

Consolidated Accounts 2008-2009



INDIAN OIL CORPORATION LIMITED
(Group Companies)

Auditors' Report on Consolidated Financial Statements of Indian Oil Corporation Limited, its Subsidiaries and its Joint Ventures



We have examined the attached Consolidated Balance Sheet of Indian Oil Corporation Limited, its subsidiaries and its joint ventures as at 31st March, 2009 and the Consolidated Profit and Loss Account annexed thereto for the year ended on that date and the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Indian Oil Corporation Limited's Management and our responsibility is to express an opinion on these financial statements based on our audit.

We conducted the audit in accordance with the auditing standards generally accepted in India, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiary companies and joint ventures, whose financial statements reflect total assets of Rs. 12501.95 crore (net) as on 31st March, 2009 and total revenue of Rs. 45294.59 crore for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us and in our opinion, in so far as it relates to the amount included in respect of the subsidiaries and joint ventures, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS 21) on "Consolidated Financial Statements" and Accounting Standard (AS 27) on "Financial Reporting of Interests in Joint Ventures" notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of separate audited financial statements of Indian Oil Corporation Limited, its subsidiaries and joint ventures included in the consolidated financial statements.

We invite attention to Note 32 regarding impairment loss wherein, we have relied on the estimates and assumptions made by the Company in arriving at recoverable value of assets, which does not qualify our opinion.

On the basis of information and explanations given to us and on consideration of separate audit reports on individual financial statements of Indian Oil Corporation Limited, its aforesaid subsidiaries and joint ventures, in our opinion the consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Indian Oil Corporation Limited, its subsidiaries and its interests in joint ventures as at 31st March, 2009;
- In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of Indian Oil Corporation Limited, its subsidiaries and its interests in joint ventures for the year ended on that date; and
- In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Indian Oil Corporation Limited, its subsidiaries and its interests in joint ventures for the year ended on that date.

for **V.K. DHINGRA & CO.**
Chartered Accountants

Sd/-
(CA. V.K. DHINGRA)
Partner
M. No. 014467

for **M.M. NISSIM AND CO.**
Chartered Accountants

Sd/-
(CA. SAMIR MEHTA)
Partner
M. No. 043086

for **K K S & CO.**
Chartered Accountants

Sd/-
(CA. S.K. KULTHIA)
Partner
M. No. 017092

Place : New Delhi
Date : May 29, 2009

Balance Sheet

as at 31st March, 2009

(Rs. in Crore)

	Schedule	March-09	March-08
SOURCES OF FUNDS:			
Shareholders' Funds:			
Share Capital	"A"	1,192.37	1,192.37
Share Application Money		0.00	0.06
Share Capital Suspense Account	"A-1"	21.60	0.00
Reserves and Surplus	"B"	<u>44,290.39</u>	<u>42,427.09</u>
		45,504.36	43,619.52
Loan Funds:			
Secured Loans	"C"	18,510.83	7,600.47
Unsecured Loans	"D"	<u>28,836.04</u>	<u>31,220.46</u>
		47,346.87	38,820.93
Deferred Tax Liability (Net) (Rs.76.17 crore {2008: Rs.76.42 crore} towards share of jointly controlled entities)		5,969.09	6,113.38
Foreign Currency Monetary Item Translation Difference Account	"D-1"	5.08	0.00
Minority Interest		<u>1,572.30</u>	<u>2,200.17</u>
		100,397.70	90,754.00
TOTAL			
APPLICATION OF FUNDS:			
Fixed Assets & Intangible Assets:			
Fixed Assets:			
Gross Block	"E"	67,929.27	63,511.45
Less: Depreciation		29,860.43	26,858.06
Less: Impairment Loss		<u>69.88</u>	<u>88.59</u>
Net Block		37,998.96	36,564.80
Intangible Assets:			
Gross Block	"E-1"	656.89	392.79
Less: Amortisation		253.36	135.33
Less: Impairment Loss		<u>1.65</u>	<u>1.65</u>
Net Block		401.88	255.81
Dismantled Capital Assets		25.91	17.62
Capital Work-in-Progress	"F"	<u>19,188.87</u>	<u>10,084.90</u>
		57,615.62	46,923.13
Goodwill on Acquisition		52.35	47.34
Investments	"G"	31,323.89	20,762.51
Advances for Investments (Rs. Nil {2008 : Rs.5.00 crore} towards share of jointly controlled entities)		10.63	10.60
Finance Lease Receivables		19.62	31.01
Current Assets, Loans and Advances:			
Inventories	"H"	28,518.20	37,221.07
Sundry Debtors	"I"	4,781.73	5,257.79
Cash and Bank Balances	"J"	1,005.18	1,060.22
Other Current Assets (Rs.2.61 crore {2008 : Rs.0.64 crore} towards share of jointly controlled entities)	"J-1"	1,054.36	791.28
Loans and Advances	"K"	<u>11,843.21</u>	<u>13,937.85</u>
		47,202.68	58,268.21

(Rs. in Crore)

	Schedule	March-09	March-08
APPLICATION OF FUNDS (Contd.):			
Less: Current Liabilities and Provisions	"L"		
Current Liabilities		33,202.44	33,388.03
Provisions		2,662.97	2,025.85
		35,865.41	35,413.88
Net Current Assets		11,337.27	22,854.33
Miscellaneous Expenditure (to the extent not written off or adjusted) (Rs.0.36 crore {2008 : Rs.0.49 crore} towards share of jointly controlled entities)		38.32	125.08
TOTAL		100,397.70	90,754.00
Notes on Accounts	"Q"		

Sd/-
(S. Behuria)
Chairman

Sd/-
(S. V. Narasimhan)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For **V.K. DHINGRA & CO.**
Chartered Accountants

For **M.M. NISSIM AND CO.**
Chartered Accountants

For **K K S & CO.**
Chartered Accountants

Sd/-
(CA. V.K. DHINGRA)
Partner
M. No. 014467

Sd/-
(CA. SAMIR MEHTA)
Partner
M. No. 043086

Sd/-
(CA. S.K. KULTHIA)
Partner
M. No. 017092

Place : New Delhi
Date : May 29, 2009

Profit and Loss Account

for the year ended 31st March, 2009

(Rs. in Crore)

Schedule	March-09	March-08
INCOME:		
Sale of Products and Crude	273,923.84	238,430.70
Less: Commission and Discounts	2,545.43	2,473.74
Sale (Net of Commission & Discounts)	271,378.41	235,956.96
Less: Excise Duty	27,245.45	28,575.21
Sale (Net of Commission, Discount & Excise Duty)	244,132.96	207,381.75
Subsidy From Government of India (As per scheme)	1,588.69	1,543.91
Grant from Government of India (Special Oil Bonds)	40,383.01	18,997.00
Increase/(Decrease) in Stocks	(2,792.38)	2,799.42
Interest and other Income	4,841.53	4,635.96
TOTAL INCOME	288,153.81	235,358.04
EXPENDITURE:		
Purchase of Products and Crude for resale	109,540.76	89,651.29
Manufacturing, Admn., Selling & Other Expenses	167,534.23	127,788.31
Duties (Net)	422.65	548.13
Depreciation and Amortisation on:		
Fixed Assets	3,126.71	2,998.81
Intangible Assets	62.71	42.90
	3,189.42	3,041.71
Interest Payments on:		
Fixed period loans from Banks/Financial Institutions/Others	442.39	385.13
Bonds / Debentures	458.50	108.59
Short term loans from Banks	3,035.63	1,183.44
Public Deposits	0.05	0.10
Others	271.07	122.71
	4,207.64	1,799.97
Deferred Revenue Expenditure written off:	0.15	0.04
TOTAL EXPENDITURE	284,894.85	222,829.45
PROFIT BEFORE PRIOR YEAR ITEMS & TAX	3,258.96	12,528.59
Income/(Expenses) pertaining to prior years (Net)	390.15	(39.91)
PROFIT BEFORE TAX	3,649.11	12,488.68
Less: Provision for Tax		
Current Tax	1,348.28	3,851.87
Fringe Benefit Tax	47.22	32.48
Deferred Tax	(142.23)	53.77
PROFIT AFTER TAX	2,395.84	8,550.56
Less: Share of Minority Interest	(203.56)	637.82
PROFIT FOR THE GROUP	2,599.40	7,912.74
Balance brought forward from last year's account	5,484.91	100.02
PROFIT AVAILABLE FOR APPROPRIATION	8,084.31	8,012.76
Note:		
Total Income includes Rs. 2636.95 crore (2008 : Rs. 2074.93 crore) share of jointly controlled entities.		
Total Expenditure includes Rs.2466.67 crore (2008 : Rs.1896.58 crore) share of jointly controlled entities.		

(Rs. in Crore)

Schedule	March-09	March-08
APPROPRIATIONS:		
Interim Dividend	0.00	74.46
Final Dividend (Proposed)	932.14	611.48
Corporate Dividend Tax on:		
Interim Dividend	1.23	12.65
Final Dividend (Proposed)	158.43	128.96
Insurance Reserve Account	10.00	10.00
Bond Redemption Reserve(net)	541.53	220.95
General Reserve	1,376.59	1,469.35
Balance carried to Balance Sheet	5,064.39	5,484.91
TOTAL	8,084.31	8,012.76
Earning Per Share (Rupees) (Basic & Diluted)	21.41	66.36
	"Q" (Note no.23)	
Face Value Per Share (Rupees)	10/-	10/-
Notes on Accounts	"Q"	

Sd/-
(S. Behuria)
Chairman

Sd/-
(S. V. Narasimhan)
Director (Finance)

Sd/-
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Company Secretary

As per our attached Report of even date

For **V.K. DHINGRA & CO.**
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For **M.M. NISSIM AND CO.**
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Partner
M. No. 017092

Place : New Delhi
Date : May 29, 2009

Schedules

SCHEDULE "A" - SHARE CAPITAL

(Rs. in Crore)

	March-09	March-08
Authorised:		
2,50,00,00,000 Equity Shares of Rs. 10 each	<u>2,500.00</u>	<u>2,500.00</u>
Issued, Subscribed and Paid up:		
1,19,23,74,306 (2008 : 1,19,23,74,306) Equity Shares of Rs.10 each	<u>1,192.37</u>	<u>1,192.37</u>
TOTAL	<u><u>1,192.37</u></u>	<u><u>1,192.37</u></u>
Above includes, shares allotted as fully paid without payment being received in cash:		
a) Pursuant to the Petroleum Companies Amalgamation Order, 1964 : 3,76,49,700 Shares of Rs. 10 each		
b) Pursuant to Gujarat Refinery Project Undertaking (Transfer) (Amendment) Order 1965 : 1,00,00,000 Shares of Rs. 10 each		
c) Shares allotted as fully paid up Bonus Shares by Capitalisation of General Reserve: 1,06,62,95,000 shares of Rs.10 each		
d) 2,43,62,106 no. of Equity Shares of Rs. 10 each issued as fully paid up to the shareholders of erstwhile IBP Co. Ltd. as per the Scheme of amalgamation.		

