

**Consolidated
Financial Statements
2011-12**



Indian Oil Corporation Limited



Ecofriendly operations



Auditors' Report to the Board of Directors of Indian Oil Corporation Ltd. on Consolidated Financial Statements of Indian Oil Corporation Limited, its Subsidiaries and Joint Ventures.

- 1 We have audited the attached Consolidated Balance Sheet of Indian Oil Corporation Limited, its subsidiaries and its joint ventures as at 31st March 2012 and the Consolidated Statement of Profit and Loss and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. 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.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material aspects, 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 presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 We did not audit the financial statements of subsidiary companies and joint ventures, whose financial statements reflect total assets of ₹ 19,763.58 crore (net) as on 31st March 2012, total revenue of ₹ 49,329.10 crore for the year then ended and net cash flows amounting to ₹ 271.53 crore for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us (except in case of M/s Green Gas Limited, M/s Delhi Aviation Fuel Facility Pvt. Limited and M/s IOC Sweden AB, total assets: ₹ 388.88 crore (net), total revenue: ₹ 78.14 crore and net cash flows: ₹ 30.88 crore) 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 reports of the other auditors.
- 4 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.
- 5 We invite attention, without qualifying our opinion, to Point 'A' in Note-10 regarding impairment loss wherein, we have relied on the estimates and assumptions made by the Company in arriving at recoverable value of assets.
- 6 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:
 - a) 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, 2012;
 - b) In the case of the Consolidated Statement of Profit and Loss, of the consolidated results of operations for the year ended on that date; and
 - c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

For B.M. CHATRATH & CO.
Chartered Accountants
(Firm Regn. No. 301011E)

Sd/-
(CA. P.R. Paul)
Partner
M. No.051675

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

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

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

Sd/-
(CA. Aditya Kumar Rawat)
Partner
M. No. 071767

Place : New Delhi
Date : May 28, 2012

BALANCE SHEET as at 31st March 2012

(₹ in Crore)

Particulars	Note No.	March-12	March-11
EQUITY AND LIABILITIES			
Shareholders' Funds:			
(a) Share Capital	2	2,427.95	2,427.95
(b) Reserves and Surplus	3	57,945.35	55,147.26
		60,373.30	57,575.21
Share application money pending allotment		0.06	-
Minority Interest		1,943.74	1,993.03
Non-current liabilities			
(a) Long-term borrowings	4	18,310.40	17,342.53
(b) Deferred tax liabilities	5	5,970.20	7,028.82
(c) Other Long-term liabilities	6	409.84	414.49
(d) Long-term provisions	7	300.73	223.63
		24,991.17	25,009.47
Current liabilities			
(a) Short-term borrowings	8	56,304.49	37,706.51
(b) Trade payables	9	32,253.18	29,313.19
(c) Other current liabilities	6	28,859.24	26,272.92
(d) Short-term provisions	7	15,102.04	6,731.56
		132,518.95	100,024.18
TOTAL		219,827.22	184,601.89
ASSETS			
Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	10	63,600.69	61,582.55
(ii) Intangible assets	11	960.82	1,048.03
(iii) Dismantled Capital Assets		19.41	27.25
(iv) Capital work-in-progress	12	15,172.38	10,546.52
(v) Intangible assets under development	13	277.26	319.65
		80,030.56	73,524.00
(b) Non-current investments	14	3,813.09	3,643.39
(c) Deferred tax assets	5	0.64	0.62
(c) Long-term loans and advances	15	9,960.66	5,117.88
(d) Other non-current assets	16	20.44	5.84
		93,825.39	82,291.73
Goodwill on Consolidation		24.39	23.49

Contd...



IndianOil

(₹ in Crore)

Particulars	Note No.	March-12	March-11
Current assets			
(a) Current investments	14	13,774.83	15,003.53
(b) Inventories	17	63,851.04	54,906.02
(c) Trade receivables	18	11,551.80	7,684.62
(d) Cash and Bank Balances	19	821.95	1,537.83
(e) Short-term loans and advances	15	33,659.55	21,632.33
(f) Other current assets	16	2,318.27	1,522.34
		125,977.44	102,286.67
TOTAL		219,827.22	184,601.89
Principles of Consolidation and Significant Accounting Policies	1		
Notes on Financial Statements	2 - 37		

Sd/-
(R. S. Butola)
Chairman

Sd/-
(P. K. Goyal)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For B.M. CHATRATH & CO.
Chartered Accountants
(Firm Regn. No. 301011E)

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

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

Sd/-
(CA. P.R. Paul)
Partner
M. No. 051675

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

Sd/-
(CA. Aditya Kumar Rawat)
Partner
M. No. 071767

Place : New Delhi
Date : May 28, 2012

STATEMENT OF PROFIT AND LOSS for the Year Ended 31st March 2012

(₹ in Crore)

Particulars	Note No.	March-12	March-11
Revenue from operations (Gross)	20	4,38,023.76	3,40,657.97
Less: Excise Duty		29,099.73	30,860.95
Revenue from operations (Net)		4,08,924.03	3,09,797.02
Other income	21	3,187.13	3,447.69
Total Revenue		4,12,111.16	3,13,244.71
Expenses:			
Cost of materials consumed	22	2,07,631.98	1,50,041.71
Purchase of Stock-in-Trade		1,57,250.81	1,27,653.99
Changes in Inventory	23	(3,470.95)	(5,613.77)
Employee benefit expenses	24	5,300.09	6,734.24
Finance cost	25	5,894.65	2,985.70
Depreciation and Amortisation on :			
a) Tangible Assets		5,156.48	4,793.14
b) Intangible Assets		152.78	139.48
		5,309.26	4,932.62
Other expenses	26	22,762.43	16,325.36
Total expenses		4,00,678.27	3,03,059.85
Profit before Prior Period, Exceptional Items and Tax		11,432.89	10,184.86
Income / (Expenses) pertaining to Prior Years (Net)	27	270.25	(70.88)
Profit before Exceptional Items and Tax		11,703.14	10,113.98
Exceptional Items (Refer point 5B of Note - 28)		(7,707.82)	-
Profit before Tax		3,995.32	10,113.98
Tax expense:			
Current tax [includes ₹ (507.08) crore (2011 : ₹ (207.14) crore) relating to prior years]		790.36	1,715.56
Mat Credit Entitlement		(1.03)	(1,298.42)
Deferred tax [includes ₹ 150.53 crore (2011 : ₹ (124.59) crore) relating to prior years]		(1,059.28)	1,611.22

Contd...



IndianOil

(₹ in Crore)

Particulars	Note No.	March-12	March-11
Profit / (loss) for the period		4,265.27	8,085.62
Less: Share of Minority		39.29	254.90
Profit / (loss) for the Group		4,225.98	7,830.72
Earning per Equity Share (₹):			
(1) Basic		17.41	32.25
(2) Diluted		17.41	32.25
Face Value Per Share (₹)		10	10

Principles of Consolidation and Significant Accounting Policies

1

Notes on Financial Statements

2 - 37

Total Income includes ₹ **4,600.40 crore** (2011: ₹ 3,229.12 crore) share of jointly controlled entities.

Total Expenditure includes ₹ **4,151.07 crore** (2011: ₹ 2,863.70 crore) share of jointly controlled entities.

Sd/-
(R. S. Butola)
Chairman

Sd/-
(P. K. Goyal)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For B.M. CHATRATH & CO.
Chartered Accountants
(Firm Regn. No. 301011E)

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

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

Sd/-
(CA. P.R. Paul)
Partner
M. No. 051675

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

Sd/-
(CA. Aditya Kumar Rawat)
Partner
M. No. 071767

Place : New Delhi

Date : May 28, 2012

CASH FLOW STATEMENT for the year ended 31st March 2012

(₹ in Crore)

Particulars	March-12	March-11
A Cash Flow from Operating Activities		
1 Profit Before Tax	3,995.32	10,113.98
2 Adjustments for :		
Depreciation	4,983.87	4,952.89
Loss/(Profit) on sale of Assets (net)	2.47	25.23
Loss/(Profit) on Investments (net)	18.87	26.56
Amortisation of Capital Grants	(1.19)	(1.16)
Amortisation of Premium on Forward Contracts	89.66	132.45
Provision for Probable Contingencies (net)	37.78	38.24
Provision for Loss on Investments (net)	418.15	78.74
Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores (net)	(229.51)	118.99
Provision for Diminution in 'Receivable from trust' (net)	(513.21)	(96.86)
Provision for MTM loss on interest rate swap	110.26	-
Interest Income on Investments	(1,171.94)	(1,307.46)
Dividend Income on Investments	(780.53)	(981.96)
Interest Expenditure	5,901.61	2,988.65
	8,866.29	5,974.31
3 Operating Profit before Working Capital Changes (1+2)	12,861.61	16,088.29
4 Change in Working Capital: (Excluding Cash & Bank Balances)		
Trade & Other Receivables	(16,271.77)	(8,960.93)
Inventories	(8,962.51)	(13,656.74)
Trade and Other Payables	12,013.86	17,351.42
Change in Working Capital	(13,220.42)	(5,266.25)
	(13,220.42)	(5,266.25)
5 Cash Generated From Operations (3+4)	(358.81)	10,822.04
6 Less : Taxes Paid	406.61	4,003.17
7 Net Cash Flow from Operating Activities (5-6)	(765.42)	6,818.87
B Cash Flow from Investing Activities:		
Sale/Transfer of Assets	1,372.78	293.80
Sale / Maturity of Investments	790.74	2,950.71
Interest Income on Investments	1,189.94	1,659.94
Dividend Income on Investments	780.53	981.96
Purchase of Assets	(3,482.98)	(3,103.65)
Investments in Long Term Investments / Others	(168.76)	(260.48)
Expenditure on Construction Work in Progress	(13,535.42)	(10,612.72)
Net Cash Generated/(Used) in Investing Activities:	(13,053.17)	(8,090.44)

Contd...



