.20	-	0.22	0.31
	91.68	141.77	14,524.75	11,865.06
Less : Provision for Doubtful Deposits	0.20	-	0.22	0.31
	91.48	141.77	14,524.53	11,864.75
<b>TOTAL</b>	4,620.34	4,640.55	31,451.69	40,701.12
<b>A.</b> Advances against equity pending allotment				
<b>B.</b> Includes:				
1. Due from Directors	0.24	0.03	0.07	0.01
2. Due from Other Officers	1.47	1.12	0.93	0.78
<b>C. Includes:</b>				
1. Customs/ Excise Duty/DEPB/Duty Drawback Claims which are in the process of being claimed with the Department.	-	-	29.85	46.88
2. Claims recoverable from Customs Authorities pending for final assessment / settlement.	-	-	116.15	121.24

**NOTE - 16: OTHER ASSETS**

Particulars	Non Current		Current		(₹ in Crore)
	March-15	March-14	March-15	March-14	
Interest Accrued on Investments/ Bank Deposits	-	-	134.38	155.87	
Gold Coins in Hand (at Cost)	-	-	6.60	6.37	
Receivable from IOC Shares Trust	-	-	1,989.78	1,989.78	
Less : Provision for Diminution	-	-	-	348.34	
			1,989.78	1,641.44	
Discount on Issue of Bonds	9.25	10.98	1.74	2.88	
Unamortized Borrowing Cost	85.31	59.04	56.65	37.09	
Receivables on Agency Sales	-	-	1,978.05	4,900.13	
Assets Held for Disposal	-	-	26.17	34.67	
Others *	-	-	607.44	620.21	
Less : Provision	-	-	6.31	6.74	
			601.13	613.47	
<b>TOTAL</b>	<b>94.56</b>	<b>70.02</b>	<b>4,794.50</b>	<b>7,391.92</b>	

\* Other Current Assets mainly includes interest receivables from Air India ₹ 481.94 crore.

**NOTE - 17: INVENTORIES**

Particulars	(₹ in Crore)	
	March-15	March-14
<b>In Hand:</b>		
Stores, Spares etc.	A	3,678.55
Less : Provision for Losses		<u>159.43</u>
		3,519.12
Raw Materials	B	10,304.72
Finished Products	C	14,754.46
Stock in Trade	D	5,630.69
Stock in Process		4,142.02
Barrels and Tins	E	32.95
		<u>38,383.96</u>
		55,423.00
<b>In Transit:</b>		
Stores, Spares etc.		152.42
Raw Materials		5,633.69
Stock in Trade		1,373.78
		<u>7,159.89</u>
		9,274.37
<b>TOTAL</b>		<b>45,543.85</b>
		<u>64,697.37</u>
Includes-		
A.1 Includes Certified Emission Reductions (CER's) rights of ₹ 30249. Details given in Note-39.		
A.2 Includes stock lying with contractors		22.68
B Includes stock lying with others		3.95
C Includes stock lying with others		1,035.86
D Includes stock lying with others		900.59
E Includes stock lying with others		1.22
		14.01
		2.27
		941.43
		750.76
		0.77

## NOTE - 18: TRADE RECEIVABLES

Particulars		(₹ in Crore)
	March-15	March-14
<b>Over Six Months:</b>		
<b>From Related Parties</b>		
Unsecured, Considered Good	0.23	0.34
<b>From Others</b>		
Unsecured, Considered Good	<b>355.68</b>	197.35
Unsecured, Considered Doubtful	<b>130.16</b>	128.29
	<b>485.84</b>	325.64
	<b>486.07</b>	325.98
	<b>130.16</b>	128.29
	<b>355.91</b>	197.69
Less : Provision for Doubtful Debts		
<b>Other Debts:</b>		
<b>From Related Parties</b>		
Unsecured, Considered Good	61.33	120.13
<b>From Others</b>		
Secured Considered Good	48.74	43.98
Unsecured, Considered Good	<b>6,292.19</b>	10,661.12
Unsecured, Considered Doubtful	<b>46.38</b>	59.02
	<b>6,387.31</b>	10,764.12
	<b>6,448.64</b>	10,884.25
	<b>46.38</b>	59.02
	<b>6,402.26</b>	10,825.23
Less : Provision for Doubtful Debts		
<b>TOTAL</b>	<b>6,758.17</b>	<b>11,022.92</b>

## NOTE - 19: CASH AND BANK BALANCES

Particulars		(₹ in Crore)
	March-15	March-14
<b>Cash and Cash Equivalents</b>		
<b>Bank Balances with Scheduled Banks:</b>		
Current Account	32.86	943.97
Fixed Deposit - Maturity within 3 months	0.01	725.00
Earmarked Balances	<b>9.03</b>	8.56
	<b>A</b>	<b>41.90</b>
		1,677.53
<b>Bank Balances with Non-Scheduled Banks:</b>		
Bank of Commerce & Development, Libya [Maximum balance during the year ₹ 0.61 crore]	0.61	0.59
Myanmar Economic Bank Branch(5), Rangoon [Maximum balance during the year ₹ 0.01 crore]	<b>0.01</b>	0.01
		0.62
		64.08
		3.93
<b>Cheques, Drafts in hand</b>		149.42
<b>Cash Balances, Including Imprest</b>		4.61
<b>Other Bank Balances</b>		
Fixed Deposit	1.27	776.27
Blocked Account	<b>D</b>	0.10
	<b>C</b>	1.37
		776.37
<b>TOTAL</b>	<b>111.90</b>	<b>2,608.53</b>

- A) Pertains to Unpaid Dividend/Fractional Share Warrants.  
 B) There exists restrictions on repatriation of said amount from Myanmar.

- C) Includes ₹ 1.27 crore earmarked in favour of Port Authorities.  
 D) Blocked in pursuance to Hon'ble High Court order.

**NOTE - 20: REVENUE FROM OPERATIONS (GROSS)**

Particulars		(₹ in Crore)
	March-15	March-14
Sale of Products and Crude	<b>4,56,988.50</b>	4,63,614.82
Less: Discounts	<b>6,250.94</b>	6,061.57
<b>Sales (Net of Discounts)</b>	<b>4,50,737.56</b>	4,57,553.25
Sale of Services	<b>18.02</b>	17.85
Other Operating Revenues (Note "20.1")	<b>1,136.11</b>	1,033.48
	<b>4,51,891.69</b>	4,58,604.58
Net Claim/(Surrender) of SSC	<b>(569.91)</b>	(447.69)
Subsidy From Central/State Govt.	A	1,652.12
Grant from Government of India	B	14,960.00
<b>TOTAL</b>	<b>4,67,933.90</b>	4,97,114.13

- A. Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ₹ **1,604.90 crore** (2014 : ₹ 1,718.81 crore) and subsidies on sales of SKO & LPG to customers in Bhutan amounting to ₹ **44.04 crore** (2014 : ₹ 52.21 crore) have been reckoned as per the schemes notified by Government of India. In addition, incentive of ₹ **3.18 crore** (2014 : ₹ 3.95 crore) have been reckoned against sale of power from wind mills.
- B1. The company has accounted for Budgetary Support of ₹ **14,960.00 crore** towards under-recovery on sale of regulated products viz HSD (upto 18.10.2014), SKO (PDS) and LPG (Domestic) for the current year [2014 : ₹ 37,182.27 crore] 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 ₹ **19,476.47 crore** (2014: ₹ 30,719.11 crore) on Crude Oil/Products purchased from ONGC/GAIL/OIL and ₹ **4,120.64 crore** (2014 : ₹ 3,954.48 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 regulated products viz HSD (upto 18.10.2014), SKO (PDS) and LPG (Domestic). Out of this, ₹ **18,447.80 crore** (2014: ₹ 28,581.41 crore) has been adjusted againt purchase of raw material and ₹ **5,149.31 crore** (2014: ₹ 6,092.18 crore) has been adjusted againt purchase of stock in trade.
- Category wise sales has been shown as per Note - 41.

**NOTE - 20.1: OTHER OPERATING REVENUES**

Particulars		(₹ in Crore)
	March-15	March-14
Sale of Power and Water	<b>130.53</b>	90.34
Unclaimed / Unspent liabilities written back	<b>33.22</b>	52.93
Provision for Doubtful Debts, Advances, Claims, and Stores written back	<b>27.73</b>	22.49
Provision for Contingencies written back	<b>43.29</b>	19.16
Recoveries from Employees	<b>24.79</b>	22.07
Retail Outlet License Fees	<b>120.75</b>	115.07
Income from Non Fuel Business	<b>154.17</b>	152.87
Commission and Discount Received	<b>12.67</b>	12.55
Sale of Scrap	<b>113.52</b>	85.26
Income from Finance Leases	<b>0.75</b>	0.90
Amortization of Capital Grants	<b>3.19</b>	2.26
Commodity Hedging Gain (Net)	<b>6.29</b>	32.12
Revenue Grants	<b>0.70</b>	1.45
Terminalling Charges	<b>20.67</b>	8.91
Other Miscellaneous Income	<b>443.84</b>	415.10
<b>TOTAL</b>	<b>1,136.11</b>	1,033.48

## NOTE - 21: OTHER INCOME

Particulars		March-15	(₹ in Crore) March-14
<b>Interest on:</b>	A		
Loans and Advances		71.17	67.37
Fixed Deposits with Banks		0.46	0.50
Short Term Deposits with Banks		2.01	-
Customers Outstanding		358.10	404.16
Oil Companies GOI SPL Bonds		964.35	1,037.41
Others		<u>212.81</u>	330.90
		1,608.90	1,840.34
<b>Dividend:</b>	B		
From Related Parties		135.34	101.46
From Other Companies		<u>714.63</u>	783.45
		849.97	884.91
Profit on Sale of Investments (Net)		24.98	-
Provision for Investment Written Back (Net)		521.47	-
Provision for Diminution in Trust Written Back (Net)		348.34	0.29
Profit on sale and disposal of Assets		32.54	-
Amortisation of Premium/Discount on Forward Contracts		669.70	583.20
MTM Gain on IRS		47.75	30.61
Amortisation of FC Monetary Item Translation		0.72	47.66
Other Non Operating Income	C	<u>39.68</u>	30.28
	TOTAL	4,144.05	3,417.29
A 1. Includes Tax Deducted at Source		25.90	12.68
A 2. Includes interest received under section 244A of the Income Tax Act.		-	121.19
A 3. Interest on Oil Companies GOI SPL Bonds include interest on:			
Current Investments		605.55	768.31
Non-Current Investments		358.80	269.10
B. Pertains to Dividend on Non-Current Investments. Includes ₹ 34.81 crore (2014: ₹ 34.65 crore) dividend received from subsidiaries.			
C. Includes share of profit in Petroleum India International		1.71	1.62

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

Particulars	(₹ in Crore)	
	March-15	March-14
Opening Stock	27,311.21	23,368.35
Add: Purchases	<u>1,93,677.14</u>	2,30,954.87
	<b>2,20,988.35</b>	2,54,323.22
Less: Closing Stock	15,938.41	27,311.21
<b>TOTAL</b>	<b>2,05,049.94</b>	2,27,012.01

Particulars relating to consumption of raw material are shown as per Note - 43. Purchases has been adjusted by ₹ 18,447.80 crore (2014: ₹ 28,581.41 crore) received as discount on crude oil purchased from ONGC/OIL.

**NOTE - 23: CHANGE IN INVENTORIES**

Particulars	(₹ in Crore)	
	March-15	March-14
<b>Closing Stock</b>		
Finished Products	14,754.46	21,630.08
Stock in Process	4,142.02	5,460.15
Stock- in - trade	<u>7,004.47</u>	7,026.79
	<b>25,900.95</b>	34,117.02
Less:		
<b>Opening Stock</b>		
Finished Products	21,630.08	20,094.20
Stock in Process	5,460.15	5,449.14
Stock - in - Trade	<u>7,026.79</u>	7,420.68
	<b>34,117.02</b>	32,964.02
<b>NET INCREASE / (DECREASE)</b>	<b>(8,216.07)</b>	1,153.00

Category wise Purchases, Sales, Opening and Closing Stock are shown as per Note - 41 and Note - 42.

**NOTE - 24: EMPLOYEE BENEFIT EXPENSES**

Particulars	(₹ in Crore)	
	March-15	March-14
Salaries, Wages, Bonus etc	4,720.05	5,056.63
Contribution to Provident & Other Funds	1,446.09	916.96
Voluntary Retirement Compensation	2.35	37.58
Staff Welfare Expenses	<u>936.29</u>	607.80
<b>TOTAL</b>	<b>7,104.78</b>	6,618.97

- A. Includes ₹ 274.88 crore (2014 : ₹ 104.23 crore) towards corpus fund created for Post Retirement Medical Benefits and other emergency needs in respect of employees retired prior to 01.01.2007 as per DPE guidelines.
- B. Above excludes ₹ 276.59 crore (2014: ₹ 249.31 crore) included in capital work in progress (Note - 12.1) and ₹ 5.28 crore (2014: ₹ Nil) included in CSR expenses (Note - 26.1).
- C. Disclosure in compliance with Accounting Standard-15 (Revised 2005) on "Employee Benefits" is given in Note - 29.

## NOTE - 25: FINANCE COST

Particulars		(₹ in Crore)
	March-15	March-14
Interest Payments on:		
Fixed period loans from Banks/Financial Institutions/Others	413.01	332.50
Bonds	530.59	469.75
Short Term loans from Banks	481.13	1,248.88
Others *	<u>1,064.78</u>	<u>1,470.84</u>
	2,489.51	3,521.97
Other Borrowing Cost	70.07	47.92
Applicable Net (Gain) / Loss on Foreign Currency Transactions and Translation	875.69	1,514.53
<b>TOTAL</b>	<b><u>3,435.27</u></b>	<b><u>5,084.42</u></b>

\* Mainly includes interest on Entry Tax Liability ₹ 426.36 crore and Finance lease charges ₹ 407.43 crore.

## NOTE - 26: OTHER EXPENSES

Particulars		(₹ in Crore)
	March-15	March-14
Consumption:		
a) Stores, Spares and Consumables	1,509.34	1,199.35
b) Packages & Drum Sheets	<u>462.89</u>	<u>457.06</u>
	<b>1,972.23</b>	<b>1,656.41</b>
Power & Fuel	19,961.49	21,972.57
Less: Fuel from own production	<u>13,837.80</u>	<u>15,758.62</u>
	<b>6,123.69</b>	<b>6,213.95</b>
Throughput, Processing & Blending Fees, Royalty and Other Charges	941.10	865.02
Octroi, Other Levies and Irrecoverable taxes	1,009.32	987.47
Repairs and Maintenance		
i) Plant & Machinery	2,281.47	2,085.56
ii) Buildings	193.54	186.34
iii) Others	<u>313.66</u>	<u>228.29</u>
	<b>2,788.67</b>	<b>2,500.19</b>
Freight, Transportation Charges and Demurrage	10,891.87	9,606.20
Office Administration, Selling and Other Expenses (Note "26.1")	<u>5,203.48</u>	<u>8,056.68</u>
<b>TOTAL</b>	<b><u>28,930.36</u></b>	<b><u>29,885.92</u></b>
Less: Company's use of own Products and Crude	<u>856.19</u>	<u>824.26</u>
	<b>28,074.17</b>	<b>29,061.66</b>
Duties (Net)	A	(2.82)
<b>TOTAL (Net)</b>	<b><u>1,392.63</u></b>	<b><u>29,466.80</u></b>
	<b><u>29,466.80</u></b>	<b><u>29,058.84</u></b>

A. Includes an amount of ₹ 1,376.12 crore (2014 : ₹ 39.15 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-15	(₹ in Crore) March-14
Rent	<b>484.40</b>	465.88
Insurance	<b>117.19</b>	119.11
Rates & Taxes	<b>90.19</b>	90.35
Donations	-	0.10
Payment to auditors		
a) Audit Fees	1.21	0.96
b) Tax Audit Fees	0.11	0.11
c) Other Services(for issuing certificates etc.)	0.36	0.43
d) Re-imbursement of Expenses	0.48	0.54
	<b>2.16</b>	2.04
Travelling & Conveyance	<b>481.32</b>	477.75
Communication Expenses	<b>60.17</b>	52.84
Printing & Stationery	<b>36.79</b>	34.60
Electricity & Water	<b>267.73</b>	251.31
Bank Charges	<b>23.20</b>	36.57
Bad Debts, Advances & Claims written off	<b>2.55</b>	3.19
Provision/ Loss on Assets sold or written off (Net)	-	57.51
Technical Assistance Fees	<b>23.35</b>	36.71
Exchange Fluctuation (net)	<b>643.71</b>	3,190.92
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.	<b>31.43</b>	126.33
Provision for Diminution/Loss on Revaluation in Investments	-	483.12
Security Force Expenses	<b>354.62</b>	322.29
Sales Promotion Expenses (Incl. Commission)	<b>686.53</b>	708.06
Handling Expenses	<b>311.22</b>	313.32
Expenses on Enabling Facilities	<b>87.31</b>	71.46
Provision for Probable Contingencies	<b>496.49</b>	257.27
Exploration & Production Cost	<b>376.23</b>	355.30
Loss on Sale of Investments (Net)	-	42.54
Expenses on CSR Activities	<b>113.79</b>	81.91
Miscellaneous Expenses	<b>513.10</b>	476.20
<b>TOTAL</b>	<b>5,203.48</b>	<b>8,056.68</b>

A. Expenses Includes:

- i) Expenditure on Public Relations and Publicity amounting to ₹ **57.40 crore** (2014 : ₹ 48.85 crore) which is inclusive of ₹ **18.45 crore** (2014 : ₹ 17.22 crore) on account of Staff and Establishment and ₹ **38.95 crore** (2014 : ₹ 31.63 crore) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is 0.00012:1 (2014 : 0.00011:1)
- ii) Entertainment Expenses ₹ **4.44 crore** (2014 : ₹ 4.36 crore).

## NOTE - 27: INCOME / EXPENSES PERTAINING TO PRIOR PERIODS

(₹ in Crore)

Particulars	March-15	March-14
<b>Income:</b>		
Miscellaneous Income	1.62	2.83
<b>Total Income</b>	<b>1.62</b>	<b>2.83</b>
<b>Expenditure:</b>		
Purchase of Products and Crude	19.65	-
Depreciation and Amortization on:		
Tangible Assets	(29.49)	8.43
Intangible assets	0.90	0.13
Consumption of Stores, Spares and Consumables	0.70	1.39
Technical fees	(0.54)	(0.29)
Power and Fuel	-	(0.89)
Repairs and Maintenance	2.84	8.36
Interest	(0.07)	2.18
Rent	(0.07)	16.27
Rates & Taxes	0.17	-
Employee Benefit Expenses	-	(6.52)
Other Expenses	15.09	70.07
<b>Total Expenditure</b>	<b>9.18</b>	<b>99.13</b>
<b>NET INCOME /(EXPENDITURE)</b>	<b>(7.56)</b>	<b>(96.30)</b>

## NOTE - 28

### CONTINGENT LIABILITIES & COMMITMENTS

#### A. Contingent Liabilities

A.1 Contingent Liabilities amounting to **₹ 12,702.00 crore** (2014: ₹ 11676.65 crore) are as under :

- A.1.1 **₹ 155.01 crore** (2014: ₹ 210.43 crore) being the demands raised by the Central Excise /Customs/ Service Tax authorities including interest of **₹ 22.67 crore** (2014: ₹ 49.15 crore).
- A.1.2 **₹ 2,133.47 crore** (2014: ₹ 1,173.20 crore) in respect of demands for Entry Tax from State Governments including interest of **₹ 345.77 crore** (2014: ₹ 46.10 crore).
- A.1.3 **₹ 4,275.75 crore** (2014: ₹ 4,581.84 crore) in respect of VAT/Sales Tax demands including interest of **₹ 1,485.44 crore** (2014: ₹ 1,495.93 crore).
- A.1.4 **₹ 3,078.95 crore** (2014: ₹ 2,904.16 crore) in respect of Income Tax demands including interest of **₹ 257.46 crore** (2014: ₹ 233.90 crore).
- A.1.5 **₹ 2,198.61 crore** (2014: ₹ 2,121.26 crore) including **₹ 1,449.52 crore** (2014: ₹ 1,601.65 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of **₹ 71.27 crore** (2014: ₹ 65.77 crore).
- A.1.6 **₹ 860.21 crore** (2014: ₹ 685.76 crore) in respect of other claims including interest of **₹ 272.32 crore** (2014: ₹ 119.16 crore).

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

A.2 Pending decision of the Government, no liability could be determined and provided for in respect of additional compensation, if any, payable to the land owners and the Government for certain lands acquired.

A.3 Air India has entered into tripartite agreement with 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 to the bank. The estimated amount of such obligation is **₹ 271.03 Crore** (2014 : Nil)

A.4 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 **₹ 2,295.63 crore - USD 367.27 million** (2014: ₹ 2,236.58 crore – USD 373.26 million).

A.5 The company has issued Corporate Guarantee on behalf of 'Indian Synthetic Rubber Limited (ISRL) , Joint venture company to the extent of obligations of later company under loans (principal and interest both) made to ISRL by 'Japan Bank for International Cooperation (JBIC)' and 'Mizuho Corporate Bank (MHCBC)'. The Company's share of such obligation is estimated at **₹ 347.79 crore - USD 55.64 million** (2014: ₹ 333.44 crore – USD 55.65 million).

A.6 The company has entered into Master Guarantee Agreement, on behalf of its subsidiaries viz. Indoil Global B.V. and Indoil Montney Ltd. for all of its payments and performance obligations under the various Project Agreements entered by the subsidiaries with PETRONAS Carigali Canada B.V. and Progress Energy Canada Ltd. The total amount sanctioned by the Board of Directors is CAD 3924.76 million. The estimated amount of such obligation (net of amount paid) is **₹ 12,478.71 crore - CAD 2547.51 million** (2014: ₹ 15,181.63 crore - CAD 2791.07 million).

A.7 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 'Mizuho Bank Ltd, Canada Branch'. The limit of Corporate Guarantee sanctioned to the Bank is CAD 139.35 million. The Company's share of such obligation as on 31.03.2015 is estimated at **₹ 590.58 crore - CAD 120.57 million** (2014: NIL).

A.8 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 as on 31.03.2015 is estimated at **₹ 570.99 crore - CAD 116.57 million** (2014: NIL).

#### B. Commitments

##### B.1 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account not provided for **₹ 10,252.52 crore** (2014: ₹ 12,574.58 crore).

##### B.2 Other Commitments

The Company has an export obligation to the extent of **₹ 3,787.84 crore** (2014: ₹ 2,729.83 crore) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.

B.3 To meet the direction of Honorable High court of Orissa, company has a commitment to pay **₹ 97.75 crore** towards providing high tech ambulances, removal of old anicut and construction of water treatment plant in the state of Orissa . In addition company has to incur cost towards dredging through Orissa Construction Co , a state government agency estimate for which yet to be finalised.

## 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 31.03.2015.
- (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 2015. Accordingly, other related disclosures in respect of Provident Fund have not been made.
- (iii) During the year, the company has recognised ₹ **327.05 crore** (2014 : ₹ 322.92 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 pending allocation in Note-12).
- (iv) In addition, during the year, the company has recognised ₹ **30.19 crore** (2014 : ₹ 20.57 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 pending allocation in Note-12).

### (B) PENSION SCHEME

During the year, the company has recognised ₹ **201.42 crore** (2014: ₹ 306.92 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 pending allocation in Note-12).

### (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 monthly emoluments for every completed year of service subject to maximum of ₹ 0.10 crore at the time of separation from the company.

#### Leave Encashment:

Each employee is entitled to get 8 earned leaves for each completed

quarter of service. Encashment of earned leaves is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation up to 300 days. In addition, each employee is entitled to get 5 sick leaves at the end of every six months. The entire accumulation of sick leaves is permitted for encashment only at the time of retirement.

#### PRMS:

Post Retirement Medical Scheme (PRMS) provides medical benefit to retired employees and eligible dependant family members.

#### Resettlement Allowance:

Resettlement allowance is paid to employees to permanently settle down at a place other than the location of last posting at the time of retirement.

#### Long Service Award:

On completion of specified period of service with the company and also at the time of retirement, employees are rewarded with Gold Coins of different weight based on the duration of service completed.

MoP&NG vide letter dated 25th February 2015 has advised Oil Marketing Companies to discontinue the Long Service Award Scheme. However, company has taken-up the issue with MoP&NG and pending final decision in the matter ,company has continued with the actuarial valuation for FY 2014-15 and provision in books of account.

#### Ex gratia:

Ex-gratia is payable to those employees who have retired before 01-11-1987 and not covered under the pension scheme. Further, for employees who have retired on or after 01-11-1987 and their entitlement under the pension scheme is less than applicable amount under Ex-Gratia Scheme, such employees are also eligible to the extent of shortfall or difference under Ex-gratia scheme. The scheme of ex-gratia has been restricted to cover only those eligible employees who have retired upto 31.12.2006, and not thereafter.

#### Staff Pension fund at AOD:

The Fund is maintained for disbursement of pension to Officers who have joined erstwhile Assam Oil Company before 14-10-1981 and opted to continue the benefit of pension as existing prior to takeover. The company is managing the fund after takeover of the erstwhile Assam Oil Company in the name of IOCL(AOD) Staff Pension Fund.

### (D) RECONCILIATION OF BALANCE OF DEFINED BENEFIT OBLIGATION

	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	<b>1,348.55</b> 1,444.72	<b>1,986.07</b> 2,017.19	<b>1,952.77</b> 1,685.72	<b>74.07</b> 82.83	<b>190.69</b> 234.59	<b>5.86</b> 7.61	<b>182.97</b> 114.69
Current Service Cost	<b>8.70</b> 10.63	<b>122.80</b> 136.89	<b>94.77</b> 116.67	<b>12.59</b> 10.77	<b>36.28</b> 38.04	<b>0.18</b> 0.19	- -
Interest Cost	<b>125.82</b> 119.19	<b>185.30</b> 164.47	<b>181.02</b> 139.07	<b>6.91</b> 7.53	<b>17.79</b> 21.28	<b>0.46</b> 0.52	<b>16.60</b> 8.61
Past Service Cost	- -	- -	- -	- -	- -	- -	- -
Benefits paid	<b>(132.35)</b> (137.24)	<b>(519.74)</b> (321.07)	<b>(133.11)</b> (129.45)	<b>(4.97)</b> (4.71)	<b>(24.11)</b> (29.37)	<b>(1.06)</b> (2.58)	<b>(24.12)</b> (20.74)
Actuarial (gain)/ loss on obligations	<b>109.14</b> (88.75)	<b>294.51</b> (11.41)	<b>480.13</b> 140.76	<b>(5.01)</b> (22.35)	<b>(38.51)</b> (73.85)	<b>(0.13)</b> 0.12	<b>27.67</b> 80.41
Defined Benefit Obligation at the end of the year	<b>1,459.86</b> 1,348.55	<b>2,068.94</b> 1,986.07	<b>2,575.58</b> 1,952.77	<b>83.59</b> 74.07	<b>182.14</b> 190.69	<b>5.31</b> 5.86	<b>203.12</b> 182.97
							Contd...

## (E) RECONCILIATION OF BALANCE OF FAIR VALUE OF PLAN ASSETS

	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	(₹ in Crore)
Fair Value of Plan Assets at the beginning of the year	<b>1,812.03</b> 1,786.20	- -	<b>1,212.49</b> 943.22	- -	- -	- -	<b>5.01</b> 7.14	- -
Expected return on plan assets	<b>157.65</b> 155.40	- -	<b>105.49</b> 82.06	- -	- -	- -	<b>0.45</b> 0.52	- -
Contribution by employer	- -	- -	<b>197.25</b> 296.08	- -	- -	- -	<b>1.00</b> -	- -
Contribution by Employees	- -	- -	<b>1.10</b> 1.12	- -	- -	- -	- -	- -
Benefit paid	<b>(132.35)</b> (137.24)	- -	<b>(133.11)</b> (129.45)	- -	- -	- -	<b>(1.06)</b> (2.58)	- -
Actuarial gain / (losses)	<b>8.48</b> 7.67	- -	<b>36.47</b> 19.46	- -	- -	- -	<b>(0.03)</b> (0.07)	- -
Fair value of plan assets at the end of the year	<b>1,845.81</b> 1,812.03	- -	<b>1,419.69</b> 1,212.49	- -	- -	- -	<b>5.37</b> 5.01	- -

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

	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	(₹ in Crore)
Fair Value of Plan Assets at the end of the year	<b>1,845.81</b> 1,812.03	- -	<b>1,419.69</b> 1,212.49	- -	- -	- -	<b>5.37</b> 5.01	- -
Defined Benefit Obligation at the end of the year	<b>1,459.86</b> 1,348.55	<b>2,068.94</b> 1,986.07	<b>2,575.58</b> 1,952.77	<b>83.59</b> 74.07	<b>182.14</b> 190.69	<b>5.31</b> 5.86	<b>203.12</b> 182.97	
Amount recognised in the Balance Sheet	<b>(385.95)</b> (463.48)	<b>2,068.94</b> 1,986.07	<b>1,155.89</b> 740.28	<b>83.59</b> 74.07	<b>182.14</b> 190.69	<b>(0.06)</b> 0.85	<b>203.12</b> 182.97	

## (G) AMOUNT RECOGNISED IN CWIP / STATEMENT OF PROFIT AND LOSS

	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	(₹ in Crore)
Current Service Cost	<b>8.70</b> 10.63	<b>122.80</b> 136.89	<b>94.77</b> 116.67	<b>12.59</b> 10.77	<b>36.28</b> 38.04	<b>0.18</b> 0.19	- -	- -
Interest Cost	<b>125.82</b> 119.19	<b>185.30</b> 164.47	<b>181.02</b> 139.07	<b>6.91</b> 7.53	<b>17.79</b> 21.28	<b>0.46</b> 0.52	<b>16.60</b> 8.61	
Expected (return) / loss on plan asset	<b>(157.65)</b> (155.40)	- -	<b>(105.49)</b> (82.06)	- -	- -	<b>(0.45)</b> (0.52)	- -	- -
Contribution by Employees	- -	- -	<b>(1.10)</b> (1.12)	- -	- -	- -	- -	- -
Past Service Cost	- -	- -	- -	- -	- -	- -	- -	- -
Actuarial (gain)/ loss	<b>100.66</b> (96.42)	<b>294.51</b> (11.41)	<b>443.66</b> 121.30	<b>(5.01)</b> (22.35)	<b>(38.51)</b> (73.85)	<b>(0.10)</b> 0.19	<b>27.67</b> 80.41	
Expenses for the year	<b>77.53</b> (122.00)	<b>602.61</b> 289.95	<b>612.86</b> 293.86	<b>14.49</b> (4.05)	<b>15.56</b> (14.53)	<b>0.09</b> 0.38	<b>44.27</b> 89.02	

Contd...