SCHEDULE "A-1" - SHARE CAPITAL SUSPENSE ACCOUNT

(Rs. in Crore)

	March-09	March-08
Share Capital Suspense Account-BRPL	<u>21.60</u>	<u>0.00</u>
2,16,01,935 Equity shares of Rs. 10 each to be issued as fully paid-up to the shareholders of erstwhile BRPL as per the scheme of amalgamation (Refer note 14(d) of Sch-Q 'Notes on Accounts'.)		
TOTAL	<u><u>21.60</u></u>	<u><u>0.00</u></u>

SCHEDULE "B" - RESERVES AND SURPLUS

(Rs. in Crore)

	March-09	March-08
Capital Reserve:		
As per last Account	422.13	412.31
On Acquisition	0.00	9.82
Add: Transferred on amalgamation of BRPL	<u>(91.79)</u>	<u>0.00</u>
	330.34	422.13
(Rs.0.78 crore {2008: Rs.0.78 crore} towards share of jointly controlled entities)		
Securities Premium Account:		
As per last Account	350.97	350.97
(Rs.42.29 crore {2008: Rs.42.29 crore} towards share of jointly controlled entities)		
General Reserve:		
As per last Account	35,093.71	33,625.23
Add: Opening Balance Adjustment	0.00	(0.87)
Add: Transferred on amalgamation of BRPL	513.19	0.00
Less: Adj in Opening Balance due to AS-11 (net of tax)	<u>127.72</u>	<u>0.00</u>
(Refer note no. 18 of Sch-Q 'Notes on Accounts')		
Add: Transferred from Profit and Loss Account	<u>1,376.59</u>	<u>1,469.35</u>
	36,855.77	35,093.71
(Rs. 104.72 crore {2008: Rs.96.37 crore} towards share of jointly controlled entities)		
Insurance Reserve:		
As per last Account	70.00	60.00
Add: Transferred from Profit and Loss Account	<u>10.00</u>	<u>10.00</u>
	80.00	70.00
Export Profit Reserve:		
As per last Account	59.41	59.41

	(Rs. in Crore)	
	March-09	March-08
Capital Grants:		
As per last Account	12.91	14.24
Add: Received/(written Back) during the year	4.07	(0.41)
Less: Amortised during the year	0.95	0.92
	<u>16.03</u>	<u>12.91</u>
Bond Redemption Reserve Account:		
As per last Account	981.48	760.53
Add : Transferred from Profit and Loss Account	573.13	252.55
Less: Write-back on redemption of Bonds	31.60	31.60
	<u>1,523.01</u>	<u>981.48</u>
(Rs.10.00 crore {2008: Rs.8.00 crore} towards share of jointly controlled entities)		
Profit and Loss Account:		
As per Annexed Account	5,064.39	5,484.91
Devaluation Exchange Difference Reserve:		
As per last Account	(48.43)	(30.81)
Add: Translation difference	58.90	(17.62)
	<u>10.47</u>	<u>(48.43)</u>
TOTAL	<u><u>44,290.39</u></u>	<u><u>42,427.09</u></u>

SCHEDULE "C" - SECURED LOANS

	(Rs. in Crore)	
	March-09	March-08
Bonds:		
Non-Convertible Redeemable Bonds - Series - V	252.80	284.40
Non-Convertible Redeemable Bonds - Series - VI	1,000.00	1,000.00
Non-Convertible Redeemable Bonds - Series - VII B	500.00	500.00
Non-Convertible Redeemable Bonds - Series - VIII A	430.00	0.00
Non-Convertible Redeemable Bonds - Series - VIII B	1,070.00	0.00
Non-Convertible Redeemable Bonds - Series - IX	1,600.00	0.00
	<u>4,852.80</u>	<u>1,784.40</u>
Loans and Advances from Banks:		
Working Capital Demand Loan	6,804.03	254.72
Interest accrued and due on above	28.39	0.00
	<u>6,832.42</u>	<u>254.72</u>
Term Loan	708.55	683.09
Interest accrued and due on above	0.17	0.12
	<u>708.72</u>	<u>683.21</u>
Cash Credit	182.95	2,152.85
Interest accrued and due on above	0.00	0.00
	<u>182.95</u>	<u>2,152.85</u>
Foreign Currency Loans	83.94	100.29
US \$ 16.55 Million (2008 : NIL)		
Total (Loans and Advances from Banks)	<u>7,808.03</u>	<u>3,191.07</u>
Loans and Advances from Others:		
Loan through Collateralized Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd (CCIL)	2,200.00	2,625.00
OIDB	3,650.00	0.00
(Repayable in 2009-10 Rs. 275 crore, 2010-11 Rs. 712.5 crore, 2011-12 Rs. 712.50 crore 2012-13 Rs. 1,512.5 crore and 2013-14 Rs. 437.50 crore)		
TOTAL	<u><u>18,510.83</u></u>	<u><u>7,600.47</u></u>
Note: Includes Rs. 526.09 crore (2008 : Rs.361.05 crore) share of jointly controlled entities		

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SCHEDULE "D" - UNSECURED LOANS

(Rs. in Crore)

	March-09	March-08
Public Deposits	0.35	1.54
Short Term Loans and Advances:		
From Banks & Financial Institutions:		
In Foreign Currency	5,406.79	9,130.23
US \$ 1066 Million (2008 : US \$ 2,177.41 Million)		
In Rupee	12,970.80	11,827.12
	18,377.59	20,957.35
Export Packing Credit:		
In Foreign Currency	355.69	0.00
US \$ 70 Million (2008 : US \$ Nil)		
Non Convertible Debentures	950.00	0.00
Inter Corporate Deposits	1,390.50	0.00
Add: Interest Accrued and due	6.34	0.00
	1,396.84	0.00
	21,080.12	20,957.35
Other Loans and Advances:		
From Banks/Financial Institutions:		
In Foreign Currency		
- BNP Paribas Syndication: US \$ 300 Million (2008 : US \$ 300 Million) (US \$ 50 Million repayable in Jan' 2011, US \$ 25 Million in Feb' 2011, US \$ 100 Million in Mar' 2011, US \$ 50 Million in Apr' 2011, US \$ 25 Million in each of the months of May 2011, June 2011 and July 2011)	1,521.60	1,203.45
- 6.12% Senior Notes (Bank of America): US \$ 300 Million (2008 : US \$ 300 Million) US \$ 100 Million repayable in Aug' 2016 US \$ 100 Million in Aug '2017 & US \$ 100 in Aug' 2018)	1,521.60	1,203.45
- BNP Paribas Syndication: US \$ 200 Million (2008 : US \$ 200 Million) (Repayable in equivalent JPY US \$ 70 Million in January 2010, US \$ 60 Million in February 2010 and US \$ 70 Million in March 2010)	1,014.40	802.30
- Leaseplan North America Inc: US \$ 36.90 million (2008: US \$ 42.57 million) (fully guaranteed by Export Import Bank of US and repayable in 20 half yearly installments w.e.f. March 2006) (amount repayable within one year Rs. 28.79 crore)	187.16	170.80
	4,244.76	3,380.00
In Rupee		
- Citibank Bank (repaid in May 2008)	0.00	50.00
- Corporation Bank (repaid in June 2008)	0.00	300.00
- Union Bank of India (repaid in August 2008)	0.00	500.00
- IDBI (repayable in October 2014.)	500.00	500.00
- IDBI (repaid in May 2008)	0.00	100.00
- State Bank of India (repaid in March 2009)	0.00	500.00
- Add: Interest accrued and due	0.00	2.29
	0.00	502.29
- Others	1.76	12.52
	501.76	1,964.81
From Others:		
- OIBB	3,009.05	4,916.76
Total (Other Loans and Advances)	7,755.57	10,261.57
TOTAL	28,836.04	31,220.46

Note:

Includes Rs. 49.65 crore (2008 : Rs. 9.74 crore) share of jointly controlled entities.

SCHEDULE "D-1" - FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT

(Rs. in Crore)

	March-09	March-08
Foreign Currency Monetary Item Translation		
Difference Account		
As per last Account	0.00	0.00
Transferred from General Reserve (for AS 11 impact)	0.45	0.00
Add: Foreign Currency Exchange gain / (loss) on Longterm monetary items	(177.62)	0.00
Less: Amortised during the year	(182.25)	0.00
	5.08	0.00

(Refer note 18(b) of Sch-Q 'Notes on Accounts'.)

SCHEDULE "E" - FIXED ASSETS

(Rs. in Crore)

	At Cost						Depreciation and Amortisation for the year	Deduction on account of retirement/reclassifications	Total Depreciation and Amortisation 31.03.09	Impairment Loss for the year	Impairment Loss reversed during the year	Total Impairment Loss up to 31.03.09	Net Depreciated Block	
	Gross Block as at 1.04.08	Additions during the year	Transfers from Construction Work-in-Progress	Disposals during the year	Transfers/Deductions/Reclassifications	Gross Block as at 31.03.09							As at 31.03.09	As at 31.03.08
Land -Freehold	1,029.22	43.00	0.00	(1.67)	16.00	1,086.55	0.00	0.00	0.00	0.00	0.00	1,086.55	1,029.22	
-Leasehold	450.18	2.58	0.00	0.00	1.02	453.78	9.35	(0.02)	76.24	0.00	0.00	0.00	377.54	383.29
Buildings, Roads etc.	6,279.84	175.07	330.39	(8.67)	3.17	6,779.80	178.33	(3.04)	1,343.97	0.00	0.00	0.00	5,435.83	5,111.16
Plant and Machinery	54,551.03	1,593.87	2,641.95	(249.79)	(146.53)	58,390.53	2,976.93	(181.47)	27,713.90	0.00	(18.71)	69.88	30,606.75	29,544.00
Transport Equipments	375.87	17.32	0.72	(4.60)	(2.94)	386.37	17.80	(7.14)	291.66	0.00	0.00	0.00	94.71	94.86
Furnitures and Fixtures	271.96	28.17	0.35	(4.48)	(0.73)	295.27	16.23	(3.52)	151.85	0.00	0.00	0.00	143.42	132.81
Railway Sidings	220.07	1.67	20.97	(0.02)	(45.55)	197.14	11.00	(22.48)	107.98	0.00	0.00	0.00	89.16	100.60
Drainage, Sewage and Water Supply System	333.28	6.82	2.60	0.00	(2.87)	339.83	11.46	(1.06)	174.83	0.00	0.00	0.00	165.00	168.86
Total	63,511.45	1,868.50	2,996.98	(269.23)	(178.43)	67,929.27	3,221.10	(218.73)	29,860.43	0.00	(18.71)	69.88	37,998.96	36,564.80
Previous Year	61,257.19	1,319.73	1,295.64	(123.06)	(238.05)	63,511.45	3,002.94	(145.57)	26,858.06	0.00	0.00	88.59	36,564.80	

Note: Net Fixed Assets includes Rs. 516.49 crore (2008 : Rs.480.81 crore) share of jointly controlled entities.