IndianOil

(₹ in Crore)

Particulars	March-12	March-11
C Net Cash Flow From Financing Activities:		
Proceeds from/(Repayments of) Long-Term Borrowings	3,654.53	(90.00)
Proceeds from/(Repayments of) Short-Term Borrowings	18,618.27	8,455.15
Interest paid	(6,364.30)	(3,341.79)
Dividend/Dividend Tax paid	(2,805.12)	(3,812.38)
Net Cash Generated/(Used) from Financing Activities:	<u>13,103.38</u>	<u>1,210.98</u>
D Net Change in Cash & Bank Balances (A+B+C)	<u>(715.21)</u>	<u>(60.59)</u>
E - 1 Cash & Bank Balances as at end of the year	821.95	1,537.83
Add: Impact of Exchange variation taken to Reserves	<u>0.67</u>	<u>0.01</u>
	822.62	1,537.84
Less:		
2 Cash & Bank Balances as at the beginning of Period	1,537.83	1,598.43
NET CHANGE IN CASH & BANK BALANCE (E 1-2)	<u>(715.21)</u>	<u>(60.59)</u>
Notes:		
1. Cash & Bank Balances as at end of the year	821.95	1,537.83
Less: Other Bank Balances	300.74	754.18
Total Cash and Cash Equivalents	<u>521.21</u>	<u>783.65</u>

2. Figures for previous periods have been regrouped wherever necessary for uniformity in presentation.

Sd/-
(R. S. Butola)
Chairman

Sd/-
(P. K. Goyal)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For B.M. CHATRATH & CO.
Chartered Accountants
(Firm Regn. No. 301011E)

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

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

Sd/-
(CA. P.R. Paul)
Partner
M. No. 051675

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

Sd/-
(CA. Aditya Kumar Rawat)
Partner
M. No. 071767

Place : New Delhi
Date : May 28, 2012

NOTE - 1: PRINCIPLES OF CONSOLIDATION & SIGNIFICANT ACCOUNTING POLICIES

A. Principles of Consolidation

A.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:

A.1.1. 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 unrealised 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 Parent 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.	IndianOil (Mauritius) Ltd	Mauritius	Subsidiary	100%
4.	IOC Middle East FZE	Dubai- UAE	Subsidiary	100%
5.	IndianOil CREDA Bio-Fuels Ltd.	India	Subsidiary	74%
6.	IOC Sweden AB	Sweden	Subsidiary	100%

7.	IOT Infrastructure & Energy Services Ltd	India	Joint Venture	47.92%
8.	Lubrizol India Pvt. Ltd	India	Joint Venture	50%
9.	AVI-OIL India Pvt. Ltd	India	Joint Venture	25%
10.	Petronet LNG Ltd	India	Joint Venture	12.5%
11.	IndianOil Petronas Pvt.Ltd.	India	Joint Venture	50%
12.	Green Gas Ltd	India	Joint Venture	22.50%
13.	IndianOil Skytanking Ltd.	India	Joint Venture	33.33%
14.	Indo Cat Pvt.Ltd.	India	Joint Venture	50%
15.	Suntera Nigeria 205 Ltd.	Nigeria	Joint Venture	25%
16.	Delhi Aviation Fuel Facility (Private) Limited	India	Joint Venture	37%
17.	IndianOil Ruchi Biofuels LLP	India	Joint Venture	50%
18.	Indian Synthetic Rubber Limited	India	Joint Venture	50%
19.	NPCIL IndianOil Nuclear Energy Corporation Limited (NINECL)	India	Joint Venture	26%

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 decided to exit from these Joint Ventures and provided for full diminution in the value of investment.

B. Significant Accounting Policies

B.1. Significant accounting policies of parent company are enclosed as Annexure-I.

B.2. For certain items, the Company and its subsidiaries and Joint ventures have followed different accounting policies. However impact of the same is not material.

C. Financial statements of IOML, LIOC, IOC Middle East FZE, IOC Sweden AB and Suntera Nigeria are drawn in Mauritius Rupees, Sri Lankan Rupees, UAE Dirhams Euro 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**(₹ in Crore)
March-11

Particulars	March-12	March-11
Authorised: 600,00,00,000 Equity Shares of ₹ 10 each	6,000.00	6,000.00
Issued, Subscribed and Paid Up: 2,42,79,52,482 (2011 : 2,42,79,52,482) Equity Shares of ₹ 10 each	2,427.95	2,427.95
TOTAL	2,427.95	2,427.95

A. Above Includes Shares allotted as fully paid without payment being received in Cash:

- Pursuant to the Petroleum Companies Amalgamation Order, 1964 : 3,76,49,700 Shares of ₹ 10 each.
- Pursuant to Gujarat Refinery Project Undertaking (Transfer), (Amendment) Order, 1965 :1,00,00,000 Shares of ₹ 10 each.
- 2,43,62,106 no. of equity shares of ₹ 10 each issued in June 2007 as fully paid up to the shareholders of erstwhile IBP Co. Ltd as per the Scheme of amalgamation.
- 2,16,01,935 no. of equity shares of ₹ 10 each issued in May 2009 as fully paid up to the shareholders of erstwhile BRPL as per the Scheme of amalgamation.
- Aggregate shares allotted as fully paid up Bonus Shares by Capitalisation of General Reserve / Securities Premium: 2,28,02,71,241 Shares of ₹ 10 each, out of these 1,21,39,76,241 no. of equity shares of ₹ 10 each were issued in November 2009.

B. Reconciliation of No. of Equity Shares

Opening Balance	2,42,79,52,482	2,42,79,52,482
Shares Issued	-	-
Shares bought back	-	-
Closing Balance	2,42,79,52,482	2,42,79,52,482

C. Terms/Rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 each and is entitled to one vote per share. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

D. Details of shareholders holdings more than 5% shares

Name of Shareholder	March-12		March-11	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
PRESIDENT OF INDIA	1916155710	78.92	1916155710	78.92
OIL AND NATURAL GAS CORPORATION LIMITED	212906190	8.77	212906190	8.77

NOTE - 3: RESERVES AND SURPLUS

(₹ in Crore)

Particulars	March-12	March-11
Capital Reserve:		
As per Last Account	375.94	358.20
On Consolidation	7.14	17.74
	383.08	375.94
Securities Premium:		
As per Last Account	86.46	86.46
Addition during the year	42.09	-
	128.55	86.46
General Reserve:		
As per Last Account	52,719.17	48,001.75
Add : Transfer from Export Profit Reserve	-	5.69
Add: Transferred from Profit and Loss Appropriation	1,918.22	4,717.42
	54,637.39	52,719.17
Insurance Reserve: A		
As per Last Account	84.40	64.40
Less : Recoupment of uninsured fire loss	-	13.80
Add: Transferred from Profit and Loss Appropriation	20.00	20.00
	104.40	84.40
Export Profit Reserve: B		
As per Last Account	53.72	59.41
Less: Transfer To General Reserve	-	5.69
	53.72	53.72
Capital Grants:		
As per Last Account	14.65	15.48
Add: Received/ (Written Back) during the year	0.03	0.33
Less: Amortised during the year	1.19	1.16
	13.49	14.65
Bond Redemption Reserve:		
As per Last Account	1,344.93	1243.91
Add: Provision during the year	741.92	166.90
Less: Write-back of provision on redemption of bonds	115.40	65.88
	1,971.45	1,344.93
Balance in Statement of Profit and Loss:		
Balance Brought Forward from Last Year's Account	484.01	227.05
Add: Profit for the Year	4,225.98	7,830.72
Less: Appropriations:		
Final Dividend (Proposed)	1,275.90	2,349.26
Corporate Dividend Tax on:		
Interim Dividend	0.70	5.24
Final Dividend (Proposed)	212.42	394.62
Insurance Reserve (Net)	20.00	6.20
Bond Redemption Reserve (Net)	626.52	101.02
General Reserve	1,918.22	4,717.42
Balance carried forward to next year's account	656.23	484.01

Contd...



IndianOil

(₹ in Crore)

Particulars		March-12		March-11	
Devaluation Exch. Difference Reserve:	C				
As per Last Account		0.67			0.68
Less: Exchange variation on revaluation		0.67			0.01
			-		0.67
Foreign Currency Monetary Item Translation Difference Account					
As per Last Account		-			(0.10)
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items		-			0.10
			-		-
Translation Reserve on Consolidation					
As per Last Account		(16.69)			(31.07)
Add : Translation difference		13.73			14.38
			(2.96)		(16.69)
TOTAL			57,945.35		55,147.26

- A. Reserve is created to mitigate risk of loss of assets not insured with external insurance agencies.
 B. Amount set aside out of profits from exports for availing income tax benefits.
 C. Reserve created for devaluation of funds lying abroad.
 Share of jointly controlled entities

909.47 665.43

NOTE - 4: LONG TERM BORROWINGS

(₹ in Crore)

Particulars	Long Term		Current Maturities	
	March-12	March-11	March-12	March-11
SECURED LOANS				
Bonds:				
Non-Convertible Redeemable Bonds-Series-VIII B	1,070.00	1,070.00	-	-
Non-Convertible Redeemable Bonds-Series-XI	1,415.00	-	-	-
Non-Convertible Redeemable Bonds-Series-IX	1,600.00	1,600.00	-	-
Non-Convertible Redeemable Bonds-Series-VII B	500.00	500.00	-	-
Non-Convertible Redeemable Bonds-Series-X	-	2,000.00	2,000.00	-
Non-Convertible Redeemable Bonds-Series-VI	-	768.10	768.10	-
Non-Convertible Redeemable Bonds-Series-VIII A	-	-	-	430.00
Non-Convertible Redeemable Bonds-Series-V	126.40	158.00	31.60	31.60
	4,711.40	6,096.10	2,799.70	461.60
Term Loans:				
From banks	652.00	462.32	112.63	103.40
From other parties				
Oil Industry Development Board (OIDB)	1,107.50	2,955.00	1,847.50	1,047.50
Others	233.41	186.72	20.09	9.61
	1,992.91	3,604.04	1,980.22	1,160.51
Total Secured Loans	6,704.31	9,700.14	4,779.92	1,622.11

Contd...

(₹ in Crore)

Particulars	Long Term		Current Maturities	
	March-12	March-11	March-12	March-11
UNSECURED LOANS				
Bonds				
Foreign Currency Bonds	5,088.00	2,230.00	-	-
Term Loans:				
i) From Banks/Financial Institutions:				
In Foreign Currency	3,949.62	2,343.07	31.67	585.66
Senior Notes (Bank of America)	1,526.40	1,338.00	-	-
In Rupees	300.00	500.00	-	0.52
ii) From Others				
In Rupees	741.88	1,230.73	588.85	505.49
	6,517.90	5,411.80	620.52	1,091.67
Deferred Payment Liabilities	0.19	0.59	-	-
Total Unsecured Loans	11,606.09	7,642.39	620.52	1,091.67
TOTAL LONG-TERM BORROWINGS	18,310.40	17,342.53	5,400.44	2,713.78
Share of jointly controlled entities	649.09	539.64	79.55	66.36

NOTE - 5: DEFERRED TAX

In compliance of Accounting Standard – 22 on "Accounting for Taxes on Income, the item wise details of Deferred Tax Liability (net) are as under:

(₹ in Crore)

	As on 01.04.2011	Provided during the year	Balance as on 31.03.2012
Deferred Tax Liability:			
Depreciation and other fixed Assets of the group	8,613.13	801.32	9,414.45
Total Deferred Tax Liability (A)	8,613.13	801.32	9,414.45
Deferred Tax Assets:			
Provision on Inventories, Trade Receivables, Loans and advances, Investments	621.67	20.50	642.17
Compensation for Voluntary Retirement Scheme	6.75	0.08	6.83
43B Disallowances etc.	520.07	1,841.75	2,361.82
Capital Grants	4.76	(0.39)	4.37
Provision for Leave Encashment/Retirement Benefits	431.68	(1.98)	429.70
Total Deferred Tax Assets (B)	1,584.93	1,859.96	3,444.89
Deferred Tax Liability (Net) (A – B)	7,028.20	(1,058.64)	5,969.56
Previous Year	5,417.00	1,611.20	7,028.20
Share of jointly controlled entities	81.68		83.01
As per Balance Sheet			
Deferred Tax Liability	7,028.82		5,970.20
Deferred Tax Asset	0.62		0.64
Deferred Tax Liability (Net)	7,028.20		5,969.56