#### (H) MAJOR ACTUARIAL ASSUMPTIONS

	Gratuity Funded	Leave encashment Non-Funded	PRMS Funded	Resettlement Allowance Non-Funded	Long Service Award Non-Funded	Staff Pension Fund at AOD Funded	Ex-Gratia Non-Funded
Discount rate	7.95% 9.33%	7.95% 9.33%	7.95% 9.27%	7.95% 9.33%	7.95% 9.33%	7.80% 8.60%	7.92% 9.07%
Expected return on plan assets	7.95% 8.70%	- -	7.95% 8.70%	- -	- -	9.00% 9.00%	- -
Salary escalation	8.00% 8.00%	8.00% 8.00%	- -	- -	- -	8.00% 8.00%	- -
Inflation	- -	- -	7.00% 7.00%	6.00% 6.00%	- -	- -	- -

#### (I) ACTUAL RETURN ON PLAN ASSETS

	Gratuity Funded	PRMS Funded	Staff Pension Fund at AOD Funded
Actual Return on Plan Assets	9.17% 9.13%	11.71% 10.76%	8.38% 6.30%

#### (J) INVESTMENT DETAILS

	Gratuity Funded	PRMS Funded	Staff Pension Fund at AOD Funded
Investment with Insurer (LIC)	96.97%	27.59%	57.65%
Self managed investments	3.03%	72.41%	42.35%
<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 Funded	PRMS Funded	Staff Pension Fund at AOD Funded
Government of India securities	47.36%	15.77%	1.66%
Investment in Equity Shares	6.01%	1.28%	-
Investment in Debentures	32.98%	7.24%	-
Other approved investments (incl. Cash)	13.65%	75.71%	98.34%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

#### (K) EFFECT OF INCREASE/DECREASE IN HEALTHCARE COST (PRMS)

(₹ in Crore)

	2014-15	2013-14
Change in Liability for 1% increase in inflation rate	157.77	176.37
Change in Liability for 1% decrease in inflation rate	(134.18)	(140.84)

## (L) GRATUITY AMOUNT FOR THE CURRENT AND PREVIOUS PERIODS ARE AS FOLLOWS:

	2014-15	2013-14	2012-13	2011-12	(₹ in Crore) 2010-11
Defined benefit obligation	<b>1,459.86</b>	1,348.55	1,444.72	1,384.32	1,388.21
Plan Assets	<b>1,845.81</b>	1,812.03	1,786.20	1,631.02	1,489.80
Surplus / (Deficit)	<b>385.95</b>	463.48	341.48	246.70	101.59
Expected contribution for next financial year	-	-	-	23.75	22.52
Experience adjustment on plan liabilities - (Gain)/Loss	<b>(8.21)</b>	4.06	21.63	(2.25)	23.22
Experience adjustment on plan Assets - Gain/(Loss)	<b>8.48</b>	7.67	14.91	17.91	18.09

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, 2015 is as under:

	March-15					March-14					(₹ in Crore)
	Petroleum Products	Petro-chemicals	Other Businesses	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Businesses	Eliminations	Total	
<b>Revenue</b>											
External Revenue	4,07,953.84	20,243.96	9,328.33	-	4,37,526.13	4,45,842.81	18,080.24	9,287.04	-	4,73,210.09	
Inter-segment Revenue	11,312.32	20.88	7,847.86	(19,181.06)	0.00	11,422.80	49.75	6,484.92	(17,957.47)	-	
<b>Total Revenue</b>	<b>4,19,266.16</b>	<b>20,264.84</b>	<b>17,176.19</b>	<b>(19,181.06)</b>	<b>4,37,526.13</b>	<b>4,57,265.61</b>	<b>18,129.99</b>	<b>15,771.96</b>	<b>(17,957.47)</b>	<b>4,73,210.09</b>	
<b>Result</b>											
Segment Results	3,831.51	2,473.32	(35.14)	-	6,269.69	12,882.90	1,002.35	(169.02)	-	13,716.23	
<b>Less: Unallocable Expenditure</b>											
- Finance Cost					3,435.27					5,084.42	
- Loss on Sale of Investments (Net)					-					42.54	
- Provision for diminution in Investments (Net)					-					483.12	
- Loss on sale and disposal of Assets					-					57.51	
- Exchange Loss/(Gain) - (Net)					643.71					3,190.92	
<b>Add: Unallocable Income</b>											
- Interest/Dividend Income					2,458.87					2,725.25	
- 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					0.29	
- Profit on sale and disposal of Assets					32.54					-	
- Amortisation of Premium/Discount on Forward Contracts					669.70					583.20	
- MTM Gain on IRS					47.75					30.61	
- Amortisation of FC Monetary Item Translation					0.72					47.66	
- Other non operating income					39.68					30.28	
- Prior year income/(expenses) -net					(7.56)					(96.30)	
<b>Profit before Exceptional items and Tax</b>					<b>6,327.20</b>					<b>8,178.71</b>	
Exceptional Items					1,668.09					1,746.80	
<b>Profit Before Tax</b>					<b>7,995.29</b>					<b>9,925.51</b>	
Less: Income Tax (including deferred tax)					2,722.26					2,906.42	
<b>Profit After Tax</b>					<b>5,273.03</b>					<b>7,019.09</b>	
<b>Other Information</b>											
Segment Assets	1,76,936.76	15,358.70	1,821.57		1,94,117.03	2,07,982.33	16,613.47	1,724.78		2,26,320.58	
Corporate Assets					25,732.44					25,234.07	
<b>Total Assets</b>					<b>2,19,849.47</b>					<b>2,51,554.65</b>	
Segment Liabilities	86,874.60	321.52	786.96		87,983.08	88,904.49	406.00	998.67		90,309.16	
Corporate Liabilities					63,896.42					95,253.41	
<b>Total Liabilities</b>					<b>1,51,879.50</b>					<b>1,85,562.57</b>	
<b>Capital Employed</b>											
Segment Wise	90,062.16	15,037.18	1,034.61		1,06,133.95	1,19,077.84	16,207.47	726.11		1,36,011.42	
Corporate					(38,163.98)					(70,019.34)	
<b>Total Capital Employed</b>					<b>67,969.97</b>					<b>65,992.08</b>	
Capital Expenditure	11,754.22	383.98	67.90	-	12,206.10	15,468.02	364.09	95.98	-	15,928.09	
Depreciation and Amortization	3,576.11	922.03	30.52	-	4,528.66	4,658.96	1,023.91	77.22	-	5,760.09	

- 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 Government of India
  - Other Operating Income
- Inter segment pricing are 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 Ltd.
- 2) Lubrizol India Pvt. Ltd.
- 3) Petronet VK Ltd.
- 4) IndianOil Petronas Pvt. Ltd.
- 5) Avi-Oil India Pvt.Ltd.
- 6) Petronet India Ltd.
- 7) Petronet LNG Ltd.
- 8) Green Gas Ltd.
- 9) IndianOil Panipat Power Consortium Ltd.
- 10) Petronet CI Ltd.
- 11) Indian Catalyst Pvt. Ltd. (Upto 26.03.2014)
- 12) IndianOil SkyTanking Pvt. Ltd.
- 13) Suntera Nigeria 205 Ltd.
- 14) Delhi Aviation Fuel Facility Pvt. Ltd.
- 15) Indian Synthetic Rubbers Pvt. Ltd.
- 16) Indian Oil Ruchi Biofuels LLP
- 17) NPCIL- IndianOil Nuclear Energy Corporation Ltd.
- 18) GSPL India Transco Ltd.
- 19) GSPL India Gasnet Ltd.
- 20) IndianOil Adani Gas Pvt. Ltd.
- 21) Mumbai Aviation Fuel Farm Facility Pvt. Ltd.
- 22) Kochi Salem Pipeline Pvt. Ltd.
- 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 (upto 31.05.2014)
- 3) Dr. R.K.Malhotra (upto 30.06.2014)
- 4) Shri Sudhir Bhalla (upto 22.05.2014)
- 5) Shri A.M.K.Sinha (upto 31.07.2014)
- 6) Shri P.K.Goyal (upto 31.08.2014)
- 7) Shri R.K.Ghosh (upto 30.06.2014)
- 8) Shri Makarand Nene (upto 31.12.2014)
- 9) Shri V.S. Okhde (upto 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 Raju Ranganathan

### 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)	
		Apr-Mar'15	Apr-Mar'14
1	<b>Sales</b> [Mainly Includes sales to IndianOil Petronas Pvt. Ltd. ₹ <b>367.03 crore</b> (Apr-Mar'14 : ₹ 501.71 crore), Indian Synthetic Rubbers Pvt. Ltd. ₹ <b>137.92 crore</b> (Apr-Mar'14 : ₹ 52.87 crore) and Lubrizol India Pvt. Ltd. ₹ <b>95.28 crore</b> (Apr-Mar'14 : ₹ 150.17 crore) ]	<b>613.47</b>	706.12
2	<b>Interest received</b> [Mainly includes interest received from Indian Synthetic Rubbers Pvt. Ltd. ₹ <b>1.86 crore</b> (Apr-Mar'14 : ₹ 1.64 crore)]	<b>1.86</b>	1.65
3	<b>Consultancy Services/Other Income</b> [Mainly includes Consultancy Service/Other Income from Indian Synthetic Rubbers Pvt. Ltd. ₹ <b>68.47 crore</b> (Apr-Mar'14 : ₹ 37.66 crore), IndianOil Petronas Pvt. Ltd. ₹ <b>42.92 crore</b> (Apr-Mar'14 : ₹ 33.58 crore), Lubrizol India Pvt. Ltd. ₹ <b>28.80 crore</b> (Apr-Mar'14 : Nil ) and Petronet LNG Ltd. ₹ <b>23.26 crore</b> (Apr-Mar'14 : ₹ 27.91 crore)]	<b>186.04</b>	116.89
4	<b>Purchase of Products</b> [Mainly includes Purchase of Products from Petronet LNG Ltd. ₹ <b>14,276.69 crore</b> (Apr-Mar'14 : ₹ 13,124.93 crore)]	<b>14,362.99</b>	13,196.63
5	<b>Purchase of Chemicals/materials</b> [Mainly includes Purchase of chemicals /materials from Lubrizol India Pvt. Ltd. ₹ <b>312.24 crore</b> (Apr-Mar'14 : ₹ 328.75 crore)]	<b>312.46</b>	328.76

Contd...

(₹ in Crore)

		Apr-Mar'15	Apr-Mar'14
<b>6 Handling / Other Expenses</b> [Mainly includes Handling Expenses to IndianOil Petronas Pvt. Ltd. ₹ <b>316.08 crore</b> (Apr-Mar'14 : ₹ 266.12 crore) and IndianOil SkyTanking Pvt. Ltd. ₹ <b>231.21 crore</b> (Apr-Mar'14 : ₹ 231.88 crore)]	<b>584.51</b>	526.01	
<b>7 Exploration &amp; Production Expenses</b> [Exploration & Production Expenses to MN-OSN-2000/2 ₹ <b>108.24 crore</b> (Apr-Mar'14 : ₹ 4.11 crore), GK-OSN-2009/2 ₹ <b>64.37 crore</b> (Apr-Mar'14 : ₹ 1.09 crore), GK-OSN-2009/1 ₹ <b>34.92 crore</b> (Apr-Mar'14 : ₹ 0.68 crore) and AREA 95-96 ₹ <b>28.12 crore</b> (Apr-Mar'14 : ₹ 19.49 crore)]	<b>263.55</b>	271.83	
<b>8 Reimbursement of Expenses</b> [Mainly includes Reimbursement of Expenses to IndianOil Petronas Pvt. Ltd. ₹ <b>2.93 crore</b> (Apr-Mar'14 : ₹ 2.76 crore), IndianOil SkyTanking Pvt. Ltd. ₹ <b>1.77 crore</b> (Apr-Mar'14 : Nil) and IndianOil Adani Gas Pvt. Ltd. ₹ <b>0.79 crore</b> (Apr-Mar'14 : ₹ 0.49 crore)]	<b>7.48</b>	4.19	
<b>9 Investments made during the year</b> [Includes Investment made in IOT Infrastructure & Energy Services Ltd. ₹ <b>191.75 crore</b> (Apr-Mar'14 : ₹ 144.21 crore)]	<b>257.47</b>	186.58	
<b>10 Purchase/Acquisition of Fixed Assets including CWIP</b> [Purchase/Acquisition of Fixed Assets incl. CWIP from SHAKTHI GABON ₹ <b>52.30 crore</b> (Apr-Mar'14 : ₹ 13.89 crore), IOT Infrastructure & Energy Services Ltd. ₹ <b>36.95 crore</b> (Apr-Mar'14 : ₹ 82.08 crore), AREA 95-96 - ₹ <b>(15.88) crore</b> (Apr-Mar'14 : ₹ 61.00 crore) and MN-OSN-2000/2 - ₹ <b>(8.42) crore</b> (Apr-Mar'14 : ₹ 8.42 crore)]	<b>68.26</b>	146.06	
<b>11 Sale of fixed Assets</b> [Sale of Fixed Assets to Mumbai Aviation Fuel Farm Facility Pvt. Ltd. ₹ <b>47.19 crore</b> (Apr-Mar'14 : Nil)]	<b>47.19</b>	-	
<b>12 Provisions made/(written off) during the year</b> [Provision made against Indian Oil Ruchi Biofuels LLP ₹ <b>1.40 crore</b> (Apr-Mar'14 : Nil)]	<b>1.40</b>	-	
<b>13 Outstanding Receivables / Loans &amp; Advances</b> [Mainly includes Outstanding Receivables / Loans & Advances from Petronet LNG Ltd. ₹ <b>253.20 crore</b> (Apr-Mar'14 : ₹ 84.37 crore), Sunteria Nigeria 205 Ltd. ₹ <b>100.42 crore</b> (Apr-Mar'14 : ₹ 96.27 crore) and Mumbai Aviation Fuel Farm Facility Pvt. Ltd. ₹ <b>59.37 crore</b> (Apr-Mar'14 : Nil)]	<b>491.79</b>	344.52	
<b>14 Outstanding Payables</b> [Mainly includes Outstanding payable to Petronet LNG Ltd. ₹ <b>401.60 crore</b> (Apr-Mar'14 : ₹ 618.63 crore)]	<b>505.69</b>	836.61	
<b>15 Investments in Joint Venture Entities/ Associates as on 31.03.2015</b>	<b>1,269.34</b>	1,013.27	

**b) Details relating to the parties referred to in Item No. 1C above:**

(₹ in Crore)

<b>Apr-Mar'15</b>		<b>Remuneration</b>	<b>Interest &amp; Furniture Hire Charges</b>	<b>Outstanding loans/advances receivables</b>
<b>B.1) Details of Key Managerial Personnel</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 Raju Ranganathan	0.41	-	0.02
<b>TOTAL</b>		<b>8.89</b>	<b>0.01</b>	<b>0.33</b>

<b>Apr-Mar'14</b>		<b>Remuneration</b>	<b>Interest &amp; Furniture Hire Charges</b>	<b>Outstanding loans/advances receivables</b>
<b>B.1) Details of Key Managerial Personnel</b>				
1)	Shri B. Ashok	-	-	-
2)	Shri R.S.Butola	0.47	-	-
3)	Dr. R.K.Malhotra	0.52	-	-
4)	Shri Sudhir Bhalla	0.49	-	0.04
5)	Shri A.M.K.Sinha	0.53	-	-
6)	Shri P.K.Goyal	0.42	-	-
7)	Shri R.K.Ghosh	0.43	-	0.04
8)	Shri Makarand Nene	0.56	-	-
9)	Shri V.S. Okhde	0.42	-	-
10)	Shri Sanjiv Singh	-	-	-
11)	Shri Debasis Sen	-	-	-
12)	Shri A.K.Sharma	-	-	-
13)	Shri Verghese Cherian	-	-	-
14)	Shri Anish Aggarwal	-	-	-
15)	Shri Raju Ranganathan	0.36	-	0.03
<b>TOTAL</b>		<b>4.20</b>	<b>-</b>	<b>0.11</b>

**Notes:**

- This does not include the impact of provision made on actuarial valuation of retirement benefit Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors.
- In addition, whole - time Directors are also allowed the use of Corporation's car for private purposes upto 12,000 kms per annum on a payment of ₹ 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 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 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 IOCL after 15 Years at Nil value.
- (ii) BOOT agreement with IL&FS in respect of Water Intake facility for a period of 25 years. Lessor will transfer ownership to IOCL after 25 Years at ₹ 0.01 crore.

#### A. Disclosure under Finance Lease as Lessee:

Particulars	₹ in Crore	
	March-15	March-14
<b>i) Minimum lease payments:</b>		
- Not later than one year	519.10	420.59
- Later than one year and not later than five years	2,076.38	1,682.36
- Later than five years	5,415.04	4,030.64
<b>Total</b>	<b>8,010.52</b>	<b>6,133.59</b>
<b>ii) Present value of minimum lease payments:</b>		
-Not later than one year	488.55	396.56
-Later than one year and not later than five years	1,486.09	1,215.45
-Later than five years	1,697.31	1,437.14
<b>Total</b>	<b>3,671.95</b>	<b>3,049.15</b>
<b>Add: Future Finance Charges</b>	<b>4,338.57</b>	<b>3,084.44</b>
<b>Total</b>	<b>8,010.52</b>	<b>6,133.59</b>
B. The Net Carrying amount of the assets acquired under Finance Lease included in Note – 10, 11 & 12.		
Plant & Equipment- Tangible Assets	3,429.39	1,875.60
Plant & Equipment- Capital Work in Progress	232.51	1,173.80
<b>Total</b>	<b>3,661.90</b>	<b>3,049.40</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-15	March-14
<b>A. Gross Investments in Finance Lease</b>	<b>415.64</b>	<b>415.64</b>
Less: Unearned Finance Income	1.36	2.11
Less: Finance Income Received	169.79	169.04
Less: Minimum Lease payment received	238.83	237.15
<b>Net Investment in Finance Lease as on Date</b>	<b>5.66</b>	<b>7.34</b>
B. Unearned finance Income	1.36	2.11
C. Present Value of Minimum Lease Payments Receivable		
Not Later than one year	1.74	1.68
Later than one year and not later than five years	3.91	5.50
Later than Five years	0.01	0.16
<b>Total</b>	<b>5.66</b>	<b>7.34</b>
D. Break-up of un-earned income		
Not Later than one year	0.58	0.75
Later than one year and not later than five years	0.78	1.34
Later than Five years	-	0.02
<b>Total</b>	<b>1.36</b>	<b>2.11</b>

**Operating leases:****a) As Lessee**

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

Particulars	(₹ in Crore)	March-15	March-14
A. Lease rentals recognized during the period	173.63	172.93	
B. Lease Obligations			
- Not later than One Year	171.13	170.37	
- Later than one year and not later than five years	638.08	627.53	
- Later than five years	1,365.34	1,521.50	

These relate to leases in respect of Port facilities at Gujarat, storage tankage facilities for petroleum products and BOO contract for Nitrogen and Hydrogen Plant.

- (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 ₹ 56.98 crore (2014: ₹ 71.57 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-15	March-14
A. Lease rentals recognized as income during the period	4.42	7.13	
B. Lease Rentals (Category of assets – Plant & Equipment)			
- Gross Carrying Amount	14.76	21.40	
- Accumulated Depreciation	12.40	19.17	
- Depreciation recognized in the Statement of Profit and Loss	0.20	0.59	

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-15	March-14
Profit (₹ in Crore)	5,273.03	7,019.09
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	2,42,79,52,482	2,42,79,52,482
Earning Per Share (Basic and Diluted) (₹)	21.72	28.91
Face value per share (₹)	10/-	10/-

## NOTE - 34: INTEREST IN JOINT VENTURES

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

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

(a) Jointly Controlled Operations:

The Corporation has entered into production sharing agreements for oil and gas exploration blocks with the Govt. of India and other body corporates. These joint ventures are:

Name	Participating Interest of IOC (%)	31.03.2015	31.03.2014
<b>IN INDIA</b>			
<b>Under NELP Block</b>			
MN-OSN-2000/2	20.00	20.00	
AA-ONN-2001/2	20.00	20.00	
MB-OSN-2004/1	20.00	20.00	
MB-OSN-2004/2	20.00	20.00	
KG-DWN-2005/1	20.00	20.00	
GK-OSN-2009/1	20.00	20.00	
GK-OSN-2009/2	30.00	30.00	
CB-ONN-2010/6	20.00	20.00	

Contd...

Name	Participating Interest of IOC (%)	
	31.03.2015	31.03.2014
<b>Others</b>		
AAP-ON-94/1	43.55	43.55
BK-CBM-2001/1	20.00	20.00
NK-CBM-2001/1	20.00	20.00
<b>OUTSIDE INDIA</b>		
FARSI BLOCK	40.00	40.00
LIBYA BLOCK 86	50.00	50.00
LIBYA BLOCK 102/4	50.00	50.00
SHAKTHI-II GABON*	50.00	50.00
YEMEN 82	15.00	15.00
YEMEN 83**	-	15.00
AREA 95-96	25.00	25.00

\* New PSC signed with Govt of Gabon renaming Shakthi block to Shakthi-II having Participating interest of 50% upto Exploration phase

\*\* Yemen 83 relinquished during the year

**(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 31.03.2015 (2014: NIL).

**(c) Jointly Controlled Entities:**

Name	Country of Incorporation	Ownership Interest of IOC(%)	
		31.03.2015	31.03.2014
(i) IOT Infrastructure & Energy Services Ltd	India	48.79	47.94
(ii) Lubrizol India Pvt. Ltd.	India	50.00	50.00
(iii) Petronet VK Ltd.	India	26.00	26.00
(iv) Petronet CI Ltd.	India	26.00	26.00
(v) IndianOil SkyTanking Pvt. Ltd. (Converted into Pvt. Ltd. Co. w.e.f. 10.03.15)	India	33.33	33.33
(vi) Delhi Aviation Fuel Facility Pvt. Ltd.	India	37.00	37.00
(vii) IndianOil Petronas Pvt.Ltd.	India	50.00	50.00
(viii) Sunteria Nigeria 205 Ltd.	Nigeria	25.00	25.00
(ix) IndianOil Panipat Power Consortium Ltd.	India	50.00	50.00
(x) Avi-Oil India Pvt. Ltd.	India	25.00	25.00
(xi) Petronet India Ltd.	India	18.00	18.00
(xii) Petronet LNG Ltd.	India	12.50	12.50
(xiii) Indian Synthetic Rubber Private Limited (Converted into Pvt. Ltd. Co. w.e.f. 31.03.15)	India	50.00	50.00
(xiv) Indian Oil Ruchi Biofuels LLP	India	50.00	50.00
(xv) Green Gas Ltd.	India	49.97	22.50
(xvi) NPCIL IndianOil Nuclear Energy Corporation Limited	India	26.00	26.00
(xvii) GSPL India Transco Ltd.	India	26.00	26.00
(xviii) GSPL India Gasnet Ltd.	India	26.00	26.00
(xix) IndianOil Adani Gas Pvt. Ltd.	India	50.00	50.00
(xx) Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	India	25.00	25.00
(xxi) Kochi Salem Pipelines Private Limited (incorporated on 22.01.15)	India	50.00	50.00

**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*	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
(i) Assets				
- Long Term Assets	4,385.33	4,170.63	382.78	353.00
- Current Assets	1,828.62	2,288.44	16.51	13.67
(ii) Liabilities				
- Current Liabilities and Provisions	1,654.73	2,000.15	33.72	66.82
- Other Liabilities	2,760.04	2,497.52	-	-
(iii) Income	7,499.24	7,334.69	1.35	-
(iv) Expenses	7,659.95	7,236.16	263.55	271.28
(v) Contingent Liabilities	509.59	403.82	0.20	21.20
(vi) Capital Commitments	315.29	462.18	1,186.20	1,475.17

\*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 31st March 2015 are as below:

**(a) For Hedging Currency Risks:**

Amount of forward contracts entered into by the Company for import & export and outstanding as on 31<sup>st</sup> March 2015 is **NIL** (2014: NIL).

**(b) For Hedging Commodity Related Risks:**

Category-wise quantitative data about commodity derivative transactions that are outstanding as on 31<sup>st</sup> March 2015 is given below:

S. No.	Particulars	As at 31 <sup>st</sup> March 2015	Quantity (in lakh bbls)	As at 31 <sup>st</sup> March 2014
1.	Swaps on Crude oil	4.50		7.00
2.	Margin Hedging	3.00		80.00

**(c) For Hedging Interest Rate Related Risks:**

Interest rate swap for **₹ 3,125.00 crore** (2014: ₹ 2,996.00 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 2014
1	Interest Rate Swap	1	1

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

- Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2015 is given below:

S. No.	Particulars	(₹ in Crore)	
		As on 31.03.2015 Aggregate amount	As on 31.03.2014 Aggregate amount
1	Unhedged- Payables*	52,010.56	81,546.43
2	Unhedged- Receivables	456.70	280.12

\* Including cross currency swaps amounting to **₹ 2,035.00 crore** (2014: ₹ 1,950.84 crore)

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

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

(₹ in Crore)

	Amount as on		Maximum Amount outstanding during the year ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
<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)	0.50	0.50	0.50	0.50
(ii) Sunteria Nigeria 205 Ltd. (For Exploration activities)	100.42	96.27	100.42	96.27
C) To Firms/Companies in which directors are interested	-	-	-	-
D) Where there is no repayment schedule or repayment beyond seven year or no interest or interest below section 186 of Companies Act	-	-	-	-
<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 as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

(₹ in Crore)

Particulars	March-15	March-14
Amount due and Payable at the year end		
- Principal	32.48	23.10
- Interest on above Principal	0.04	0.03
Payments made during the year after the due date		
- Principal	3.34	4.68
- Interest	0.06	0.68
Interest due and payable for principals already paid	0.12	0.08
Total Interest accrued and remained unpaid at year end	0.16	0.11

## NOTE - 38: RESEARCH AND DEVELOPMENT EXPENDITURE

Research and Development Expenses of ₹ 93.66 crore (2014: ₹ 78.32 crore) have been capitalized and ₹ 169.31 Crore (2014 : ₹ 174.40 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 01.04.2014	Additions during the year	Transferred from CWIP	Transfer/Deduct- ion/Disposal during the year	Gross Block as at 31.03.2015	Work-in- Progress as on 01.04.2014	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in- Progress as on 31.03.2015	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	-	-	-	0.81	-	-	-	-	-
2	Building, Roads etc.	104.48	-	0.02	(0.28)	104.78	4.02	7.63	0.02	11.63	7.63
3	Plant & Equipment	692.25	60.23	15.85	34.62	733.71	30.33	19.63	15.85	34.11	79.86
4	Office Equipment	39.19	3.11	0.04	0.35	41.99	-	0.04	0.04	-	3.15
5	Transport Equipments	0.83	-	-	0.34	0.49	-	-	-	-	-
6	Furniture & Fixtures	16.55	0.77	-	0.25	17.07	-	-	-	-	0.77
7	Drainage & Sewage	0.61	0.01	1.10	-	1.72	-	1.10	1.10	-	1.11
	<b>Sub Total:</b>	<b>854.72</b>	<b>64.12</b>	<b>17.01</b>	<b>35.28</b>	<b>900.57</b>	<b>34.35</b>	<b>28.40</b>	<b>17.01</b>	<b>45.74</b>	<b>92.52</b>
<b>(b) INTANGIBLE ASSETS</b>											
1	Right of way	-	-	-	-	-	-	-	-	-	-
2	Licenses / Technical Know-how	0.30	0.08	-	-	0.38	-	-	-	-	0.08
3	Computer Software	8.66	1.02	-	-	9.68	-	0.04	-	0.04	1.06
	<b>Sub Total:</b>	<b>8.96</b>	<b>1.10</b>	<b>-</b>	<b>-</b>	<b>10.06</b>	<b>-</b>	<b>0.04</b>	<b>-</b>	<b>0.04</b>	<b>1.14</b>
	<b>TOTAL:</b>	<b>863.68</b>	<b>65.22</b>	<b>17.01</b>	<b>35.28</b>	<b>910.63</b>	<b>34.35</b>	<b>28.44</b>	<b>17.01</b>	<b>45.78</b>	<b>93.66</b>
	<b>Previous year:</b>	<b>800.25</b>	<b>37.97</b>	<b>42.35</b>	<b>16.89</b>	<b>863.68</b>	<b>36.35</b>	<b>40.35</b>	<b>42.35</b>	<b>34.35</b>	<b>78.32</b>

### B. RECURRING EXPENSES

	Particulars	2014-15	2013-14
1	Consumption of Stores, Spares & Consumables	<b>7.58</b>	9.34
2	Repairs & Maintenance		
(a)	Plant & Machinery	<b>7.54</b>	9.38
(b)	Building	<b>6.05</b>	4.87
(c)	Others	<b>0.71</b>	0.76
3	Freight, Transportation Charges & demurrage	<b>0.08</b>	0.10
4	Payment to and Provisions for employees	<b>97.54</b>	94.28
5	Office Administration, Selling and Other Expenses	<b>49.81</b>	55.67
6	Interest	-	-
	<b>TOTAL</b>	<b>169.31</b>	174.40

### C. TOTAL RESEARCH EXPENSES

	Particulars	2014-15	2013-14
1	Capital Expenditure	<b>93.66</b>	78.32
2	Recurring Expenditure	<b>169.31</b>	174.40
	<b>TOTAL</b>	<b>262.97</b>	252.72

## NOTE - 39: DISCLOSURE RELATING TO CERTIFIED EMISSION REDUCTIONS

The disclosure in respect of self-generated Certified Emission Reductions (CERs) is as under:

Particulars	March-15	March-14
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)	5.58	15.13

Stores and Spares etc. in Note 17-inventories includes CER rights valuing ₹ 30,249 (2014: ₹ 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'15	March'14	March'15	March'14	March'15	March'14	
i)	Crude Processing	MTs	518.50	518.50	542.00	542.00	472.30	472.47
								(Refer Note C)
ii)	Lubricating Oil	MTs	4.71 Note D 1.46 Note E	4.71 1.46	4.68 0.34	4.64 0.34	4.35 0.17	4.39 0.35
iii)	Wax/Bitumen/Asphalt Lube Oil Drums	Nos.	15.00	15.00	15.00	15.00	3.41	4.12
iv)	Propylene Recovery Unit	MTs	0.24	0.24	0.24	0.24	0.21	0.10
v)	MTBE Unit	MTs	0.37	0.37	0.37	0.37	0.36	0.31
vi)	Naphtha Cracker plant	MTs	14.60	14.60	14.60	14.60	18.15	15.52
vii)	LAB Plant	MTs	1.20	1.20	1.20	1.20	1.05	1.03
viii)	PX/PTA Plant	MTs	5.53	5.53	5.53	5.53	5.34	3.88
ix)	Cryocontainer & Accessories	Nos.	0.13	0.13	0.23	0.17	0.24	0.24
x)	Site Mixed Slurry Explosives	MTs	1.38	1.37	0.91	0.85	1.00	0.85

- 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 not considered.
- 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.

