

## Auditors' Report to the Board of Directors of Indian Oil Corporation Ltd. on Consolidated Financial Statements of Indian Oil Corporation Limited, its Subsidiaries and its 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 2011 and the Consolidated Profit and Loss Account 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 ₹ 11,327.58 crore (net) as on 31st March 2011, total revenue of ₹ 40,160.37 crore for the year then ended and net cash flows amounting to ₹ (40.35) 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 Suntera Nigeria 205 Ltd., total assets: ₹ 42.82 crore (net), total revenue: ₹ NIL and net cash flows: ₹ (0.01) 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 Note No.29 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, 2011;
  - b) In the case of the Consolidated Profit and Loss account, 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 V.K.DHINGRA & CO.**  
Chartered Accountants  
(Firm Regn. No. 000250N)

Sd/-  
**(CA. Lalit Ahuja)**  
Partner  
M. No. 085842

**For PKF SRIDHAR & SANTHANAM**  
Chartered Accountants  
(Firm Regn. No. 003990S)

Sd/-  
**(CA. V. Kothandaraman)**  
Partner  
M. No. 025973

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

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

**Place :** New Delhi  
**Date :** May 30, 2011

## CONSOLIDATED FINANCIAL STATEMENTS

### BALANCE SHEET as at 31<sup>st</sup> March, 2011

(₹ in crore)

	Schedule	March-11	March-10
<b>SOURCES OF FUNDS:</b>			
<b>Shareholders' Funds:</b>			
Share Capital	'A'	2,427.95	2,427.95
Reserves and Surplus	'B'	55,147.26	50,034.38
		<b>57,575.21</b>	52,462.33
<b>Loan Funds:</b>			
Secured Loans	'C'	21,292.83	19,343.17
Unsecured Loans	'D'	36,544.78	30,129.29
		<b>57,837.61</b>	49,472.46
<b>Deferred Tax Liability (Net)</b>		<b>7,028.20</b>	5,417.00
(₹ 81.66 crore {2010: ₹ 79.71 crore} towards share of jointly controlled entities)			
<b>Minority Interest</b>		<b>1,993.03</b>	1,832.97
<b>TOTAL</b>		<b>1,24,434.05</b>	1,09,184.76
<b>APPLICATION OF FUNDS:</b>			
<b>Fixed Assets &amp; Intangible Assets:</b>			
<b>Fixed Assets:</b>			
Gross Block	'E'	99,325.20	78,020.20
Less: Depreciation		37,719.59	33,047.49
Less: Impairment Loss		34.32	34.32
Net Block		<b>61,571.29</b>	44,938.39
<b>Intangible Assets:</b>			
Gross Block	'E-1'	1,516.98	826.53
Less: Amortisation		467.37	327.64
Less: Impairment Loss		1.65	1.65
Net Block		<b>1,047.96</b>	497.24
Dismantled Capital Assets		27.25	41.78
Capital Work-in-Progress	'F'	14,284.16	22,767.77
		<b>76,930.66</b>	68,245.18
<b>Goodwill on Consolidation</b>		<b>23.49</b>	22.42
<b>Investments</b>	'G'	<b>18,646.92</b>	21,429.78
<b>Foreign Currency Monetary Item Translation Difference Account</b>	'D-1'	<b>0.00</b>	0.10
<b>Current Assets, Loans and Advances:</b>			
Inventories	'H'	54,917.07	41,076.51
Sundry Debtors	'I'	7,654.64	5,606.15
Cash and Bank Balances	'J'	1,537.39	1,598.43
Other Current Assets	'J-1'	1,490.55	1,507.87
Loans and Advances	'K'	23,357.34	15,253.28
		<b>88,956.99</b>	65,042.24

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## BALANCE SHEET as at 31<sup>st</sup> March, 2011 (contd.)

(₹ in crore)

	Schedule	March-11	March-10
<b>APPLICATION OF FUNDS (Contd.):</b>			
<b>Less: Current Liabilities and Provisions</b>	'L'		
Current Liabilities		53,210.32	35,165.74
Provisions		6,929.12	10,407.71
		<b>60,139.44</b>	<b>45,573.45</b>
Net Current Assets		<b>28,817.55</b>	19,468.79
<b>Miscellaneous Expenditure</b>			
(to the extent not written off or adjusted)		15.43	18.49
(₹ 0.28 crore { 2010: ₹ 0.32 crore } towards share of jointly controlled entities)			
<b>TOTAL</b>		<b>1,24,434.05</b>	<b>1,09,184.76</b>
Notes on Accounts	'Q'		

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 V.K.DHINGRA & CO.**  
Chartered Accountants  
(Firm Regn. No. 000250N)

**For PKF SRIDHAR & SANTHANAM**  
Chartered Accountants  
(Firm Regn. No. 003990S)

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

Sd/-  
(**CA. Lalit Ahuja**)  
Partner  
M. No. 085842

Sd/-  
(**CA. V. Kothandaraman**)  
Partner  
M. No. 025973

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

**Place :** New Delhi  
**Date :** May 30, 2011

## PROFIT AND LOSS ACCOUNT for the year ended 31<sup>st</sup> March, 2011

(₹ in crore)

	Schedule	March-11	March-10
<b>INCOME:</b>			
Sale of Products and Crude		3,18,939.22	2,62,790.38
Less: Discounts		4,228.27	,3411.18
Sale (Net of Discounts)		3,14,710.95	2,59,379.20
Less: Excise Duty		30,860.94	26,050.02
Sale (Net of Discount & Excise Duty)		2,83,850.01	2,33,329.18
Subsidy From Government of India (As per scheme)		1,676.66	1,623.09
Grant from Government of India		22,604.84	15,171.84
Increase/(Decrease) in Stocks	'M'	5,613.61	5,386.85
Interest and other Income	'N'	5,496.37	7,455.09
<b>TOTAL INCOME</b>		<b>3,19,241.49</b>	<b>2,62,966.05</b>
<b>EXPENDITURE:</b>			
Purchase of Products and Crude for resale		1,27,591.09	1,00,720.61
Manufacturing, Admn., Selling & Other Expenses	'O'	1,73,196.05	1,41,751.50
Duties (Net)		356.64	77.86
Depreciation and Amortisation on:			
Fixed Assets		4,793.11	3,481.00
Intangible Assets		139.49	74.16
		4,932.60	3,555.16
Interest Payments on:			
Fixed period loans from Banks/Financial Institutions/Others		625.76	302.30
Bonds / Debentures		477.62	239.40
Short term loans from Banks		1,247.81	907.97
Public Deposits		0.00	0.01
Others		629.07	276.48
		2,980.26	1,726.16
<b>TOTAL EXPENDITURE</b>		<b>3,09,056.64</b>	<b>2,47,831.29</b>
<b>PROFIT BEFORE PRIOR YEAR ITEMS &amp; TAX</b>		<b>10,184.85</b>	<b>15,134.76</b>
Income/(Expenses) pertaining to prior years (Net)	'P'	(70.87)	(86.16)
<b>PROFIT BEFORE TAX</b>		<b>10,113.98</b>	<b>15,048.60</b>
Less: Provision for Tax			
Current Tax		1,714.86	4,652.97
[includes ₹ (207.14) crore (2010 : ₹ 641.02 crore) relating to prior years]			
Mat Credit Entitlement		(1,297.70)	(52.09)
Fringe Benefit Tax		0.00	1.13
Deferred Tax		1,611.20	(552.09)
[includes ₹ (124.59) crore [2010 : ₹ (654.80) crore] relating to prior years]			
<b>PROFIT AFTER TAX</b>		<b>8,085.62</b>	<b>10,998.68</b>
Less: Share of Minority Interest		254.90	285.49
<b>PROFIT FOR THE GROUP</b>		<b>7,830.72</b>	<b>10,713.19</b>
Balance brought forward from last year's account		227.05	5,064.39
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>8,057.77</b>	<b>15,777.58</b>

### Note:

Total Income includes ₹ 3245.01 crore (2010: ₹ 2549.08 crore) share of jointly controlled entities

Total Expenditure includes ₹ 2879.58 crore (2010: ₹ 2312.34 crore) share of jointly controlled entities

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## PROFIT AND LOSS ACCOUNT for the year ended 31<sup>st</sup> March, 2011 (contd.)

(₹ in crore)

	Schedule	March-11	March-10
<b>APPROPRIATIONS:</b>			
Add:			
Insurance Reserve utilised		13.80	21.80
Less:			
Proposed Dividend		2,349.26	3,181.31
Corporate Dividend Tax on:			
Interim Dividend		5.24	3.79
Proposed Dividend		394.62	542.67
Insurance Reserve Account		20.00	20.00
Bond Redemption Reserve (Net)		101.02	(269.10)
General Reserve		4,717.42	12,093.66
Balance carried to Balance Sheet		484.01	227.05
<b>TOTAL</b>		<b>8,057.77</b>	<b>15,777.58</b>
<b>Earning Per Share (Rupees)</b>	'Q'	<b>32.25</b>	<b>44.12</b>
<b>(Basic &amp; Diluted)</b>	(Note no. 18)		
<b>Face Value Per Share (Rupees)</b>		<b>10/-</b>	<b>10/-</b>
Notes on Accounts	'Q'		

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 V.K.DHINGRA & CO.**  
Chartered Accountants  
(Firm Regn. No. 000250N)

**For PKF SRIDHAR & SANTHANAM**  
Chartered Accountants  
(Firm Regn. No. 003990S)

**For B.M. CHATRATH & CO.**  
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Sd/-  
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Partner  
M. No. 085842

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(**CA. V. Kothandaraman**)  
Partner  
M. No. 025973

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

**Place :** New Delhi  
**Date :** May 30, 2011

## CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET for the year ended 31<sup>st</sup> March, 2011

(₹ in crore)

	2010-11	2009-10
<b>A Cash Flow from Operating Activities</b>		
1 Profit Before Tax	10,113.98	15,048.60
2 Adjustments for :		
Depreciation	4,952.86	3,567.68
Loss/(Profit) on sale of Assets (net)	25.26	164.35
Loss/(Profit) on Investments (net)	356.47	539.52
Reversal of Impairment Loss	-	(12.14)
Amortisation of Capital Grants	(1.16)	(1.20)
Amortisation of Premium on Forward Contract	132.08	133.92
Provision for Probable Contingencies (net)	38.24	22.20
Provision for Loss in cost of Investment written back	(329.91)	(718.91)
Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores (net)	118.14	(58.62)
Provision for Diminution in 'Receivable from trust' w/back	(96.86)	(265.91)
Provision for Loss on Investments	78.74	1,499.48
Interest Income on Investments	(1,307.46)	(1,643.12)
Dividend Income on Investments	(981.95)	(636.92)
Interest Expenditure	2,983.21	1,726.31
	<b>5,967.66</b>	4,316.64
<b>B Operating Profit before Working Capital Changes (1+2)</b>	<b>16,081.64</b>	19,365.24
<b>C Change in Working Capital:</b>		
(Excluding Cash & Bank Balances)		
Trade & Other Receivables	(8,666.41)	(10,198.64)
Inventories	(13,667.79)	(12,691.32)
Trade and Other Payables	17,314.89	4,645.32
Change in Working Capital	<b>(5,019.31)</b>	(18,244.64)
<b>D Cash Generated From Operations (B+C)</b>	<b>11,062.33</b>	1,120.60
<b>E Less : Taxes paid</b>	<b>4,003.17</b>	2,729.57
<b>F Net Cash Flow from Operating Activities (D-E)</b>	<b>7,059.16</b>	(1,608.97)
<b>G Cash Flow from Investing Activities:</b>		
Sale/Transfer of Assets	293.80	250.84
Sale / Maturity of Investments	2,950.71	15,940.07
Interest Income on Investments	1,419.64	1,738.90
Dividend Income on Investments	981.95	636.92
Purchase of Assets	(3,103.65)	(1,711.12)
Long Term Investments / Advance for Investments	(260.48)	(1,148.36)
Expenditure on Construction Work in Progress	(10,612.72)	(12,112.45)
Net Cash used in Investing Activities	<b>(8,330.75)</b>	3,594.80

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## CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET for the year ended 31<sup>st</sup> March, 2011 (contd.)