SCHEDULE "E-1" - INTANGIBLE ASSETS

(Rs. in Crore)

	At Cost						Amortisation for the year	Deduction on account of retirement/reclassifications	Total Amortisation upto 31.03.09	Impairment Loss for the year	Total Impairment Loss up to 31.03.09	Net Block	
	Gross Block as at 1.04.08	Additions during the year	Transfers from Construction Work-in-Progress	Disposals During the year	Transfers/Deductions/Reclassifications	Gross Block as at 31.03.09						As at 31.03.09	As at 31.03.08
Right of Way	37.22	18.39	0.00	0.00	(4.90)	50.71	0.03	0.00	0.17	0.00	0.00	50.54	37.07
Licenses	282.17	251.36	10.59	0.00	(34.48)	509.64	111.91	(7.11)	183.88	0.00	1.65	324.11	201.44
Computer Software	73.40	21.62	1.57	0.00	(0.05)	96.54	13.20	0.00	69.31	0.00	0.00	27.23	17.30
Total	392.79	291.37	12.16	0.00	(39.43)	656.89	125.14	(7.11)	253.36	0.00	1.65	401.88	255.81
Previous Year	371.77	20.50	2.58	0.00	(2.06)	392.79	42.92	0.05	135.33	0.00	1.65	255.81	

Note: Net Intangible Assets includes Rs. 2.28 crore (2008 : Rs. 2.21 crore) share of jointly controlled entities.

Schedules

SCHEDULE "F" - CAPITAL WORK-IN-PROGRESS

	(Rs. in Crore)	
	March-09	March-08
Construction Work-in-Progress - Fixed Assets (including unallocated capital expenditure, materials at site)	4,526.12	4,387.63
Less: Provision for Capital Losses	44.20	47.21
	4,481.92	4,340.42
Advance for Capital Expenditure	10,463.73	4,096.54
Less: Provision for Doubtful Advance	0.29	0.49
	10,463.44	4,096.05
Capital Stores	1,182.66	731.01
Less: Provision for Capital Losses	0.69	0.97
	1,181.97	730.04
Capital Goods-in-Transit	899.48	133.56
Construction period expenses pending allocation:		
Balance as at beginning of the year	480.03	224.85
Less: Opening Balance Adjustment	0.04	0.37
Add: Transferred on BRPL Amalgamation	0.30	0.00
Add: Net Expenditure during the year (Sch. "F-1")	1,111.76	271.36
	1,592.05	495.84
Less: Allocated to Assets during the year	205.79	15.51
	1,386.26	480.33
Work-in-Progress - Intangible Assets (including unallocated capital expenditure)	809.75	338.44
Less: Provision for Loss	33.95	33.94
	775.80	304.50
TOTAL	19,188.87	10,084.90

Note:

Includes Rs. 306.99 crore (2008 : Rs. 217.96 crore) share of jointly controlled entities.

SCHEDULE "F-1" - CONSTRUCTION PERIOD EXPENSES (NET) DURING THE YEAR

	(Rs. in Crore)	
	March-09	March-08
Payments to and Provision for Employees	181.42	67.64
Repairs & Maintenance	2.33	2.56
Consumption of Stores & Spares	0.01	0.07
Power & Fuel	4.77	3.72
Rent	3.37	1.74
Insurance	20.31	17.29
Rates & Taxes	2.59	0.12
Travelling Expenses	13.27	14.00
Communication Expenses	1.25	1.19
Printing & Stationery	0.29	0.40
Electricity & Water Charges	1.39	2.65
Bank Charges	0.66	2.47
Technical Assistance Fees	17.33	0.03
Exchange Fluctuation	299.65	0.00
Interest	571.34	174.92
Depreciation and Amortisation on:		
- Fixed Assets	7.06	5.85
- Intangible Assets	0.11	0.02
Others	30.33	22.77
Total Expenses	1,157.48	317.44
Less: Recoveries	45.72	46.08
Net Expenditure during the year	1,111.76	271.36

SCHEDULE "G" - INVESTMENTS

(Rs. in Crore)

	March-09	March-08
LONG TERM INVESTMENTS:		
QUOTED	1,904.72	1,904.73
UNQUOTED:		
Oil Companies GOI SPL Bonds	11,943.93	2,387.45
In Government - Securities	0.01	164.95
In Joint Venture Companies	22.69	22.69
In Others	451.79	369.45
	14,323.14	4,849.27
CURRENT INVESTMENTS (UNQUOTED):		
Oil Companies GOI SPL Bonds	17,705.74	16,313.71
Less: Provision for Diminution	739.02	466.24
	16,966.72	15,847.47
In Others	34.03	65.77
	17,000.75	15,913.24
Total	31,323.89	20,762.51

Note:

Includes Rs. 109.72 crore (2008 : Rs.93.86 crore) share of jointly controlled entities.

SCHEDULE "H" - INVENTORIES

(Rs. in Crore)

	March-09	March-08
In Hand:		
Stores, Spares etc.	1,694.17	1,364.42
Less: Provision for Losses	92.99	84.89
	1,601.18	1,279.53
Raw Materials	5,765.71	9,574.98
Finished Products	14,495.90	16,024.20
Stock in Process	1,815.15	2,726.37
Work-in-Progress - Construction Contracts	283.30	205.37
Barrels and Tins	17.58	16.14
	23,978.82	29,826.59
In Transit:		
Stores & Spares	115.41	82.51
Raw Materials	4,294.28	6,829.42
Finished Products	129.69	482.55
	4,539.38	7,394.48
TOTAL	28,518.20	37,221.07

Note:

Includes Rs. 389.14 crore (2008 : Rs. 337.71 crore) share of jointly controlled entities.

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SCHEDULE "I" - SUNDRY DEBTORS

(Rs. in Crore)

		March-09	March-08
Over Six Months:			
Secured, Considered Good	8.18		0.00
Unsecured, Considered Good	68.23		64.26
Unsecured, Considered Doubtful	538.12		543.90
		614.53	608.16
Other Debts:			
Secured, Considered Good	139.93		143.56
Unsecured, Considered Good	4,565.39		5,049.97
Unsecured, Considered Doubtful	3.86		3.07
		4,709.18	5,196.60
Total		5,323.71	5,804.76
Less: Provision for Doubtful Debts		541.98	546.97
TOTAL		4,781.73	5,257.79

Note:

Includes Rs. 178.58 crore (2008 : Rs. 140.89 crore) share of jointly controlled entities.

SCHEDULE "J" - CASH AND BANK BALANCES

(Rs. in Crore)

	Note	March-09	March-08
Cash Balances:			
Cash Balances including imprest		74.10	115.09
Cheques in hand		498.73	748.02
		572.83	863.11
Bank Balances with Scheduled Banks:			
Current Account		312.54	103.93
Fixed Deposit Account		36.26	47.47
Call Deposit Account		82.02	44.67
Blocked Account		0.16	0.16
		430.98	196.23
Bank Balances with Non-Scheduled Banks:			
Bank of Commerce & Development, Libya		0.49	0.00
Myanmar Economic Bank Branch (5), Rangoon	A	0.88	0.88
[Maximum balance during the year - Rs.0.88 crore]			
TOTAL		1,005.18	1,060.22

Note:

A. There exists restrictions on repatriation of said amount from Myanmar.
Includes Rs.117.01 crore (2008 : Rs.99.08 crore) share of jointly controlled entities.

SCHEDULE "J-I" - OTHER CURRENT ASSETS

(Rs. in Crore)

		March-09	March-08
Interest accrued on Investments / Bank Deposits		395.71	209.66
Gold Coins in Hand (at Cost)		3.63	0.00
Receivable from IBP Trust		1,840.99	1,840.99
Less: Provision for Diminution		1,334.76	1,259.37
		506.23	581.62
Receivable from BRPL Trust (Refer note no. 14(e) of Schedule - Q 'Notes on Accounts')		148.79	0.00
TOTAL		1054.36	791.28

Note:

Includes Rs. 2.61 crore (2008 : Rs. 0.64 crore) share of jointly controlled entities.

SCHEDULE "K" - LOANS AND ADVANCES

(Rs. in Crore)

	March-09	March-08
Advance recoverable in cash or in kind or for value to be received:		
Secured, Considered Good	999.92	1,017.53
Unsecured, Considered Good	1,508.85	2,133.68
Unsecured, Considered Doubtful	5.66	4.34
	<u>2,514.43</u>	<u>3,155.55</u>
Less: Provision for Doubtful Advances	5.66	4.34
	2,508.77	3,151.21
Amount recoverable from Government of India:		
Unsecured, Considered Good	6,320.61	7,733.02
Claims Recoverable:		
Secured, Considered Good	0.10	0.10
Unsecured, Considered Good	1,190.50	942.05
Unsecured, Considered Doubtful	56.33	41.45
	<u>1,246.93</u>	<u>983.60</u>
Less: Provision for Doubtful Claims	56.33	41.45
	1,190.60	942.15
Balance with Customs, Port Trust and Excise Authorities:		
Unsecured, Considered Good	81.78	87.85
Advance Tax (net)	35.17	313.26
Materials given on loan		
Secured, Considered Good	0.27	1.66
Less: Deposits received	0.07	1.66
	<u>0.20</u>	<u>0.00</u>
Unsecured, Considered Good	0.00	0.20
	0.20	0.20
Sundry Deposits (including amount adjustable on receipt of Final Bills):		
From Others		
Secured, Considered Good	9.88	10.11
Unsecured, Considered Good	1,696.20	1,700.05
Unsecured, Considered Doubtful	0.08	0.03
	<u>1,706.16</u>	<u>1,710.19</u>
Less: Provision for Doubtful Deposits	0.08	0.03
	1,706.08	1,710.16
TOTAL	11,843.21	13,937.85

Notes:

Includes Rs. 64.76 crore (2008 : Rs. 69.20 crore) share of jointly controlled entities.

