G. S. MATHUR & CO.
Chartered Accountants
A-160, Ground Floor
Defence Colony,
New Delhi – 110024

K. C.MEHTA & CO.
Chartered Accountants
Meghdhanush,
Race Course Circle,
Vadodara – 390007

SINGHI & CO.
Chartered Accountants
161, Sarat Bose Road,
West Bengal,
Kolkata - 700026

V. SINGHI & ASSOCIATES
Chartered Accountants
Four Mangoe Lane,
Surendra Mohan Ghosh Sarani,
Kolkata - 700001

INDEPENDENT AUDITORS' REPORT

To
The Members of Indian Oil Corporation Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Indian Oil Corporation Limited (hereinafter referred to as "the Holding Company") and its Subsidiaries (collectively referred to as "the Group"), its Joint Ventures and Associates, which comprise of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements including, a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, joint ventures and associates as referred to in the "Other Matters" Paragraphs 2 and 3, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its Joint Ventures and Associates as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group, its Joint Ventures and Associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI), together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred in to paragraphs 2 and 3 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matters	Auditors' response to Key Audit Matters
Property, Plant & Equipment and Intangible Assets	
There are areas where management judgement impacts the carrying value of property, plant and equipment, intangible assets and their respective depreciation/amortisation rates. These include the decision to capitalise or expense costs; the annual asset life review; the timeliness of the capitalisation of assets and the use of management assumptions and estimates	We assessed the controls in place over the fixed asset cycle, evaluated the appropriateness of capitalisation process, performed tests of details on costs capitalised, the timeliness of the capitalisation of the assets and the de-recognition criteria for assets retired from active use.

Key Audit Matters	Auditors' response to Key Audit Matters
for the determination or the measurement and recognition criteria for assets retired from active use. Due to the materiality in the context of the Balance Sheet of the Company and the level of judgement and estimates required, we consider this to be as area of significance.	In performing these procedures, we reviewed the judgements made by management including the nature of underlying costs capitalised; determination of realisable value of the asset retired from active use; the appropriateness of asset lives applied in the calculation of depreciation; the useful lives of assets prescribed in Schedule II to the Act and the useful lives of certain assets as per the technical assessment of the management. We observed that the management has regularly reviewed the aforesaid judgements and there are no material changes.
Capital Work-in-Progress	
The Company is in the process of executing various projects like expansion of refineries, installation of new plants, depots, LPG bottling plants, terminals, pipelines, etc. Since these projects take a substantial period of time to get ready for intended use and due to their materiality in the context of the Balance Sheet of the Company, this is considered to be an area which had the significant effect on the overall audit strategy and allocation of resources in planning and completing our audit.	We performed an understanding and evaluation of the system of internal control over the capital work in progress, with reference to identification and testing of key controls. We assessed the progress of the project and the intention and ability of the management to carry forward and bring the asset to its state of intended use.
Provision for Direct Taxes	
The Company has uncertain direct tax positions including matters under dispute which involves significant judgment relating to the possible outcome of these disputes in estimation of the provision for income tax. Because of the judgement required, the area is a key audit matter for our audit.	Our audit procedures involved assessment of the management's underlying assumptions in estimating the tax provision (as confirmed by the Company's tax consultants) and the possible outcome of the disputes taking into account the legal precedence, jurisprudence and other rulings in evaluating management's position on these uncertain direct tax positions. We observed that the provision for tax estimated as above including the deferred tax, has not resulted in material deviation from the applicable rate of tax after considering the exemptions, deductions and disallowances as per the provisions of the Income Tax Act, 1961.
Provisions and Contingent Liabilities	
The Company is involved in various taxes and other disputes for which final outcome cannot be easily predicted and which could potentially result in significant liabilities. The assessment of the risks associated with the litigations is based on complex assumptions, which require the use of judgement and such judgement relates, primarily, to the assessment of the uncertainties connected to the prediction of the outcome of the proceedings and to the adequacy of the disclosures in the consolidated financial statements. Because of the judgement required, the materiality of such litigations and the complexity of the assessment process, the area is a key matter for our audit.	Our audit procedures in response to this Key Audit Matter included, among others, • Assessment of the process and relevant controls implemented to identify legal and tax litigations, and pending administrative proceedings. • Assessment of assumptions used in the evaluation of potential legal and tax risks performed by the legal and tax department of the Company considering the legal precedence and other rulings in similar cases. • Inquiry with the legal and tax departments regarding the status of the most significant disputes and inspection of the key relevant documentation. • Analysis of opinion received from the experts wherever available. • Review of the adequacy of the disclosures in the notes to the consolidated financial statements.
Impairment of Investments in Joint Ventures and Associates	
Investments in joint ventures and associates are valued at cost adjusted for impairment losses. In line with "Ind AS 36 Impairment of assets", in case there is an indication of possible impairment, the Company carries out an impairment test by comparing the recoverable amount of the investments	With reference to this key audit matter, we considered the following: • Book value of the investments in joint venture and associates as compared to the carrying amount. • Market capitalisation in case of listed entities in which investments have been made

Key Audit Matters	Auditors' response to Key Audit Matters
determined according to the value in use method and their carrying amount. The valuation process adopted by management is complex and is based on a series of assumptions, such as the forecast cash flows, the appropriate discounting rate and the growth rate. These assumptions are, by nature, influenced by future expectations regarding the evolution of external market. Since judgement of the management is required to determine whether there is indication of possible impairment and considering the subjectivity of the estimates relating to the determination of the cash flows and the key assumptions of the impairment test, the area is considered a key audit matter for our audit.	• Some of the entities are still in the construction stage and have not begun commercial operations Based on the information and explanations obtained as above, we concluded that the Management's judgement regarding indication of impairment in certain investments during the year is appropriate. Where there is indication of impairment, we examined the approach taken by management to determine the value of the investments, analysed the methods and assumptions applied by management to carry out the impairment test and the reports obtained from the experts in valuation. The following audit procedures were adopted: • identification and understanding of the significant controls implemented by the Company over the impairment testing process; analysis of the reasonableness of the principal assumptions made to estimate their cash flows, and obtaining other information from management that we deemed to be significant; • analysis of actual data of the year and previous years in comparison with the original plan, in order to assess the nature of variances and the reliability of the planning process; • assessment of the reasonableness of the discount rate and growth rate; • Verification of the mathematical accuracy of the model used to determine the value in use of the investments. We also examined the adequacy of the information provided by the Company about the impairment test and its consistency with the requirements of Ind AS 36.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Financial Performance highlights, Board's Report including Annexures to Board's Report, Management Discussions and Analysis, Business Responsibility Report, Report on Corporate Governance, Shareholders Information and other information in the Integrated Annual Report but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and identified above when it becomes available, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the auditor otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

If, based on the work we have performed, and report of the other auditors as furnished to us (refer paragraphs 2 and 3 of other matters para below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information, which we will obtain after the date of auditors' report and if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, total comprehensive income, consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows of the Group, its Joint Ventures and Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group, of its Joint Ventures and Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its Joint Ventures and Associates for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group, its Joint Ventures and Associates are responsible for assessing the ability of the Group, its Joint Ventures and Associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group, its Joint Ventures and Associates, are responsible for overseeing the financial reporting process of the Group, its Joint Ventures and Associates.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group, its Joint Ventures and Associates which are companies incorporated in India, has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its Joint Ventures and Associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group, its Joint Ventures and Associates controlled entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its Joint Ventures and Associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. The consolidated financial statements include the Holding Company's proportionate share (relating to Jointly controlled operations of E&P activities) in assets **₹ 649.97 Crore** and liabilities **₹ 122.38 Crore** as at March 31, 2021 and total revenue of **₹ 101.08 Crore** and total net profit of **₹ 15.93 Crore** for the year ended on that date and in items of the statement of cash flow and related disclosures contained in the enclosed consolidated financial statements. Our observations thereon are based on unaudited statements from the operators to the extent available with the Holding Company in respect of 21 Blocks (out of which 11 Blocks are relinquished) and have been certified by the management.

2. We did not audit the financial statements of 8 subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of **₹ 35,976.13 Crore** and net assets of **₹ 15,464.65 Crore** as at March 31, 2021, total revenues of ₹ 47,747.20 Crore and net cash outflows amounting to ₹ 425.00 Crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 619.31 Crore for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of 23 joint ventures and associates, whose financial statements/ information have not been audited by us.

3. These financial statements except one associate and five joint ventures, have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors. The financial statements/ information of one associate and five joint ventures as referred above are unaudited and have been furnished to us by the Holding Company's management duly certified.

4. Certain of these subsidiaries and joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and joint venture located outside India from the accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These converted financial statements have been certified by Chartered Accountants in India appointed by the Company for the specific purpose and have been relied upon by us. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint venture located outside India is based on the reports of other Chartered Accountants as mentioned above.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, joint ventures and associates, as noted in "Other Matters" paragraph above, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors/ chartered accountants.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the reports of the statutory auditors of subsidiaries and joint ventures and associates incorporated in India, none of the directors of joint ventures and associates incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act. We are informed that the provisions of Section 164(2) of the Act are not applicable to the Holding Company and its subsidiary companies incorporated in India being Government companies in terms of notification no. G.S.R.463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, joint ventures and associates incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

We are informed that the provisions of section 197 read with Schedule V of the Act, relating to managerial remuneration are not applicable to the Holding Company and its subsidiaries incorporated in India, being Government Companies in terms of Ministry of Corporate Affairs Notification no G.S.R. 463(E) dated 5th June, 2015. On the basis of the reports of the statutory auditors of the Joint Ventures and Associates incorporated in India, the remuneration paid by the Joint Ventures and Associates to its directors during the current year is in accordance with the Section 197 of the Act and the remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the financial statements of the subsidiary companies, joint ventures and associates and management certified financial statements/ information, as noted in other matters paragraph:

i) The consolidated financial statements discloses the impact of pending litigations on the consolidated financial position of the Group, its joint ventures and associates (Refer Note 33 B and 37 B to the consolidated financial statements).

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts. Refer Note 17 to the consolidated financial statements.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, joint ventures and associates incorporated in India, during the year ended March 31, 2021.

For G. S. MATHUR & CO.	**For K. C.MEHTA & CO.**	**For SINGHI & CO.**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn. No. 008744N	Firm Regn. No. 106237W	Firm Regn. No. 302049E	Firm Regn. No. 311017E
Sd/-	Sd/-	Sd/-	Sd/-
(Rajiv Kumar Wadhawan)	**(Vishal P. Doshi)**	**(Pradeep Kumar Singhi)**	**(Sunil Singhi)**
Partner	Partner	Partner	Partner
M. No. 091007	M. No. 101533	M. No. 050773	M. No. 060854
UDIN: 21091007AAAADO9347	UDIN: 21101533AAAABL2745	UDIN: 21050773AAAAAF3639	UDIN: 21060854AAAABD9293
New Delhi	Vadodara	Kolkata	Kolkata

Date: May 19, 2021

Annexure A to the Independent Auditors' Report

On the consolidated financial statements of even date to the members of Indian Oil Corporation Limited for the year ended March 31, 2021

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements')

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Indian Oil Corporation Limited (hereinafter referred to as "Holding Company") and its subsidiary companies (collectively referred to as "the Group"), joint ventures and associates, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, joint ventures and associates which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company, its subsidiaries, joint ventures and associates which are companies incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (" the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, joint ventures and associates which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by other auditors in term of their reports is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries, its joint ventures and associates, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A group's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A group's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the group are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the group's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion the Holding Company, its subsidiary companies, joint ventures and associates which are incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control with reference to consolidated financial statements in so far as it relates to 1 subsidiary, 22 joint ventures and associates which are companies incorporated in India, is based on the corresponding standalone/ consolidated reports of the auditors, as applicable, of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For G. S. MATHUR & CO.	**For K. C.MEHTA & CO.**	**For SINGHI & CO.**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn. No. 008744N	Firm Regn. No. 106237W	Firm Regn. No. 302049E	Firm Regn. No. 311017E
Sd/-	Sd/-	Sd/-	Sd/-
(Rajiv Kumar Wadhawan)	**(Vishal P. Doshi)**	**(Pradeep Kumar Singhi)**	**(Sunil Singhi)**
Partner	Partner	Partner	Partner
M. No. 091007	M. No. 101533	M. No. 050773	M. No. 060854
UDIN: 21091007AAAADO9347	UDIN: 21101533AAAABL2745	UDIN: 21050773AAAAAF3639	UDIN: 21060854AAAABD9293
New Delhi	Vadodara	Kolkata	Kolkata

Date: May 19, 2021

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT MARCH 31, 2021

(₹ in Crore)

Particulars	Note No.	March 31, 2021	March 31, 2020
ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	2	**1,53,698.39**	1,44,076.30
b) Capital Work-in-Progress	2.1	**32,953.16**	29,628.86
c) Goodwill - On Consolidation		**1.04**	1.04
d) Intangible Assets	3	**3,385.36**	2,944.79
e) Intangible Assets Under Development	3.1	**3,337.38**	3,215.98
f) Equity Investment in Joint Ventures and Associates	4	**15,010.12**	13,572.23
g) Financial Assets			
i) Investments (Other than Investment in Joint Ventures and Associates)	4	**20,424.09**	13,707.46
ii) Loans	5	**2,615.24**	3,294.66
iii) Other Financial Assets	6	**1,952.50**	1,430.85
h) Income Tax Assets (Net)	7	**2,479.91**	4,236.20
i) Other Non-Current Assets	8	**2,850.04**	2,893.18
		2,38,707.23	**2,19,001.55**
Current Assets			
a) Inventories	9	**83,427.46**	67,010.76
b) Financial Assets			
i) Investments	4	**9,282.61**	8,291.18
ii) Trade Receivables	10	**13,800.28**	13,259.48
iii) Cash and Cash Equivalents	11	**781.24**	1,434.61
iv) Bank Balances other than above	12	**1,693.49**	861.37
v) Loans	5	**988.61**	1,089.64
vi) Other Financial Assets	6	**2,256.04**	14,340.19
c) Current Tax Assets (Net)	7	**-**	55.62
d) Other Current Assets	8	**3,786.06**	4,157.20
		1,16,015.79	**1,10,500.05**
Assets Held for Sale	13	**192.90**	**235.23**
		1,16,208.69	**1,10,735.28**
TOTAL ASSETS		**3,54,915.92**	**3,29,736.83**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	14	**9,181.04**	9,181.04
b) Other Equity	15	**1,02,657.01**	86,216.87
c) Non Controlling Interest		**975.94**	876.27
		1,12,813.99	**96,274.18**

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT MARCH 31, 2021

(₹ in Crore)

Particulars	Note No.	March 31, 2021	March 31, 2020
LIABILITIES			
Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	16	**60,934.90**	56,070.61
ii) Other Financial Liabilities	17	**847.48**	789.58
b) Provisions	18	**1,596.83**	1,597.23
c) Deferred Tax Liabilities (Net)	19	**13,964.47**	11,439.29
d) Other Non-Current Liabilities	20	**2,583.36**	2,048.10
		79,927.04	**71,944.81**
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	21	**47,580.01**	69,897.44
ii) Trade Payables	22		
A. Total outstanding dues of Micro and Small Enterprises		**324.28**	205.56
B. Total outstanding dues of creditors other than Micro and Small Enterprises		**36,923.69**	27,370.70
iii) Other Financial Liabilities	17	**50,169.10**	41,939.63
b) Other Current Liabilities	20	**17,072.96**	12,468.24
c) Provisions	18	**9,302.33**	9,636.27
d) Current Tax Liabilities (Net)	7	**802.52**	-
		1,62,174.89	**1,61,517.84**
TOTAL EQUITY AND LIABILITIES		**3,54,915.92**	**3,29,736.83**
Significant Accounting Policies, Estimates & Judgements	1A & 1B		
Accompanying Notes to Financial Statements	2 - 48		

For and on Behalf of Board of Directors

Sd/- **(S. M. Vaidya)** Chairman DIN- 06995642	Sd/- **(S. K. Gupta)** Director (Finance) DIN- 07570165	Sd/- **(Kamal Kumar Gwalani)** Company Secretary ACS-13737

As per our attached Report of even date

For G.S.MATHUR & CO. Chartered Accountants (Firm Regn. No. 008744N)	**For K.C.MEHTA & CO.** Chartered Accountants (Firm Regn. No. 106237W)	**For SINGHI & CO.** Chartered Accountants (Firm Regn. No. 302049E)	**For V. SINGHI & ASSOCIATES** Chartered Accountants (Firm Regn. No. 311017E)
Sd/- **(Rajiv Kumar Wadhawan)** Partner M.No. 091007	Sd/- **(Vishal P. Doshi)** Partner M.No. 101533	Sd/- **(Pradeep Kumar Singhi)** Partner M.No. 050773	Sd/- **(Sunil Singhi)** Partner M.No. 060854

Place: New Delhi
Dated: May 19, 2021

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crore)

Particulars	Note No.	2020-2021	2019-2020
I. Revenue From Operations	23	**5,20,236.84**	5,75,989.70
II. Other Income	24	**3,499.54**	2,773.62
III. Total Income (I+II)		**5,23,736.38**	**5,78,763.32**
IV. Expenses:			
Cost of Material Consumed	25	**1,74,196.22**	2,81,080.13
Excise Duty		**1,56,287.17**	92,226.67
[Includes ₹ **1,49,430.59 Crore** (2020: ₹ 88,428.89 Crore) included in Revenue from Operations]			
Purchases of Stock-in-Trade		**1,07,444.28**	1,39,463.72
Changes in Inventories of Finished Goods, Stock-in-trade and Stock-In Process	26	**(6,181.61)**	(5,414.35)
Employee Benefits Expense	27	**11,308.78**	9,336.93
Finance Costs	28	**3,589.12**	6,578.74
Depreciation, Amortisation and Impairment on :			
a) Tangible Assets		**10,643.34**	9,586.70
b) Intangible Assets		**298.11**	686.69
		10,941.45	**10,273.39**
Impairment Loss on Financial Assets (Net)		**1,111.98**	(613.94)
Net Loss on de-recognition of financial assets at amortised cost		**7.69**	5.73
Other Expenses	29	**35,477.30**	43,064.76
Total Expenses (IV)		**4,94,182.38**	**5,76,001.78**
V. Profit / (Loss) before Share of profit/(loss) of an associate/ a joint venture and Exceptional Items (III-IV)		**29,554.00**	2,761.54
VI Share of profit/(loss) of associates/ joint ventures		**1,196.73**	1,366.09
VII. Profit / (Loss) before Exceptional Items and Tax (V+VI)		**30,750.73**	**4,127.63**
VIII. Exceptional Items (Refer Point No. 14 of Note - 48)		**-**	(11,304.64)
IX. Profit / (Loss) before Tax (VII+VIII)		**30,750.73**	**(7,177.01)**
X. Tax Expense (Refer Point No. 12& 13 of Note - 48):			
Current Tax		**6,868.47**	221.23
Deferred Tax		**2,120.04**	(5,521.92)
XI. Profit / (Loss) for the year (IX-X)		**21,762.22**	**(1,876.32)**
Profit / (Loss) for the Year attributable to :			
Equityholders of the Parent		**21,638.21**	(893.14)
Non-Controlling Interest		**124.01**	(983.18)
XII. Other Comprehensive Income:	30		
A (i) Items that will not be reclassified to profit or loss		**4,604.83**	(11,140.06)
A (ii) Income Tax relating to items that will not be reclassified to profit or loss		**(202.84)**	186.88
B (i) Items that will be reclassified to profit or loss		**121.17**	736.14
B (ii) Income Tax relating to items that will be reclassified to profit or loss		**(21.99)**	(166.35)
XIII. Total Comprehensive Income for the Year (XI+XII) (Comprising Profit/ (Loss) and Other Comprehensive Income for the Year)		**26,263.39**	**(12,259.71)**

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crore)

Particulars	Note No.	2020-2021	2019-2020
Total Comprehensive Income for the Year (Comprising Profit/ (Loss) and Other Comprehensive Income for the Year) attributable to:			
Equityholders of the Parent		**26,159.77**	(11,263.10)
Non-Controlling Interest		**103.62**	(996.61)
XIV. Earnings per Equity Share (₹):	32		
(1) Basic		**23.57**	(0.97)
(2) Diluted		**23.57**	(0.97)
Face Value Per Equity Share (₹)		**10**	10
Significant Accounting Policies, Estimates & Judgements	1A & 1B		
Accompanying Notes to Financial Statements	2 - 48		

For and on Behalf of Board of Directors

Sd/- **(S. M. Vaidya)** Chairman DIN- 06995642	Sd/- **(S. K. Gupta)** Director (Finance) DIN- 07570165	Sd/- **(Kamal Kumar Gwalani)** Company Secretary ACS-13737

As per our attached Report of even date

For G.S.MATHUR & CO. Chartered Accountants (Firm Regn. No. 008744N)	**For K.C.MEHTA & CO.** Chartered Accountants (Firm Regn. No. 106237W)	**For SINGHI & CO.** Chartered Accountants (Firm Regn. No. 302049E)	**For V. SINGHI & ASSOCIATES** Chartered Accountants (Firm Regn. No. 311017E)
Sd/- **(Rajiv Kumar Wadhawan)** Partner M.No. 091007	Sd/- **(Vishal P. Doshi)** Partner M.No. 101533	Sd/- **(Pradeep Kumar Singhi)** Partner M.No. 050773	Sd/- **(Sunil Singhi)** Partner M.No. 060854

Place: New Delhi
Dated: May 19, 2021

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crore)

Particulars	2020-2021		2019-2020	
A Cash Flow from Operating Activities				
1 Profit / (Loss) Before Tax		**30,750.73**		**(7,177.01)**
2 Adjustments for :				
Share of Profit of Joint Ventures and Associates	**(1,196.73)**		(1,366.09)	
Depreciation, Amortisation and Impairment	**10,941.45**		10,273.39	
Loss/(Profit) on sale of Assets (net)	**136.50**		106.25	
Loss/(Profit) on sale of Investments (net)	**(4.12)**		-	
Amortisation of Capital Grants	**(171.46)**		(134.77)	
Provision for Probable Contingencies (net)	**(227.65)**		(1,353.49)	
MTM Loss/(gain) arising on financial assets/liabilities as at fair value through profit and loss	**27.64**		26.18	
Unclaimed / Unspent liabilities written back	**(371.90)**		(175.57)	
Bad Debts, Advances & Claims written off	**25.05**		15.14	
Provision for Doubtful Advances, Claims and Obsolescence of Stores (net)	**563.95**		2,120.35	
Impairment Loss on Financial Assets (Net)	**1,111.98**		(613.94)	
MTM Loss/(Gain) on Derivatives	**(140.87)**		170.58	
Foreign Currency Monetary Item Translation Difference Account	**-**		28.92	
Remeasurement of Defined Benefit Plans thru OCI	**15.08**		(217.69)	
Interest Income	**(1,833.65)**		(2,012.86)	
Dividend Income	**(260.87)**		(709.96)	
Finance costs	**4,392.58**		5,067.70	
Amortisation and Remeasurement of PMUY Assets	**1,056.60**		291.07	
		14,063.58		**11,515.21**
3 Operating Profit before Working Capital Changes (1+2)		**44,814.31**		**4,338.20**
4 Change in Working Capital (excluding Cash & Cash Equivalents):				
Trade Receivables & Other Assets	**8,794.70**		8,861.66	
Inventories	**(16,420.99)**		10,096.53	
Trade Payables & Other Liabilities	**16,741.70**		(13,999.63)	
Change in Working Capital		**9,115.41**		**4,958.56**
5 Cash Generated From Operations (3+4)		**53,929.72**		**9,296.76**
6 Less : Taxes paid		**4,067.99**		**2,150.51**
7 Net Cash Flow from Operating Activities (5-6)		**49,861.73**		**7,146.25**
B Cash Flow from Investing Activities:				
Proceeds from sale of Property, plant and equipment / Transfer of Assets	**792.85**		754.25	
Purchase of Property, Plant & Equipment and Intangible Assets	**(6,566.16)**		(12,337.43)	
Expenditure on Construction Work in Progress	**(17,267.02)**		(19,840.00)	

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crore)

	Particulars	2020-2021		2019-2020	
	Proceeds from sale of financial instruments (other than working capital)	115.28		-	
	Purchase of Other Investments	(3,988.34)		(535.08)	
	Receipt of government grants (Capital Grant)	583.98		21.51	
	Interest Income received	1,823.65		2,126.03	
	Dividend Income on Investments	260.87		709.96	
	Net Cash Generated/(Used) in Investing Activities:		**(24,244.89)**		**(29,100.76)**
C	**Net Cash Flow From Financing Activities:**				
	Proceeds from Long-Term Borrowings (Including Lease Obligation)	14,682.65		20,071.51	
	Repayments of Long-Term Borrowings (Including Lease Obligations)	(5,745.94)		(3,756.60)	
	Proceeds from/(Repayments of) Short-Term Borrowings	(22,317.43)		16,338.15	
	Interest paid	(4,506.30)		(4,393.85)	
	Dividend/Dividend Tax paid	(8,383.19)		(5,803.18)	
	Net Cash Generated/(Used) from Financing Activities:		**(26,270.21)**		**22,456.03**
D	**Net Change in Cash & Cash Equivalents (A+B+C)**		**(653.37)**		**501.52**
E1	Cash & Cash Equivalents as at end of the year		**781.24**		**1,434.61**
	Less:				
E2	Cash & Cash Equivalents as at the beginning of year		**1,434.61**		**933.09**
	NET CHANGE IN CASH & CASH EQUIVALENTS (E1 - E2)		**(653.37)**		**501.52**

Notes:

1. Net Cash Flow From Financing Activities includes following non-cash changes:

(₹ in Crore)

Particulars	2020-2021	2019-2020
(Gain)/ Loss due to changes in exchange rate	(1,130.93)	1,004.24
Increase in Lease liabilities due to new leases	1,196.98	4,941.38
Total	**66.05**	**5,945.62**

2. Statement of Cash Flows is prepared using Indirect Method as per Indian Accounting Standard-7: Statement of Cash Flows.
3. Figures for previous year have been regrouped wherever necessary for uniformity in presentation.