(₹ in crore)

	2010-11	2009-10
<b>H Net Cash Flow From Financing Activities:</b>		
Proceeds from/(Repayments of) Long-Term Borrowings	(90.00)	3,106.86
Proceeds from/(Repayments of) Short-Term Borrowings	8,455.15	(981.16)
Interest paid	(3,341.79)	(2,427.55)
Dividend/Dividend Tax paid	(3,812.80)	(1,090.65)
Net Cash Generated/(Used) from Financing Activities:	<u>1,210.56</u>	<u>(1,392.50)</u>
<b>I Net Change in Cash &amp; Cash Equivalents</b> (F+G+H)	<u>(61.03)</u>	<u>593.33</u>
<b>J Cash &amp; Cash Equivalents as at end of the year</b>	<u>1,537.39</u>	<u>1,598.43</u>
Add: Impact of Exchange variation taken to Reserves	<u>0.01</u>	<u>0.08</u>
	<u>1,537.40</u>	<u>1,598.51</u>
<b>K. Less: Cash &amp; Cash Equivalents as at the beginning of Year</b>	<u>1,598.43</u>	<u>1,005.18</u>
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS (J-K)</b>	<u>(61.03)</u>	<u>593.33</u>

(₹ in crore)

**Notes:**

1. Cash and Cash Equivalents include:

Cash and Bank Balances

As per Balance Sheet

**Total Cash and Cash Equivalents**

	2010-11	2009-10
	<u>1,537.39</u>	<u>1,598.43</u>
	<u>1,537.39</u>	<u>1,598.43</u>

2. The previous year's figures 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 V.K.DHINGRA & CO.**  
Chartered Accountants  
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(**CA. P. R. Paul**)  
Partner  
M. No.051675

**Place :** New Delhi  
**Date :** May 30, 2011

## SCHEDULE 'A' - SHARE CAPITAL

(₹ in crore)

	March-11	March-10
<b>Authorised :</b>		
6,00,00,00,000 (2010: 2,50,00,00,000) Equity Shares of ₹ 10/- each	<b>6,000.00</b>	2,500.00
<b>Issued, Subscribed and Paid up:</b>		
2,42,79,52,482 Equity Shares of ₹10/- each	<b>2,427.95</b>	2,427.95
<b>TOTAL</b>	<b>2,427.95</b>	2,427.95

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.
- Shares allotted as fully paid up Bonus Shares by Capitalisation of General Reserve / Securities Premium: 2,28,02,71,241 shares of ₹10/- each.



## SCHEDULE 'B' - RESERVES AND SURPLUS

(₹ in crore)

	March-11	March-10
<b>Capital Reserve:</b>		
As per last Account	358.20	330.34
On Consolidation	17.74	27.86
	<b>375.94</b>	358.20
(₹ 0.78 crore (2010: ₹ 0.78 crore) towards share of jointly controlled entities)		
<b>Securities Premium Account:</b>		
As per last Account	86.46	350.97
Add : Opening Balance Adjustment	0.00	0.00
Add : Transferred on amalgamation	0.00	0.00
Less : Utilised for Issue of Bonus Shares	0.00	264.51
	<b>86.46</b>	86.46
(₹ 42.29 crore (2010: ₹ 42.29 crore) towards share of jointly controlled entities)		
<b>General Reserve:</b>		
As per last Account	47,996.06	36,855.77
Add : Opening Balance Adjustment	0.00	(13.90)
Add : Transferred from Export Profit Reserve		
Less : Utilised for Issue of Bonus Shares	0.00	949.47
Add : Transferred from Bond Redemption Reserve	0.00	10.00
Add : Transferred from Profit and Loss Account	4,717.42	12,093.66
	<b>52,713.48</b>	47,996.06
(₹ 138.06 crore (2010: ₹ 118.26 crore) towards share of jointly controlled entities)		
<b>Insurance Reserve:</b>		
As per last Account	78.20	80.00
Less : Recoupment of uninsured fire loss	13.80	21.80
Add : Transferred from Profit and Loss Account	20.00	20.00
	<b>84.40</b>	78.20
<b>Export Profit Reserve:</b>		
As per last Account	59.41	59.41
Less : Transferred to General Reserve	0.00	0.00
	<b>59.41</b>	59.41
<b>Capital Grants:</b>		
As per last Account	15.48	16.03
Add : Received/(written Back) during the year	0.33	0.65
Less : Amortised during the year	1.16	1.20
	<b>14.65</b>	15.48
<b>Bond Redemption Reserve Account:</b>		
As per last Account	1,243.91	1,523.01
Add : Provision during the year	166.90	0.00
Less : Write-back of provision on redemption of bonds	65.88	269.10
Less : Transferred to General Reserve	0.00	10.00
	<b>1,344.93</b>	1,243.91
(₹ NIL {2010: ₹ NIL} towards share of jointly controlled entities)		
<b>Profit and Loss Account:</b>		
As per Annexed Account	<b>484.01</b>	227.05
<b>Devaluation Exchange Difference Reserve:</b>		
As per last Account	0.68	0.76
Less : Exchange variation on revaluation	0.01	0.08
	<b>0.67</b>	0.68
<b>Translation Reserve on Consolidation</b>		
As per last Account	(31.07)	9.71
Add : Translation difference	14.38	(40.78)
	<b>(16.69)</b>	(31.07)
<b>TOTAL</b>	<b>55,147.26</b>	50,034.38

## SCHEDULE 'C' - SECURED LOANS

(₹ in crore)

	March-11	March-10
<b>Bonds:</b>		
Non-Convertible Redeemable Bonds - Series - V	189.60	221.20
Non-Convertible Redeemable Bonds - Series - VI	768.10	1,000.00
Non-Convertible Redeemable Bonds - Series - VII B	500.00	500.00
Non-Convertible Redeemable Bonds - Series - VIII A	430.00	430.00
Non-Convertible Redeemable Bonds - Series - VIII B	1,070.00	1,070.00
Non-Convertible Redeemable Bonds - Series - IX	1,600.00	1,600.00
Non-Convertible Redeemable Bonds - Series - X	2,000.00	2,000.00
	<b>6,557.70</b>	6,821.20
<b>Loans and Advances from Banks :</b>		
Working Capital Demand Loan	7,218.44	5,031.73
Interest accrued and due on above	14.45	6.25
	<b>7,232.89</b>	5,037.98
Cash Credit	107.83	182.04
Term Loan	577.91	389.44
Interest accrued and due on above	0.07	0.00
	<b>577.98</b>	389.44
Foreign Currency Loans	183.93	197.51
	<b>8,102.63</b>	5,806.97
<b>Loans and Advances from Others:</b>		
Loan through Collateralized Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd (CCIL)	2,630.00	2,000.00
Oil Industry Development Board (OIDB)	4,002.50	4,715.00
<b>TOTAL</b>	<b>21,292.83</b>	19,343.17

**Note:** Includes ₹ 581.42 crore (2010: ₹ 471.17 crore) share of jointly controlled entities.

## SCHEDULE 'D' - UNSECURED LOANS

(₹ in crore)

	March-11	March-10
<b>Short Term Loans and Advances :</b>		
<b>From Banks &amp; Financial Institutions:</b>		
Foreign Currency Loans	15413.76	10,052.47
Interest accrued and due on above	1.20	1.09
	<u>15,414.96</u>	<u>10,053.56</u>
Rupee Loans	11,332.69	8,770.02
Interest accrued and due on above	0.47	0.36
	<u>11,333.16</u>	<u>8,770.38</u>
	<u>26,748.12</u>	<u>18,823.94</u>
<b>From Others:</b>		
Commercial Papers	1,000.00	3,375.00
Inter Corporate Deposits	58.38	78.07
	<u>27,806.50</u>	<u>22,277.01</u>
<b>Other Loans and Advances:</b>		
<b>From Banks/Financial Institutions:</b>		
Foreign Currency Loans	2,932.64	1,505.53
Senior Notes (Bank of America)	1,338.00	1,347.00
Rupee Loans	501.41	703.43
<b>From Others:</b>		
Foreign Currency Bonds	2,230.00	2,245.00
Rupee Loans	1,736.23	2,051.32
	<u>8,738.28</u>	<u>7,852.28</u>
<b>TOTAL</b>	<u><b>36,544.78</b></u>	<u><b>30,129.29</b></u>

**Note:** Includes ₹ 113.05 crore (2010: ₹ 125.29 crore) share of jointly controlled entities.

## SCHEDULE 'D-1' - FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT

(₹ in crore)

	Note	March-11	March-10
<b>Foreign Currency Monetary Item Translation Difference Account</b>	A		
As per last Account		(0.10)	5.08
Add: Foreign Currency Exchange gain / (loss) on Long term monetary items		0.10	(5.28)
Less: Amortised during the year		0.00	(0.10)
<b>TOTAL</b>		<u><b>0.00</b></u>	<u><b>(0.10)</b></u>

**Note:**

A. This is as per the option stated in Paragraph 46 of amended 'Accounting Standard 11 - The Effect of Changes in Foreign Exchange Rates' notified under Companies (Accounting Standard) Rules, 2006 dated March 31, 2009 & Companies (Accounting Standards) Amendment Rules, 2011 dated May 11, 2011 by the Central Government.