**NOTE - 41: FINISHED PRODUCTS - QUANTITY AND VALUE PARTICULARS**

	OPENING STOCK		PURCHASES		SALES		CLOSING STOCK	
	QUANTITY (MTs in Lakh)	VALUE (₹ in Crore)						
<b>Petroleum Products</b>								
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
Year ended 31.03.14	58.42	26,269.68	319.21	1,87,252.62	797.65	4,33,771.50	54.83	27,511.69
<b>Petrochemicals</b>								
Year ended 31.03.15	1.37	1,136.73	0.08	92.91	24.87	23,080.65	1.24	564.99
Year ended 31.03.14	1.77	1,238.92	0.00	4.22	21.16	20,576.66	1.37	1,136.73
<b>Others</b>								
Year ended 31.03.15		8.45		8,698.64		9,316.65		6.74
Year ended 31.03.14		6.28		8,714.20		9,266.66		8.45
<b>GRAND TOTAL:</b>								
Year ended 31.03.15		28,656.87		1,77,533.90		4,56,988.50		21,758.93
Year ended 31.03.14		27,514.88		1,95,971.04		4,63,614.82		28,656.87

**Note:**

Purchase values are net of discounts of ₹ 5,149.31 crore (2014: ₹ 6,092.18 crore). (Refer Foot Note B2 of Note 20)

**NOTE - 42: WIP - QUANTITY AND VALUE PARTICULARS**

	Opening Stock		Closing Stock	
	Quantity (MTs in Lakh)	Value (₹ in Crore)	Quantity (MTs in Lakh)	Value (₹ in Crore)
<b>Petroleum Products</b>				
Year ended 31.03.15	10.96	4,908.12	13.93	3,870.26
Year ended 31.03.14	11.99	4,930.02	10.96	4,908.12
<b>Petrochemicals</b>				
Year ended 31.03.15	0.93	544.03	0.79	263.84
Year ended 31.03.14	0.97	512.82	0.93	544.03
<b>Others</b>				
Year ended 31.03.15		8.00		7.92
Year ended 31.03.14		6.30		8.00
<b>GRAND TOTAL:</b>				
Year ended 31.03.15		5,460.15		4,142.02
Year ended 31.03.14		5,449.14		5,460.15

## NOTE - 43: CONSUMPTION PARTICULARS OF RAW MATERIALS, STORES, SPARES 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-15</u></b>						
Crude Oil	1,78,875.18	90	19,349.59	10	535.86	1,98,224.77
Natural Gas/RLNG	435.03	14	2,718.60	86	6.30	3,153.63
Base Oil	0.77	0	2,521.51	100	4.18	2,522.28
Other Raw Materials	241.88	12	1,812.02	88		2,053.90
Stores & Spares	285.22	19	1,224.12	81		1,509.34
Packing Materials Consumed	0.00	0	462.89	100		462.89
Components/ Others	80.40	11	681.86	89		762.26
<b><u>March-14</u></b>						
Crude Oil	2,02,033.16	91	20,052.09	9	530.95	2,22,085.25
Natural Gas/RLNG	0.00	0	1,907.13	100	3.64	1,907.13
Base Oil	11.08	0	2,542.24	100	4.25	2,553.32
Other Raw Materials	95.69	6	1,523.30	94		1,618.99
Stores & Spares	358.44	30	840.91	70		1,199.35
Packing Materials Consumed	0.00	0	457.06	100		457.06
Components/ Others	100.58	14	638.05	86		738.63

1. Consumption excludes value adjustments if any, shown under items pertaining to the prior period.
2. Consumption includes Indigenous Base Oil, additives & Benzene of ₹ **904.64 crore** (2014: ₹ 1,152.68 crore) which is internally produced.

**NOTE - 44: EXPENDITURE IN FOREIGN CURRENCY FOR ROYALTY, KNOW-HOW, PROFESSIONAL & CONSULTATION FEES, GOODS FOR RESALE, INTEREST, DIVIDEND & OTHER MATTERS**

	(₹ in Crore)	March-15	March-14
1. Royalty	4.34	-	
2. Professional, Consultation Fees and Technical Service Fees	99.02	196.47	
3. Interest	499.97	470.55	
4. Purchase of Products	22,262.71	21,413.61	
5. Commodity Hedging	290.25	16.50	
6. Others	A	3,496.09	4,189.36
<b>TOTAL</b>	<b>26,652.38</b>	<b>26,286.49</b>	

A. Includes ₹ 2,716.38 crore (2014 : ₹ 3,599.08 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-15	March-14
1. Exports	A	15,667.56	21,524.67
2. Income from Royalty	0.40	0.28	
3. Commodity Hedging	296.54	48.62	
4. Others	45.49	34.56	
<b>TOTAL</b>	<b>16,009.99</b>	<b>21,608.13</b>	

A. Includes ₹ 4,742.44 crore (2014 : ₹ 3,949.22 crore) received in Indian Currency out of the repatriable funds of Foreign Customers and other Export Sales through canalising agencies.

B. Earnings in Foreign Currency has been considered on accrual basis.

**NOTE - 46: CIF VALUE OF IMPORTS**

	(₹ in Crore)	March-15	March-14
1. Crude Oil	A	1,65,065.42	2,02,492.47
2. Natural Gas		523.31	-
3. Base Oil		-	9.37
4. Additives		91.16	88.76
5. Capital Goods		294.88	429.31
6. Other Raw Materials		1.05	1.63
7. Revenue Stores, Component, Spare and Chemicals		944.32	812.49
<b>TOTAL</b>	<b>1,66,920.14</b>	<b>2,03,834.03</b>	

A. In addition, Corporation has imported crude oil of ₹ 31,500.72 crore (2014 : ₹ 39,136.76 crore ) on behalf of its subsidiary company as canalising agent.

B. Expenditure in Foreign Currency has been considered on accrual basis.

## NOTE - 47: DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

The disclosure in respect of CSR expenditure for FY 2014-15 is as under:

Particulars	₹ in Crore	
	March-15*	March-14
<b>(a) Gross amount required to be spent by the company during the year.</b>		
Annual CSR Allocation	112.95	64.88
Carry forward from previous year	20.45	37.48
<b>Gross amount required to be spent</b>	<b>133.40</b>	<b>102.36</b>

\* As per Companies Act 2013

### (b) Amount spent during the year on:

	2014-15			2013-14		
	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	21.98	11.13	33.11	22.16	2.75	24.91
Contribution towards RGGLVY	14.04	14.03	28.07	10.01	10.01	20.02
Flagship Projects-CSR	16.59	3.46	20.05	-	-	-
Educational Scholarship	9.47	0.80	10.27	11.19	-	11.19
Swachh Bharat	1.45	5.21	6.66	-	-	-
Education/employment vocational skills	3.26	0.79	4.05	9.17	1.40	10.57
Administration Expenses, training etc.	5.41	0.01	5.42	0.38	-	0.38
Drinking Water	1.58	0.97	2.55	3.90	1.48	5.38
Other expenses	3.40	0.21	3.61	7.69	1.77	9.46
<b>Total Expenses (ii)</b>	<b>77.18</b>	<b>36.61</b>	<b>113.79</b>	<b>64.50</b>	<b>17.41</b>	<b>81.91</b>
<b>Grand Total (i) and (ii)</b>			<b>113.79</b>			<b>81.91</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 ₹ **1,668.09 crore** arising out of additional state specific surcharge (SSC) towards U.P. entry tax paid in earlier years, in pursuance with MOP&NG order dated 30<sup>th</sup> March 2013 (2014: ₹ 1,746.80 crore on account of recovery of entry tax paid in earlier years and other matters in relation to U.P. Entry Tax).
- 4 In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Company has adopted the useful lives as prescribed in Schedule II 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/solar panels

Due to revised useful lives, the depreciation expense for the year ended March 31, 2015 is lower by ₹ **1,650.02 crore**. As per the transitional provisions of Schedule II of the Companies Act, 2013, the Company has debited ₹ **948.76 crore** (net of deferred tax of ₹ **493.36 crore**) to the opening balance of General reserve as at April 1, 2014 and ₹ **12.18 crore** is capitalized in tangible capital work in progress. Additionally, capital grant of ₹ **2.82 crore** is also transferred to General Reserve.

In line with the Notification dated August 29, 2014 issued by Ministry of Corporate Affairs (MCA), the Company will comply with the requirements of paragraph 4 of Notes to Schedule II of Companies Act, 2013, relating to componentization, from financial year 2015-16.

- 5 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 DASS GUPTA & ASSOCIATES**  
 Chartered Accountants  
 (Firm Regn. No. 000112N)

**For J GUPTA & CO.**  
 Chartered Accountants  
 (Firm Regn. No. 314010E)

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

Sd/-  
**(CA. NARESH KUMAR)**  
 Partner  
 M. No. 082069

Sd/-  
**(CA. NANCY MURARKA)**  
 Partner  
 M. No. 067953

Sd/-  
**(CA. INDRA PAL SINGH)**  
 Partner  
 M. No. 410433

Place : New Delhi  
 Date : 29<sup>th</sup> May, 2015

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES

(₹ in Crore)

	March-15	March-14
<b>INCOME :</b>		
1. Recovery of House Rent	8.22	7.59
2. Recovery of Utilities-Power and Water	5.64	4.52
3. Recovery of Transport Charges	0.21	0.26
4. Other Recoveries	9.58	7.93
5. Excess of Expenditure over Income	<b>500.26</b>	468.60
<b>TOTAL</b>	<b>523.91</b>	488.90
<b>EXPENDITURE:</b>		
1. Salaries, Wages and PF & Gratuity Contribution	128.36	155.54
2. Consumable Stores and Medicines	36.21	31.12
3. Repairs and Maintenance	107.92	110.03
4. Interest	17.72	16.77
5. Depreciation	52.59	12.65
6. Miscellaneous Expenses: Taxes, License Fees, Insurance etc.	30.45	36.44
7. Utilities-Power, Water and Gas	116.99	99.82
8. Rent	0.23	0.99
9. Subsidies for Social & Cultural Activities	24.58	17.63
10. Bus Hire Charges	1.58	1.81
11. Club and Recreation	0.34	0.54
12. Others	6.94	5.56
<b>TOTAL</b>	<b>523.91</b>	488.90

**SCHEDULE OF FIXED ASSETS (TOWNSHIP) FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**

(₹ in Crore)

	<b>Gross Block as on 01.04.2014 (At cost)</b>	<b>Additions during the Year (At Cost)</b>	<b>Transfers from Cnst. W-I-P (At Cost)</b>	<b>Transfers Deduction Reclass. (At Cost)</b>	<b>Gross Block as on 31.3.2015 (At Cost)</b>	<b>Depern./ Amorts. provided during the year</b>	<b>Total Dep. &amp; Amorts. up to 31.3.2015</b>	<b>Net Depreciated Block As on 31.3.2015</b>	<b>As on 31.3.2014</b>
LAND FREEHOLD	39.85	3.52	-	(0.28)	43.09	-	-	43.09	39.86
LAND-LEASEHOLD	12.14	-	-	(0.01)	12.13	0.15	3.50	8.63	8.79
BLDGs, ROADS ETC	475.35	24.21	28.28	357.99	885.83	41.70	185.51	700.32	356.90
PLANT & MACH.	41.11	0.85	9.28	(3.17)	48.07	4.20	22.96	25.11	14.62
FUR. & FIX.	14.68	1.23	0.77	(0.04)	16.64	1.29	8.10	8.54	7.49
DRAINAGE, SEWAGE & WATER SUPPLY SYSTEM	35.15	0.14	-	(16.05)	19.24	0.05	16.87	2.37	5.70
EQUIPMENTS & APPLIANCES	42.06	1.00	1.49	(10.42)	34.13	5.17	23.56	10.57	19.56
VEHICLES	2.39	-	-	(0.09)	2.30	0.03	1.91	0.39	0.27
<b>GRAND TOTAL:</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>	<b>453.19</b>
<b>PREVIOUS YEAR:</b>	<b>661.91</b>	<b>5.07</b>	<b>4.44</b>	<b>(8.69)</b>	<b>662.73</b>	<b>12.65</b>	<b>209.54</b>	<b>453.19</b>	

# *Consolidated Financial Statements*

---

**2014-15**



**Indian Oil Corporation Limited**

## 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 (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2015, 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other Matters**

- a) 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 assets as at 31<sup>st</sup> March 2015, 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:

Name of the Companies	Total Assets	Total Revenues	Net Cash Flows
<b>Subsidiaries:</b>			
Chennai Petroleum Corporation Ltd	10,954.62	41,900.66	(6.12)
Lanka IOC PLC	1,076.52	3,761.94	(36.37)
Indian Oil (Mauritius) Ltd	446.65	1,740.23	1.90
IOC Middle East FZE	38.53	46.26	1.21

(₹ in Crore)

Name of the Companies	Total Assets	Total Revenues	Net Cash Flows
IOC Sweden AB	371.67	17.42	(0.23)
IOCL(USA) INC.	307.68	64.09	(8.91)
Indian Catalyst Pvt. Ltd.	14.95	-	0.04
IndOil Global B.V.	6,860.91	416.95	5.10
<b>Jointly Controlled Entities :</b>			
IOT Infrastructure & Energy Services Ltd	2,732.81	1,174.88	27.66
Lubrizol India Pvt. Ltd	315.89	466.86	8.40
AVI-OIL India Pvt. Ltd	13.60	9.65	0.24
Petronet LNG Ltd	1,389.83	4,956.91	(108.71)
Indian Oil Petronas Pvt.Ltd.	579.20	522.59	64.59
IndianOil Skytanking Pvt. Ltd.	53.96	118.97	1.45
Suntera Nigeria 205 Ltd.	103.11	-	(0.69)
Delhi Aviation Fuel Facility (Private) Limited	142.62	35.36	1.41
Indian Synthetic Rubber Private Limited	588.30	124.33	(46.21)
NPCIL IndianOil Nuclear Energy Corporation Limited	0.28	0.03	(0.01)
GSPL India Transco Ltd.	38.88	0.57	(1.42)
GSPL India Gasnet Ltd.	50.98	0.49	(2.19)
IndianOil Adani Gas Pvt. Ltd.	30.84	0.01	(1.28)
Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	69.61	4.72	0.29
Kochi Salem Pipelines Pvt. Limited	2.52	0.01	2.50
<b>Total</b>	<b>26,183.96</b>	<b>55,362.93</b>	<b>(97.35)</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) and (11) 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.

- b) We did not audit the financial statements / financial information of M/s Green Gas Ltd , jointly controlled entity, whose financial statements / financial information reflect the assets as at 31<sup>st</sup> March 2015 of ₹ 111.75 crore, total revenues of ₹ 82.09 crore and net cash flows of ₹ 18.09 crore for the year ended on that date to the extent to which they are reflected in the Consolidated Financial Statements.

These financial statements / financial information are unaudited and 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 jointly controlled entities, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entities, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, its subsidiaries and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 written representations received from the directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, and jointly controlled companies incorporated in India, none of the directors of the Group companies, and its jointly controlled companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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 DASS GUPTA & ASSOCIATES**

Chartered Accountants  
(Firm Regn. No. 000112N)

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

**For J GUPTA & CO.**

Chartered Accountants  
(Firm Regn. No. 314010E)

Sd/-  
**(CA. Nancy Murarka)**  
Partner  
M. No. 067953

**For PARAKH & CO.**

Chartered Accountants  
(Firm Regn. No. 001475C)

Sd/-  
**(CA. Thalendra Sharma)**  
Partner  
M. No. 079236

**Place :** New Delhi

**Date :** 29<sup>th</sup> May, 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of Indian Oil Corporation Limited on the consolidated financial statements as of and for the year ended March 31, 2015

- (i) (a) In our opinion, and according to the information and explanations given to us, and the reports of the other auditors on the subsidiary and jointly controlled companies incorporated in India as furnished to us, the Holding Company, its subsidiary and jointly controlled companies incorporated in India are maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the respective managements of the Holding Company other than LPG cylinders and pressure regulators with customers, its subsidiary and jointly controlled companies incorporated in India according to a phased programme which, in our opinion, is reasonable having regard to the size of the aforesaid Holding Company, its subsidiary and jointly controlled companies incorporated in India and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the respective Managements of the aforesaid Holding Company, its subsidiary and jointly controlled companies incorporated in India during the year and no material discrepancies have been noticed on such verification.
- (ii) (a) The inventory has been physically verified (except in case of M/s IOT Infrastructure & Energy Services Limited where scaffolding material at certain sites could not be verified) by the respective managements of the Holding Company, its subsidiary and jointly controlled companies incorporated in India during the year in respect of those companies which are holding inventory. In our opinion and based on the reports of the other auditors on the subsidiary and jointly controlled companies incorporated in India as furnished to us, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the respective managements of the Holding Company, its subsidiary and jointly controlled companies incorporated in India are reasonable and adequate in relation to the size of the aforesaid Holding Company, its subsidiary and jointly controlled companies incorporated in India.
- (c) On the basis of our examination of the inventory records and the reports of the other auditors, in our opinion, the Holding Company, its subsidiary and jointly controlled companies incorporated in India are maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory of the aforesaid Holding Company, its subsidiary and jointly controlled companies incorporated in India as compared to the respective book records were not material.
- (iii) The Holding Company, its subsidiary and jointly controlled companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 except in case of M/s IOT Infrastructure & Energy Services Limited where loan is granted to one of its subsidiary who has defaulted in the payment of principal and interest by more than one lacs. Therefore, the provisions of Clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable to the Holding Company, its subsidiary and jointly controlled companies incorporated in India except IOT Infrastructure & Energy Services Limited as reported above.
- (iv) In our opinion, and according to the information and explanations given to us, and the reports of the other auditors on the subsidiary and jointly controlled companies incorporated in India as furnished to us, there is an adequate internal control system commensurate with the size of the Holding Company, its subsidiary and jointly controlled companies incorporated in India and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. However, in case of certain subsidiaries of M/s IOT Infrastructure & Energy Services Limited, internal control need to be strengthened in respect of periodicity of review of budgets, timely updation of budget and cost to complete, component wise tracking of budgeted cost and actual cost incurred. Further, on the basis of our examination of the books and records of the aforesaid Holding Company and the reports of the other auditors on the subsidiary and jointly controlled companies incorporated in India as furnished to us and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system. However in case of certain subsidiaries of M/s IOT Infrastructure & Energy Services Limited, there continue to exist certain weaknesses in the internal control system relating to services rendered in respect of certain companies which need to be further strengthened.
- (v) In our opinion and according to the information and explanations given to us, during the year, the holding 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 the company has complied with necessary directions. The Subsidiaries and jointly controlled companies incorporated in India have also not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under to the extent notified. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) We have broadly reviewed the accounts and records maintained by the Holding Company and based on the reports of the other auditors of the subsidiaries and jointly controlled companies incorporated in India 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 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained, wherever applicable. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) (a) According to the information and explanations given to us and the records of the Holding Company examined by us, and based on the reports of the other auditors of the subsidiaries and jointly controlled companies incorporated in India, in our opinion, Holding company, its Subsidiaries and jointly controlled companies incorporated in India are regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities and there are no undisputed dues outstanding as at 31st March 2015 for a period of more than six months from the date they became payable. However in case of M/s IOT Infrastructure & Energy Services Limited, undisputed dues relating to works contract tax aggregating to

₹ 107.94 crores (previous year- ₹ 103.66 crore) and stamp duty charges aggregating to ₹ 3.86 crores (previous year- ₹ 3.86 crores) and in case of one of its subsidiaries for undisputed dues relating to gram panchayat tax and stamp duty aggregating to ₹ 0.50 crores which are in arrears as at 31<sup>st</sup> march 2015 for a period exceeding six months from the date they became overdue.

- (b) According to the information and explanations given to us and the records of the Holding Company examined by us, and based on the reports of the other auditors of the Holding company, subsidiaries and jointly controlled companies incorporated in India, the dues of income tax, sales tax, service tax, wealth-tax, duty of customs, duty of excise, value added tax and cess as at March 31, 2015 which have not been deposited on account of a dispute is annexed.
- (c) According to the information and explanations given to us, the Holding Company, its subsidiary and jointly controlled companies incorporated in India have transferred the amounts to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 (1 of 1956) and the rules made thereunder.
- (viii) As per the consolidated financial statements, there are no accumulated losses and no cash losses have been incurred during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) According to the information and explanations given to us and the records of the Holding Company examined by us, and based on the reports of the other auditors of the Holding company's subsidiaries and jointly controlled companies incorporated in India, in our opinion, Holding company, its Subsidiaries and jointly controlled companies incorporated in India have not defaulted in repayment of dues to financial institutions, banks or debenture holders. However in case of one subsidiary of M/s IOT Infrastructure & Energy Services Limited, there have been certain delays in the repayment of principal and interest payment which have been subsequently repaid and settled.
- (x) According to the information and explanations given to us, in respect of the guarantee given by the Holding Company for the loans taken by others from a bank, the terms and conditions thereof are not, *prima facie*, prejudicial to the interest of the holding company. Based on the reports of the other auditors furnished to us and according to the information and explanations given to us, the subsidiary and jointly controlled companies incorporated in India have not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xi) According to the information and explanations given to us and the records of the Holding Company examined by us, and based on the reports of the other auditors of the Holding company's subsidiaries and jointly controlled companies incorporated in India, in our opinion, Holding company, its Subsidiaries and jointly controlled companies incorporated in India the term loans have been applied for the purpose for which they were obtained.
- (xii) During the course of our examination of the books and records of the Holding Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and based on the reports of the other auditors, we have neither come across any instance of material fraud on or by the Holding Company, its subsidiaries and jointly controlled companies incorporated in India, noticed or reported during the year, nor we have been informed of any such case by the Management of the aforesaid Holding Company or reported in the audit reports of its subsidiaries and jointly controlled companies incorporated in India.

**For DASS GUPTA & ASSOCIATES**

Chartered Accountants  
(Firm Regn. No. 000112N)

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

**For J GUPTA & CO.**

Chartered Accountants  
(Firm Regn. No. 314010E)

Sd/-  
**(CA. Nancy Murarka)**  
Partner  
M. No. 067953

**For PARAKH & CO.**

Chartered Accountants  
(Firm Regn. No. 001475C)

Sd/-  
**(CA. Thalendra Sharma)**  
Partner  
M. No. 079236

**Place :** New Delhi

**Date :** 29<sup>th</sup> May, 2015

**ANNEXURE**
**REPORTING AS PER COMPANIES (AUDITORS' REPORT)  
ORDER 2015 (DISPUTED CASES)**

SI No.	NAME OF THE STATUTE/ NATURE OF DUES	FORUM WHERE DISPUTE IS PENDING	AMOUNT (Net of deposits) ₹ in Crore	PERIOD TO WHICH THE AMOUNT RELATES (FINANCIAL YEARS)
1	<b>CENTRAL EXCISE</b>	High Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) <b>Total</b>	1,223.79 1,180.80 34.20 15.91 <b>2,454.70</b>	2002 to 2015 1980 to 2015 2000 to 2015 1993 to 2015
2	<b>CUSTOMS DUTY</b>	Supreme Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) <b>Total</b>	0.52 64.65 0.11 1.96 <b>67.24</b>	1998 to 2015 1980 to 2015 2011 to 2015 2011 to 2015
3	<b>SALES TAX/ VAT/ TURNOVER TAX</b>	Supreme Court High Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) <b>Total</b>	30.87 1,073.28 3,727.60 1,173.11 2,083.14 <b>8,088.00</b>	1999 to 2015 1978 to 2015 1985 to 2015 1979 to 2015 1981 to 2015
4	<b>INCOME TAX</b>	High Court Tribunal Appellate Authority (Below Tribunal) <b>Total</b>	0.92 18.40 155.91 <b>175.23</b>	2002 to 2015 2003 to 2015 2002 to 2015
5	<b>SERVICE TAX</b>	Tribunal Appellate Authority (Below Tribunal) <b>Total</b>	43.28 41.86 <b>85.14</b>	2002 to 2015 2001 to 2015
6	<b>ENTRY TAX</b>	Supreme Court High Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) <b>Total</b>	8,177.59 1,863.93 83.15 2.57 33.26 <b>10,160.50</b>	1991 to 2015 2003 to 2015 2000 to 2015 2010 to 2015 1998 to 2015
7	<b>Others (Commercial Tax/ Entertainment Tax etc.)</b>	Supreme Court High Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) <b>Total</b>	6.48 41.03 1.17 1.45 12.02 <b>62.15</b>	1995 to 2015 1989 to 2015 1998 to 2015 2007 to 2015 1999 to 2015
<b>GRNAD TOTAL</b>			<b>21,092.96</b>	

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2015**

(₹ in Crore)

Particulars	Note No.	March-15	March-14
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds:</b>			
(a) Share Capital	2	2,427.95	2,427.95
(b) Reserves and Surplus	3	66,404.32	65,485.07
		68,832.27	67,913.02
<b>Minority Interest</b>		1,073.33	1,170.56
<b>Non-current liabilities</b>			
(a) Long-term borrowings	4	36,795.89	35,865.16
(b) Deferred tax liabilities	5	6,883.52	6,456.77
(c) Other Long-term Liabilities	6	15,454.30	13,691.59
(d) Long-term provisions	7	475.97	443.34
		59,609.68	56,456.86
<b>Current liabilities</b>			
(a) Short-term borrowings	8	21,358.20	53,067.35
(b) Trade payables	9	31,620.98	40,710.75
(c) Other current Liabilities	6	23,647.57	20,699.45
(d) Short-term provisions	7	27,601.31	25,802.92
		1,04,228.06	1,40,280.47
<b>TOTAL</b>		2,33,743.34	2,65,820.91
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible assets	10	76,047.21	71,681.14
(ii) Intangible assets	11	663.19	785.42
(iii) Capital work-in-progress	12	36,718.04	33,734.95
(iv) Intangible assets under development	13	3,660.03	4,325.96
		1,17,088.47	1,10,527.47
(b) Non-current investments	14	8,761.11	8,565.96
(c) Deferred tax assets	5	47.97	33.93
(d) Long-term loans and advances	15	6,487.86	6,417.36
(e) Other non-current assets	16	201.52	84.87
		1,32,586.93	1,25,629.59
<b>Goodwill on Consolidation</b>		70.48	87.81

(₹ in Crore)

Particulars	Note No.	March-15	March-14
<b>Current assets</b>			
(a) Current investments	14	<b>7,307.57</b>	7,328.98
(b) Inventories	17	<b>49,917.39</b>	72,339.62
(c) Trade receivables	18	<b>7,644.77</b>	12,543.56
(d) Cash and Bank Balances	19	<b>1,221.07</b>	3,704.52
(e) Short-term loans and advances	15	<b>32,047.95</b>	41,294.18
(f) Other current assets	16	<b>2,947.18</b>	2,892.65
		<b>1,01,085.93</b>	<b>1,40,103.51</b>
<b>TOTAL</b>		<b>2,33,743.34</b>	<b>2,65,820.91</b>

Principles of Consolidation and Significant Accounting Policies	1
Notes on Financial Statements	2 - 43

Sd/-  
**(B. Ashok)**  
 Chairman

Sd/-  
**(A.K. Sharma)**  
 Director (Finance)

Sd/-  
**(Raju Ranganathan)**  
 Company Secretary

As per our attached Report of even date

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

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

**For J GUPTA & CO.**  
 Chartered Accountants  
 (Firm Regn. No. 314010E)

Sd/-  
**(CA. Nancy Murarka)**  
 Partner  
 M. No. 067953

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

Sd/-  
**(CA. Thalendra Sharma)**  
 Partner  
 M. No. 079236

Place : New Delhi  
 Date : 29<sup>th</sup> May, 2015

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2015**

Particulars	Note No.	March-15	(₹ in Crore) March-14
<b>Revenue from operations (Gross)</b>	20	<b>4,86,040.59</b>	5,16,963.62
Less: Excise Duty		<b>36,531.93</b>	28,618.69
Revenue from operations (Net)		<b>4,49,508.66</b>	4,88,344.93
Other income	21	<b>4,203.99</b>	3,441.82
<b>Total Revenue</b>		<b>4,53,712.65</b>	<b>4,91,786.75</b>
<b>Expenses:</b>			
Cost of materials consumed	22	<b>2,48,449.81</b>	2,78,014.76
Purchase of Stock-in-Trade		<b>1,40,817.40</b>	1,55,769.58
Changes in Inventories	23	<b>9,854.11</b>	(1,243.00)
Employee benefit expenses	24	<b>7,662.49</b>	7,137.41
Finance cost	25	<b>4,174.64</b>	5,907.88
Depreciation, Depletion and Amortisation on:			
a) Tangible Assets		<b>5,074.33</b>	6,199.91
b) Intangible Assets		<b>144.68</b>	160.08
		<b>5,219.01</b>	6,359.99
Other expenses	26	<b>32,174.54</b>	31,525.11
<b>Total expenses</b>		<b>4,48,352.00</b>	<b>4,83,471.73</b>
<b>Profit before Prior Periods, Exceptional Items and Tax</b>		<b>5,360.65</b>	8,315.02
Income / (Expenses) pertaining to Prior Periods (Net)	27	<b>(14.39)</b>	(83.97)
<b>Profit before Exceptional Items and Tax</b>		<b>5,346.26</b>	<b>8,231.05</b>
Exceptional Items (Refer point 3 of Note - 43)		<b>1,668.09</b>	1,746.80
<b>Profit before Tax</b>		<b>7,014.35</b>	<b>9,977.85</b>
Tax expense:			
Current tax [includes ₹ (151.15) crore (2014: ₹ (140.96) crore) relating to prior years]		<b>1,388.18</b>	2,925.04
MAT Credit Entitlement [includes ₹ (9.58) crore (2014: ₹ Nil crore) relating to prior years]		<b>(164.44)</b>	(3.13)
Deferred tax [includes ₹ (703.40) crore (2014: Nil) relating to prior years]		<b>918.83</b>	89.36

Contd...