For and on Behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(S. M. Vaidya)	**(S. K. Gupta)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN- 06995642	DIN- 07570165	ACS-13737

As per our attached Report of even date

For G.S.MATHUR & CO.	For K.C.MEHTA & CO.	For SINGHI & CO.	For V. SINGHI & ASSOCIATES
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 008744N)	(Firm Regn. No. 106237W)	(Firm Regn. No. 302049E)	(Firm Regn. No. 311017E)
Sd/-	Sd/-	Sd/-	Sd/-
(Rajiv Kumar Wadhawan)	**(Vishal P. Doshi)**	**(Pradeep Kumar Singhi)**	**(Sunil Singhi)**
Partner	Partner	Partner	Partner
M.No. 091007	M.No. 101533	M.No. 050773	M.No. 060854

Place: New Delhi
Dated: May 19, 2021

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A Equity Share Capital

(₹ in Crore)

Particulars	2020-2021	2019-2020
Balance at the beginning of the year	9,181.04	9,181.04
Changes in during the year	-	-
Balance at the end of the year	**9,181.04**	**9,181.04**

B Other Equity

(₹ in Crore)

Particulars	Reserves and Surplus					
	Retained Earnings	Bond Redemption Reserve	Capital Reserve/ Capital Redemption Reserve	Securities Premium	Insurance Reserve	Export Profit Reserve
Opening Balance as at April 01, 2019	**82,854.41**	**3,171.39**	**732.16**	**76.74**	**241.09**	**53.72**
Opening Balance Adjustment	(15.04)	-	-	-	-	-
Profit/(Loss) for the Year	(893.14)	-	-	-	-	-
Other Comprehensive Income	(138.17)	-	-	-	-	-
Total Comprehensive Income	**(1,031.31)**	**-**	**-**	**-**	**-**	**-**
Appropriation towards Interim Dividend	(3,902.09)	-	-	-	-	-
Appropriation towards Final Dividend	(918.25)	-	-	-	-	-
Appropriation towards Dividend Distribution Tax	(986.58)	-	-	-	-	-
Appropriation towards Insurance reserve (Net)	(20.00)	-	-	-	20.00	-
Appropriation towards Corporate Social Responsibility Reserve (net)	(0.04)	-	-	-	-	-
Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	-	-	-	-	-	-
FCMITDA amortised during the year	-	-	-	-	-	-
Transferred to Statement of Profit and Loss (recycling)	-	-	-	-	-	-
Closing Balance as at March 31, 2020	**75,981.10**	**3,171.39**	**732.16**	**76.74**	**261.09**	**53.72**

(₹ in Crore)

	Reserves and Surplus		Items of Other Comrehensive Income				Attributable to Equityholders of the Parent	Non-Controlling Interest	TOTAL
	Corporate Social Responsibility Reserve	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Fair value of Equity Instruments	Fair value of Debt Instruments	Cash Flow Hedge Reserve	Translation Reserve on Consolidation			
	0.82	**(35.78)**	**16,217.18**	**(43.95)**	**22.04**	**(1.62)**	**1,03,288.20**	**1,877.36**	**1,05,165.56**
	-	-	-	-	-	-	(15.04)	-	(15.04)
	-	-	-	-	-	-	(893.14)	(983.18)	(1,876.32)
	-	-	(10,800.30)	435.62	46.01	86.88	(10,369.96)	(13.43)	(10,383.39)
	-	**-**	**(10,800.30)**	**435.62**	**46.01**	**86.88**	**(11,263.10)**	**(996.61)**	**(12,259.71)**
	-	-	-	-	-	-	(3,902.09)	-	(3,902.09)
	-	-	-	-	-	-	(918.25)	(3.89)	(922.14)
	-	-	-	-	-	-	(986.58)	(0.59)	(987.17)
	-	-	-	-	-	-	-	-	-
	0.04	-	-	-	-	-	-	-	-
	-	6.86	-	-	-	-	6.86	-	6.86
	-	28.92	-	-	-	-	28.92	-	28.92
	-	-	-	-	(22.05)	-	(22.05)	-	(22.05)
	0.86	**-**	**5,416.88**	**391.67**	**46.00**	**85.26**	**86,216.87**	**876.27**	**87,093.14**

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

B Other Equity (Contd..)

(₹ in Crore)

Particulars	Reserves and Surplus					
	Retained Earnings	Bond Redemption Reserve	Capital Reserve/ Capital Redemption Reserve	Securities Premium	Insurance Reserve	Export Profit Reserve
Opening Balance as at April 01, 2020	**75,981.10**	**3,171.39**	**732.16**	**76.74**	**261.09**	**53.72**
Opening Balance Adjustment	(28.20)	-	-	-	-	-
Profit/(Loss) for the Year	21,638.21	-	-	-	-	-
Other Comprehensive Income	13.98*	-	-	-	-	-
Total Comprehensive Income	**21,652.19**	**-**	**-**	**-**	**-**	**-**
Transfer from Export Profit Reserve	53.72	-	-	-	-	(53.72)
Appropriation towards Interim Dividend	(9,640.47)	-	-	-	-	-
Appropriation towards Final Dividend	-	-	-	-	-	-
Appropriation towards Insurance reserve (Net)	(11.05)	-	-	-	11.05	-
Appropriation towards Corporate Social Responsibility Reserve (net)	(0.24)	-	-	-	-	-
Transfer from fair Value of Debt Instruments (recycling)	-	-	-	-	-	-
Addition/Adjustment to Securities Premium During the year	-	-	-	-	-	-
Addition to Capital Reserve/ Capital Redemption Reserve during the year/Other adjustment in JVs	(1.08)	-	(1.59)	-	-	-
Transferred to Statement of Profit and Loss (recycling)	-	-	-	-	-	-
Closing Balance as at March 31, 2021	**88,005.97**	**3,171.39**	**730.57**	**76.74**	**272.14**	**-**

* Remeasurement of Defined Benefit Plan

(₹ in Crore)

Reserves and Surplus		Items of Other Comrehensive Income				Attributable to Equityholders of the Parent	Non-Controlling Interest	TOTAL
Corporate Social Responsibility Reserve	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Fair value of Equity Instruments	Fair value of Debt Instruments	Cash Flow Hedge Reserve	Translation Reserve on Consolidation			
0.86	**-**	**5,416.88**	**391.67**	**46.00**	**85.26**	**86,216.87**	**876.27**	**87,093.14**
-	-	-	-	-	-	(28.20)	-	(28.20)
-	-	-	-	-	-	21,638.21	124.01	21,762.22
-	-	4,398.83	80.91	16.81	11.03	4,521.56	(20.39)	4,501.17
-	**-**	**4,398.83**	**80.91**	**16.81**	**11.03**	**26,159.77**	**103.62**	**26,263.39**
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(9,640.47)	-	(9,640.47)
-	-	-	-	-	-	-	(3.95)	(3.95)
-	-	-	-	-	-	-	-	-
0.24	-	-	-	-	-	-	-	-
-	-	-	(2.28)	-	-	(2.28)	-	(2.28)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(2.67)	-	(2.67)
-	-	-	-	(46.01)	-	(46.01)	-	(46.01)
1.10	**-**	**9,815.71**	**470.30**	**16.80**	**96.29**	**1,02,657.01**	**975.94**	**1,03,632.95**

For and on Behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(S. M. Vaidya)	**(S. K. Gupta)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN- 06995642	DIN- 07570165	ACS-13737

As per our attached Report of even date

For G.S.MATHUR & CO.	**For K.C.MEHTA & CO.**	**For SINGHI & CO.**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 008744N)	(Firm Regn. No. 106237W)	(Firm Regn. No. 302049E)	(Firm Regn. No. 311017E)
Sd/-	Sd/-	Sd/-	Sd/-
(Rajiv Kumar Wadhawan)	**(Vishal P. Doshi)**	**(Pradeep Kumar Singhi)**	**(Sunil Singhi)**
Partner	Partner	Partner	Partner
M.No. 091007	M.No. 101533	M.No. 050773	M.No. 060854

Place: New Delhi
Dated: May 19, 2021

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note - 1A : SIGNIFICANT ACCOUNTING POLICIES

I. Corporate Information

The Financial Statements comprise Financial statements of "Indian Oil Corporation Limited" ("the Holding company" or "IOCL" or "Parent Company") and its subsidiaries (collectively, the Group) for the year ended March 31, 2021.

IOCL is a public limited company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The registered office of the Holding company is located at IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai.

The Group has with business interests straddling the entire hydrocarbon value chain - from refining, pipeline transportation & marketing, to exploration & production of crude oil & gas, petrochemicals, gas marketing, alternative energy sources and globalisation of downstream operations.

The Financial Statements have been approved for issue in accordance with a resolution of the Board of directors passed in its meeting held on May 19, 2021.

II. Significant Accounting Policies

1. BASIS OF PREPARATION/ CONSOLIDATION AND STATEMENT OF COMPLIANCE

1.1 The financial statements have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules thereunder, as amended from time to time.

1.2 The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer serial no. 17 of accounting policies regarding financial instruments) and
- Plan assets related to employee benefits (refer serial no. 12 of accounting policies regarding employee benefits)

1.3 The financial statements are presented in Indian Rupees (₹) which is the presentation currency of the Group and all values are rounded to the nearest Crore (up to two decimals) except when otherwise indicated.

1.4 Basis of Consolidation:

1.4. 1 **Subsidiaries:**

The financial statements comprise the financial statements of the IOCL and its subsidiaries as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if it has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

The Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. Following consolidation procedure is followed:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

NOTES TO FINANCIAL STATEMENTS

Note - 1A : SIGNIFICANT ACCOUNTING POLICIES (Contd..)

(b) Offset (eliminate) the carrying amount of the parent company's investment in each subsidiary and the parent company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Change in the Group's ownership interests in existing subsidiaries

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent company's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

1.4. 2 **Investment in Associates and Joint Ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the Statement of Profit and Loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investments in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the Statement of Profit and Loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

1.4. 3 **Interest in Joint operations:**

For the interest in joint operations, the Group recognises:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

2.1 Property, Plant and Equipment (PPE)

2.1. 1 Property, Plant & Equipment (PPE) comprises of tangible assets and capital work in progress. PPE are stated in the Balance Sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any), except freehold land which are carried at historical cost. The cost of an item of PPE comprises its purchase price/construction cost including applicable taxes (net of credits) after deducting any discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. These costs are capitalised until the asset is ready for use and includes borrowing cost capitalised in accordance with the Group's accounting policy.

2.1. 2 The cost of an item of PPE is recognised as an asset if, and only if:

(a) it is probable that future economic benefits associated with the item will flow to the entity; and

(b) the cost of the item can be measured reliably.

In accordance with the above criteria, subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate.

2.1. 3 Technical know-how / license fee relating to plants/ facilities and specific software that are integral part of the related hardware are capitalised as part of cost of the underlying asset.

2.1. 4 Spare parts are capitalised when they meet the definition of PPE, i.e., when the Group intends to use these for a period exceeding 12 months.

2.1. 5 The acquisition of some items of PPE although not directly increasing the future economic benefits of any particular existing item of PPE, may be necessary for the Company to obtain the future economic benefits from its other assets. Such items of PPE are recognised as assets.

2.1. 6 Environment responsibility related obligations directly attributable to projects is recognised as project cost on the basis of progress of project or on actual incurrence, whichever is higher.

2.1. 7 On transition to Ind AS, the Group has elected to continue with the carrying value of all of its PPE recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.2 Capital Work in Progress (CWIP)

A. Construction Period Expenses

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 and where the expenses are not attributable exclusively are charged to revenue.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

2.2. 2 Borrowing 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 Borrowing 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.

B. Capital Stores

2.2. 4 Capital Stores are valued at cost. Specific provision is made for likely diminution in value, wherever required.

2.3 Intangible Assets & Amortisation

2.3. 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 the life of the underlying plant/ facility.

2.3. 2 Expenditure incurred in research phase is charged to revenue and that in development phase, unless it is of capital nature, is also charged to revenue.

2.3. 3 Cost incurred on computer software/licenses purchased/ developed resulting in future economic benefits, other than specific software that are integral part of the related hardware, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software/ licenses are capitalised. However, where such computer software/ license is under development or is not yet ready for use, accumulated cost incurred on such items are accounted as "Intangible Assets Under Development"

2.3. 4 Right of ways with indefinite useful lives are not amortised but tested for impairment annually at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2.3. 5 Intangible Assets acquired separately are measured on initial recognition at cost. The cost of Intangible Assets acquired in a business combination is based on its fair value at the date of acquisition. Following initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and accumulated impairment losses. In case of Internally generated intangibles, development cost is recognised as an asset when all the recognition criteria are met. However, all other internally generated intangibles including research cost are not capitalised and the related expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

2.3. 6 The useful lives of Intangible Assets are assessed as either finite or indefinite. Intangible Assets with finite lives are amortised over the useful life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on Intangible Assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

2.3. 7 On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Intangible Assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

2.3. 8 Amortisation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalisation/ sale, disposal/ or earmarked for disposal.

2.4 Depreciation

2.4. 1 Cost of PPE (net of residual value) excluding freehold land is depreciated on straight-line method as per the useful life prescribed in Schedule II to the Act except in case of the following assets:

a) Useful life of 15 years for Plant and Equipment relating to Retail Outlets (other than storage tanks and related equipment), LPG cylinders and pressure regulators considered based on technical assessment

b) Useful life of 25 years for solar power plant considered based on technical assessment,

c) In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II to the Act, whichever is lower

d) In case of certain assets of R&D Centre useful life (15-25 years) is considered based on technical assessment

e) In case of immovable assets constructed on leasehold land, useful life as per Schedule-II to the Act or lease period of land (including renewable / likely renewable period), whichever is lower and

f) In case of certain assets of CGD business, useful life (Compressor / Booster Compressor and Dispenser - 10 years, Cascade – 20 years) is considered based on technical assessment.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

g) In case of Moulds used for the manufacturing of the packaging material for Lubricants, useful life of 5 years is considered based on technical assessment.

h) In other cases, like Spare Parts etc. useful life (2-30 years) is considered based on the technical assessment

Depreciation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalisation/ sale, disposal/ or earmarked for disposal.

Residual value is determined considering past experience and generally the same is between 0 to 5% of cost of assets except

a. In case of Steel LPG cylinder and pressure regulator, residual value is considered maximum at 15% and in case of fibre composite LPG cylinder, residual value is considered at 10% based on estimated realisable value

b. in case of catalyst with noble metal content, residual value is considered based on the cost of metal content and

c. In few cases residual value is considered based on transfer value agreed in respective agreement.

The Group depreciates components of the main asset that are significant in value and have different useful lives as compared to the main asset separately. The Group depreciates spares over the life of the spare from the date it is available for use.

2.4. 2 PPE, other than LPG Cylinders and Pressure Regulators, costing upto ₹ 5,000/- per item are depreciated fully in the year of capitalisation. Further, spares, components like catalyst excluding noble metal content and major overhaul/ inspection are also depreciated fully over their respective useful life.

2.4. 3 The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5 Derecognition

2.5. 1 PPE and Intangible Assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE or Intangible Asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3. LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.1 Leases as Lessee (Assets taken on lease)

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.1. 1 Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, except for leases where the company has elected to use practical expedient not to separate non-lease payments from the calculation of the lease liability and ROU asset where the entire consideration is treated as lease component.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

3.1. 2 **Right-of-use Assets**

The Group recognises right-of-use (ROU) assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of use assets are subject to impairment. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset as per 2.4 above.

3.1. 3 Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognised in the Statement of Profit and Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

3.1. 4 **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of Property, Plant and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value and is not intended for sublease.. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

3.2 Leases as Lessor (assets given on lease)

3.2. 1 When the Group acts as lessor, it determines at the commencement of the lease whether it is a finance lease or an operating lease.

3.2. 2 Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.

3.2. 3 All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts is adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment. If an arrangement contains lease and non-lease components, the Company applies principles enunciated in Ind AS 115 "Revenue from Contracts with Customers" to allocate the consideration in the contract.

3.2. 4 When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the short term lease exemption described above, then it classifies the sub-lease as an operating lease.

4. IMPAIRMENT OF NON-FINANCIAL ASSETS (also refer para 14 for impairment of E&P Assets)

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognised when the carrying amount of an asset exceeds recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 15 years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifteenth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

5. BORROWING COSTS

Borrowing cost consists of interest and other cost incurred in connection with the borrowing of funds.

Borrowing costs that are attributable to the acquisition or construction of the qualifying asset are capitalised as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Capitalisation of borrowing costs is suspended when active development activity on the qualifying assets is interrupted other than on temporary basis and charged to the Statement of Profit and Loss during such extended periods. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which the same are incurred.

6. FOREIGN CURRENCY TRANSACTIONS/ TRANSLATION

6.1 The Group's financial statements are presented in Indian Rupee (₹) which is also functional currency of the Holding Company.

6.2 Transactions in currencies other than the respective group entities' functional currencies (foreign currencies) are initially recorded at spot exchange rates prevailing on the date of transactions.

6.3 Monetary items denominated in foreign currencies (such as cash, receivables, payables etc) outstanding at the end of reporting period, are translated at exchange rates prevailing on that date.

6.4 Non-monetary items denominated in foreign currency, (such as PPE, intangible assets, equity investments, capital/ revenue advances other than expected to be settled in cash etc.) are recorded at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or the Statement of Profit and Loss are also recognised in OCI or the Statement of Profit and Loss, respectively).

6.5 Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost to the extent regarded as an adjustment to borrowing costs as the case may be, except those relating to loans mentioned below.

Exchange differences on long-term foreign currency loans obtained or re-financed on or before March 31, 2016 relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets.

6.6 Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after April 1, 2013 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the April 1, 2013, are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent company and no further translation differences occur.

7. INVENTORIES

7.1 Raw Materials & Stock-in-Process

7.1. 1 Raw materials including crude oil are valued at cost determined on weighted average basis or net realisable value, whichever is lower.

7.1. 2 Stock in Process is valued at raw material cost plus processing cost as applicable or net realisable value, whichever is lower.

7.1. 3 Crude oil in Transit is valued at cost or net realisable value, whichever is lower.

7.1. 4 Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

7.2 Finished Products and Stock-in-Trade

7.2. 1 Finished Products and Stock in Trade, other than lubricants, are valued at cost determined on 'First in First Out' basis or net realisable value, whichever is lower. Cost of Finished Products produced is determined based on raw material cost and processing cost.

7.2. 2 Lubricants are valued at cost on weighted average basis or net realisable 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 cost or net realisable value whichever is lower.

7.3 Stores and Spares

7.3. 1 Stores and Spares (including Packing Containers i.e. empty barrels, tins etc.) 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, a provision @ 5% is also made on the balance stores and spares (excluding barrels, tins, stores in transit, chemicals/catalysts, crude oil and own products) towards likely diminution in the value.

7.3. 2 Stores and Spares in transit are valued at cost.

8. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

8.1 Provisions

8.1. 1 Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

8.1. 2 When the Group expects some or all of a provision to be recovered from a third party, a receivable is recognised as a separate asset but only when it is virtually certain and amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of Profit and Loss net of reimbursement, if any.

8.1. 3 If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

8.1. 4 **Decommissioning Liability**

Decommissioning costs are provided at the present value of expected cost to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as a finance cost. The estimated future cost of decommissioning is reviewed annually and adjusted as appropriate. Changes in the estimated future cost or in the discount rate applied are adjusted in the cost of the asset.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

8.2 Contingent Liabilities and Contingent Assets

8.2. 1 Show-cause notices issued by various Government Authorities are generally not considered as obligations.

8.2. 2 When the demand notices are raised against such show cause notices and are disputed by the Group, these are classified as disputed obligations.

8.2. 3 The treatment in respect of disputed obligations are as under:

a) a provision is recognised in respect of present obligations where the outflow of resources is probable as per 8.1.1 above;

b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

8.2. 4 Contingent Liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability. Contingent liabilities are disclosed on the basis of judgment of the management/ independent experts and reviewed at each Balance Sheet date to reflect the current management estimate.

8.2. 5 Estimated amount of contracts remaining to be executed towards capital expenditure are considered for disclosure.

8.2. 6 A Contingent Asset is disclosed where an inflow of economic benefits is probable.

9. REVENUE

9.1 REVENUE FROM CONTRACTS WITH CUSTOMERS

9.1. 1 The Group is in the business of oil and gas operations and it earns revenue primarily from sale of petroleum products and petrochemical products. In addition, the Group also earns revenue from other businesses which comprises Gas, Exploration & Production and Others.

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Group has generally concluded that it is the principal in its revenue arrangements, except a few agency services, because it typically controls the goods or services before transferring them to the customer.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., customer loyalty points). In determining the transaction price for the sale of products, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

9.1. 2 Revenue from the sale of petroleum products, petrochemical products, Crude and gas are recognised at a point in time, generally upon delivery of the products. The Group recognises revenue over time using input method (on the basis of time elapsed) in case of non-refundable deposits from dealers and service contracts. In case of construction contracts, revenue and cost are recognised by measuring the contract progress using input method by comparing the cost incurred and total contract cost. Contract modifications are accounted for as a part of existing contract or separate contract based on conditions prescribed in Ind AS 115.

9.1. 3 The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, Sales Tax/ Goods and Services Tax (GST) and Value Added Tax (VAT) is not received by the company on its own account. Rather, it is tax collected on value added to the product by the seller on behalf of the government. Accordingly, it is excluded from revenue.

9.1. 4 **Variable consideration**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved

The Group provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The volume rebates/ Cash discount give rise to variable consideration. To estimate the variable consideration for the expected future rebates/ cash discount, the Group applies the most likely amount method for contracts with a single-volume threshold and

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract and accordingly, the Group recognises a refund liability for the expected future rebates.

9.1.5 **Loyalty Points**

The Group operates various loyalty point schemes. The transaction price allocated to customer loyalty points is based on their relative estimated standalone selling price and the same is reduced from revenue from sale of goods. While estimating standalone selling price of customer loyalty points, the likelihood of exercising the option is adjusted. Wherever the Group is acting as agent in this arrangement, the Company recognise the revenue on net basis.

9.2 Other claims are recognised when there is a reasonable certainty of recovery.

10. EXCISE DUTY

Excise duty is accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in stock. Value of stock includes excise duty payable / paid on finished goods wherever applicable.

11. TAXES ON INCOME

11.1 Current Income Tax

The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

11.2 Deferred Tax

11.2. 1 Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(a) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

(b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

(a) when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

(b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

11.2. 2 The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

11.2. 3 Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

11.2. 4 Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

12. EMPLOYEE BENEFITS

12.1 Short Term Benefits:

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

12.2 Post-Employment Benefits and Other Long Term Employee Benefits:

a) The Group'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 the Statement of Profit and Loss/ CWIP. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the Group and charged to the Statement of Profit and Loss/CWIP.

b) The Group operates defined benefit plans for Gratuity, Post-Retirement Medical Benefits, Resettlement, Felicitation Scheme Ex-gratia and AOD pension fund. 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. Out of these plans, Gratuity, Post-Retirement Medical Benefits and AOD pension fund are administered through respective Trusts.

c) Obligations on other long-term employee benefits viz leave encashment and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year. Out of these obligations, leave encashment obligations are funded through qualifying insurance policies made with insurance companies/ corporation.

d) The Group also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.

12.3 Termination Benefits:

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

12.4 Remeasurements:

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which it occurs.. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements in respect of other long term benefits are recognised in the Statement of Profit and Loss.

Past service cost is recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service cost comprising current service cost, past-service cost, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

13. GRANTS

13.1 Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

13.2 Grant relating to Assets (Capital Grants)

In case of grants relating to depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Deferred Income which are recognised as "Other Operating Revenues" usually in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

13.3 Grant related to Income (Revenue Grants)

Revenue grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related cost for which the grants are intended to compensate.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

Subsidy and budgetary support towards under recoveries are recognised in "Revenue from Operations" as per schemes notified by Government from time to time, subject to final adjustments, wherever applicable.

The Group has treated waiver of duty under EPCG Scheme as revenue grant as the condition of meeting the export obligations is a primary condition of availing the grant as per the EPCG Scheme. The above grant is set up by recording the assets at gross value and corresponding grant amount as deferred income. Such grant is recognised in "Other Operating Revenues" in proportion of export obligations actually fulfilled during the accounting period. In case of post export EPCG Scheme, revenue grant is recognised in "Other Operating Revenues" equivalent to the amount of Custom duty remission in proportion to export obligations actually fulfilled during the accounting period.

Revenue grants are generally recorded under "Other Operating Revenues" except some grants which mainly includes north east excise duty and entry tax exemption, which are netted off with the related expense.

13.4 When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate or Nil interest rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. Classification of the grant is made considering the terms and condition of the grant i.e. whether grants relates to assets or otherwise.

14. OIL & GAS EXPLORATION ACTIVITIES

14.1 Pre-acquisition Cost:

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

14.2 Exploration Stage:

Acquisition cost relating to projects under exploration are initially accounted as "Intangible Assets under Development". The expenses on oil and gas assets that is classified as intangible include:

- acquired rights to explore
- exploratory drilling cost

Cost of Survey and prospecting activities conducted in the search of oil and gas are expensed as exploration cost in the year in which these are incurred

If the project is not viable based upon technical feasibility and commercial viability study, then all cost relating to Exploratory Wells are expensed in the year when determined to be dry.

If the project is proved to be viable, then all cost relating to drilling of Exploratory Wells shall be continued to be presented as "Intangible Assets under Development".

14.3 Development Stage:

Acquisition cost relating to projects under development stage are presented as "Capital Work-in-Progress".

When a well is ready to commence commercial production, the capitalised cost corresponding to proved developed oil and gas reserves is reclassified as 'Completed wells/ Producing wells' from "Capital Work-in-Progress/ Intangible Assets under Development" to the gross block of assets. Examples of Oil and Gas assets that might be classified as Tangible Assets include development drilling cost, piping and pumps and producing wells.

14.4 Production Phase

Production cost include pre-well head and post-well head expenses including depreciation and applicable operating costs of support equipment and facilities are expensed off.

Depletion is calculated using the Unit of Production method based upon proved and developed reserves.

14.5 Abandonment Phase

In case of development / production phase, abandonment / decommissioning amount is recognised at the present value of the estimated future expenditure. Any change in the present value of the estimated decommissioning expenditure other than the unwinding of discount is adjusted to the decommissioning provision and the carrying value of the corresponding asset. The unwinding of discount on provision is charged in the Statement of Profit and Loss as finance costs.

14.6 Impairment of E&P Assets

14.6. 1 **Impairment testing in case of Development and producing assets**

In case of E&P related development and producing assets, expected future cash flows are estimated using management's best estimate of future oil and natural gas prices, production volumes, proved & probable reserves volumes and discount rate. The expected future cash flows are estimated on the basis of value in use concept. The value in use is based on the cash flows expected to be generated by the projected oil or gas production profiles up to the expected dates of

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

cessation of production of each producing field, based on current estimates of proved and probable reserves and on reasonable & supportable fiscal assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Management takes a long-term view of the range of economic conditions over the remaining useful life of the asset and, are not based on the relatively short-term changes in the economic conditions. However, impairment of exploration and evaluation assets is to be done in line with para 14.6.2

14.6. 2 **Impairment in case of Exploration and Evaluation assets**

Exploration and Evaluation assets are tested for impairment where an indicator for impairment exists. In such cases, while calculating recoverable amount, in addition to the factors mentioned in 14.6.1, management' s best estimate of total current reserves and resources are considered (including possible and contingent reserve) after appropriately adjusting the associated inherent risks. Impairment loss is reversed subsequently, to the extent that conditions for impairment are no longer present.

14.6. 3 **Cash generating unit**

In case of E&P assets, the Group generally considers a project as cash generating unit. However, in case where the multiple fields are using common production/ transportation facilities and are sufficiently economically interdependent the same are considered to constitute a single cash generating unit (CGU).

15. CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification as below.

15.1 An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or Cash Equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

15.2 A liability is treated as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

16. NON-CURRENT ASSETS HELD FOR SALE

16.1 The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

16.2 For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

16.3 Non-current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less cost to sell. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

PPE and Intangible Assets once classified as held for sale are not depreciated or amortised.

17. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

17.1 Financial Assets

Initial recognition and measurement

All Financial Assets are recognised initially at fair value plus, in the case of Financial Assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial assets. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Subsequent measurement

For the purpose of subsequent measurement, Financial Assets are classified in four categories:

- Financial Assets at amortised cost
- Debt Instruments at fair value through Other Comprehensive Income (FVTOCI)
- Equity Instruments at fair value through Other Comprehensive Income (FVTOCI)
- Financial Assets and derivatives at fair value through profit or loss (FVTPL)

17.1. 1 **Financial Assets at Amortised Cost**

A Financial Asset is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows,

and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such Financial Assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. Apart from the same, any income or expense arising from remeasurement of financial assets measured at amortised cost, in accordance with Ind AS 109, is recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

17.1. 2 **Debt Instrument at FVTOCI**

A 'Debt Instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the Financial Assets, and

b) The asset's contractual cash flows represent solely payments of principal and interest (SPPI).

Debt Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair Value movements are recognised in the Other Comprehensive Income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI Debt Instrument is reported as interest income using the EIR method.

17.1. 3 **Equity Instrument at FVTOCI (Other than Subsidiaries, Joint Ventures and Associates)**

All equity investments in scope of Ind AS 109 are measured at fair value. The Group has made an irrevocable election to present subsequent changes in the fair value in Other Comprehensive Income. The classification is made on initial recognition/transition and is irrevocable.

There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

Dividend income is recognised in the Statement of Profit and Loss when the Group's right to receive dividend is established.

17.1. 4 **Debt Instruments and Derivatives at FVTPL**

FVTPL is a residual category for Debt Instrument. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss. Interest income on such instruments has been presented under interest income.

17.1. 5 **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

17.1. 6 **Impairment of Financial Assets**

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following Financial Assets and credit risk exposure:

a) Financial Assets that are Debt Instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Lease Receivables under Ind AS 116

Simplified Approach

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

General Approach

For recognition of impairment loss on other Financial Assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Group estimates provision on trade receivables at the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense /income in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

- Financial Assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

- Debt instruments measured at FVTOCI: Since Financial Assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

17.2 Financial Liabilities

17.2. 1 **Initial recognition and measurement.**

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost, as appropriate.

All Financial Liabilities are recognised initially at fair value and, in the case of liabilities subsequently measured at amortised cost, they are measured net of directly attributable transaction cost. In case of Financial Liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of financial liabilities are recognised immediately in the Statement of Profit and Loss.

The Group's Financial Liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

17.2. 2 **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

A. Financial Liabilities at fair value through profit or loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit or Loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

B. Financial Liabilities at amortised cost

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

17.2. 3 **Derecognition**

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

17.3 Embedded Derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

17.4 Offsetting of Financial Instruments

Financial Assets and Financial Liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

17.5 Derivative Instrument- Initial recognition / subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value of derivatives depends on the designation or non- designation of derivative as hedging instruments. Derivatives are carried as Financial Assets when the fair value is positive and as financial liabilities when the fair value is negative.

17.5. 1 **Derivative that are designated as Hedge Instrument**

The Company designates certain foreign exchange forward contracts commodity forward contracts and interest rates swap contracts for hedging foreign currency risks, commodity price risks and interest rate risks respectively. The Company generally designates the whole forward contract as hedging instrument. These hedges are accounted for as cash flow hedges. These hedging instruments are as per the policies approved by the Board of Directors.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that the hedge is actually have been highly effective throughout the financial reporting periods for which it was designated.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated under the heading Cash Flow Hedge Reserve within Equity. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss and included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

Amounts previously recognised in OCI and accumulated in equity relating to effective portion are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line item as the recognised hedged item or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting.

17.5. 2 **Derivatives that are not designated as hedge instrument**

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through the Statement of Profit and Loss and are included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

17.6 Commodity Contracts

Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

18. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdraft (negative balance in Account) is shown under short term borrowings under Financial Liabilities & Positive balance in that account is shown in Cash & Cash Equivalents.

19. TREASURY SHARES

Pursuant to the Scheme of Amalgamation, IOC Shares Trust has been set up by IOCL for holding treasury shares in relation to IBP and BRPL mergers. The shares held by IOC Shares Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

20. FAIR VALUE MEASUREMENT

20.1 The Group measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

20.2 The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Group.

20.3 The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

20.4 A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

20.5 The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

20.6 All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In case of Level 3 valuations, external valuers are also involved in some cases for valuation of assets and liabilities, such as unquoted Financial Assets, loans to related parties etc.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

21. EARNINGS PER SHARE

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the Equity Shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. The holding company did not have any potentially dilutive securities in the years presented.

22. BUSINESS COMBINATIONS AND GOODWILL

22.1 In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2013. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The same first time adoption exemption is also used for associates and joint ventures.

22.2 Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the Financial Assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

22.3 Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as Capital Reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

23. NON-CONTROLLING INTEREST

Non-controlling interest represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's shareholders. Non-controlling interest is initially measured at the proportionate share of the recognised amounts of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

III. New Standards/ amendments and other changes effective April 1,2020

Ministry of Corporate Affairs notified amendments to the existing standards vide notification G.S.R. 463(E) dated 24th July 2020. The effect of those amendments is not material.

IV. Standards issued but not yet effective

Ministry of Corporate Affairs notifies new standard or amendments to the existing standards. During the year, no new standard or modifications in existing standards has been notified which will be applicable from April 1, 2021 or thereafter.

NOTES TO FINANCIAL STATEMENTS

Note - 1B: SIGNIFICANT ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Group continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognised prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

A. JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following judgements, which have the significant effect on the amounts recognised in the consolidated financial statements:

Materiality

Ind AS requires assessment of materiality for accounting and disclosure of various transactions in the financial statements. Accordingly, the Group assesses materiality limits for various items for accounting and disclosures and follows on a consistent basis. Overall materiality is also assessed based on various financial parameters such as Gross Block of assets, Net Block of Assets, Total Assets, Revenue and Profit Before Tax. The materiality limits are reviewed and approved by the Board of the Holding Company.

Oil & Gas Reserves

The determination of the group's estimated oil reserves requires significant judgements and estimates to be applied and these are regularly reviewed and updated. Reserves are estimated using independent reservoir engineering reports and factors such as the availability of geological and engineering data, reservoir performance data, acquisition and divestment activity, drilling of new wells, and commodity prices all impact on the determination of the group's estimates of its oil reserves. Independent reservoir engineers perform evaluations of the Corporation's oil and natural gas reserves on an annual basis The group determines its proved reserves estimates on the requirement of reasonable certainty with rigorous technical and commercial assessments based on conventional industry practice and regulatory requirements. Refer note-35 for related disclosure.

Intangible Asset under Development

Acquisition costs and drilling of exploratory well costs are capitalised as intangible asset under development and are reviewed at each reporting date to confirm that exploration drilling is still under way or work has been determined / under way to determine that the discovery is economically viable based on a range of technical & commercial considerations and for establishing development plans and timing , sufficient / reasonable progress is being made. If no future activity is planned on reasonable grounds / timeframes, Intangible asset under development and property acquisition costs is written off. Upon start of production from field and recognition of proved reserves, cost carried as intangible asset under development is transferred to producing properties. Also refer Note-35 for related disclosures.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. Refer Note-37 for the related disclosures.

B. ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Defined benefit plans/ Other Long term employee benefits

The cost of the defined benefit plans and other long term employee benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

NOTES TO FINANCIAL STATEMENTS

Note - 1B : SIGNIFICANT ACCOUNTING ESTIMATES & JUDGEMENTS (Contd..)

The parameter most subject to change is the discount rate. The management considers the interest rates of government securtities based on expected settlement period of various plans.

Further details about various employee benefit obligations are given in Note 36.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer note 40 for further disclosures of estimates and assumptions.

Impairment of financial assets

The impairment provisions for trade receivables are made considering simplified approach based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the company's past history and other factors at the end of each reporting period. In case of other financial assets, the Group applies general approach for recognition of impairment losses wherein the Group uses judgement in considering the probability of default upon initial recognition and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. Also refer Note-41 for impairment analysis and provision.

Provision for decommissioning

At the end of the operating life of the Corporation's facilities and properties and upon retirement of its oil and natural gas assets, decommissioning costs will be incurred. Estimates of these costs are subject to uncertainty associated with the method, timing and extent of future decommissioning activities. The liability, related asset and expense are impacted by estimates with respect to the costs and timing of decommissioning. Refer note-18 for the provisions in respect of decommissioning cost.

Income Taxes

The Group uses estimates and judgements based on the relevant facts, circumstances, present and past experience, rulings, and new pronouncements while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

NOTES TO FINANCIAL STATEMENTS

Note - 2 PROPERTY PLANT AND EQUIPMENT

Current Year

(₹ in Crore)

		Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant And Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	Producing Properties	Right of Use Assets (ROU)	Total
		(Refer A&F)	(Refer F)	(Refer B&F)								(Refer F&J)	
GROSS BLOCK	**Gross Block as at April 01, 2020**	**3,646.51**	**-**	**15,257.63**	**1,40,270.64**	**1,872.27**	**92.95**	**720.79**	**183.65**	**1,296.88**	**7,412.89**	**10,514.84**	**1,81,269.05**
	Additions during the year	206.95	-	153.05	3,673.08	248.28	10.39	31.52	14.60	(12.64)	272.30	1,558.29	6,155.82
	Transfers from construction work-in-progress	4.37	-	1,841.09	12,502.10	172.37	2.67	64.54	1.33	-	387.93	-	14,976.40
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	(76.86)	-	(136.78)	(989.09)	(104.79)	(1.80)	(14.83)	(0.56)	(0.12)	375.89	(480.32)	(1,429.26)
	Gross Block as at March 31, 2021 (Refer C)	**3,780.97**	**-**	**17,114.99**	**1,55,456.73**	**2,188.13**	**104.21**	**802.02**	**199.02**	**1,284.12**	**8,449.01**	**11,592.81**	**2,00,972.01**
DEPRECIATION & AMORTISATION	**Depreciation & Amortisation as at April 01, 2020**	**-**	**-**	**3,084.09**	**28,837.32**	**962.88**	**34.66**	**322.85**	**48.91**	**211.10**	**1,750.88**	**1,587.43**	**36,840.12**
	Depreciation & Amortisation during the year (Refer D)	-	-	806.41	7,613.39	335.31	9.38	76.30	14.71	50.42	457.57	1,201.23	10,564.72
	Disposals/ Deductions / Transfers/ Reclassifications/ FCTR	-	-	(16.46)	(216.24)	(84.13)	(1.05)	(8.14)	(0.02)	-	95.18	(370.44)	(601.30)
	Depreciation & Amortisation as at March 31, 2021	**-**	**-**	**3,874.04**	**36,234.47**	**1,214.06**	**42.99**	**391.01**	**63.60**	**261.52**	**2,303.63**	**2,418.22**	**46,803.54**
IMPAIRMENT	**Impairment Loss as at April 01, 2020**	**-**	**-**	**19.01**	**99.57**	**-**	**-**	**-**	**-**	**0.27**	**233.78**	**-**	**352.63**
	Impairment Loss during the year	-	-	-	3.70	-	-	-	-	-	93.25	-	96.95
	Impairment Loss reversed during the year/ FCTR	-	-	-	0.01	-	-	-	-	-	20.49	-	20.50
	Impairment Loss as at March 31, 2021	**-**	**-**	**19.01**	**103.28**	**-**	**-**	**-**	**-**	**0.27**	**347.52**	**-**	**470.08**
	Net Block as at March 31, 2021	**3,780.97**	**-**	**13,221.94**	**1,19,118.98**	**974.07**	**61.22**	**411.01**	**135.42**	**1,022.33**	**5,797.86**	**9,174.59**	**1,53,698.39**

Previous Year

(₹ in Crore)

		Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant And Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	Producing Properties	Right of Use Assets (ROU)	Total
		(Refer A&F)	(Refer F)	(Refer B&F)								(Refer F&J)	
GROSS BLOCK	**Gross Block as at April 01, 2019**	**3,086.05**	**416.49**	**13,595.54**	**1,30,031.21**	**1,472.79**	**77.91**	**632.11**	**164.17**	**1,252.32**	**6,759.03**	**-**	**1,57,487.62**
	Additions during the year	661.73	-	194.19	4,379.77	228.07	8.22	47.49	5.96	44.15	476.90	6,128.85	12,175.33
	Transfers from construction work-in-progress	-	-	1,753.88	10,463.75	278.23	11.69	55.59	13.89	0.46	448.64	-	13,026.13
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	(101.27)	(416.49)	(285.98)	(4,604.09)	(106.82)	(4.87)	(14.40)	(0.37)	(0.05)	(271.68)	4,385.99	(1,420.03)
	Gross Block as at March 31, 2020	**3,646.51**	**-**	**15,257.63**	**1,40,270.64**	**1,872.27**	**92.95**	**720.79**	**183.65**	**1,296.88**	**7,412.89**	**10,514.84**	**1,81,269.05**
DEPRECIATION & AMORTISATION	**Depreciation & Amortisation as at April 01, 2019**	**-**	**14.17**	**2,364.45**	**22,680.44**	**746.29**	**28.37**	**256.01**	**35.43**	**161.28**	**1,261.44**	**-**	**27,547.88**
	Depreciation & Amortisation during the year	-	-	729.76	7,056.11	292.04	8.84	73.92	13.50	49.83	420.15	918.83	9,562.98
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	-	(14.17)	(10.12)	(899.23)	(75.45)	(2.55)	(7.08)	(0.02)	(0.01)	69.29	668.60	(270.74)
	Depreciation & Amortisation as at March 31, 2020	**-**	**-**	**3,084.09**	**28,837.32**	**962.88**	**34.66**	**322.85**	**48.91**	**211.10**	**1,750.88**	**1,587.43**	**36,840.12**

NOTES TO FINANCIAL STATEMENTS

Note - 2 PROPERTY PLANT AND EQUIPMENT (Contd..)

Previous Year (Contd..)

(₹ in Crore)

		Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant And Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	Producing Properties	Right of Use Assets (ROU)	Total
		(Refer A&F)	(Refer F)	(Refer B&F)								(Refer F&J)	
IMPAIRMENT	**Total Impairment as at April 01, 2019**	-	-	14.77	50.62	-	-	-	-	0.19	227.04	-	292.62
	Impairment Loss during the year	-	-	4.24	48.95	-	-	-	-	0.08	-	-	53.27
	Impairment Loss reversed during the year/ FCTR	-	-	-	-	-	-	-	-	-	6.74	-	6.74
	Total Impairment as at March 31, 2020	-	-	19.01	99.57	-	-	-	-	0.27	233.78	-	352.63
	Net Block as at March 31, 2020	3,646.51		12,154.53	1,11,333.75	909.39	58.29	397.94	134.74	1,085.51	5,428.23	8,927.41	1,44,076.30

A. i) Freehold land includes ₹ **1.61 Crore** (2020: ₹ 22.38 Crore) lying vacant due to title disputes/ litigation.

ii) Out of the Freehold land measuring 1364.01 acres at Mathura and Agra regions, land measuring 50 acres (approx) has been acquired by NHAI as a part of the NH2 widening project for which the determination of value of compensation is pending. Accordingly, the value of land amounting to ₹ 1.18 Crore is continued to be included in Freehold land.

iii) Freehold Land includes ₹ 41.75 Crore of compensation paid in respect of land at Panipat Refinery as per District and High court orders of earlier dates, which was later quashed by subsequent High Court order dated 18.12.2019. Since, the process of recovery, for compensation already paid, has been stayed by Honble Supreme Court vide order dated 21.09.2020, necessary adjustment shall be made in the cost of the land upon actual recovery, if any.

B. i) Buildings include ₹ **0.01 Crore** (2020: ₹ 0.01 Crore) towards value of 1605 (2020: 1605) Shares in Co-operative Housing Societies towards membership of such societies for purchase of flats.

ii) Includes Roads, Bridges etc. (i.e. Assets other than Building) of Gross block amounting to ₹ **4,219.39 Crore** (2020: ₹ 3,547.27 Crore) and net block amounting to ₹ **2,390.91 Crore** (2020: ₹ 2,072.21 Crore) .

C. The cost of assets are net of GST ITC, wherever applicable.

D. Depreciation and amortisation for the year includes ₹ **18.33 Crore** (2020: ₹ 29.55 Crore) relating to construction period expenses shown in Note-2.2

E. Railways have claimed transfer of ownership in respect of certain assets provided by the Company at railway premises which has not been accepted by the Company and continue to be part of fixed to be part of Plant, Property & Equipment of the Company, WDV of such assets is ₹ **49.28 Crore** (2020: ₹ 51.14 Crore). This includes WDV of assets worth ₹ **17.91 Crore** (2020: ₹ 7.82 Crore) which are being used by other oil companies based on award of tender by Railways. However, considering the right on the assets and future commercial interest of the company, these assets are continued to be reflected as Property, Plant & Equipment.

F. Land and Buildings (Including ROU Asset) include ₹ **1,282.96 Crore** (2020: ₹ 1,020.61 Crore) in respect of which Title/ Lease Deeds are pending for execution or renewal.

G. For details regarding hypothecation/ pledge of assets, refer Note-16.

H. In accordance with the requirements prescribed under Schedule II to Companies Act, 2013, the Company has adopted useful lives as prescribed in that schedule except in some cases as per point no. 2.4.1 of significant accounting policies (Note-1).

I. The estimated residual value of movable assets provided at the residence of employees for official use under various approved schemes has been revised from 1% of original cost to Nil effective from April, 01, 2020. The impact on account of above change is increase in depreciation by ₹ 1.57 Crore during current year. Overall future impact on the assets existing as on 31.03.2021 will be ₹ 2.58 Crore by way of increase in depreciation over the remaining useful life of these assets, which will be offset by profit/ loss on sale of assets.

J. Leasehold Land (included in ROU Assets) includes an amount of ₹ **716.47 Crore** (2020: ₹ 716.41 Crore) for land Development Cost.

NOTES TO FINANCIAL STATEMENTS

Note - 2 : PROPERTY PLANT AND EQUIPMENT (Contd..)

Details of assets given on operating lease included in the above

(₹ in Crore)

Asset Particulars	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31-03-2021	W.D.V. as at 31-03-2020
Land - Freehold	16.23	-	-	**16.23**	11.42
ROU Asset (Land - Leasehold)	71.02	6.60	-	**64.42**	12.36
Buildings	159.14	15.12	0.17	**143.85**	31.08
Plant and Equipment	287.51	17.39	-	**270.12**	61.76
Office Equipment	11.04	2.18	-	**8.86**	1.80
Furniture	1.34	0.22	-	**1.12**	0.43
Drainage, Sewage & Water Supply	1.60	0.05	-	**1.55**	-

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

(₹ in Crore)

Assets Particulars	Name of Joint Owner*	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.21	W.D.V. as at 31.03.20
Land - Freehold	HPCL, BPCL	1.59	-	-	**1.59**	1.49
ROU Asset (Land - Leasehold)	BPCL	0.07	0.01	-	**0.06**	0.07
Buildings	HPCL, BPCL, Others	49.89	13.36	-	**36.53**	37.91
Plant and Equipment	HPCL, BPCL, RIL, Others	64.26	19.16	-	**45.10**	45.88
Office Equipments	BPCL	0.51	0.20	-	**0.31**	0.45
Railway Sidings	HPCL, BPCL	15.50	5.99	-	**9.51**	9.83
Drainage,Sewage & Water Supply	HPCL, BPCL, GSFC	0.45	0.08	-	**0.37**	1.69
Total		**132.27**	**38.80**	**-**	**93.47**	**97.32**

*HPCL: Hindustan Petroleum Corporation Ltd., BPCL: Bharat Petroleum Corporation Ltd., GSFC: Gujarat State Fertilizers & Chemicals Ltd., RIL: Reliance Industries Ltd.

Additions to Gross Block Includes:

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	31.03.21	31.03.20	31.03.21	31.03.20
Buildings	**(5.30)**	17.65	**3.11**	0.79
Plant and Equipment	**(252.84)**	832.09	**213.90**	26.12
Office Equipments	**(0.04)**	-	**-**	0.06
Drainage,Sewage & Water Supply	**(12.64)**	42.17	**-**	0.01
Total	**(270.82)**	**891.91**	**217.01**	**26.98**

NOTES TO FINANCIAL STATEMENTS

Note - 2.1 : CAPITAL WORK IN PROGRESS

Current Year

(₹ in Crore)

Particulars	Construction Work in Progress - Tangible Assets	Capital Stores	Capital Goods in Transit	Construction Period Expenses pending allocation	Total
	Refer-A	Refer-B			
Balance as at beginning of the year	22,003.77	5,630.15	620.03	1,418.40	29,672.35
Additions during the year	17,133.31	2,979.08	862.38	-	20,974.77
Net expenditure during the year (Note - 2.2)	-	-	-	1,400.36	1,400.36
Transfer to Property, Plant and Equipment (Note 2)	(14,976.40)	-	-	-	(14,976.40)
Transfer to Property, Plant and Equipment - Direct Addition (Note 2)	-	-	(26.73)	-	(26.73)
Transfer to Statement of Profit and Loss	(1.56)	(0.26)	-	-	(1.82)
Other Allocation/ Adjustment during the year	1,673.30	(4,202.60)	(701.40)	(649.65)	(3,880.35)
	25,832.42	4,406.37	754.28	2,169.11	33,162.18
Provision for Capital Losses	(185.15)	(23.87)	-	-	(209.02)
Closing Balance	25,647.27	4,382.50	754.28	2,169.11	32,953.16

Previous Year

(₹ in Crore)

Particulars	Construction Work in Progress - Tangible Assets	Capital Stores	Capital Goods in Transit	Construction Period Expenses pending allocation	Total
	Refer-A	Refer-B			
Balance as at beginning of the year	16,750.29	4,739.16	1,049.95	908.19	23,447.59
Opening Balance Adjustment	-	-	-	60.34	60.34
Additions during the year	15,626.82	4,608.65	592.69	-	20,828.16
Net expenditure during the year (Note - 2.2)	-	-	-	970.32	970.32
Transfer to Property, Plant and Equipment (Note 2)	(13,026.13)	-	-	-	(13,026.13)
Transfer to Property, Plant and Equipment - Direct Addition (Note 2)	-	-	(14.45)	-	(14.45)
Transfer to Statement of Profit and Loss	(10.60)	(0.02)	-	(4.04)	(14.66)
Other Allocation/ Adjustment during the year	2,663.39	(3,717.64)	(1,008.16)	(516.41)	(2,578.82)
	22,003.77	5,630.15	620.03	1,418.40	29,672.35
Provision for Capital Losses	(27.74)	(15.75)	-	-	(43.49)
Closing Balance	21,976.03	5,614.40	620.03	1,418.40	29,628.86

A. Includes **₹ 345.06 Crore** (2020: ₹ 345.97 Crore) towards Capital Expenditure relating to ongoing Oil & Gas Exploration & Production activities

B. Includes **₹ 689 Crore** (2020: ₹ 466.13 Crore) towards Stock lying with Contractors

NOTES TO FINANCIAL STATEMENTS

Note - 2.2 : CONSTRUCTION PERIOD EXPENSES (NET) DURING THE YEAR

(₹ in Crore)

Particulars		March 31, 2021	March 31, 2020
Employee Benefit Expenses		**446.06**	399.41
Repairs and Maintenance		**5.82**	4.12
Consumption of Stores and Spares		**0.20**	-
Power & Fuel		**58.53**	163.09
Rent		**11.47**	8.36
Rates and Taxes		**2.69**	3.19
Travelling Expenses		**59.24**	57.49
Communication Expenses		**1.78**	1.63
Printing and Stationery		**0.81**	0.69
Electricity and Water Charges		**6.76**	25.94
Bank Charges		**0.06**	0.09
Technical Assistance Fees		**2.40**	0.62
Finance Costs	A	**724.96**	233.95
Depreciation, Amortisation and Impairment on :			
Tangible Assets		**18.33**	29.55
Intangible Assets		**0.30**	0.03
Start Up/ Trial Run Expenses (net of revenue)		**5.30**	(10.15)
Others		**70.36**	76.30
Total Expenses		**1,415.07**	**994.31**
Less : Recoveries		**14.71**	23.99
Net Expenditure during the year		**1,400.36**	**970.32**

A. Rate of Specific borrowing eligible for capitalisation is 1.08% to 8.12% (2020: 3.15% to 8.4%)

NOTES TO FINANCIAL STATEMENTS

Note - 3 : INTANGIBLE ASSETS

Current Year

(₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
GROSS BLOCK	**Gross Block as at April 01, 2020**	919.57	2,955.11	251.63	4,126.31
	Additions during the year	350.71	28.00	31.62	410.33
	Transfers from Intangible Assets under Development	-	276.21	90.99	367.20
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	0.02	(66.01)	0.12	(65.87)
	Gross Block as at March 31, 2021 (Refer C)	1,270.30	3,193.31	374.36	4,837.97
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**Total Amortisation as at April 01, 2020**	14.37	608.01	169.01	791.39
	Amortisation during the year	5.01	206.56	86.83	298.40
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	(0.01)	(14.32)	0.16	(14.17)
	Total Amortisation as at March 31, 2021	19.37	800.25	256.00	1,075.62
	Total Impairment as at April 01, 2020	0.27	389.84	0.01	390.12
	Impairment Loss during the year	-	-	0.01	0.01
	Impairment Loss reversed during the year	-	(13.14)	-	(13.14)
	Total Impairment as at March 31, 2021	0.27	376.70	0.02	376.99
	Net Block as at March 31, 2021	1,250.66	2,016.36	118.34	3,385.36

Previous Year

(₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
GROSS BLOCK	**Gross Block as at April 01, 2019**	613.18	2,479.53	196.75	3,289.46
	Additions during the year	306.39	8.36	40.55	355.30
	Transfers from Intangible Assets under Development	-	318.02	18.09	336.11
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	-	149.20	(3.76)	145.44
	Gross Block as at March 31, 2020	919.57	2,955.11	251.63	4,126.31
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**Amortisation as at April 01, 2019**	9.36	323.58	110.64	443.58
	Amortisation during the year	5.01	257.90	58.57	321.48
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	-	26.54	(0.20)	26.34
	Amortisation as at March 31, 2020	14.37	608.02	169.01	791.40
	Impairment Losss as at April 01, 2019	0.27	-	0.01	0.28
	Impairment Loss during the year	-	365.24	-	365.24
	Impairment Loss reversed during the year	-	24.60	-	24.60
	Impairment Loss as at March 31, 2020	0.27	389.84	0.01	390.12
	Net Block as at March 31, 2020	904.93	1,957.25	82.61	2,944.79

A. Amortisation for the year includes ₹ **0.30 Crore** (2020: ₹ 0.03 Crore) relating to construction period expenses taken to Note 2.2

B. Net Block of Intangible assets with indefinite useful life:

(₹ in Crore)

	March 31, 2021	March 31, 2020
Right of Way	1,243.77	893.04

Right of way for laying pipelines are acquired on a perpetual basis.