## SCHEDULE 'E' - FIXED ASSETS

AT COST							
	Gross Block as at 01.04.10	Additions during the year	Transfers from Construction Work in-Progress	Disposals/ Deductions/ Transfers/ Reclassifications	Gross Block as at 31.03.11	Total Depreciation and Amortisation 01.04.10	Depreciation and Amortisation for the year
Land - Freehold	1,068.69	49.50	14.16	(5.43)	1,126.92	0.00	0.00
- Leasehold	471.30	38.24	3.28	(10.06)	502.76	84.96	8.00
Buildings, Roads etc.	7,596.66	131.33	822.51	(89.39)	8,461.11	1532.96	212.78
Plant and Machinery	67,626.55	2,784.69	17,864.61	(343.24)	87,932.61	30,666.60	4,561.72
Transport Equipments	399.46	7.45	1.83	(6.40)	402.34	302.09	16.09
Furnitures and Fixtures	285.92	19.18	24.20	(32.59)	296.71	155.59	14.57
Railway Sidings	201.41	0.00	12.10	(0.46)	213.05	116.01	8.56
Drainage, Sewage and Water Supply System	370.21	3.05	13.07	3.37	389.70	189.28	14.79
<b>Total</b>	<b>78,020.20</b>	<b>3,033.44</b>	<b>18,755.76</b>	<b>(484.20)</b>	<b>99,325.20</b>	<b>33,047.49</b>	<b>4,836.51</b>
<b>Previous Year</b>	<b>67,929.27</b>	<b>1,606.90</b>	<b>9,329.57</b>	<b>(845.54)</b>	<b>78,020.20</b>	<b>29,860.43</b>	<b>3,575.08</b>

**Note :** Net Fixed Assets includes ₹ 775.77 crore (2010 : ₹ 713.28 crore) share of jointly controlled entities.

## SCHEDULE 'E-1' - INTANGIBLE ASSETS

AT COST							
Note	Gross Block as at 01.04.10	Additions during the year	Transfers from Construction Work in-Progress	Disposals/ Deductions/ Transfers/ Reclassifications	Gross Block as at 31.03.11	Total Amortisation upto 01.04.10	Amortisation for the year
Right of Way	121.24	10.41	0.00	0.17	131.82	0.19	0.02
Licenses	562.60	42.11	612.22	(0.03)	1,216.91	243.94	117.94
Computer Software	116.18	17.69	7.26	(0.10)	141.03	83.50	21.76
Goodwill A	26.51	0.00	0.00	0.71	27.22	0.00	0.00
<b>Total</b>	<b>826.53</b>	<b>70.21</b>	<b>619.48</b>	<b>0.75</b>	<b>1,516.98</b>	<b>327.63</b>	<b>139.72</b>
<b>Previous Year</b>	<b>686.82</b>	<b>105.62</b>	<b>38.36</b>	<b>(4.27)</b>	<b>826.53</b>	<b>253.36</b>	<b>74.28</b>

**Note : 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 ₹ 4.64 crore (2010: ₹ 2.12 crore) share of jointly controlled entities

(₹ in crore)

DEPRECIATION, AMORTISATION & IMPAIRMENT						NET BLOCK	
Deduction on account of retirement/reclassifications	Total Depreciation and Amortisation upto 31.03.11	Total Impairment Loss upto 01.04.10	Impairment Loss for the year	Impairment Loss reversed during the year	Total Impairment Loss upto 31.03.11	As at 31.03.11	As at 31.03.10
0.00	0.00	0.00	0.00	0.00	0.00	1,126.92	1,068.69
(4.54)	88.42	0.00	0.00	0.00	0.00	414.34	386.34
(8.24)	1,737.50	0.00	0.00	0.00	0.00	6,723.61	6,063.70
(134.39)	35,093.93	34.32	0.00	0.00	34.32	52,804.36	36,925.63
(3.81)	314.37	0.00	0.00	0.00	0.00	87.97	97.37
(14.47)	155.69	0.00	0.00	0.00	0.00	141.02	130.33
(0.31)	124.26	0.00	0.00	0.00	0.00	88.79	85.40
1.35	205.42	0.00	0.00	0.00	0.00	184.28	180.93
<b>(164.41)</b>	<b>37,719.59</b>	<b>34.32</b>	<b>0.00</b>	<b>0.00</b>	<b>34.32</b>	<b>61,571.29</b>	<b>44,938.39</b>
<b>(388.02)</b>	<b>33,047.49</b>	<b>69.88</b>	<b>0.00</b>	<b>(35.56)</b>	<b>34.32</b>	<b>44,938.39</b>	

(₹ in crore)

AMORTISATION & IMPAIRMENT					NET BLOCK	
Disposals/ Deductions/ Transfers/ Reclassifications	Total Amortisation upto 31.03.11	Total Impairment Loss upto 01.04.10	Impairment Loss for the year	Total Impairment Loss upto 31.03.11	As at 31.03.11	As at 31.03.10
0.00	0.21	0.00	0.00	0.00	131.61	121.05
0.00	361.89	1.65	0.00	1.65	853.37	317.01
0.01	105.27	0.00	0.00	0.00	35.76	32.68
0.00	0.00	0.00	0.00	0.00	27.22	26.51
<b>0.01</b>	<b>467.37</b>	<b>1.65</b>	<b>0.00</b>	<b>1.65</b>	<b>1,047.96</b>	<b>497.25</b>
<b>(0.01)</b>	<b>327.63</b>	<b>1.65</b>	<b>0.00</b>	<b>1.65</b>	<b>497.25</b>	

## SCHEDULE 'F' - CAPITAL WORK-IN-PROGRESS

(₹ in crore)

		March-11	March-10
Construction Work-in-Progress - Fixed Assets (including unallocated capital expenditure, materials at site)	<b>7,962.35</b>		7,726.41
Less : Provision for Capital Losses	<b>175.33</b>		15.61
		<b>7,787.02</b>	7,710.80
Advance for Capital Expenditure	<b>3,412.74</b>		8,964.92
Less : Provision for Doubtful Advance	<b>0.54</b>		0.54
		<b>3,412.20</b>	8,964.38
Capital Stores	<b>1,272.45</b>		2,001.92
Less : Provision for Capital Losses	<b>1.16</b>		28.95
		<b>1,271.29</b>	1,972.97
Capital Goods-in-Transit		<b>566.95</b>	1,053.71
Construction period expenses pending allocation :			
Balance as at beginning of the year	<b>2,236.51</b>		1,386.62
Add : Net Expenditure during the year (Sch. "F-1")	<b>1,220.48</b>		1,687.73
	<b>3,456.99</b>		3,074.35
Less : Allocated to Assets during the year	<b>2,530.94</b>		837.84
		<b>926.05</b>	2,236.51
Work-in-Progress - Intangible Assets (including unallocated capital expenditure)		<b>320.65</b>	829.40
<b>TOTAL</b>		<b>14,284.16</b>	22,767.77

### Note :

Includes ₹ 496.43 crore (2010 : ₹ 254.72 crore) share of jointly controlled entities.

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

(₹ in crore)

	March-11	March-10
Payments to and Provision for Employees	218.39	287.54
Repairs & Maintenance	5.22	4.68
Consumption of Stores & Spares	1.12	2.11
Power & Fuel	369.09	473.99
Rent	4.95	3.69
Insurance	44.94	13.07
Rates & Taxes	0.23	0.10
Travelling Expenses	19.93	21.25
Communication Expenses	1.47	1.83
Printing & Stationery	0.68	0.83
Electricity & Water Charges	6.91	4.40
Bank Charges	0.69	1.24
Technical Assistance Fees	29.77	4.25
Exchange Fluctuation	(7.00)	(220.47)
Borrowing Cost Capitalised (as per AS-16)	372.94	781.18
Depreciation and Amortisation on:		
Fixed Assets	23.14	80.95
Intangible Assets	0.23	0.18
Start up/Trial Run Expenses	60.94	164.17
Others	103.22	109.09
<b>Total Expenses</b>	<b>1,256.86</b>	<b>1,734.08</b>
<b>Less : Recoveries</b>	<b>36.38</b>	<b>46.35</b>
<b>Net Expenditure during the year</b>	<b>1,220.48</b>	<b>1,687.73</b>

## SCHEDULE 'G' INVESTMENTS

(₹ in crore)

	March-11	March-10
<b>LONG TERM INVESTMENTS: (AT COST)</b>		
<b>QUOTED:</b>	<b>3,028.24</b>	3,028.24
(Market Value of ₹ 21,995.51 crore (2010: ₹ 20,572.99 crore))		
<b>UNQUOTED:</b>		
In Government Securities	<b>6.25</b>	6.25
In Petroleum India International (AOP by Oil Companies)		
-Capital Fund	<b>15.00</b>	15.00
-Share in accumulated surplus	<b>17.13</b>	17.64
	<b>32.13</b>	32.64
In Others	<b>576.77</b>	425.92
	<b>615.15</b>	464.81
<b>CURRENT INVESTMENTS (UNQUOTED): (AT LOWER OF COST OR MARKET PRICE)</b>		
Oil Companies GOI SPL Bonds	<b>16,109.68</b>	19403.68
Less: Provision for Diminution	<b>1,268.41</b>	1519.58
	<b>14,841.27</b>	17,884.10
In Others	<b>162.26</b>	52.63
	<b>15,003.53</b>	17,936.73
<b>TOTAL</b>	<b>18,646.92</b>	21,429.78

### Note

Includes ₹ 319.28 crore (2010: ₹ 140.52 crore) share of jointly controlled entities



## SCHEDULE 'H' - INVENTORIES

(₹ in crore)

	March-11	March-10
<b>In Hand :</b>		
Stores, Spares etc.	<b>2,201.48</b>	1,757.82
Less: Provision for Losses	<b>115.08</b>	97.28
	<b>2,086.40</b>	1,660.54
Raw Materials	<b>16,198.47</b>	12,113.08
Finished Products	<b>22,310.09</b>	18,351.62
Stock in Process	<b>4,531.60</b>	3115.62
Work in Progress - Construction Contracts	<b>3.20</b>	3.97
Barrels and Tins	<b>27.43</b>	17.54
	<b>45,157.19</b>	35,262.37
<b>In Transit :</b>		
Stores & Spares	<b>138.06</b>	106.22
Raw Materials	<b>9,020.81</b>	5,346.07
Finished Products	<b>601.01</b>	361.85
	<b>9,759.88</b>	5,814.14
<b>TOTAL</b>	<b>54,917.07</b>	41,076.51

**Note :**

Includes ₹ 148.30 crore (2010 : ₹ 101.79 crore) share of jointly controlled entities.