Particulars	Note No.	March-15	March-14 (₹ in Crore)
<b>Profit for the year</b>		<b>4,871.78</b>	6,966.58
Less: Share of Minority		<b>(40.24)</b>	(119.01)
<b>Profit for the Group</b>		<b>4,912.02</b>	7,085.59
<b>Earning per Equity Share (₹):</b>	<b>33</b>		
(1) Basic		<b>20.23</b>	29.18
(2) Diluted		<b>20.23</b>	29.18
Face Value Per Equity Share (₹)		<b>10</b>	10

Principles of Consolidation and Significant Accounting Policies 1

Notes on Financial Statements 2 - 43

Total Revenue includes ₹ 7,497.47 crore (2014: ₹ 7,326.37 crore) share of jointly controlled entities.

Total Expenses includes ₹ 7,658.18 crore (2014: ₹ 7,227.84 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 DASS GUPTA & ASSOCIATES**  
Chartered Accountants  
(Firm Regn. No. 000112N)

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

**For J GUPTA & CO.**  
Chartered Accountants  
(Firm Regn. No. 314010E)

Sd/-  
**(CA. Nancy Murarka)**  
Partner  
M. No. 067953

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

Sd/-  
**(CA. Thalendra Sharma)**  
Partner  
M No. 079236

**Place** : New Delhi  
**Date** : 29<sup>th</sup> May, 2015

**CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March 2015**

(₹ in Crore)

Particulars	March-15	March-14
<b>A Cash Flow from Operating Activities</b>		
1 Profit Before Tax	7,014.35	9,977.85
2 Adjustments for:		
Depreciation, Depletion and Amortization	5,190.42	6,369.13
Loss/(Profit) on sale of Assets (net)	(23.33)	64.71
Loss/(Profit) on sale of Investments (net)	(33.32)	40.48
Amortisation of Capital Grants	(3.19)	(2.26)
Amortisation of Premium on Forward Contracts	(669.70)	(582.76)
Provision for Probable Contingencies (net)	453.20	238.11
Provision for Loss on Investments (net)	(521.47)	483.12
Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores (net)	25.92	126.74
Provision for Dimunition in 'Receivable from trust' (net)	(348.34)	(0.29)
Provision for MTM loss on interest rate swap	(47.75)	(30.61)
Foreign Currency Monetary Item Translation Difference Account	(0.72)	(47.66)
Interest Income on Investments	(964.35)	(1,037.41)
Dividend Income on Investments	(821.15)	(860.24)
Interest Expenditure	<u>4,174.57</u>	<u>5,910.06</u>
	6,410.79	10,671.12
3 Operating Profit before Working Capital Changes (1+2)	13,425.14	20,648.97
4 Change in Working Capital: (Excluding Cash & Bank Balances)		
Trade & Other Receivables	13,962.46	(1,879.12)
Inventories	22,400.59	(5,747.47)
Trade and Other Payables	<u>(1,467.84)</u>	<u>13,068.13</u>
	34,895.21	5,441.54
5 Cash Generated From Operations (3+4)	48,320.35	26,090.51
6 Less : Taxes Paid	2,344.17	1,895.58
7 Net Cash Flow from Operating Activities (5-6)	<b>45,976.18</b>	24,194.93
<b>B Cash Flow from Investing Activities:</b>		
Sale/Transfer of Assets	785.16	400.38
Sale / Maturity of Investments	586.78	1,119.85
Interest Income on Investments	980.74	1,038.29
Dividend Income on Investments	821.15	860.24
Purchase of Assets	(4,626.60)	(8,865.20)
Investments in Long Term Investments / Others	(191.77)	(188.90)
Expenditure on Construction Work in Progress	<u>(8,532.43)</u>	<u>(12,959.09)</u>
Net Cash Generated/(Used) in Investing Activities:	<b>(10,176.97)</b>	(18,594.43)

Contd...

(₹ in Crore)

Particulars	March-15	March-14
<b>C Net Cash Flow From Financing Activities:</b>		
Proceeds from Long-Term Borrowings	7,858.78	17,336.21
Repayments of Long-Term Borrowings	(6,590.37)	(2,792.85)
Proceeds from/(Repayments of) Short-Term Borrowings	(31,754.15)	(8,945.91)
Interest paid	(5,187.91)	(6,872.16)
Dividend/Dividend Tax paid	(2,609.01)	(1,841.07)
Net Cash Generated/(Used) from Financing Activities:	<u>(38,282.66)</u>	(3,115.78)
<b>D Net Change in Cash &amp; Bank Balances (A+B+C)</b>	<u>(2,483.45)</u>	<u>2,484.72</u>
E - 1 Cash & Bank Balances as at end of the year	1,221.07	3,704.52
Less:		
E - 2 Cash & Bank Balances as at the beginning of year	3,704.52	1,219.80
<b>NET CHANGE IN CASH &amp; BANK BALANCE (E 1-2)</b>	<u>(2,483.45)</u>	<u>2,484.72</u>

**Notes:**

1. Cash & Bank Balances as at end of the year
- Less: Other Bank Balances
- Total Cash and Cash Equivalents**
2. Cash and Bank balance includes ₹ 46.95 crore which are not readily available for use (refer Note-19).
3. Figures for previous periods 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 DASS GUPTA & ASSOCIATES**  
 Chartered Accountants  
 (Firm Regn. No. 000112N)

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

**For J GUPTA & CO.**  
 Chartered Accountants  
 (Firm Regn. No. 314010E)

Sd/-  
**(CA. Nancy Murarka)**  
 Partner  
 M. No. 067953

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

Sd/-  
**(CA. Thalendra Sharma)**  
 Partner  
 M. No. 079236

Place : New Delhi  
 Date : 29<sup>th</sup> May, 2015

## 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. 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
1.	Chennai Petroleum Corporation Ltd.	India	Subsidiary	51.89%
2.	Lanka IOC PLC	Sri Lanka	Subsidiary	75.12%
3.	Indian Oil (Mauritius) Ltd.	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. Ltd. (Name changed from Indo Cat Pvt. Ltd on 14.10.14)	India	Subsidiary	100%
8.	IndOil Global B.V.	Netherlands	Subsidiary	100%
9.	IOT Infrastructure & Energy Services Ltd.	India	Joint Venture	48.79%
10.	Lubrizol India Pvt. Ltd.	India	Joint Venture	50%
11.	AVI-OIL India Pvt. Ltd.	India	Joint Venture	25%
12.	Petronet LNG Ltd.	India	Joint Venture	12.5%
13.	Indian Oil Petronas Pvt. Ltd.	India	Joint Venture	50%
14.	Green Gas Ltd.	India	Joint Venture	49.97%

15.	IndianOil Skytanking Pvt. Ltd.	India	Joint Venture	33.33%
	(Converted into Pvt. Ltd. Co. w.e.f. 10.03.15)			
16.	Suntera Nigeria 205 Ltd.	Nigeria	Joint Venture	25%
17.	Delhi Aviation Fuel Facility (Private) Limited	India	Joint Venture	37%
18.	Indian Synthetic Rubber Private Limited (Converted into Pvt. Ltd. Co. w.e.f. 31.03.15)	India	Joint Venture	50%
19.	NPCIL IndianOil Nuclear Energy Corporation Limited	India	Joint Venture	26%
20.	GSPL India Transco Ltd.	India	Joint Venture	26%
21.	GSPL India Gasnet Ltd.	India	Joint Venture	26%
22.	IndianOil Adani Gas Pvt. Ltd.	India	Joint Venture	50%
23.	Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	India	Joint Venture	25%
24.	Kochi Salem Pipelines Pvt. Limited (incorporated on 22.01.15)	India	Joint Venture	50%

**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. and Indian Oil Ruchi Biofuels LLP 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 except 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 stage 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.
- 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-15	March-14		
<b>Authorised:</b> 600,00,00,000 Equity Shares of ₹ 10 each	<u><u>6,000.00</u></u>	6,000.00		
<b>Issued, Subscribed and Paid Up:</b> 2,42,79,52,482 (2014: 2,42,79,52,482) Equity Shares of ₹ 10 each	<u><u>2,427.95</u></u>	2,427.95		
<b>TOTAL</b>	<u><u>2,427.95</u></u>	2,427.95		
<b>A. Reconciliation of No. of Equity Shares</b>				
Opening Balance	<u><u>2,42,79,52,482</u></u>	2,42,79,52,482		
Shares Issued	-	-		
Shares bought back	-	-		
Closing Balance	<u><u>2,42,79,52,482</u></u>	2,42,79,52,482		
<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 corporation in proportion to the number of equity shares held.				
<b>C. Details of shareholders holdings more than 5% shares</b>				
Name of Shareholder	March-15	March-14		
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
PRESIDENT OF INDIA	1664965562	68.57	1664965562	68.57
OIL AND NATURAL GAS CORPORATION LIMITED	334303814	13.77	334303814	13.77

- D. Aggregate shares allotted as fully paid up Bonus Shares by Capitalization of General Reserve / Securities Premium during preceding five years (in November 2009) are 1,21,39,76,241 no. of equity shares of ₹ 10 each.

**NOTE - 3: RESERVES AND SURPLUS**

Particulars		(₹ in Crore)	March-15	March-14
<b>Capital Reserve:</b>				
As per Last Account		388.25	389.85	
On Consolidation		<u>60.79</u>	<u>(1.60)</u>	388.25
		<b>449.04</b>		
<b>Securities Premium:</b>				
As per Last Account		194.09	128.55	
Addition during the year		<u>(105.79)</u>	<u>65.54</u>	194.09
		<b>88.30</b>		
<b>General Reserve:</b>				
As per Last Account		60,993.59	55,261.82	
Less: Adjustment of Depreciation (Companies Act, 2013)	A	987.23	-	
Add: Transfer from Capital Grant	A	2.82	-	
Add: Transfer from Bond Redemption Reserve		1,829.65	361.65	
Add: Opening Balance Adjustment		(32.02)	-	
Add: Appropriation from Profit and Loss		<u>2,588.18</u>	<u>5,370.12</u>	60,993.59
		<b>64,394.99</b>		
<b>Insurance Reserve:</b>	B			
As per Last Account		144.10	124.10	
Less: Recoupment of uninsured fire loss		0.62	-	
Add: Appropriation from Profit and Loss		<u>20.00</u>	<u>20.00</u>	144.10
		<b>163.48</b>		
		<b>53.72</b>		53.72
<b>Export Profit Reserve</b>	C			
<b>Capital Grants:</b>	D			
As per Last Account		23.34	17.09	
Add: Received/ (Written Back) during the year		1.34	8.51	
Less: Transfer to General Reserve	A	2.82	-	
Less: Amortised during the year		<u>3.19</u>	<u>2.26</u>	23.34
		<b>18.67</b>		
<b>Bond Redemption Reserve:</b>				
As per Last Account		3,697.26	2,499.52	
Add: Provision during the year		703.25	1,559.39	
Less: Write-back of provision on redemption of bonds		<u>1,829.65</u>	<u>361.65</u>	3,697.26
		<b>2,570.86</b>		
<b>Corporate Social Responsibility Reserve:</b>	E			
As per Last Account		20.45	37.48	
Add: Appropriation from Profit and Loss		112.95	64.88	
Less: Utilised during the year		<u>113.79</u>	<u>81.91</u>	20.45
		<b>19.61</b>		
<b>Balance of Profit and Loss:</b>				
Balance Brought Forward from Last Year's Account		(360.27)	2,075.83	
Add: Opening Balance Adjustment		69.22	(0.03)	
Add: Profit for the Year		4,912.02	7,085.59	
<b>Less: Appropriations</b>				
Final Dividend (Proposed)		1,681.08	2,212.85	
Corporate Dividend Tax on Final Dividend (Proposed)		342.47	376.33	
Insurance Reserve (Net)		19.38	20.00	
Bond Redemption Reserve		703.25	1,559.39	
Corporate Social Responsibility Reserve (Net)		(0.84)	(17.03)	
General Reserve		<u>2,588.18</u>	<u>5,370.12</u>	(360.27)
Balance carried forward to next year		<b>(712.55)</b>		Contd...

(₹ in Crore)

Particulars	March-15	March-14
<b>Foreign Currency Monetary Item Translation Difference Account</b>		
As per Last Account	316.36	-
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	(417.76)	364.02
Less: Amortised during the year	0.72	47.66
	<u>102.12</u>	<u>316.36</u>
<b>Translation Reserve on Consolidation</b>		
As per Last Account	14.18	20.06
Add: Translation difference	(553.86)	(5.88)
	<u>(539.68)</u>	<u>14.18</u>
<b>TOTAL</b>	<b>66,404.32</b>	<b>65,485.07</b>
Share of jointly controlled entities	<u>845.30</u>	<u>1,152.42</u>

- A. Refer point no. 4 of Note-43.
- 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 in holding company for meeting expenses relating to CSR activities.

## NOTE - 4: LONG TERM BORROWINGS

(₹ in Crore)

Particulars	Long Term		Current Maturities	
	March-15	March-14	March-15	March-14
<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-XIII B	405.00	-	-	1,700.00
Non-Convertible Redeemable Bonds-Series-XII C&G	-	1,295.00	1,295.00	-
Non-Convertible Redeemable Bonds-Series-IX D	1,600.00	1,600.00	-	-
Non-Convertible Redeemable Bonds-Series-VII B E&G	-	500.00	500.00	-
Non-Convertible Redeemable Bonds-Series-V F&G	31.60	63.20	31.60	31.60
	<u>3,106.60</u>	4,528.20	<u>1,826.60</u>	<u>1,731.60</u>
<b>Debentures:</b>				
Non-Convertible Debentures H	2,238.78	2,000.00	1,000.00	-
Convertible Debentures (Issued by Subsidiary/JV entities)	<u>-</u>	<u>95.88</u>	<u>-</u>	<u>-</u>
	<u>2,238.78</u>	2,095.88	<u>1,000.00</u>	<u>-</u>
<b>Term Loans:</b>	I			
From banks	455.41	1,364.75	169.01	235.32
From other parties				
Oil Industry Development Board (OIDB)	1,374.00	1,359.50	405.50	597.50
Others	<u>148.86</u>	<u>203.37</u>	<u>35.04</u>	<u>31.28</u>
	<u>1,978.27</u>	2,927.62	<u>609.55</u>	864.10
<b>Finance Lease Obligation</b>	J			
		<u>3,565.02</u>	<u>2,961.04</u>	<u>108.42</u>
<b>Total Secured Loans</b>		<b>10,888.67</b>	<b>12,512.74</b>	<b>3,544.57</b>
				2,685.60
				Contd...

(₹ in Crore)

Particulars	K&G	L	Long Term		Current Maturities	
			March-15	March-14	March-15	March-14
<b>UNSECURED LOANS</b>						
<b>Bonds</b>						
Foreign Currency Bonds	K&G	8,285.50	7,942.84	-	2,996.00	
Senior Notes (Bank of America)	L	1,875.15	1,797.60	-	-	
		<b>10,160.65</b>	9,740.44			2,996.00
<b>Debentures</b>						
Non-Convertible Debentures	M	162.50	37.50	-	-	-
<b>Term Loans:</b>						
From Banks/Financial Institutions:						
In Foreign Currency Loans	N	15,459.01	13,405.89	3,142.99	34.02	
From Others						
In Rupees	O	27.19	76.25	51.25	267.75	
		<b>15,486.20</b>	13,482.14	<b>3,194.24</b>	<b>301.77</b>	
		<b>97.87</b>	<b>92.34</b>			
<b>Loans and advances from related parties</b>	P	<b>25,907.22</b>	<b>23,352.42</b>	<b>3,194.24</b>	<b>3,297.77</b>	
<b>Total Unsecured Loans</b>		<b>36,795.89</b>	<b>35,865.16</b>	<b>6,738.81</b>	<b>5,983.37</b>	
<b>TOTAL LONG-TERM BORROWINGS</b>		<b>2,493.02</b>	<b>2,180.60</b>	<b>204.37</b>	<b>217.07</b>	
Share of jointly controlled entities						

**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 holding 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	17,000 Bonds of face value of ₹ 10,00,000/- each	6 <sup>th</sup> May 2013	8.14 % p.a. payable annually on 30th June (starting after 18 months) from the date of exercise of first put/call option	After 5 years with put/call option after 18 and 36 months from the date of allotment. During the year company has partly exercised the call option for ₹ 1295 crore.	These are secured by way of registered mortgage over the immovable properties of the holding Company at Gujarat Refinery situated at Vadodara in the State of Gujarat ranking pari passu with Bond Series VII B & XII holders and OIDB
C	12,950 Bonds of face value of ₹ 10,00,000/- each	30 <sup>th</sup> April 2012	9.35 % p.a. payable annually on 30th June	After 5 years with put/call option after 3rd year from the date of allotment.	These are secured by way of registered mortgage over the immovable properties of the holding 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.
D	16,000 Bonds of face value of ₹ 10,00,000/- each	11 <sup>th</sup> December 2008	10.70 % p.a. payable annually on 30th June	After 8 years from the date of allotment.	These are secured by way of registered mortgage over the immovable properties of the holding 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.
E	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.	These are secured by way of registered mortgage over the immovable properties of the holding Company at Gujarat Refinery situated at Vadodara in the state of Gujarat ranking pari passu with Bond Series XII & 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 30th September	Redeemable in 13 equal installments from the end of the 3rd year upto the end of 15th year from the date of allotment. Accordingly, 11th instalment (STRPP K) was paid in July 2014.	These are secured by way of registered mortgage over the holding 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 Holding company has earmarked 6.90% Oil Marketing companies GOI Special Bonds 2026 of carrying value of ₹ 273.99 crore (2014 : ₹ 709.14 crore) being 15% of the total bonds value of ₹ 1,826.60 crore (2014 : ₹ 4,727.60 crore) maturing in the next financial year.				

### Non-Convertible Debentures (H)

	Particulars	Allotment Date	Coupon Rate	Date of Redemption	Security Details
1	10,000 Nos. of 9.65% secured Redeemable Non convertible debentures (Series-II) of ₹ 10 Lakh each	10th January 2014	9.65 % p.a. payable annually on 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	18th February 2013	8.85 % p.a. payable annually on 18th February.	Principal repayable at the end of 5 years or on the exercise of put/call option either in whole or in part at the end of 3 years from 18.02.2013 being date of allotment.	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.	9th April 2014	9.8% to 10.6% p.a. payable on maturity of STRPP, Quarterly and Semi-Annual installments.	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	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 respective Company; all rights, titles and interests of the company in to and under all Project Documents, Insurances, charge/assignment on the Accounts (as well as amounts lying to the credit thereof, including a Guarantee of JV Company)

### 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.

#### 2. Loan Repayment Schedule against loans from OIDB (Secured)-Term Loans

S.No.	Repayable During	Repayable Amount (₹ In Crore)	Range of Interest Rate
1	2015-16	405.50	8.20% - 9.27%
2	2016-17	510.50	8.20% - 9.27%
3	2017-18	510.50	8.20% - 9.27%
4	2018-19	248.00	8.20% - 9.27%
5	2019-20	105.00	8.20% - 8.45%
<b>Total</b>		<b>1,779.50</b>	

#### 3. Security Details for other Term Loans

S.No.	Particulars	Rate of Interest	Repayment Period	Security Details
a)	Term Loan (₹ 49.28 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 plan and equipments / moveable fixed assets of the respective company.
b)	Term Loan (₹ 67.67 Crs)	Base Rate plus 125 bps p.a.	Repayable in 48 quarterly installments from June 2016	First Charge by way of mortgage of immovable property and hypothecation of moveable assets relating to the respective Company's Raipur Terminal Project.
c)	Term Loan (₹ 170.77 Crs)	Base Rate plus 75 bps p.a.	₹ 73.19 Crores repayable on 31 <sup>st</sup> March 2017 and the balance Rs. 97.58 Crores is repayable in 16 quarterly installments from December 2016.	First Charge on the immovable property and moveable assets relating to the Company's Navghar Terminal in Navi Mumbai, second charge on the immovable and movable assets of Raipur Terminal project and second charge on respective Company's Current Assets.
d)	Term Loan (₹ 31.71 Crs)	14.50% p.a.	Repayable quarterly in a tenure of 78 months comprising moratorium of 15 months as on 31st March 2015.	First Charge on the Fixed Assets of the respective Company. Second Charge on the Current Assets of the Company and Corporate Guarantee of IOT Infrastructure & Energy Service Ltd.

e)	Term Loan (₹ 17.37 Crs)	USD Libor plus 3.75% & 10% to 12.75% p.a.	Part Amount of ₹ 8.17 Crs to be repaid in 36 months and ₹ 6.47 Crs will be converted in Rupee Loan and balance in monthly / quarterly installments by 2016	First Charge by way of hypothecation of specific plant and equipments, current assets, and future receivables.
f)	Term Loan (₹ 83.41 Crs)	Base Rate Plus 25 bps	32 Equal Quarterly Installment from 30.09.2012	First Charge on Fixed Assets of Ennore LPG Import / Export Terminal and Haldia LPG Import / Export Terminal, both present and future.
g)	Term Loan (₹ 134.23 Crs)	Weighted Average Cost of 8.87% p.a. (inclusive of hedging cost)	Half yearly Installments for four loans maturing in 2018, 2019, 2019 & 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 (₹ 0.76 Crs)	Base Rate plus 25 Basis Points	72 equal monthly installments from Oct 2015.	First Pari Passu Charge on the movable and immovable fixed assets of the project of M/s Green Gas Ltd.
i)	Term Loan (₹ 6.86 Crs)	Fixed Rate of interest by entering into hedge from other bank.	12 Quarterly Installments as on 31.03.2015 (2015-16 - ₹ 3.45 Crs, 2016-17 - ₹ 3.44 Crs & 2017-18 - ₹ 3.42 Crs)	Hypothecation of Plant & Machinery & Other moveable assets, inventory, present & future assignment of payment under multiple banking arrangement, ranking paripassu.
j)	Term Loan (₹ 42.21 Crs)	Base Rate + 0.05% to 0.30%	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

Note: Above excludes current maturities of long term debts in Jointly controlled entities.

#### J. Finance Lease Obligation

The Finance Lease Obligation is against assets acquired under Finance Lease. The carrying value of the same is ₹ 3,663.54 Crores (refer Note - 32).

#### Unsecured Loans

#### K. Repayment Schedule of Foreign Currency Bonds

S.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 325.58 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. Unsecured Non Convertible Debentures

S.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

#### N. Repayment Schedule of loans from Banks and financial institutions

- 1 USD 56.77 Million long term credit (credit in four tranches of USD 7.39 Million dt. 31<sup>st</sup> March 2004, USD 15.29 Million dt. 30<sup>th</sup> Nov. 2004, USD 32.49 Million dt. 22<sup>nd</sup> April 2005 and USD 1.60 Million dt 10<sup>th</sup> June 2005) guaranteed by US Ex-Im Bank is payable in 20 semi annual installments of USD 2.84 Million starting from 20<sup>th</sup> March 2006.
- 2 Foreign Currency Term Loan facility of USD 600 million. Drawal upto 31.03.2015 is 116.39 million (₹ 571.61 Crs). The Term Loan is available and can be drawn upon until March 31, 2016 (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.

S.No.	Particulars of Loans	Date of drawal	Date of Repayment
1	USD 500 Million syndication loan	31 <sup>st</sup> Dec. 2010	
2	USD 250 Million syndication loan	15 <sup>th</sup> Dec. 2011	
3	USD 300 Million syndication loan	13 <sup>th</sup> July. 2012	
4	USD 120 Million syndication loan	12 <sup>th</sup> March 2013	
5	USD 650 Million syndication loan	27 <sup>th</sup> June 2014	
6	USD 500 Million syndication loan	In three tranches between 5 <sup>th</sup> September 2013 to 11 <sup>th</sup> September 2013	
7	USD 500 Million syndication loan	In four tranches between 24 <sup>th</sup> December 2013 to 8 <sup>th</sup> January 2014	
			Payable after 5 years from the date of drawal
			Payable after 3 years from the date of drawal

**Others:**

	Particulars	Rate of Intt.	Repayment schedule
1	Term loan of ₹ 36.26 Crs	Libor + 0.75%	Repayable in 7 years commencing from November 2011 after an initial moratorium of two years. The loan is fully hedged as on 31 <sup>st</sup> March 2015.
2	Term loan of ₹ 209.98 Crs	Libor + 0.7375%	Six Equal Installment from May 2019
3	Term loan of ₹ 140 Crs	Libor + 1.00%	Five Installments from March 2017.

**O. Repayment Schedule of Unsecured-Rupee Loans from OIDB**

S.No.	Repayable During	Repayable Amount (₹ In Crore)	Range of Interest Rate
1	2015-16	51.25	7.20% - 8.89%
2	2016-17	25.00	8.89%
3	For JV Entities	2.19	
	<b>Total</b>	<b>78.44</b>	

**P. Loans and advances from related parties**

S.No.	Amount	Rate of Intt.	Repayment schedule
1	₹ 97.87 Crs	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:

	As on 01.04.2014	Adjusted in Opening General Reserve	Provided during the year*	Balance as on 31.03.2015	₹ in Crore
<b>Deferred Tax Liability:</b>					
Related to Fixed Assets	10,789.16	(494.47)	1,297.98	11,592.67	
<b>Total Deferred Tax Liability (A)</b>	<b>10,789.16</b>	<b>(494.47)</b>	<b>1,297.98</b>	<b>11,592.67</b>	
<b>Deferred Tax Assets:</b>					
Provision on Inventories, Trade Receivables, Loans and advances, Investments	569.98	-	(190.37)	379.61	
Compensation for Voluntary Retirement Scheme	27.50	-	(7.64)	19.86	
43B Disallowances etc.	3,051.61	-	67.61	3,119.22	
Foreign Currency gain on long term monetary item	73.97	-	(125.31)	(51.34)	
Capital Grants	7.93	(0.96)	(0.51)	6.46	
Provision for Leave Encashment/Retirement Benefits	546.95	-	(130.47)	416.48	
Carry forward Business Loss / Unabsorbed Depreciation	34.92	-	735.27	770.19	
Others	53.46	-	43.18	96.64	
<b>Total Deferred Tax Assets (B)</b>	<b>4,366.32</b>	<b>(0.96)</b>	<b>391.76</b>	<b>4,757.12</b>	
<b>Deferred Tax Liability (Net) (A – B)</b>	<b>6,422.84</b>	<b>(493.51)</b>	<b>906.22</b>	<b>6,835.55</b>	
Previous Year	6,332.28	-	90.56	6,422.84	
Share of jointly controlled entities	125.07			152.55	
<b>As per Balance Sheet</b>					
Deferred Tax Liability	6,456.77			6,883.52	
Deferred Tax Asset	33.93			47.97	
<b>Deferred Tax Liability (Net)</b>	<b>6,422.84</b>			<b>6,835.55</b>	

\* Includes:

1. Considered in Translation Reserve due to translation of Opening Balance at closing exchange rate. (1.47)
2. Opening Balance Adjustment (11.14)

## NOTE - 6: OTHER LIABILITIES

(₹ in Crore)

Particulars	Long Term		Current	
	March-15	March-14	March-15	March-14
Current maturities of long-term debt (Refer Note 4)	-	-	6,738.81	5,983.37
Interest accrued but not due on loans	-	-	607.35	726.70
Interest accrued and due on borrowings	-	-	8.07	53.07
Liability for Capital Expenditure	118.53	84.06	2,196.51	2,314.14
Liability to Trusts and Other Funds	-	-	1,178.84	747.49
Employee Liabilities	0.02	0.05	930.10	968.89
Statutory Liabilities	-	-	6,025.26	5,532.98
Advances from Customers	112.50	37.50	2,957.21	2,030.84
Investor Education & Protection Fund to be credited on the due dates :				
- Unpaid Dividend	-	-	44.75	44.84
- Unpaid Matured Deposits	-	-	0.01	0.01
			44.76	44.85
Security Deposits	15,220.00	13,414.15	895.63	765.60
Long Term Trade Payables	1.08	2.66	-	-
Other Liabilities	2.17	153.17	2,065.03	1,531.52
<b>TOTAL</b>	<b>15,454.30</b>	<b>13,691.59</b>	<b>23,647.57</b>	<b>20,699.45</b>
Share of jointly controlled entities	114.47	191.85	736.69	663.89

**NOTE - 7: PROVISIONS**

Particulars	(₹ in Crore)			
	Long Term		Short Term	
	March-15	March-14	March-15	March-14
Provision for Employee Benefits	475.71	443.19	2,231.17	2,132.52
Provision for Taxation	-	-	16.16	930.48
Proposed Dividend	-	-	1,681.08	2,212.85
Corporate Dividend Tax	-	-	342.04	395.64
Contingencies for probable obligations	A	-	23,259.24	20,021.43
Provision for MTM Loss on Interest Rate Swap		-	42.72	90.47
Other Provisions	0.26	0.15	28.90	19.53
<b>TOTAL</b>	<b>475.97</b>	<b>443.34</b>	<b>27,601.31</b>	<b>25,802.92</b>
Share of jointly controlled entities	<b>17.21</b>	<b>14.02</b>	<b>193.84</b>	<b>171.41</b>

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

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance*
Excise	5.09	0.52	-	-	5.61
Sales Tax	1,012.69	493.76	6.01	14.07	1,486.37
Entry Tax	18,902.48	2,714.50	10.55	-	21,606.43
Others	101.17	72.32	4.30	8.36	160.83
<b>TOTAL</b>	<b>20,021.43</b>	<b>3,281.10</b>	<b>20.86</b>	<b>22.43</b>	<b>23,259.24</b>
Previous Year	17,279.58	3,295.55	7.87	545.83	20,021.43

**Additions include:**

	March-15
- capitalized	26.39
- included in Raw Material	2,263.97
- included in Finance Cost	447.31
- Others - Relating to Jointly controlled entities	45.77
- amount transferred from liabilities to provisions	0.66
- Contingency recoverable from Debtors	0.51

\* 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-15	(₹ in Crore) March-14
<b>SECURED LOANS</b>			
<b>Loans Repayable on Demand</b>			
<b>From Banks:</b>			
Working Capital Demand Loan	A	4,512.79	10,633.65
Cash Credit		1,982.80	41.04
Foreign Currency Loans		816.89	160.60
		<u>7,312.48</u>	<u>10,835.29</u>
<b>From Others:</b>			
Loans through Collateralised Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd. (CCIL)	B	2,630.00	18.75
		<u>9,942.48</u>	<u>10,854.04</u>
<b>UNSECURED LOANS</b>			
<b>Loans Repayable on Demand</b>			
<b>From Banks/Financial Institutions:</b>			
In Foreign Currency		9,805.85	31,577.19
In Rupees		1,601.89	9,661.09
<b>From Others</b>			
Commercial Paper		-	675.00
Inter-Corporate Deposits		-	236.77
		<u>11,407.74</u>	<u>42,150.05</u>
<b>Other Loans and Advances</b>			
		7.98	63.26
		<u>11,415.72</u>	<u>42,213.31</u>
		<u><u>21,358.20</u></u>	<u><u>53,067.35</u></u>
		<u><u>199.53</u></u>	<u><u>419.04</u></u>
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 SBI and HDFC banks.
- B. Against pledging of Oil Marketing Companies Government of India Special Bonds amounting to ₹ 4,365.00 crore and Bank Guarantees of ₹ 1,650.00 crore in favour of CCIL.