NOTES TO FINANCIAL STATEMENTS

Note - 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

Current Year

(₹ in Crore)

	Total
Balance as at beginning of the year	**5,552.44**
Net expenditure during the year	**558.05**
Transfer to Intangible Assets (Note 3)	**(367.20)**
Transfer to Statement of Profit and Loss	**(46.22)**
Other Allocation/ Adjustment during the year	**278.58**
	5,975.65
Provision for Loss	**(2,638.27)**
Closing Balance	**3,337.38**

Previous Year

(₹ in Crore)

	Total
Balance as at beginning of the year	**5,119.54**
Net expenditure during the year	726.47
Transfer to Intangible Assets (Note 3)	(336.11)
Transfer to Statement of Profit and Loss	(0.01)
Other Allocation/ Adjustment during the year	42.55
	5,552.44
Provision for Loss	(2,336.46)
Closing Balance	**3,215.98**

Intangible assets under development are mainly in the nature of Exploration & Production Blocks and Licences & Computer Softwares. Amount above Includes **₹1,858.78 Crore** (2020:₹1,637.35 Crore) towards Capital Expenditure (Net) relating to ongoing Oil & Gas Exploration & Production activities

Note - 4 : INVESTMENTS

	Investment Currency	Face Value/ Paid up Value	March 31,2021		March 31,2020	
			Number	Carrying/ Fair Value ₹ in Crore	Number	Carrying/ Fair Value ₹ in Crore
NON-CURRENT INVESTMENTS :						
A In Associates (Equity Method*):						
QUOTED:						
Petronet LNG Limited	Indian Rupees	10	**187500000**	**1,465.65**	187500000	1,418.66
UNQUOTED:						
Avi-Oil India Private Limited	Indian Rupees	10	**4500000**	**17.47**	4500000	16.62
Petronet India Limited (under liquidation)	Indian Rupees	0.10	**18000000**	**0.47**	18000000	0.47
Petronet VK Limited	Indian Rupees	10	**50000000**	**0.02**	50000000	0.02
Sub-total: (I)(A)				**1,483.61**		**1,435.77**

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

	Investment Currency	Face Value/ Paid up Value	March 31,2021		March 31,2020	
			Number	Carrying/ Fair Value ₹ in Crore	Number	Carrying/ Fair Value ₹ in Crore
B In Joint Ventures (Equity Method*):						
UNQUOTED:						
Indian Oiltanking Limited	Indian Rupees	10	**494828289**	**681.08**	494828289	628.37
Indian Oil Panipat Power Consortium Limited	Indian Rupees	10	**-**	**-**	840000	-
Lubrizol India Private Limited	Indian Rupees	100	**499200**	**179.69**	499200	175.35
Indian Oil Petronas Private Limited	Indian Rupees	10	**134000000**	**632.86**	134000000	650.64
Petronet CI Limited (under liquidation)	Indian Rupees	10	**3744000**	**-**	3744000	-
Green Gas Limited	Indian Rupees	10	**23042250**	**165.96**	23042250	141.37
IndianOil SkyTanking Private Limited	Indian Rupees	10	**25950000**	**84.90**	25950000	79.75
Suntera Nigeria 205 Limited	Naira	1	**2500000**	**-**	2500000	-
Delhi Aviation Fuel Facility Private Limited	Indian Rupees	10	**60680000**	**91.97**	60680000	100.52
Indian Synthetic Rubbers Private Limited	Indian Rupees	10	**222861375**	**199.30**	222861375	81.21
NPCIL-IndianOil Nuclear Energy Corporation Limited	Indian Rupees	10	**260000**	**0.37**	260000	0.35
GSPL India Gasnet Limited	Indian Rupees	10	**413925030**	**402.66**	244925030	229.39
GSPL India Transco Limited	Indian Rupees	10	**151320000**	**124.70**	127920000	118.19
Indian Oil Adani Gas Private Limited	Indian Rupees	10	**432245000**	**416.09**	291000000	284.01
Mumbai Aviation Fuel Farm Facility Private Limited	Indian Rupees	10	**48288750**	**87.62**	48288750	86.95
Kochi Salem Pipeline Private Limited	Indian Rupees	10	**202500000**	**192.94**	152500000	144.94
IndianOil LNG Private Limited	Indian Rupees	10	**5000**	**-**	5000	-
Hindustan Urvarak and Rasayan Limited	Indian Rupees	10	**1131765000**	**1,129.67**	751085000	753.83
Ratnagiri Refineries & Petrochemicals Limited	Indian Rupees	10	**100000000**	**63.82**	100000000	72.55
Indradhanush Gas Grid Limited	Indian Rupees	10	**61000000**	**57.92**	12000000	8.51
IHB Private Limited	Indian Rupees	10	**829000000**	**829.51**	52500000	49.90
IndianOil Total Private Limited	Indian Rupees	10	**7500000**	**6.39**	-	-
Indian Additives Ltd.	Indian Rupees	100	**1183401**	**198.51**	1183401	178.92
National Aromatics and Petrochemical Corporation Limited	Indian Rupees	10	**25000**	**-**	25000	-
VANKOR India Pte Ltd	USD	1	**568968589**	**4527.61**	568968589	4,885.13
TAAS India Pte Ltd	USD	1	**407941730**	**3296.87**	407941730	3,119.36
Urja Bharat Pte. Ltd.	USD	1	**32500100**	**110.61**	15000100	-
Falcon Oil & Gas BV	USD	1	**30**	**45.42**	30	347.22
Beximco IOC Petroleum & Energy Limited	Bangladeshi Taka	10	**500000**	**0.04**	-	-
Sub-total: (I)(B)				**13,526.51**		**12,136.46**
Total Investments in Associates & JVs [(I)(A)+(I)(B)]				**15,010.12**		**13,572.23**

*Investment in Joint Ventures/ Associates have been shown as per equity method of consolidation. Accordingly, carrying value of investments have been reduced by share of losses and wherever other long term interest in the entity exists, unadjusted losses,if any, have been set-off against such interest.

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

Particulars	Investment Currency	Face Value/ Paid up Value	March 31, 2021		March 31, 2020	
			Number	Carrying/ Fair Value ₹ in Crore	Number	Carrying/ Fair Value ₹ in Crore
C. In Others						
Investments designated at fair value through OCI:						
QUOTED:						
Oil and Natural Gas Corporation Limited	Indian Rupees	5	**986885142**	**10,081.03**	986885142	6,740.43
GAIL (India) Limited	Indian Rupees	10	**108905460**	**1,475.67**	108905460	833.67
Oil India Limited	Indian Rupees	10	**53501100**	**656.99**	53501100	442.18
Phinergy Ltd	USD	148	**82770**	**118.39**	-	-
UNQUOTED:						
International Cooperative Petroleum Association, New York	USD	100	**350**	**0.02**	350	0.02
Haldia Petrochemical Limited	Indian Rupees	10	**150000000**	**855.40**	150000000	384.30
Vadodara Enviro Channel Limited[a]	Indian Rupees	10	**7151**	**-**	7151	-
Woodlands Multispeciality Hospital Limited	Indian Rupees	10	**101095**	**0.10**	101095	0.10
Shama Forge Co. Limited [b] (under liquidation)	Indian Rupees	10	**100000**	**-**	100000	-
BioTech Consortium India Ltd	Indian Rupees	10	**100000**	**0.10**	100000	0.10
Ceylon Petroleum Storage Terminal Limited	Sri Lankan Rupees	17.576	**250000000**	**261.31**	250000000	318.14
Lanzatech New Zealand Limited	USD	19.9294	**1204251**	**161.13**	1204251	151.90
Carabobo Ingenieria Y Construcciones S.A.	USD		**12.1% of Capital Stock**	**6.44**	12.1% of Capital Stock	6.61
Petrocarabobo S.A.	USD		**3.5% of Capital Stock**	**339.64**	3.5% of Capital Stock	438.44
Phinergy Ltd	USD	148	**-**	**-**	82770	92.24
Mer Rouge Oil Storage Terminal Co Ltd ("MOST")	Mauritian Rupees	1000	**5000**	**5.67**	5000	6.07
In Consumer Cooperative Societies:						
Barauni[c]	Indian Rupees	10	**250**	**-**	250	-
Guwahati[d]	Indian Rupees	10	**750**	**-**	750	-
Mathura[e]	Indian Rupees	10	**200**	**-**	200	-
Haldia[f]	Indian Rupees	10	**2190**	**-**	2190	-
In Indian Oil Cooperative Consumer Stores Limited, Delhi[g]	Indian Rupees	10	**375**	**-**	375	-
MRL Industrial Cooperative Service Society Ltd	Indian Rupees	10	**9000**	**0.01**	9000	0.01
Sub-total: (I)(C)				**13,961.90**		**9,414.21**
Sub-total: (I)=[(I)(A)+(I)(B)+(I)(C)]				**28,972.02**		**22,986.44**

NOTES TO FINANCIAL STATEMENTS

Note - 4: INVESTMENTS (Contd...)

Particulars	Investment Currency	Face Value/ Paid up Value	March 31, 2021		March 31, 2020	
			Number	Carrying/ Fair Value ₹ in Crore	Number	Carrying/ Fair Value ₹ in Crore
II In Preference Shares						
Investments at fair value through profit or loss						
UNQUOTED:						
Shama Forge Co. Limited[h] (under liquidation)	Indian Rupees	100	5000	-	5000	-
9.5% Cumulative Redeemable Preference Shares						
Sub-total: (II)				-		-
III In Government Securities						
Investments at fair value through OCI						
QUOTED:						
Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	-	-	3000000	3,087.07
9.15% Govt Stock 2024	Indian Rupees	10000	1960000	2,263.75	6000	6.97
7.35% Govt Stock 2024	Indian Rupees	10000	695000	752.49	695000	751.38
Sub-total: (III)				3,016.24		3,845.42
IV In Debentures or Bonds						
(Investments in JV adjusted for equity method)						
UNQUOTED:						
IndianOil LNG Pvt Limited	Indian Rupees	1000000	36650	3,445.95	6,530	447.83
(7.45% Fully and Compulsorily Convertible Debentures)						
Sub-total: (IV)				3,445.95		447.83
Total Other Investments [(I)(C)+(II)+(III)+(IV)]				20,424.09		13,707.46
Total Non Current Investments (I+II+III+IV)				35,434.21		27,279.69
CURRENT INVESTMENTS :						
Unquoted: (at fair value through profit or loss)						
Unit Trust Investment (NAV)	Sri Lankan Rupees			289.02		173.93
Investment through portfolio management services	Sri Lankan Rupees			126.30		30.86
In Government Securities (at fair value through OCI)						
QUOTED:						
Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	8261020	8,867.29	5366020	5,818.99
9.15% Govt Stock 2024	Indian Rupees	10000	-	-	1954000	2,267.40
				9,282.61		8,291.18

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Aggregate carrying value of quoted investments	**25,681.26**	21,366.75
Aggregate market value of quoted investments	**28,427.80**	23,692.47
Aggregate carrying value of unquoted investments	**19,035.56**	14,204.12
Aggregate amount of impairment in value of investments	**-**	-

Note: A

Investment in Oil Marketing Companies GOI Special Bonds consists of:

Nature of Bond	No. of Bonds	Face Value (₹ in Crore)	Fair value (₹ in Crore)
Current investment:			
8.13% GOI SPECIAL BONDS 2021	78,000	78.00	82.66
7.95% GOI SPECIAL BONDS 2025	4,57,250	457.25	498.71
8.20% GOI SPECIAL BONDS 2023	14,53,510	1,453.51	1,604.41
6.90% GOI SPECIAL BONDS 2026	29,77,930	2,977.93	3,109.44
8.00% GOI SPECIAL BONDS 2026	1,89,270	189.27	204.78
8.20% GOI SPECIAL BONDS 2024	31,05,060	3,105.06	3,367.29
Total Current Investments	**82,61,020**	**8,261.02**	**8,867.29**

Note: B - Other Disclosures

1 During the year, Oil Marketing Companies 6.90% special Bonds of investment value of ₹ 3,000 Crore is reclassified from non current investments to current investment and 9.15% Govt Stock 2024 of investment value of ₹ 2,236.07 Crore is reclassified from current investments to non current investment

2 Out of Government Securities classified as non-current, the following are pledged in favour of Clearing Corporation of India Ltd. (CCIL) for Loans through Tri-party Repo Segment (TREPS) of CCIL.

(₹ in Crore)

Nature of Bonds	March 31,2021		March 31,2020	
	Face Value	Carrying Value	Face Value	Carrying Value
9.15% GOVT.STOCK 2024	**1,960.00**	**2,263.75**	6.00	6.97
7.35% GOVT.STOCK 2024	**695.00**	**752.49**	695.00	751.38
Oil Marketing Companies GOI Special Bonds	**-**	**-**	3,000.00	3,087.07

3 Following are not reflecting above due to rounding off:-

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
a Vadodara Enviro Channel Limited	**10**	10
b Shama Forge Co. Limited	**100**	100
c Barauni Consumer Cooperative Societies	**2,500**	2,500
d Guwahati Consumer Cooperative Societies	**2,500**	2,500
e Mathura Consumer Cooperative Societies	**2,000**	2,000
f Haldia Consumer Cooperative Societies	**16,630**	16,630
g Indian Oil Cooperative Consumer Stores Limited, Delhi	**3,750**	3,750
h Shama Forge Co. Limited	**100**	100

NOTES TO FINANCIAL STATEMENTS

Note - 5 : LOANS

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Security Deposits				
To Others				
Secured, Considered Good	**0.09**	0.08	**-**	-
Unsecured, Considered Good	**167.72**	151.99	**318.85**	321.88
Credit Impaired	**-**	0.10	**1.40**	1.40
	167.81	**152.17**	**320.25**	**323.28**
Less : Allowance for Doubtful Deposits	**-**	0.10	**1.40**	1.40
	167.81	**152.07**	**318.85**	**321.88**
Loans				
To Related Parties				
Secured, Considered Good	**0.17**	96.12	**104.69**	0.03
Unsecured, Considered Good	**15.11**	125.24	**162.03**	0.19
Credit Impaired	**-**	-	**2.25**	2.25
	15.28	**221.36**	**268.97**	**2.47**
Less : Allowance for Doubtful Loans	**-**	-	**2.25**	2.25
	15.28	**221.36**	**266.72**	**0.22**
To Others				
Secured, Considered Good	**940.68**	854.75	**115.95**	114.60
Unsecured, Considered Good	**1,747.97**	1,971.80	**321.46**	617.13
Which have significant increase in Credit Risk	**215.03**	422.58	**17.44**	134.71
Credit Impaired	**348.75**	74.86	**206.31**	52.75
	3,252.43	**3,323.99**	**661.16**	**919.19**
Less : Allowance for Doubtful Loans	**820.28**	402.76	**258.12**	151.65
	2,432.15	**2,921.23**	**403.04**	**767.54**
	2,447.43	**3,142.59**	**669.76**	**767.76**
TOTAL	**2,615.24**	**3,294.66**	**988.61**	**1,089.64**

Note - 6: OTHER FINANCIAL ASSETS(Unsecured, Considered Good at amortised cost unless otherwise stated)

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Advances for Investments	A	**1,460.64**	1,314.94		
Amount Recoverable from Central/State Governments		**-**	-	**681.45**	13,297.82
Finance Lease Receivables		**1.93**	32.45	**2.13**	33.32
Deposits for Leave Encashment Fund		**111.08**	80.83	**-**	-

NOTES TO FINANCIAL STATEMENTS

Note - 6: OTHER FINANCIAL ASSETS(Unsecured, Considered Good at amortised cost unless otherwise stated) (Contd..)

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Interest Accrued on Investments/ Bank Deposits/ Loans	-	-	0.77	1.72
Derivative Instruments at Fair Value	-	-	45.13	131.11
Advance to Employee Benefits Trusts/Funds	-	-	870.53	141.19
Bank Deposits (with more than 12 months maturity)	376.09	1.78	1.78	1.48
Claims Recoverable:				
From Related Parties				
Unsecured, Considered Good	-	-	-	0.09
Unsecured, Considered Doubtful	-	-	22.66	22.66
	-	-	22.66	22.75
From Others				
Unsecured, Considered Good	-	-	116.68	164.81
Unsecured, Considered Doubtful	-	-	118.58	61.84
	-	-	235.26	226.65
Less : Provision for Doubtful Claims	-	-	141.24	84.50
	-	-	94.02	142.15
	-	-	116.68	164.90
Others:				
Unsecured, Considered Good	2.76	0.85	206.59	568.65
Which have significant increase in Credit Risk	-	-	402.54	-
Credit Impaired	-	-	3.04	6.26
	2.76	0.85	612.17	574.91
Less: Allowance for doubtful asset	-	-	74.60	6.26
	2.76	0.85	537.57	568.65
TOTAL	1,952.50	1,430.85	2,256.04	14,340.19

A. Advances for equity pending allotment.

Note - 7 : INCOME TAX/CURRENT TAX ASSET/ (LIABILITY) - NET

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Income/Current Tax Asset/ (Liability) - Net				
Advance payments for Current Tax	21,340.87	23,864.04	4,703.29	66.28
Less : Provisions	18,860.96	19,627.84	5,505.81	10.66
Income/Current Tax Asset/ (Liability) - Net	2,479.91	4,236.20	(802.52)	55.62
TOTAL	2,479.91	4,236.20	(802.52)	55.62

NOTES TO FINANCIAL STATEMENTS

Note - 8: OTHER ASSETS (NON FINANCIAL) (Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Advances for Capital Expenditure				
To Others				
Secured, Considered Good	21.01	10.42	-	-
Unsecured, Considered Good	1,115.53	1,280.98	-	-
Unsecured, Considered Doubtful	9.36	-	-	-
	1,145.90	1,291.40	-	-
Less: Provision for Doubtful Advances	9.36	-	-	-
	1,136.54	1,291.40	-	-
Advances Recoverable				
From Related Parties				
Unsecured, Considered Good	719.76	486.23	22.69	22.49
From Others				
Unsecured, Considered Good	14.90	15.81	2,179.04	2,560.41
Unsecured, Considered Doubtful	-	-	292.62	6.76
	14.90	15.81	2,471.66	2,567.17
Less : Provision for Doubtful Advances	-	-	292.62	6.76
	14.90	15.81	2,179.04	2,560.41
	734.66	502.04	2,201.73	2,582.90
Claims Recoverable:				
From Related Parties				
Unsecured, Considered Good	-	-	7.12	8.22
Unsecured, Considered Doubtful	-	-	2.61	2.61
	-	-	9.73	10.83
From Others				
Unsecured, Considered Good	-	-	663.37	722.08
Unsecured, Considered Doubtful	-	-	99.01	95.07
	-	-	762.38	817.15
Less : Provision for Doubtful Claims	-	-	101.62	97.68
	-	-	660.76	719.47
	-	-	670.49	730.30
Balance/ Deposits with Government Authorities				
Unsecured, Considered Good	-	-	520.70	453.25
Gold / Other Precious Metals	-	-	71.31	70.30
Less : Provision for Diminution in value	-	-	-	10.72
	-	-	71.31	59.58
Deferred Expenses	948.88	1,057.25	116.88	299.16
Prepaid Rentals	29.96	42.49	63.62	17.18
Pre-Spent Corporate Social Responsibility Expenses	-	-	118.37	-
Others	-	-	22.96	14.83
TOTAL	2,850.04	2,893.18	3,786.06	4,157.20

NOTES TO FINANCIAL STATEMENTS

Note - 9 : INVENTORIES

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
In Hand :		
Raw Materials	**18,756.61**	15,185.55
Stock in Process	**6,263.12**	5,713.98
Finished Products	**31,473.92**	27,537.00
Stock in Trade	**6,703.39**	6,474.69
Stores, Spares etc.	**5,036.71**	4,752.28
Less : Provision for Losses	**229.17**	224.88
	4,807.54	**4,527.40**
Barrels and Tins	**106.30**	63.18
	68,110.88	**59,501.80**
In Transit :		
Raw Materials	**11,268.13**	4,913.47
Finished Products	**1,112.22**	599.11
Stock in Trade	**2,728.98**	1,775.24
Stores, Spares etc.	**207.25**	221.14
	15,316.58	**7,508.96**
TOTAL	**83,427.46**	**67,010.76**

Amount of write down of inventories carried at NRV and recognised as Expense.	**504.25**	1,455.71
Amount of write down of inventories carried at NRV and recognised as Exceptional Item.	**-**	11,304.64

Valuation of inventories are done as per point no. 7 of significant accounting policies (Note - 1).

For hypothecation details refer Note-21.

Note - 10 : TRADE RECEIVABLES (At amortised cost)

(₹ in Crore)

Particulars		March 31, 2020	March 31, 2020
From Related Parties			
Unsecured, Considered Good		**283.31**	167.23
Credit Impaired		**7.03**	-
		290.34	**167.23**
From Others			
Secured Considered Good		**21.40**	13.64
Unsecured, Considered Good		**11,534.02**	13,091.48
Which have significant increase in Credit Risk		**2,399.55**	-
Credit Impaired		**166.97**	134.77
		14,121.94	**13,239.89**
Total		**14,412.28**	**13,407.12**
Less : Allowance for Doubtful Debts	A	**612.00**	147.64
		13,800.28	**13,259.48**
TOTAL		**13,800.28**	**13,259.48**

A. Includes provision of as per expected Credit Loss method as per accounting policy	**13.22**	12.87

NOTES TO FINANCIAL STATEMENTS

Note - 11 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Bank Balances with Scheduled Banks :		
In Current Account	**545.91**	931.22
In Fixed Deposit - Maturity within 3 months	**34.41**	407.89
	580.32	**1,339.11**
Bank Balances with Non-Scheduled Banks	**189.00**	93.27
Cheques, Drafts in hand	**11.54**	1.75
Cash in Hand, Including Imprest	**0.38**	0.48
TOTAL	**781.24**	**1,434.61**

Note - 12 : BANK BALANCES OTHER THAN ABOVE

(₹ in Crore)

Particulars		March 31, 2021	March 31, 2020
Fixed Deposits	A	**348.09**	812.31
Earmarked Balances	B	**1,344.67**	48.31
Blocked Account	C	**0.72**	0.74
Other Bank Balances	D	**0.01**	0.01
TOTAL		**1,693.49**	**861.37**
A) Earmarked in favour of Statutory Authorities.		**12.91**	8.17
B) Pertains to			
- Unpaid Dividend		**44.78**	48.29
- Fractional Share Warrants		**0.02**	0.02
- Interim Dividend Declared but not Disbursed (including TDS)		**1,299.87**	
C) There exists restrictions on banking transactions in Libya due to political unrest.			
D) There exists restrictions on repatriation from bank account in Myanmar.			

Note -13 : ASSETS HELD FOR SALE

(₹ in Crore)

Particulars	Note	March 31, 2021	March 31, 2020
Freehold land	A	**1.56**	1.56
Building	B	**0.17**	0.30
Plant and Equipment	B	**190.90**	232.73
Office Equipment	B	**0.23**	0.59
Transport Equipment	B	**0.02**	0.02
Furniture and Fixtures	B	**0.02**	0.03
Total		**192.90**	**235.23**

A. The Group has surplus land at various locations such as LPG Plant, Depots and RO's etc. which is under the process of disposal. The management intends to sell the land. No impairment was recognised on reclassification of land as held for sale as the Group expects that the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount.

B. Includes non current assets retired from active use earlier used in various segments and held for disposal through tendering process within a year.

During the year, the Group has recognised impairment loss of ₹ **30.00 Crore** (2020: ₹ 42.39 Crore) on write-down of asset to fair value less costs to sell and the same has been shown in Provision/loss on Other Assets sold or written off under 'Other Expenses' in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS

Note - 14 : EQUITY SHARE CAPITAL

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Authorised:		
15,00,00,00,000 Equity Shares of ₹ 10 each	**15,000.00**	**15,000.00**
Issued Subscribed and Paid Up:		
9,41,41,58,922 (2020: 9,41,41,58,922)	**9,414.16**	9,414.16
Equity Shares of ₹ 10 each fully paid up		
Less: Equity Shares held under IOC Shares Trust	**233.12**	233.12
23,31,18,456 (2020: 23,31,18,456)		
Equity Shares of ₹ 10 each fully paid up		
TOTAL	**9,181.04**	**9,181.04**
A. Reconciliation of No. of Equity Shares		
Opening Balance	**9,41,41,58,922**	9,41,41,58,922
Closing Balance	**9,41,41,58,922**	9,41,41,58,922

B. Terms/Rights attached to Equity Shares

The Holding Company has only one class of equity shares having par value of ₹ 10 each and is entitled to one vote per share. In the event of liquidation of the corporation, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

IOC Shares Trust (Shareholder) has waived its right to receive the dividend w.e.f. 02.03.2020.

C. Details of shareholders holdings more than 5% shares

Name of Shareholder	March 31, 2021		March 31, 2020	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
THE PRESIDENT OF INDIA	**4848133178**	**51.50**	4848133178	51.50
OIL AND NATURAL GAS CORPORATION LIMITED	**1337215256**	**14.20**	1337215256	14.20
LIFE INSURANCE CORPORATION OF INDIA	**722680547**	**7.68**	610467282	6.48
OIL INDIA LIMITED	**485590496**	**5.16**	485590496	5.16

D. For the period of preceding five years as on the Balance Sheet date, the:

(a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	Nil
(b) Aggregate number of shares allotted as fully paid up by way of bonus shares:	
- During FY 2016-17 (October 2016) in ratio of 1:1	2427952482
- During FY 2017-18 (March 2018) in ratio of 1:1	4855904964
(c) Aggregate number and class of shares bought back - During FY 2018-19 (February 2019)	297651006

NOTES TO FINANCIAL STATEMENTS

Note - 15: OTHER EQUITY

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Retained Earnings		
General Reserve:		
Opening Balance	74,381.17	81,462.94
Add: Remeasurement of Defined Benefit Plans	13.98	(138.17)
Add : Transfer from Export profit Reserve	53.72	-
Add: Other Adjustment in JVs/Adj in Opening Balance	(1.08)	(0.16)
Add: Appropriation from Surplus	11,845.00	(6,943.44)
	86,292.79	74,381.17
Surplus (Balance in Statement of Profit and Loss):		
Opening Balance	1,599.93	1,391.47
Profit for the Year	21,638.21	(893.14)
Add: Opening Balance Adjustment	(28.20)	(14.88)
Less: Appropriations		
Interim Dividend	9,640.47	3,902.09
Final Dividend	-	918.25
Dividend Distribution Tax on:		
Interim Dividend	-	799.27
Final Dividend	-	187.31
Insurance Reserve (Net)	11.05	20.00
Corporate Social Responsibility Reserve (Net)	0.24	0.04
General Reserve	11,845.00	(6,943.44)
Balance carried forward to next year	1,713.18	1,599.93
	88,005.97	75,981.10
Other Reserves:		
Bond Redemption Reserve	3,171.39	3,171.39
Capital Redemption Reserve Account	298.06	298.06
Capital Reserve		
Opening Balance	434.10	434.10
Add: On Consolidation	(1.59)	-
	432.51	434.10
Securities Premium		
Opening Balance	76.74	76.74
Add: Adjustment in Opening Balance	-	-
Addition/Adjustment during the year	-	-
	76.74	76.74
Insurance Reserve		
Opening Balance	261.09	241.09
Less : Recoupment of uninsured fire loss	8.95	-
Add: Appropriation from Surplus	20.00	20.00
	272.14	261.09
Export Profit Reserve :		
Opening Balance	53.72	53.72
Less: Transfer To General Reserve	53.72	-
	-	53.72

NOTES TO FINANCIAL STATEMENTS

Note - 15 : OTHER EQUITY (Contd..)