NOTE - 6: OTHER LIABILITIES

(₹ in Crore)

Particulars	Non Current		Current	
	March-12	March-11	March-12	March-11
Current maturities of long-term debt (Refer Note 4)	-	-	5,400.44	2,713.78
Interest accrued but not due on loans	-	-	632.61	477.66
Interest accrued and due on borrowings	-	-	52.12	31.83
Income received in advance	-	-	0.17	-
Investor Education & Protection Fund to be credited on the due dates :				
- Unpaid Dividend	-	-	41.85	12.87
- Unpaid Matured Deposits	-	-	0.01	0.01
			41.86	12.88
Liability on Foreign Currency Contracts	-	-	391.21	4,027.16
Less: Foreign Currency Receivables	-	-	379.69	3,937.38
			11.52	89.78
Security Deposits	339.58	365.06	10,093.00	8,667.24
Discount on Forward Contract	-	-	0.38	-
Trade Payables	0.29	0.90	-	-
Other Liabilities	69.97	48.53	12,627.14	14,279.75
TOTAL	409.84	414.49	28,859.24	26,272.92
Share of jointly controlled entities	70.64	45.53	248.11	201.69

NOTE - 7: PROVISIONS

(₹ in Crore)

Particulars	Long Term		Short Term	
	March-12	March-11	March-12	March-11
Provision for Employee Benefits	294.25	203.64	1,727.60	2,483.29
Other Provisions				
Provision for Taxation:				
For Current Tax	-	-	339.58	6.07
Less : Advance payments	-	-	272.95	-
Total Provisions for Taxation	-	-	66.63	6.07
Proposed Dividend	-	-	1,275.90	2,349.26
Corporate Dividend Tax	-	-	209.30	395.05
Contingencies for probable obligations	A	-	11,712.35	1,497.89
Provision for MTM Loss on Interest Rate Swap	-	-	110.26	-
Other Provisions	6.48	19.99	-	-
TOTAL	300.73	223.63	15,102.04	6,731.56
Share of jointly controlled entities	15.23	27.76	88.27	64.46

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	0.88	0.26	0.06	0.69	0.39
Sales Tax	144.08	79.78	2.30	5.04	216.52
Entry Tax	1,279.46	10,174.66	-	0.13	11,453.99
Others	73.79	14.84	0.10	47.08	41.45
TOTAL	1,498.21	10,269.54	2.46	52.94	11,712.35
Previous Year	1,269.96	233.07	2.16	2.66	1,498.21

* Additions include:

	March-12	March-11
- capitalized	0.09	0.28
- included in raw material/other expenses	687.34	188.86
- shown as Exceptional Item	7,707.82	-
- amount transferred from liabilities to provisions	1,781.24	-

** Includes utilization/reversal of provision of ₹ Nil crore (2011: ₹ 0.85 crore), out of provision capitalized and ₹ 0.13 crore (2011: ₹ Nil crore) out of provision included in Raw Material.

*** Expected timing of outflow is not ascertainable at this stage.



IndianOil

NOTE - 8: SHORT TERM BORROWINGS

(₹ in Crore)

Particulars	March-12	March-11
SECURED LOANS		
Loans Repayable on Demand		
From Banks:		
Working Capital Demand Loan	5,712.67	7,240.75
Cash Credit	230.96	107.84
Foreign Currency Loans	46.53	-
	5,990.16	7,348.59
From Others:		
Loans through Collateralised Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd. (CCIL)	1,827.00	2,630.00
Loans and advances from related parties	0.08	0.14
Total Secured Loans	7,817.24	9,978.73
UNSECURED LOANS		
Loans Repayable on Demand		
From Banks/Financial Institutions:		
In Foreign Currency	22,289.49	15,413.76
In Rupees	19,408.91	11,310.12
From Others		
Commercial Paper	4,760.00	1,000.00
Inter-Corporate Deposits	2,000.00	-
	48,458.40	27,723.88
Other Loans and Advances	28.85	3.90
Total Unsecured Loans	48,487.25	27,727.78
TOTAL SHORT-TERM BORROWINGS	56,304.49	37,706.51
Share of jointly controlled entities	43.42	29.79

NOTE - 9: TRADE PAYABLES

(₹ in Crore)

Particulars	March-12	March-11
Sundry Creditors:		
Dues of micro and small enterprises	12.24	9.63
Dues to Related Parties	665.90	406.89
Due to others	31,575.04	28,896.67
	32,253.18	29,313.19
TOTAL	32,253.18	29,313.19
Share of jointly controlled entities	543.91	466.91

NOTE - 10: TANGIBLE ASSETS

	AT COST				DEPRECIATION		
	Gross Block as at 1.04.11	Additions during the year	Transfers from Construction Work-in-Progress	Disposals / Deductions / Transfers / Reclassifications	Gross Block as at 31.03.12	Depreciation & Amortisation as at 1.04.11	Depreciation and Amortisation during the year
Land-Freehold	1126.49	116.35	11.03	(3.48)	1250.39	0.00	0.00
- Leasehold	501.88	7.75	7.28	(1.07)	515.84	88.22	8.20
Buildings, Roads etc.	8459.86	68.77	685.28	(142.29)	9071.62	1737.04	(150.32)
Plant and Equipment	86179.95	3033.11	3910.82	(1099.48)	92024.40	34174.04	4816.97
Office Equipments	1763.56	115.75	190.82	(246.13)	1824.00	917.19	123.63
Transport Equipments	402.21	24.95	0.89	(8.15)	419.90	314.34	17.06
Furnitures and Fixtures	296.48	21.01	9.89	(6.58)	320.80	155.65	16.54
Railway Sidings	212.70	0.02	0.00	(0.92)	211.80	124.06	5.55
Drainage, Sewage and Water Supply System	389.70	3.20	8.15	(16.93)	384.12	205.42	10.09
Total	99332.83	3390.91	4824.16	(1525.03)	106022.87	37715.96	4847.72
Previous Year	78022.11	3039.16	18755.76	(484.20)	99332.83	33043.86	4836.55

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.

Net Tangible Assets includes ₹ **741.24 crore** (2011 : ₹ 759.87 crore) share of jointly controlled entities.

NOTE - 11: INTANGIBLE ASSETS

	AT COST				DEPRECIATION		
	Gross Block as at 1.04.11	Additions during the year	Transfers from Construction Work-in-Progress	Disposals / Deductions / Transfers / Reclassifications	Gross Block as at 31.03.12	Total Amortisation as at 1.04.11	Amortisation during the year
Right of Way	131.77	4.20	0.00	0.00	135.97	0.21	0.02
Licenses	1216.93	64.96	1.00	(25.66)	1257.23	361.89	127.83
Computer Software	141.12	19.85	2.32	(0.16)	163.13	105.26	25.65
Goodwill	A 27.22	0.00	0.00	(0.22)	27.00	0.00	0.00
Total	1517.04	89.01	3.32	(26.04)	1583.33	467.36	153.50
Previous Year	826.59	70.21	619.48	0.75	1517.04	327.62	139.71

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 Intangible Assets includes ₹ **3.99 crore** (2011: ₹ 4.71 crore) share of jointly controlled entities.



IndianOil

(₹ in Crore)

AMORTISATION AND IMPAIRMENT						NET BLOCK	
Disposals / Deductions / Transfers / Reclassifications	Total Depreciation and Amortisation upto 31.03.12	Total Impairment Loss as at 1.04.11	Impairment Loss during the year	Impairment loss reversed during the year	Total Impairment Loss upto 31.03.12	AS AT 31.03.12	AS AT 31.03.11
			(Refer A)				
0.00	0.00	0.00	0.00	0.00	0.00	1250.39	1126.49
0.34	96.76	0.00	0.00	0.00	0.00	419.08	413.66
(20.68)	1566.04	0.00	0.00	0.00	0.00	7505.58	6722.82
35.74	39026.75	34.32	0.00	0.00	34.32	52963.33	51971.59
(180.08)	860.74	0.00	0.00	0.00	0.00	963.26	846.37
(6.69)	324.71	0.00	0.00	0.00	0.00	95.19	87.87
(2.98)	169.21	0.00	0.00	0.00	0.00	151.59	140.83
(0.82)	128.79	0.00	0.00	0.00	0.00	83.01	88.64
(0.65)	214.86	0.00	0.00	0.00	0.00	169.26	184.28
(175.82)	42387.86	34.32	0.00	0.00	34.32	63600.69	61582.55
(164.45)	37715.96	34.32	0.00	0.00	34.32	61582.55	

(₹ in Crore)

AMORTISATION AND IMPAIRMENT					NET BLOCK	
Disposals / Deductions / Transfers / Reclassifications	Total Amortisation upto 31.03.12	Total Impairment Loss as at 1.04.11	Impairment Loss during the year	Total Impairment Loss upto 31.03.12	AS AT 31.03.12	AS AT 31.03.11
0.00	0.23	0.00	0.00	0.00	135.74	131.56
0.00	489.72	1.65	0.00	1.65	765.86	853.39
0.00	130.91	0.00	0.00	0.00	32.22	35.86
0.00	0.00	0.00	0.00	0.00	27.00	27.22
0.00	620.86	1.65	0.00	1.65	960.82	1048.03
0.02	467.36	1.65	0.00	1.65	1048.03	

NOTE - 12: CAPITAL WORK IN PROGRESS

Particulars	(₹ in Crore)	
	March-12	March-11
Construction Work in Progress - Fixed Assets (Including unallocated capital expenditure, materials at site) A	9,068.65	7,962.74
Less: Provision for Capital Losses	143.86	175.33
	8,924.79	7,787.41
Capital stores	2,379.40	1,267.17
Less: Provision for Capital Losses	0.20	1.16
	2,379.20	1,266.01
Capital Goods in Transit	1,889.37	566.95
Construction Period Expenses pending allocation:		
Balance as at beginning of the year	926.15	2,236.59
Add: Net expenditure during the year (Note -"12.1")	1,506.62	1,220.45
	2,432.77	3,457.04
Less: Allocated to Assets during the year	453.75	2,530.89
	1,979.02	926.15
TOTAL	15,172.38	10,546.52
Share of jointly controlled entities	730.84	468.65

A. Includes Capital Expenditure amounting to ₹ **176.83 crore** (2011 : ₹ 195.41 crore) relating to ongoing Oil & Gas Exploration activities is appearing as Capital Work in Progress in accounts.