## NOTE - 9: TRADE PAYABLES

Particulars		March-15	(₹ in Crore) March-14
Due of Micro, Small and Medium Enterprises		14.71	14.99
Due to Related Parties		507.95	825.11
Due to others		<u>31,098.32</u>	<u>39,870.65</u>
		<u><u>31,620.98</u></u>	<u><u>40,710.75</u></u>
Share of jointly controlled entities		<u><u>507.46</u></u>	<u><u>731.79</u></u>

**NOTE - 10: TANGIBLE ASSETS**

	AT COST					DEPRECIATION, DEPLETION		
	Gross Block as at 1.04.14	Additions during the year	Transfers from Construction Work-in-Progress	Disposals / Deductions / Transfers / Reclassifications	Gross Block as at 31.03.15	Depreciation, Depletion & Amortisation as at 1.04.14	Additional Dep. (Schedule-II) Charged to Opening Reserve/CWIP	Depreciation and Amortisation during the year
(Refer C)								
Land - Freehold	1,368.74	86.67	0.00	6.70	1,462.11	0.00	0.00	0.00
- Leasehold	784.70	630.69	0.53	0.34	1,416.26	130.49	0.00	34.06
Buildings, Roads etc.	10,478.91	105.89	870.33	18.91	11,474.04	1,939.34	928.80	755.15
Plant and Equipment	1,06,183.55	2,485.06	5,600.06	(278.21)	1,13,990.46	49,441.11	344.55	3,694.62
Office Equipments	2,101.49	127.16	81.16	(712.37)	1,597.44	1,040.07	171.43	273.14
Transport Equipments	452.38	7.83	16.68	(201.47)	275.42	354.61	0.29	8.51
Furnitures and Fixtures	400.02	24.53	18.13	348.05	790.73	199.85	38.23	80.12
Railway Sidings	209.16	11.49	0.00	(3.33)	217.32	143.05	9.44	11.74
Drainage, Sewage and Water Supply System	330.14	1.01	22.69	(66.45)	287.39	210.08	0.18	5.81
E&P Producing Properties	2,888.79	1,155.98	467.16	(245.28)	4,266.65	58.14	0.00	287.62
<b>Total</b>	<b>1,25,197.88</b>	<b>4,636.31</b>	<b>7,076.74</b>	<b>(1,133.11)</b>	<b>1,35,777.82</b>	<b>53,516.74</b>	<b>1,492.92</b>	<b>5,150.77</b>
Previous Year	1,13,401.02	8,880.62	3,717.14	(800.90)	1,25,197.88	47,610.02	0.00	6,237.13

A Considering the Government policies and modalities of compensating the oil marketing companies towards under-recoveries, future cash flows have been worked out based on desired margins for deciding on impairment of related Cash Generating Units. In view of the assumption being technical, peculiar to the industry and policy matter, the auditors have relied on the same.

B Land and Buildings include **₹ 96.80 crore** (2014: ₹ 94.41 crore) in respect of which Title / Lease Deeds are pending for execution or renewal.

C Depreciation charged to opening general reserve due to change in useful life as per the transitional provisions of Schedule II to the Companies Act, 2013. Also refer point no 4 of Note-43.

Net Block of Tangible Assets includes **₹ 2,134.73 crore** (2014 : ₹ 2,031.24 crore) share of jointly controlled entities.

**Details of assets under lease included above:**

(₹ in Crore)

Asset Particulars	Original Cost	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.15	W.D.V. as at 31.03.14
<b>Plant and Equipment:</b>					
Given on Operating Lease	14.76	12.40	-	2.36	2.23
Taken on Finance Lease	3,572.34	142.95	-	3,429.39	1,875.60
<b>Furnitures and Fixtures:</b>					
Taken on Finance Lease	1.84	0.20	-	1.64	1.82

(₹ in Crore)

Disposals / Deductions / Transfers / Reclassifications	Total Depreciation, Depletion and Amortisation upto 31.03.15	AMORTISATION AND IMPAIRMENT				NET BLOCK	
		Total Impairment Loss as at 1.04.14	Impairment Loss during the year	Impairment loss reversed during the year	Total Impairment Loss upto 31.03.15	AS AT 31.03.15	AS AT 31.03.14
(Refer A)							
0.00	0.00	0.00	0.00	0.00	0.00	1,462.11	1,368.74
0.05	164.60	0.00	0.00	0.00	0.00	1,251.66	654.21
86.06	3,709.35	0.00	0.00	0.00	0.00	7,764.69	8,539.57
(87.40)	53,392.88	0.00	0.00	0.00	0.00	60,597.58	56,742.44
(330.31)	1,154.33	0.00	0.00	0.00	0.00	443.11	1,061.42
(134.41)	229.00	0.00	0.00	0.00	0.00	46.42	97.77
93.69	411.89	0.00	0.00	0.00	0.00	378.84	200.17
(3.45)	160.78	0.00	0.00	0.00	0.00	56.54	66.11
(38.04)	178.03	0.00	0.00	0.00	0.00	109.36	120.06
(16.01)	329.75	0.00	0.00	0.00	0.00	3,936.90	2,830.65
<b>(429.82)</b>	<b>59,730.61</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>76,047.21</b>	<b>71,681.14</b>
(330.41)	53,516.74	0.00	0.00	0.00	0.00	71,681.14	

### 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 31.03.15	W.D.V. as at 31.03.14
Land - Freehold	HPC/BPC	3.10	-	-	3.10	3.10
Land - Leasehold	HPC/BPC/BALMER LAWRIE	0.18	0.06	-	0.12	0.13
Buildings	HPC/BPC/BALMER LAWRIE	18.74	8.32	-	10.42	11.44
Plant and Equipment	HPC/BPC/GSFC/IPCL/GNRE	127.48	79.09	-	48.39	51.27
Railway Sidings	HPC/BPC	55.01	46.48	-	8.53	12.55
Drainage,Sewage & Water Supply	GSFC	0.99	0.94	-	0.05	0.05
Furniture	HPC/BPC	-	-	-	-	-
<b>Total</b>		<b>205.50</b>	<b>134.89</b>	-	<b>70.61</b>	<b>78.54</b>
Previous year		205.29	126.75	-	78.54	

### Additions to Gross Block Includes:

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	31.03.15	31.03.14	31.03.15	31.03.14
Land - Freehold	-	-	-	-
Land - Leasehold	-	-	-	-
Buildings	0.40	(0.03)	-	0.38
Plant and Equipment	179.97	420.91	30.59	51.52
Office Equipments	0.01	-	-	-
Transport Equipment	-	-	-	-
Furniture & Fixtures	-	0.01	-	-
Railway Sidings	-	-	-	-
Drainage,Sewage & Water Supply	-	-	-	-
<b>Total</b>	<b>180.38</b>	<b>420.89</b>	<b>30.59</b>	<b>51.90</b>

**NOTE - 11: INTANGIBLE ASSETS**

	AT COST					DEPRECIATION	
	Gross Block as at 1.04.14	Additions during the year	Transfers from Construction Work-in-Progress	Disposals / Deductions / Transfers / Reclassifications	Gross Block as at 31.03.15	Total Amortisation as at 1.04.14	Amortisation during the year
Right of Way	162.13	12.84	0.00	0.01	174.98	10.60	3.17
Licenses	1,307.36	6.09	41.51	(19.59)	1,335.37	747.32	120.60
Computer Software	206.80	17.95	5.66	(0.44)	229.97	178.14	23.26
Goodwill	A	67.92	0.00	0.00	(64.26)	3.66	23.28
Other Intangible Assets	10.09	0.00	0.00	(9.63)	0.46	9.54	0.11
<b>Total</b>	<b>1,754.30</b>	<b>36.88</b>	<b>47.17</b>	<b>(93.91)</b>	<b>1,744.44</b>	<b>968.88</b>	<b>147.74</b>
Previous Year	1,699.19	38.82	6.87	9.42	1,754.30	803.28	161.58

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 ₹ **30.00 crore** (2014: ₹ 54.45 crore) share of jointly controlled entities.

**NOTE - 12: CAPITAL WORK IN PROGRESS**

Particulars		(₹ in Crore)	March-15	March-14
Construction Work in Progress - Tangible Assets (Including unallocated capital expenditure, materials at site)	A	<b>24,716.32</b>		23,455.83
Less: Provision for Capital Losses		<b>11.03</b>		20.02
			<b>24,705.29</b>	23,435.81
Capital stores		<b>3,875.04</b>		4,167.47
Less: Provision for Capital Losses		<b>3.82</b>		3.49
			<b>3,871.22</b>	4,163.98
Capital Goods in Transit			<b>274.70</b>	281.63
Construction Period Expenses pending allocation:				
Balance as at beginning of the year		<b>5,853.53</b>		3,480.88
Add: Opening Balance Adjustment		<b>12.18</b>		6.39
Add: Net expenditure during the year (Note -"12.1")		<b>2,138.40</b>		2,575.93
		<b>8,004.11</b>		6,063.20
Less: Allocated to Assets during the year		<b>137.28</b>		209.67
			<b>7,866.83</b>	5,853.53
<b>TOTAL</b>			<b>36,718.04</b>	<b>33,734.95</b>
Share of jointly controlled entities			<b>348.92</b>	<b>212.87</b>

A. Includes Capital Expenditure amounting to ₹ **11.94 crore** (2014: NIL) relating to ongoing Oil & Gas Development activities.

(₹ in Crore)

Disposals / Deductions / Transfers / Reclassifications	AMORTISATION AND IMPAIRMENT				NET BLOCK	
	Total Amortisation upto 31.03.15	Total Impairment Loss as at 1.04.14	Impairment Loss during the year	Total Impairment Loss upto 31.03.15	AS AT 31.03.15	AS AT 31.03.14
0.03	13.80	0.00	0.00	0.00	161.18	151.53
(3.56)	864.36	0.00	0.00	0.00	471.01	560.04
(0.24)	201.16	0.00	0.00	0.00	28.81	28.66
(22.31)	1.57	0.00	0.00	0.00	2.09	44.64
(9.29)	0.36	0.00	0.00	0.00	0.10	0.55
<b>(35.37)</b>	<b>1,081.25</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>663.19</b>	<b>785.42</b>
4.02	968.88	0.00	0.00	0.00	785.42	

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

(₹ in Crore)

Particulars	March-15	March-14
Employee Benefit expenses	291.12	261.26
Repairs and Maintenance	18.43	15.45
Consumption of Stores and Spares	5.10	4.42
Power & Fuel	22.52	37.89
Rent	8.55	10.30
Insurance	40.56	35.12
Rates and Taxes	0.96	0.26
Travelling Expenses	33.64	39.47
Communication Expenses	2.71	2.17
Printing and Stationery	1.25	1.30
Electricity and Water Charges	53.74	16.69
Bank Charges	3.76	0.42
Technical Assistance Fees	3.41	0.12
Exchange Fluctuation	653.34	1,131.19
Finance Cost	893.99	995.71
Depreciation, Depletion and Amortisation on:		
Tangible Assets	105.93	28.79
Intangible Assets	2.16	0.79
Start Up/ Trial Run Expenses (net of revenue)	0.39	(0.45)
Others	49.68	45.92
<b>Total Expenses</b>	<b>2,191.24</b>	<b>2,626.82</b>
<b>Less: Recoveries</b>	<b>52.84</b>	<b>50.89</b>
<b>Net Expenditure during the year</b>	<b>2,138.40</b>	<b>2,575.93</b>

**NOTE - 13: INTANGIBLE ASSETS UNDER DEVELOPMENT**

Particulars	March-15	(₹ in Crore) March-14
Work in Progress - Intangible Asset (Including Unallocated Capital Expenditure)	3,786.29	4,452.22
Less: Provision for Loss	<u>126.26</u>	126.26
<b>TOTAL</b>	<b><u>3,660.03</u></b>	<b>4,325.96</b>
Share of jointly controlled entities	<b><u>3,660.03</u></b>	<b>4,325.96</b>
	<b><u>101.10</u></b>	<b>96.10</b>

A. Includes Capital Expenditure (Net) amounting to ₹ 3,176.20 crore (2014: ₹ 3,849.14 crore) relating to ongoing Oil & Gas Exploration activities.

**Note - 14: INVESTMENTS**

Particulars	March-15	(₹ in Crore) March-14	
<b>NON-CURRENT INVESTMENTS (At Cost Less Provision Other than temporary diminution):</b>			
<b>1. QUOTED: In Equity Shares</b>			
<b>Trade Investments:</b>			
Oil and Natural Gas Corporation Limited	65,79,23,428 (2014: 65,79,23,428) Equity Shares each fully paid	1,780.12	1,780.12
GAIL (India) Limited	3,06,29,661 (2014: 3,06,29,661) Equity Shares each fully paid	122.52	122.52
Oil India Limited	2,67,50,550 (2014: 2,67,50,550) Equity Shares each fully paid	1,123.52	1,123.52
	<b>TOTAL (1)</b>	<b>3,026.16</b>	3,026.16
(Market Value of ₹ 22,560.32 crore (2014: ₹ 23,414.71 Crore)			
<b>2. UNQUOTED:</b>			
<b>Trade Investments:</b>			
<b>(a) In Government Securities</b>			
6.90% Oil Marketing Companies GOI Special Bonds 2026	52,00,000 (2014: 52,00,000)	5,200.00	5,200.00
Less: Provision for Diminution	Number of Bonds	488.80	488.80
	<b>TOTAL (2a)</b>	<b>4,711.20</b>	4,711.20
<b>(b) In Equity Shares</b>			
Indian Additives Limited	11,83,401 (2014: 11,83,401) Equity Shares each fully paid	11.83	11.83
BioTech Consortium India Ltd.	1,00,000 (2014: 1,00,000) Equity Shares each fully paid	0.10	0.10
MRL Industrial Cooperative Service Society Ltd	9,000 (2014: 9,000) Equity Shares each fully paid	0.01	0.01
Ceylon Petroleum Storage Terminal Limited*	75,00,00,000 (2014: 75,00,00,000) Equity Shares each fully paid	206.85	201.36
Mer Rouge Oil Storage Terminal (MOST)	5,000 (2014: Nil) Equity Shares each fully paid	0.87	0.00
Pacific Northwest LNG Ltd.	10,000 (2014: 10,000) Equity Shares each fully paid	0.49	0.54
International Cooperative Petroleum Association, New York	350 (2014: 350) Equity Shares fully paid up and partly paid up Common stock of \$72.31	0.02	0.02
Haldia Petrochemical Limited	15,00,00,000 (2014: 15,00,00,000) Equity Shares each fully paid	150.00	150.00
Vadodara Enviro Channel Limited (Formerly Effluent Channel Projects Limited)	7,151 (2014: 7,151) Equity Shares each fully paid	0.00	0.00
{Amount Invested is ₹ 10 (2014: ₹ 10)}			

Contd...

## Note - 14: INVESTMENTS (Contd.)

Particulars		₹ in Crore	
		March-15	March-14
Woodlands Multispeciality Hospital Limited	1,01,095 (2014: 1,01,095) Equity Shares each fully paid	<b>0.10</b>	0.10
Adani Petronet (Dahei) Port Pvt. Ltd.	Proportionate share in holdings of JV entities	<b>11.25</b>	11.25
National Aromatics and Petrochemical Corporation Limited	25,000 (2014: 25,000)	<b>0.03</b>	0.03
Less: Provision for Dimunition	Equity Shares each fully paid	<b>0.03</b>	0.03
		<b>0.00</b>	0.00
Others		<b>355.53</b>	308.76
	<b>TOTAL (2b)</b>	<b>737.05</b>	683.97
<b>(c) Others</b>			
Pacific Northwest LNG LP	Capital Fund	<b>147.60</b>	95.22
British Columbia Shale Gas Partnership	Capital Fund	<b>87.38</b>	0.00
In Petroleum India International (AOP by Oil Companies)			
- Capital Fund		<b>20.00</b>	20.00
- Share in accumulated surpluses		<b>31.72</b>	29.41
		<b>51.72</b>	49.41
	<b>TOTAL (2c)</b>	<b>286.70</b>	144.63
	<b>TOTAL (2)</b>	<b>5,734.95</b>	5,539.80
<b>TOTAL NON CURRENT INVESTMENTS</b>	<b>TOTAL (1+2)</b>	<b>8,761.11</b>	8,565.96
<b>CURRENT INVESTMENTS: (Valued at Lower of Cost or Fair Market Value)</b>			
<b>UNQUOTED:</b>			
<b>(a) In Government Securities</b>			
Oil Companies GOI SPL Bonds #	73,12,020 (2014: 79,74,040)	<b>7,312.02</b>	7974.04
Less: Provision for Diminution	Number of Bonds	<b>41.11</b>	691.34
		<b>7,270.91</b>	7,282.70
Other Government Securities	Proportionate share in holdings of JV entities	<b>0.00</b>	6.24
<b>(b) In Liquid Mutual Funds</b>	Proportionate share in holdings of JV entities	<b>36.66</b>	40.04
<b>TOTAL CURRENT INVESTMENTS</b>		<b>7,307.57</b>	7,328.98
<b>TOTAL INVESTMENTS</b>		<b>16,068.68</b>	15,894.94
Share of jointly controlled entities		<b>47.91</b>	57.64

\* Lanka IOC PLC owns 33 1/3% of the 750,000,000 shares 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 of 250,000,000 shares. The Ceylon Petroleum Corporation owns 66 2/3% of 750,000,000 shares 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 local currency.

### # Current investment Consists:

Nature of Bond	No. of Bonds	Face Value (₹ in Crore)	Marked to Market value (₹ in Crore)
8.13% GOI SPECIAL BONDS 2021	78,000	78.00	78.00
7.95% GOI SPECIAL BONDS 2025	4,57,250	457.25	457.25
8.20% GOI SPECIAL BONDS 2023	14,53,510	1,453.51	1,453.51
6.90% GOI SPECIAL BONDS 2026	5,74,930	574.93	533.82
8.00% GOI SPECIAL BONDS 2026	16,43,270	1,643.27	1,643.27
8.20% GOI SPECIAL BONDS 2024	31,05,060	3,105.06	3,105.06
<b>Total</b>	<b>73,12,020</b>	<b>7,312.02</b>	<b>7,270.91</b>

Out of total 6.90% Oil Marketing Companies GOI Special Bonds 2026, ₹ **273.99 crore** (2014 : ₹ 709.14 crore) has been earmarked by the Holding Company in line with the requirement of Companies (Share Capital and Debentures) Rules, 2014.

**NOTE - 15: LOANS AND ADVANCES**

Particulars	(₹ in Crore)			
	Long Term		Short Term	
	March-15	March-14	March-15	March-14
<b>Advance for Capital Expenditure</b>				
<b>To Related Parties</b>				
Unsecured, Considered Good	<b>16.38</b>	1.54	-	-
	<b>16.38</b>	1.54	-	-
<b>To Others</b>				
Secured, Considered Good	<b>5.26</b>	91.25	-	-
Unsecured, Considered Good	<b>1,131.10</b>	948.48	-	-
Unsecured, Considered Doubtful	<b>0.10</b>	0.10	-	-
	<b>1,136.46</b>	1,039.83	-	-
	<b>1,152.84</b>	1,041.37	-	-
Less: Provision for Doubtful Advance	<b>0.10</b>	0.10	-	-
	<b>1,152.74</b>	1,041.27	-	-
<b>Advances for Investments</b>				
Joint Ventures	-	13.96	-	-
<b>Advance recoverable in cash or in kind or for value to be received:</b>				
<b>From Related Parties</b>				
Secured, Considered Good	<b>0.23</b>	0.03	<b>8.55</b>	0.01
Unsecured, Considered Good	<b>353.28</b>	180.58	<b>74.77</b>	40.24
Unsecured, Considered Doubtful	-	-	<b>8.96</b>	2.25
	<b>353.51</b>	180.61	<b>92.28</b>	42.50
Less: Provision for Doubtful Advances	-	-	<b>8.96</b>	2.25
	<b>353.51</b>	180.61	<b>83.32</b>	40.25
<b>From Others</b>				
Secured, Considered Good	<b>773.46</b>	801.87	<b>85.37</b>	81.74
Unsecured, Considered Good	<b>1,522.10</b>	1,562.95	<b>2,921.88</b>	4,575.97
Unsecured, Considered Doubtful	<b>0.33</b>	0.33	<b>63.21</b>	63.48
	<b>2,295.89</b>	2,365.15	<b>3,070.46</b>	4,721.19
Less: Provision for Doubtful Advances	<b>0.33</b>	0.33	<b>63.21</b>	63.48
	<b>2,295.56</b>	2,364.82	<b>3,007.25</b>	4,657.71
	<b>2,649.07</b>	2,545.43	<b>3,090.57</b>	4,697.96
<b>Amount Recoverable from Central/State Govt.:</b>				
Unsecured, Considered Good	-	-	<b>10,012.54</b>	20,533.12
<b>Finance Lease Receivables</b>				
<b>Claims Recoverable:</b>				
<b>From Related Parties</b>				
Unsecured, Considered Good	-	-	<b>0.14</b>	0.17
Unsecured, Considered Doubtful	-	-	<b>17.01</b>	17.01
	-	-	<b>17.15</b>	17.18
<b>From Others</b>				
Secured, Considered Good	-	-	-	9.21
Unsecured, Considered Good	-	-	<b>878.42</b>	1,137.69
Unsecured, Considered Doubtful	-	-	<b>105.06</b>	101.86
	-	-	<b>983.48</b>	1,248.76
Less : Provision for Doubtful Claims	-	-	<b>122.07</b>	118.87
	-	-	<b>878.56</b>	1,147.07

Contd...

## NOTE - 15: LOANS AND ADVANCES (Contd.)

(₹ in Crore)

Particulars	Long Term		Short Term	
	March-15	March-14	March-15	March-14
<b>Balance with Customs, Port Trust and Excise Authorities:</b>				
Unsecured, Considered Good	-	-	159.47	124.29
<b>Deposits for Leave Encashment Fund</b>	-	-	2,483.96	2,262.43
<b>Advance Tax</b>	1,070.07	1,051.47	87.65	39.31
<b>Mat Credit Receivable</b>	30.08	3.50	698.17	560.47
<b>Materials given on loan:</b>				
<b>To Related Parties</b>				
Secured, Considered Good	-	-	-	0.06
Less : Deposits received	-	-	-	0.06
<b>Sundry Deposits</b>				
<b>a) To Related Parties</b>				
i) Unsecured, Considered Good	58.71	58.39	-	-
	58.71	58.39	-	-
<b>b) To Others</b>				
i) Secured, Considered Good	9.23	9.23	-	-
ii) Unsecured, Considered Good	131.42	261.24	14,558.57	11,883.98
iii) Unsecured, Considered Doubtful	0.20	-	0.22	0.31
	140.85	270.47	14,558.79	11,884.29
	199.56	328.86	14,558.79	11,884.29
Less: Provision for Doubtful Deposits	0.20	-	0.22	0.31
	199.36	328.86	14,558.57	11,883.98
<b>TOTAL</b>	6,487.86	6,417.36	32,047.95	41,294.18
Share of jointly controlled entities	1,633.15	1,691.86	307.17	347.55
<b>Includes:</b>				
Due from Directors	0.27	0.07	0.08	0.02
Due from Officers	3.56	3.34	1.89	1.60

**NOTE - 16: OTHER ASSETS**

Particulars	Non Current		Current		₹ in Crore
	March-15	March-14	March-15	March-14	
Interest Accrued on Investments/ Bank Deposits	-	-	141.89	158.28	
Gold Coins in Hand (at Cost)	-	-	7.28	6.60	
Receivable from IOC Shares Trust		1,989.78		1,989.78	
Less: Provision for Diminution		-		348.34	
			1,989.78	1,641.44	
Premium on Forward Contract	-	-	-	1.40	
Discount on Issue of Bonds	9.25	10.98	1.74	2.88	
Unamortized Borrowing Cost	133.03	59.04	66.02	37.09	
Assets Held for Disposal	-	-	37.49	34.68	
Other Assets	59.24	14.85	709.29	1,017.02	
Less: Provision	-	-	6.31	6.74	
	59.24	14.85	702.98	1,010.28	
<b>TOTAL</b>	<b>201.52</b>	<b>84.87</b>	<b>2,947.18</b>	<b>2,892.65</b>	
Share of jointly controlled entities	59.24	14.85	120.22	400.27	

**NOTE - 17: INVENTORIES**

Particulars	₹ in Crore	
	March-15	March-14
<b>In Hand:</b>		
Stores, Spares etc.	3,970.12	3,531.52
Less: Provision for Losses	187.72	166.08
	3,782.40	3,365.44
Raw Materials	11,417.77	21,476.32
Finished Products	15,849.44	23,815.15
Stock in Trade	5,972.58	6,398.83
Stock in Process	4,630.02	6,297.23
WIP - Construction Contracts	10.46	16.77
Barrels and Tins	33.02	37.24
	41,695.69	61,406.98
<b>In Transit:</b>		
Stores, Spares etc.	159.53	145.70
Raw Materials	6,685.26	9,615.10
Finished Products	1.65	1.53
Stock in Trade	1,375.26	1,170.31
	8,221.70	10,932.64
<b>TOTAL</b>	<b>49,917.39</b>	<b>72,339.62</b>
Share of jointly controlled entities	342.52	417.95

## NOTE - 18: TRADE RECEIVABLES

Particulars	₹ in Crore	
	March-15	March-14
<b>Over Six Months:</b>		
<b>From Related Parties</b>		
Unsecured, Considered Good	0.23	0.34
<b>From Others</b>		
Unsecured, Considered Good	<b>515.20</b>	327.06
Unsecured, Considered Doubtful	<b>155.63</b>	142.17
	<b>670.83</b>	469.23
	<b>671.06</b>	469.57
	<b>155.63</b>	142.17
	<b>515.43</b>	327.40
Less: Provision for Doubtful Debts		
<b>Other Debts:</b>		
<b>From Related Parties</b>		
Unsecured, Considered Good	67.97	106.23
<b>From Others</b>		
Secured, Considered Good	139.12	137.45
Unsecured, Considered Good	<b>6,922.25</b>	11,972.48
Unsecured, Considered Doubtful	<b>48.23</b>	61.16
	<b>7,109.60</b>	12,171.09
	<b>7,177.57</b>	12,277.32
	<b>48.23</b>	61.16
Less: Provision for Doubtful Debts		
	<b>7,129.34</b>	12,216.16
	<b>7,644.77</b>	12,543.56
	<b>485.42</b>	596.82
Share of jointly controlled entities		
<b>TOTAL</b>		

**NOTE - 19: CASH AND BANK BALANCES**

Particulars		March-15	(₹ in Crore) March-14
<b>Cash and Cash Equivalents</b>			
<b>Bank Balances with Scheduled Banks:</b>			
Current Account		360.50	1,251.51
Fixed Deposit - Maturity within 3 months		414.71	1,329.30
Earmarked Balances	A	<u>44.92</u>	44.95
		<u>820.13</u>	2,625.76
<b>Bank Balances with Non-Scheduled Banks:</b>			
Bank of Commerce & Development, Libya		0.61	0.59
Myanmar Economic Bank Branch(5), Rangoon	B	<u>0.01</u>	0.01
		<u>0.62</u>	0.60
<b>Cheques, Drafts in hand</b>		<b>64.41</b>	149.42
<b>Cash Balances, Including Imprest</b>		<b>4.86</b>	5.20
<b>Other Bank Balances</b>			
Fixed Deposit	C	330.30	922.67
Blocked Account		<u>0.75</u>	0.87
		<u>331.05</u>	923.54
<b>TOTAL</b>		<b>1,221.07</b>	3,704.52
Share of jointly controlled entities		<b>536.63</b>	479.57

A) Pertains to Unpaid Dividend/Fractional Share Warrants.