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Corporate Social Responsibility Reserve		
Opening Balance	**0.86**	0.82
Add: Appropriation from Surplus	**2.43**	560.16
Less: Utilised during the year	**2.19**	560.12
	1.10	**0.86**
Foreign Currency Monetary Item Translation Difference Account		
Opening Balance	-	(35.78)
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	-	6.86
Less: Amortised during the year	-	(28.92)
	-	-
Fair Value Through Other Comprehensive Income :		
Fair value of Equity Instruments		
Opening Balance	**5,416.88**	16,217.18
Add: Fair value during the year	**4,398.83**	(10,800.30)
	9,815.71	**5,416.88**
Fair value of Debt Instruments		
Opening Balance	**391.67**	(43.95)
Add: Fair value during the year	**80.91**	435.62
Less: Transferred to statement of profit and loss	**2.28**	-
	470.30	**391.67**
Cash Flow Hedge Reserve		
Opening Balance	**46.00**	22.04
Add: Fair value during the year	**16.81**	46.01
Less: Transferred during the year	**46.01**	22.05
	16.80	**46.00**
Translation Reserve on Consolidation		
Opening Balance	**85.26**	(1.62)
Add : Translation difference	**11.03**	86.88
	96.29	**85.26**
TOTAL	**1,02,657.01**	**86,216.87**

Nature and Purpose of Reserves

A. Retained Earnings

The retained earnings comprises of general reserve and surplus which is used from time to time to transfer profits by appropriations. Retained earnings is free reserve of the Company and is used for the purposes like issuing bonus shares, buy back of shares and other purposes (like declaring Dividend etc.) as per the approval of Board of Directors. It includes the re-measurement of defined benefit plan as per actuarial valuations which will not be re-classified to statement of profit and loss in subsequent periods.

B. Bond Redemption Reserve

As per the Companies Act 2013, a Bond Redemption Reserve was required to be created for all bonds/ debentures issued by the company at a specified percentage. This reserve is created out of appropriation of profits over the tenure of bonds and will be transferred back to general reserve on repayment of bonds for which it is created.

C. Capital Redemption Reserve

As per the Companies Act 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. Utilisation of this reserve is governed by the provisions of the Companies Act 2013.

NOTES TO FINANCIAL STATEMENTS

Note - 15 : OTHER EQUITY (Contd..)

D. Capital Reserve

Capital Reserve was created through business combinations and shall be utilised as per the provisions of the Companies Act 2013.

E. Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

F. Insurance Reserve

Insurance Reserve is created by the company with the approval of Board of Directors to mitigate risk of loss of assets not insured with external insurance agencies. ₹ 20.00 Crore is appropriated by the company every year to this reserve. The reserve is utilised to mitigate actual losses by way of net appropriation in case any uninsured loss is incurred. Amount of **₹ 8.95 Crore** (2020 : Nil) has been utilised for recoupment of uninsured losses.

G. Export Profit Reserve

Amount set aside out of profits from exports for availing income tax benefits u/s 80HHC of the Income Tax Act, 1961 for the assessments years 1986-87 to 1988-89. Creation of reserve for claiming deduction u/s 80HHC was dispensed from AY 1989-90 onwards. In view of settlement of tax dispute with respect to claim under section 80 HHC, Export Profit Reserve created in earlier years is no longer required and therefore the balance lying has been transferred to General Reserve.

H. Corporate Social Responsibility Reserve

Corporate Social Responsibility (CSR) Reserve is created for meeting expenses relating to CSR activities in line with CSR policy of respective group of companies.

I. Foreign Currency Monetary Item Translation Difference Account

This reserve is created to accumulate and amortise exchange fluctuations on Long-Term Monetary Items (other than those related to depreciable PP&E) over the remaining life of these items. This is as per the transition exemption taken by the company at the time of implementation of Ind-AS wherein the company has chosen to continue the old GAAP practice for items upto 31.03.2016.

J. Fair value of Equity Instruments

This reserve represents the cumulative effect of fair value fluctuations of investments made by the company in equity instruments of other entities. The cumulative gain or loss arising on such changes are recognised through Other Comprehensive Income (OCI) and accumulated under this reserve. This will not be re-classified to the statement of profit and loss in subsequent periods.

K. Fair value of Debt Instruments

This reserve represents the cumulative effect of fair value fluctuations in debt investments made by the company which are classified as available for sale investments. The cumulative gain or loss arising on such changes are recognised through Other Comprehensive Income (OCI) and accumulated under this reserve. This amount will be re-classified to the statement of profit and loss in subsequent periods on disposal of respective instruments.

L. Cash Flow Hedge Reserve

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on such changes are recognised through Other Comprehensive Income (OCI) and accumulated under this reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged item occurs/ affects the statement of profit and loss.

M. Translation Reserve on Consolidation

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised thru Other Comprehensive Income (OCI) and is presented within equity in the foreign currency translation reserve.

NOTES TO FINANCIAL STATEMENTS

Note - 16: LONG TERM BORROWINGS (At amortised cost)

(₹ in Crore)

Particulars		Non Current		Current Maturities*	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
SECURED LOANS					
Term Loans:					
From Banks	A	-	500.00	-	3.34
From Oil Industry Development Board (OIDB)	B	975.47	489.52	125.00	177.81
		975.47	989.52	125.00	181.15
Other Loans:					
From Banks					
In Foreign Currency Loans	C	-	378.85	365.79	-
Total Secured Loans		975.47	1,368.37	490.79	181.15
UNSECURED LOANS					
Bonds/ Debentures:					
Foreign Currency Bonds	D	12,402.76	16,478.13	3,853.59	209.27
Rupee Bonds/ Debentures	E	15,908.35	7,994.02	378.81	135.14
		28,311.11	24,472.15	4,232.40	344.41
Debentures:					
Non-Convertible Debentures	F	1,955.00	1,145.00	39.35	6.64
		1,955.00	1,145.00	39.35	6.64
Term Loans:					
From Banks/ Financial Institutions					
In Foreign Currency Loans	G	20,652.09	21,780.65	1,900.54	1,894.94
In Rupees		1,500.00	-	2.22	-
From Government					
In Rupees	H	1,291.34	962.66	-	-
		23,443.43	22,743.31	1,902.76	1,894.94
Lease Obligations	I	6,249.89	6,341.78	1,472.89	1,395.14
Total Unsecured Loans		59,959.43	54,702.24	7,647.40	3,641.13
TOTAL LONG-TERM BORROWINGS		60,934.90	56,070.61	8,138.19	3,822.28

*Current maturities (including Finance Lease Obligations) are carried to Note - 17: Other Financial Liabilities.

NOTES TO FINANCIAL STATEMENTS

Note - 16: LONG TERM BORROWINGS (At amortised cost) (Contd..)

Secured Loans:

A. Term Loan from Banks

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Term Loan from Oil Industry Development Board - ₹ 50 Crore	March 18, 2019	7.22%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to RLNG project
2	Term Loan from Oil Industry Development Board - ₹ 50 Crore	May 17, 2019	7.46%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to RLNG project
3	Term Loan from Oil Industry Development Board - ₹ 150 Crore	October 30, 2019	6.52%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to BS-VI project
4	Term Loan from Oil Industry Development Board - ₹ 100 Crore	March 31, 2019	6.16%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to BS-VI project
5	Term Loan from Oil Industry Development Board - ₹ 100 Crore	June 30, 2020	5.68%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to BS-VI project
6	Term Loan from Oil Industry Development Board - ₹ 100 Crore	March 26, 2021	Floating rate based on month end (semi-annualised) interest rates for 5 year G-sec as per FIMMDA plus 50% of margins of AAA rated Bonds over G-sec as quoted in INCORP (qoute AAA INBMK) rest on a quaterly basis.	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to BS-VI project
7	Term Loan from State Bank of India - ₹ 500 Crore	January 07, 2019	6 Months MCLR, reset at half yearly intervels	Principal repayable at the end of 5 years from date of availment. Interest payable monthly	Pari passu first charge by way of hypothecation of fixed assets along with the South Indian Bank Ltd (i.e., after excluding land and building of the entire Company & assets pertaining to BS-VI project and RLNG projects) with a minimum Fixed Asset Coverage Ratio of 1.50 times.

NOTES TO FINANCIAL STATEMENTS

Note - 16: LONG TERM BORROWINGS (At amortised cost) (Contd..)

B. Term Loan from OIDB

1. Security Details for OIDB Loans:

a) First charge on the facilities at IndMax Unit, Bongaigaon Refinery, Assam.

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

S. No.	Repayable During	Repayable Amount (₹ In Crore)	Range of Interest Rate
1	2021-22	37.50	6.51%
2	2022-23	146.75	5.31% - 6.51%
3	2023-24	146.75	5.31% - 6.51%
4	2024-25	146.75	5.31% - 6.51%
5	2025-26	109.25	5.31% - 5.51%
	Total	**587.00**	

C. Foreign Currency Loans

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Foreign Currency Term Loan from South Indian Bank -USD 50 Mn	13th December 2018	1) 6 Months LIBOR + 125 Bps for first 6 months, 2) 6 Months LIBOR + 175 Bps for next 30 months 3) Reset at half yearly intervals 4) Interest payable on monthly basis	Principal repayable at the end of 3 years from date of availment. Interest payable monthly.	Pari passu first charge on entire fixed assets of the Company (excluding Land and building & assets pertaining to BS-VI project and R-LNG projects) with a minimum Fixed Asset Coverage Ratio of 1.50 times and second pari passu charge on movable assets of BS-VI project and R-LNG project.

Unsecured Loans:

D. Repayment Schedule of Foreign Currency Bonds

Sl. No.	Particulars	Date of Issue	Date of Repayment
1	USD 900 Million Reg S Bonds	January 16, 2019	Payable after 5 years from the date of issue
2	USD 500 Million Reg S Bonds	August 01, 2013	Payable after 10 years from the date of issue
3	SGD 400 Million Reg S Bonds	October 15, 2012	On the same day, cross currency swap amounting to USD 325.57 Million. Payable after 10 years from the date of issue
4	USD 500 Million Reg S Bonds	August 02, 2011	Payable after 10 years from the date of issue

NOTES TO FINANCIAL STATEMENTS

Note - 16: LONG TERM BORROWINGS (At amortised cost) (Contd..)

E. Repayment Schedule of Rupee Bonds/ Debentures

Sl. No.	Particulars	Date of Allotment	Coupon Rate	Date of Redemption
1	Indian Oil-2029 (Series XIV) 30000 debenture of Face Value ₹ 10,00,000 each	October 22, 2019	7.41% p.a.payable annually on 22 October	10 years from the deemed date of allotment i.e. October 22, 2029
2	Indian Oil-2023 (Series XV) 20000 debenture of Face Value ₹ 10,00,000 each	January 14, 2020	6.44% p.a.payable annually on 14 January	3 years 3 months from the deemed date of allotment i.e. April 14, 2023
3	Indian Oil-2025 (Series XVI) 29950 debenture of Face Value ₹ 10,00,000 each	March 06, 2020	6.39% p.a.payable annually on 6 March	5 years from the deemed date of allotment i.e. March 6, 2025
4	Indian Oil-2022 (Series XVII) 30000 debenture of Face Value ₹ 10,00,000 each	May 27, 2020	5.05% p.a.payable annually on 27 May	2 years 6 months from the deemed date of allotment i.e. November 25, 2022
5	Indian Oil-2025 (Series XVIII) 16250 debenture of Face Value ₹ 10,00,000 each	August 03, 2020	5.40% p.a.payable annually on 03 August	4 years 8 months and 8 days from the deemed date of allotment i.e. April 11, 2025
6	Indian Oil-2025 (Series XIX) 20000 debenture of Face Value ₹ 10,00,000 each	October 20, 2020	5.50% p.a.payable annually on 20 October	5 years from the deemed date of allotment i.e. October 20, 2025
7	Indian Oil-2026 (Series XX) 12902 debenture of Face Value ₹ 10,00,000 each	January 25, 2021	5.60% p.a.payable annually on 25 January	4 years 11 months and 29 days from the deemed date of allotment i.e. January 23,2026.

F. Repayment Schedule of Non-Convertible Debentures

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Redemption
1	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2020	February 28, 2020	6.43%	Principal repayable at the end of 3 years from date of availment. Interest payable Annually
2	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2021	July 17, 2020	5.78%	Principal repayable at the end of 5 years from date of availment. Interest payable Annually

G. Repayment Schedule of loans from Banks and Financial Institutions in Foreign Currency

Sl. No.	Particulars of Loans	Date of drawal	Date of Repayment
1	USD 100 Million Term Loan	March 12, 2021	Payable after 3 years & 3 months from the date of drawal
2	USD 300 Million Term loan	June 19, 2019	Payable after 3 years from the date of drawal

NOTES TO FINANCIAL STATEMENTS

Note - 16: LONG TERM BORROWINGS (At amortised cost) (Contd..)

Sl. No.	Particulars of Loans	Date of drawal	Date of Repayment
3	USD 50 Million Syndication Loan	March 07, 2019	Payable after 5 years from the date of drawal
4	USD 200 Million Syndication Loan	March 05, 2019	
5	USD 150 Million Syndication Loan	February 28, 2019	
6	USD 100 Million Syndication Loan	December 31, 2018	
7	USD 100 Million Syndication Loan	December 28, 2018	
8	USD 200 Million Syndication Loan	December 24, 2018	
9	USD 100 Million Syndication Loan	December 20, 2018	
10	USD 250 Million Syndication Loan	December 18, 2018	
11	USD 100 Million Syndication Loan	December 12, 2018	
12	USD 450 Million Syndication Loan	December 11, 2018	
13	USD 300 Million syndication loan	September 29, 2017	

Sl. No.	Particulars of Loans	Date of Repayment
1	US$ 260 Million	5 years from the date of drawal (31.03.2017) i.e. 31.03.2022
2	CAD 580 Million Loan Consortium of banks	5 year from the date of drawal or 16th December 2025 which ever is earlier

H. Repayment Schedule of Term loans from Banks and Financial Institutions in Rupees

Sl. No.	Particulars of Loans	Date of drawal	Date of Repayment
1	HDFC ₹ 1,500 Crore Term Loan	March 20, 2021	Payable after 3 years from the date of drawal

I. Repayment Schedule of Unsecured Interest Free Loans from Govt of Odisha

Interest free loan given by Odisha Government for 15 years is to be disbursed in quarterly instalment of ₹ 175 Crore starting from April 01, 2016 repayable after 15 years. Total loan disbursed till now is ₹ 3,500 Crore which is repayable after 15 years from the quarter for which the same is given i.e. in quarterly instalments starting from last week of June, 2031 onwards. This loan being interest free loan is accounted at fair value and accordingly accounting for government grant is done.

I. Lease Obligations

The Lease Obligations are against Assets aquired on lease. The carrying value of the same is **₹ 7,950.66 Crore** (2020: ₹ 7,694.84 Crore).

NOTES TO FINANCIAL STATEMENTS

Note - 17: OTHER FINANCIAL LIABILITIES (At amortised cost unless otherwise stated)

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Current maturities of long-term debt (Refer Note - 16)	-	-	**8,138.19**	3,822.28
Liability for Capital Expenditure	-	-	**6,273.32**	5,172.79
Liability to Trusts and Other Funds	-	-	**161.21**	417.47
Employee Liabilities	-	-	**2,591.55**	1,118.45
Liability for Purchases on Agency Basis	-	-	-	-
Investor Education & Protection Fund to be credited on the due dates:				
- Unpaid Dividend	-	-	**44.78**	44.60
- Unpaid Matured Deposits	-	-	**0.01**	0.01
	-	-	**44.79**	44.61
Derivative Instruments at Fair Value	-	-	**252.65**	467.38
Security Deposits	**847.48**	789.58	**29,674.56**	29,001.52
Liability for Dividend	-	-	**1,260.79**	3.69
Others	-	-	**1,772.04**	1,891.44
TOTAL	**847.48**	**789.58**	**50,169.10**	**41,939.63**

Note - 18: PROVISIONS

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Provision for Employee Benefits		**1,046.73**	1,014.86	**227.37**	502.08
Decommissioning Liability	A	**550.10**	582.37	**4.02**	2.31
Contingencies for probable obligations	B	-	-	**10,821.03**	10,727.81
Less: Deposits		-	-	**1,750.09**	1,595.93
		-	-	**9,070.94**	9,131.88
TOTAL		**1,596.83**	1,597.23	**9,302.33**	9,636.27

A. In compliance of Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under :

(₹ in Crore)

Particulars	Opening Balance	Addition during the year	Utilisation during the year	Reversals during the year**	Unwinding of discount and changes in the discount rate	Closing Balance
Decommissioning Liability - E&P Blocks	584.68	13.29	-	8.01	(35.84)	554.12
Previous Year Total	1,077.88	26.93	-	(46.38)	(566.51)	584.68

Includes loss on account of transalation amounting to ₹ **0.03 Crore (2020: Gain of ₹ 54.91 Crore)

NOTES TO FINANCIAL STATEMENTS

Note - 18: PROVISIONS (Contd..)

B. In compliance of Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under :

(₹ in Crore)

Particulars	Opening Balance	Addition during the year	Utilisation during the year	Reversals during the year**	Closing Balance*
Excise	15.45	0.05	-	-	15.50
Sales Tax / GST	1,813.32	166.09	-	-	1,979.41
Entry Tax	5,614.66	-	-	2.90	5,611.76
Others	3,284.38	598.91	434.37	234.56	3,214.36
TOTAL	**10,727.81**	**765.05**	**434.37**	**237.46**	**10,821.03**
Previous Year Total	11,710.85	1,045.21	586.25	1,442.00	10,727.81

(₹ in Crore)

	Addition includes	Reversal includes
- capitalised	0.79	
- included in Raw Material	55.80	
- included in Finance Cost	367.75	
- included in Employee Benefit Expenses	132.02	
- included in Other Expenses	204.80	9.81
- Amount transferred from Liabilities to Provisions	3.89	
- shown as provison for tax		
- Adjusted against Deposits/Paid		

*Expected timing of outflow is not ascertainable at this stage, the matters being under dispute/ contingent.

Note - 19: DEFERRED TAX LIABILITIES (NET)

(i) In compliance of Ind AS – 12 on "Income Taxes", the item wise details of Deferred Tax Liability (net) are as under:

(₹ in Crore)

Particulars	As on April 1, 2020	Provided during the year in Statement of Profit and Loss *	Provided during the year in OCI (net)	Balance as on March 31, 2021
Deferred Tax Liability:				
Related to Fixed Assets	17,969.01	(259.84)	-	**17,709.17**
Others	**-**	**3.24**	**-**	**3.24**
Total Deferred Tax Liability (A)	**17,969.01**	**(256.60)**	**-**	**17,712.41**
Deferred Tax Assets:				
Provision on Inventories, Debtors, Loans and Advance, Investments	860.36	438.04	-	**1,298.40**
Compensation for Voluntary Retirement Scheme	3.50	(2.49)	-	**1.01**
43B/40 (a)(ia)/other Disallowances etc.	2,673.88	130.17	1.92	**2,805.97**
Carry Forward Business Losses/ Unabsorbed Depreciation	3,297.67	(2,644.54)	-	**653.13**
Remeasurement of defined benefit plan	0.58	0.04	0.04	**0.66**
Fair valuation of Equity instruments	72.36	-	(199.12)	**(126.76)**

NOTES TO FINANCIAL STATEMENTS

Note - 19: DEFERRED TAX LIABILITIES (NET) (Contd..)

(₹ in Crore)

Particulars	As on April 1, 2020	Provided during the year in Statement of Profit and Loss *	Provided during the year in OCI (net)	Balance as on March 31, 2021
MTM on Hedging Instruments **	(15.48)	-	9.82	**(5.66)**
Fair value of debt instruments ***	(145.11)	-	(15.56)	**(160.67)**
Others	(818.03)	99.89	-	**(718.14)**
Total Deferred Tax Assets (B)	**5,929.73**	**(1,978.89)**	**(202.90)**	**3,747.94**
MAT/ ECS Credit Entitlement (C) Net #	599.99	(599.99)	-	**-**
Deferred Tax Liability net of MAT Credit (A-B-C)	**11,439.29**	**2,322.28**	**202.90**	**13,964.47**

Note: During FY 2020-21, on account of change in the tax liabilities pertaining to the past periods, MAT credit amounting to ₹ 228.15 Crore out of previously written off MAT balance has been recognised and utilised against such increased tax liability.

Includes ₹ 599.99 Crore towards MAT credit written off by Chennai Petroleum Corporation Limited upon movement to new Tax Regime.

* Includes translation reserve of ₹ (25.91) Crore due to translation of Opening Balance at Closing Exchange Rate.

** Net of amount recycled to Statement of Profit and Loss during the year.

*** Excludes the amount of tax on fair value of debt instrument sold during the year.

(₹ in Crore)

Particulars	As on April 1, 2020	Provided during the year in Statement of Profit and Loss *	Provided during the year in OCI (net)	Balance as on March 31, 2020
Deferred Tax Liability:				
Related to Fixed Assets	23,270.61	(5,301.60)	-	17,969.01
Foreign Currency gain on long term monetary item	12.50	(12.50)	-	-
Total Deferred Tax Liability (A)	**23,283.11**	**(5,314.10)**	**-**	**17,969.01**
Deferred Tax Assets:				
Provision on Inventories, Debtors, Loans and Advance, Investments	1,020.64	(160.28)	-	860.36
Compensation for Voluntary Retirement Scheme	9.38	(5.88)	-	3.50
43B/40 (a)(ia)/other Disallowances etc.	3,760.28	(1,107.72)	21.32	2,673.88
Carry Forward Business Losses/ Unabsorbed Depreciation	304.67	2,993.00	-	3,297.67
Remeasurement of defined benefit plan	0.58	-	-	0.58
Fair valuation of Equity instruments	(54.11)	-	126.47	72.36
MTM on Hedging Instruments	(11.85)	-	(3.63)	(15.48)
Fair value of debt instruments	5.76	-	(150.87)	(145.11)
Others	(455.37)	(362.66)	-	(818.03)
Total Deferred Tax Assets (B)	**4,579.98**	**1,356.46**	**(6.71)**	**5,929.73**
MAT/ ECS Credit Entitlement (C) Net #	**2,193.42**	**(1,593.43)**	**-**	**599.99**
Deferred Tax Liability net of MAT Credit (A-B-C)	**16,509.71**	**(5,077.13)**	**6.71**	**11,439.29**

#Includes generation of MAT Credit of ₹ 770.05 Crore due to alignment of tax provisions with ITR for earlier years and ₹ 1,921.13 Crore towards MAT credit written off upon movement of Parent Company to new Tax Regime

* Includes translation reserve of ₹ 41.30 Crore due to translation of Opening Balance at Closing Exchange Rate

NOTES TO FINANCIAL STATEMENTS

Note - 19: DEFERRED TAX LIABILITIES (NET) (Contd..)

(ii) Reconciliation between the average effective tax rate and the applicable tax rate is as below :

	2020-21		2019-20	
	%	(₹ in Crore)	%	(₹ in Crore)
Profit Before Tax		30,750.73		(7,177.01)
Tax as per applicable Tax Rate	25.168	7,739.34	25.168	(1,806.31)
Tax effect of:				
Income that are not taxable in determining taxable profit	(1.35)	(414.45)	6.12	(439.47)
Expenses that are not deductible in determining taxable profit	0.63	192.47	(4.11)	294.92
Recognition of previously unrecognised allowance/ disallowances	(3.31)	(1,016.43)	0.84	(59.98)
Expenses/income related to prior years	5.16	1,588.23	(10.08)	723.59
Difference in tax due to income chargeable to tax at special rates	(0.03)	(10.00)	1.48	(106.14)
Share of profit of JVs/ Associates added net of tax in PBT of Group	0.46	141.24	1.97	(141.09)
Different or Nil tax rates of Group Companies	0.15	46.82	(3.24)	232.37
Effect of Taxes in foreign jurisdiction	0.09	26.86	(5.65)	405.32
Difference due to change in Rate of Tax	2.26	693.76	61.35	(4,402.98)
Others	-	0.67	0.01	(0.92)
Average Effective Tax Rate/ Income Tax Expenses	29.228	8,988.51	73.858	(5,300.69)

Note - 20: OTHER LIABILITIES (NON FINANCIAL)

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Deferred Income	3.64	4.41	0.88	1.20
Government Grants (Refer Note 43)	2,272.45	1,931.60	202.90	171.80
Statutory Liabilities	-	-	11,374.69	6,448.70
Advances from Customers	306.74	111.49	4,430.54	4,913.32
Others	0.53	0.60	1,063.95	933.22
TOTAL	2,583.36	2,048.10	17,072.96	12,468.24

Note - 21: BORROWINGS - CURRENT

(₹ in Crore)

Particulars		March 31, 2021	March 31, 2020
SECURED LOANS			
Loans Repayable on Demand			
From Banks:	A		
Working Capital Demand Loan		7,825.58	7,242.52
Cash Credit		113.34	641.88
Foreign Currency Loans		84.61	22.67
		8,023.53	7,907.07

NOTES TO FINANCIAL STATEMENTS

Note - 21: BORROWINGS - CURRENT (Contd..)

(₹ in Crore)

Particulars		March 31, 2021	March 31, 2020
From Others:			
Loans through Tri-Party Repo Segment (TREPS) of Clearing Corporation of India Ltd. (CCIL)	B	319.97	2,629.95
Other Loans	A	2,011.42	1,493.38
Total Secured Loans		10,354.92	12,030.40
UNSECURED LOANS			
Loans Repayable on Demand			
From Banks/ Financial Institutions			
In Foreign Currency		11,355.78	29,937.93
In Rupee		9,454.19	8,671.85
		20,809.97	38,609.78
From Others			
Commercial Papers		16,415.12	19,257.26
Total Unsecured Loans		37,225.09	57,867.04
TOTAL SHORT-TERM BORROWINGS		47,580.01	69,897.44

A. Against hypothecation by way of first pari passu charge on Raw Materials, Finished Goods, Stock-in Trade, Sundry Debtors, Outstanding monies, Receivables, Claims, Contracts, Engagements to SBI and HDFC Banks.