## SCHEDULE 'I' - SUNDRY DEBTORS

(₹ in crore)

	March-11	March-10
<b>Over Six Months:</b>		
Secured, Considered Good	0.00	1.38
Unsecured, Considered Good	884.84	142.59
Unsecured, Considered Doubtful	373.52	420.12
	<b>1,258.36</b>	564.09
<b>Other Debts:</b>		
Secured, Considered Good	132.15	45.44
Unsecured, Considered Good	6,637.65	5,416.74
Unsecured, Considered Doubtful	55.22	48.76
	<b>6,825.02</b>	5,510.94
<b>Total</b>	<b>8,083.38</b>	6,075.03
Less: Provision for Doubtful Debts	428.74	468.88
<b>TOTAL</b>	<b>7,654.64</b>	5,606.15

**Note :**

Includes ₹ 322.57 crore (2010 : ₹190.19 crore) share of jointly controlled entities.

## SCHEDULE 'J' - CASH AND BANK BALANCES

(₹ in crore)

	Note	March-11	March-10
<b>Cash Balances:</b>			
Cash Balances including imprest		2.42	2.23
Cheques in hand		159.92	435.66
		<b>162.34</b>	437.89
<b>Bank Balances with Scheduled Banks:</b>			
Current Account		614.54	616.50
Fixed Deposit Account		739.78	500.49
Call Deposit Account		19.14	42.14
Blocked Account		0.17	0.17
		<b>1,373.63</b>	1159.30
<b>Bank Balances with Non-Scheduled Banks (Current Account) :</b>			
Bank of Commerce & Development, Libya		0.44	0.44
(Maximum Balance during the year - ₹ 0.44 crore)			
Myanmar Economic Bank Branch (5), Rangoon	A	0.79	0.80
(Maximum Balance during the year - ₹ 0.80 crore)			
National Bank of Abu Dhabi		0.19	0.00
(Maximum Balance during the year - ₹ 0.33 crore)			
		<b>1.42</b>	1.24
<b>TOTAL</b>		<b>1,537.39</b>	1,598.43

**Note:**

A. There exist restrictions on repatriation of said amount from Myanmar.

Includes ₹ 112.30 crore (2010 : ₹166.11 crore) share of jointly controlled entities.

## SCHEDULE 'J-1' - OTHER CURRENT ASSETS

(₹ in crore)

	March-11	March-10
Interest accrued on Investments / Bank Deposits	469.08	581.26
Gold Coins in Hand (at Cost)	3.68	5.68
Receivable from Trust - IBP	1,840.99	1,840.99
Less: Provision for Diminution	971.99	1,068.85
	<b>869.00</b>	772.14
Receivable from Trust - BRPL	148.79	148.79
<b>TOTAL</b>	<b>1490.55</b>	1,507.87

**Note:**

Includes ₹ 284.21 crore (2010 : ₹ 366.28 crore) share of jointly controlled entities.

## SCHEDULE 'K' - LOANS AND ADVANCES

(₹ in crore)

	March-11	March-10
<b>Advance recoverable in cash or in kind or for value to be received:</b>		
Secured, Considered Good	786.97	851.46
Unsecured, Considered Good	5,639.76	1,867.80
Unsecured, Considered Doubtful	46.90	46.96
	<u>6,473.63</u>	<u>2,766.22</u>
Less: Provision for Doubtful Advances	46.90	46.96
	<u>6,426.73</u>	<u>2,719.26</u>
<b>Amount Recoverable from Government of India:</b>		
Unsecured, Considered Good	10,959.16	8,105.14
<b>Advances for Investments</b>	12.67	12.67
<b>Finance Lease Receivables</b>	11.72	14.81
<b>Claims Recoverable:</b>		
Unsecured, Considered Good	1,107.72	1,192.57
Unsecured, Considered Doubtful	67.14	58.80
	<u>1,174.86</u>	<u>1,251.37</u>
Less: Provision for Doubtful Claims	67.14	58.80
	<u>1,107.72</u>	<u>1,192.57</u>
<b>Balance with Customs, Port Trust and Excise Authorities:</b>		
Unsecured, Considered Good	68.95	75.06
<b>Deposits for Leave Encashment Fund</b>	1,533.15	1,309.24
<b>Advance Tax (net)</b>	180.11	27.98
<b>Materials given on loan:</b>		
Secured, Considered Good	0.00	0.11
Less: Deposits received	0.00	0.07
	<u>0.00</u>	<u>0.04</u>
Unsecured, Considered Good	0.81	0.00
	<u>0.81</u>	<u>0.04</u>
<b>Sundry Deposits:</b>		
Secured, Considered Good	10.32	9.98
Unsecured, Considered Good	1,760.20	1,786.53
Unsecured, Considered Doubtful	0.14	0.12
	<u>1,770.66</u>	<u>1,796.63</u>
Less: Provision for Doubtful Deposits	0.14	0.12
	<u>1,770.52</u>	<u>1,796.51</u>
<b>Mat Credit Receivable</b>	1,285.80	0.00
<b>TOTAL</b>	<u><u>23,357.34</u></u>	<u><u>15,253.28</u></u>

**Note:**

Includes ₹ 131.29 crore (2010 : ₹ 61.91 crore) share of jointly controlled entities.

## SCHEDULE 'L' - CURRENT LIABILITIES AND PROVISIONS

(₹ in crore)

	March-11	March-10
<b>Current Liabilities</b>		
Sundry Creditors:		
Dues of micro and small enterprises	25.69	16.10
Due to others	35,717.51	20,683.79
	<b>35,743.20</b>	20,699.89
Other Liabilities	7,855.29	5951.37
Investor Education and Protection Fund to be credited on the due dates:		
- Unpaid Dividend	12.44	10.49
- Unpaid Matured Deposits	0.01	0.01
	<b>12.45</b>	10.50
Security Deposits	9,032.09	7,978.71
Less: Investments and Deposits with Banks lodged by outside parties	0.00	0.01
	<b>9,032.09</b>	7,978.70
Liability on Foreign Currency Contract	4,027.16	2,493.40
Less: Foreign Currency Receivables	3,937.38	2,431.27
	<b>89.78</b>	62.13
Interest accrued but not due on loans	477.51	463.15
<b>Total Current Liabilities</b>	<b>53,210.32</b>	35,165.74
<b>Provisions</b>		
Provision for Taxation		
- For Current Tax	8,569.02	12,781.12
- Less: Advance payments	8,722.02	10,625.58
	(153.00)	2,155.54
- For Fringe Benefit Tax	47.03	85.30
Less: Advance payments	54.54	92.76
	(7.51)	(7.46)
<b>Total Provision for Taxation</b>	<b>0.00</b>	2,148.08
Proposed Dividend	2,349.26	3,181.31
Corporate Dividend Tax	395.06	542.67
Provision for Employee Benefits	2,686.59	3,265.69
Contingencies for probable obligations	1,498.21	1,269.96
<b>Total Provisions</b>	<b>6,929.12</b>	10,407.71
<b>TOTAL</b>	<b>60,139.44</b>	45,573.45

### Notes:

Includes ₹ 676.09 crore (2010 : ₹ 431.52 crore) share of jointly controlled entities.

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

(₹ in crore)

	March-11	March-10
<b>Closing Stock</b>		
Finished Products	22,911.10	18,713.47
Stock in Process	<u>4,531.60</u>	<u>3,115.62</u>
	<b>27,442.70</b>	<b>21,829.09</b>
Less:		
<b>Opening Stock</b>		
Finished Products	18,713.47	14,627.09
Stock in Process	<u>3,115.62</u>	<u>1815.15</u>
	<b>21,829.09</b>	<b>16,442.24</b>
<b>NET INCREASE/ (DECREASE)</b>	<b><u>5,613.61</u></b>	<b><u>5,386.85</u></b>

## SCHEDULE 'N' - INTEREST AND OTHER INCOME

(₹ in crore)

	March-11	March-10
Interest on:		
Loans and Advances	58.52	54.54
Fixed Deposits with Banks	11.05	12.03
Short Term Deposits with Banks	0.98	0.67
Customers Outstandings from others	37.23	141.24
Oil Companies GOI SPL Bonds	1,307.46	1,643.12
Others	<u>178.55</u>	<u>156.79</u>
	<b>1,593.79</b>	<b>2,008.39</b>
Dividend on Long Term Investments from other companies	<u>981.95</u>	<u>636.92</u>
	<b>981.95</b>	<b>636.92</b>
Profit on sale of Investments - Current & Trade	0.00	106.92
Sale of Power and Water	26.99	32.11
Profit on sale and disposal of Assets	37.96	32.48
Unclaimed/Unspent liabilities written back	54.51	94.88
Provision for Doubtful Debts, Advances, Claims and Stores written back	94.83	158.91
Provision for Contingencies written back	3.83	21.07
Reversal of Impairment Loss	0.00	12.14
Recoveries from Employees	27.07	13.16
Retail Outlet Licence Fees	97.67	83.11
Collection Charges for Outstation Cheques	0.18	0.07
Sale of Scrap	97.00	67.03
Income from Finance Leases	1.50	1.99
Amortisation of Capital Grants	1.16	1.20
Exchange Fluctuations (Net)	759.38	1,985.44
Commodity Hedging Gain (Net)	0.00	56.63
Revenue Grant	2.77	0.97
Terminalling Charges	134.37	109.57
Provision for Investment written back	329.91	718.91
Provision for diminution in Trust written back	96.86	265.91
Other Miscellaneous Income	1,154.64	1,047.28
<b>TOTAL</b>	<b><u>5,496.37</u></b>	<b><u>7,455.09</u></b>

## SCHEDULE 'O' - MANUFACTURING, ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in crore)

	March-11	March-10
Raw Materials Consumed :		
Opening Balance	17,459.15	10,059.99
Add: Purchases	1,57,880.86	1,27,980.03
	1,75,340.01	1,38,040.02
Less: Closing Stock	25,219.28	17,459.15
	1,50,120.73	1,20,580.87
Consumption :		
Stores, Spares and Consumables	882.68	829.65
Packages & Drum Sheets	331.45	333.44
	1,214.13	1,163.09
Power & Fuel	15,114.44	10,899.62
Less: Fuel for own production	13,172.06	9,856.30
	1,942.38	1,043.32
Throughput, Processing & Blending Fees, Royalty and Other Charges	370.62	267.88
Octroi, Other Levies and Irrecoverable Taxes	842.80	652.86
Repairs and Maintenance:		
Plant and Machinery	1,355.09	1,342.55
Buildings	142.75	130.10
Others	115.36	96.21
	1,613.20	1,568.86
Freight, Transportation Charges and Demurrage	6,898.00	6,156.93
Payments to and Provisions for Employees :		
Salaries, Wages, Bonus etc.	4,150.41	3,084.49
Contribution to Provident & Other Funds	1,638.73	1,512.68
Voluntary Retirement Compensation	6.07	18.33
Staff Welfare Expenses	940.56	1,452.73
	6,735.77	6,068.23
Office Administration, Selling and Other Expenses (Schedule 'O-1')	4,403.66	5,370.74
<b>TOTAL</b>	<b>1,74,141.29</b>	<b>1,42,872.78</b>
Less: Company's use of own products	945.24	1,121.28
<b>TOTAL (Net)</b>	<b>1,73,196.05</b>	<b>1,41,751.50</b>