B) There exists restrictions on repatriation of said amount from Myanmar.

C) Includes ₹ 1.27 crore earmarked in favour of Port Authorities.

**NOTE - 20: REVENUE FROM OPERATIONS (GROSS)**

Particulars		March-15	(₹ in Crore) March-14
Sale of Products and Crude		4,73,759.25	4,82,061.86
Less: Discounts		<u>6,382.97</u>	6,183.40
Sales (Net of Discounts)		<u>4,67,376.28</u>	4,75,878.46
Sale of Services		1,428.61	1,490.15
Other Operating Revenues (Note "20.1")		<u>1,193.49</u>	1,085.46
		<u>4,69,998.38</u>	4,78,454.07
Net Claim/(Surrender) of SSC		(569.91)	(447.69)
Subsidy From Central/State Govt.	A	<u>1,652.12</u>	1,774.97
Grant from Government of India	B	<u>14,960.00</u>	37,182.27
<b>TOTAL</b>		<b>4,86,040.59</b>	5,16,963.62

A. Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ₹ **1,604.90 crore** (2014: ₹ 1,718.81 crore) and subsidies on sales of SKO & LPG to customers in Bhutan amounting to ₹ **44.04 crore** (2014: ₹ 52.21 crore) have been reckoned as per the schemes notified by Government of India. In addition, incentive of ₹ **3.18 crore** (2014: ₹ 3.95 crore) have been reckoned against sale of power from wind mills.

B1. The Group has accounted for Budgetary Support of ₹ **14,960.00 crore** towards under-recovery on sale of regulated products viz HSD (Upto 18.10.2014), SKO (PDS) and LPG (Domestic) for the current year (2014: ₹ 37,182.27) crore 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 ₹ **23,597.11 crore** (2014: ₹ 34,673.59 crore) on Crude Oil/Products purchased from ONGC/GAIL/OIL. Out of this, ₹ **22,568.44 crore** (2014: ₹ 32,535.89 crore) has been adjusted against purchase of raw material and ₹ **1,028.67 crore** (2014: ₹ 2,137.70 crore) has been adjusted against purchase of stock in trade.

## NOTE - 20.1: OTHER OPERATING REVENUES

Particulars	₹ in Crore	
	March-15	March-14
Sale of Power and Water	131.46	90.83
Unclaimed / Unspent liabilities written back	44.46	56.03
Provision for Doubtful Debts, Advances, Claims, and Stores written back	27.73	22.49
Provision for Contingencies written back	43.29	19.16
Recoveries from Employees	25.70	23.10
Retail Outlet Licence Fees	120.75	115.07
Income from Non Fuel Business	154.17	152.87
Commission and Discount Received	13.73	13.72
Sale of Scrap	128.61	116.04
Income from Finance Leases	0.75	0.90
Amortisation of Capital Grants	3.19	2.26
Commodity Hedging Gain (Net)	6.29	32.12
Revenue Grants	0.70	1.45
Terminalling Charges	20.74	9.14
Other Miscellaneous Income	471.92	430.28
<b>TOTAL</b>	<b>1,193.49</b>	<b>1,085.46</b>

**NOTE - 21: OTHER INCOME**

Particulars		March-15	(₹ in Crore) March-14
<b>Interest on:</b>			
Loans and Advances		<b>83.00</b>	71.43
Fixed Deposits with Banks		<b>44.06</b>	31.51
Short Term Deposits with Banks		<b>3.89</b>	0.61
Customers Outstandings		<b>365.34</b>	408.27
Oil Companies GOI SPL Bonds	A	<b>964.35</b>	1,037.41
Others		<b>228.65</b>	339.26
		<b>1,689.29</b>	1,888.49
<b>Dividend:</b>	B		
From Related Parties		<b>106.45</b>	72.73
From Other Companies		<b>714.70</b>	787.51
		<b>821.15</b>	860.24
Profit on Sale of Investments (Net)		<b>33.32</b>	-
Provision For Investment Written Back (Net)		<b>521.47</b>	-
Provision for Diminution in Trust Written Back (Net)		<b>348.34</b>	0.29
Profit on sale and disposal of Assets		<b>23.33</b>	-
Amortisation of Premium/Discount on Forward Contracts		<b>669.70</b>	582.76
MTM Gain on IRS		<b>47.75</b>	30.61
Amortisation of FC Monetary Item Translation		<b>0.72</b>	47.66
Other Non Operating Income	C	<b>48.92</b>	31.77
	<b>TOTAL</b>	<b>4,203.99</b>	<u>3,441.82</u>
A. Interest on Oil Companies GOI SPL Bonds include interest on:			
Current Investments		<b>605.55</b>	768.31
Non-Current Investments		<b>358.80</b>	269.10
B. Dividend Income consists of Dividend on:			
Current Investments		<b>0.07</b>	4.06
Non-Current Investments		<b>821.08</b>	856.18
C. Includes share of profit in Petroleum India International		<b>2.31</b>	2.20

## NOTE - 22: COST OF MATERIAL CONSUMED

Particulars	₹ in Crore	
	March-15	March-14
Raw Material Consumed:		
Opening Balance	31,091.42	26,901.83
Add: Purchases	<u>2,35,461.42</u>	2,82,204.35
	<b>2,66,552.84</b>	3,09,106.18
Less: Closing Stock	<b>18,103.03</b>	31,091.42
<b>TOTAL</b>	<b>2,48,449.81</b>	2,78,014.76

Particulars relating to consumption of raw material are shown as per Note - 39. Purchases has been adjusted by ₹ 22,568.44 crore (2014: ₹ 32,535.89 crore) received as discount on crude oil purchased from ONGC/OIL.

## NOTE - 23: CHANGE IN INVENTORIES

Particulars	₹ in Crore	
	March-15	March-14
<b>Closing Stock</b>		
Finished Products	15,851.09	23,816.68
Stock in Process	4,630.02	6,297.23
Stock- in - trade	<u>7,347.84</u>	7,569.14
	<b>27,828.95</b>	37,683.05
Less:		
<b>Opening Stock</b>		
Finished Products	23,816.68	22,352.96
Stock in Process	6,297.23	6,108.78
Stock - in - Trade	7,569.14	7,978.31
Opening Stock Adjustment	<u>0.01</u>	-
	<b>37,683.06</b>	36,440.05
<b>NET INCREASE / (DECREASE)</b>	<b>(9,854.11)</b>	<b>1,243.00</b>

## NOTE - 24: EMPLOYEE BENEFIT EXPENSES

Particulars	₹ in Crore	
	March-15	March-14
Salaries, Wages, Bonus etc.	5,161.40	5,491.42
Contribution to Provident & Other Funds	1,487.37	952.65
Voluntary Retirement Compensation	2.76	37.58
Staff Welfare Expenses	<u>1,010.96</u>	655.76
<b>TOTAL</b>	<b>7,662.49</b>	7,137.41

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

**NOTE - 25: FINANCE COST**

Particulars	March-15	(₹ in Crore)
	March-15	March-14
Interest Payments on:		
Fixed period loans from Banks/Financial Institutions/Others	<b>568.08</b>	573.49
Bonds/ Debentures	<b>690.47</b>	580.78
Short Term loans from Banks	<b>663.16</b>	1,545.24
Others	<b>1,228.11</b>	1,492.73
	<hr/> <b>3,149.82</b>	<hr/> 4,192.24
Other Borrowing Cost	<b>90.92</b>	53.95
Applicable Net Gain / (Loss) on Foreign Currency Transactions and Translation	<b>933.90</b>	1,661.99
	<hr/> <b>4,174.64</b>	<hr/> 5,907.88
<b>TOTAL</b>		

**NOTE - 26: OTHER EXPENSES**

Particulars	March-15	(₹ in Crore)
	March-15	March-14
Consumption:		
a) Stores, Spares and Consumables	<b>1,595.50</b>	1,267.72
b) Packages & Drum Sheets	<b>465.70</b>	459.12
	<hr/> <b>2,061.20</b>	<hr/> 1,726.84
Power & Fuel	<b>23,458.82</b>	25,825.78
Less: Fuel from own production	<b>17,184.90</b>	19,484.01
	<hr/> <b>6,273.92</b>	<hr/> 6,341.77
Throughput, Processing & Blending Fees, Royalty and Other Charges	<b>989.28</b>	908.83
Octroi, Other Levies and Irrecoverable taxes	<b>1,238.39</b>	1,198.78
Repairs and Maintenance		
i) Plant & Machinery	<b>2,402.46</b>	2,257.31
ii) Buildings	<b>201.15</b>	198.67
iii) Others	<b>373.12</b>	269.82
	<hr/> <b>2,976.73</b>	<hr/> 2,725.80
Freight, Transportation Charges and Demurrage	<b>10,986.92</b>	9,689.69
Office Administration, Selling and Other Expenses (Note-"26.1")	<b>7,134.12</b>	9,786.20
	<hr/> <b>31,660.56</b>	<hr/> 32,377.91
Less: Company's use of own Products and Crude	<b>856.19</b>	824.26
	<hr/> <b>30,804.37</b>	<hr/> 31,553.65
Duties (Net)	<b>A</b>	(28.54)
	<hr/> <b>32,174.54</b>	<hr/> 31,525.11
<b>TOTAL (Net)</b>		

A. Includes an amount of ₹ **1,377.29 crore** (2014 : ₹ 5.07 Crore) on account of difference of Excise Duty between opening and closing stock of finished goods.

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

(₹ in Crore)

Particulars	March-15	March-14
Rent	<b>527.84</b>	509.72
Insurance	<b>154.59</b>	154.34
Rates & Taxes	<b>118.15</b>	109.54
Donations	<b>0.02</b>	0.23
Payment to auditors		
a) Audit Fees	<b>1.90</b>	1.97
b) Tax Audit Fees	<b>0.26</b>	0.25
c) Other Services(for issuing certificates etc.)	<b>0.43</b>	0.54
d) Re-imbursement of Expenses	<b>0.58</b>	0.58
	<b>3.17</b>	3.34
Travelling & Conveyance	<b>524.37</b>	524.57
Communication Expenses	<b>65.12</b>	57.87
Printing & Stationery	<b>38.16</b>	35.94
Electricity & Water	<b>269.68</b>	253.10
Bank Charges	<b>26.52</b>	39.96
Bad Debts, Advances & Claims written off	<b>37.85</b>	3.30
Provision/ Loss on Assets sold or written off (Net)	<b>-</b>	64.71
Technical Assistance Fees	<b>30.96</b>	42.07
Exchange Fluctuation (net)	<b>797.00</b>	3,649.99
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.	<b>53.65</b>	149.23
Provision for Dimunition in Investments	<b>-</b>	483.12
Security Force Expenses	<b>376.27</b>	340.32
Sales Promotion Expenses (Incl. Commission)	<b>697.20</b>	718.52
Handling Expenses	<b>347.06</b>	362.63
Expenses on Enabling Facilities	<b>87.31</b>	71.46
Terminalling Charges	<b>30.21</b>	15.85
Provision for Probable Contingencies	<b>496.49</b>	257.27
Exploration & Production Cost	<b>599.30</b>	364.59
Loss on Sale of Investments (Net)	<b>-</b>	40.48
Expenses on CSR Activities	<b>117.13</b>	83.97
Miscellaneous Expenses	<b>1,736.07</b>	1,450.08
<b>TOTAL</b>	<b>7,134.12</b>	9,786.20

**NOTE - 27: INCOME / EXPENSES PERTAINING TO PRIOR PERIODS**

Particulars	(₹ in Crore)	
	March-15	March-14
<b>Income:</b>		
Miscellaneous Income	<b>1.62</b>	2.94
<b>Total Income</b>	<b>1.62</b>	2.94
<b>Expenditure:</b>		
Purchase of Products and Crude	<b>19.65</b>	-
Raw Materials Consumption	-	(14.30)
Depreciation, Depletion and Amortization on:		
Tangible Assets	<b>(29.49)</b>	8.43
Intangible assets	<b>0.90</b>	0.71
Consumption of Stores, Spares and Consumables	<b>0.70</b>	(0.25)
Technical fees	-	(0.29)
Power and Fuel	-	(0.63)
Repairs and Maintenance	<b>2.84</b>	8.36
Interest	<b>(0.07)</b>	2.18
Rent	<b>(0.07)</b>	16.27
Rates & Taxes	<b>0.17</b>	-
Employee Benefit Expenses	-	(6.52)
Other Expenses	<b>21.38</b>	72.95
<b>Total Expenditure</b>	<b>16.01</b>	86.91
<b>NET INCOME /(EXPENDITURE)</b>	<b>(14.39)</b>	(83.97)

**NOTE - 28: CONTINGENT LIABILITIES & COMMITMENTS****A. Contingent Liabilities\***

A.1 Contingent Liabilities amounting to ₹ **13,088.70 crore** (2014: ₹ 11,981.90 crore) are as under:

- A.1.1 ₹ **4,707.24 crore** (2014: ₹ 5,001.92 crore) being the demands raised by the Central Excise /Customs/ Service Tax/ VAT/ Sales Tax Authorities including interest of ₹ **1,508.11 crore** (2014: ₹ 1,545.08 crore).
  - A.1.2 ₹ **2,133.47 crore** (2014: ₹ 1,173.20 crore) in respect of demands for Entry Tax from State Governments including interest of ₹ **345.77 crore** (2014: ₹ 46.10 crore).
  - A.1.3 ₹ **3,149.71 crore** (2014: ₹ 2,973.43 crore) in respect of Income Tax demands including interest of ₹ **257.46 crore** (2014: ₹ 233.90 crore).
  - A.1.4 ₹ **2,215.75 crore** (2014: ₹ 2,137.54 crore) including ₹ **1,466.66 crore** (2014: ₹ 1,617.93 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator.This includes interest of ₹ **71.27 crore** (2014: ₹ 65.77 crore).
  - A.1.5 ₹ **882.53 crore** (2014: ₹ 695.81 crore) in respect of other claims including interest of ₹ **272.32 crore** (2014: ₹ 119.16 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 Pending decision of the Government, no liability could be determined and provided for in respect of additional compensation, if any, payable to the land owners and the Government for certain lands acquired.
- A.3 Air India has entered into tripartite agreement with 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 holding company in case of nonpayment by M/s Air India to the bank. The estimated amount of such obligation is ₹ **271.03 Crore** (2014 : Nil).
- A-4 In addition to above, the Group has also issued several guarantees amounting to ₹ **13.64 crore** (2014: ₹ 0.09 crore) in favour of various third parties.

**B. Commitments****B.1 Capital Commitments\***

Estimated amount of contracts remaining to be executed on Capital Account not provided for ₹ **12,764.57 crore** (2014: ₹ 14,428.57 crore).

**B.2 Other Commitments**

The Group has an export obligation to the extent of ₹ **3,884.37 crore** (2014: ₹ 2,828.55 crore) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.

- B.3 To meet the direction of Honorable High court of Orissa, the holding company has a commitment to pay ₹ 97.75 Crores towards providing high tech ambulances, removal of old anicut and construction of water treatment plant in the state of Orissa . In addition company has to incur cost towards dredging through Orissa Construction Co , a state government agency estimate for which yet to be finalised.

\* 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 Group has recognised **₹ 347.92 crore** (2014: ₹ 344.58 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 pending allocation in Note-12).
- (ii) In addition, during the year, the Group has recognised **₹ 32.00 crore** (2014: ₹ 21.62 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 pending allocation in Note-12).

**(b) Pension**

During the year, the Group has recognised **₹ 207.44 crore** (2014: ₹ 322.04 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 pending allocation in Note-12).

**(c) Reconciliation of balance of 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
Defined Obligation at the beginning of the year	<b>1,424.12</b>	<b>2.42</b>	<b>5.80</b>	<b>2,059.79</b>	<b>1,952.77</b>	<b>44.27</b>	<b>74.07</b>	<b>195.94</b>	<b>5.86</b>	<b>182.97</b>
	1,521.84	1.80	5.49	2,092.45	1,685.72	35.77	82.83	239.66	7.61	114.69
Translation Difference	-	<b>0.07</b>	-	-	-	-	-	-	-	-
	-	0.12	-	-	-	-	-	-	-	-
Current Service Cost	<b>10.33</b>	<b>0.38</b>	<b>0.27</b>	<b>126.44</b>	<b>94.77</b>	<b>0.80</b>	<b>12.59</b>	<b>36.76</b>	<b>0.18</b>	-
	12.71	0.31	0.27	140.05	116.67	0.65	10.77	38.50	0.19	-
Interest Cost	<b>132.70</b>	<b>0.25</b>	<b>0.48</b>	<b>191.34</b>	<b>181.02</b>	<b>3.49</b>	<b>6.91</b>	<b>18.18</b>	<b>0.46</b>	<b>16.60</b>
	125.37	0.23	0.42	170.07	139.07	3.04	7.53	21.66	0.52	8.61
Past Service Cost	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Benefits paid	<b>(137.85)</b>	<b>(0.04)</b>	<b>(1.28)</b>	<b>(534.53)</b>	<b>(133.11)</b>	<b>(2.48)</b>	<b>(4.97)</b>	<b>(25.97)</b>	<b>(1.06)</b>	<b>(24.12)</b>
	(141.12)	(0.08)	(0.56)	(334.51)	(129.45)	(2.20)	(4.71)	(30.25)	(2.58)	(20.74)
Actuarial (gain)/ loss on obligations	<b>118.38</b>	<b>0.28</b>	<b>1.64</b>	<b>315.44</b>	<b>480.13</b>	<b>8.55</b>	<b>(5.01)</b>	<b>(35.40)</b>	<b>(0.13)</b>	<b>27.67</b>
	(94.68)	0.04	0.18	(8.27)	140.76	7.01	(22.35)	(73.63)	0.12	80.41
Defined Benefit Obligation at the end of the year	<b>1,547.68</b>	<b>3.36</b>	<b>6.91</b>	<b>2,158.48</b>	<b>2,575.58</b>	<b>54.63</b>	<b>83.59</b>	<b>189.51</b>	<b>5.31</b>	<b>203.12</b>
	1,424.12	2.42	5.80	2,059.79	1,952.77	44.27	74.07	195.94	5.86	182.97

**(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 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 beginning of the year	<b>1,887.46</b>	-	<b>5.41</b>	-	<b>1,212.49</b>	-	-	-	<b>5.01</b>	-
	1,859.28	-	5.12	-	943.22	-	-	-	7.14	-
Expected return on plan assets	<b>164.06</b>	-	<b>0.45</b>	-	<b>105.49</b>	-	-	-	<b>0.45</b>	-
	161.47	-	0.41	-	82.06	-	-	-	0.52	-
Contribution by employer	<b>2.62</b>	-	<b>1.65</b>	-	<b>197.25</b>	-	-	-	<b>1.00</b>	-
	0.75	-	0.45	-	296.08	-	-	-	-	-
Contribution by Employees	-	-	-	-	<b>1.10</b>	-	-	-	-	-
	-	-	-	-	1.12	-	-	-	-	-
Benefit paid	<b>(137.85)</b>	-	<b>(1.28)</b>	-	<b>(133.11)</b>	-	-	-	<b>(1.06)</b>	-
	(141.12)	-	(0.56)	-	(129.45)	-	-	-	(2.58)	-
Actuarial gain / (losses)	<b>8.74</b>	-	<b>0.09</b>	-	<b>36.47</b>	-	-	-	<b>(0.03)</b>	-
	7.03	-	(0.01)	-	19.46	-	-	-	(0.07)	-
Fair value of plan assets at the end of the year	<b>1,925.03</b>	-	<b>6.32</b>	-	<b>1,419.69</b>	-	-	-	<b>5.37</b>	-
	1,887.41	-	5.41	-	1,212.49	-	-	-	5.01	-

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
	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	<b>1,925.03</b> 1,887.41	- 5.41	<b>6.32</b> 5.41	- 1,212.49	<b>1,419.69</b> 1,212.49	- -	- -	- -	<b>5.37</b> 5.01	- -
Defined Benefit Obligation at the end 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>189.51</b> 195.94	<b>5.31</b> 5.86	<b>203.12</b> 182.97
Amount recognised in the Balance Sheet	(377.35) (463.29)	3.36 2.42	0.59 0.39	2,158.48 2,059.79	1,155.89 740.28	54.63 44.27	83.59 74.07	189.51 195.94	(0.06) 0.85	203.12 182.97

## (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
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded	Non-Funded
Current Service Cost	<b>10.33</b> 12.71	<b>0.38</b> 0.31	<b>0.27</b> 0.27	<b>126.44</b> 140.05	<b>94.77</b> 116.67	<b>0.80</b> 0.65	<b>12.59</b> 10.77	<b>36.76</b> 38.50	<b>0.18</b> 0.19	- -
Interest Cost	<b>132.70</b> 125.37	<b>0.25</b> 0.23	<b>0.48</b> 0.42	<b>191.34</b> 170.07	<b>181.02</b> 139.07	<b>3.49</b> 3.04	<b>6.91</b> 7.53	<b>18.18</b> 21.66	<b>0.46</b> 0.52	<b>16.60</b> 8.61
Expected (return) / loss on plan asset	(164.06) (161.47)	- -	(0.45) (0.41)	- -	(105.49) (82.06)	- -	- -	- -	(0.45) (0.52)	- -
Contribution by Employees	- -	- -	- -	- -	(1.10) (1.12)	- -	- -	- -	- -	- -
Past Service Cost	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Actuarial (gain)/ loss	<b>109.64</b> (101.71)	<b>0.28</b> 0.04	<b>1.55</b> 0.19	<b>315.44</b> (8.27)	<b>443.66</b> 121.30	<b>8.55</b> 7.01	<b>(5.01)</b> (22.35)	<b>(35.40)</b> (73.63)	<b>(0.10)</b> 0.19	<b>27.67</b> 80.41
Expenses for the year	<b>88.61</b> (125.10)	<b>0.91</b> 0.58	<b>1.85</b> 0.47	<b>633.22</b> 301.85	<b>612.86</b> 293.86	<b>12.84</b> 10.70	<b>14.49</b> (4.05)	<b>19.54</b> (13.47)	<b>0.09</b> 0.38	<b>44.27</b> 89.02

## (g) 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*	Funded*	Non-Funded	Non-Funded*	Non-Funded*	Funded*	Non-Funded*
Discount rate	<b>7.95%</b> 9.33%	<b>10.09%</b> 10.60%	<b>7.90%</b> 9.30%	<b>7.95%</b> 9.33%	<b>7.95%</b> 9.27%	<b>7.80%</b> 9.10%	<b>7.95%</b> 9.33%	<b>7.95%</b> 9.33%	<b>7.80%</b> 8.60%	<b>7.92%</b> 9.07%
Expected return on plan assets	<b>7.95%</b> 8.70%	- -	<b>8.50%</b> 8.50%	- -	<b>7.95%</b> 8.70%	- -	- -	- -	<b>9.00%</b> 9.00%	- -
Salary escalation	<b>8.00%</b> 8.00%	<b>2-7.5%</b> 2-4%	<b>8.00%</b> 8.00%	<b>8.00%</b> 8.00%	- -	- -	- -	- -	<b>8.00%</b> 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

## (h) Actual Return on Plan Assets

	Gratuity		Leave Encashment		PRMS		Staff Pension Fund at AOD	
	Funded		Funded		Funded		Funded	
Actual Return on Plan Assets	9.16%		9.98%		11.71%		8.38%	
	9.06%		7.81%		10.76%		6.30%	

## Note:

- 1 General description of the defined benefit plans applicable to the Holding company are given in the Note-29 of the Standalone financial statements.
- 2 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, 2015 is as under:

	March-15								March-14				(₹ in Crore)
	Petroleum Products	Petro-chemicals	Other Businesses	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Businesses	Eliminations	Total			
<b>Revenue</b>													
External Revenue	4,14,273.29	20,368.62	14,866.75	-	4,49,508.66	4,56,951.47	18,080.24	13,313.22	-	4,88,344.93			
Inter-segment Revenue	11,312.32	20.88	7,847.86	(19,181.06)	-	11,422.80	49.75	6,484.92	(17,957.47)	-			
<b>Total Revenue</b>	<b>4,25,585.61</b>	<b>20,389.50</b>	<b>22,714.61</b>	<b>(19,181.06)</b>	<b>4,49,508.66</b>	<b>4,68,374.27</b>	<b>18,129.99</b>	<b>19,798.14</b>	<b>(17,957.47)</b>	<b>4,88,344.93</b>			
<b>Result</b>													
Segment Results	3,644.01	2,379.42	104.87	-	6,128.30	13,982.13	1,001.18	36.07	-	15,019.38			
<b>Less: Unallocable Expenditure</b>													
Finance Cost					4,174.64						5,907.88		
Loss on Sale of Investments (Net)					-						40.48		
Provision for diminution in Investments (Net)					-						483.12		
Loss on sale and disposal of Assets					-						64.71		
Exchange Loss (Net)					797.00						3,649.99		
<b>Add: Unallocable Income</b>													
Interest/Dividend Income					2,510.44						2,748.73		
Profit on Sale of Investments (Net)					33.32						-		
Provision for diminution in Investments written back (Net)					521.47						-		
Provision for diminution in Trust written back (Net)					348.34						0.29		
Profit on sale and disposal of Assets					23.33						-		
Amortisation of Premium/Discount on Forward Contracts					669.70						582.76		
MTM Gain on IRS					47.75						30.61		
Amortisation of FC Monetary Item Translation					0.72						47.66		
Other non operating income					48.92						31.77		
Prior year income/(expenses) -net					(14.39)						(83.97)		
<b>Profit before Exceptional items and Tax</b>					<b>5,346.26</b>						<b>8231.05</b>		
Exceptional Items					1,668.09						1,746.80		
<b>Profit Before Tax</b>					<b>7,014.35</b>						<b>9,977.85</b>		
Less: Income Tax (including deferred tax)					2,142.57						3,011.27		
<b>Profit After Tax</b>					<b>4,871.78</b>						<b>6,966.58</b>		
<b>Other Information</b>													
Segment Assets	1,89,334.99	15,947.00	10,407.34	-	2,15,689.33	2,20,925.54	17,156.94	10,041.28	-	2,48,123.76			
Corporate Assets					17,983.53						17,609.34		
<b>Total Assets</b>					<b>2,33,672.86</b>						<b>2,65,733.10</b>		
Segment Liabilities	88,314.07	382.25	1,317.65	-	90,013.97	89,182.90	474.01	2,115.73	-	91,772.64			
Corporate Liabilities					73,823.77						1,04,964.69		
<b>Total Liabilities</b>					<b>1,63,837.74</b>						<b>1,96,737.33</b>		
<b>Capital Employed</b>													
Segment Wise	1,01,020.92	15,564.75	9,089.69	-	1,25,675.36	1,31,742.64	16,682.93	7,925.55	-	1,56,351.12			
Corporate				-	(55,840.24)						(87,355.35)		
<b>Total Capital Employed</b>					<b>69,835.12</b>						<b>68,995.77</b>		
Capital Expenditure	13,674.42	324.66	77.76	-	14,076.84	15,685.57	442.56	6,994.21	-	23,122.34			
Depreciation, Depletion and Amortization	3,913.83	945.20	359.98	-	5,219.01	5,181.03	1,023.91	155.05	-	6,359.99			

**Notes:**

- The Group 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 Government of India
  - Other Operating Income
- Inter segment pricing are 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 Ltd.
- 2) Lubrizol India Pvt. Ltd.
- 3) Petronet VK Ltd.
- 4) IndianOil Petronas Pvt. Ltd.
- 5) Avi-Oil India Pvt.Ltd.
- 6) Petronet India Ltd.
- 7) Petronet LNG Ltd.
- 8) Green Gas Ltd.
- 9) IndianOil Panipat Power Consortium Ltd.
- 10) Petronet CI Ltd.
- 11) Indian Catalyst Pvt. Ltd. (Upto 26.03.2014)
- 12) IndianOil SkyTanking Pvt. Ltd.
- 13) Sunteria Nigeria 205 Ltd.
- 14) Delhi Aviation Fuel Facility Pvt. Ltd.
- 15) Indian Synthetic Rubbers Pvt. Ltd.
- 16) Indian Oil Ruchi Biofuels LLP
- 17) NPCIL- IndianOil Nuclear Energy Corporation Ltd.
- 18) GSPL India Transco Ltd.
- 19) GSPL India Gasnet Ltd.
- 20) IndianOil Adani Gas Pvt. Ltd.
- 21) Mumbai Aviation Fuel Farm Facility Pvt. Ltd.
- 22) Kochi Salem Pipeline Pvt. Ltd.
- 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 (upto 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 (upto 31.05.2014)
- 3) Dr. R.K.Malhotra (upto 30.06.2014)
- 4) Shri Sudhir Bhalla (upto 22.05.2014)
- 5) Shri A.M.K.Sinha (upto 31.07.2014)
- 6) Shri P.K.Goyal (upto 31.08.2014)
- 7) Shri R.K.Ghosh (upto 30.06.2014)
- 8) Shri Makarand Nene (upto 31.12.2014)
- 9) Shri V.S. Okhde (upto 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 Raju Ranganathan

### 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)	Apr-Mar'15	Apr-Mar'14
<b>1 Sales</b> [Mainly Includes sales through North Montney Joint Venture ₹ <b>416.80 crore</b> (Apr-Mar'14 : ₹ 8.43 crore) and sales to IndianOil Petronas Pvt. Ltd. ₹ <b>367.03 crore</b> (Apr-Mar'14 : ₹ 501.71 crore) & Indian Synthetic Rubbers Pvt. Ltd. ₹ <b>137.92 crore</b> (Apr-Mar'14 : ₹ 52.87 crore)]		<b>1,156.55</b>	782.31
<b>2 Interest received</b> [Mainly includes interest received from Indian Synthetic Rubbers Pvt. Ltd. ₹ <b>1.86 crore</b> (Apr-Mar'14 : ₹ 1.64 crore)]		<b>1.86</b>	1.65
<b>3 Consultancy Services/Other Income</b> [Mainly includes Consultancy Service/Other Income from Indian Synthetic Rubbers Pvt. Ltd. ₹ <b>68.47 crore</b> (Apr-Mar'14 : ₹ 37.66 crore), IndianOil Petronas Pvt. Ltd. ₹ <b>42.92 crore</b> (Apr-Mar'14 : ₹ 33.58 crore), Lubrizol India Pvt. Ltd. ₹ <b>28.80 crore</b> (Apr-Mar'14 : Nil ) and Petronet LNG Ltd. ₹ <b>23.26 crore</b> (Apr-Mar'14 : ₹ 27.91 crore)]		<b>192.36</b>	122.91
<b>4 Purchase of Products</b> [Mainly includes Purchase of Products from Petronet LNG Ltd. ₹ <b>14,276.69 crore</b> (Apr-Mar'14 : ₹ 1,3124.93 crore)]		<b>14,398.55</b>	13,229.28
<b>5 Purchase of Chemicals/materials</b> [Mainly includes Purchase of chemicals /materials from Lubrizol India Pvt. Ltd. ₹ <b>312.24 crore</b> (Apr-Mar'14 : ₹ 328.75 crore)]		<b>312.46</b>	328.76
<b>6 Handling / Other Expenses</b> [Mainly includes Handling Expenses to IndianOil Petronas Pvt. Ltd. ₹ <b>316.08 crore</b> (Apr-Mar'14 : ₹ 266.12 crore), IndianOil SkyTanking Pvt. Ltd. ₹ <b>231.21 crore</b> (Apr-Mar'14 : ₹ 231.88 crore) and Depreciation expenses of North Montney Joint Venture ₹ <b>225.78 crore</b> (Apr-Mar'14 : ₹ 1.32 crore)]		<b>872.13</b>	579.26

Contd...