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SCHEDULE "L" - CURRENT LIABILITIES AND PROVISIONS

(Rs. in Crore)

	March-09	March-08
Current Liabilities		
Sundry Creditors:		
Total outstanding dues of micro enterprises and small enterprises	22.05	16.54
Total outstanding dues of creditors other than micro enterprises and small enterprises	20,497.46	20,942.31
	20,519.51	20,958.85
Other Liabilities	5,263.75	5,537.75
Investor Education and Protection Fund to be credited on the due dates:		
Unpaid Dividend	10.57	9.85
Unpaid Matured Deposits	0.05	0.09
Security Deposits	6,962.75	6,507.35
Less: Investments and Deposits with Banks lodged by outside parties	0.04	0.04
	6,962.71	6,507.31
Material taken on loan:		
From Others	0.00	16.14
Less: Deposits given	0.00	16.04
	0.00	0.10
Liability on Foreign Currency Contract	795.29	341.00
Less: Foreign Currency Receivables	732.65	172.84
	62.64	168.16
Interest accrued but not due on loans	383.21	205.92
Total Current Liabilities	33,202.44	33,388.03
Provisions		
Provision for Taxation:		
Provision for Current Tax	8,233.47	8,833.81
Less: Advance payments	7,956.44	8,660.06
	277.03	173.75
Provision for Fringe Benefit Tax	120.88	138.86
Less: Advance payments	121.00	138.53
	(0.12)	0.33
Total Provision for Taxation	276.91	174.08
Proposed Dividend	932.14	685.94
Corporate Dividend Tax	158.43	141.61
Provision for Employee Benefits	388.11	381.43
Contingencies for probable obligations	907.38	642.79
Total Provisions	2,662.97	2,025.85
TOTAL	35,865.41	35,413.88

Note:

Includes Rs. 326.00 crore (2008 : Rs.372.01 crore) share of jointly controlled entities.

SCHEDULE "M" - DETAILS OF INCREASE/(DECREASE) IN STOCK

(Rs. in Crore)

	March-09	March-08
Closing Stock		
Finished Products	14,625.59	16,506.75
Stock in Process	1,815.15	2,726.37
	16,440.74	19,233.12
Less:		
Opening Stock		
Finished Products	16,506.75	14,525.12
Stock in Process	2,726.37	1,908.58
	19,233.12	16,433.70
NET INCREASE / (DECREASE)	(2,792.38)	2,799.42

SCHEDULE "N" - INTEREST AND OTHER INCOME

(Rs. in Crore)

	March-09	March-08
Interest on:		
Loans and Advances	57.29	59.61
Fixed Deposits with Banks	25.37	27.19
Short Term Deposits with Banks	9.12	10.96
Customers Outstandings	75.37	42.50
Oil Companies GOI SPL Bonds	1,023.07	1,052.84
Others	236.52	1.73
	1,426.74	1,194.83
Dividend	619.57	568.35
Profit on sale of Investments	1,053.31	1.30
Sale of Power and Water	24.16	21.30
Profit on sale and disposal of Assets	21.48	45.40
Unclaimed/Unspent Liabilities written back	150.28	233.97
Provision for Doubtful Debts, Advances, Claims and Stores written back	42.67	54.31
Provision for Contingencies written back	4.47	0.47
Recoveries from Employees	12.51	11.54
Retail Outlet Licence Fees	70.60	67.40
Collection Charges for Outstation Cheques	1.48	9.57
Sale of Scrap	75.41	63.82
Income from Finance Leases	3.14	4.94
Amortisation of Capital Grants	0.95	0.92
Exchange Fluctuations (Net)	1.40	1,524.43
Terminalling Charges	53.54	60.24
Recovery towards Inventory Carrying Cost	33.60	68.35
Provision for Investment written back	393.88	4.85
Provision for diminution in Trust written back	0.00	59.92
Other Miscellaneous Income	852.34	640.05
TOTAL	4,841.53	4,635.96

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SCHEDULE "O" - MANUFACTURING, ADMINISTRATION, SELLING AND OTHER EXPENSES

(Rs. in Crore)

	March-09	March-08
Raw Materials Consumed:		
Opening Balance	15,828.50	11,273.51
Add: Transferred from BRPL	575.90	0.00
	<u>16,404.40</u>	<u>11,273.51</u>
Add: Purchases	136,086.08	117,639.24
	<u>152,490.48</u>	<u>128,912.75</u>
Less: Closing Stock	10,059.99	16,404.40
	<u>142,430.49</u>	<u>112,508.35</u>
Consumption:		
Stores, Spares and Consumables	627.10	636.52
Packages & Drum Sheets	320.62	265.75
	<u>947.72</u>	<u>902.27</u>
Power & Fuel	10,671.43	8,436.63
Less: Fuel for own production	10,161.62	8,015.36
	<u>509.81</u>	<u>421.27</u>
Processing Fees, Blending Fees, Royalty & Other Charges	52.65	45.88
Octroi, Other Levies and Irrecoverable Taxes	663.37	738.65
Repairs and Maintenance:		
Plant and Machinery	965.20	971.80
Buildings	116.65	134.77
Others	98.12	72.95
	<u>1,179.97</u>	<u>1,179.52</u>
Freight, Transportation Charges and Demurrage	5,820.06	4,985.27
Payments to and Provisions for Employees:		
Salaries, Wages, Bonus etc.	3,986.72	2,088.72
Contribution to Provident & Other Funds	1,220.53	602.70
Voluntary Retirement Compensation	1.80	22.36
Staff Welfare Expenses	710.00	518.86
	<u>5,919.05</u>	<u>3,232.64</u>
Office Administration, Selling and Other Expenses (Schedule "O-1")	10,555.12	4,178.14
	<u>168,078.24</u>	<u>128,191.99</u>
Less: Company's use of own products	544.01	403.68
TOTAL	167,534.23	127,788.31
TOTAL (Net)	167,534.23	127,788.31

SCHEDULE "O-1" - OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

(Rs. in Crore)

	March-09	March-08
Rent	388.08	380.19
Insurance	64.88	83.64
Rates & Taxes	56.59	52.38
Donations	0.75	0.50
Payment to Auditors:		
Audit Fees	0.93	0.89
Tax Audit Fees	0.15	0.11
Other Services (for issuing certificates etc.)	0.34	0.37
Out of Pocket Expenses	0.27	0.47
	1.69	1.84
Travelling & Conveyance	274.07	240.91
Communication Expenses	46.96	42.38
Printing & Stationery	25.30	24.30
Electricity & Water	154.76	145.47
Bank Charges	74.15	47.08
Bad Debts, Advances & Claims written off	12.51	19.09
Provision/Loss on Assets sold or written off	59.50	32.80
Technical Assistance Fees	7.21	129.09
Exchange Fluctuation (Net)	4,592.90	0.20
Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores	58.55	332.68
Provision for Diminution in Investments	670.26	291.08
Amortisation of FC Monetary Item Translation	182.25	0.00
Loss on Sale of Investments	1,947.96	377.55
Security Force Expenses	195.06	134.04
Sales Promotion Expenses	294.02	313.41
Handling Expenses	127.86	127.96
Inventory Carrying Cost	56.91	50.25
Expenses on Enabling Facilities	29.76	25.97
Terminalling Charges	20.96	14.65
Commodity Hedging Loss (Net)	6.75	84.30
Provision for Probable Contingencies	26.06	30.98
Exploration & Production Cost	172.39	207.41
Amortisation of Premium on Forward Contracts	135.39	237.64
Provision for Diminution on Receivable from Trust	75.39	0.00
Other Expenses	796.20	750.35
TOTAL	10,555.12	4,178.14

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SCHEDULE "P"- INCOME/EXPENSES RELATING TO PREVIOUS YEARS

(Rs. in Crore)

	March-09	March-08
Income:		
Miscellaneous Income	0.56	1.30
Sales of Products	4.70	3.45
Total Income	5.26	4.75
Expenditure:		
Purchase of Products and Crude	0.12	0.00
Raw Material consumption	(3.81)	(0.78)
Depreciation and Amortisation on:		
Fixed Assets	87.34	(1.70)
Intangible Assets	62.32	0.00
Consumption of Stores, Spares and Consumables	0.01	(1.10)
Technical Fees	(515.92)	0.00
Power & Fuel	(0.59)	0.00
Repairs and Maintenance	0.81	5.20
Interest	0.00	(0.72)
Rent	0.14	1.50
Provision on Stores	0.00	0.70
Payment to and provision for employees	(14.73)	41.53
Other Expenses	(0.58)	0.03
Total Expenses	(384.89)	44.66
NET INCOME/(EXPENDITURE)	390.15	(39.91)

SCHEDULE “Q” - NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009

1. PRINCIPLES OF CONSOLIDATION

- 1.1 The consolidated financial statements relate to Indian Oil Corporation Limited (Parent Company), its subsidiaries and Joint Venture companies. The consolidated financial statements have been prepared on the following basis:
- The financial statements of the Parent Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating the intra-group balances, intra-group transactions and 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”.
 - 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”.
 - The consolidated financial statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company’s separate financial statements.
 - 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.

1.2 **The Consolidated Financial Statements include the results of the following entities:**

Sr. No.	Name of Company	Country of Incorporation	Relation	Ownership Interest
1.	Chennai Petroleum Corporation Ltd. (CPCL)	India	Subsidiary	51.89%
2.	Lanka IOC Ltd. (LIOC)	Sri Lanka	Subsidiary	75.12%
3.	IndianOil Mauritius Ltd. (IOML)	Mauritius	Subsidiary	100%
4.	IndianOil Technologies Ltd.	India	Subsidiary	100%
5.	IOC Middle East FZE	Dubai- UAE	Subsidiary	100%
6.	IOT Infrastructure & Energy Services Ltd.	India	Joint Venture	49.98%
7.	Lubrizol India Pvt. Ltd.	India	Joint Venture	50%
8.	AVI-OIL India Pvt. Ltd.	India	Joint Venture	25%
9.	Petronet LNG Ltd.	India	Joint Venture	12.5%
10.	IndianOil Petronas Pvt. Ltd.	India	Joint Venture	50%
11.	Green Gas Ltd.	India	Joint Venture	22.50%
12.	IndianOil Sky Tanking Ltd.	India	Joint Venture	33.33%
13.	Indo Cat Pvt. Ltd.	India	Joint Venture	50%
14.	Suntera Nigeria 205 Ltd.	Nigeria	Joint Venture	25%

Note: Proportionate consolidation in respect of Investments in the Joint Venture Companies M/s Petronet CI Ltd., Petronet VK Ltd; Petronet India Ltd. and IndianOil Panipat Power Consortium Ltd. have not been incorporated in the preparation of consolidated financial statements as the Management has either decided to exit from these Joint Ventures or provided for full diminution in the value of investment.