## SCHEDULE 'O-1' - OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in crore)

	March-11	March-10
Rent	279.53	233.54
Insurance	82.51	55.98
Rates & Taxes	68.94	65.55
Donations	1.55	6.39
Payment to Auditors :		
Audit Fees	1.10	1.06
Tax Audit Fees	0.16	0.15
Other Services (for issuing certificates etc.)	0.69	0.48
Out of Pocket Expenses	0.29	0.32
	2.24	2.01
Travelling & Conveyance	325.56	279.35
Communication Expenses	45.73	47.16
Printing & Stationery	27.81	26.69
Electricity & Water	187.21	161.04
Bank Charges	37.12	51.20
Bad Debts, Advances & Claims written off	7.18	6.07
Provision/Loss on Assets sold or written off	63.22	196.83
Technical Assistance Fees	37.44	14.35
Exchange Fluctuation (Net)	19.67	0.69
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.	212.97	100.29
Provision for Diminution in Investments	78.74	1499.48
Loss on Sale of Investments	356.47	646.44
Security Force Expenses	238.47	212.21
Sales Promotion Expenses (Incl. Commission)	450.69	376.56
Handling Expenses	168.81	142.14
Expenses on Enabling Facilities	41.68	7.49
Terminalling Charges	21.60	23.40
Commodity Hedging Loss (Net)	48.40	0.00
Provision for Probable Contingencies	42.07	43.27
Exploration & Production Cost	333.44	139.11
Amortisation of Premium on Forward Contracts	132.04	133.88
Other Expenses	1,092.57	899.62
<b>TOTAL</b>	<b>4,403.66</b>	<b>5,370.74</b>



## SCHEDULE 'P' - INCOME/ (EXPENSES) RELATING TO PREVIOUS YEARS

(₹ in crore)

	March-11	March-10
<b>Income :</b>		
Miscellaneous Income	8.75	4.44
Sales of Products	(2.62)	(0.08)
<b>Total Income</b>	<b>6.13</b>	<b>4.36</b>
<b>Expenditure :</b>		
Purchase of Products and Crude	(0.09)	(16.26)
Depreciation and Amortisation on:		
- Fixed Assets	20.26	12.57
- Intangible Assets	0.00	(0.05)
Consumption of Stores, Spares and Consumables	(9.25)	12.74
Technical Fees	(3.18)	2.15
Power & Fuel	(3.25)	2.24
Repairs and Maintenance	2.64	(0.24)
Interest	2.95	0.15
Rent	5.33	7.15
Rates & Taxes	0.27	(0.19)
Payment to and provision for employees	(5.68)	0.00
Other Expenses	67.00	70.26
<b>Total Expenditure</b>	<b>77.00</b>	<b>90.52</b>
<b>NET INCOME/(EXPENSES)</b>	<b>(70.87)</b>	<b>(86.16)</b>

## SCHEDULE 'Q' - NOTES ON THE ACCOUNTS for the year ended 31<sup>st</sup> March, 2011

### 1. PRINCIPLES OF CONSOLIDATION

1.1 The consolidated financial statements relate to Indian Oil Corporation Limited (Parent Company), its subsidiaries and Joint Venture companies. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Parent Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating the intra-group balances, intragroup transactions and unrealized profits or losses in accordance with Accounting Standard -21 on "Consolidated Financial Statements". The share of Minority Interest in the Subsidiaries has been disclosed separately in the "Consolidated Financial Statements".
- The financial statements of Joint Ventures have been combined by applying proportionate consolidation method on a line-by-line basis on items of assets, liabilities, income, and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard -27 on "Financial Reporting of Interests in Joint Ventures".
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.
- The excess/shortfall of cost to the Parent Company of its investment in the respective subsidiary companies and joint venture companies is recognized in the financial statements as goodwill/capital reserve respectively as per the equity method of valuation.

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

Sr. No.	Name of Company	Country of incorporation	Relation	Ownership Interest
1.	Chennai Petroleum Corporation Ltd	India	Subsidiary	51.89%
2.	Lanka IOC PLC	Sri Lanka	Subsidiary	75.12%
3.	Indian Oil (Mauritius) Ltd	Mauritius	Subsidiary	100%
4.	IOC Middle East FZE	Dubai- UAE	Subsidiary	100%
5.	IndianOil Creda Bio Fuel Ltd.	India	Subsidiary	74%
6.	IOC Sweden AB	Sweden	Subsidiary	100%
7.	IOT Infrastructure & Energy Services Ltd	India	Joint Venture	49.89%
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.	Indian Oil 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) Ltd.	India	Joint Venture	37%
17.	Indian Oil Ruchi Biofuels LLP	India	Joint Venture	50%
18.	Indian Synthetic Rubber Ltd.	India	Joint Venture	50%

**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.

### 2. SIGNIFICANT ACCOUNTING POLICIES

- Significant accounting policies of parent company are enclosed as Ann-I.
- For certain items, the Company and its subsidiaries and Joint ventures have followed different accounting policies. However impact of the same is not material.

3. 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.

### 4. CONTINGENT LIABILITIES :

- Contingent Liabilities amounting to ₹ **7,888.70 crore** (2010 : ₹ 7,015.29 crore) are as under:
  - ₹ **5,301.69 crore** (2010: ₹ 5,289.97 crore) being the demands raised by the Central Excise/Customs/Sales tax authorities.
  - ₹ **756.76 crore** (2010: ₹ 648.12 crore) for which suits have been filed in the Courts or cases are lying with Arbitrator.

Contd...

iii) ₹ **1,179.25 crore** (2010: ₹ 678.04 crore) in respect of Income Tax demands.

iv) ₹ **651.00 crore** (2010: ₹ 406.59 crore) in respect of other claims.

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

b) Interest/Penalty, if any, on some of the above claims is unascertainable.

5. Estimated amount of contracts remaining to be executed on Capital Account not provided for ₹ **22,863.56 crore** (2010: ₹ 18231.92 crore)

6. Purchase of crude oil from ONGC, Oil India Limited and Panna Mukta Tapti JV and some other oilfields has been accounted for provisionally pending finalization of agreements with respective parties. Adjustments, if any, will be made on finalization of agreements.

7. 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 ₹ **139.08 crore** (2010: ₹ 217.56 crore), are pending for execution or renewal.

8. Transactions with Other Marketing Companies are jointly reconciled on an ongoing basis.

9. 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 Company has not provided for Entry Tax amounting to ₹ **5,106.43 crore** (2010: ₹ 3,743.19 crore) including ₹ **1,363.24 crore** for the year (2010: ₹ 1,084.42 crore) in respect of Mathura & Panipat Refineries, Mundra-Panipat & Salaya Mathura Pipelines and Asaouti Lube Blending plant. Pending final disposal of the matter by the Honourable Supreme Court /various High Courts, Entry Tax already paid/deposited/provided for at various units has not been considered for write back.

10. Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ₹ **1,640.92 crore** (2010: ₹ 1,595.82 crore) and subsidies on sales of SKO & LPG to customers in Bhutan amounting to ₹ **35.74 crore** (2010: ₹ 27.27 crore) have been reckoned as per the schemes notified by Government of India.

11. The group has accounted for Budgetary Support of ₹ **22,604.84 crore** (2010: ₹ 15,171.84 crore) towards under-recovery on sale of MS (upto 25th June 2010), HSD, SKO (PDS) and LPG (Domestic) for 2010-11 in the Profit and Loss Account as Revenue Grants. Out of this ₹ **10,942.44 crore** (2010: ₹ 8,071.66 crore) has been accounted for based on the advice from Government of India, pending receipt of compensation.

12. In line with the scheme formulated by Petroleum Planning and Analysis Cell (PPAC), the Group has received during the year, discounts of ₹ **16,703.73 crore** (2010: ₹ 7,548.29 crore) on Crude Oil/Products purchased from ONGC/GAIL/OIL and the same has been adjusted against the purchase cost.

13. The Group has export obligation to the extent of ₹ **3,871.83 crore** (2010: ₹ 1,760.99 crore) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.

14. The Group has adopted Accounting Standard 15 (AS15) on "Employee Benefits". These consolidated financial statements include the obligations as per the requirements of this standard except for those subsidiaries which are incorporated outside India who have determined the valuation/provision for

employee benefits as per requirements of their respective countries. The disclosure in compliance with the Standard is given in Annexure-2.

15. In compliance of Accounting Standard – 17 on "Segment Reporting", the required information is given as per Annexure-3 to this schedule.

16. In compliance of Accounting Standard – 18 on "Related Party Disclosures", the required information is given as per Annexure-4 to this schedule.

17. Disclosure as required under Accounting Standard – 19 on "Accounting for Leases", is as under

#### Finance Lease of Tank Wagons :

(₹ in crore)

Particulars	March-11	March-10
A. Gross Investments in Finance Lease	<b>415.64</b>	415.64
Less: Unearned Finance Income	<b>5.24</b>	6.74
Less: Finance Income Received	<b>165.91</b>	164.40
Less: Minimum Lease payment received	<b>232.77</b>	229.69
Net Investment in Finance Lease as on Date	<b>11.72</b>	14.81
B. Unearned finance Income	<b>5.24</b>	6.74
C. Present Value of Minimum Lease Payments Receivable		
Not Later than one year	<b>1.43</b>	3.08
Later than one year and not later than five years	<b>6.77</b>	6.07
Later than Five years	<b>3.52</b>	5.66
<b>Total :</b>	<b>11.72</b>	14.81
D. Break-up of un-earned income		
Not Later than one year	<b>1.19</b>	1.50
Later than one year and not later than five years	<b>3.44</b>	3.88
Later than Five years	<b>0.61</b>	1.36
<b>Total :</b>	<b>5.24</b>	6.74

#### Operating Leases:

##### a) As Lessees

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

(₹ in crore)

Particulars	March-11	March-10
A. Lease rentals recognized during the period	<b>51.71</b>	52.03
B. Lease Obligations		
- Not later than One Year	<b>49.09</b>	50.96
- Later than one year and not later than five years	<b>163.59</b>	173.47
- Later than five years	<b>583.89</b>	623.43

##### b) As Lessors

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

Contd...