IndianOil

Note - 12.1: CONSTRUCTION PERIOD EXPENSES (NET) DURING THE YEAR

(₹ in Crore)

Particulars	March-12	March-11
Payments to and Provision for Employees	191.36	218.97
Repairs and Maintenance	7.08	5.24
Consumption of Stores and Spares	0.05	1.12
Power & Fuel	48.34	369.09
Rent	4.82	4.94
Insurance	40.92	44.94
Rates and Taxes	0.84	0.27
Travelling Expenses	27.16	19.90
Communication Expenses	1.43	1.45
Printing and Stationery	0.94	0.65
Electricity and Water Charges	11.44	6.90
Bank Charges	0.68	0.69
Technical Assistance Fees	0.54	29.77
Exchange Fluctuation	544.43	(7.00)
Borrowing Cost	617.64	372.93
Depreciation and Amortisation on		
Tangible Assets	17.29	23.14
Intangible Assets	0.06	0.23
Start Up/ Trial Run Expenses	2.92	60.94
Others	47.21	102.66
Total Expenses	1,565.15	1,256.83
Less : Recoveries	58.53	36.38
Net Expenditure during the year	1,506.62	1,220.45

NOTE - 13: INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

Particulars	March-12	March-11
Work in Progress - Intangible Asset (Including Unallocated Capital Expenditure)	277.26	319.65
TOTAL	277.26	319.65
Share of jointly controlled entities	0.01	-

Note - 14: INVESTMENTS

(₹ in Crore)

Particulars	March-12	March-11
NON CURRENT INVESTMENTS: (AT COST)		
QUOTED: (Market Value of ₹ 20,174.50 crore (2011: ₹ 21,995.51 Crore))	3,028.15	3,028.24
UNQUOTED:		
In Government - Securities	6.25	6.25
In Petroleum India International (AOP by Oil Companies)		
-Capital Fund	15.00	15.00
-Share in accumulated surplus	18.16	17.13
	33.16	32.13
In Others	745.53	576.77
	784.94	615.15
CURRENT INVESTMENTS (UNQUOTED): (AT LOWER OF COST OR MARKET PRICE)		
Oil Companies GOI SPL Bonds	15,354.68	16109.68
Less: Provision for Diminution	1,594.23	1268.41
	13,760.45	14,841.27
In Others	14.38	162.26
	13,774.83	15,003.53
Total	17,587.92	18,646.92
Share of jointly controlled entities	226.84	319.28



NOTE - 15: LOANS AND ADVANCES

(₹ in Crore)

Particulars	Long Term		Short Term	
	March-12	March-11	March-12	March-11
Advance for Capital Expenditure				
Secured, Considered Good	199.91	134.51	-	-
Unsecured, Considered Good	8,012.87	3,283.92	-	-
Unsecured, Considered Doubtful	0.20	0.54	-	-
	<u>8,212.98</u>	<u>3,418.97</u>	-	-
Less: Provision for Doubtful Advance	0.20	0.54	-	-
	8,212.78	3,418.43	-	-
Advances for Investments				
Joint Ventures	12.67	12.67	-	-
Advance recoverable in cash or in kind or for value to be received:				
From Related Parties				
Secured, Considered Good	0.05	0.20	0.01	0.03
Unsecured, Considered Good	68.21	0.01	16.61	5.73
Unsecured, Considered Doubtful	-	-	-	40.53
	<u>68.26</u>	<u>0.21</u>	<u>16.62</u>	<u>46.29</u>
Less : Provision for Doubtful Advances	-	-	-	40.53
	68.26	0.21	16.62	5.76
From Others				
Secured, Considered Good	829.67	735.05	89.79	100.63
Unsecured, Considered Good	601.15	804.80	3,886.50	4,761.60
Unsecured, Considered Doubtful	0.33	0.32	7.20	6.05
	<u>1,431.15</u>	<u>1,540.17</u>	<u>3,983.49</u>	<u>4,868.28</u>
Less : Provision for Doubtful Advances	0.33	0.32	7.20	6.05
	<u>1,430.82</u>	<u>1,539.85</u>	<u>3,976.29</u>	<u>4,862.23</u>
	1,499.08	1,540.06	3,992.91	4,867.99
Amount Recoverable from Central/State Govt.:				
Unsecured, Considered Good	-	-	20,926.89	11,002.11
Finance Lease Receivables	8.89	10.29	1.40	1.43
Claims Recoverable:				
From Related Parties				
Unsecured, Considered Good	-	-	17.16	8.57
Unsecured, Considered Doubtful	-	-	17.01	14.40
	-	-	<u>34.17</u>	<u>22.97</u>
From Others				
Secured, Considered Good	-	-	-	-
Unsecured, Considered Good	-	-	1,107.29	1,027.51
Unsecured, Considered Doubtful	0.12	0.12	49.41	52.61
	<u>0.12</u>	<u>0.12</u>	<u>1,156.70</u>	<u>1,080.12</u>
Less : Provision for Doubtful Claims	0.12	0.12	66.42	67.01
	-	-	<u>1,090.28</u>	<u>1,013.11</u>
	-	-	1,124.45	1,036.08

Contd...

NOTE - 15: LOANS AND ADVANCES (Contd.)

(₹ in Crore)

Particulars	Long Term		Short Term	
	March-12	March-11	March-12	March-11
Balance with Customs, Port Trust and Excise Authorities:				
Unsecured, Considered Good	-	-	38.25	64.04
Deposits for Leave Encashment Fund	-	-	1,784.69	1,533.15
Advance Tax	-	-	469.44	198.16
Mat Credit Receivable	-	-	691.99	1,285.80
Materials given on loan:				
To Others				
Unsecured, Considered Good	-	-	-	0.81
Sundry Deposits				
To Others				
i) Secured, Considered Good	9.04	9.04	0.10	0.10
ii) Unsecured, Considered Good	218.20	127.39	4,629.43	1,642.66
iii) Unsecured, Considered Doubtful	0.04	0.04	0.32	0.14
	<u>227.28</u>	<u>136.47</u>	<u>4,629.85</u>	<u>1,642.90</u>
Less : Provision for Doubtful Deposits	0.04	0.04	0.32	0.14
	<u>227.24</u>	<u>136.43</u>	<u>4,629.53</u>	<u>1,642.76</u>
TOTAL	<u><u>9,960.66</u></u>	<u><u>5,117.88</u></u>	<u><u>33,659.55</u></u>	<u><u>21,632.33</u></u>
Share of jointly controlled entities	219.41	76.33	102.71	86.30



NOTE - 16: CURRENT ASSETS

(₹ in Crore)

Particulars	Non Current		Current	
	March-12	March-11	March-12	March-11
Interest Accrued on Investments/ Bank Deposits	-	-	168.16	186.16
Gold Coins in Hand (at Cost)	-	-	4.40	3.68
Receivable from IBP Trust	A	-	-	1,840.99
Less : Provision for Diminution	-	-	-	971.99
	-	-	-	869.00
Receivable from IOC Shares Trust	A	-	1,989.78	148.79
Less : Provision for Diminution	-	-	458.78	-
	-	-	1,531.00	148.79
Premium on Forward Contract				
As per Last account	21.06	18.26		
Add:-Expenditure during the year	111.11	141.02		
	132.17	159.28		
Less:Amortised during the year	128.73	138.22		
Less:Current Portion	3.82	21.06		
Premium on Forward Contract	-	-	3.95	22.03
Discount on Issue of Bonds				
As per Last account	5.41	6.83		
Add:-Expenditure during the year	17.32	-		
	22.73	6.83		
Less:Amortised during the year	2.57	1.42		
Less:Current Portion	3.15	1.42		
Discount on Issue of Bonds	17.01	3.99	3.15	1.42
Others Assets	3.43	1.85	607.61	291.26
TOTAL	20.44	5.84	2,318.27	1,522.34
Share of jointly controlled entities	3.43	1.85	256.61	287.56

A. IOC Shares held by erstwhile IBP Trust transferred to the BRPL Trust in view of the expiry of term of IBP Trust and BRPL trust has been renamed as "IOC Shares Trust".

NOTE - 17: INVENTORIES

Particulars	(₹ in Crore)	
	March-12	March-11
In Hand:		
Stores, Spares etc.	2,709.33	2,190.63
Less : Provision for Losses	<u>132.57</u>	<u>115.08</u>
	2,576.76	2,075.55
Raw Materials	18,167.63	16,184.56
Finished Products	19,923.28	17,617.05
Stock in Trade	4,845.86	4,691.46
Stock in Process	5,737.68	4,531.60
WIP - Construction Contracts	17.12	8.16
Barrels and Tins	<u>32.14</u>	<u>27.25</u>
	<u>51,300.47</u>	<u>45,135.63</u>
In Transit:		
Stores & Spares	145.36	137.83
Raw Materials	11,998.38	9,029.97
Finished Products	2.21	1.90
Stock in Trade	<u>404.62</u>	<u>600.69</u>
	<u>12,550.57</u>	<u>9,770.39</u>
TOTAL	<u>63,851.04</u>	<u>54,906.02</u>
Share of jointly controlled entities	207.30	137.25

NOTE - 18: TRADE RECEIVABLES

Particulars	(₹ in Crore)	
	March-12	March-11
Over Six Months:		
From Others		
i) Secured Considered Good	-	-
ii) Unsecured, Considered Good	1,495.98	346.24
iii) Unsecured, Considered Doubtful	<u>140.63</u>	<u>373.05</u>
	<u>1,636.61</u>	<u>719.29</u>
	1,636.61	719.29
Other Debts:		
From Related Parties		
i) Secured Considered Good	-	-
ii) Unsecured, Considered Good	38.84	23.02
iii) Unsecured, Considered Doubtful	<u>-</u>	<u>-</u>
	<u>38.84</u>	<u>23.02</u>
From Others		
i) Secured Considered Good	49.87	132.14
ii) Unsecured, Considered Good	9,967.11	7,183.22
ii) Unsecured, Considered Doubtful	<u>74.12</u>	<u>56.51</u>
	<u>10,091.10</u>	<u>7,371.87</u>
	10,129.94	7,394.89
	11,766.55	8,114.18
Less : Provision for Doubtful Debts	214.75	429.56
TOTAL	<u>11,551.80</u>	<u>7,684.62</u>
Share of jointly controlled entities	406.53	318.60



NOTE - 19: CASH AND BANK BALANCES

(₹ in Crore)

Particulars	March-12	March-11
Cash and Cash Equivalents		
Bank Balances with Scheduled Banks:		
a) Current Account	317.63	602.18
b) Earmarked Balances	43.48	14.84
	361.11	617.02
Bank Balances with Non-Scheduled Banks:		
Bank of Commerce & Development, Libya	0.50	0.44
Myanmar Economic Bank Branch(5), Rangoon	0.01	0.79
Others	3.06	3.06
	3.57	4.29
Cheques, Drafts in hand	152.87	159.92
Cash Balances, Including Imprest	3.66	2.42
Other Bank Balances		
a) Fixed Deposit Account	299.70	753.36
b) Blocked Account	1.04	0.82
	300.74	754.18
TOTAL	821.95	1,537.83
Share of jointly controlled entities	319.49	112.75

Share of jointly controlled entities

- A) Pertains to Unpaid Dividend/Fractional Share Warrants.
 B) There exists restrictions on repatriation of said amount from Myanmar.
 C) Earmarked in favour of Port Authorities.