2. Other Significant Accounting Policies

- 2.1 These are set out in the Statement of Significant Accounting Policies of the financial statements of the Parent Company, its Subsidiaries and Joint Ventures.
- 2.2 For certain items, the Company and its subsidiaries and Joint ventures have followed different accounting policies in certain cases. However impact of the same is not material.
3. Financial statements of IOML, LIOC, IOC Middle East FZE and Suntera Nigeria are drawn in Mauritius Rupees, Sri Lankan Rupees, UAE Dirhams 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.

4. Contingent Liabilities:

- a) Contingent Liabilities amounting to **Rs. 9242.19 crore** (2008 : Rs. 8865.69 crore) are as under:
- Rs. 7081.15 crore** (2008 : Rs. 6397.38 crore) being the demands raised by the Central Excise /Customs / Sales tax authorities.
 - Rs. 640.19 crore** (2008 : Rs. 582.55 crore) for which suits have been filed in the Courts or cases are lying with Arbitrators.
 - Rs. 961.68 crore** (2008 : Rs 1335.33 crore) in respect of Income Tax demands.
 - Rs. 559.17 crore** (2008 : Rs. 550.43 crore) in respect of other claims.

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- b) Interest/Penalty, if any, on some of the above claims is unascertainable.
- c) Income tax, if any, reimbursable to foreign contractors is unascertainable.
5. Estimated amount of contracts remaining to be executed on Capital Account not provided for **Rs. 18695.34 crore** (2008: Rs. 19348.65 crore)
6. Purchase of crude oil from ONGC, Oil India Limited and Panna Mukta Tapti JV and some other oilfields has been accounted for provisionally pending finalisation of agreements with respective parties. Adjustments, if any, will be made on finalisation of agreements.
7. Transactions with Other Marketing Companies are jointly reconciled on an ongoing basis.
8. Bond redemption Reserve:
 - (a) Bond Redemption Reserve of **Rs. 31.60 crore** (2008: Rs. 31.60 crore) created in respect of Non-Convertible Redeemable Bonds – Series V has been written back during the year as the 5th installment of Rs. 31.60 crore was paid on 18.07.2008.
 - (b) Bond Redemption Reserve of **Rs. 333.63 crore** (2008: Rs.250. 55 crore) has been created in respect of Non-Convertible Redeemable Bonds VI, VII-B, VIIIA, VIIIB and IX during the year.
 - (c) Bond Redemption Reserve of **Rs. 237.50 crore** (2008: Rs. Nil crore) has been created in respect of short-term unsecured Non-convertible Debentures outstanding as at the year end.
9. Pursuant to orders pronounced by the Honourable Supreme / various High Courts in the matter of Entry Tax on Crude Oil, and as advised, the Company and its subsidiaries have not provided for Entry Tax amounting to **Rs. 2658.48 crore** (2008 : Rs. 1498.03 crore) including **Rs. 1332.66 crore** for the year (Previous Year Rs. 1286.18 crore) in respect of Mathura & Panipat Refineries and Asaoti Lube Blending Plant. Pending final disposal of the matter by the Honourable Supreme / various High Courts, Entry Tax already paid / deposited / provided for at various units has not been considered for write back.
10. Subsidies on SKO (PDS) and LPG (Domestic) in India amounting to **Rs. 1555.28 crore** (2008: Rs. 1510.63 crore) and subsidies on sales of SKO & LPG to customers in Bhutan amounting to **Rs. 33.41 crore** (2008: Rs 33.28 crore) have been reckoned as per the schemes notified by Government of India.
11. The Group has accounted for Government of India Special Bonds of **Rs. 40383.01 crore** (2008 : Rs. 18997.00 crore) in lieu of under-recoveries on petroleum products for the year. Out of this, Special Bonds of **Rs. 34175.95 crore** for the period from 1st April, 2008 to 31st December, 2008 (2008 : Rs. 11460.73 crore) have been received by the Company and the balance amount of **Rs. 6207.06 crore** receivable for the period from 1st January, 2009 to 31st March, 2009 (2008 : Rs. 7536.27 crore) has been accounted for on the basis of advice received from Government of India. These Bonds have been accounted in the Profit and Loss Account as Revenue Grants.
12.
 - (a) In line with the scheme formulated by Petroleum Planning and Analysis Cell (PPAC), the Group has received discount of **Rs. 18063.11 crore** (2008 : Rs. 14322.91 crore) on Crude Oil/LPG/SKO purchased from ONGC/GAIL/OIL towards part of the under recovery suffered on sale of MS, HSD, LPG (Domestic) and SKO (PDS) and the same has been adjusted against the purchase cost.
 - (b) Based on the advice received from Government of India, the Company has accounted **Rs. 146.42 crore** (2008 : Nil) towards the discounts receivable from ONGC/OIL for compensating under recoveries on import losses in respect of MS & HSD, and same has been adjusted against the purchase cost.
13. The Company and its subsidiaries have export obligation to the extent of **Rs. 2882.87 crore** (2008 : Rs. 1908.07 crore) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.
14. Amalgamation of erstwhile Bongaigaon Refinery & Petrochemicals Limited (BRPL) with the parent Company:
 - a) BRPL, a subsidiary of the parent company, was engaged primarily in the business of Refining of petroleum products.
 - b) Pursuant to the Scheme of Amalgamation (the scheme) of the erstwhile BRPL with the Company as approved by the members, secured creditors and unsecured creditors in their meetings held on 22nd February 2008 and subsequently sanctioned by the Ministry of Corporate Affairs, Govt. of India vide its Order dated 9th March 2009, which became effective on 25th March 2009, the assets, liabilities and reserves of erstwhile BRPL stand transferred to and vested in the Company with effect from the appointed date i.e. 1st April 2006. Accordingly the scheme has been given effect to in these accounts.
 - c) The Amalgamation has been accounted for under the “pooling of interest” method as prescribed by Accounting Standard -14 on “Accounting for Amalgamations”. Accordingly, the assets, liabilities and reserves of the erstwhile BRPL as at 1st April 2006 along with subsequent addition/deletion up to 31st March 2008 have been transferred in accordance with the said scheme. The profits of the amalgamating company during the period 1st April 2006 to 31st March 2008 have been transferred to the General Reserve of the Company without opening the accounts of the Company for the previous years. Current year transactions are duly incorporated in the books of the Company.
 - d) Based on the approved swap ratio as provided in the scheme, 21601935 number of equity shares will be issued to the equity shareholders of erstwhile BRPL in the ratio of 4 equity shares of the face value of Rs. 10 each in the parent Company for every 37 equity shares held in erstwhile BRPL. In terms of the scheme, the said equity shares, when issued and allotted by the parent Company, shall rank, in all respects pari-passu with the existing equity shares of the parent Company. Pending allotment of the said equity shares, the amount has been disclosed under “Share Capital Suspense Account” in Schedule A-1 as on 31st March, 2009.
 - e) As provided in the scheme, 16085819 number of equity shares to be issued by the parent Company in lieu of 148793826 number of equity shares held by the parent Company in the erstwhile BRPL will be transferred to a Trust for the sole benefit of the parent Company. Accordingly, the cost of the aforesaid investment of the parent Company is reflected as “Receivable from Trusts”, under ‘Other Current Assets’ in Schedule “J-1”.
 - f) In view of the above current year figures are not strictly comparable to those of the previous year.

15. In absence of relevant notification by the Government of India specifying the period and applicable rate at which cess on turnover is payable under section 441A of the Companies Act 1956, the same is not determinable and hence not provided for.
16. Pending finalization of the pay revision of the employees of the Group, due w.e.f. 01.01.2007, the Group has provided a sum of **Rs. 2755.53 crore** (2008 : Rs. 212.41 crore) during the year on estimated basis, which interalia includes the impact on account of proposed enhancement in the gratuity ceiling from the existing limit of Rs. 3.5 lakhs to Rs. 10 lakhs as per the guidelines of the Department of Public Enterprises.
17. During the year IOCL had sought opinion from Expert Advisory Committee of the Institute of Chartered Accountants of India on its accounting policy for treatment of Know-how/ Licence Fees pertaining to Production Process. In pursuance of the same, the accounting policy hitherto followed by the Group of charging the Know-how / Licence fee relating to production process to revenue in the year of incurrence has been changed. The same is now accounted for as Intangible Asset with retrospective effect from 01.04.2003 and will be amortised over a period of ten years or life of the said plant/ facility, whichever is earlier.
- This change has resulted in increase in Profit by **Rs. 543.05 crore** for the year (including Rs. 447.31 crore for prior periods) and increase in Intangible Assets (net of amortisation) by **Rs. 634.69 crore** (Including Rs 380.96 crore for CWIP).
18. The Central Government vide notification dated March 31, 2009 has amended Accounting Standard (AS-11) on "The effect of changes in Foreign exchange rates" notified under the Company's (Accounting Standard) Rules, 2006. The Group has exercised the option stated in paragraph 46 of AS-11 retrospectively w.e.f. April 1, 2007. As a result, the Group has changed its accounting policy for recognition of exchange differences arising on long term foreign currency monetary items, which hitherto were charged to the Profit and Loss Account, as below:
- In so far as they relate to the acquisition of depreciable assets, are added to or deducted from the cost of the asset and are depreciated over the balance useful life of the asset. The change has resulted in increase in Profit by **Rs. 786.80 crore** for the year, net increase in Assets by **Rs. 594.74 crore** (Including Rs. 237.62 crore in CWIP) and increase in accumulated depreciation by **Rs. 5.67 crore**.
 - In other cases, the said difference amount is accumulated in "Foreign Currency Monetary Items Translation Difference Account" and is amortised over the balance period of such long-term foreign currency monetary item but not beyond 31st March 2011. This change has resulted in decrease in Profit by **Rs. 4.63 crore** for the year. An amount of **Rs. 5.08 crore** is remaining unamortised in "Foreign Currency Monetary Items Translation Difference Account" as on 31.03.2009.
- This change in policy on (a) and (b) above has resulted in reduction of **Rs. 127.72 crore** (net of tax) in opening general reserve.
19. 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 given in Annexure-1.
20. In compliance of Accounting Standard – 17 on "Segment Reporting", the required information is given as per Annexure-2 to this schedule.
21. In compliance of Accounting Standard – 18 on "Related Party Disclosures", the required information is given as per Annexure-3 to this schedule.
22. Disclosure as required under Accounting Standard – 19 on "Accounting for Leases", is as under:

Finance Lease of Tank Wagons:

		(Rs. in Crore)	
Particulars		March-09	March-08
A.	Gross Investments in Finance Lease	416.96	416.96
	Less: Adjustment to Opening Block	1.32	-
	Gross Investments in Finance Lease (after adjustment)	415.64	416.96
	Less: Unearned Finance Income	8.74	11.94
	Less: Finance Income Received	162.41	159.75
	Less: Minimum Lease payment received	224.87	214.26
	Net Investment in Finance Lease as on Date	19.62	31.01
B.	Unearned Finance Income	8.74	11.94
C.	Present Value of Minimum Lease Payments Receivable		
	Not later than one year	4.81	11.32
	Later than one year and not later than five years	8.31	10.61
	Later than five years	6.50	9.08
	Total	19.62	31.01
D.	Break-up of un-earned income		
	Not later than one year	1.99	3.15
	Later than one year and not later than five years	5.02	5.49
	Later than five years	1.73	3.30
	Total	8.74	11.94

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Operating leases:

a) As Lessees

Lease Rentals charged to the Profit and Loss Account and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements:

		(Rs. in Crore)	
Particulars		March-09	March-08
A.	Lease rentals recognised during the period	53.53	61.90
B.	Lease Obligations		
	Not later than one year	52.77	53.53
	Later than one year and not later than five years	184.96	202.17
	Later than five years	652.16	702.95

b) As Lessors

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

		(Rs. in Crore)	
Particulars		March-09	March-08
A.	Lease rentals recognised as income during the period	1.80	2.05
B.	Lease Rentals (category of assets – Plant & Machinery)		
	Gross Carrying Amount	0.01	0.01
	Accumulated Depreciation	0.00	0.00
	Depreciation recognized in Profit and Loss Account	0.00	0.00

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

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

		March-09	March-08
Profit After Tax for the Group (Rs. in Crore)		2599.40	7912.74
Total Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)			
a)	Number of Shares	1192374306	1192374306
b)	Number of Shares to be issued to erstwhile shareholders of BRPL	21601935	-
	Total number of Shares	1213976241	1192374306
Earning Per Share (Basic and Diluted) (Rupees)		21.41	66.36
Face Value per Share (Rupees)		10/-	10/-

24. In compliance of Accounting Standard – 22 on “Accounting for Taxes on Income”, The item-wise details of Deferred Tax Liability (net) are as under:

		(Rs. in Crore)	
		As on 31.03.2009	As on 31.03.2008
Deferred Tax Liability:			
i)	Depreciation	6819.41	6691.03
ii)	Others	5.29	4.02
Total Deferred Tax Liability		6824.70	6695.05
Adjustment in opening due to AS 11 impact		(2.04)	-
Adjusted Deferred Tax Liability (A)		6822.66	6695.05
Deferred Tax Assets:			
i)	Compensation under voluntary retirement scheme	6.71	9.75
ii)	Provision for doubtful advances /claims / materials	286.43	256.37
iii)	Provision for Retirement Benefits	8.38	4.15
iv)	Unabsorbed Depreciation	172.50	-
v)	Others	379.55	311.20
Total Deferred Tax Assets (B)		853.57	581.47
Deferred Tax Liability (Net) (A-B)		5969.09	6113.58

25. In respect of Oil and Gas Exploration activities, Revenue Expenditure amounting to **Rs. 172.39 crore** (2008 : Rs. 207.40 crore) and Capital Expenditure amounting to **Rs. 37.45 crore** (2008 : Rs. 49.72 crore) of Oil and Gas Exploration Projects has been incorporated in these accounts on the basis of unaudited statement provided by respective operators of Production Sharing Contracts to the company.

26. In respect of certain Subsidiaries and Joint Venture Companies, the following additional notes to accounts, as given in the Annual Accounts, are disclosed:

Lanka IOC Ltd.

- a) Goodwill represents the excess of the costs of acquisition over the fair values of the retail outlets at the date of acquisition. Surplus arising from revaluation of land of 100 retail outlets is set off against the goodwill on acquisition of 100 retail outlets. Up to year ended 31.03.2006; Goodwill was amortized using the straight line method over a period of 20 years based on the Petroleum Products License. According to the revised Accounting Standards applicable in Sri Lanka, Goodwill is not amortized but is tested annually for impairment.
- b) Lanka IOC Ltd owns 1/3rd share of Ceylon Petroleum Storage Terminal Limited (CPSTL), also known as the "Common User Facility" (CUF). The Company paid US\$ 45 million to Ceylon Petroleum Corporation on 22 January 2004 to obtain 1/3rd share of CPSTL.

(Rs. in Crore)

	2008-09	2007-08
At the beginning of the year	162.48	175.77
Translation Difference	32.67	(13.29)
Closing Net Book Amount	195.15	162.48

The investment in CPSTL is accounted for at cost. The Board of Directors is of the view that the Company has no significant influence in the financial and operating policy decisions of the investee and hence the adoption of the cost method is appropriate.

- c) In terms of the agreement entered into with the Board of Investment of Sri Lanka under section 17 of the Board of Investment Law No. 4 of 1978, the Company is exempt from income tax for a period of 10 years commencing from 14.02.2003. The current year's tax charge wholly consists of tax on non-exempt interest income.

Petronet LNG Ltd.

- a) In terms of the provisions contained in the LNG Port Terminal Concession Agreement, the Company has to develop a Solid Cargo Port along with LNG Terminal. A Joint Venture Company " Adani Petronet (Dahej) Port Pvt Ltd (APPPL)" has been formed for development of Solid Cargo Port. The Company has acquired 50% equity in APPPL.
- b) Customs Duty on import of Project material/equipment has been assessed provisionally (current and previous years) and additional liability, if any, on this account will be provided on final assessment.

27. The dues to Micro, Small and Medium enterprises as required under the Micro Small and Medium Enterprises Development Act, 2006 is given below:

(Rs. in Lakh)

	2008-09	2007-08
Amount overdue and payable:		
Principal	2172.55	20.75
Interest	1.61	1.45
Payments made during the year after the due date:		
Principal	75.22	189.60
Interest	0.09	0.00
Interest accrued and unpaid	1.84	1.45

The above information is given to the extent available with the group and relied upon by the Auditors.

28. In compliance of Accounting Standard - 27 on "Financial Reporting of Interests in Joint Ventures", the required information is given as per Annexure-4 to this schedule.

29. Exposures to Financial and Commodity Trading Derivative Instruments outstanding as on 31st March, 2009 is given in Annexure-5 to this schedule.

30. Remuneration paid/payable to Directors:

(Rs. in Crore)

	2008-09	2007-08
i) Salaries & Allowances	2.47	2.37
ii) Contribution to Provident & Other Funds	0.16	0.20
iii) Other Benefits and Perquisites	0.36	0.43
iv) Sitting Fees to Part Time Directors	0.25	0.16
Total	3.24	3.16

The above does not include impact of pay revision arising out of DPE guidelines applicable w.e.f. 01.01.2007 except to the extent of Adhoc payment made during the year.

Schedules

31. In compliance of Accounting Standard – 29 on “Provisions, Contingent Liabilities and Contingent Assets”, the details of provision made by the Group is as under:

	(Rs. in Crore)				
	Opening Balance	Additions during the year (Note 1)	Utilisation during the year	Reversals during the year	Closing balance (Note 2)
Excise	1.10	1.31	-	-	2.41
Customs	3.10	5.17	-	-	8.27
Sales Tax	112.75	12.57	-	3.50	121.82
Entry Tax	511.60	242.17	-	-	753.77
Others	14.24	8.28	0.44	0.97	21.11
Total	642.79	269.50	0.44	4.47	907.38
Previous Year	463.23	180.82	0.90	0.36	642.79

Note: 1. Additions includes Rs. 1.27 crore (2008: Rs.9.24 crore) capitalised and Rs. 242.17 crore (2008: Rs. 140.60 crore) included in raw material consumption in schedule “O”, during the year.

2. Expected timing of outflows is not ascertainable at this stage.

32. Considering the Government policies and modalities of compensating the oil marketing companies towards under-recoveries, future cash flows have been worked out based on the desired margins for deciding on impairment of related Cash Generating Units. Accordingly no further impairment as at the year-end has been considered. In view of the assumption being technical, peculiar to the industry and policy matter, the auditors have relied on the same.
33. Previous year’s comparative figures have been regrouped and recast to the extent practicable, wherever necessary. Figures in brackets indicate deductions.