(₹ in crore)		
Particulars	March-11	March-10
A. Lease rentals recognized as income during the period	2.52	3.66
B. Lease Rentals (category of assets – Plant & Machinery)		
Gross Carrying Amount	2.04	2.31
- Accumulated Depreciation	1.10	1.13
- Depreciation recognized in Profit and Loss Account	0.10	0.11

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

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

	March-11	March-10
Profit After Tax for the Group (₹ Crore)	7,830.72	10,713.19
Total Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	2,42,79,52,482	2,42,79,52,482
Earning Per Share (Basic and Diluted) (₹)	32.25	44.12
Face value per share (₹)	10/-	10/-

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

	As on 01.04.2010	Provided during the year	Balance as on 31.03.2011
<b>Deferred Tax Liability:</b>			
Depreciation and other fixed Assets of the Group	6,981.19	1,631.94	8,613.13
<b>Total Deferred Tax Liability (A)</b>	<b>6,981.19</b>	<b>1,631.94</b>	<b>8,613.13</b>
<b>Deferred Tax Assets:</b>			
Provision on Inventories, Debtors, Loans and advances	727.90	(106.23)	621.67
Compensation for Voluntary Retirement Scheme	8.46	(1.71)	6.75
43B Disallowances etc.	88.55	431.52	520.07
Capital Grants	5.15	(0.39)	4.76
Provision for Leave Encashment/Retirement Benefits	452.58	(20.90)	431.68
Exploration Expenses	281.55	(281.55)	0.00
<b>Total Deferred Tax Assets (B)</b>	<b>1,564.19</b>	<b>20.74</b>	<b>1,584.93</b>
<b>Deferred Tax Liability (Net) (A–B)</b>	<b>5,417.00</b>	<b>1,611.20</b>	<b>7,028.20</b>
Previous Year	5,969.09	(552.09)	5,417.00

20. In respect of Oil and Gas Exploration activities, Revenue Expenditure amounting to ₹ 333.44 crore (2010 : ₹ 139.11 crore) and Capital Expenditure amounting to ₹ 19.80 crore (2010 : ₹ 42.16 crore) of Oil and Gas Exploration Projects has been incorporated in these accounts on the basis of unaudited statements provided by respective operators of Production Sharing Contracts to the Company.

21. Capital Expenditure amounting to ₹ 195.41 crore (2010 : ₹ 328.28 crore) relating to ongoing Oil & Gas Exploration activities is appearing as Capital Work in Progress in accounts, which may have to be charged as expense in case the block/s is decided as Dry.

22. Pending finalization of third party claims arising out of Fire incident on 29th October 2009 at Jaipur terminal, no provision has been made in the books (being unascertainable at this stage) except for ₹ 0.25 crore (2010 : ₹ 51.89 crore) provisionally paid/provided by the Company and charged to P&L account.

23. Company had a superannuation pension scheme primarily funded by employees. In line with DPE guidelines, the existing scheme has been modified to be defined contributory scheme with effect from 1st January' 2007. Therefore, based on actuarial valuation, the Company has contributed ₹ 1067.81 crore, being the deficit assessed in the funds of the existing Scheme as on 31st December 2006, to meet fund's obligations. A sum of ₹ 59 crore being interest portion up to the date of contribution has also been contributed in the modified scheme. ₹ 439.81 crore provided for in 2009-10 towards superannuation benefits under existing scheme have been reversed during the year resulting into one time net impact (before tax) of ₹ 687 crore on the Profit & Loss Account for the current year.

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

## Lanka IOC PLC

- 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 PLC 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 ₹ 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 PLC owns 1/3rd share of Ceylon Petroleum Storage Terminal Limited (CPSTL), also known as the “Common User Facility” (CUF). The Company paid US\$ 45 million to 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)

	2010-11	2009-10
At the beginning of the year	<b>172.84</b>	195.15
Translation Difference	<b>4.68</b>	(22.31)
Closing Net book amount	<b>177.52</b>	172.84

- 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.

25. In compliance of Accounting Standard-27 on "Financial Reporting of Interests in Joint Ventures", the required information is given as per Annexure-5 to this schedule.

26. Exposures to Financial and Commodity Trading Derivative Instruments outstanding as on 31st March, 2011 is given in Annexure-6 to this schedule.

**27. Remuneration paid/payable to Directors:**

(₹ in crore)

	2010-11	2009-10
i) Salaries & Allowances	<b>5.16</b>	4.81
ii) Contribution to Provident & Other Funds	<b>0.31</b>	0.46
iii) Other benefits and Perquisites	<b>1.38</b>	0.99
iv) Sitting Fees to Part Time Directors	<b>1.85</b>	2.91
<b>Total</b>	<b>8.70</b>	9.17

Sd/-  
(**R. S. Butola**)  
Chairman

**For V.K.DHINGRA & CO.**  
Chartered Accountants  
(Firm Regn. No. 000250N)

Sd/-  
(**CA. Lalit Ahuja**)  
Partner  
M. No. 085842

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

**For PKF SRIDHAR & SANTHANAM**  
Chartered Accountants  
(Firm Regn. No. 003990S)

Sd/-  
(**CA. V. Kothandaraman**)  
Partner  
M. No. 025973

Sd/-  
(**Raju Ranganathan**)  
Company Secretary

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

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

The above does not include the contribution/provision made on actuarial basis for superannuation benefits as the same are not ascertainable for individual directors. In addition, whole-time Directors are also allowed the use of Company's car for private purposes upto 12,000 KMs per annum on a payment of ₹ 520 per mensem for car of less than 16 hp or ₹ 780 per mensem for car of above 16 hp as specified in the terms of appointment.

28. In compliance of Accounting Standard – 29 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under :

(₹ in crore)

	Opening Balance	Additions during the year*	Utilization during the year**	Reversals during the year**	Closing Balance***
Excise	1.22	-	-	0.34	0.88
Sales Tax	113.91	32.29	-	2.12	144.08
Entry Tax	1090.92	188.54	-	-	1279.46
Others	63.91	12.09	2.16	0.05	73.79
<b>Total</b>	<b>1269.96</b>	<b>232.92</b>	<b>2.16</b>	<b>2.51</b>	<b>1498.21</b>
Previous Year	907.38	453.56	69.89	21.09	1269.96

\* Additions include ₹ 0.28 Crore (2010 : ₹ 1.15 crore) capitalized, ₹ 190.57 crore (2010: ₹ 152.61 crore) included in raw material consumption /other expenses in Schedule O

\*\* Includes utilization/reversal of provision of ₹ 0.85 crore (2010 : ₹ 0.02 crore), out of provision capitalized.

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

- 29 Considering the Government policies and modalities of compensating the oil marketing companies towards under-recoveries, future cash flows have been worked out based on the desired margins for deciding on impairment of related Cash Generating Units. Accordingly no further impairment as at the year-end has been considered. In view of the assumption being technical, peculiar to the industry and policy matter, the auditors have relied on the same.

30. Previous year's comparative figures have been regrouped and recast to the extent practicable, wherever necessary. Figures in brackets indicate deductions.

## SCHEDULE 'Q' - SIGNIFICANT ACCOUNTING POLICIES for the year ended 31<sup>st</sup> March, 2011

### 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 Fixed 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 items like electricity transmission lines, railway sidings, roads, culverts etc. the 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 "Work-in Progress - Intangible Assets".
- 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 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 year end, are translated at exchange rates prevailing as at the year end.
- 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.

Contd...

- 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 Profit & Loss Account 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, 2012, 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.

### 7.2 Stock in Trade

- 7.2.1 Finished products, 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 internally 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 and chemicals) towards likely diminution in the value.
- 7.3.2 Stores & Spares in transit are valued at cost.

## 8. DEBTORS

In addition to the specific provision made, an adhoc provision @1% is also made in respect of debtors 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) a provision is recognized in respect of present obligations where the outflow of resources is probable;
  - b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

### 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.

Contd...

## 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 Profit and Loss Account. 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 Profit and Loss Account.
- b) The Company operates defined benefit plans for Gratuity. 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 is administered through a fund maintained by Insurance Company. Actuarial gains/losses are charged to Profit and Loss Account.
- c) Obligations on Compensated Absences, Post Retirement Medical Benefits, 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 Profit and Loss Account.

## 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 Profit and Loss Account 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 Govt. of India from time to time, subject to final adjustment as per separate audit.

## 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 Profit & Loss Account. However, in respect of contracts, the pricing period of which extends beyond the balance sheet date, suitable provision for likely loss, if any, is provided.



## Annexure - 2

### DISCLOSURES - NOTES ON ACCOUNTS : AS-15 (REVISED)

#### (a) Provident Fund

During the year, the Group has recognised ₹ 350.21 crore (2009-10 : ₹ 235.20 crore) as Employer's contribution to Provident Fund in the Profit and Loss Account (included in Contribution to Provident and Other Funds in Schedule 'O').

#### (b) Pension

During the year, the Group has recognised ₹ 355.95 crore (2009-10 : ₹ 501.65 crore) towards Defined Contributory Employees Pension Scheme in the Profit and Loss Account (included in Contribution to Provident and Other Funds in Schedule 'O').

#### (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	Non-Funded	Non-Funded	Non-Funded	Funded
Defined Obligation at the beginning of the year	1,405.89 1,312.70	1.95 0.10	3.91 38.24	1,407.79 1,158.18	844.05 253.27	82.50 71.41	94.73 58.20	9.98 7.35
Current Service Cost	21.12 55.60	0.15 1.34	0.21 6.91	54.79 33.09	46.60 35.56	3.72 4.50	5.01 4.84	0.28 0.25
Interest Cost	113.36 102.15	0.22 0.14	0.29 2.89	114.22 78.40	71.48 20.33	7.07 5.82	7.84 4.00	0.74 0.49
Past Service Cost	2.34 -	- -	- -	- -	- 291.74	- -	- -	- -
Benefits paid	(110.16) (83.78)	(0.09) (0.27)	(0.54) (7.28)	(167.21) (291.76)	(60.83) (50.11)	(1.95) (1.58)	(9.79) (22.47)	(2.02) (0.58)
Actuarial (gain)/ loss on obligations	12.90 19.22	(0.36) 0.64	0.43 14.10	221.86 378.93	(50.73) 293.26	(8.34) 2.35	14.50 50.16	0.30 2.47
Defined Benefit Obligation at the end of the year	1,445.45 1,405.89	1.87 1.95	4.30 54.86	1,631.45 1,356.84	850.57 844.05	83.00 82.50	112.29 94.73	9.28 9.98

#### (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	Non-Funded	Non-Funded	Non-Funded	Funded
Fair Value of Plan Assets at the beginning of the year	1,416.87 571.65	- -	2.67 37.86	- -	- -	- -	- -	9.35 8.99
Expected return on plan assets	118.59 107.13	- -	0.27 3.05	- -	- -	- -	- -	0.75 0.78
Contribution by employer	111.56 828.53	- -	1.48 14.91	- -	- -	- -	- -	- 0.10
Benefit paid	(110.16) (83.79)	- -	(0.54) (7.28)	- -	- -	- -	- -	(2.02) (0.58)
Actuarial gain / (losses)	18.09 (6.65)	- -	(0.01) 0.61	- -	- -	- -	- -	0.09 0.06
Fair value of plan assets at the end of the year	1,554.95 1,416.87	- -	3.87 49.15	- -	- -	- -	- -	8.17 9.35

Contd...