B. Against pledging of the following to CCIL:

Government Securities (Including OMC GOI Special Bonds)	2,655.00	3,701.00
Bank Guarantees	1,650.00	1,650.00

Note - 22: TRADE PAYABLES

(At amortised cost)

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Dues to Micro and Small Enterprises	324.28	205.56
Dues to Related Parties	911.33	835.99
Dues to Others	36,012.36	26,534.71
TOTAL	37,247.97	27,576.26

Note - 23: REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	2020-2021	2019-2020
Sales (Net of Discounts)	5,15,852.94	5,70,082.73
Sale of Services	279.87	135.53
Other Operating Revenues (Note "23.1")	3,136.94	4,213.39
	5,19,269.75	5,74,431.65
Net Claim/(Surrender) of SSC and other claims	891.49	100.20
Subsidy From Central/State Government	75.60	161.68
Grant from Government of India	-	1,296.17
TOTAL	5,20,236.84	5,75,989.70

NOTES TO FINANCIAL STATEMENTS

Note - 23.1: OTHER OPERATING REVENUES

(₹ in Crore)

Particulars	2020-2021	2019-2020
Sale of Power and Water	**255.68**	338.15
Revenue from Construction Contracts	**3.91**	8.11
Unclaimed / Unspent liabilities written back	**371.90**	175.57
Provision for Doubtful Advances, Claims, and Stores written back	**10.51**	17.73
Provision for Contingencies written back	**227.65**	1,353.49
Recoveries from Employees	**14.79**	16.53
Retail Outlet License Fees	**999.52**	1,117.06
Income from Non Fuel Business	**136.16**	173.23
Commission and Discount Received	**1.01**	1.25
Sale of Scrap	**258.56**	225.27
Income from Finance Leases	**0.13**	5.03
Amortisation of Capital Grants	**171.46**	134.77
Revenue Grants	**47.68**	46.76
Terminalling Charges	**59.07**	56.84
Other Miscellaneous Income	**578.91**	543.60
TOTAL	**3,136.94**	4,213.39

Particulars relating to Revenue Grants are given in Note - 43.

Note - 24: OTHER INCOME

(₹ in Crore)

Particulars		2020-2021	2019-2020
Interest on:	A		
Financial items:			
Deposits with Banks		**65.16**	75.83
Customers Outstandings		**341.74**	348.56
Oil Companies GOI SPL Bonds/ Other Investment		**912.69**	825.50
Other Financial Items		**466.71**	643.11
Total interest on Financial items		**1,786.30**	**1,893.00**
Non-Financial items		**47.35**	119.86
		1,833.65	**2,012.86**
Dividend	B	**260.87**	709.96
Profit on Sale of Investments (Net)		**1.84**	-
Exchange Fluctuations (Net)		**1,257.62**	-
Gain on Derivatives		**140.87**	-
Other Non Operating Income		**4.69**	50.80
TOTAL		**3,499.54**	**2,773.62**
A 1. Includes Tax Deducted at Source		**8.55**	8.43
A 2. Includes interest received under section 244A of the Income Tax Act.		**24.15**	45.75
A 3. Include interest on:			
Current Investments		**638.32**	516.93
Non-Current Investments		**274.37**	308.57

NOTES TO FINANCIAL STATEMENTS

Note - 24: OTHER INCOME (Contd..)

(₹ in Crore)

Particulars	2020-2021	2019-2020
A 4. Total interest income (calculated using the effective interest method) for financial assets:		
In relation to Financial assets classified at amortised cost	**873.61**	1,067.50
In relation to Financial assets classified at FVOCI	**912.69**	825.50
B Dividend Income consists of Dividend on:		
Current Investments	**1.69**	5.65
Non-Current Investments	**259.18**	704.31

Note - 25: COST OF MATERIALS CONSUMED

(₹ in Crore)

Particulars	2020-2021	2019-2020
Opening Stock	**20,099.02**	30,528.07
Add: Purchases	**1,84,121.94**	2,76,368.22
	2,04,220.96	**3,06,896.29**
Less: Closing Stock	**30,024.74**	20,099.02
Less: Transfer to Exceptional Items	**-**	5,717.14
TOTAL	**1,74,196.22**	**2,81,080.13**

Note - 26: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND STOCK IN PROCESS

(₹ in Crore)

Particulars	2020-2021	2019-2020
Closing Stock		
Finished Products	**32,586.14**	28,136.11
Stock in Process	**6,263.12**	5,713.98
Stock-in-trade	**9,432.37**	8,249.93
	48,281.63	**42,100.02**
Less:		
Opening Stock		
Finished Products	**28,136.11**	25,953.37
Stock in Process	**5,713.98**	6,366.96
Stock-in-Trade	**8,249.93**	9,952.84
	42,100.02	**42,273.17**
Add: Transfer to Exceptional Items	**-**	5,587.50
NET INCREASE / (DECREASE)	**6,181.61**	**5,414.35**

NOTES TO FINANCIAL STATEMENTS

Note - 27: EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars	2020-2021	2019-2020
Salaries, Wages, Bonus etc	**8,621.45**	6,936.84
Contribution to Provident & Other Funds	**1,502.06**	1,281.42
Voluntary Retirement Compensation	**2.60**	1.75
Staff Welfare Expenses	**1,182.67**	1,116.92
TOTAL	**11,308.78**	**9,336.93**

A. Excludes ₹ **446.06 Crore** (2020: ₹ 432.45 Crore) included in capital work in progress (construction period expenses - Note-2.2) / intangible assets under development (Note - 3.1) and ₹ **15.08 Crore** (2020: ₹ 24.63 Crore) included in CSR expenses (Note - 29.1).

B. Disclosure in compliance with Indian Accounting Standard-19 on "Employee Benefits" is given in Note - 36.

Note - 28: FINANCE COSTS

(₹ in Crore)

Particulars		2020-2021	2019-2020
Interest Payments on Financial items:			
Working Capital Loans:			
Bank Borrowings		**565.53**	862.66
Bonds/Debentures		**434.03**	325.13
Others		**787.52**	1,379.05
		1,787.08	**2,566.84**
Other Loans:			
Bank Borrowings		**427.82**	689.18
Bonds/Debentures		**673.44**	568.34
Lease Obligations		**765.92**	756.53
Others		**2.09**	2.24
		1,869.27	**2,016.29**
Unwinding of Discount		**97.13**	73.79
Others		**6.17**	5.59
		3,759.65	**4,662.51**
Interest Payments on Non Financial items:			
Unwinding of Discount		**16.67**	16.98
Others		**581.98**	343.77
		598.65	**360.75**
		4,358.30	**5,023.26**
Other Borrowing Cost	A	**34.28**	44.44
Applicable Net (Gain) / Loss on Foreign Currency Transactions and Translation	B	**(803.46)**	1,511.04
TOTAL		**3,589.12**	**6,578.74**

A. Mainly pertains to franking charges, service charges & other indirect expenses on borrowings.

B. Net adjustment pertaining to current year's exchange gain considering unrealised exchange losses treated as finance cost in earlier years in line with Ind AS 23

	2020-2021	2019-2020
Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss	3,759.65	4,662.51

NOTES TO FINANCIAL STATEMENTS

Note - 29: OTHER EXPENSES

(₹ in Crore)

Particulars	2020-2021	2019-2020
Consumption:		
a) Stores, Spares and Consumables	1,792.39	1,952.43
b) Packages & Drum Sheets	422.15	439.94
	2,214.54	2,392.37
Power & Fuel	19,397.52	24,574.13
Less : Fuel from own production	14,979.47	19,318.55
	4,418.05	5,255.58
Throughput, Processing & Blending Fees, Royalty and Other Charges	1,036.80	1,467.90
Octroi, Other Levies and Irrecoverable taxes	1,789.15	1,864.98
Repairs and Maintenance		
i) Plant & Equipment	3,301.17	3,810.04
ii) Buildings	340.33	371.43
iii) Others	578.87	569.71
	4,220.37	4,751.18
Freight, Transportation Charges and Demurrage	14,252.47	14,172.77
Office Administration, Selling and Other Expenses (Note "29.1")	8,234.89	13,997.76
TOTAL	36,166.27	43,902.54
Less: Company's use of own Products and Crude	688.97	837.78
TOTAL (Net)	35,477.30	43,064.76

Note - 29.1: OFFICE,ADMINISTRATION,SELLING AND OTHER EXPENSES

(₹ in Crore)

Particulars	2020-2021	2019-2020
Rent	609.74	488.90
Insurance	286.49	171.72
Rates & Taxes	146.90	151.12
Donation	1.00	0.01
Payment to auditors		
As Auditors	4.83	4.67
For Taxation Matters	0.50	0.48
Other Services(for issuing other certificates etc.)	1.56	1.48
For reimbursement of expenses	0.14	0.35
	7.03	6.98
Travelling & Conveyance	485.40	741.36
Communication Expenses	61.60	57.41
Printing & Stationery	32.89	42.86
Electricity & Water	378.56	392.23
Bank Charges	32.61	51.00
Advances & Claims written off	17.36	9.41
Provision/ Loss on Assets sold or written off (Net)	136.50	106.25

NOTES TO FINANCIAL STATEMENTS

Note - 29.1: OFFICE,ADMINISTRATION,SELLING AND OTHER EXPENSES (Contd..)

(₹ in Crore)

Particulars	2020-2021	2019-2020
Technical Assistance Fees	**108.63**	57.98
Exchange Fluctuation (net)	**-**	4,145.53
Provision for Doubtful Advances, Claims, CWIP, Stores etc.	**574.46**	2,138.08
Security Force Expenses	**889.56**	861.73
Sales Promotion Expenses (Including Commission)	**344.68**	448.50
Handling Expenses	**641.67**	632.91
Terminalling Charges	**11.52**	3.68
Exploration & Production Cost	**1,216.46**	1,515.40
Loss on Derivatives	**-**	170.58
Fair value Loss on Financial instruments classified as FVTPL	**27.64**	26.18
Amortisation of FC Monetary Item Translation	**-**	28.92
Expenses on Construction Contracts	**3.65**	7.08
Expenses on CSR Activities	**344.19**	560.12
Training Expenses	**60.62**	99.30
Legal Expenses / Payment To Consultants	**160.18**	181.34
Notices and Announcement	**10.59**	21.06
Advertisement and Publicity	**65.47**	63.09
Pollution Control Expenses	**115.75**	98.60
Amortisation and Remeasurement of PMUY Assets	**1,056.60**	291.07
Miscellaneous Expenses	**407.14**	427.36
TOTAL	**8,234.89**	**13,997.76**

Note - 30: OTHER COMPREHENSIVE INCOME

(₹ in Crore)

Particulars	2020-2021	2019-2020
Items that will not be reclassified to profit or loss:		
Remeasurement of Defined Benefit Plans	**14.95**	(215.52)
Fair value of Equity Instruments	**4,589.75**	(10,922.37)
Share of Joint Ventures and associates in Remeasurement of Defined Benefit Plans	**0.13**	(2.17)
	4,604.83	**(11,140.06)**
Income Tax relating to items that will not be reclassified to profit or loss:		
Remeasurement of Defined Benefit Plans	**(3.64)**	60.19
Fair value of Equity Instruments	**(199.12)**	126.47
Share of Joint Ventures and associates in Remeasurement of Defined Benefit Plans	**(0.08)**	0.22
	(202.84)	**186.88**
Items that will be reclassified to profit or loss:		
Fair value of Debt Instruments	**97.24**	586.49
Gain/(Loss) on Hedging Instruments	**22.47**	61.49
Translation Reserve on Consolidation	**(4.05)**	100.81
Share of Joint Ventures and associates in Translation Reserve on Consolidation	**5.51**	(12.65)
	121.17	**736.14**

NOTES TO FINANCIAL STATEMENTS

Note - 30: OTHER COMPREHENSIVE INCOME (Contd..)

(₹ in Crore)

Particulars	2020-2021	2019-2020
Income Tax relating to items that will be reclassified to profit or loss:		
Fair value of Debt Instruments	**(16.33)**	(150.87)
Gain/(Loss) on Hedging Instruments	**(5.66)**	(15.48)
	(21.99)	**(166.35)**
TOTAL	**4,501.17**	**(10,383.39)**

Note–31: DISTRIBUTIONS MADE AND PROPOSED

(₹ in Crore)

	March 31, 2021	March 31, 2020
Cash Dividends on Equity Shares declared:		
Final Dividend		
Total Final Dividend during the current year for previous financial year: ₹ **Nil per share** (2020: ₹ 1.00 per share for previous financial year)	**-**	941.42
Less: Final Dividend pertaining to IOC Share trust (Refer Note-1)	**-**	23.31
Final dividend net of IOC share trust	**-**	**918.11**
Dividend Distribution Tax on final dividend	**-**	186.67
Interim Dividend		
Total Interim Dividend for current financial year: ₹ **10.50 per share** (2020: ₹ 4.25 per share).	**9,640.09**	3,901.94
Less: Interim Dividend pertaining to IOC Share trust (Refer Note-1)	**-**	-
Interim dividend net of IOC share trust	**9,640.09**	**3,901.94**
Dividend Distribution Tax on interim dividend	**-**	799.27
Total	**9,640.09**	**5,805.99**
Proposed Dividend on Equity Shares		
Final proposed Dividend for current financial year: ₹ **1.50 per share** (2020: ₹ Nil per share)	**1,377.16**	-
Final proposed Dividend net of IOC share trust	**1,377.16**	**-**
Dividend Distribution Tax on proposed dividend	**-**	-
	1,377.16	**-**

Notes

1 233118456 Shares held under IOC Share Trust (Shareholder) of face value ₹ **233.12 Crore** (2020: ₹ 233.12 Crore) have been netted off from paid up capital. IOC Share Trust have waived its right to receive the dividend w.e.f. March 02, 2020 and therefore interim Dividend on shares held by IOC Share Trust was neither proposed in the last year nor during the current financial year.

2. The Company has also incurred expenses on distribution of final dividend amounting to **Nil** (2020: ₹ 0.14 Crore) and on distribution of interim dividend amounting to ₹ **0.38 Crore** (2020: ₹ 0.15 Crore) which have been debited to equity.

NOTES TO FINANCIAL STATEMENTS

Note–32: EARNINGS PER SHARE (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders of the parent by the weighted average number of Equity Shares outstanding during the year.

The following reflects the profit/ (loss) and number of shares used in the basic and diluted EPS computations:

Particulars	2020-21	2019-20
Profit/ (loss) attributable to Equity holders (₹ in Crore)	**21,638.21**	(893.14)
Weighted Average number of Equity Shares used for computing Earning Per Share (Basic) (Refer note-1)	**9181040466**	9181040466
Weighted Average number of Equity Shares used for computing Earning Per Share (Diluted) (Refer note-1)	**9181040466**	9181040466
Earnings Per Share (Basic) (₹)	**23.57**	(0.97)
Earnings Per Share (Diluted) (₹)	**23.57**	(0.97)
Face value per share (₹)	**10.00**	10.00

Notes

1. 233118456 Equity Shares held under IOC Share Trust of face value ₹ 233.12 Crore have been excluded from weighted average number of Equity Shares and EPS is computed accordingly.

Note – 33A: GROUP INFORMATION AND MATERIAL PARTLY-OWNED SUBSIDIARIES

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Principal Activities	Country of Incorporation	Equity Interest	
			Mar-2021	Mar-2020
Chennai Petroleum Corporation Limited	Refining of petroleum products	India	**51.89%**	51.89%
Indian Catalyst Private Limited #	Manufacturing of FCC catalyst / additive	India	**-**	100.00%
IndianOil (Mauritius) Limited	Terminalling, Retailing & Aviation refuelling	Mauritius	**100.00%**	100.00%
Lanka IOC PLC	Retailing, Terminalling & Bunkering	Sri Lanka	**75.12%**	75.12%
IOC Middle East FZE	Lube blending & marketing of lubricants	UAE	**100.00%**	100.00%
IOC Sweden AB	Investment company for E&P Project in Venezuela & Israel	Sweden	**100.00%**	100.00%
IOCL (USA) Inc.	Participation in Shale Gas Asset Project	USA	**100.00%**	100.00%
IndOil Global B.V.	Investment company for E&P Project in Canada	Netherlands	**100.00%**	100.00%
IOCL Singapore PTE Limited	Investment company for E&P Project in Russia, Oman & Abu Dhabi	Singapore	**100.00%**	100.00%

#Application has been submitted to RoC Ahmedabad on 30.12.20 for striking-off the company's name from the ROC's Register.

NOTES TO FINANCIAL STATEMENTS

Note – 33A: GROUP INFORMATION AND MATERIAL PARTLY-OWNED SUBSIDIARIES (Contd..)

The Holding Company

51.50% of total shares are held by President of India as at March 31, 2021 (31 March 2020: 51.50%)

Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

1. Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation	Mar-2021	Mar-2020
Chennai Petroleum Corporation Limited	India	**48.11%**	48.11%
Lanka IOC PLC	Sri Lanka	**24.88%**	24.88%

2. Information regarding non-controlling interest:

(₹ in Crore)

	Mar-2021	Mar-2020
Accumulated balances of material non-controlling interest:		
Chennai Petroleum Corporation Limited	**775.15**	653.92
Lanka IOC PLC	**200.81**	222.35
Profit/(loss) allocated to material non-controlling interest:		
Chennai Petroleum Corporation Limited	**123.77**	(989.33)
Lanka IOC PLC	**0.24**	6.15

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

1. Summarised Balance Sheet:

(₹ in Crore)

	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	Mar-2021	Mar-2020	Mar-2021	Mar-2020
Current assets	**5,056.73**	2,862.16	**979.26**	1,206.88
Current liabilities	**9,361.18**	8,402.77	**971.09**	810.17
Non-current assets	**9,168.30**	9,973.76	**800.81**	499.98
Non-current liabilities	**3,252.65**	3,073.88	**1.90**	2.97
Net assets	**1,611.20**	**1,359.27**	**807.08**	**893.72**
Accumulated Non-Controlling Interests	**775.15**	653.92	**200.81**	222.35

NOTES TO FINANCIAL STATEMENTS

Note – 33A: GROUP INFORMATION AND MATERIAL PARTLY-OWNED SUBSIDIARIES (Contd..)

2. Summarised Statement of Profit and Loss:

(₹ in Crore)

	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	2020-21	2019-20	**2020-21**	2019-20
Revenue From Operations	**41,899.07**	48,650.22	**2,637.86**	3,243.48
Other Income	**100.97**	72.90	**86.49**	48.57
Cost of Material Consumed	**19,864.68**	35,793.34	**-**	-
Excise Duty	**19,454.31**	11,533.48	**-**	-
Purchases of Stock in trade	**39.94**	896.49	**2,364.95**	3,050.61
Changes in inventories of finished goods, stock-in-trade and work in progress	**(892.11)**	990.39	**178.59**	19.67
Employee Benefits Expense	**564.51**	511.63	**23.90**	24.38
Finance Costs	**375.04**	413.25	**49.00**	50.46
Depreciation and amortisation expense	**469.49**	521.45	**17.20**	17.06
Impairment Losses	**(1.13)**	-	**(13.93)**	0.40
Other Expenses	**854.63**	1,085.02	**99.34**	97.76
Profit before exceptional items and tax	**1,270.68**	(3,021.93)	**5.30**	31.71
Share of Profit of Joint Ventures/Associates	**25.56**	27.08	**-**	-
Profit/(loss) before tax	**1,296.24**	(2,994.85)	**5.30**	31.71
Tax expense	**1,038.98**	(938.45)	**4.34**	7.00
Profit (Loss) for the period	**257.26**	(2,056.40)	**0.96**	24.71
Other Comprehensive Income	**(5.33)**	(39.65)	**(71.66)**	22.68
Total comprehensive income	**251.93**	(2,096.05)	**(70.70)**	47.39
Profit Attributable to Non-Controlling Interests	**123.77**	(989.33)	**0.24**	6.15
Dividends paid to Non-Controlling Interests	**-**	-	**3.95**	3.89

3. Summarised Cash Flow Information:

(₹ in Crore)

	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	Mar-2021	Mar-2020	**Mar-2021**	Mar-2020
Operating Activities	**452.25**	(620.20)	**235.33**	(107.26)
Investing Activities	**(547.95)**	(963.02)	**(335.07)**	(444.78)
Financing Activities	**96.80**	1,583.10	**121.36**	543.32
Currency Translation Difference	**-**	-	**(1.68)**	0.06
Net increase/(decrease) in Cash and Cash Equivalents	**1.10**	(0.12)	**19.94**	(8.66)

NOTES TO FINANCIAL STATEMENTS

Note - 33 B: INTEREST IN JOINT VENTURE & ASSOCIATES

A. Details of Interest in Joint Venture & Associates is as under:

Name of entity	Place of Business	% of Ownership Interest	Carrying Amount (₹ in Crore)
Joint Venture			
Indian Oiltanking Limited	India	49.38%	681.08
Lubrizol India Private Limited	India	26.00%	179.69
Indian Oil Petronas Private Limited	India	50.00%	632.86
Green Gas Limited	India	49.97%	165.96
Indian Oil Skytanking Private Limited	India	50.00%	84.90
Suntera Nigeria 205 Ltd.	Nigeria	25.00%	-
Delhi Aviation Fuel Facility Private Limited	India	37.00%	91.97
Indian Synthetic Rubber Private Limited	India	50.00%	199.30
Indian Oil Ruchi Biofuels LLP@	India	50.00%	-
NPCIL - IndianOil Nuclear Energy Corporation Limited	India	26.00%	0.37
GSPL India Transco Limited	India	26.00%	124.70
GSPL India Gasnet Limited	India	26.00%	402.66
IndianOil Adani Gas Private Limited	India	50.00%	416.09
Mumbai Aviation Fuel Farm Facility Private Limited	India	25.00%	87.62
Kochi Salem Pipelines Private Limited	India	50.00%	192.94
IndianOil LNG Private Limited	India	50.00%	3,445.95
Petronet CI Limited @@	India	26.00%	-
Hinduatan Urvarak and Rasayan Limited	India	29.67%	1,129.67
Ratnagiri Refinery & Petrochemicals Limited	India	50.00%	63.82
Indradhanush Gas Grid Limited	India	20.00%	57.92
IHB Private Limited	India	50.00%	829.51
IndianOil Total Private Limited	India	50.00%	6.39
Associates			
Avi-Oil India Private Limited	India	25.00%	17.47
Petronet VK Limited	India	50.00%	0.02
Petronet LNG Limited	India	12.50%	1,465.65
Petronet India Limited@@@	India	18.00%	0.47

@IndianOil has exited the Joint Venture, IndianOil Ruchi Biofuels LLP (M/s IORB) by giving notice of its exit from the LLP to the other JV partner viz. Ruchi Soya Industries Limited (M/s Ruchi) as well as to the LLP on December 26, 2018 stating that it will exit the LLP w.e.f. January 25, 2019. The time frame for completing exit formalities by M/s. Ruchi by filing requisite forms with ROC was within 30 days of notice expiry period (i.e., by February 24, 2019) but the same is still pending and Indian Oil name is appearing on ROC website as Partner in the said LLP. M/s. Ruchi was under Corporate Insolvency Resolution Process and has been taken over by Patanjali Ayurveda Limited. All necessary documents have been provided to M/s. Ruchi for completing formalities relating to exit of IndianOil from IORB LLP.

@@ Company is under winding up process and the appointed liquidator has submitted his report to the official liquidator who is still to submit its report to Tribunal for winding up of the company

@@@ Liquidator has been appointed for winding up of company w.e.f. 30.08.18.

Note:

1. The financials of Joint Operations as mentioned in Note 34 have been included in the financial statements of Indian Oil Corporation Ltd & Subsidiary Companies and in respect of other Joint Ventures/Associates of Subsidiary Companies, the same has been included in the financial statements of respective subsidiary company.
2. Ujjwala Plus Foundation is a joint venture of IOCL, BPCL and HPCL with fund contribution in the ratio of 50:25:25 which was incorporated as a limited by guarantee Company (without share capital) under section 8 of Companies Act, 2013.
3. IOC Phinergy Pvt. Limited is a joint venture of IOCL and Phinergy Limited, Israel and was incorporated on February 19, 2021 having shareholding in the ratio of 50:50 for development of indigenous batteries using locally available Aluminum to boost India's pursuit of e-mobility.

NOTES TO FINANCIAL STATEMENTS

Note - 33 B: INTEREST IN JOINT VENTURE & ASSOCIATES (Contd..)

B. Summarised Financials of Material Joint Venture:

I.A. Summarised Balance Sheet of M/s Indian Oiltanking Limited:

(₹ in Crore)

Particulars	31.03.2021	31.03.2020
Current assets	1,126.97	987.53
Current liabilities	581.20	577.50
Non-current assets	2,803.73	3,052.28
Non-current liabilities	1,972.11	2,191.65
Net assets	1,377.39	1,270.66
Proportion of the Group's ownership	680.21	627.50
Carrying amount of the investment	681.08	628.37
The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	49.07	90.36
Current Financial Liabilities	444.91	465.99
Non-current financial liabilities	1,874.48	2,099.74

I.B. Summarised Statement of Profit and Loss of M/s Indian Oiltanking Limited:

(₹ in Crore)

Particulars	31.03.2021	31.03.2020
Revenue From Operations	507.89	531.31
Other Income	74.64	122.41
Revenue From Operations	582.53	653.72
Cost of Material/Service Consumed	2.00	11.53
Employee Benefits Expense	58.83	58.50
Finance Costs	200.10	220.55
Depreciation and amortisation expense	28.12	29.75
Other Expenses	137.54	204.45
Profit/(loss) Before tax	155.94	128.94
Tax expense:		
Current Tax	9.41	11.47
Deferred Tax	33.65	-16.39
Profit (Loss) for the year	112.88	133.86
Other Comprehensive Income	-0.75	1.72
Total comprehensive income	112.13	135.58
Group's Share in above:		
Profit (Loss) for the period	55.74	66.11
Other Comprehensive Income	-0.38	0.85
Total comprehensive income	55.36	66.96
Dividend received	-	-

NOTES TO FINANCIAL STATEMENTS

Note - 33 B: INTEREST IN JOINT VENTURE & ASSOCIATES (Contd..)

II.A. Summarised Balance Sheet of M/s Indian Oil Petronas Private Limited:

(₹ in Crore)

Particulars	31.03.2021	31.03.2020
Current assets	888.65	900.98
Current liabilities	137.59	113.81
Non-current assets	955.30	876.87
Non-current liabilities	295.77	217.89
Net assets	1,410.59	1,446.15
Proportion of the Group's ownership	705.30	723.08
Carrying amount of the investment	632.86	650.64
The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	41.39	153.54
Current Financial Liabilities	110.31	84.82
Non-current financial liabilities	215.98	137.69

II.B. Summarised Statement of Profit and Loss of M/s Indian Oil Petronas Private Limited:

(₹ in Crore)

Particulars	31.03.2021	31.03.2020
Revenue From Operations	1,872.22	2,114.41
Other Income	27.58	52.82
Revenue From Operations	1,899.80	2,167.23
Cost of Material/Service Consumed	1,319.64	1,476.13
Employee Benefits Expense	17.38	17.42
Finance Costs	23.92	18.27
Depreciation and amortisation expense	68.48	48.73
Other Expenses	190.55	176.77
Profit/(loss) Before tax	279.83	429.91
Tax expense:		
Current Tax	75.01	108.68
Deferred Tax	-0.99	-27.93
Profit (Loss) for the year	205.81	349.16
Other Comprehensive Income	-0.18	-0.52
Total comprehensive income	205.63	348.64
Group's Share in above:		
Profit (Loss) for the period	102.91	174.58
Other Comprehensive Income	-0.09	-0.26
Total comprehensive income	102.82	174.32
Dividend received	120.60	107.20

NOTES TO FINANCIAL STATEMENTS

Note - 33 B: INTEREST IN JOINT VENTURE & ASSOCIATES (Contd..)