NOTE - 20: REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	March-12	March-11
Sale of Products and Crude	3,92,478.69	3,18,885.99
Less: Discounts	4,434.77	4,264.74
Sales (Net of Discounts)	3,88,043.92	3,14,621.25
Sale of Services	981.12	783.55
Other Operating Revenues (Note - 20.1)	1,692.60	881.03
	3,90,717.64	3,16,285.83
Subsidy From Central/State Govt.	1,820.28	1,767.30
Grant from Government of India	45,485.84	22,604.84
TOTAL	4,38,023.76	3,40,657.97

- A. Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ₹ 1,770.98 crore (2011: ₹ 1,731.56 crore) and subsidies on sales of SKO & LPG to customers in Bhutan amounting to ₹ 49.30 crore (2011: ₹ 35.74 crore) have been reckoned as per the schemes notified by Government of India.
- B1. The Group has accounted for Budgetary Support of ₹ 45,485.84 crore towards under-recovery on sale of HSD, SKO (PDS) and LPG (Domestic) for 2011-12 [2010-11: ₹ 22,604.84 crore towards under-recovery on sale of MS (upto 25th June 2010), HSD, SKO (PDS) and LPG (Domestic)] in the Profit and Loss Account 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 ₹ 29,619.23 crore (2011: ₹ 16,703.73 crore) on Crude Oil/Products purchased from ONGC/GAIL/OIL and the same has been adjusted against the purchase cost. In addition an amount of ₹ 341.50 crore (2011: NIL) received from OIL has been accounted as other Operating Revenue.

NOTE - 20.1: OTHER OPERATING REVENUES

Particulars	(₹ in Crore)	
	March-12	March-11
Sale of Power and Water	17.11	26.99
Unclaimed / Unspent liabilities written back	123.69	54.50
Provision for Doubtful Debts, Advances, Claims, and Stores written back.	288.68	94.90
Provision for Contingencies written back	55.27	3.98
Recoveries from Employees	15.56	27.39
Retail Outlet Licence Fees	104.43	97.67
Collection Charges for Outstation Cheques	0.06	0.18
Sale of Scrap	115.24	96.15
Income from Finance Leases	1.19	1.50
Amortisation of Capital Grants	1.19	1.16
Revenue Grants	-	2.77
Terminalling Charges	36.40	38.56
Other Miscellaneous Income	933.78	435.28
TOTAL	1,692.60	881.03

NOTE - 21: OTHER INCOME

Particulars	(₹ in Crore)	
	March-12	March-11
Interest on :		
a) Loans and Advances	62.30	61.86
b) Fixed Deposits with Banks	14.11	8.24
c) Short Term Deposits with Banks	0.84	0.22
d) Customers Outstandings		
From Related Parties	-	-
From Others	415.97	39.40
e) Oil Companies GOI SPL Bonds	1,171.94	1,307.46
f) Others	189.50	176.58
	1,854.66	1,593.76
Dividend:		
a) From Related Parties	48.63	29.23
b) From Other Companies	731.90	952.73
	780.53	981.96
Provision for Diminution in Trust Written Back (Net)	513.21	96.86
Exchange Fluctuations (Net)	-	739.65
Other Non Operating Income	38.73	35.46
TOTAL	3,187.13	3,447.69



IndianOil

NOTE - 22: COST OF MATERIAL CONSUMED

(₹ in Crore)

Particulars	March-12	March-11
Raw Material Consumed:		
Opening Balance	25,214.53	17,466.91
Add: Purchases	2,12,583.46	1,57,789.33
	<u>2,37,797.99</u>	<u>1,75,256.24</u>
Less: Closing Stock	30,166.01	25,214.53
TOTAL	<u><u>2,07,631.98</u></u>	<u><u>1,50,041.71</u></u>

NOTE - 23: CHANGE IN INVENTORY

(₹ in Crore)

Particulars	March-12	March-11
Closing Stock		
Finished Products	19,925.49	17,618.95
Stock in Process	5,737.68	4,531.60
Stock- in - trade	5,250.48	5,292.15
	<u>30,913.65</u>	<u>27,442.70</u>
Less:		
Opening Stock		
Finished Products	17,618.95	14,445.70
Stock in Process	4,531.60	3,115.62
Stock - in - Trade	5,292.15	4,267.61
	<u>27,442.70</u>	<u>21,828.93</u>
NET (INCREASE)/DECREASE	<u><u>(3,470.95)</u></u>	<u><u>(5,613.77)</u></u>

NOTE - 24: EMPLOYEE BENEFIT EXPENSES

(₹ in Crore)

Particulars	March-12	March-11
Salaries, Wages, Bonus etc.	3,796.05	4,148.49
Contribution to Provident & Other Funds	754.54	1,638.74
Voluntary Retirement Compensation	12.52	6.07
Staff Welfare Expenses	736.98	940.94
TOTAL	<u><u>5,300.09</u></u>	<u><u>6,734.24</u></u>

A. 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-12	March-11
Interest Payments on:		
Fixed period loans from Banks/Financial Institutions/Others	611.13	528.27
Bonds	482.99	477.62
Short Term loans from Banks	2,125.70	1,170.73
Others	1,718.59	627.69
	4,938.41	2,804.31
Other Borrowing Cost	38.81	5.63
Applicable Net Gain / (Loss) on Foreign Currency Transactions and Translation	917.43	175.76
TOTAL	5,894.65	2,985.70

NOTE - 26: OTHER EXPENSES

Particulars	(₹ in Crore)	
	March-12	March-11
Consumption:		
a) Stores, Spares and Consumables	953.44	882.96
b) Packages & Drum Sheets	382.06	326.51
	1,335.50	1,209.47
Power & Fuel	22,878.06	15,125.08
Less : Fuel from own production	18,996.27	13,172.06
	3,881.79	1,953.02
Throughput, Processing & Blending Fees, Royalty and Other Charges	490.29	377.65
Octroi, Other Levies and Irrecoverable taxes	976.57	842.80
Repairs and Maintenance		
i) Plant & Machinery	1,587.83	1,349.83
ii) Buildings	159.21	148.16
iii) Others	126.19	115.33
	1,873.23	1,613.32
Freight, Transportation Charges and Demurrage	7,508.52	6,894.08
Office Administration, Selling and Other Expenses (Note - 26.1)	8,160.42	4,026.69
TOTAL	24,226.32	16,917.03
Less: Company's use of own Products and Crude	880.87	948.90
	23,345.45	15,968.13
Duties (Net)	(583.02)	357.23
TOTAL (Net)	22,762.43	16,325.36



IndianOil

NOTE - 26.1: OFFICE, ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in Crore)

Particulars	March-12	March-11
Rent	358.95	279.17
Insurance	110.27	82.24
Rates & Taxes	75.08	68.95
Donations	9.05	1.54
Payment to auditors		
a) Audit Fees	1.47	1.20
b) Tax Audit Fees	0.13	0.13
c) Other Services(for issuing certificates etc.)	0.36	0.45
d) Out of Pocket Expenses	0.42	0.31
	2.38	2.09
Travelling & Conveyance	371.43	324.87
Communication Expenses	50.35	45.50
Printing & Stationery	31.79	27.82
Electricity & Water	201.45	179.65
Bank Charges	53.68	31.64
Bad Debts, Advances & Claims written off	49.21	7.16
Provision/ Loss on Assets sold or written off	2.47	25.23
Technical Assistance Fees	29.58	44.84
Exchange Fluctuation (net)	3,182.86	-
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.	59.17	213.89
Provision for Diminution in Investments	418.15	78.74
Security Force Expenses	264.93	238.19
Sales Promotion Expenses (Incl. Commission)	494.19	452.53
Handling Expenses	214.47	165.47
Expenses on Enabling Facilities	24.00	41.68
Commodity Hedging Losses (Net)	328.13	48.35
Terminalling Charges	20.06	24.94
Provision for Probable Contingencies	93.05	42.22
Exploration & Production Cost	180.23	333.44
Amortisation of Premium on Forward Contracts	89.66	132.45
MTM Loss on Interest Rate Swap	110.26	-
Loss on Sale of Investments (Net)	18.87	26.56
Expenses on CSR Activities	78.47	89.82
Miscellaneous Expenses	1,238.23	1,017.71
TOTAL	8,160.42	4,026.69

A. In respect of Oil and Gas Exploration activities, Revenue Expenditure amounting to ₹ 180.23 crore (2011 : ₹ 333.44 crore) and Capital Expenditure amounting to ₹ (51.41) crore (2011 : ₹ 19.80 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.

NOTE - 27: INCOME / EXPENSES RELATING TO PREVIOUS YEARS

(₹ in Crore)

Particulars	March-12	March-11
Income:		
Miscellaneous Income	40.91	8.75
Sale of Products	-	(2.62)
Total Income	40.91	6.13
Expenditure:		
Purchase of Products and Crude	0.16	(0.09)
Depreciation and Amortization on:		
Tangible Assets	(326.05)	20.27
Intangible Assets	0.66	-
Consumption of Stores, Spares and Consumables	(1.27)	(9.25)
Technical fees	1.30	(3.18)
Power and Fuel	(1.22)	(3.25)
Repairs and Maintenance	7.93	2.64
Interest	6.96	2.95
Rent	0.08	5.33
Rates & Taxes	1.45	0.27
Payment to and Provision for Employees	16.38	(5.68)
Other Expenses	64.28	67.00
Total Expenditure	(229.34)	77.01
NET INCOME /(EXPENDITURE)	270.25	(70.88)



NOTE - 28

1. Contingent Liabilities & Commitments

A. Contingent Liabilities

A.1 Contingent Liabilities amounting to ₹ **8,829.47 crore** (2011: ₹ 7,888.70 crore) are as under :

A.1.1 ₹ **4,975.99 crore** (2011: ₹ 5,301.69 crore) being the demands raised by the Central Excise /Customs/ Sales Tax Authorities.

A.1.2 ₹ **910.21 crore** (2011: ₹ 756.76 crore) including ₹ **593.79 crore** (2011: ₹ 512.09 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator.

A.1.3 ₹ **2,126.64 crore** (2011: ₹ 1,179.25 crore) in respect of Income Tax demands.

A.1.4 ₹ **816.63 crore** (2011: ₹ 651.00 crore) in respect of other claims.

A.1.5 The Company has not considered those disputed demands/claims as contingent liabilities, the outflow of resources for which would be remote.

A.2 Interest/Penalty, if any, on some of the above claims is unascertainable.

A.3 Pending decision of the Government, no liability could be determined and provided for in respect of additional compensation, if any, payable to the land owners and the Government for certain lands acquired.

B. Commitments

B.1 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account not provided for ₹ **18,671.21 crore** (2011: ₹ 22,863.56 crore).

B.2 Other Commitments

The Group has an export obligation to the extent of ₹ **3,226.10 crore** (2011: ₹ 3,871.83 crore) on account of concessional rate of customs duty availed under EPCG license scheme on import of

capital goods.

2. Purchase of crude oil from ONGC, 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.

3. Title Deeds for Land and residential apartments as also lease and other agreements in respect of certain lands/buildings, the book value of which is ₹ **95.12 crore** (2011: ₹ 89.56 crore), are pending for execution or renewal.

4. Transactions with other Oil Marketing Companies are jointly reconciled on an ongoing basis.

5. A Pursuant to orders pronounced by the Honorable Supreme Court / various High Courts in the matter of Entry Tax on Crude Oil, HSD & Lubricants and as advised, the Group has not provided for Entry Tax amounting to ₹ **894.89 crore** in respect of Panipat Refinery, Mundra-Panipat & Salaya Mathura Pipelines and Asaouti Lube Blending Plant (2011: ₹ 5,106.43 crore in respect of Mathura & Panipat Refineries, Mundra-Panipat & Salaya Mathura Pipelines and Asaouti Lube Blending Plant) including ₹ **207.17 crore** for the year in respect of Panipat Refinery, Mundra-Panipat & Salaya Mathura Pipelines and Asaouti Lube Blending Plant (2011: ₹ 1363.24 crore in respect of Mathura & Panipat Refineries, Mundra-Panipat & Salaya Mathura Pipelines and Asaouti Lube Blending Plant).