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

(₹ in crore)

	Gratuity		Leave Encashment		PRMS	Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD
	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded	Funded
Fair Value of Plan Assets at the end of the year	<b>1,554.95</b> 1,416.87	- -	<b>3.87</b> 49.15	- -	- -	- -	- -	<b>8.17</b> 9.35
Defined Benefit Obligation at the end of the year	<b>1,445.45</b> 1,405.89	<b>1.87</b> 1.95	<b>4.30</b> 54.86	<b>1,631.45</b> 1,356.84	<b>850.57</b> 844.05	<b>83.00</b> 82.50	<b>112.29</b> 94.73	<b>9.28</b> 9.98
Amount recognised in the Balance Sheet	<b>(109.50)</b> (10.98)	<b>1.87</b> 1.95	<b>0.43</b> 5.71	<b>1,631.45</b> 1,356.84	<b>850.57</b> 844.05	<b>83.00</b> 82.50	<b>112.29</b> 94.73	<b>1.11</b> 0.63

## (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	Non-Funded	Non-Funded	Non-Funded	Funded
Current Service Cost	<b>21.12</b> 55.60	<b>0.15</b> 1.34	<b>0.21</b> 6.91	<b>54.79</b> 33.09	<b>46.60</b> 35.56	<b>3.72</b> 4.50	<b>5.01</b> 4.84	<b>0.28</b> 0.25
Interest Cost	<b>113.36</b> 102.15	<b>0.22</b> 0.14	<b>0.29</b> 2.89	<b>114.22</b> 78.40	<b>71.48</b> 20.33	<b>7.07</b> 5.82	<b>7.84</b> 4.00	<b>0.74</b> 0.49
Expected (return) / loss on plan asset	<b>(118.59)</b> (107.13)	- -	<b>(0.27)</b> (3.05)	- -	- -	- -	- -	<b>(0.75)</b> (0.78)
Past Service Cost	<b>2.34</b> -	- -	- -	- -	- 291.74	- -	- -	- -
Actuarial (gain)/ loss	<b>(5.19)</b> 25.87	<b>(0.36)</b> 0.64	<b>0.44</b> 13.49	<b>221.86</b> 378.93	<b>(50.73)</b> 293.26	<b>(8.34)</b> 2.35	<b>14.50</b> 50.16	<b>0.21</b> 2.41
Expenses for the year	<b>13.04</b> 76.49	<b>0.01</b> 2.12	<b>0.67</b> 20.24	<b>390.87</b> 490.42	<b>67.35</b> 640.89	<b>2.45</b> 12.67	<b>27.35</b> 59.00	<b>0.48</b> 2.37

## (g) Major Actuarial Assumptions

	Gratuity		Leave Encashment		PRMS	Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD
	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded	Funded
Discount rate	<b>8.30%</b> 8.29%			<b>8.30%</b> 8.29%	<b>8.30%</b> 8.29%	<b>8.30%</b> 8.29%	<b>8.30%</b> 8.29%	<b>8.30%</b> 8.29%
Expected return on plan assets	<b>8.00%</b> 8.00%			- -	- -	- -	- -	<b>9.00%</b> 9.00%
Salary escalation	<b>8.00%</b> 8.00%			<b>8.00%</b> 8.00%	- -	- -	- -	<b>8.00%</b> 8.00%
Inflation	- -	- -	- -	- -	<b>7.00%</b> 7.00%	<b>6.00%</b> 6.00%	- -	- -

## INFORMATION REGARDING PRIMARY SEGMENT REPORTING AS PER AS-17 for the year ended 31<sup>st</sup> March, 2011 is as under:

(₹ in crore)

	March 2011					March 2010				
	Petroleum Products	Petro- chemicals	Other businesses	Elimination	Total	Petroleum Products	Petro- chemicals	Other businesses	Elimination	Total
<b>Revenue</b>										
External Revenue	300,258.62	5,679.69	4,687.06	-	310,625.37	246,382.45	3,280.46	4,179.24	-	253,842.15
Inter-segment Revenue	4,632.42	67.35	1,185.47	(5,885.24)	-	1,378.19	16.38	342.91	(1,737.48)	-
<b>Total Revenue</b>	<b>304,891.04</b>	<b>5,747.04</b>	<b>5,872.53</b>	<b>(5,885.24)</b>	<b>310,625.37</b>	<b>247,760.64</b>	<b>3,296.84</b>	<b>4,522.15</b>	<b>(1,737.48)</b>	<b>253,842.15</b>
<b>Result</b>										
Segment Results	12,557.69	(1,706.72)	(253.16)	-	10,597.81	14,833.57	449.76	(13.54)	-	15,269.79
Less: Unallocated Expenses net of unallocated Income	-	-	-	-	-	-	-	-	-	-
<b>Operating Profit</b>	<b>12,557.69</b>	<b>(1,706.72)</b>	<b>(253.16)</b>	<b>-</b>	<b>10,597.81</b>	<b>14,833.57</b>	<b>449.76</b>	<b>(13.54)</b>	<b>-</b>	<b>15,269.79</b>
<b>Less:</b>										
Interest Expenditure					2,980.26					1,726.16
Provision for diminution in Investments					78.74					1,499.48
Loss on Investments w-off/sold					356.47					646.44
<b>Add:</b>										
Interest/Dividend Income					2,575.74					2,645.31
Provision for investments written back					329.91					718.91
Profit on sale of GOI Bonds / Investments					-					106.92
Provision for diminution in Trust Written back					96.86					265.91
Prior year Income/(Expenditure) net					(70.87)					(86.16)
<b>Profit Before Tax</b>					<b>10,113.98</b>					<b>15,048.60</b>
Less: Income Tax (including deferred tax & FBT)					2,028.36					4,049.92
<b>Profit After Tax</b>					<b>8,085.62</b>					<b>10,998.68</b>
<b>Other Information</b>										
Segment Assets	143,842.25	19,027.91	1,538.91	-	164,409.07	115,520.58	16,264.97	1,461.22	-	133,246.77
Corporate Assets					20,140.93					21,489.02
<b>Total Assets</b>					<b>184,550.00</b>					<b>154,735.79</b>
Segment Liabilities	54,655.13	2,065.50	674.49	-	57,395.12	38,717.37	518.21	465.81	-	39,701.39
Corporate Liabilities					67,610.13					60,761.52
<b>Total Liabilities</b>					<b>125,005.25</b>					<b>100,462.91</b>
<b>Capital Employed</b>										
Segment Wise	89,187.12	16,962.41	864.42		107,013.95	76,803.21	15,746.76	995.41		93,545.38
Corporate					(47,469.20)					(39,272.50)
					<b>59,544.75</b>					<b>54,272.88</b>

### Notes:

- The Group is engaged in the following business segments:
  - Sale of Petroleum Products
  - Sale of Petrochemicals
  - Other Businesses, which comprises Sale of Gas, Explosives & Cryogenics, Wind Mill 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 the Government of India
  - Other income (excluding interest income, dividend income, exceptional items income and investment income)
- There are no reportable geographical segments.

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## 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. Ltd.
- 15) Indian Synthetic Rubber Limited
- 16) IndianOil Ruchi Biofuels LLP
- 17) Indian Additives Ltd.
- 18) National Aromatics and Petrochemicals Corporation Ltd.
- 19) Ceylon Petroleum Storage Terminal Ltd.

#### B) Whole-time Directors

- 1) Shri R.S. Butola
- 2) Shri S.Behuria (upto 28.02.10)
- 3) Shri B.M.Bansal
- 4) Shri S.V.Narasimhan
- 5) Shri V.C.Agrawal
- 6) Shri G.C.Daga
- 7) Shri B.N.Bankapur
- 8) Shri Anand Kumar
- 9) Shri P.K.Chakraborti (upto 31.08.2009)
- 10) Shri K.K. Jha
- 11) Dr. R.K. Malhotra
- 12) Shri Sudhir Bhalla
- 13) Shri A.M.K.Sinha

### 2. THE FOLLOWING TRANSACTIONS WERE CARRIED OUT WITH THE RELATED PARTIES IN THE ORDINARY COURSE OF BUSINESS

(₹ in crore)

#### a) Details relating to parties referred to in item number 1(A) above

	2010-11	2009-10
<b>i) Sales</b> (Includes sales to Lubrizol India Pvt. Ltd ₹159.78 crore (2010 : ₹ 110.87 crore) and Delhi Aviation Fuel Facility Pvt. Ltd ₹ 20.07 crore ( 2010 : Nil))	<b>205.93</b>	<b>186.46</b>
<b>ii) Interest/dividend received</b> (Includes interest received from IOT Infrastructure Energy Services Ltd ₹ 1.08 crore (2010 : ₹ 2.74 crore) and dividend received from Indian Additives Ltd. )	<b>5.36</b>	<b>3.98</b>
<b>iii) Consultancy Services/Other Income</b> (Includes Consultancy Service/Other Income from Lubrizol India Pvt. Ltd ₹ 36.72 crore (2010 : ₹ 26.46 crore), IndianOil Petronas Pvt. Ltd ₹ 8.00 crore (2010 : ₹ 0.14 crore) and Petronet LNG Ltd. ₹ 19.71 crore ( 2010 : ₹ 19.00 crore))	<b>62.76</b>	<b>48.69</b>
<b>iv) Purchase of Products</b> (Includes Purchase of Products Petronet LNG Ltd ₹ 3753.78 crore ( 2010 : ₹ 2679.59 crores))	<b>3,823.62</b>	<b>2,802.02</b>
<b>v) Purchase of Chemicals/materials</b> (Includes Purchase of chemicals /materials from Lubrizol India Pvt. Ltd ₹ 227.87 crore (2010 : ₹ 186.44 crore)) .	<b>228.15</b>	<b>186.44</b>
<b>vi) Handling Expenses</b> (Includes Handling Expenses to Indian Oil Petronas Pvt Ltd ₹ 79.22 crores (2010 : ₹ 62.49 crores) and IndianOil Sky Tanking Ltd ₹ 130.91 crore (2010 : ₹ 28.32 crore))	<b>228.04</b>	<b>101.16</b>
<b>vii) Freight Expenses</b> (Includes Freight Expenses to Lubrizol India Pvt Ltd ₹ 0.24 crores (2010 : ₹ 0.16 crores))	<b>0.25</b>	<b>0.58</b>
<b>viii) Reimbursement of Expenses</b> (Includes Reimbursment of Expenses to IndianOil Petronas Pvt Ltd ₹ 2.49 crore (2010 : ₹ 2.22 crore), Petronet LNG Ltd ₹ 0.52 crore ( 2010 : ₹ 0.51 crore) and IndianOil Sky Tanking Ltd ₹ 1.57 crores (2010 : ₹ 0.77 crores))	<b>5.08</b>	<b>4.11</b>
<b>ix) Interest paid/payable</b>	-	Contd...