Sd/-
(S. Behuria)
Chairman

Sd/-
(S. V. Narasimhan)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

Place : New Delhi
Date : May 29, 2009

Annexure-1

Disclosures- Notes on Accounts: AS-15 (Revised)

(a) Provident Fund

Guidance issued by the Accounting Standards Board (ASB) on implementing AS - 15, Employee Benefits (revised 2005) states that provident funds set up by employers, which require interest shortfall to be met by employer, need to be treated as defined benefit plan. The Fund does not have any existing deficit or interest shortfall. Accordingly, other related disclosures in respect of Provident Fund have not been made. During the year, the company has recognised **Rs. 153.52 crore** (2008 : Rs. 134.26 crore) as Employer's contribution to Provident Fund in the Profit and Loss Account (included in Contribution to Provident and Other Funds in Schedule 'O'):

(b) Reconciliation of balance of Defined Benefit Obligation

(Rs. in Crore)

	Gratuity	Leave Encashment	PRMS	Resettlement Allowances	Long Service Award	Staff Pension Fund at AOD
	Funded	Funded	Non-funded	Non-funded	Non-funded	Funded
Defined Obligations at the beginning	512.26 430.93	950.10 627.77	211.94 221.34	59.57 67.45	53.03 1.04	5.74 6.58
Liability on merger of BRPL	-	-	-	1.23	1.70	-
Current Service Cost	6.00 5.47	41.01 35.96	30.50 3.51	2.05 1.04	2.62 8.72	0.19 0.22
Interest Cost	39.70 38.30	72.85 56.74	17.83 16.93	4.77 5.39	4.30 49.68	0.43 0.47
Past Service Cost	649.00	-	-	-	-	-
Benefits paid	(31.62) (29.29)	(88.20) (81.20)	(47.36) (33.13)	(2.87) (1.23)	(5.39) (6.46)	(0.66) (1.69)
Actuarial (gain) / loss on obligations	133.04 66.85	217.53 310.83	34.71 3.29	6.66 (11.85)	1.93 0.05	1.65 0.16
Defined Benefit Obligation at the end of the year	1308.39 512.26	1193.29 950.10	247.62 211.94	71.41 60.80	58.19 53.03	7.35 5.74

(c) Reconciliation of balance of Fair Value of Plan Assets

(Rs. in Crore)

	Gratuity	Leave Encashment	PRMS	Resettlement Allowances	Long Service Award	Staff Pension Fund at AOD
	Funded	Funded	Non-funded	Non-funded	Non-funded	Funded
Fair value of plan assets at the beginning of the year	524.12 386.76	907.77 414.17	-	-	-	8.18 9.12
Liability on merger of BRPL	-	-	-	-	-	-
Expected return on plan assets	39.77 40.39	75.98 70.05	-	-	-	0.72 0.53
Contribution by employer	28.06 132.92	87.21 517.88	-	-	-	0.20 0.18
Benefit paid	(31.62) (29.29)	(88.20) (77.67)	-	-	-	(0.66) (1.69)
Actuarial gain / (losses)	7.19 (6.66)	11.31 (16.66)	-	-	-	0.56 0.03
Fair value of plan assets at the end of the year	567.52 524.12	994.07 907.77	-	-	-	8.99 8.18

Schedules

(d) Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation

(Rs. in Crore)

	Gratuity	Leave Encashment	PRMS	Resettlement Allowances	Long Service Award	Staff Pension Fund at AOD
	Funded	Funded	Non-funded	Non-funded	Non-funded	Funded
Fair value of plan assets at the end of the year	567.52 524.12	994.07 907.77	- -	- -	- -	8.99 8.18
Defined Benefit Obligation at the end of the year	1308.39 512.26	1193.29 950.10	247.62 214.94	71.41 60.80	58.19 53.03	7.35 5.74
Amount recognised in the Balance Sheet	740.87# (11.86)	199.22# 42.33	247.62 214.94	71.41 60.80	58.19 53.03	(1.64) (2.44)

To be funded during the financial year 2009-10 for which liability has been provided.

(e) Amount recognised in CWIP/Profit and Loss Account

(Rs. in Crore)

	Gratuity	Leave Encashment	PRMS	Resettlement Allowances	Long Service Award	Staff Pension Fund at AOD
	Funded	Funded	Non-funded	Non-funded	Non-funded	Funded
Current Service Cost	6.00 5.47	41.01 35.96	30.50 3.51	2.05 1.04	2.62 8.72	0.19 0.22
Interest Cost	39.70 4.30	72.85 4.74	17.83 16.93	4.77 5.39	4.30 43.28	0.43 0.47
Expected return on plan assets	(39.77) 29.75	(75.98) 50.74	- -	- -	- 6.40	(0.72) (0.53)
Past Service Cost	649.00 -	- -	- -	- -	- -	- -
Actuarial (gain)/ loss	124.85 (47.74)	211.45 (57.46)	34.71 (0.83)	6.66 (0.17)	1.93 0.05	1.10 0.13
Expenses for the year	779.78 (8.22)	249.33 33.98	83.04 19.61	13.48 6.26	8.85 58.45	1.00 0.29

(f) Major Actuarial assumptions

	Gratuity	Leave Encashment	PRMS	Resettlement Allowances	Long Service Award	Staff Pension Fund at AOD
	Funded	Funded	Non-funded	Non-funded	Non-funded	Funded
Discount rate	7.75% 8%	7.75% 8%	7.75% 8%	7.75% 8%	7.75% 8%	6.90% -
Expected return on plan assets*	8% 8%	8% 8%	- -	- -	- -	9.00% -
Salary escalation #	7% 9%	7% 9%	- -	- -	- -	7% 9%
Inflation	- -	- -	4% 6%	4% 9%	4% 6%	- -

* Expected rate of return on plan assets is based on market expectation, at the beginning of the year, for return over the entire life of the related obligation.

Estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

Note: Actuarial assumptions as given by the Actuaries have been relied upon by the Auditors.

Annexure-2

Information regarding Primary Segment Reporting as per AS-17 for the year ended March 31, 2009 is as under:

(Rs. in Crore)

	March-09				March-08			
	Petroleum Products	Other Businesses	Eliminations	Total	Petroleum Products	Other Businesses	Eliminations	Total
Revenue								
External Revenue	257504.49	29948.20	-	287452.69	205138.52	25590.85	-	230729.37
Inter-segment Revenue	1423.88	459.43	-	1883.31	1380.60	293.30	-	1673.90
Total Revenue	258928.37	30407.63	-	289336.00	206519.12	25884.15	-	232403.27
Result								
Segment Results	6631.23	48.06	12.58	6666.71	13399.13	(168.29)	62.90	13167.94
Less: Unallocated Expenses net of unallocated Income	-	-	-	-	-	-	-	-
Operating Profit	6631.23	48.06	12.58	6666.71	13399.13	(168.29)	62.90	13167.94
Less:								
Interest Expenditure				4207.64				1799.97
Provision for diminution in Investments				670.26				291.08
Loss for Diminution in IBP Trust				75.39				-
Loss on Investments w-off/sold				1947.96				377.55
Add:								
Interest/Dividend Income				2046.31				1763.18
Provision for Investments Written back				393.88				4.85
Profit on sale of GOI Bonds / Investments				1053.31				1.30
Provision for diminution in Trust Written back				-				59.92
Prior year Income/(Expenditure) net				390.15				(39.91)
Profit Before Tax				3649.11				12488.68
Less: Income Tax (including Deferred Tax & FBT)				1253.27				3938.12
Profit After Tax				2395.84				8550.56
Other Information								
Segment Assets	95187.11	9615.64	-	104802.75	93247.33	11661.76	-	104909.09
Corporate Assets				31408.01				21211.45
Total Assets				136210.76				126120.54
Segment Liabilities	31523.52	2974.41	-	34497.93	31624.28	2787.97	-	34412.25
Corporate Liabilities				54688.52				45935.94
Total Liabilities				89186.45				80348.19

Notes:

- The Group is engaged in the following business segments:
 - Sale of Petroleum Products
 - Other businesses, which comprises Sale of Imported Crude Oil, Sale of Gas, Petrochemicals, Explosives & Cryogenics, Wind Mill Power Generation and Oil & Gas Exploration Activities jointly undertaken in the form of unincorporated Joint Ventures.

Segments have been identified and reported, taking into account, the nature of products and services and differing risks and returns.
- Segment Revenue comprises of the following:
 - Turnover (Net of Excise Duty)
 - Subsidy/Grants received from Government of India
 - Other income (excluding interest income, dividend income, exceptional items income and investment income)
- There are no reportable geographical segments.

Schedules

Annexure-3

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

1. Relationships:

A) Joint Venture Companies

- 1) Indian Oil Tanking Ltd.
- 2) Lubrizol India Pvt. Ltd.
- 3) Petronet VK Ltd.
- 4) Petronet CI Ltd.
- 5) IndianOil Petronas Pvt. Ltd.
- 6) IndianOil Panipat Power Consortium Ltd.
- 7) Avi-Oil India Pvt.Ltd.
- 8) Petronet India Ltd.
- 9) Petronet LNG Ltd.
- 10) Green Gas Ltd.
- 11) Indo Cat Pvt. Ltd.
- 12) IndianOil SkyTanking Ltd.
- 13) Suntera Nigeria 205 Ltd.
- 14) Indian Additives Limited
- 15) National Aromatics & Petrochemicals Corp.Ltd.

B) Whole-time Directors

- 1) Shri S. Behuria
- 2) Shri B.M. Bansal
- 3) Shri S.V. Narasimhan
- 4) Shri V.C. Agrawal
- 5) Shri G.C. Daga
- 6) Shri B.N. Bankapur
- 7) Shri Anand Kumar (w.e.f. 31.07.2007)
- 8) Shri P.K. Chakraborti (w.e.f. 01.08.2007)
- 9) Shri A.M. Uplenchwar (upto 31.07.2007)
- 10) Shri K.K. Acharya
- 11) Shri N.C. Sridharan
- 12) Shri S. Chandrasekaran
- 13) Shri K. Balachandaran

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 no. 1(A) above:

(Rs. in Crore)

	March-09	March-08
i) Sales	140.81	17.90
ii) Interest received	5.00	0.18
iii) Consultancy Services/Other Income	38.71	18.58
iv) Purchase of Products	3,407.06	2,766.23
v) Purchase of Chemicals / materials	115.15	42.05
vi) Handling Expenses	46.75	19.25
vii) Freight Expenses	0.15	-
viii) Reimbursement of Expenses	22.31	35.09
ix) Interest paid/payable	3.97	-
x) Fixed assets purchased	296.57	361.41
xi) Investments made during the year	8.48	104.13
xii) Provisions made during the year	-	-
xiii) Outstanding Receivables	749.90	449.22
xiv) Outstanding Payables	216.81	165.62
xv) Loans recoverable	46.29	31.29
xvi) Loans payable	-	-

b) Details relating to parties referred to in item no. 1(B) above:

	March-09	March-08
i) Remuneration	2.26	2.44
ii) Recovery of Interest & Furniture Hire Charges	0.02	0.02
iii) Outstanding loans/advances receivables	0.57	0.73
iv) Assets on Hire	0.27	0.24

Note:

- 1) Remuneration includes Basic salary, allowances, reimbursements, contribution to PF. and perquisites (valued as per tax laws).
- 2) In addition, whole-time Directors are also allowed the use of Corporation's car for private purposes upto 12,000 kms per annum on a payment of Rs.520/- per mensem for car less than 16 hp or Rs.780/- per mensem for car of above 16 hp as specified in the terms of appointment.
- 3) In case of Joint Venture Companies constituted/acquired during the year, transactions w.e.f. date of constitution/acquisition is disclosed.
- 4) In case of Joint Venture Companies which have been closed/divested during the year, transactions upto the date of closure/disinvestment only are disclosed.