B Consequent to the recent order pronounced by Hon'ble High Court of Allahabad in December, 2011, upholding the Constitutional Validity of retrospective application of Entry Tax Law in the State of UP, the Company had filed a Special Leave Petition before Hon'ble Supreme Court of India. Although the Apex Court has granted the stay order, the Company has been directed by the Court to deposit 50% of arrears towards the Entry Tax and Full tax prospectively vide its order of January, 2012 in respect of crude imported in the State of UP. Accordingly, pending final disposal of the matter, an amount of ₹ **8,156.56 crore** (including interest of ₹ **2,165.02 crore**) has been provided in the books during 2011-12. Out of this, an amount of ₹ **7,707.82 crore** comprising of entry Tax and interest thereon upto December, 2011 has been shown as Exceptional Item.

6. In the 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.

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

During the year, the Group has recognised ₹ 276.26 crore (2010-11 : ₹ 350.21 crore) as Employer's contribution to Provident Fund in the Profit and Loss Account (included in Contribution to Provident and Other Funds in Note - 24).

(b) Pension Scheme

During the year, the Group has recognised ₹ 348.65 crore (2010-11 : ₹ 355.95 crore) towards Defined Contributory Employees Pension Scheme in the Profit and Loss Account (included in Contribution to Provident and Other Funds in Note - 24).

(c) Reconciliation of balance of Defined Benefit Obligation

(₹ in Crore)

	Gratuity		Leave Encashment		PRMS		Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded
Defined Obligation at the beginning of the year	1,445.42	1.87	4.29	1,631.45	829.99	20.56	83.00	112.29	9.28
	1,405.89	1.95	3.91	1,407.79	825.72	18.33	82.50	94.73	9.98
Current Service Cost	18.23	0.10	0.22	53.53	52.90	0.18	3.45	20.19	0.24
	21.12	0.15	0.21	54.79	46.44	0.16	3.72	5.01	0.28
Interest Cost	116.86	0.17	0.30	130.76	70.00	1.65	7.06	10.23	0.68
	113.36	0.22	0.29	114.22	70.00	1.48	7.07	7.84	0.74
Past Service Cost	-	-	(0.08)	-	-	(0.15)	-	-	-
	2.34	-	-	-	-	-	-	-	-
Benefits paid	(108.12)	(0.25)	(1.14)	(213.30)	(70.39)	(0.86)	(2.66)	(17.59)	(2.07)
	(110.16)	(0.09)	(0.54)	(167.21)	(60.08)	(0.75)	(1.95)	(9.79)	(2.02)
Actuarial (gain)/ loss on obligations	(21.65)	(0.05)	1.00	80.72	0.44	10.11	(11.49)	94.41	(0.16)
	12.90	(0.36)	0.43	221.86	(52.09)	1.36	(8.34)	14.50	0.30
Defined Benefit Obligation at the end of the year	1,450.74	1.84	4.59	1,683.16	882.94	31.49	79.36	219.53	7.97
	1,445.45	1.87	4.30	1,631.45	829.99	20.58	83.00	112.29	9.28

(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
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded
Fair Value of Plan Assets at the beginning of the year	1,554.95	-	3.87	-	-	-	-	-	8.17
	1,416.87	-	2.67	-	-	-	-	-	9.35
Expected return on plan assets	128.64	-	0.33	-	-	-	-	-	0.68
	118.59	-	0.27	-	-	-	-	-	0.75
Contribution by employer	103.75	-	1.14	-	901.37	-	-	-	0.76
	111.56	-	1.48	-	-	-	-	-	-
Benefit paid	(108.12)	-	(1.14)	-	(70.39)	-	-	-	(2.07)
	(110.15)	-	(0.54)	-	-	-	-	-	(2.02)
Actuarial gain / (losses)	18.62	-	0.11	-	51.96	-	-	-	0.20
	18.09	-	(0.01)	-	-	-	-	-	0.09
Fair value of plan assets at the end of the year	1,697.84	-	4.31	-	882.94	-	-	-	7.74
	1,554.96	-	3.87	-	-	-	-	-	8.17

Contd...



IndianOil

(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
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded
Fair Value of Plan Assets at the end of the year	1,697.84 1,554.96	-	4.31 3.87	-	882.94 -	-	-	-	7.74 8.17
Defined Benefit Obligation at the end of the year	1,450.74 1,445.45	1.84 1.87	4.59 4.30	1,683.16 1,631.45	882.94 829.99	31.49 20.58	79.36 83.00	219.53 112.29	7.97 9.28
Amount recognised in the Balance Sheet	(247.10) (109.51)	1.84 1.87	0.28 0.43	1,683.16 1,631.45	- 829.99	31.49 20.58	79.36 83.00	219.53 112.29	0.23 1.11

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

(₹ in Crore)

	Gratuity		Leave Encashment		PRMS		Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded
Current Service Cost	18.23 21.12	0.10 0.15	0.22 0.21	53.53 54.79	52.90 46.44	0.18 0.16	3.45 3.72	20.19 5.01	0.24 0.28
Interest Cost	116.86 113.36	0.17 0.22	0.30 0.29	130.76 114.22	70.00 70.00	1.65 1.48	7.06 7.07	10.23 7.84	0.68 0.74
Expected (return) / loss on plan asset	(128.64) (118.59)	-	(0.33) (0.27)	-	-	-	-	-	(0.68) (0.75)
Past Service Cost	- 2.34	-	(0.08) -	-	-	(0.15) -	-	-	-
Actuarial (gain)/ loss	(40.27) (5.19)	(0.05) (0.36)	0.89 0.44	80.72 221.86	(51.52) (52.09)	10.11 1.36	(11.49) (8.34)	94.41 14.50	(0.36) 0.21
Expenses for the year	(33.82) 13.04	0.22 0.01	1.00 0.67	265.01 390.87	71.38 64.35	11.79 3.00	(0.98) 2.45	124.83 27.35	(0.12) 0.48

(g) Major Actuarial Assumptions

	Gratuity		Leave Encashment		PRMS		Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded
Discount rate	8.63% 8.30%	10.63% 8.50%	8.29% 7.75%	8.63% 8.30%	8.63% 8.30%	8.30% 8.30%	8.63% 8.30%	8.63% 8.30%	8.63% 8.30%
Expected return on plan assets	8.60% 8.00%	-	-	-	-	-	-	-	9.00% 9.00%
Salary escalation	8.00% 8.00%	4.00% 4.00%	8.00% 7.00%	8.00% 8.00%	-	-	-	-	8.00% 8.00%
Inflation	-	-	-	-	7.00% 7.00%	7.00% 7.00%	6.00% 6.00%	-	-

NOTE - 30: SEGMENT INFORMATION

Information regarding Primary Segment Reporting as per AS-17 for the year ended March 31, 2012 is as under:

(₹ in Crore)

	March-12				Total	March-11				Total
	Petroleum Products	Petro-chemicals	Other Businesses	Eliminations		Petroleum Products	Petro-chemicals	Other Businesses	Eliminations	
Revenue										
External Revenue	3,90,544.12	11,174.09	7,205.82	-	4,08,924.03	2,99,332.49	5,768.13	4,696.40	-	3,09,797.02
Inter-segmen Revenue	7,506.24	48.72	3,617.94	(11,172.90)	-	4,632.42	67.35	1,185.47	(5,885.24)	-
Total Revenue	3,98,050.36	11,222.81	10,823.76	(11,172.90)	4,08,924.03	3,03,964.91	5,835.48	5,881.87	(5,885.24)	3,09,797.02
Result										
Segment Results	17,664.13	(209.94)	308.57	-	17,762.76	11,705.20	(1,609.35)	(242.45)	-	9,853.40
Less:										
Interest Expenditure					5,894.65					2,985.70
Loss on Sale of Investments (Net)					18.87					26.56
Provision for diminution in Investments (Net)					418.15					78.74
Loss on sale and disposal of Assets					2.47					25.23
Exchange Loss (Net)					3,182.86					-
Add:										
Interest/Dividend Income					2,635.19					2,575.72
Provision for diminution in Trust written back (Net)					513.21					96.86
Exchange Gain (Net)					-					739.65
Other non operating income					38.73					35.46
Prior year income/(expenses) -net					270.25					(70.88)
Profit before Exceptional items and Tax					11,703.14					10,113.98
Exceptional Items					(7,707.82)					-
Profit Before Tax					3,995.32					10,113.98
Less: Income Tax (including deferred tax)					(269.95)					2,028.36
Profit After Tax					4,265.27					8,085.62
Other Information										
Segment Assets	1,80,562.32	18,242.32	2,211.42	-	2,01,016.06	1,43,822.91	19,027.97	1,555.91	-	1,64,406.79
Corporate Assets					18,786.13					20,170.99
Total Assets					2,19,802.19					1,84,577.78
Segment Liabilities	67,989.04	828.66	1,102.94	-	69,920.64	54,544.18	2,065.50	850.12	-	57,459.80
Corporate Liabilities					87,588.84					67,573.23
Total Liabilities					1,57,509.48					1,25,033.03
Capital Employed										
Segment Wise	1,12,573.28	17,413.66	1,108.48		1,31,095.42	89,278.73	16,962.47	705.79		1,06,946.99
Corporate					(68,802.71)					(47,402.24)
					62,292.71					59,544.75
Capital Expenditure	13,880.33	196.88	426.48		14,503.69	11,323.29	7,947.46	276.64		19,547.39
Depreciation and Amortization	4,258.02	952.54	98.70		5,309.26	3,808.99	1,040.04	83.59		4,932.62

Notes:

- The Group is engaged in the following business segments:
 - Sale of Petroleum Products
 - Sale of Petrochemicals
 - Other Businesses, comprises Sale of Gas, Explosives & Cryogenics, Wind Mill & Solar 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 Operating Income
- 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 COMPANIES/ ENTITIES**

- 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) Indo Cat Pvt. Ltd.
- 12) IndianOil SkyTanking Ltd.
- 13) Suntera Nigeria 205 Ltd.
- 14) Delhi Aviation Fuel Facility Pvt Limited
- 15) Indian Synthetic Rubber Limited
- 16) IndianOil Ruchi Biofuels LLP
- 17) NPCIL- IndianOil Nuclear Energy Corporation Limited
- 18) Indian Additives Ltd.

- 19) National Aromatics and petrochemicals Corporation Ltd.
- 20) Ceylon Petroleum Storage terminal Ltd.