	2010-11	2009-10
<b>x) Investments made during the year</b> (Includes Investment made in Delhi Aviation Fuel Facility Pvt. Ltd. ₹ 60.68 crore (2010 : Nil) and Indian Oil Ruchi Biofuels LLP ₹ 25.00 crore (2010 : Nil))	<b>92.18</b>	<b>82.15</b>
<b>xi) Purchase/Acquisition of Fixed Assets</b> (Includes Purchase/Acquisition of Fixed Assets from IOT Infrastructure Energy Services Ltd ₹ 434.37 crore (2010 : ₹ 1535.22 crore))	<b>437.04</b>	<b>1,535.22</b>
<b>xii) Provisions made/(written off) during the year</b> (Includes provision made/(written off) during the year Petronet VK Ltd of ₹ 0.19 crore (2010 : Nil))	<b>0.19</b>	<b>40.80</b>
<b>xiii) Outstanding /Loan Receivables</b> (Includes Outstanding Receivables from IOT Infrastructure Energy Services Ltd ₹ 41.62 crore (2010 : ₹ 1.39 crore), Suntera Nigeria 205 Ltd ₹ 40.53 crore (2010 : ₹ 40.8 crore) and Lubrizol India Pvt Ltd ₹ 14.42 crore (2010 : ₹ 8.86 crore))	<b>108.26</b>	<b>62.35</b>
<b>xiv) Outstanding Payables</b> (Includes Outstanding payable to IOT Infrastructure Energy Services Ltd ₹ 237.48 crore (2010 : ₹ 193.10 crore), IndianOil Sky Tanking Pvt. Ltd ₹ 66.18 crore (2010 : ₹ 0.20 crore) and Petronet LNG. Ltd. ₹ 219.45 crore (2010 : ₹ 169.41 crore))	<b>557.99</b>	<b>397.36</b>

**b) DETAILS RELATING TO THE PARTIES REFERRED TO IN ITEM NO.1 (B) ABOVE :**  
**FY 2010-11**

(₹ in Lakh)

Details of Whole-time Directors	Remuneration	Recovery of Interest & Furniture Hire Charges	Outstanding loan/advances Receivables
1) Shri R.S. Butola	2.71	-	-
2) Shri S.Behuria	-	-	-
3) Shri B.M.Bansal	62.80	0.18	-
4) Shri S.V.Narasimhan	45.21	0.04	-
5) Shri V.C.Agrawal	49.52	0.07	-
6) Shri G.C.Daga	41.68	-	-
7) Shri B.N.Bankapur	45.37	0.04	-
8) Shri Anand Kumar	55.36	0.05	-
9) Shri PK.Chakraborti	-	-	-
10) Shri K.K. Jha	42.40	0.20	2.03
11) Dr. R.K. Malhotra	25.20	0.02	-
12) Shri Sudhir Bhalla	13.17	0.18	5.71
13) Shri A.M.K. Sinha	0.77	0.42	0.32
<b>TOTAL</b>	<b>384.19</b>	<b>1.20</b>	<b>8.06</b>

**FY 2009-10**

Details of Whole-time Directors	Remuneration	Recovery of Interest & Furniture Hire Charges	Outstanding loan/advances Receivables
1) Shri R.S. Butola	-	-	-
2) Shri S.Behuria	93.05	0.30	-
3) Shri B.M.Bansal	48.92	0.22	4.44
4) Shri S.V.Narasimhan	45.80	0.04	-
5) Shri V.C.Agrawal	48.97	0.24	7.25
6) Shri G.C.Daga	57.41	-	-
7) Shri B.N.Bankapur	46.66	0.04	-
8) Shri Anand Kumar	49.72	0.21	4.20
9) Shri PK.Chakraborti	50.92	0.05	-
10) Shri K.K. Jha	29.22	0.09	2.93
11) Dr. R.K. Malhotra	-	-	-
12) Shri Sudhir Bhalla	-	-	-
13) Shri A.M.K. Sinha	-	-	-
<b>TOTAL</b>	<b>470.67</b>	<b>1.19</b>	<b>18.82</b>

Contd...

- 1) This does not include the impact of provision made on actuarial valuation of retirement benefit schemes and provision made during the year 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 year, transactions w.e.f. date of constitution/acquisition is disclosed.
- 5) In case of Joint Venture Companies which have been closed/divested during the year, transactions upto the date of closure/disinvestment only are disclosed.



*India's No. 1 Petroleum Refiner*



*India's No. 1 Petroleum Retail Brand*



## Annexure - 5

### 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 oil and gas exploration contracts with the Govt. of India and other body corporates. These joint ventures are:

Name	Participating Interest of IOC (%)	
	31.03.2011	31.03.2010
<b>IN INDIA</b>		
<b>Under NELP Block</b>		
MN-OSN-2000/2	20	20
AA-ONN-2001/2	20	20
MB-OSN-2004/1	20	20
MB-OSN-2004/2	20	20
KG-DWN-2005/1	20	20
GK-OSN-2009/1	20	—
GK-OSN-2009/2	30	—
<b>Others</b>		
AAP-ON-94/1	43.55	43.55
BK-CBM-2001/1	20	20
NK-CBM-2001/1	20	20
<b>OUTSIDE INDIA</b>		
FARSI BLOCK IRAN	40	40
LIBYA BLOCK 86	50	50
LIBYA BLOCK 102/4	50	50
SHAKTHI GABON*	50	50
YEMEN 82	15	15
YEMEN 83	15	15
AREA 95-96	25	25
Block K	12.5	12.5
* Participating Interest will come down to 45% after Exploration phase		

##### (b) Jointly Controlled Assets:-

(₹ in crore)

Details of Group's share of jointly owned Assets are as under :

Assets Particulars	Name of Joint Owner	Original Cost	Accumulated Depreciation & Amortisation	W.D.V as at 31.03.11
Land - Freehold	HPC/BPC	3.05	0	3.05
Land - Leasehold	HPC/BPC/BEICCO Lawrie/Balmer Lawrie/Bridge & Roof	0.18	0.05	0.13
Buildings	HPC/BPC/BEICCO Lawrie/Balmer Lawrie/Bridge & Roof	6.09	1.5	4.59
Plant and Machinery	HPC/BPC/RIL/GSFC/GNRE	139.15	57.96	81.19
Transport Equipment	RAILWAYS	183.58	174.4	9.18
Railway Sidings	HPC/BPC/KRIBHKO	53.48	34.84	18.64
Drainage, Sewage & Water Supply	GSFC	0.99	0.94	0.05
Furniture	HPC/BPC	0	0	0
<b>Total</b>		<b>386.52</b>	<b>269.69</b>	<b>116.83</b>
Previous year		372.09	253.88	118.21

Contd...

## (c) JOINTLY CONTROLLED ENTITIES:-

Name	Country of Incorporation	Ownership Interest of IOC (%)	
		31.03.2011	31.03.2010
(i) IOT Infrastructure Energy Services Ltd (name changed from Indian Oil Tanking Ltd)	India	49.89	49.98
(ii) Lubrizol India Pvt. Ltd.	India	50	50
(iii) Petronet VK Ltd.	India	26	26
(iv) Petronet CI Ltd.	India	26	26
(v) IndianOil SkyTanking Ltd.	India	33.33	33.33
(vi) Indo Cat Pvt. Ltd.	India	50	50
(vii) Delhi Aviation Fuel Facility Pvt. Ltd.	India	37	0
(viii) IndianOil Petronas Pvt.Ltd.	India	50	50
(ix) Suntera Nigeria 205 Ltd	Nigeria	25	25
(x) IndianOil Panipat Power Consortium Ltd.	India	50	50
(xi) Avi-Oil India Pvt. Ltd.	India	25	25
(xii) Petronet India Ltd.	India	18	18
(xiii) Petronet LNG Ltd.	India	12.5	12.5
(xiv) Indian Synthetic Rubber Limited	India	50	0
(xv) IndianOil Ruchi Biofuels LLP	India	50	0
(xvi) Green Gas Ltd.	India	22.5	22.5

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

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

	(₹ in crore)	
	31.03.2011	31.03.2010
(i) Assets		
- Long Term Assets	1596.82	1112.86
- Current Assets	998.67	886.30
(ii) Liabilities		
- Current Liabilities and Provisions	676.09	431.52
- Other Liabilities	776.54	678.09
(iii) Income	3245.01	2549.08
(iv) Expenses	2879.58	2312.33
(v) Contingent Liabilities	38.13	27.20
(vi) Capital Commitments	382.97	433.80

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

	(₹ in crore)	
	31.03.2011	31.03.2010
(a) Jointly Controlled Operations		
(i) Contingent Liabilities	14.09	14.11
(ii) Capital Commitments	999.94	1,078.76
(b) Jointly Controlled Assets		
(i) Contingent Liabilities	-	-
(ii) Capital Commitments	-	-

## Annexure - 6

### DISCLOSURE OF 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 2011 are as below:

#### (a) For Hedging Currency Risks

Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31st March 2011 is given below:

(₹ in crore)

S. No	Particulars	Unit of Currency	As on 31.03.11		As on 31.03.10	
			No of contracts	Aggregate amount	No of contracts	Aggregate amount
1	Forward Contracts for Import and Export	USD	108	4,004.13	12	2,473.00

#### (b) For Hedging Commodity Related Risks:

Category-wise quantitative data about commodity derivative transactions that are outstanding as on 31st March 2011 is given below:

S. No	Particulars	Quantity (in '000 bbls)	
		As at 31st March 2011	As at 31st March 2010
1	Swaps on Crude oil	9,450	5,800
2	Margin Hedging	2,400	600

#### (c) For Hedging Interest Rate Related Risks\*

Interest rate swap for ₹ 2,230 crore (USD 500 million) syndicated loan (Swap from 1/3/6 month USD LIBOR till maturity to 2.222% Fixed)

S. No	Particulars	Number of Contracts	
		As at 31st March 2011	As at 31st March 2010
1	Swaps of Interest Rates	1	Nil

\*Mark to market losses as at Balance Sheet date, if material, are recognized in Profit and Loss Account.

- Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2011 is given below :

(₹ in crore)

S. No	Particulars	As on 31.03.2011	As on 31.03.2010
		Aggregate amount	Aggregate amount
1	Un-hedged	41,407.10	25,301.80