C. Details in respect of Immaterial Joint Venture & Associates:

(₹ in Crore)

Particulars	31.03.2021	31.03.2020
Carrying Amount of Investments		
Joint Ventures	7,479.46	2,774.65
Associates	1,483.61	1,435.77
Aggregate amounts of the group's share of immaterial Joint Ventures:		
Share of Profits After Tax	103.10	-83.02
Other comprehensive income	6.03	-15.23
Total comprehensive income	109.13	-98.25
Aggregate amounts of the group's share of immaterial Associates:		
Share of Profits After Tax	357.56	367.47
Other comprehensive income	0.08	0.06
Total comprehensive income	357.64	367.53

D. Group's share in Capital Commitments and Contingent Liabilities in respect of Joint Venture & Associates is as under:

(₹ in Crore)

Particulars	31.03.2021	31.03.2020
Capital Commitments	4,149.67	4,343.12
Contingent Liabilities	708.34	428.49

Note–34: INTEREST IN JOINT OPERATIONS

(₹ in Crore)

Name		Principle place of business	Proportion of Ownership Interest	
			March 31, 2021	March 31, 2020
A. The Group's interest in Joint Operations are as under:				
E&P BLOCKS				
1) AA-ONN-2001/2	A	India	20.00%	20.00%
2) GK-OSN-2009/1		India	25.00%	25.00%
3) GK-OSN-2009/2	B	India	-	30.00%
4) CB-ONN-2010/6	B	India	-	20.00%
5) AAP-ON-94/1		India	29.03%	29.03%
6) AA/ONDSF/UMATARA/2018		India	90.00%	90.00%
7) BK-CBM-2001/1		India	20.00%	20.00%
8) NK-CBM-2001/1		India	20.00%	20.00%
9) FARSI BLOCK IRAN	C	Iran	40.00%	40.00%
10) LIBYA BLOCK 86	B	Libya	-	50.00%
11) LIBYA BLOCK 102/4	B	Libya	-	50.00%

NOTES TO FINANCIAL STATEMENTS

Note–34: INTEREST IN JOINT OPERATIONS (CONTD..)

(₹ in Crore)

Name		Principle place of business	Proportion of Ownership Interest	
			March 31, 2021	March 31, 2020
12) SHAKTHI GABON		Gabon	**50.00%**	50.00%
13) AREA 95-96	D	Libya	**25.00%**	25.00%
14) RJ-ONHP-2017/8		India	**30.00%**	30.00%
15) AA-ONHP-2017/12		India	**20.00%**	20.00%
16) Block-32	B	Israel	**-**	25.00%
17) North Montney Joint Venture		Canada	**10.00%**	10.00%
18) Niobrara Shale Project		USA	**10.00%**	10.00%
19) Mukhaizna Oil Field		Oman	**17.00%**	17.00%
OTHERS				
20) Petroleum India International (PII)	E	India	**-**	36.36%
21) INDOIL Netherlands B.V.	F	Netherlands	**50.00%**	50.00%

A. Exploration License expired on October 7, 2015. Consortium has requested Directorate General of Hydrocarbon (DGH) for Appraisal phase, however vide letter dated March 6, 2019, it was opined to carry out Exploration activity instead of Appraisal work. Accordingly, Operator requested DGH for extension of exploration period. Response from DGH is awaited.

B. Blocks relinquished during the year 2020-21 vide approval dated November 27, 2020.

C. The project 's exploration period ended on 24 June 2009. The contractual arrangement with respect to development of the block could not be finalised so far with Iranian Authorities.

D. Under Force Majeure since May 20, 2014

E. Members in Petroleum India International (AOP) are HPCL, BPCL, EIL, IOCL, CPCL, ONGC, OIL and Reliance Industries Ltd. During the current financial year, final communication is received from PII for bringing an end to the MOU (entered on 01/03/1986) vide letter dated March 31, 2021 as all the balance activities facilitating the dissolution mentioned in termination agreement dated March 18, 2020 ,for dissolution of AOP is completed.

F. IOC Sweden AB through its JV INDOIL Netherlends B.V has invested in Petrocarabobo project, the outcome of this investment may get delayed due to the political and economic situation in Venezuela.

B. The Group share of Financial position of Joint Operations are as under:

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Assets	**9,157.05**	**8,559.10**
PPE (including Producing Properties)	**5,871.14**	5,548.18
Capital Work in Progress	**271.19**	225.60
Intangible Asset under Development (Net of Provisions)	**1,858.77**	1,637.33
Other Assets (Net of Provisions)	**1,155.95**	1,147.99
Liabilities & Provisions	**4,786.66**	**4,108.20**
Liabilities	**4,232.53**	3,523.51
Provisions	**554.13**	584.69
Income	**1,742.68**	**2,596.53**
Sale of Products (Net of Own Consumption)	**1,740.24**	2,568.73
Other Income	**2.44**	27.80

NOTES TO FINANCIAL STATEMENTS

Note–34: INTEREST IN JOINT OPERATIONS (Contd..)

B. The Group share of Financial position of Joint Operations are as under:

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Expenditure	**1,911.12**	**4,688.68**
Expenditure written off (incl exploration related)	**45.64**	5.43
Other Costs (incl exploration related)	**1,865.48**	4,683.25
Net Results	**(168.44)**	**(2,092.15)**
Commitments	**766.60**	**837.16**
Contingent Liabilities	**-**	**-**

Note: Including financial position of relinquished blocks.

Note–35 A: DISCLOSURE RELATING EXPLORATION AND PRODUCTION ACTIVITIES

In compliance of Ind-AS-106 on "Exploration and Evaluation of Mineral Resources", the disclosure of financial information relating to activity associated with the exploration for and evaluation of mineral resources (crude oil, natural gas etc.) are as under:

(₹ in Crore)

Name	March 31, 2021	March 31, 2020
(i) Assets	**211.02**	**252.14**
- Intangible Assets under Development	**204.91**	247.31
- Capital Work in Progress	**0.79**	0.79
- Other Assets	**5.32**	4.04
(ii) Liabilities	**86.30**	**98.00**
- Provisions	**2.31**	2.31
- Other Liabilities	**83.99**	95.69
(iii) Income	**0.19**	**10.33**
- Other Income	**0.19**	10.33
(iv) Expenses	**68.71**	**28.98**
- Exploration expenditure written off	**45.64**	0.01
- Other exploration costs	**23.07**	28.97
(v) Cash Flow		
- Net Cash from/(used) in operating activities	**(35.85)**	**(37.71)**
- Net Cash from/(used) in investing activities	**(2.47)**	**(8.82)**

Note–35 B: IN COMPLIANCE OF REVISED GUIDANCE NOTE ON ACCOUNTING FOR OIL AND GAS PRODUCING ACTIVITIES, THE REQUIRED DISCLOSURES IN RESPECT OF RESERVES ARE AS UNDER:

Net Proved Reserves of Crude Oil, Condensate, Natural Gas Liquids and Gas:

Assets		March 31, 2021		March 31, 2020	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
		TMT	Million Cubic Meter	TMT	Million Cubic Meter
A) Proved Reserves					
Niobrara Shale Project, USA	Beginning	**264.48**	**77.50**	245.25	72.32
	Addition	-	-	29.88	13.24

NOTES TO FINANCIAL STATEMENTS

Note–35 B: IN COMPLIANCE OF REVISED GUIDANCE NOTE ON ACCOUNTING FOR OIL AND GAS PRODUCING ACTIVITIES, THE REQUIRED DISCLOSURES IN RESPECT OF RESERVES ARE AS UNDER: (Contd..)

Assets		March 31, 2021		March 31, 2020	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
		TMT	Million Cubic Meter	TMT	Million Cubic Meter
	Deduction	90.82	22.86	-	-
	Production	7.12	5.85	10.65	8.06
	Balance	166.54	48.79	264.48	77.50
Pacific Northwest LNG, Canada	Beginning	1231.61	9065.39	987.96	8300.64
	Addition	212.62	1796.84	273.70	1198.43
	Deduction	-	-	-	-
	Production	59.26	489.53	30.05	433.69
	Balance	1384.97	10372.70	1231.61	9065.39
Oman	Beginning	8413.23	-	7978.65	-
	Addition	535.62	-	1370.41	-
	Deduction	3050.69	-	-	-
	Production	743.98	-	935.83	-
	Balance	5154.18	-	8413.23	-
Assam AAP-ON-94/1	Beginning	35.81	1137.21	69.46	1621.05
	Addition	-	-	-	-
	Deduction	-	-	24.91	396.25
	Production	9.66	106.67	8.74	87.59
	Balance	26.15	1030.54	35.81	1137.21
Total Proved Reserves		6731.84	11452.03	9945.13	10280.10
B) Proved developed Reserves					
Niobrara Shale Project, USA	Beginning	66.02	23.02	70.39	24.69
	Addition	-	2.74	6.28	6.38
	Deduction	2.84	-	-	-
	Production	7.12	5.85	10.65	8.05
	Balance	56.06	19.91	66.02	23.02
Pacific Northwest LNG, Canada	Beginning	218.04	2534.79	187.55	2815.26
	Addition	167.80	785.51	60.54	153.22
	Deduction	-	-	-	-
	Production	59.26	489.53	30.05	433.69
	Balance	326.58	2830.77	218.04	2534.79
Oman	Beginning	6869.93	-	7348.41	-
	Addition	-	-	457.35	-
	Deduction	1672.86	-	-	-
	Production	743.98	-	935.83	-
	Balance	4453.09	-	6869.93	-

NOTES TO FINANCIAL STATEMENTS

Note–35 B: IN COMPLIANCE OF REVISED GUIDANCE NOTE ON ACCOUNTING FOR OIL AND GAS PRODUCING ACTIVITIES, THE REQUIRED DISCLOSURES IN RESPECT OF RESERVES ARE AS UNDER: (Contd..)

Assets		March 31, 2021		March 31, 2020	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
		TMT	Million Cubic Meter	TMT	Million Cubic Meter
Assam AAP-ON-94/1	Beginning	**35.81**	**1137.21**	69.46	1621.05
	Addition	-	-	-	-
	Deduction	-	-	24.91	396.25
	Production	**9.66**	**106.67**	8.74	87.59
	Balance	**26.15**	**1030.54**	35.81	1137.21
Total Proved developed Reserves		**4861.88**	**3881.22**	**7189.80**	**3695.02**

Net Proved Reserves & Proved developed Reserves of Crude Oil, Condensate, Natural Gas Liquids and Gas on Geographical Basis:

Details		March 31, 2021		March 31, 2020	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
		TMT	Million Cubic Meter	TMT	Million Cubic Meter
A) Proved Reserves					
U.S.		**166.54**	**48.79**	264.48	77.50
Canada		**1384.97**	**10372.70**	1231.61	9065.39
Oman		**5154.18**	-	8413.23	-
India		**26.15**	**1030.54**	35.81	1137.21
Total Proved Reserves		**6731.84**	**11452.03**	**9945.13**	**10280.10**
B) Proved developed Reserves					
U.S.		**56.06**	**19.91**	66.02	23.02
Canada		**326.58**	**2830.77**	218.04	2534.79
Oman		**4453.09**	-	6869.93	-
India		**26.15**	**1030.54**	35.81	1137.21
Total Proved developed Reserves		**4861.88**	**3881.22**	**7189.80**	**3695.02**

Frequency

The Group uses in house study as well as third party agency each year for reserves certification who adapt latest industry practices for reserve evaluation. For the purpose of estimation of Proved and Proved developed reserves, deterministic method is used by the company. The annual revision of estimates is based on the yearly exploratory and development activities and results thereof.

NOTES TO FINANCIAL STATEMENTS

Note – 36: EMPLOYEE BENEFITS

Disclosures in compliance with Ind-As 19 on Employee Benefits is as under:

A. Defined Contribution Plans- General Description

Provident Fund (EPS-95)*

During the year, the Group has recognised ₹ **34.63 Crore** (2020: ₹ 37.00 Crore) as contribution to EPS-95 in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 27/ Construction period expenses in Note-2.2) .

Pension Scheme*

During the year, the Group has recognised ₹ **470.93 Crore** (2020: ₹ 335.25 Crore) towards Defined Contributory Employees Pension Scheme (including contribution in corporate National Pension Scheme) in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 27/ Construction period expenses in Note-2.2).

B. Defined Benefit Plans- General Description

Provident Fund:*

The Group's contribution to the Provident Fund is remitted to separate provident fund trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to the Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Group. The Group has Provident Funds maintained by respective PF Trusts in respect of which actuarial valuation is carried out. Holding company has provided ₹ **136.36 Crore** (2020: ₹ 130.24 Crore) for current and future interest shortfall/ losses of PF trusts beyond available surplus at respective trust level.

Gratuity:*

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount based on completed tenure of service subject to maximum of ₹ 0.20 Crore at the time of separation from the group. Besides, the ceiling of gratuity increases by 25% whenever IDA rises by 50% with reference to January 01, 2017.

Post Retirement Medical Benefit Facility (PRMBF):*

PRMBF provides medical coverage to retired employees and their eligible dependant family members.

Resettlement Benefit:

Resettlement benefit is allowed to employees to facilitate them to settle down upon retirement.

Ex gratia Scheme:

Ex-gratia is payable to those employees who have retired before January 01, 2007 and either not drawing pension from superannuation benefit fund (as they superannuated prior to January 01, 1987, i.e. introduction of superannuation benefit fund scheme in IndianOil) or are drawing a pension lower than the ex gratia fixed for a Grade (in such case differential amount between pension and ex gratia is paid).

Employees Compensation for injuries arising out of or during the course of employment:

Employees covered under the Employees' Compensation Act, 1923 who meet with accidents, while on duty, are eligible for compensation under the said Act. Besides, a lumpsum monetary compensation equivalent to 100 months' Pay (BP+DA) is paid in the event of an employee suffering death or permanent total disablement due to an accident arising out of and in the course of his employment.

Felicitation of Retired Employees:

The Parent Company has a scheme to felicitate retired employees on attaining different age milestones with a token lumpsum amount.

* As per the DPE Guidelines on Pay Revision, the company can contribute upto 30% of Basic Pay plus Dearness Allowance towards Provident Fund, Gratuity, Post-Retirement Medical Benefits (PRMB) and Pension of its employees. The superannuation benefits expenditure charged to Statement of Profit and Loss / Other Comprehensive Income has been limited to 30% of Basic pay plus Dearness Allowance and the balance amount is shown as recoverable advance from the company's contribution towards superannuation benefits including pension schemes.

NOTES TO FINANCIAL STATEMENTS

Note – 36: EMPLOYEE BENEFITS (Contd..)

Accordingly, as per the actuarial valuation of Gratuity and PRMB, ₹ 369.01 Crore was charged to the Statement of Profit and Loss, ₹ (-) 28.87 Crore has been adjusted in Other Comprehensive income during the year and ₹ 648.80 Crore (i.e. ₹ 214.24 Crore and ₹ 434.56 Crore towards Gratuity and PRMBF respectively) has been shown as recoverable advance. This advance amount is included in Advance to Employee Benefits Trust / Funds of ₹ 870.53 Crore in Note 6.

C. Other Long-Term Employee Benefits - General Description

Leave Encashment:

Each employee is entitled to get 8 earned leaves for each completed quarter of service. Encashment of earned leaves is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation of 300 days. In addition, each employee is entitled to get 5 sick leaves (in lieu of 10 HPL) at the end of every six months. The entire accumulation is permitted for encashment only at the time of retirement. DPE had clarified earlier that sick leave cannot be encashed, though Earned Leave (EL) and Half Pay Leave (HPL) could be considered for encashment on retirement subject to the overall limit of 300 days. MOP&NG has advised the company to comply with the said DPE Guidelines. However, in compliance to the DPE guidelines of 1987 which had allowed framing of own leave rules within broad parameters laid down by the Government and keeping in view operational complications and service agreements the company had requested concerned authorities to reconsider the matter. Subsequently, based on the recommendation of the 3rd PRC, DPE in its guidelines on pay revision, effective from January 01, 2017 has inter-alia allowed CPSEs to frame their own leave rules considering operational necessities and subject to conditions set therein. The requisite conditions are fully met by the group.

Long Service Award:

On completion of specified period of service with the group and also at the time of retirement, employees are rewarded with amounts based on the length of service completed. It is a mode of recognising long years of loyalty and faithful service in line with Bureau of Public Enterprises (currently DPE) advice vide its DO No. 7(3)/79-BPE (GM.I) dated February 14, 1983. On receipt of communication from MoPNG advising us that the issue of Long Service Award has been made into an audit para in the Annual Report of CAG of 2019, the Group has been clarifying its position to MoP&NG individually as well as on industry basis as to how Long Service Awards are not in the nature of Bonus or Ex-gratia or honorarium and is emanating from a settlement with the unions under the ID Act as well as with the approval of the Board in line with the DPE's advice of 1983. The matter is being pursued with MOP&NG for resolution. Pending this the provision is in line with Board approved policy.

The amount provided during the year on this account is **₹ 19.29 Crore** (2020: ₹ 29.12 Crore) and the payments made to employees during the year is **₹ 27.18 Crore** (2020: ₹ 28.16 Crore). The actuarial liability of ₹ 193.9 Crore in this respect as on 31.03.2021 is included under "Provision for Employees Benefit" in "Note 18 – Provisions".

Leave Fare Allowance (LFA) / Leave Travel Concession (LTC):

LTC is allowed once in a period of two calendar years (viz. two yearly block). An employee has, in any given block period of two years, an option of availing LTC or encashing the entilements of LFA.

D. The summarised position of various Defined Benefit Plans recognised in the Statement of Profit & Loss, Balance Sheet and Other Comprehensive Income are as under:

(Figures given in Unbold & Italic Font in the table are for previous year)

(i) Reconciliation of balance of Defined Benefit Plans

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Defined Obligation at the beginning	**16,724.32**	**2,935.92**	**6,133.72**	**133.63**	**246.72**	**444.67**
	14,870.94	*2,810.87*	*5,084.48*	*120.83*	*208.92*	*475.90*
Current Service Cost	**531.68**	**54.04**	**255.80**	**19.22**	**-**	**1.74**
	533.79	*50.52*	*219.40*	*19.24*	*-*	*1.42*
Past Service Cost	**-**	**16.83**	**-**	**-**	**-**	**-**
	-	*1.15*	*-*	*-*	*-*	*-*
Interest Cost	**1,391.01**	**201.48**	**417.71**	**9.17**	**14.90**	**30.37**
	1,280.81	*218.97*	*395.58*	*9.41*	*15.75*	*37.03*

NOTES TO FINANCIAL STATEMENTS

Note – 36: EMPLOYEE BENEFITS (Contd..)

(i) Reconciliation of balance of Defined Benefit Plans (Contd..)

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Contribution by employees	**1,235.48**	**-**	**-**	**-**	**-**	**-**
	1,404.67	-	-	-	-	-
Net Liability transferred In / (Out)	**103.23**	**-**	**-**	**-**	**-**	**-**
	25.42	-	-	-	-	-
Benefits paid	**(1,999.36)**	**(325.34)**	**(232.62)**	**(6.89)**	**(36.40)**	**(13.70)**
	(1,521.55)	*(411.72)*	*(213.05)*	*(7.85)*	*(30.11)*	*(6.70)*
Actuarial (gain)/ loss on obligations due to Future Interest Shortfall	**137.72**	**24.29**	**211.14**	**(27.87)**	**11.01**	**23.31**
	130.24	*266.13*	*647.31*	*(8.00)*	*52.16*	*(62.98)*
Defined Benefit Obligation at the end of the year	**18,124.08**	**2,907.22**	**6,785.75**	**127.26**	**236.23**	**486.39**
	16,724.32	*2,935.92*	*6,133.72*	*133.63*	*246.72*	*444.67*

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

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the beginning of the year	**16,647.25**	**2,481.21**	**5,547.42**	**-**	**-**	**-**
	15,192.58	*2,691.42*	*4,993.59*	-	-	-
Interest Income	**1,391.01**	**170.30**	**377.78**	**-**	**-**	**-**
	1,280.81	*209.66*	*388.50*	-	-	-
Contribution by employer	**531.68**	**543.60**	**788.24**	**-**	**-**	**-**
	533.79	*0.21*	*358.51*	-	-	-
Contribution by employees	**1,235.48**	**-**	**1.22**	**-**	**-**	**-**
	1,404.67	-	*1.23*	-	-	-
Net Liability transferred In / (Out)	**103.23**	**-**	**-**	**-**	**-**	**-**
	25.42	-	-	-	-	-
Benefit paid	**(1,999.36)**	**(325.34)**	**(228.48)**	**-**	**-**	**-**
	(1,521.55)	*(411.72)*	*(208.91)*	-	-	-
Provision for Stressed Assets	**-**	**-**	**-**	**-**	**-**	**-**
	(83.23)	-	-	-	-	-
Re-measurement (Return on plan assets excluding Interest Income)	**85.30**	**14.26**	**46.97**	**-**	**-**	**-**
	(185.24)	*(8.36)*	*14.50*	-	-	-
Fair value of plan assets at the end of the year	**17,994.59**	**2,884.03**	**6,533.15**	**-**	**-**	**-**
	16,647.25	*2,481.21*	*5,547.42*	-	-	-

NOTES TO FINANCIAL STATEMENTS

Note – 36: EMPLOYEE BENEFITS (Contd..)

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

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the end of the year	**17,994.59**	**2,884.03**	**6,533.15**	**-**	**-**	**-**
	16,647.25	*2,481.21*	*5,547.42*	*-*	*-*	*-*
Defined Benefit Obligation at the end of the year (Net of Interest Shortfall)	**17,861.82**	**2,907.22**	**6,785.75**	**127.26**	**236.23**	**486.39**
	16,724.32	*2,935.92*	*6,133.72*	*133.63*	*246.72*	*444.67*
Amount not recognised in the Balance Sheet (as per para 64 of Ind-As 19)	**137.12**	**-**	**-**	**-**	**-**	**-**
	(53.17)	*-*	*-*	*-*	*-*	*-*
Amount recognised in the Balance Sheet	**266.61**	**23.19**	**252.60**	**127.26**	**236.23**	**486.39**
	130.24	*454.71*	*586.30*	*133.63*	*246.72*	*444.67*

(iv) Amount recognised in Statement of Profit and Loss / Construction Period Expenses

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Current Service Cost	**531.68**	**54.04**	**255.80**	**19.22**	**-**	**1.74**
	533.79	*50.52*	*219.40*	*19.24*	*-*	*1.42*
Past Service Cost	**-**	**16.83**	**-**	**-**	**-**	**-**
	-	*1.15*	*-*	*-*	*-*	*-*
Net Interest Cost	**-**	**31.18**	**39.93**	**9.17**	**14.90**	**30.37**
	-	*9.31*	*7.08*	*9.41*	*15.75*	*37.03*
Contribution by Employees	**-**	**-**	**(1.22)**	**-**	**-**	**-**
	-	*-*	*(1.23)*	*-*	*-*	*-*
Actuarial (gain)/ loss on obligations due to Future Interest Shortfall	**132.02**	**-**	**-**	**-**	**-**	**-**
	130.24	*-*	*-*	*-*	*-*	*-*
Expenses for the year	**663.70**	**102.05**	**294.51**	**28.39**	**14.90**	**32.11**
	664.03	*60.98*	*225.25*	*28.65*	*15.75*	*38.45*

(v) Amount recognised in Other Comprehensive Income (OCI)

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Actuarial (gain)/ loss on Obligations - Due to change in Demographic assumptions	**-**	**(0.36)**	**653.45**	**-**	**5.05**	**69.18**
	-	*0.04*	*-*	*-*	*-*	*-*
Actuarial (gain)/ loss on Obligations - Due to change in Financial assumptions	**5.70**	**(10.30)**	**(109.48)**	**(0.73)**	**(2.81)**	**(4.18)**
	-	*173.26*	*895.47*	*15.81*	*14.55*	*39.96*
Actuarial (gain)/ loss on Obligations - Due to Experience	**-**	**34.95**	**(332.83)**	**(27.14)**	**8.77**	**(41.69)**
	-	*92.83*	*(248.16)*	*(23.81)*	*37.61*	*(102.94)*

NOTES TO FINANCIAL STATEMENTS

Note – 36: EMPLOYEE BENEFITS (Contd..)

(v) Amount recognised in Other Comprehensive Income (OCI)

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Re-measurement (Return on plan assets excluding Interest Income)	**(1.76)**	**14.26**	**46.97**	**-**	**-**	**-**
	(8.80)	*(8.36)*	*14.50*	-	-	-
Amount recoverable from employee adjusted in OCI	**7.46**	**(13.68)**	**209.33**	**-**	**-**	**-**
	8.80	*214.24*	*521.69*	-	-	-
Net Loss / (Gain) recognised in OCI *#	**-**	**23.71**	**(45.16)**	**(27.87)**	**11.01**	**23.31**
	-	*60.25*	*111.12*	*(8.00)*	*52.16*	*(62.98)*

*OCI Gain of ₹ 62.98 Crore pertaining to felicitation was not recognised in OCI during FY 2019-20

#Net of Translation difference amounting to **₹ 0.05 Crore** (2020: (0.01) Crore)

(vi) Major Actuarial Assumptions*

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Discount rate	**6.90%**	**6.90%**	**6.91%**	**6.90%**	**6.33%**	**6.91%**
	6.86%	*6.86%*	*6.81%*	*6.86%*	*6.04%*	*6.81%*
Salary escalation	**-**	**8.00%**	**-**	**-**	**-**	**-**
	-	*8.00%*	-	-	-	-
Inflation	**-**	**-**	**8.00%**	**6.00%**	**-**	**-**
	-	-	*8.00%*	*6.00%*	-	-
Average Expected Future Service/ Obligation (Years)	**-**	**16**	**30**	**16**	**9**	**30**
	-	*16*	*30*	*16*	*9*	*30*
Mortality rate during employment		**Indian Assured Lives Mortality (2006-08) Ult**				
		Indian Assured Lives Mortality (2006-08) Ult				

In case of funded schemes above, expected return on plan assets is same as that of respective discount rate.

*Assumptions considered in actuarial valuation of defined benefit obligations of the Holding Company.

(vii) Sensitivity on Actuarial Assumptions:

(₹ in Crore)

Loss / (Gain) for	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Change in Discounting Rate						
Increase by 1%	**-**	**(213.10)**	**(1,028.41)**	**(16.16)**	**(9.17)**	**(47.09)**
	-	*(184.24)*	*(920.04)*	*(16.87)*	*(9.92)*	*(41.87)*
Decrease by 1%	**-**	**250.76**	**1,369.80**	**20.45**	**10.03**	**57.68**
	-	*214.12*	*1,193.89*	*21.40*	*10.88*	*51.18*
Change in Salary Escalation						
Increase by 1%	**-**	**65.72**	**-**	**-**	**-**	**-**
	-	*42.81*	-	-	-	-

NOTES TO FINANCIAL STATEMENTS

Note – 36: EMPLOYEE BENEFITS (Contd..)