(₹ in Crore)

		Apr-Mar'15	Apr-Mar'14
7	<b>Exploration &amp; Production Expenses</b> [Mainly includes Exploration & Production Expenses of North Montney Joint Venture ₹ <b>192.49 crore</b> (Apr-Mar'14 : ₹ 1.93 crore), MN-OSN-2000/2 ₹ <b>108.24 crore</b> (Apr-Mar'14 : ₹ 4.11 crore), GK-OSN-2009/2 ₹ <b>64.37 crore</b> (Apr-Mar'14 : ₹ 1.09 crore)]	<b>486.62</b>	282.32
8	<b>Reimbursement of Expenses</b> [Mainly includes Reimbursement of Expenses to IndianOil Petronas Pvt. Ltd. ₹ <b>2.93 crore</b> (Apr-Mar'14 : ₹ 2.76 crore), IndianOil SkyTanking Pvt. Ltd. ₹ <b>1.77 crore</b> (Apr-Mar'14 : Nil) and IndianOil Adani Gas Pvt. Ltd. ₹ <b>0.79 crore</b> (Apr-Mar'14 : ₹ 0.49 crore)]	<b>7.48</b>	4.19
9	<b>Purchase/Acquisition of Fixed Assets including CWIP</b> [Mainly includes Purchase/Acquisition of Fixed Assets incl. CWIP in North Montney Joint Venture ₹ <b>1,174.39 crore</b> (Apr-Mar'14 : ₹ 6,079.25 crore)]	<b>1,325.53</b>	6,397.12
10	<b>Sale of fixed Assets</b> [Sale of Fixed Assets to Mumbai Aviation Fuel Farm Facility Pvt. Ltd. ₹ <b>47.19 crore</b> (Apr-Mar'14 : Nil)]	<b>47.19</b>	-
11	<b>Provisions made/(written off) during the year</b> [Provision made against Indian Oil Ruchi Biofuels LLP ₹ <b>1.40 crore</b> (Apr-Mar'14 : Nil)]	<b>1.40</b>	-
12	<b>Outstanding Receivables / Loans &amp; Advances</b> [Mainly includes Outstanding Receivables / Loans & Advances from Petronet LNG Ltd. ₹ <b>253.20 crore</b> (Apr-Mar'14 : ₹ 84.37 crore), North Montney Joint Venture ₹ <b>103.08 crore</b> (Apr-Mar'14 : ₹ 6.56 crore) and Sunteria Nigeria 205 Ltd. ₹ <b>100.42 crore</b> (Apr-Mar'14 : ₹ 96.27 crore)]	<b>602.46</b>	368.14
13	<b>Outstanding Payables</b> [Mainly includes Outstanding payable to Petronet LNG Ltd. ₹ <b>401.60 crore</b> (Apr-Mar'14 : ₹ 618.63 crore) and North Montney Joint Venture ₹ <b>109.68 crore</b> (Apr-Mar'14 : ₹ 22.46 crore)]	<b>631.25</b>	879.16
14	<b>Claims Recoverable</b> (Claims recoverable from National Aromatics and Petrochemicals Corporation Ltd. ₹ <b>14.40 crore</b> (Apr-Mar'14 : ₹ 14.40 crore))	<b>14.40</b>	14.40
15	<b>Provision for Doubtful Claims</b> (Provision for Doubtful Claims in respect of National Aromatics and Petrochemicals Corporation Ltd. ₹ <b>14.40 crore</b> (Apr-Mar'14 : ₹ 14.40 crore).)	<b>14.40</b>	14.40

## b) Details relating to the parties referred to in Item No. 1C above :

(₹ in Crore)

	Apr-Mar'15	Details of Key Management 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 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 Raju Ranganathan		0.41	-	0.02
	<b>TOTAL</b>		<b>8.89</b>	<b>0.01</b>	<b>0.33</b>

Contd...

Apr-Mar'14 Details of Key Management Personnel		Remuneration	Interest & Furniture Hire Charges	(₹ in Crore) Outstanding loans/advances receivables
1)	Shri B. Ashok	-	-	-
2)	Shri R.S.Butola	0.47	-	-
3)	Dr. R.K.Mahotra	0.52	-	-
4)	Shri Sudhir Bhalla	0.49	-	0.04
5)	Shri A.M.K.Sinha	0.53	-	-
6)	Shri P.K.Goyal	0.42	-	-
7)	Shri R.K.Ghosh	0.43	-	0.04
8)	Shri Makarand Nene	0.56	-	-
9)	Shri V.S. Okhde	0.42	-	-
10)	Shri Sanjiv Singh	-	-	-
11)	Shri Debasis Sen	-	-	-
12)	Shri A.K.Sharma	-	-	-
13)	Shri Verghese Cherian	-	-	-
14)	Shri Anish Aggarwal	-	-	-
15)	Shri Raju Ranganathan	0.36	-	0.03
<b>TOTAL</b>		<b>4.20</b>	-	<b>0.11</b>

**Notes:**

- This does not include the impact of provision made on actuarial valuation of retirement benefit Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors.
- In addition, whole - time Directors are also allowed the use of Corporation's car for private purposes upto 12,000 kms per annum on a payment of ₹ 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 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:

- BOOT agreement with IOT Utkal Energy Services Ltd. in respect of Tankages facility for a period of 15 years. Lessor will transfers ownership to the holding company after 15 Years at Nil value.
- BOOT agreement with IL&FS in respect of Water Intake facility for a period of 25 years. Lessor will transfers ownership to the holding company after 25 Years at ₹ 0.01 crore.
- 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-15	(₹ in Crore) March-14
i) Minimum lease payments:		
-Not later than one year	519.56	421.05
-Later than one year and not later than five years	2,077.73	1,684.19
-Later than five years	5,415.04	4,030.64
<b>Total</b>	<b>8,012.33</b>	<b>6,135.88</b>
ii) Present value of minimum lease payments:		
-Not later than one year	488.88	397.00
-Later than one year and not later than five years	1,487.25	1,216.80
-Later than five years	1,697.31	1,437.14
<b>Total</b>	<b>3,673.44</b>	<b>3,050.94</b>
Add: Future Finance Charges	4,338.89	3,084.94
<b>Total</b>	<b>8,012.33</b>	<b>6,135.88</b>

Contd...

**B. The Net Carrying amount of the assets acquired under Finance Lease included in Note – 10, 11 & 12**

Particulars	March-15	March-14
	₹ in Crore	
Furniture & Fixture	1.64	1.82
Plant & Equipment- Tangible Assets	3,429.39	1,875.60
Plant & Equipment- Capital Work in Progress	232.51	1,173.80
	<b>3,663.54</b>	3,051.22

**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	March-15	March-14
	₹ in Crore	
A. Gross Investments in Finance Lease	415.64	415.64
Less: Unearned Finance Income	1.36	2.11
Less: Finance Income Received	169.79	169.04
Less: Minimum Lease payment received	238.83	237.15
Net Investment in Finance Lease as on Date	5.66	7.34
B. Unearned finance Income	1.36	2.11
C. Present Value of Minimum Lease Payments Receivable		
Not Later than one year	1.74	1.68
Later than one year and not later than five years	3.91	5.50
Later than Five years	0.01	0.16
<b>Total :</b>	<b>5.66</b>	7.34
D. Break-up of un-earned income		
Not Later than one year	0.58	0.75
Later than one year and not later than five years	0.78	1.34
Later than Five years	-	0.02
<b>Total</b>	<b>1.36</b>	2.11
Finance Lease Receivables in case of joint ventures		
Present Value of Minimum Lease Payments Receivable	1,459.34	1,471.08
Not Later than one year	76.72	43.87
Later than one year	1,382.62	1,427.21

**Operating leases:**
**a) As Lessee**

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

Particulars	March-15	March-14
	₹ in Crore	
A. Lease rentals recognized during the period	179.26	182.11
B. Lease Obligations		
- Not later than One Year	175.10	174.20
- Later than one year and not later than five years	650.07	641.42
- Later than five years	<b>1,377.51</b>	1,534.86

These mainly relate to leases in respect of Port facilities at Gujarat, storage tankage facilities for petroleum products and BOO contract for Nitrogen and Hydrogen Plant.

- (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 ₹ 61.66 crore (2014: ₹ 79.70 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	March-15	March-14
	₹ in Crore	
A. Lease rentals recognized as income during the period	0.18	0.12
B. Lease Rentals		
(Category of assets – Plant & Machinery)		
- Gross Carrying Amount	3.41	1.96
- Accumulated Depreciation	1.98	1.33
- Depreciation recognized in Statement of Profit and Loss	0.11	0.10

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

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

	March-15	March-14
Profit for the Group (₹ in Crore)	4,912.02	7,085.59
Total Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	2427952482	2427952482
Earning Per Share (Basic and Diluted) (₹)	20.23	29.18
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	Participating Interest of IOC (%)	31.03.2015	31.03.2014
<b>IN INDIA</b>			
<b>Under NELP Block</b>			
MN-OSN-2000/2	20.00	20.00	20.00
AA-ONN-2001/2	20.00	20.00	20.00
MB-OSN-2004/1	20.00	20.00	20.00
MB-OSN-2004/2	20.00	20.00	20.00
KG-DWN-2005/1	20.00	20.00	20.00
GK-OSN-2009/1	20.00	20.00	20.00
GK-OSN-2009/2	30.00	30.00	30.00
CB-ONN-2010/6	20.00	20.00	20.00
<b>Others</b>			
AAP-ON-94/1	43.55	43.55	43.55
BK-CBM-2001/1	20.00	20.00	20.00
NK-CBM-2001/1	20.00	20.00	20.00
<b>OUTSIDE INDIA</b>			
FARSI BLOCK	40.00	40.00	40.00
LIBYA BLOCK 86	50.00	50.00	50.00
LIBYA BLOCK 102/4	50.00	50.00	50.00
SHAKTHI-II GABON*	50.00	50.00	50.00
YEMEN 82	15.00	15.00	15.00
YEMEN 83**	-	15.00	15.00
AREA 95-96	25.00	25.00	25.00
BCShale Gas Partnership	10.00	-	-
North Montney Joint Venture	10.00	10.00	10.00
Niobrara Shale Project	10.00	10.00	10.00

\* New PSC signed with Govt of Gabon renaming Shakthi block to Shakthi-II having Participating interest of 50% upto Exploration phase

\*\* Yemen 83 relinquished during the year

**(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 31.03.2015 (2014: NIL).

**(c) Jointly Controlled Entities:-**

Name	Country of Incorporation	Ownership Interest of IndianOil (%) 31.03.2015	Ownership Interest of IndianOil (%) 31.03.2014
(i) IOT Infrastructure & Energy Services Ltd	India	48.79	47.94
(ii) Lubrizol India Pvt. Ltd.	India	50.00	50.00
(iii) Petronet VK Ltd.	India	26.00	26.00
(iv) Petronet CI Ltd.	India	26.00	26.00
(v) IndianOil SkyTanking Pvt. Ltd. (Converted into Pvt. Ltd. Co. w.e.f. 10.03.15)	India	33.33	33.33
(vi) Delhi Aviation Fuel Facility Pvt. Ltd.	India	37.00	37.00
(vii) IndianOil Petronas Pvt.Ltd.	India	50.00	50.00
(viii) Suntera Nigeria 205 Ltd	Nigeria	25.00	25.00
(ix) IndianOil Panipat Power Consortium Ltd.	India	50.00	50.00
(x) Avi-Oil India Pvt. Ltd.	India	25.00	25.00
(xi) Petronet India Ltd.	India	18.00	18.00
(xii) Petronet LNG Ltd.	India	12.50	12.50
(xiii) Indian Synthetic Rubber Private Limited (Converted into Pvt. Ltd. Co. w.e.f. 31.03.15)	India	50.00	50.00
(xiv) Indian Oil Ruchi Biofuels LLP	India	50.00	50.00
(xv) Green Gas Ltd.	India	49.97	22.50
(xvi) NPCIL IndianOil Nuclear Energy Corporation Limited	India	26.00	26.00
(xvii) GSPL India Transco Ltd.	India	26.00	26.00
(xviii) GSPL India Gasnet Ltd.	India	26.00	26.00
(xix) IndianOil Adani Gas Pvt. Ltd.	India	50.00	50.00
(xx) Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	India	25.00	
(xxi) Kochi Salem Pipelines Private Limited (incorporated on 22.01.15)	India	50.00	

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

	Jointly Controlled Entities		Jointly Controlled Operations	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
(i) Assets				
- Long Term Assets	4,769.26	4,509.08	7,315.52	6,674.33
- Current Assets	1,949.07	2,389.60	20.09	33.76
(ii) Liabilities				
- Current Liabilities and Provisions	1,691.77	2,034.27	154.34	104.99
- Other Liabilities	2,770.84	2,505.00	118.53	84.06
(iii) Income	7,780.42	7,598.70	482.39	60.63
(iv) Expenses	7,929.62	7,487.33	774.24	335.03
(v) Contingent Liabilities	514.69	409.65	0.20	21.20
(vi) Capital Commitments	2,611.91	2,699.90	13,664.91	16,656.80

## 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:**

- 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.
- The Derivative contracts entered into by the Group and outstanding as on 31<sup>st</sup> March 2015 are as below:

**(a) For Hedging Currency Risks:**

Amount of forward contracts entered for import & export and outstanding as on 31<sup>st</sup> March 2015 is NIL (2014: NIL).

**(b) For Hedging Commodity Related Risks:**

Category-wise quantitative data about commodity derivative transactions that are outstanding as on 31st March 2015 is given below:

S. No.	Particulars	As at 31 <sup>st</sup> March 2015	Quantity (in lakh bbls)	As at 31 <sup>st</sup> March 2014
1.	Swaps on Crude oil	4.50		7.00
2.	Margin Hedging	3.00		80.00

**(c) For Hedging Interest Rate Related Risks:**

Interest rate swap for ₹ 3,125.00 crore (2014: ₹ 2,996.00 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 2014
1	Interest Rate Swap	1	1

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

- Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2015 is given below:

S. No.	Particulars	As on 31.03.2015 Aggregate amount	(₹ in Crore) As on 31.03.2014 Aggregate amount
1	Unhedged- Payables*	55,939.89	88,579.81
2	Unhedged- Receivables	456.70	280.12

\* Including cross currency swaps amounting to ₹ 2,035.00 crore (2014: ₹ 1,950.84 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-15	March-14
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)	5.58	15.13

Stores and Spares etc. in Note 17-inventories includes CER rights valuing ₹ 30,249 (2014: ₹ 30,249).

## NOTE - 37A: SALES

	(₹ in Crore)	March-15	March-14
Petroleum Products		<b>4,35,770.96</b>	4,47,419.84
Petrochemical Products		<b>23,211.52</b>	20,580.29
Upstream Business		<b>480.89</b>	60.63
Others		<b>14,295.88</b>	14,001.10
<b>Total</b>		<b>4,73,759.25</b>	4,82,061.86

## NOTE - 37B: SALE OF SERVICES

	(₹ in Crore)	March-15	March-14
Construction and engineering services		<b>737.94</b>	846.64
Terminalling and infrastructure services		<b>377.27</b>	448.35
Other services		<b>313.40</b>	195.16
<b>Total</b>		<b>1,428.61</b>	1,490.15

## NOTE - 37C: PURCHASE OF STOCK-IN-TRADE

	(₹ in Crore)	March-15	March-14
Petroleum Products		<b>1,32,025.85</b>	1,47,051.16
Petrochemical Products		<b>92.91</b>	4.22
Others		<b>8,698.64</b>	8,714.20
<b>Total</b>		<b>1,40,817.40</b>	1,55,769.58

## NOTE - 38: WIP

	(₹ in Crore)	Opening Stock	Closing Stock
<b>Petroleum Products</b>			
<b>Year ended 31.03.15</b>		<b>5,744.00</b>	<b>4,355.73</b>
Year ended 31.03.14		5,588.27	5,744.00
<b>Petrochemical Products</b>			
<b>Year ended 31.03.15</b>		<b>545.23</b>	<b>266.37</b>
Year ended 31.03.14		514.21	545.23
<b>Others</b>			
<b>Year ended 31.03.15</b>		<b>8.00</b>	<b>7.92</b>
Year ended 31.03.14		6.30	8.00
<b>Total WIP</b>			
<b>Year ended 31.03.15</b>		<b>6,297.23</b>	<b>4,630.02</b>
Year ended 31.03.14		6,108.78	6,297.23

**NOTE - 39: CONSUMPTION OF RAW MATERIALS, SPARE-PARTS AND COMPONENTS**

	Imported		Indigenous		Total (₹ in Crore)
	Value (₹ in Crore)	% to total consumption	Value (₹ in Crore)	% to total consumption	
<b>March-15</b>					
Crude Oil	2,12,615.46	89.6	24,809.19	10.4	2,37,424.65
Natural Gas/RLNG	5,136.38	64.7	2,802.48	35.3	7,938.86
Base Oil	0.77	0.1	1,323.14	99.9	1,323.91
Other Raw Materials	634.16	23.8	2,032.87	76.2	2,667.03
Stores & Spares	302.72	19.0	1,292.78	81.0	1,595.50
Packing Materials Consumed	-	0.0	465.70	100.0	465.70
Components	95.49	11.8	714.34	88.2	809.83
<b>March-14</b>					
Crude Oil	2,43,967.01	91.0	24,199.03	9.0	2,68,166.04
Natural Gas/RLNG	4,481.20	69.4	1,971.55	30.6	6,452.75
Base Oil	11.08	0.5	2,157.33	99.5	2,168.41
Other Raw Materials	651.45	27.4	1,728.79	72.6	2,380.24
Stores & Spares	361.89	28.5	905.83	71.5	1,267.72
Packing Materials Consumed	-	0.0	459.12	100.0	459.12
Components	116.09	14.2	703.50	85.8	819.59

1. Consumption excludes value adjustments if any, shown under items pertaining to the prior period.
2. Consumption includes Indigenous Base Oil, additives & Benzene of ₹ 904.64 crore (2014: ₹ 1,152.68 crore) which is internally produced.

## 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)	
	2014-15	2013-14
At the beginning of the year	201.35	188.53
Translation Difference	5.50	12.82
Closing Net book amount	206.85	201.35

- b) As per the interim Budget 2015 passed in the Parliament of Sri Lanka on 7th February 2015, the government proposed a one off 25% Super Gain Tax (SGT) be imposed on companies which have earned in excess of Sri Lankan Rupees 2,000 million profit before income tax as per the Audited Financial Statement in the Financial Year 2013/14. The Gazette notification in respect of the above budget proposal was issued by the Government of Sri Lanka on 30<sup>th</sup> March 2015. Accordingly, liable Companies will be assessed for SGT based on taxable income for the year of assessment 2013/14 and would be required to pay such SGT. In the event the Bill is enacted as a law in the future, the company would become liable to pay the above SGT. The quantum of such have not yet been estimated.

### Petronet LNG Ltd.

- a) In terms of the provisions contained in the Dahej LNG Port Terminal Concession Agreement, the Company has to develop a Solid Cargo Port along with LNG Terminal under the Joint Venture Company named Adani Petronet (Dahej) Port Pvt Ltd (APPPL) which is operational since 1<sup>st</sup> Dec. 2010. The Company has acquired 26% equity in APPPL.
- b) Customs Duty on import of Project material/equipment has been assessed provisionally (current and previous years) and additional liability/refund, if any, on this account will be accounted for in books on final assessment.

### IOT Infrastructure & Energy Services Ltd.

- a) 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	2014-15	2013-14
Contract Revenue Recognized	726.00	636.34
Aggregate amount of contracts incurred	397.27	454.85
Amount of Customer Advances outstanding for contracts in progress	29.97	85.77
Retention Amount due from customers for contracts in progress	102.49	123.39
Gross Amount Due from Customers (Unbilled Revenue)	0.00	264.98
Gross Amount Due to Customers (Advance Billings)	106.13	55.65

**NOTE - 41: STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, JV'S AND ASSOCIATES (FORM AOC - I)**
**Part A: Subsidiaries**

(₹ in Crore)

Name of the Subsidiary	Chennai Petroleum Corporation Limited	Indian Catalyst Pvt. 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 31.03.2015	-	-	1.7328	0.4708	17.0200	67.5104	62.5908	49.1103
Average Rate 2014-15	-	-	1.9455	0.4664	16.6200	77.4696	61.1471	53.8514
Share Capital	149.00	15.78	75.67	250.54	2.30	287.74	287.73	6,103.83
Reserves & Surplus	1,506.08	(0.83)	166.30	570.97	21.83	67.93	3.65	(633.35)
Liabilities	9,299.54	-	204.68	255.01	14.40	16.00	16.30	1,390.43
Total Liabilities	10,954.62	14.95	446.65	1,076.52	38.53	371.67	307.68	6,860.91
Total Assets	10,954.62	14.95	446.65	1,076.52	38.53	371.67	307.68	6,860.91
Investments	25.42	-	0.87	206.85	-	355.53	-	235.47
Turnover	47,877.82	-	1,720.09	3,726.56	45.82	17.37	64.09	416.80
Profit Before Taxation	(742.39)	(0.01)	21.78	104.70	3.64	(0.60)	(29.34)	(20.73)
Provision for Taxation	(703.40)	-	4.80	17.00	-	-	(11.60)	(4.77)
Profit After Taxation	(38.99)	(0.01)	16.98	87.70	3.64	(0.60)	(17.74)	(15.96)
Proposed Dividend	-	-	5.70	37.44	0.98	-	-	-
Percentage of shareholding	51.89%	100%	100%	75.12%	100%	100%	100%	100%
INR	Indian Rupees							
MUR	Mauritian Rupees							
SLR	Srilankan Rupees							
AED	United Arab Emirates Dirham							
USD	United States Dollars							
CAD	Canadian Dollars							

**Notes:**

- 1 Indian Catalyst Pvt. 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 Ltd.	Lubrizol India Pvt. Ltd.	Indian Oil Petronas Pvt.Ltd.	Avi-Oil India Pvt.Ltd.	Petronet LNG Ltd.	Green Gas Ltd.	Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	IndianOil Skytanking Pvt. Ltd.	Suntera Nigeria 205 Ltd.
Latest Audited Balance Sheet Date	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2014	31.03.2015	31.03.2015	31.12.2014
Shares of Associate / Joint ventures held by the company on the year end									
i) No.	265912127	960000	134000000	4500000	93750000	23042250	4502500	17300000	62502
ii) Amount of Investment in Associates / Joint Ventures	491.68	118.67	134.00	4.50	98.75	23.04	4.50	17.30	0.00
iii) Extent of Holding %	48.79%	50.00%	50.00%	25.00%	12.50%	49.97%	25.00%	33.33%	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 ventures is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
Networth attributable to shareholding as per latest audited balance sheet	181.01	212.82	332.44	8.96	711.07	86.95	1.37	28.91	(50.92)
Profit / (Loss) for the year	(824.14)	72.92	174.89	1.16	882.52	26.78	(11.01)	24.75	(33.61)
I) Considered in Consolidation	(402.10)	36.46	87.45	0.29	110.32	13.39	(2.75)	8.25	(8.41)
II) Not Considered in consolidation	(422.04)	36.46	87.44	0.87	772.20	13.39	(8.26)	16.50	(25.20)

**Part "B": Statement of Salient Features of the Financial Statement of Jointly Controlled Entities and Associates (FORM AOC - I)**

Name of the Associates / Joint Ventures	Delhi Aviation Fuel Facility Pvt. Ltd.	Indian Synthetic Rubber Pvt. Ltd.	NPCIL-IndianOil Nuclear Energy Corporation Ltd.	GSPL India Gasnet Ltd.	GSPL India Transco Ltd.	IndianOil Adani Gas Pvt. Ltd.	Kochi Salem Pipelines Pvt. Ltd.	(₹ in Crore) Petroleum India Internation (AOP)
Latest Audited Balance Sheet Date	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2014
Shares of Associate / Joint ventures held by the company on the year end								
i) No.	60680000	177890625	260000	48625030	36400000	12300000	2500000	NA
ii) Amount of Investment in Associates / Joint Ventures	60.68	177.89	0.26	48.63	36.40	12.30	2.50	51.72
iii) Extent of Holding %	37.00%	50.00%	26.00%	26.00%	26.00%	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	Contribution to capital fund
Reason why the associate / Joint ventures is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated till 31.03.2014 in standalone financials
Networth attributable to shareholding as per latest audited balance sheet	74.54	48.97	0.27	49.55	37.44	10.87	2.51	51.72
Profit / (Loss) for the year	26.58	(215.75)	0.06	1.28	1.47	(0.61)	0.01	5.18
i) Considered in Consolidation	9.83	(107.87)	0.02	0.33	0.39	(0.30)	0.01	2.31
ii) Not Considered in consolidation	16.75	(107.88)	0.04	0.95	1.08	(0.31)	0.00	2.87

**Notes:**

Following associates or joint ventures are yet to commence operations:

- 1) Suntera Nigeria 205 Ltd.
- 2) NPCIL - IndianOil Nuclear Energy Corporation Ltd.
- 3) GSPL India Gasnet Ltd.
- 4) GSPL India Transco Ltd.
- 5) IndianOil Adani Gas Pvt. Ltd.
- 6) Kochi Salem Pipelines Pvt. Ltd.