B) Whole-time Directors

- 1) Shri R.S.Butola
- 2) Shri B.M.Bansal (upto 31.01.2011)
- 3) Shri S.V.Narasimhan (upto 30.04.2011)
- 4) Shri V.C.Agrawal (upto 31.07.2010)
- 5) Shri G.C.Daga (upto 30.09.2011)
- 6) Shri B.N.Bankapur (upto 31.08.2011)
- 7) Shri Anand Kumar (upto 30.06.2010)
- 8) Shri K.K. Jha (upto 31.01.2012)
- 9) Shri R.K.Malhotra
- 10) Shri Sudhir Bhalla
- 11) Shri A.M.K.Sinha
- 12) Shri P.K.Goyal
- 13) Shri R.K.Ghosh
- 14) Shri Makarand Nene
- 15) Shri V.S. Okhade

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 1(A) above :**

(₹ in Crore)

	2011-12	2010-11
i) Sales (Includes sales to Lubrizol India Pvt. Ltd ₹ 169.57 crore (2010-11 : ₹ 159.78 crore) and Indian Oil Petronas Pvt. Ltd. ₹ 85.70 crore (2010-11 : ₹ 11.78 crore))	256.06	191.59
ii) Interest received (Includes interest received from IOT Infrastructure Energy Services Ltd ₹ 0.02 crore (2010-11 : ₹ 1.08 crore) and Petronet VK Ltd. ₹ 0.03 crore (2010-11: ₹ 0.02 crore))	0.05	1.10
iii) Consultancy Services/Other Income (Includes Consultancy Service/Other Income from Lubrizol India Pvt. Ltd. ₹ 34.56 crore (2010-11 : ₹ 30.72 crore), Petronet LNG Ltd. ₹ 23.21 crore (2010-11 : ₹ 19.71 crore) and IndianOil Petronas Pvt. Ltd. ₹ 8.35 crore (2010-11 ₹ 8.00 crore))	80.68	67.02
iv) Purchase of Products (Includes Purchase of Products from Petronet LNG Ltd ₹ 7,318.35 crore (2010-11 : ₹ 3,753.78 crores))	7,387.95	3,837.96
v) Purchase of Chemicals/materials (Includes Purchase of chemicals /materials from Lubrizol India Pvt. Ltd ₹ 280.60 crore (2010-11 : ₹ 228.15 crore))	280.73	228.15
vi) Handling Expenses (Includes Handling Expenses to IndianOil Sky Tanking Ltd ₹ 208.79 crore (2010-11 : ₹ 130.91) and Indian Oil Petronas Pvt Ltd ₹ 94.02 crore (2010-11 : ₹ 79.22 crores))	316.10	228.04
vii) Freight Expenses (Includes Freight Expenses to Lubrizol India Pvt Ltd ₹ 0.31 crore (2010-11 : ₹ 0.24 crore))	0.33	0.25
viii) Exploration & Production Expenses (Exploration & Production Expenses to IOT Infrastructure Energy Services Ltd ₹ 10.09 crore (2010-11 : NIL))	10.09	-
ix) Reimbursement of Expenses (Includes Reimbursement of Expenses Indian Oil Petronas Pvt. Ltd. ₹ 2.27 crore (2010-11 : ₹ 2.49 crore), IndianOil Sky Tanking Ltd ₹ 1.80 crore (2010-11 : ₹ 1.57 crore) and IOT Infrastructure Energy Services Ltd ₹ 0.54 crore (2010-11: NIL))	5.25	5.08
x) Investments made during the year (Includes Investment made in Indian Synthetic Rubber Ltd. ₹ 115.62 crore (2010-11 ₹ 25.00 crore))	116.93	126.18

Contd...

53rd Annual Report

(₹ in Crore)

	2011-12	2010-11
xi) Purchase/Acquisition of Fixed Assets (Includes Purchase/Acquisition of Fixed Assets from IOT Infrastructure Energy Services Ltd ₹ 256.77 crore (2010-11 : ₹ 434.37 crore))	256.77	437.04
xii) Provisions made/(written off) during the year (Includes write back of provision made against advance given to Suntera Nigeria 205 Ltd. ₹ 40.53 crore (2010-11: NIL))	(40.38)	0.19
xiii) Outstanding Receivables/ Loans Recoverable (Includes Outstanding Receivables from IOT Infrastructure Energy Services Ltd ₹ 169.12 crore (2010-11 : ₹ 41.62 crore) and Suntera Nigeria 205 Ltd ₹ 68.11 crore (2010-11 : ₹ 40.53 crore))	278.05	108.26
xiv) Outstanding Payables (Includes Outstanding payable to Petronet LNG. Ltd. ₹ 429.99 crore (2010-11 : 219.45 crore) and IOT Infrastructure Energy Services Ltd ₹ 132.25 crore (2010-11 : ₹ 237.48 crore))	642.86	557.99
xv) Claims Recoverable (Claims recoverable from National Aromatics and Petrochemicals Corporation Ltd. ₹ 14.40 crore (2010-11 : ₹ 14.40 crore))	14.40	14.40
xvi) Provision for Doubtful Claims (Provision for Doubtful Claims in respect of National Aromatics and Petrochemicals Corporation Ltd. ₹ 14.40 crore (2010-11 : ₹ 14.40 crore))	14.40	14.40

b) Details relating to the parties referred to in Item No.1 (B) above :

(₹ in Crore)

FY 2011-12		Remuneration	Recovery of Interest & Furniture Hire Charges	Outstanding loans/advances receivables
Details of Whole-time Directors				
1)	Shri R.S.Butola	0.37	-	-
2)	Shri B.M.Bansal	-	-	-
3)	Shri S.V.Narasimhan	0.57	-	-
4)	Shri V.C.Agrawal	-	-	-
5)	Shri G.C.Daga	0.63	-	-
6)	Shri B.N.Bankapur	0.54	-	-
7)	Shri Anand Kumar	-	-	-
8)	Shri K.K. Jha	0.41	0.01	-
9)	Shri R.K.Malhotra	0.37	-	-
10)	Shri Sudhir Bhalla	0.40	-	0.05
11)	Shri A.M.K.Sinha	0.31	0.01	-
12)	Shri P.K.Goyal	0.42	0.01	0.03
13)	Shri R.K.Ghosh	0.29	-	0.08
14)	Shri Makarand Nene	0.20	-	-
15)	Shri V S Okhde	0.06	-	0.01
TOTAL		4.57	0.03	0.17
FY 2010-11		Remuneration	Recovery of Interest & Furniture Hire Charges	Outstanding loans/advances receivables
Details of Whole-time Directors				
1)	Shri R.S.Butola	0.03	-	-
2)	Shri B.M.Bansal	0.63	-	-
3)	Shri S.V.Narasimhan	0.45	-	-
4)	Shri V.C.Agrawal	0.50	-	-
5)	Shri G.C.Daga	0.42	-	-

Contd...



IndianOil

6) Shri B.N.Bankapur	0.45	-	-
7) Shri Anand Kumar	0.55	-	-
8) Shri K.K. Jha	0.42	-	0.02
9) Shri R.K.Malhotra	0.25	-	-
10) Shri Sudhir Bhalla	0.13	-	0.06
11) Shri A.M.K.Sinha	0.01	0.01	-
12) Shri P.K.Goyal	-	-	-
13) Shri R.K.Ghosh	-	-	-
14) Shri Makarand Nene	-	-	-
15) Shri V S Okhde	-	-	-
TOTAL	3.84	0.01	0.08

Notes:

- 1) This does not include the impact of provision made on actuarial valuation of retirement benefit Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors.
- 2) In addition, whole - time Directors are also allowed the use of Corporation's car for private purposes upto 12,000 kms per annum on a payment of ₹ 520/- per mensem for car less than 16 hp or ₹ 780/- per mensem for car of above 16 hp as specified in the terms of appointment.
- 3) No disclosure is required for Subsidiary Companies which can be treated as state controlled enterprises '(i.e. ownership by Central/State Govt, directly or indirectly, of more than 50% of voting rights shall be treated as state controlled enterprise)
- 4) In case of Joint Venture Companies constituted/acquired during the period, transactions w.e.f. date of constitution/acquisition is disclosed.
- 5) In case of Joint Venture Companies which have been closed/divested during the period, transactions upto the date of closure/disinvestment only are disclosed.

NOTE - 32: LEASES

Disclosure as required under Accounting Standard – 19 on “Leases”:

Finance Leases on Tank Wagons:

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.

(₹ in Crore)		
Particulars	March-12	March-11
A. Gross Investments in Finance Lease	415.64	415.64
Less: Unearned Finance Income	4.05	5.24
Less: Finance Income Received	167.10	165.91
Less: Minimum Lease payment received	234.20	232.77
Net Investment in Finance Lease as on Date	10.29	11.72
B. Unearned finance Income	4.05	5.24
C. Present Value of Minimum Lease Payments Receivable		
Not Later than one year	1.40	1.43
Later than one year and not later than five years	7.14	6.77
Later than Five years	1.75	3.52
Total :	10.29	11.72
D. Break-up of un-earned income		
Not Later than one year	1.04	1.19
Later than one year and not later than five years	2.75	3.44
Later than Five years	0.26	0.61
Total	4.05	5.24

Operating leases:

a) As Lessee

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:

(₹ in Crore)		
Particulars	March-12	March-11
A. Lease rentals recognized during the period	50.48	51.71
B. Lease Obligations		
- Not later than One Year	47.57	49.09
- Later than one year and not later than five years	160.61	163.59
- Later than five years	556.14	583.89

b) As Lessor

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

(₹ in Crore)		
Particulars	March-12	March-11
A. Lease rentals recognized as income during the period	1.51	2.52
B. Lease Rentals (Category of assets – Plant & Equipment)		
- Gross Carrying Amount	2.05	2.04
- Accumulated Depreciation	1.19	1.10
- Depreciation recognized in Profit and Loss Account	0.09	0.10

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:

	March-12	March-11
Profit for the Group (₹ in Crore)	4,225.98	7,830.72
Total Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	2427952482	2427952482
Earning Per Share (Basic and Diluted) (₹)	17.41	32.25
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 (%)	
	31.03.2012	31.03.2011
IN INDIA		
Under NELP Block		
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	-
Others		
AAP-ON-94/1	43.55	43.55
BK-CBM-2001/1	20.00	20.00
NK-CBM-2001/1	20.00	20.00
OUTSIDE INDIA		
FARSI BLOCK IRAN	40.00	40.00
LIBYA BLOCK 86	50.00	50.00
LIBYA BLOCK 102/4	50.00	50.00
SHAKTHI GABON**	50.00	50.00
YEMEN 82	15.00	15.00
YEMEN 83	15.00	15.00
AREA 95-96	25.00	25.00
Block K ***	-	12.50

* Block awarded under NELP-IX

** Participating Interest will come down to 45% after Exploration phase.

***Block relinquished during the year 2011-12.

(b) Jointly Controlled Assets:-

Details of Group's share of Jointly Owned Assets included above:

(₹ in Crore)

Assets Particulars	Name of Joint Owners	Original Cost	Accumulated Depreciation & Amortisation	W.D.V. as at 31.03.12
Land - Freehold	HPC/BPC	3.10	0.00	3.10
Land - Leasehold	HPC/BPC	0.18	0.06	0.12
Buildings	HPC/BPC	17.97	6.05	11.92
Plant and Equipment	HPC/BPC/GSFC/IPCL/GNRE	127.31	59.99	67.32
Transport Equipment	RAILWAYS	183.58	174.40	9.18
Railway Sidings	HPC/BPC/KRIBHKO	55.92	36.72	19.20
Drainage, Sewage & Water Supply	GSFC	0.99	0.94	0.05
Furniture	HPC/BPC	0.00	0.00	0.00
Total		389.05	278.16	110.89
Previous year		386.52	269.69	116.83