Annexure-4

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 Group has entered into production sharing oil and gas exploration contracts with the Govt. of India and other body corporates. These joint ventures are:

Name	Participating Interest of the Group (%)	
	31.03.2009	31.03.2008
IN INDIA		
Under NELP-I Block		
GV-ONN-97/1	30	30
Under NELP-II Block		
MB-OSN-2000/1	15	15
MN-OSN-2000/2	20	20
WB-OSN-2000/1	15	15
MB-OSN-2004/1	20	20
MB-OSN-2004/2	20	20
MN-ONN-2000/1	20	20
Under NELP-III Block		
AA-ONN-2001/2	20	20
CR-ON-90/1	0	35
Others		
BK-CBM-2001/1	20	20
NK-CBM-2001/1	20	20
KG-DWN-2005/1	20	0
AAP-ON-94/1	43.55	43.55
OUTSIDE INDIA		
FARSI BLOCK, IRAN	40	40
SHAKTHI GABON	50	50
YEMEN 82	15	15
YEMEN 83	15	15
KUWAIT	5	5
LIBYA BLOCK 86	50	50
BLOCK K	12.5	0
LIBYA 95-96	25	0
LIBYA BLOCK 102/4	50	50

(b) **Jointly Controlled Assets:**

Group's share in jointly controlled/owned assets have been shown in Schedule-E “Fixed Assets”.

Particulars of Assets	Name of Joint Owner	31.03.2009		W.D.V.
		Original Cost	Accumulated Depreciation & Amortisation	
Land-Freehold	HPC/BPC	1.55	-	1.55
Land-Leasehold	HPC/BPC	0.78	0.16	0.62
Buildings	HPC/BPC/HERDILIA-UNIMERS LTD.	5.64	1.06	4.58
Plant and Machinery	HPC/BPC/GSFC/IPCL/ACC/CSIR	116.51	40.55	75.96
Transport Equipment	RAILWAYS	183.58	173.56	10.02
Railway Sidings	HPC/BPC	52.45	28.55	23.90
Drainage, Sewage and Water Supply	GSFC	0.99	0.94	0.05
		361.50	244.82	116.68

Schedules

(c) Jointly Controlled Entities:

Name	Country of Incorporation	Ownership Interest of IOC(%)	
		31.03.2009	31.03.2008
(i) Indian Oiltanking Ltd.	India	49.98	50
(ii) Lubrizol India Pvt. Ltd.	India	50	50
(iii) Petronet VK Ltd.	India	26	26
(iv) Petronet CI Ltd.	India	26	26
(v) IndianOil SkyTanking Ltd.	India	33.33	33.33
(vi) Indo Cat Pvt. Ltd.	India	50	50
(vii) IndianOil Petronas Pvt.Ltd.	India	50	50
(viii) Suntera Nigeria 205 Ltd.	Nigeria	25	25
(ix) IndianOil Panipat Power Consortium Ltd.	India	50	50
(x) Avi-Oil India Pvt. Ltd.	India	25	25
(xi) Petronet India Ltd.	India	18	18
(xii) Petronet LNG Ltd.	India	12.5	12.5
(xiii) Green Gas Ltd.	India	22.5	22.5

Proportionate share in assets, liabilities, income & expenditure of Petronet VK Ltd., Petronet CI Ltd., Indian Oil Panipat Power Consortium Ltd. & Petronet India Ltd. has not been consolidated as the Management has either decided to exit from these companies or the amount of investment in these companies has been provided for.

2) Share in Assets, Liabilities, Income, Expenses, Contingent Liabilities and Capital Commitments of Jointly Controlled Entities:

	(Rs. in Crore)	
	31.03.2009	31.03.2008
(i) Assets		
Long Term Assets	936.38	800.33
Current Assets	752.10	647.52
(ii) Liabilities		
Current Liabilities and Provisions	326.00	372.01
Other Liabilities	652.45	447.21
(iii) Income	2636.95	2074.93
(iv) Expenses	2466.67	1896.58
(v) Contingent Liabilities	17.55	11.35
(vi) Capital Commitments	155.95	201.80

3) Share in aggregate of Contingent Liabilities and Capital Commitments of Jointly Controlled Operations and Assets:

	(Rs. in Crore)	
	31.03.2009	31.03.2008
(a) Jointly Controlled Operations		
(i) Contingent Liabilities	-	-
(ii) Capital Commitments	1,271.65	583.13
(b) Jointly Controlled Assets		
(i) Contingent Liabilities	-	-
(ii) Capital Commitments	-	-

Annexure-5

DISCLOSURE OF EXPOSURE TO FINANCIAL AND COMMODITY TRADING DERIVATIVES

Financial and Derivative Instruments:

1. All derivative contracts entered into by the Company are for hedging its foreign currency exposures and commodity trading exposures relating to underlying transactions and firm commitments and not for any speculative or trading purposes.

2. **The Derivative contracts entered into by the Company and outstanding as on 31st March 2009 are as below:**

(a) For Hedging Currency Risks

Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31st March 2009 is given below:

(Rs. in Crore)

S. No.	Particulars	Unit of Currency	As on 31.03.2009		As on 31.03.2008	
			No of contracts	Aggregate amount	No of contracts	Aggregate amount

1	Forward Contracts for Import and Export	USD	11	733.60	2	174.55
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This includes currency swaps amounting to Rs Nil crore (2008 : Rs.153.90 crore)

(b) For Hedging Commodity Related Risks:

Category-wise quantitative data about commodity derivative transactions that are outstanding as on 31st March 2009 is given below:

Quantity (in '000 bbls)

S. No.	Particulars	As on 31.03.2009		As on 31.03.2008	
		Quantity	Value	Quantity	Value

1	Swaps on Crude oil		700.00		350.00
2	Futures on Crude oil				
	MCX		0.00		138.80
	NCDEX		0.00		0.00
3	Margin Hedging		0.00		1350.00

3. Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2009 is given below:

(Rs. in Crore)

S. No.	Unit of Currency	As on 31.03.2009		As on 31.03.2008	
		Aggregate amount	Value	Aggregate amount	Value

1	Unhedged		20724.89		27950.26
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This includes currency swaps amounting to Rs 1930.56 crore (2008 : Rs.4498.60 crore)

Cash Flow Statement

annexed to the Balance Sheet for the year ended 31st March, 2009

(Rs. in Crore)

	2008-09	2007-08
A Cash Flow from Operating Activities:		
1 Profit Before Tax	3,649.11	12,488.68
2 Adjustments for:		
Depreciation	3,339.08	3,040.01
Loss/(Profit) on sale of Assets (Net)	38.02	(12.60)
Loss/(Profit) on sale of Investments(net)	894.65	376.25
Amortisation of Capital Grants	(0.95)	(0.51)
Amortisation of goodwill	-	(2.04)
Deferred Revenue Expenditure(net)	86.76	33.30
Provision for Probable Contingencies (net)	21.59	29.73
Provision for Loss on Investments	852.51	291.08
Revenue Grant received / receivable in the form of Government Bonds	(40,383.01)	(18,997.00)
Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores	15.88	279.07
Provision for Diminution/written back - Amt receivable from trust	75.39	(59.92)
Capitalisation of Intangible Assets through prior year	(515.92)	
Provision in Investment written back	(393.88)	(4.85)
Interest Income on Investments	(1,023.07)	(1,052.84)
Dividend Income on Investments	(619.57)	(568.35)
Interest Expenditure	4,207.64	1,799.97
	(33,404.88)	(14,848.70)
B Operating Profit before Working Capital Changes (1+2)	(29,755.77)	(2,360.02)
C Change in Working Capital: (Excluding Cash & Bank Balances)		
Trade & Other Receivables	838.04	(145.84)
Inventories	8,694.77	(8,235.04)
Trade and Other Payables	(114.42)	6,888.32
Change in Working Capital	9,418.39	(1,492.56)
D Cash Generated From Operations (B+C)	(20,337.38)	(3,852.58)
E Less: Taxes paid	1,014.58	5,014.55
F Net Cash Flow from Operating Activities (D-E)	(21,351.96)	(8,867.13)
G Cash Flow from Investing Activities:		
Sale of Assets	204.62	230.35
Sale / Maturity of Investments	29879.87	9341.32
Interest Income on Investments	1,023.07	1,052.84
Dividend Income on Investments	619.57	568.35
Purchase of Assets	(2,042.80)	(1,340.23)
Adjustment for Finance Lease Receivable	11.39	17.72
Share application money recd by JV Co.	-	0.06
Purchase of investments	(82.34)	-
Expenditure on Construction Work in Progress	(11,265.34)	(6,387.28)
Net Cash generated/(used) in Investing Activities	18,348.04	3,483.13

(Rs. in Crore)

	2008-09	2007-08
H Net Cash Flow From Financing Activities:		
Proceeds from Long-Term Borrowings	3,786.21	624.60
Proceeds from/(Repayments of) Short-Term Borrowings	4,739.73	8,715.21
Interest paid	(4,601.69)	(1,977.89)
Dividend\Dividend Tax paid	(975.37)	(1,994.43)
Net Cash Generated/(Used) from Financing Activities:	<u>2,948.88</u>	<u>5,367.49</u>
I Net Change in Cash & Cash Equivalents (F+G+H)	<u>(55.04)</u>	<u>(16.51)</u>
J Cash & Cash Equivalents as at end of the Financial Year	1,005.18	1,060.22
K Less: Cash & Cash Equivalents as at the beginning of Financial Year	1,060.22	1,076.73
NET CHANGE IN CASH & CASH EQUIVALENTS (J-K)	<u>(55.04)</u>	<u>(16.51)</u>
Notes:		
1. Cash and Cash Equivalents include:		
Cash and Bank Balances		
As per Balance Sheet	1,005.18	1,060.22
Total Cash and Cash Equivalents	<u>1,005.18</u>	<u>1,060.22</u>
2. The previous year's figures have been regrouped wherever necessary.		

Sd/-
(S. Behuria)
Chairman

Sd/-
(S. V. Narasimhan)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For **V.K. DHINGRA & CO.**
Chartered Accountants

For **M.M. NISSIM AND CO.**
Chartered Accountants

For **K K S & CO.**
Chartered Accountants

Sd/-
(CA. V.K. DHINGRA)
Partner
M. No. 014467

Sd/-
(CA. SAMIR MEHTA)
Partner
M. No. 043086

Sd/-
(CA. S.K. KULTHIA)
Partner
M. No. 017092

Place : New Delhi
Date : May 29, 2009