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:

- 1) IndianOil Ruchi Biofuels LLP
- 2) Petronet CI Ltd.
- 3) Petronet VK Ltd.
- 4) Petronet India Ltd.
- 5) IndianOil Panipat Power Consortium 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	98.76%	67,969.97	107.34%	5,273.03
<b>Subsidiaries</b>				
<b>Indian</b>				
Chennai Petroleum Corporation Ltd	2.40%	1,655.08	(0.79)%	(38.99)
Indian Catalyst Pvt. Ltd	0.02%	14.95	0.00%	(0.01)
<b>Foreign</b>				
IndianOil (Mauritius) Ltd	0.35%	241.97	0.35%	16.98
Lanka IOC PLC	1.19%	821.51	1.79%	87.70
IOC Middle East FZE	0.04%	24.13	0.07%	3.64
IOC Sweeden AB	0.52%	355.67	(0.01)%	(0.60)
IOCL (USA) Inc.	0.42%	291.38	(0.36)%	(17.74)
IndOil Global BV.	7.95%	5,470.48	(0.32)%	(15.96)
Less: Minority Interests in all subsidiaries	1.45%	1,000.48	0.06%	3.05
<b>Joint Ventures</b>				
<b>Indian</b>				
IOT Infrastructure & Energy Services Ltd.	0.26%	181.01	(8.19)%	(402.10)
Lubrizol India Pvt Ltd.	0.31%	212.82	0.74%	36.46
Indian Oil Petronas Pvt. Ltd	0.48%	332.44	1.78%	87.45
Avi-Oil India Pvt. Ltd.	0.01%	8.96	0.01%	0.29
Petronet LNG Ltd.	1.03%	711.07	2.25%	110.32
Green Gas Ltd.	0.13%	86.75	0.27%	13.39
Mumbai Aviation Fuel Farm Facility Pvt. Ltd	0.00%	1.37	(0.06)%	(2.75)
IndianOil Skytanking Pvt.Ltd	0.04%	28.91	0.17%	8.25
Delhi Aviation Fuel Facility Pvt. Ltd	0.11%	74.54	0.20%	9.83
Indian Synthetic Rubber Pvt. Ltd	0.07%	48.97	(2.20)%	(107.87)
NPCIL-IndianOil Nuclear Energy Corporation Ltd.	0.00%	0.27	0.00%	0.02
GSPL India Gasnet Ltd.	0.07%	49.55	0.01%	0.33
GSPL India Transco Ltd.	0.05%	37.44	0.01%	0.39
IndianOil Adani Gas Pvt. Ltd.	0.02%	10.87	(0.01)%	(0.30)
Kochi Salem Pipelines Pvt. Ltd.	0.00%	2.51	0.00%	0.01
<b>Foreign</b>				
Suntera Nigeria 205 Ltd.	(0.07)%	(50.92)	(0.17)%	(8.41)
Intra - Group Eliminations	(12.71)%	(8,748.95)	(2.82)%	(138.29)
<b>Total</b>	<b>100.00%</b>	<b>68,832.27</b>	<b>100.00%</b>	<b>4,912.02</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)

## NOTE - 43: 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 **₹ 1,668.09 crore** arising out of additional state specific surcharge (SSC) towards U.P. entry tax paid in earlier years, in pursuance with MOP&NG order dated 30<sup>th</sup> March 2013 (2014: ₹ 1,746.80 crore on account of recovery of entry tax paid in earlier years and other matters in relation to U.P. Entry Tax).
  - 4 In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Group has adopted the useful lives as prescribed in Schedule II except in case of following assets where useful life is considered by the Holding Company 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/solar panels
- Due to revised useful lives, the depreciation expense for the year ended March 31, 2015 is lower by ₹ 1,815.39 crore. As per the transitional provisions of Schedule II of the Companies Act, 2013, the Group has debited **₹ 987.23 crore** (net of deferred tax of ₹ 493.51 crore) to the opening balance of General reserve as at April 1, 2014 and ₹ 12.18 crore is capitalized in tangible capital work in progress. Additionally, capital grant of ₹ 2.82 crore is also transferred to General Reserve.
- 5 In respect of Oil and Gas Exploration activities, Revenue Expenditure amounting to **₹ 599.30 crore** (2014 : ₹ 364.59 crore) and Capital Expenditure amounting to **₹ 635.09 crore** (2014 : ₹ 6,266.63 crore) of Oil and Gas Exploration Projects have been incorporated in these accounts on the basis of unaudited statements provided by respective operators of Production Sharing Contracts to the Company.
  - 6 Disclosure relating to Corporate Social Responsibility (CSR) Expenditure in respect of the Holding Company is given in Note-47 of the Standalone Financial Statement.
  - 7 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#	
		(Thousand Ton)	As at 31.03.2015	(Million Cubic Meter)	As at 31.03.2015	(Thousand Ton Oil Equivalent)**	As at 31.03.2014
Niobrara Shale Project, USA	Opening	37.60	19.48	6.07	4.88	42.48	23.39
	Addition	58.42	34.87	13.71	6.06	69.42	39.74
	Production	21.20	16.75	7.65	4.87	27.35	20.65
	Closing	74.82	37.60	12.13	6.07	84.55	42.48
Pacific Northwest LNG, Canada	Opening	135.84	-	1,842.75	-	1,615.25	-
	Addition	72.71	136.33	1,019.83	1,849.09	891.45	1,620.82
	Production	32.90	0.49 *	465.88	6.34 *	406.91	5.57 *
	Closing	175.65	135.84	2,396.70	1,842.75	2,099.79	1,615.25
Total Outside India	Opening	173.44	19.48	1,848.82	4.88	1,657.73	23.39
	Addition	131.13	171.20	1,033.54	1,855.15	960.87	1,660.56
	Production	54.10	17.24	473.53	11.21	434.26	26.22
	Closing	250.47	173.44	2,408.83	1,848.82	2,184.34	1,657.73

# Unaudited

\* Production from 25th March 2014 to 31st March 2014;

\*\* 1.2456 Thousand Cubic Meter gas = 1 Ton Oil Equivalent

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

**For J GUPTA & CO.**  
Chartered Accountants  
(Firm Regn. No. 314010E)

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

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

Sd/-  
**(CA. Nancy Murarka)**  
Partner  
M. No. 067953

Sd/-  
**(CA. Thalendra Sharma)**  
Partner  
M. No. 079236

Place : New Delhi  
Date : 29<sup>th</sup> May, 2015

## SIGNIFICANT ACCOUNTING POLICIES

### 1. BASIS OF PREPARATION

- 1.1 The financial statements are prepared under historical cost convention in accordance with the mandatory accounting standards 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 and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates.

### 2. FIXED ASSETS

#### 2.1 Tangible Assets

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

#### 2.2 Construction Period Expenses on Projects

- 2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are 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 Depreciation/Amortisation

- 2.4.1 Cost of leasehold land for 99 years or less is amortized over the lease period.
- 2.4.2 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/solar panels Depreciation 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.

- 2.4.3 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.

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

#### 2.5 INTANGIBLE ASSETS

- 2.5.1 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.
- 2.5.2 Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.
- 2.5.3 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".
- 2.5.4 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.

### 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 valued 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. Cost of Finished Products produced is determined based on raw material cost and processing cost.

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

8.2.3 Imported products in transit are valued at CIF 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, 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 AND 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 accounted:
  - a) When there is certainty that the claims are realizable
  - b) Generally at cost
- 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. Closing stock value includes excise duty payable / paid on finished goods.

#### **13. TAXES ON INCOME**

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

#### **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, will be made good by the Company and charged to Statement of Profit and Loss.
- b) The Company operates defined benefit plans for Gratuity and Post Retirement Medical Benefits. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial

valuation made at the end of the year and are administered through respective Trusts. Actuarial gains/losses are charged to Statement of Profit and Loss.

- c) Obligations on Compensated Absences, Resettlement, 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.

##### **14.3 Termination Benefits:**

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

#### **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 and 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 2015

The preparation of financial statement of Indian Oil Corporation Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 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 29 May 2015.

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 2015. 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)

Principle Director of Commercial Audit  
& Ex-officio Member, Audit Board-II  
New Delhi

Place: New Delhi  
Date: 29.07.2015

## **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 2015**

The preparation of consolidated financial statements of Indian Oil Corporation Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the companies Act, 2013 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 stated to have been done by them vide their Audit Report dated 29.05.2015.

I, on the 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 2015. We conducted supplementary audit of the financial statements of Indian Oil Corporation Limited and Chennai Petroleum Corporation Limited but did not Conduct supplementary audit of the financial statements of the companies mentioned in Annexure-A for the year ended on that date. 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)  
Principle Director of Commercial Audit  
& Ex-officio Member, Audit Board-II  
New Delhi

Place: New Delhi  
Date: 27.07.2015

**Details of companies in which supplementary audits is not conducted**

<b>Sl. No.</b>	<b>Name of the Company</b>	<b>Relation with Holding 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.	Indian Catalyst Pvt. Limited  (Name changed from Indocat Pvt. Ltd.)	Subsidiary
7.	IndOil Global B.V.	Subsidiary
8.	IOT Infrastructure & Energy Services Limited	Joint Venture
9.	Lubrizol India Pvt. Limited	Joint Venture
10.	AVI-Oil India Pvt. Limited	Joint Venture
11.	Petronet LNG Limited	Joint Venture
12.	Indian Oil Petronas Pvt. Limited	Joint Venture
13.	Green Gas Limited	Joint Venture
14.	Indian Oil Sky Tanking Pvt. Limited	Joint Venture
15.	Suntera Nigeria 205 Limited	Joint Venture
16.	Delhi Aviation Fuel Facility (Private) Limited	Joint Venture
17.	Indian Synthetic Rubber Private Limited	Joint Venture
18.	NPCIL Indian Oil Nuclear Energy Corporation Limited	Joint Venture
19.	GSPL India Transco Limited	Joint Venture
20.	GSPL India Gasnet Limited	Joint Venture
21.	Indian Oil Adani Gas Pvt. Limited	Joint Venture
22.	Mumbai Aviation Fuel Farm Facility Pvt. Limited	Joint Venture
23.	Kochi Salem Pipelines Pvt. Limited	Joint Venture

## Indian Oil Corporation Limited

[CIN - L23201MH1959GOI011388]

Regd. Office: 'IndianOil Bhavan', G-9, Ali Yavar Jung Marg, Bandra (E), Mumbai - 400051  
 Tel: 022-26447616, Fax: 022-26447961, Email Id: investors@indianoil.in, Website: www.iocl.com

### NOTICE

NOTICE is hereby given that the **56<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 **Tuesday, the 15<sup>th</sup> September, 2015 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, 2015 together with Reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares for the year 2014-15.
3. To appoint a Director in place of Shri Sanjiv Singh (DIN: 05280701), who retires by rotation and is eligible for reappointment.

#### **SPECIAL BUSINESS**

4. To appoint Shri Debasis Sen (DIN: 06862079) as 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 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 Debasis Sen (DIN: 06862079), who was appointed as an Additional Director and designated as Director (Planning & Business Development) by the Board of Directors effective 15.09.2014 and who holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member 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."

5. To appoint Shri A. K. Sharma (DIN: 06665266) as 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 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 A. K. Sharma (DIN: 06665266), who was appointed as an Additional Director and designated as Director (Finance) by the Board of Directors effective 27.10.2014 and who holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director (Finance) of the Company, liable to retire by rotation."

6. To appoint Shri Verghese Cherian (DIN: 07001243) as 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 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 Verghese Cherian (DIN: 07001243) who was appointed as an Additional Director and designated as Director (Human Resources) by the Board of Directors effective 06.01.2015 and who holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director (Human Resources) of the Company, liable to retire by rotation."

7. To appoint Shri Anish Aggarwal (DIN: 06993471) as 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 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 Anish Aggarwal (DIN: 06993471) who was appointed as an Additional Director and designated as Director (Pipelines) by the Board of Directors effective 01.02.2015 and who holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director (Pipelines) of the Company, liable to retire by rotation."

8. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2016.

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 Rs. 16.50 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, 2016, be and is hereby ratified."

9. 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 up to ₹ 11,500 Crore (from domestic as well as overseas market) 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

30<sup>th</sup> July, 2015

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

(Raju Ranganathan)  
Company Secretary

## NOTES

- (a) A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of himself. Such a proxy need not be a member of the company. Proxies, in order to be valid and effective, must be delivered at the registered office of the company 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 per cent of the total share capital of the Company. A member holding more than ten per cent 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. up to the date of the Annual General Meeting.
- (f) The Register of members and Share Transfer Books of the Company will remain closed from Tuesday, the 8<sup>th</sup> September, 2015 to Tuesday, the 15<sup>th</sup> September, 2015 (both days inclusive) for the purpose of ascertaining the eligibility of members for payment of dividend. The dividend payable on Equity Shares, if approved by the members, will be paid to those members whose names appear on the Company's Register of members and as per beneficial owner's position received from NSDL & CDSL as at the close of working hours on Monday, the 7th September, 2015.
- (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 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, M/s Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company.
- (j) Non-Resident Indian members are requested to inform the RTA, M/s Karvy Computershare Private Limited, Hyderabad 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 the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA.
- (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 2006-07 to Investor Education & Protection Fund (IEPF) established by the Central Government. Upon completion of 7 years, the Company would transfer the unclaimed / unpaid dividend for the financial year 2007-08 in October, 2015. 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. The members, who have not encashed their dividend warrant so far, for the financial years 2007-08 to 2013-14 may write to the RTA, M/s. Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company for claiming the unpaid dividend.
- (m) Pursuant to Sections 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, 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 Tuesday, the 8<sup>th</sup> September, 2015.

## NOTES (Contd.)

### (o) Facility for E-Voting

- (1) Details of the process and manner of e-voting along with the User ID and Password are being sent to the members along with the notice:
- By email to those members whose email ID is registered with the Company / Depository Participant.
  - By post to those members whose email ID is not registered with the Company / Depository Participant.
- (2) The instructions and other information relating to e-voting are as under:
- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
  - ii. Enter the login credentials (i.e. User ID and Password mentioned in the notice). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for logging in.
  - iii. After entering these details appropriately, Click on "LOGIN".
  - iv. 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.
  - v. You need to login again with the new password.
  - vi. On successful login, the system will prompt you to select the "EVENT" i.e. Indian Oil Corporation Limited.
  - vii. 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".
  - viii. 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.
  - ix. Members holding multiple demat accounts / folios shall choose the voting process separately for each demat account / folio.
  - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. 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).
  - xii. Corporate / Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: [ioclevoting2015@tejasbshah-associates.com](mailto:ioclevoting2015@tejasbshah-associates.com) with a copy marked to [e-voting@karvy.com](mailto:e-voting@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 "**IndianOil, 56<sup>th</sup> Annual General Meeting**".
- (3) The e-voting would commence on Friday, September 11, 2015 at 9:30 A.M. and end on Monday, September 14, 2015 at 5:00 P.M. 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. Further, members who cast their vote electronically shall not be entitled to vote at the Annual General Meeting.
- (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. 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 shares of the paid-up equity share capital of the Company, as on the cut-off date.
- (7) The Company has appointed Shri Tejas B. Shah of M/s. Tejas B. Shah & Associates, a practicing Company Secretary, as Scrutinizer and in his absence Shri Bharat A. Shah of M/s. Shah & Associates to scrutinize the e-voting 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 three 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 3 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.

## NOTES (Contd.)

- (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 Directors reappointed / appointed, is given below:-**

### Item No. 3

Shri Sanjiv Singh, Director (Refineries), aged 55 years, a Chemical Engineer has over 30 years experience in various refineries of the Corporation. He has also worked with Centre for High Technology under Ministry of Petroleum & Natural Gas and was on deputation with Nigeria Petroleum National Company, Nigeria. Shri Singh was In-Charge of the most modern refinery of the country at Panipat and was instrumental in setting up Naphtha Cracker and other downstream polymer units at Panipat. Prior to assuming charge as Director he was heading the mega refinery project of the Corporation at Paradip, Odisha.

#### Details of Directorships in Other Companies (excluding Foreign Companies)

Name of the Company	Position held
Chennai Petroleum Corporation Ltd.	Director

#### Membership / Chairmanship in the Committees of other Companies

Name of the Committee	Position held
Remuneration Committee of Chennai Petroleum Corporation Ltd.	Member

No. of Shares held in the Company	4200
Relationship between Directors inter-se	None

#### STATEMENT SETTING OUT THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS IN PURSUANCE OF SECTION 102(1) OF THE COMPANIES ACT, 2013.

### Item No. 4

Shri Debasis Sen, aged 59 years, was appointed as an Additional Director w.e.f. 15-09-2014 by the Board of Directors, 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 D. Sen is a Mechanical Engineer from Jadavpur University and has also done an advanced course in Lubes and Fuels from IIP Dehradun. Shri Sen possesses rich experience of over 35 years in Petroleum Products marketing, including brand-building, new product launches, customer segmentation, niche marketing, etc. in India as well as abroad. He has also headed IndianOil's Lubricant business vertical looking after operations and marketing of prestigious 'Servo' brand of lubricants. Shri Sen led the lubes vertical to scale new heights in marketing of SERVO lubricants by achieving all-time high market share amidst fierce competition from global majors.

#### Details of Directorships in Other Companies (excluding Foreign Companies)

Name of the Company	Position held
Petronet LNG Ltd.	Director

Membership/Chairmanship in the Committees of other Companies	NIL
No. of Shares held in the Company	NIL

Relationship between Directors inter-se	None
In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member signifying his intention to propose Shri Debasis Sen as a candidate for the office of Director.	

Shri Debasis Sen 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 Debasis Sen is interested or concerned in the resolution.

#### The Directors, therefore, recommend the Ordinary Resolution for approval by members.

### Item No. 5

Shri A. K. Sharma, aged 56 years, was appointed as an Additional Director w.e.f. 27-10-2014 by the Board of Directors, 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 A. K. Sharma is a Commerce & Law graduate as well as 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 possesses vast experience of Project Appraisal, Project Finance and Treasury Operations.

**NOTES (Contd.)**

<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</b>	1350
<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 A. K. Sharma as a candidate for the office of Director.

Shri A. K. Sharma 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 A. K. Sharma is interested or concerned in the resolution.

**The Directors, therefore, recommend the Ordinary Resolution for approval by members.**

**Item No. 6**

Shri Verghese Cherian, aged 58 years, was appointed as an Additional Director w.e.f. 06-01-2015 by the Board of Directors, 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 Verghese Cherian is a post graduate in Social Work (MSW). He has more than 32 years of rich and comprehensive experience in Human Resources discipline having held senior positions at Refinery Units, Refineries Headquarters and R&D Centre of IndianOil. He has also headed 'IndianOil Institute of Petroleum Management', the apex training centre 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</b>	2600
<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 Verghese Cherian as a candidate for the office of Director.

Shri Verghese Cherian 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 Verghese Cherian is interested or concerned in the resolution.

**The Directors, therefore, recommend the Ordinary Resolution for approval by members.**

**Item No. 7**

Shri Anish Aggarwal, aged 57 years, was appointed as an Additional Director w.e.f. 01-02-2015 by the Board of Directors, 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 Anish Aggarwal is an Electronics & Electrical Communication Engineering Graduate from Punjab Engineering College, Chandigarh. He has also completed an Executive MBA programme from Management Development Institute, Gurgaon. He joined IndianOil in the year 1979 and has over 30 years of experience of working in Hydrocarbon industry. Shri Aggarwal has worked in various functions of Pipelines Division like Operations, Maintenance, Technical Services and Projects. He has hands-on experience on various facets of hydrocarbon pipeline systems.

<b>Details of Directorships in Other Companies (excluding Foreign Companies)</b>	
<b>Name of the Company</b>	<b>Position held</b>
Petronet India Ltd.	Director
IOT Infrastructure & Energy Services Ltd.	Director
<b>Membership/Chairmanship in the Committees of other Companies</b>	NIL
<b>No. of Shares held in the Company</b>	2500
<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 Anish Aggarwal as a candidate for the office of Director.

Shri Anish Aggarwal 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 Anish Aggarwal is interested or concerned in the resolution.

**The Directors, therefore, recommend the Ordinary Resolution for approval by members.**

## NOTES (Contd.)

### Item No. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment of the following Cost Auditors at an aggregate remuneration of ₹ 16.50 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, 2016:

Sl. No.	Name of the Cost Auditor	Audit Fees (₹)
1.	A.C. Dutta & Co., Kolkata	90,000
2.	B. M. Sharma & Co., Pune	1,80,000
3.	DGM & Associates, Kolkata	1,30,000
4.	G.R. Kulkarni & Associates, Mumbai	2,25,000
5.	Goyal, Goyal & Associates, New Delhi	45,000
6.	Jugal K. Puri & Associates, New Delhi	1,80,000
7.	K. G. Goyal & Associates, New Delhi	1,60,000
8.	Narasimha Murthy & Co., Hyderabad	2,70,000
9.	P. Raju Iyer, M. Pandurangan & Associates, Chennai	1,30,000
10.	Shome & Banerjee, Kolkata	2,40,000
<b>TOTAL</b>		<b>16,50,000</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, 2016. None of the Directors / Key Managerial Personnel of the Company are interested or concerned in the resolution.

### Item No. 9

Section 42 of the new 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, the debentures can be issued through 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 vide Resolution No. 9 in line with the provisions of the Companies Act 2013 is being sought to enable the company to issue Bonds up to ₹ 11,500 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

30<sup>th</sup> July, 2015

**Important Communication to Members**

Pursuant to Section 101 and 136 of the Companies Act 2013 read with companies (Management and Administration) Rules 2014 and clause 32(i) of the Listing Agreement, 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 dematerialized form.

I/We hereby record my / our presence at the **56<sup>th</sup> Annual General Meeting** of the Company, to be held on **Tuesday, 15<sup>th</sup> September 2015** at 10:30 a.m. at **Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai - 400018**.

Name of the Member \_\_\_\_\_

Signature of the Member \_\_\_\_\_

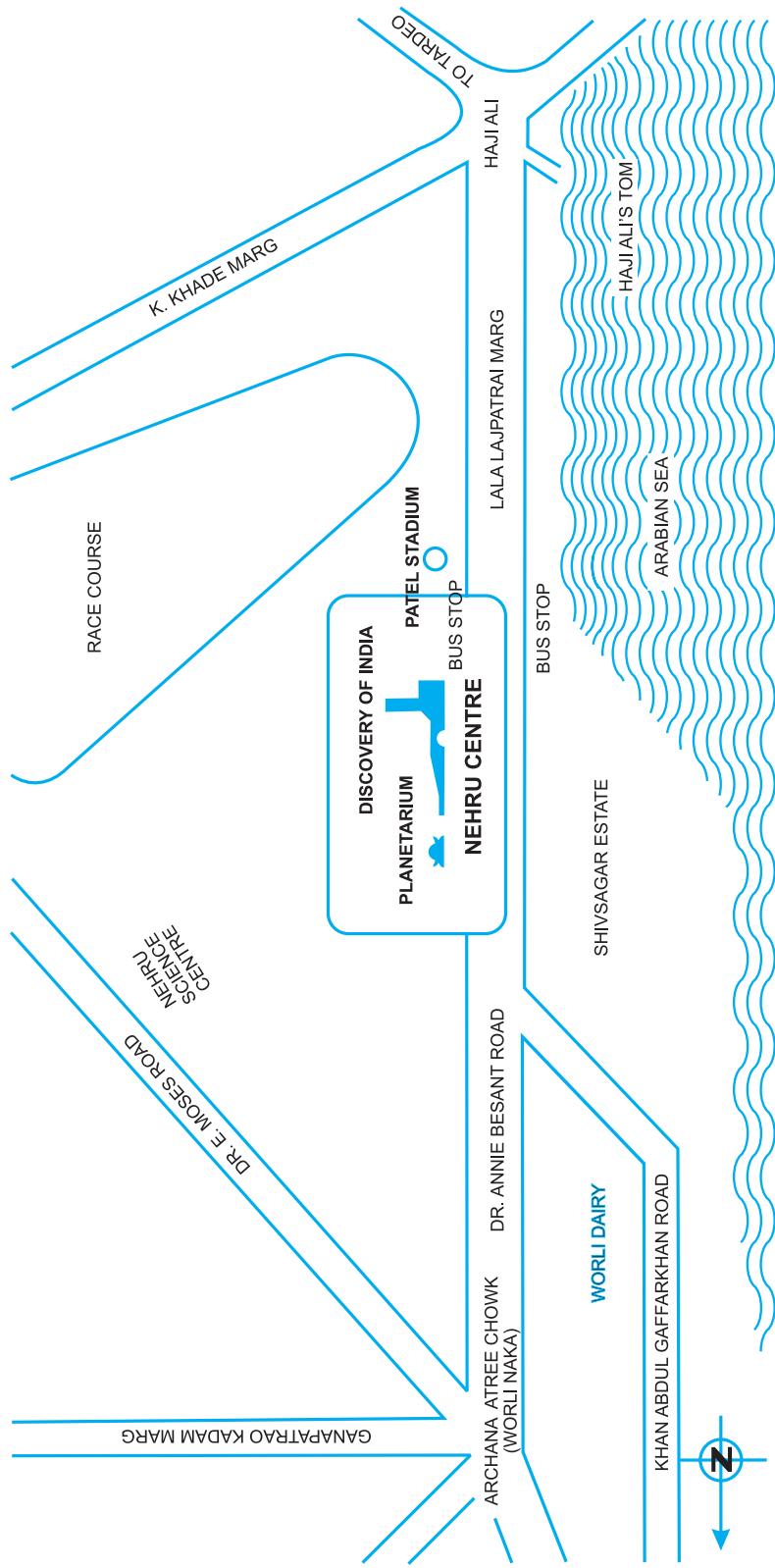
Name of the Proxy \_\_\_\_\_

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 dematerialized form.

I/We, being the member(s) of ..... shares of the above named company, hereby appoint

- 1) ..... of ..... having email id ..... or failing him
- 2) ..... of ..... having email id ..... or failing him
- 3) ..... of ..... having email id ..... or failing him

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 **56<sup>th</sup>** Annual General Meeting of the Company, to be held on **Tuesday, 15<sup>th</sup> September 2015 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:

SI. 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, 2015 together with Reports of the Directors and the Auditors thereon.
2	To declare dividend on equity shares for the year 2014-15.
3	To appoint a Director in place of Shri Sanjiv Singh (DIN: 05280701), who retires by rotation and is eligible for reappointment.
	<b>SPECIAL BUSINESS</b>
4	To appoint Shri Debasis Sen (DIN: 06862079) as Director of the Company.
5	To appoint Shri A. K. Sharma (DIN: 06665266) as Director of the Company.
6	To appoint Shri Verghese Cherian (DIN: 07001243) as Director of the Company.
7	To appoint Shri Anish Aggarwal (DIN: 06993471) as Director of the Company.
8	To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2016.
9	To approve issuance of debentures on private placement basis as a Special Resolution.

Signed this ..... day of ..... 2015.

.....  
Signature of Member

Please Affix  
Revenue  
Stamp

.....  
Signature of first proxy holder

.....  
Signature of second proxy holder

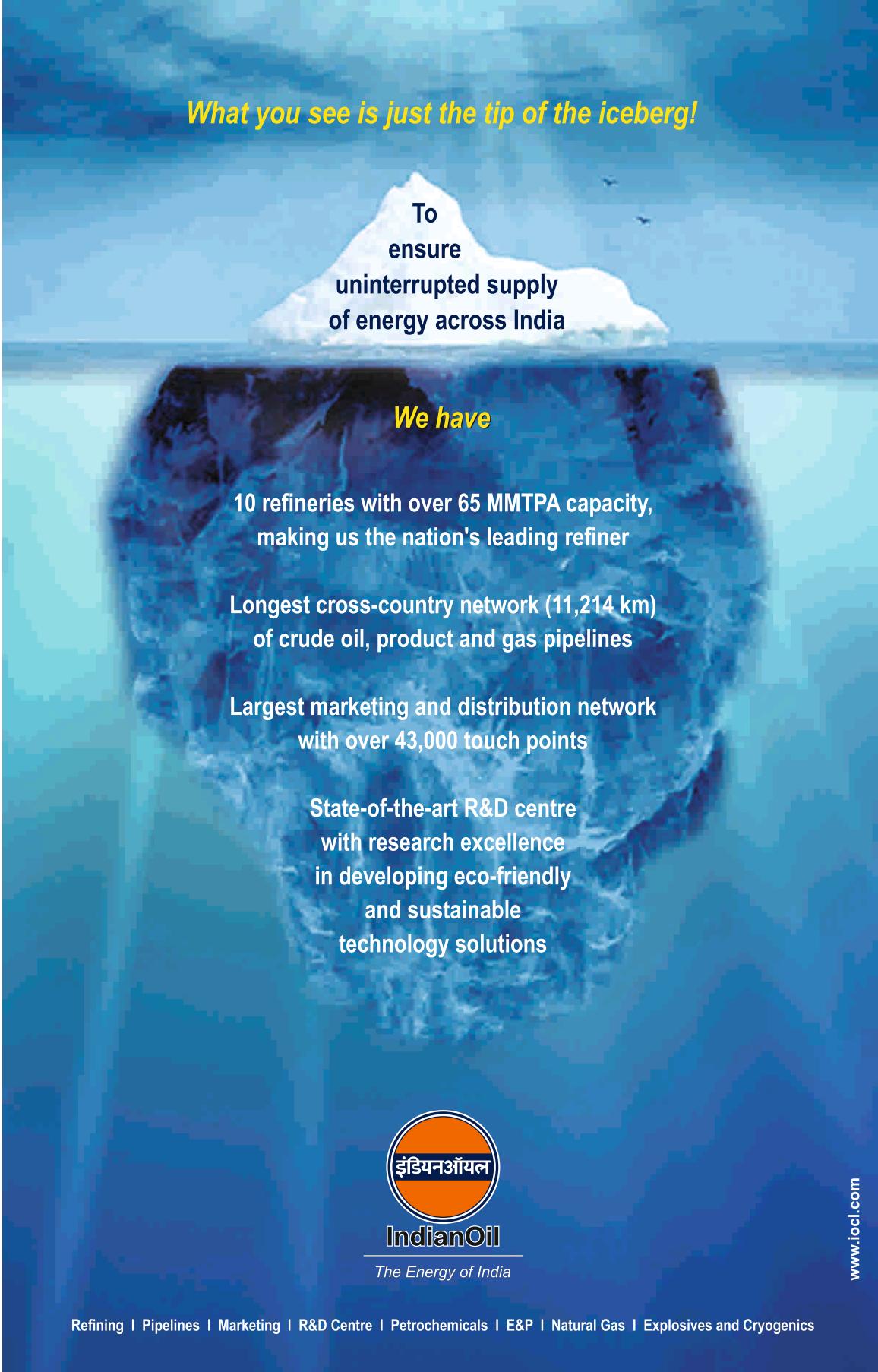
.....  
Signature of third proxy holder

**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



*What you see is just the tip of the iceberg!*

To  
ensure  
uninterrupted supply  
of energy across India

*We have*

10 refineries with over 65 MMTPA capacity,  
making us the nation's leading refiner

Longest cross-country network (11,214 km)  
of crude oil, product and gas pipelines

Largest marketing and distribution network  
with over 43,000 touch points

State-of-the-art R&D centre  
with research excellence  
in developing eco-friendly  
and sustainable  
technology solutions



IndianOil

*The Energy of India*

[www.iocl.com](http://www.iocl.com)

## Book Post

**Department of Posts, Delhi Postal Circle**  
**“Permitted to post on prepayment of postage in cash**  
**at SJ MBC, New Delhi-110003, under CPMG,**  
**Delhi Circle, Licence No.: DEL/BDM/BPC, SJ/06/13.08.2015**  
**to 23.08.2015/80000/34 dated 07.08.2015.”**



**IndianOil**

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)

## FORM A

(FORM FOR SUBMISSION OF UNQUALIFIED AUDIT REPORT  
ALONGWITH ANNUAL REPORT AS REQUIRED UNDER CLAUSE 31(a)  
OF THE LISTING AGREEMENT)

1	Name of the Company	Indian Oil Corporation Limited
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2015
3	Type of Audit observation	Unqualified
4	Frequency of observation	Not applicable

  
( B.Ashok )  
Chairman

  
( A.K.Sharma )  
Director(F)

  
(Prof.Devang Khakhar )  
Chairman of the  
Audit Committee

  
(Auditor)



Place : NEW DELHI.

Date : 13-08-2015