(c) Jointly Controlled Entities:-

Name	Country of Incorporation	Ownership Interest of IOC(%)	
		31.03.2012	31.03.2011
(i) IOT Infrastructure Energy Services Ltd (name changed from Indian Oil Tanking Ltd)	India	47.92	49.89
(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 Ltd.	India	33.33	33.33
(vi) Indo Cat Pvt. Ltd.	India	50.00	50.00
(vii) Delhi Aviation Fuel Facility Pvt. Ltd.	India	37.00	37.00
(viii) IndianOil Petronas Pvt.Ltd.	India	50.00	50.00
(ix) Suntera Nigeria 205 Ltd	Nigeria	25.00	25.00
(x) IndianOil Panipat Power Consortium Ltd.	India	50.00	50.00
(xi) Avi-Oil India Pvt. Ltd.	India	25.00	25.00
(xii) Petronet India Ltd.	India	18.00	18.00
(xiii) Petronet LNG Ltd.	India	12.50	12.50
(xiv) Indian Synthetic Rubber Limited	India	50.00	50.00
(xv) IndianOil Ruchi Biofuels LLP	India	50.00	50.00
(xvi) Green Gas Ltd.	India	22.50	22.50
(xvii) NPCIL IndianOil Nuclear Energy Corporation Limited (NINECL)	India	26.00	-

2) IOC's Share in aggregate of Contingent Liabilities and Capital Commitments of Jointly Controlled Operations and Assets :

(₹ in Crore)

	31.03.2012	31.03.2011
(a) Jointly Controlled Operations		
(i) Contingent Liabilities	0.20	14.09
(ii) Capital Commitments	1,214.86	999.94
(b) Jointly Controlled Assets		
(i) Contingent Liabilities	-	-
(ii) Capital Commitments	-	-



3) IOC's Share in assets, liabilities, income, expenses, contingent liabilities and capital commitments of Jointly Controlled Entities:

	(₹ in Crore)	
	31.03.2012	31.03.2011
(i) Assets		
- Long Term Assets	1938.55	1495.58
- Current Assets	1306.98	1104.72
(ii) Liabilities		
- Current Liabilities and Provisions	938.95	790.61
- Other Liabilities	802.74	666.85
(iii) Income	4602.13	3233.34
(iv) Expenses	4152.87	2867.91
(v) Contingent Liabilities	89.47	38.08
(vi) Capital Commitments	497.75	382.97

NOTE - 35: EXPOSURE TO FINANCIAL AND COMMODITY TRADING DERIVATIVES

Financial and Derivative Instruments:

- 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.
- The Derivative contracts entered into by the Company and outstanding as on 31st March 2012 are as below:

(a) For Hedging Currency Risks

Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31st March 2012 is given below:

(₹ in Crore)

S. No.	Particulars	Unit of Currency	As on 31.03.2012		As on 31.03.2011	
			No of contracts	Aggregate amount	No of contracts	Aggregate amount
1.	Forward Contracts	USD	16	379.80	108	4,004.13

(b) For Hedging Commodity Related Risks:

Category-wise quantitative data about commodity derivative transactions that are outstanding as on 31st March 2012 is given below:

S. No.	Particulars	Quantity (in '000 bbls)	
		As at 31 st March 2012*	As at 31 st March 2011
1.	Swaps on Crude oil	500	9450
2.	Margin Hedging	250	2400

* Positions settled on 16.04.2012

(c) For Hedging Interest Rate Related Risks:

Interest rate swap for ₹ 2,544 crore (2010-11: ₹ 2230 crore) - (USD 50 crore) syndicated loan (swap from 1/3/6 month USD LIBOR till maturity to 2.222% Fixed)

S. No.	Particulars	Number of Contracts	
		As at 31 st March 2012	As at 31 st March 2011
1	Swaps of Interest Rates	1	1

Mark to market losses as at the Balance Sheet date, if material, are recognised in the Statement of Profit and Loss

- Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2012 is given below:

		(₹ in Crore)	
S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
		Aggregate amount	Aggregate amount
1	Unhedged	53,193.44	42,996.16

NOTE - 36: ADDITIONAL DISCLOSURES BY GROUP COMPANIES

Lanka IOC Ltd.

- a) Goodwill represents the excess of purchase consideration paid in 2003 to the Government of Sri Lanka over the net assets value representing applicable shares allotted in the acquisition of the retail outlet, which were vested with Independent Petroleum Marketers Limited (IPML). The IPML was subsequently amalgamated in 2004 with Lanka IOC LPC and dissolved.

Goodwill represents future economic benefits arising from other assets which were acquired from the above business combination that were not able to individually identified and separately recognized. Accumulated amortization as at the balance sheet date amounting to INR 34,510,737 which were amortized up to 2007 based on 20 years useful life. However, as per the revised accounting standards goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

- 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. Investment is recorded at cost and details are as under:

	(₹ in Crore)	
	2011-12	2010-11
At the beginning of the year	177.52	172.84
Translation Difference	(1.49)	4.68
Closing Net book amount	176.03	177.52

- 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 Dahej 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 26% 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.



IndianOil

NOTE - 37: PREVIOUS YEAR FIGURES

- A. The Financial Statements for the year ended 31st March, 2011 were prepared as per the then applicable Schedule VI to the Companies Act, 1956. Consequent to the Notification of Revised Schedule VI under the Companies Act, 1956, the Financial Statements for the year ended 31st March, 2012 have been prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified by the Company to conform to current year's classification.
- B. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of Financial Statements.
- C. Previous year's comparative figures have been regrouped wherever necessary. Figures in brackets indicate deductions.

Sd/-
(R. S. Butola)
Chairman

Sd/-
(P. K. Goyal)
Director (Finance)

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

For B.M. CHATRATH & CO.
Chartered Accountants
(Firm Regn. No. 301011E)

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

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

Sd/-
(CA. P.R.Paul)
Partner
M. No. 051675

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

Sd/-
(CA. Aditya Kumar Rawat)
Partner
M. No. 071767

Place : New Delhi

Date : May 28, 2012

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 notified by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956.
- 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 capitalised. 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 utilised for projects is capitalised on quarterly basis up to the date of capitalisation.
- 2.2.3 Financing cost, if any, incurred on General Borrowings used for projects is capitalised 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 amortised over the lease period.
- 2.4.2 Depreciation on fixed assets is provided in accordance with the rates as specified in Schedule XIV to The Companies Act, 1956, on straight line method, upto 95% of the cost of the asset other than Insurance spares which are depreciated upto 100%. Depreciation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalisation/ sale, disposal/dismantle or earmarking for disposal/dismantling during the year.

- 2.4.3 Assets, other than LPG Cylinders and Pressure Regulators, costing upto ₹ 5,000/-per item are depreciated fully in the year of capitalisation.

- 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 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.

3. INTANGIBLE ASSETS

- 3.1 Technical know-how / license fee relating to production process and process design are recognised as Intangible Assets and amortised on a straight line basis over a period of ten years or life of the underlying plant/ facility, whichever is earlier.
- 3.2 Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.
- 3.3 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".
- 3.4 Cost of Right of Way for laying pipelines is capitalised. However, such Right of Way being perpetual in nature, is not amortised.

4. 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.

5. FOREIGN CURRENCY TRANSLATION

- 5.1 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.
- 5.2 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.
- 5.3 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.



5.4.1 (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 other cases, exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long-term foreign currency monetary item but not beyond 31st March, 2020, by recognition as income or expense in each of such periods.

5.4.2. Premium/discount arising at the inception of the forward contracts entered into to hedge foreign currency risks are amortised 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.

6. INVESTMENTS

6.1 Long term investments are valued at cost and provision for diminution in value, thereof is made, wherever such diminution is other than temporary.

6.2 Current investments are valued at lower of cost or fair market value.

7. INVENTORIES

7.1 Raw Materials

7.1.1 Raw materials including crude oil are valued at cost determined on weighted average basis or net realizable value, whichever is lower.

7.1.2 Stock in Process is valued at raw material cost plus conversion costs as applicable or net realizable value, whichever is lower.

7.1.3 Crude oil in Transit is valued at cost or net realizable value, whichever is lower.

7.2 Finished Products and Stock-in-Trade

7.2.1 Finished products and stock in trade, other than lubricants, are valued at cost determined on 'First in First Out' basis or net realizable value, whichever is lower. Cost of Finished Products produced is determined based on raw material cost and processing cost.

7.2.2 Lubricants are valued at cost on weighted average basis or net realizable value, whichever is lower. Cost of lubricants internally produced is determined based on cost of inputs and processing cost.

7.2.3 Imported products in transit are valued at CIF cost or net realisable value whichever is lower.

7.3 Stores and Spares

7.3.1 Stores and Spares (including Barrels & Tins) are valued at weighted average cost. Specific provision is made in respect of identified obsolete stores & spares and chemicals for likely diminution in value. Further, an adhoc provision @ 5% is also made on the balance stores and spares (excluding barrels,

tins, stores in transit, chemicals, crude oil and own products) towards likely diminution in the value.

7.3.2 Stores & Spares in transit are valued at cost.

8. 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 and Export customers, to recognize the element of uncertainty.

9. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

9.1 Contingent Liabilities

9.1.1 Show Cause Notices issued by various Government Authorities are not considered as Obligation.

9.1.2 When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.

9.1.3 The treatment in respect of disputed obligations, in each case above ₹ 5 lakh, are as under:

- a provision is recognized in respect of present obligations where the outflow of resources is probable;
- all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

9.2 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account above ₹ 5 lakhs, in each case, are considered for disclosure.

10. REVENUE RECOGNITION

10.1 Revenue from sale of goods is recognised when sufficient risks and rewards are transferred to customers, which is generally on dispatch of goods.

10.2 Dividend income is recognized when the company's right to receive dividend is established.

10.3 Claims (including interest on outstandings) are accounted:
a) When there is certainty that the claims are realizable
b) Generally at cost

10.4 Income and expenditure upto Rupees five lakhs in each case pertaining to previous years are accounted for in the current year.

10.5 Pre-paid expenses upto Rupees five lakhs in each case are charged to revenue.

11. 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.

12. 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.

13. EMPLOYEES BENEFITS

13.1 Short Term Benefits:

Short Term Employee Benefits are accounted for in the period during which the services have been rendered.

13.2 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 and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.
- d) The Company operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.

13.3 Termination Benefits:

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

14. GRANTS

14.1 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 recognised as income in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

14.2 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.

15. OIL & GAS EXPLORATION ACTIVITIES

15.1 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 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.

15.2 Company's share of proved reserves of oil and gas are disclosed when notified by the Operator of the relevant block.

15.3 The Company's proportionate share in the assets, liabilities, income and expenditure of joint venture operations are accounted as per the participating interest in such joint venture operations.

16. COMMODITY HEDGING

The realised gain or loss in respect of commodity hedging contracts, the pricing period of which has expired during the year, are recognised 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.