(₹ in Crore)

Loss / (Gain) for	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Decrease by 1%	**-**	**(71.64)**	**-**	**-**	**-**	**-**
	-	*(49.44)*	*-*	*-*	*-*	*-*
Change in Inflation Rate						
Increase by 1%	**-**	**-**	**838.49**	**-**	**-**	**-**
	-	*-*	*708.39*	*-*	*-*	*-*
Decrease by 1%	**-**	**-**	**(682.71)**	**-**	**-**	**-**
	-	*-*	*(600.68)*	*-*	*-*	*-*

(viii) Investment details:

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Investment with Insurer	**-**	**99.56%**	**88.52%**
	-	*99.53%*	*91.47%*
Self managed investments	**100.00%**	**0.44%**	**11.48%**
	100.00%	*0.47%*	*8.53%*

Details of the investment pattern for the above mentioned funded obligations are as under:

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Government Securities (Central & State)	**50.49%**	**44.38%**	**23.42%**
	54.53%	*73.29%*	*73.74%*
Investment in Equity / Mutual Funds	**7.82%**	**3.13%**	**0.22%**
	4.32%	*5.43%*	*5.29%*
Investment in Debentures / Securities	**39.49%**	**50.29%**	**75.75%**
	40.46%	21.06%	*20.94%*
Other approved investments (incl. Cash)	**2.20%**	**2.20%**	**0.61%**
	0.69%	*0.22%*	*0.02%*

*In case of Holding Company, pending receipt of investment pattern from LIC, pattern above pertains to self managed funds & funds managed by other insurers and the actual investment pattern after considering the details from LIC shall vary.

(ix) The following payments are expected projections to the defined benefit plan in future years:

(₹ in Crore)

	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Within next 12 Months	**213.60**	**242.23**	**8.38**	**36.74**	**22.89**
	555.54	*229.66*	*9.01*	*41.63*	*23.08*

NOTES TO FINANCIAL STATEMENTS

Note – 36: EMPLOYEE BENEFITS (Contd..)

(₹ in Crore)

	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Between 1 to 5 Years	**1,183.34**	**1,045.65**	**28.69**	**109.65**	**106.51**
	1,130.10	*991.34*	*30.80*	*131.35*	*97.36*
Between 6 to 10 Years	**1,191.03**	**1,455.47**	**34.38**	**72.48**	**162.23**
	1,097.50	*1,376.46*	*37.18*	*97.12*	*146.56*

Note:

General Description of the defined beenfit plans applicable to the Holding Company.

Note–37: COMMITMENTS AND CONTINGENCIES

A. Leases

(a) As Lessee

The Group has entered into various material lease arrangements (including in substance lease arrangements) such as lands and buildings for the purpose of its plants, facilities, offices, retail outlet etc., storage tankages facility for storing petroleum products, time charter arrangements for coastal transportation of crude and petroleum products, transportation agreement for dedicated tank trucks for road transportation of petroleum products, handling arrangement with CFA for providing dedicated storage facility and handling lubes, supply of utilities like Hydrogen, Oxygen, Nitrogen and Water, and port facilities among others.

There are no significant sale and lease back transactions and lease agreements entered by the Group do not contain any material restrictions or covenants imposed by the lessor upto the current reporting period.

Details of significant leases entered by the Group (including in substance leases) are as under;

1. BOOT Agreement in respect of Tankages facility for a period of 15 years. Lessor will transfer ownership to IOCL after 15 years at Nil value.
2. BOOT Agreement in respect of Water Intake facility for a period of 25 years. Lessor will transfer ownership to IOCL after 25 years at ₹ 0.01 Crore.
3. Leasehold lands from government for the purpose of plants, facilities and offices for the period 30 to 90 years.
4. Agreements with vessel owners for hiring of vessels for various tenures, these are classified as Transport Equipments.
5. BOO Agreement for supply of oxygen and nitrogen at Panipat Refinery. The land is owned by IOCL and the plant is being operated by contractor for supply of oxygen and nitrogen to IOCL.
6. BOO Agreement for leasing of Nitrogen & Hydrogen Plant at Paradip for 15 years .
7. BOOT Agreement for leasing of Quality Control Lab at Paradip for 10 years. Lessor will transfer the Assets after 10 years at ₹ 0.01 Crore.
8. Arrangements with Gujarat Adani Port Limited related to port facilities at Gujarat for a period of 25 years and 11 months.
9. Arrangement for lease of land for operating Retail Outlets for sale of Petroleum products, setting up terminals/Bottling plant/Lube Blending plant for storing petroleum products/bottling LPG/Manufacturing Lubes respectively.
10. CFA handling arrangement with CFAs for providing dedicated storage facility for handling lubes.
11. Arrangements with Tank truck operators for providing dedicated tank trucks for transportation of Group's petroleum products.
12. Arrangements for dedicated time charter vessels for coastal transportation of Group's petroleum products.
13. Arrangement for dedicated storage tanks for storing Group's petroleum products at various locations.
14. Employee Township at Cauvery Basin Refinery of CPCL (Subsidiary) has been constructed on land area of thirty four acres and forty nine cents leased from a trust on five year renewable basis.

NOTES TO FINANCIAL STATEMENTS

Note–37: COMMITMENTS AND CONTINGENCIES (Contd..)

Amount Recognised in the Statement of Profit and Loss or Carrying Amount of Another Asset

(₹ in Crore)

Particulars		2020-21		2019-20
Depreciation recognised		**1,201.23**		918.83
Interest on lease liabilities		**777.99**		760.88
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)*		**1,428.79**		1,048.75
Expenses relating to leases of low-value assets, excluding short-term leases of Low-value assets		**13.56**		4.69
Variable lease payments not included in the measurement of lease liabilities		**8,959.41**		8,881.25
Income from sub-leasing right-of-use assets				
-As Rental income from Operating Lease	22.64		24.16	
-As Finance income from Finance Lease of RoU Asset	0.13	**22.77**	4.99	29.15
Total cash outflow for leases		**1,933.77**		1,354.02
Additions to ROU during the year		**1,449.93**		1,257.50
Gain or losses arising from sale and leaseback transactions		**-**		-
Net Carrying Amount of ROU at the end the year		**9,174.59**		8,927.41
Others including Disputed, Leave & License, Reversal of excess liability of previous year, exchange fluctuation on lease liability etc...		**172.93**		159.56

*Includes Leases for which agreement are yet to be entered or due for renewal.

The details of ROU Asset included in PPE (Note 2) held as lessee by class of underlying asset (excluding those covered in Investment property) is presented below :-

2020-21

(₹ in Crore)

Asset Class	Net Carrying value as at April 01, 2020	Additions to RoU Asset during the Year**	Depreciation Recognised During the Year**	Net Carrying value as at March 31, 2021
Leasehold Land	3,990.82	477.04	296.25	**4,171.61**
Buildings Roads etc.	100.66	282.39	32.21	**350.84**
Plant & Equipment	3,887.62	19.13	269.56	**3,637.19**
Transport Equipments	948.20	669.62	602.97	**1,014.85**
Railway Sidings	0.11	-	0.01	**0.10**
Total	**8,927.41**	**1,448.18**	**1,201.00**	**9,174.59**

2019-20

(₹ in Crore)

Asset Class	Items Added to RoU Asset as on April 1, 2019	Additions to RoU Asset during the Year**	Depreciation Recognised During the Year**	Net Carrying value as at March 31, 2020
Leasehold Land	4,101.67	155.12	265.97	3,990.82
Buildings Roads etc.	110.78	18.79	28.91	100.66
Plant & Equipment	4,145.43	17.76	275.57	3,887.62

NOTES TO FINANCIAL STATEMENTS

Note–37: COMMITMENTS AND CONTINGENCIES (Contd..)

(₹ in Crore)

Asset Class	Items Added to RoU Asset as on April 1, 2019	Additions to RoU Asset during the Year**	Depreciation Recognised During the Year**	Net Carrying value as at March 31, 2020
Transport Equipments	230.88	1,065.70	348.38	948.20
Railway Sidings	0.12	-	0.01	0.11
Total	**8,588.88**	**1,257.37**	**918.84**	**8,927.41**

**Additions to RoU Asset does not include RoU Assets given on Sublease. Its asset class wise details have been shown under Note 2: Property, Plant and Equipment.

Includes ₹ **(1.75) Crore (2020: ₹ (0.13) Crore) on account of FCTR difference in Additions and ₹ **(0.23) Crore** (2020: ₹ 0.01 Crore) under Depreciation.

As per requirement of the standard, maturity analysis of Lease Liabilities have been shown separately from the maturity analysis of other financial liabilities under **Liquidity Risk-Note 41: Financial Instruments & Risk Factors.**

Details of items of future cash outflows which the Group is exposed as lessee but are not reflected in the measurement of lease liabilities are as under;

(i) Variable Lease Payments

Variable lease payments that depend on an index or a rate are to be included in the measurement of lease liability although not paid at the commencement date. As per general industry practice, the Group incurs various variable lease payments which are not based any index or rate (variable based on kms covered or % of sales etc..) and are recognised in profit or loss and not included in the measurement of lease liability. Details of some of the arrangements entered by the Group which contain variable lease payments are as under;

1. Transportation arrangement based on number of kms covered for dedicated tank trucks with different operators for road transportation of petroleum, petrochemical and gas products.
2. Leases of Land of Retail Outlets based on Sales volume.
3. Rent for storage tanks for petroleum products on per day basis.
4. Payment of VTS software and VSAT equipment based on performance of equipment.
5. DG Set charges based on usage.

(ii) Extension and Termination Options

The Group lease arrangements includes extension options only to provide operational flexibility.Group assesses at every lease commencement whether it is reasonably certain to exercise the extension options and further reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. However, where Group has the sole discretion to extend the contract such lease term is included for the purpose of calculation of lease liabilities.

The Group has the sole discretion to terminate the lease in case of lease agreement for Retail Outlets. However, Group is reasonably certain not to exercise the option in view of significant improvement and prominent importance of Retail to the entity's operations. Accordingly, such lease term without any effect of termination is considered for the purpose of calculation of lease liabilities.

(iii) Residual Value Guarantees

The Group have entered into various BOOT agreements wherein at the end of lease term the leased assets will be transferred to the Group at Nominal value which has no significant impact on measurement of lease liabilities.

(iv) Committed leases which are yet to commence

1. Parent Company has entered into lease agreement on BOO basis for supply of oxygen and nitrogen gas to IOCL Ethylene Glycol Project at Paradip Refinery for a period of 20 years. IOCL has sub leased the land for the construction of the plant. Lease will commence once plant is commissioned.

NOTES TO FINANCIAL STATEMENTS

Note–37: COMMITMENTS AND CONTINGENCIES (Contd..)

2. Parent Company has entered into lease agreement with VSAT providers (Highes,Nelco and Airtel) for VSAT equipment at ₹ 1175/month upto Sep/Oct 2024 for subleasing to Retail outlet to ensure seamless connectivity of automated and online data from them. Out of total contracts, 499 no's are pending as at March 31, 2021. However, payment is in the nature of variable lease payment.

3. Parent Company has paid Advance upfront premium to Greater Noida Developement Authority for leasing of land for the period of 90 years for New Retail Outlet of ₹ 7.58 Crore at Greater Noida. The agreement is yet to be executed and therefore the amount is lying as Capital advance and shall form part of ROU once lease is commenced.

4. Parent Company has entered into lease agreement for 1 Nos of Retail Outlet at Rajkot for a period of 20 years at an annual rental of ₹ 420000/- with an increment of 10% in every 5 years. Lease for such case will commence once RO is commisioned.

5. Parent Company has entered into lease agreement with various lessors for 3 no's of Retail outlet at Ahmedabad for a period of 19 years 11 months at an annual rental of ₹ 90000/-, ₹ 108000/-, ₹ 240000/- respectively with an increment of 10% in every 5 years. Leases for all such cases will commence once RO is commissioned.

6. Parent Company has entered into lease agreement for providing e-locks from various vendors for a period of 3 years (with an option to extend at the option of IOCL) at rate ranging from ₹ 1050-1300/month and for 1 vendor ₹ 2450/month. As at March 31, 2021, 8897 no's are yet to be supplied. However, the same are low value items.

7. Parent Company has entered into lease agreement with Andhra Pradesh State Civil Supplies for 1 Nos of Retail Outlet at Vizag for a period of 20 years at an monthly rental of ₹ 20000/- with an increment of 10% in every 3 years. The possession of land is not given and the matter is pending in the court.

8. Parent Company has entered into centralised lease agreement with M/s Trimble for rent payment of ₹ 373/month for VTS software for POL trucks customised to IOCL requirement for a period of 5 years. As at March 31, 2021 total 1776 Nos are yet to be installed. However, payment is in the nature of variable lease payment.

9. Parent Company has entered into lease agreement with M/s Geovista for VTS software for 2800 Nos of LPG trucks for a period of 5 years. As at March 31, 2021 lease pending to be commence for all 2800 Nos.

(b) As Lessor

(i) Operating Lease

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

(₹ in Crore)

	2020-21	2019-20
A. Lease rentals recognised as income during the year	**103.06**	44.76
- Variable Lease	**45.62**	4.20
- Others	**57.44**	40.56

These relate to Land/Buildings subleased for non fuel business, storage tankage facilities for petroleum products, Leave and License model, machinery and office equipments given on lease. Asset class wise details have been presented under Note 2: Property, Plant and Equipments.

Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date

(₹ in Crore)

	March 31, 2021	March 31, 2020
Less than one year	**61.94**	19.76
One to two years	**56.42**	15.24
Two to three year	**45.26**	12.65
Three to four years	**40.64**	10.30
Four to five years	**13.81**	8.01
More than five years	**1.22**	4.67
Total	**219.29**	**70.63**

NOTES TO FINANCIAL STATEMENTS

Note–37: COMMITMENTS AND CONTINGENCIES (Contd..)

(ii) **Finance Lease**

The Group has entered into the following material finance lease arrangements:

(i) Parent Company has entered into Lease Agreement with Indian Railways in respect of BTPN Tank Wagons for a minimum period of 20 years. The lease rentals from the date of formation of rake are @ 16% for the first 10 years and thereafter at the nominal rate of 1% of the cost.

(ii) Parent Company has subleased Telematics Equipments to its Fleet Customers. The same has been classified the sub lease as a finance lease, because the sub-lease is for the whole of the remaining term of the head lease.

(iii) Parent Company has entered into sublease arrangement of Office Space to PCRA for a period of 3 years. The same has been classified as finance lease as the sub-lease is for the whole of the remaining term of the head lease.

(iv) Parent Company has entered into arrangement with Chandigarh administration for subleasing LPG Godowns to LPG Distributors for a period of 15 years. The same has been classified as finance lease as the sub-lease is for the whole of the remaining term of the head lease.

(v) Parent Company has entered into a lease agreement with Indian Synthetic Rubber Private Limited in which the Company has leased out land for one time upfront payment of ₹ 16.65 Crore.

(vi) Parent Company has subleased certain Office Premises to IHB Private Limited.

Lease income from lease contracts in which the Group acts as a lessor is as below:-

(₹ in Crore)

	2020-21	2019-20
Selling Profit and Loss	**0.13**	3.07
Finance income on the net investment in the lease	**0.13**	5.03

(₹ in Crore)

	March 31, 2021	March 31, 2020
Gross Investments in Finance Lease	**120.51**	224.94
Less: Unearned Finance Income	**0.27**	5.20
Less: Finance Income Received	**40.36**	47.59
Less: Minimum Lease payment received	**75.82**	106.38
Net Investment in Finance Lease as on Date	**4.06**	**65.77**
Opening Net Investment in Finance Lease	**65.77**	**59.97**
Add: New Leases added during the year	**4.44**	33.10
Less: PV of Minimum Lease payment received during the year	**1.41**	27.30
Less: Adjustments during the year	**64.74**	-
Closing Net Investment in Finance Lease	**4.06**	**65.77**

Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date

(₹ in Crore)

	March 31, 2021	March 31, 2020
Less than one year	**2.30**	37.04
One to two years	**1.55**	29.40
Two to three year	**0.48**	4.53
Three to four years	**-**	-
Four to five years	**-**	-

NOTES TO FINANCIAL STATEMENTS

Note–37: COMMITMENTS AND CONTINGENCIES (Contd..)

(₹ in Crore)

	March 31, 2021	March 31, 2020
More than five years	-	-
Total Undiscounted Lease Payment	**4.33**	**70.97**
Less: Unearned finance Income	**0.27**	5.20
Net Investment in Finance Lease as on date	**4.06**	**65.77**

B. Contingent Liabilities

B.1 Claims against the Group not acknowledged as debt

Claims against the Group not acknowledged as debt amounting to ₹ **8,587.36 Crore** (2020: ₹ 9,523.46 Crore) are as under:

B.1.1 ₹ **75.76 Crore** (2020: ₹ 71.15 Crore) being the demands raised by the Central Excise /Customs/ Service Tax Authorities including interest of ₹ **33.43 Crore** (2020: ₹ 30.61 Crore.)

B.1.2 ₹ **42.81 Crore** (2020: ₹ 52.39 Crore) in respect of demands for Entry Tax from State Governments including interest of ₹ **8.61 Crore** (2020: ₹ 11.69 Crore).

B.1.3 ₹ **2,415.13 Crore** (2020: ₹ 2,555.62 Crore) being the demands raised by the VAT/ Sales Tax Authorities including interest of ₹ **848.96 Crore** (2020: ₹ 841.17 Crore).

B.1.4 ₹ **1,885.91 Crore** (2020: ₹ 2,669.04 Crore) in respect of Income Tax demands including interest of ₹ **80.15 Crore** (2020: Nil).

B.1.5 ₹ **3,808.20 Crore** (2020: ₹ 3,004.52 Crore) including ₹ **3,198.35 Crore** (2020: ₹ 2,427.84 Crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹ **118.30 Crore** (2020: ₹ 218.13 Crore).

B.1.6 ₹ **359.55 Crore** (2020: ₹ 1,170.74 Crore) in respect of other claims including interest of ₹ **26.39 Crore** (2020: ₹ 547.05 Crore).

The Group has not considered those disputed demands/claims as contingent liabilities, for which, the outflow of resources has been considered as remote. Contingent liabilities in respect of joint operations are disclosed in Note 34.

B.2 Other money for which the Group is Contingently Liable

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

C. Commitments

C.1 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ **31,131.78 Crore** (2020: ₹ 27,481.97 Crore) inclusive of taxes."Capital Commitments in respect of Joint Operations are disclosed in Note 34.

C.2 Other Commitments

C.2.1 The Group has an export obligation to the extent of ₹ **147.02 Crore** (2020: ₹ 616.86 Crore) on account of concessional rate of duty availed under EPCG license scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.

C.2.2 IndianOil LNG Private Limited (IOLPL), the JV Company, entered into Debenture Subscription Agreement with ICICI Bank (ICICI), in which, the Company (IOCL), as promoter of IOLPL, provided put option under certain conditions in which ICICI has option to sell Compulsory Convertible Debenture (CCD) to the Company. During the year, ICICI Bank has exercised put option and the Company (IOCL) has paid ₹ 787.00 Crore and its share of obligation is **Nil** as on March 31, 2021 (2020: ₹ 808.44 Crore).

C.2.3 The Group has issued Corporate Guarantee, on behalf of IndianOil Adani Gas Private Limited (IOAGPL), to the extent of obligations of later company under Performance Bank Guarantee Facility provided to IOAGPL by State Bank of India, Canara Bank, Bank of Baroda, Indian Bank, IndusInd Bank, Jammu and Kashmir Bank, Axis Bank and ICICI Bank'. The Group share of such obligation is estimated at ₹ **3,533.46 Crore** (2020: ₹ 3,533.46 Crore).

NOTES TO FINANCIAL STATEMENTS

Note–37: COMMITMENTS AND CONTINGENCIES (Contd..)

C.2.4 The Group has issued Parent Company Guarantee in favour of Abu Dhabi National Oil Company, on behalf of Urja Bharat Pte Limited, Singapore (a joint venture company of Company's subsidiary i.e IOCL Singapore Pte Limited) to fulfill the joint venture company's future obligations of payment and performance of Minimum Work Programme. The total amount sanctioned by the Board of Directors is USD 89.70 Million. The estimated amount of such obligation (net of amount paid) is ₹ **418.22 Crore** - **USD 57.20 Million** (2020: ₹ 565.22 Crore - USD 74.70 Million).

C.2.5 The Group has issued Corporate Guarantee, on behalf of IndianOil LNG Private Limited (IOLPL), to the extent of obligations of IOLPL under Performance Bank Guarantee Facility provided to IOLPL by State Bank of India. The estimated amount of such obligation is at **Nil** (2020: ₹ 11.40 Crore).

C.2.6 The Group has entered into Signature Bonus Agreement with Republic of Venezuela payable on achievement of various project timelines. The estimated amount of such obligation is at ₹ **416.10 Crore** (2020: ₹ 426.62 Crore).

D. Contingent assets

(₹ in Crore)

	March 31, 2021	March 31, 2020
a. In respect of M/s Khazana Projects and Industries (P) Ltd. for the amount of risk & cost claim along with 15% supervision charges admitted by the Arbitrator in favor of the Parent Company.	**3.85**	3.73
b. In respect of M/s Metro Builders for the amount of risk & cost claim along with 15% supervision charges, price discount and interest admitted by the Arbitrator in favor of the Parent Company.	**7.16**	6.26
Total	**11.01**	**9.99**

Note – 38: RELATED PARTY DISCLOSURES

As required by Ind-AS -24 "Related Party Disclosures", are given below :

1. Relationship with Entities

A) Details of Joint Ventures (JV) / Associate Entities to IOCL & its subsidiaries

1) Indian Oiltanking Limited	20) IndianOil - Adani Gas Private Limited
2) Lubrizol India Private Limited	21) Mumbai Aviation Fuel Farm Facility Private Limited
3) Petronet VK Limited	22) Kochi Salem Pipeline Private Limited
4) IndianOil Petronas Private Limited	23) Hindustan Urvarak & Rasayan Limited
5) Avi-Oil India Private Limited	24) Ratnagiri Refinery & Petrochemicals Limited
6) Petronet India Limited *	25) Indradhanush Gas Grid Limited
7) Petronet LNG Limited	26) Indian Additives Limited
8) Green Gas Limited	27) National Aromatics & Petrochemicals Corporation Limited
9) IndianOil Panipat Power Consortium Limited @@	28) INDOIL Netherlands B.V.
10) Petronet CI Limited @	29) Taas India PTE Limited
11) IndianOil LNG Private Limited	30) Vankor India PTE Limited
12) IndianOil SkyTanking Private Limited	31) Ceylon Petroleum Storage Terminals Limited
13) Suntera Nigeria 205 Limited	32) Falcon Oil & Gas B.V.
14) Delhi Aviation Fuel Facility Private Limited	33) Urja Bharat PTE Limited
15) Indian Synthetic Rubber Private Limited	34) IHB Private Limited
16) Indian Oil Ruchi Biofuels LLP #	35) Ujjwala Plus Foundation
17) NPCIL- IndianOil Nuclear Energy Corporation Limited	36) Beximco IOC Petroleum and Energy Limited (Incorporated on 28.09.20)

NOTES TO FINANCIAL STATEMENTS

Note – 38: RELATED PARTY DISCLOSURES (Contd..)

A) Details of Joint Ventures (JV) / Associate Entities to IOCL & its subsidiaries

18) GSPL India Transco Limited	37) IndianOil Total Private Limited (Incorporated on 07.10.20)
19) GSPL India Gasnet Limited	38) IOC Phinergy Private Limited (Incorporated on 19.02.21)

B) Details of Subsidiaries to JV's of IOCL

1) IOT Engineering & Construction Services Ltd.	7) Indian Oiltanking Engineering & Construction Services LLC Oman
2) Stewarts and Lloyds of India Limited	8) JSC KazakhstanCaspishelf
3) IOT Infrastructures Private Limited	9) IOT VITO MUHENDISLIK INSAAT VE TAAHUT A.S.
4) IOT Utkal Energy Services Limited	10) IndianOil Skytanking Delhi Private Limited
5) PT IOT EPC Indonesia	11) IOT Biogas Private Limited
6) IOT Engineering Projects Limited	12) Petronet LNG Foundation
	13) Petronet Energy Limited (Incorporated on 26.02.2021)

C) The following transactions were carried out with the related parties in the ordinary course of business:

(₹ in Crore)

		March 31, 2021	March 31, 2020
1	**Sales of Products / Services**	**2,004.13**	1,626.45
	[Includes sales to IndianOil Petronas Private Limited ₹ **1,325.16 Crore** (2020: ₹ 1,083.75 Crore) and Indian Synthetic Rubber Private Limited ₹ **322.55 Crore** (2020: ₹ 350.95 Crore)]		
2	**Interest received**	**93.17**	66.98
	[Includes interest received from IndianOil LNG Private Limited ₹ **81.88 Crore** (2020: ₹ 54.77 Crore) and Petronet VK Limited ₹ **9.64 Crore** (2020: ₹ 9.49 Crore)]		
3	**Other Operating Revenue/ Other Income**	**872.53**	207.66
	[Includes Other Operating Revenue / Other Income from Petronet LNG Limited ₹ **287.33 Crore** (2020: ₹ 192.60 Crore), IndianOil Petronas Private Limited ₹ **141.52 Crore** (2020: ₹ 107.22 Crore) , Vankor India PTE Limited ₹ **447.55 Crore** (2020: ₹ 59.37 Crore) and Falcon Oil & Gas BV ₹ **182.51 Crore** (2020: Nil)]		
4	**Purchase of Products**	**5,160.37**	8,306.65
	[Includes Purchase of Products from Petronet LNG Limited ₹ **3,963.39 Crore** (2020: ₹ 5,686.10 Crore) and Falcon Oil & Gas BV ₹ **685.66 Crore** (2020: ₹ 2129.14 Crore)]		
5	**Purchase of Raw Materials/ Others**	**3,980.99**	5,402.30
	[Includes Purchase of Raw Materials/Others from Petronet LNG Limited ₹ **3,638.75 Crore** (2020: ₹ 5,027.29 Crore)]		
6	**Interest paid**	**249.97**	268.25
	[Includes Interest paid to IOT Utkal Energy Services Limited ₹ **249.97 Crore** (2020: ₹ 268.25 Crore)]		
7	**Expenses Paid/ (Recovered) (Net)**	**712.19**	906.72
	[Includes Expenses Paid to/ (Recovered) from IndianOil Petronas Private Limited ₹ **355.17 Crore** (2020: ₹ 316.90 Crore), IndianOil Sky Tanking Private Limited ₹ **141.42 Crore** (2020: ₹ 346.19 Crore) and Indian Oiltanking Ltd ₹ **110.15 Crore** (2020: ₹ 105.51 Crore)]		
8	**Investments made/ (sold) during the year (Incl. Advance for Investment)**	**4,629.97**	735.67
	[Includes Investment made in IndianOil LNG Private Limited ₹ **3,012.00 Crore** (2020: Nil), IHB Private Limited ₹ **776.50 Crore** (2020: ₹ 52.50 Crore) and Hindustan Urvarak and Rasayan Limited ₹ **380.68 Crore** (2020: ₹ 310.76 Crore)]		

NOTES TO FINANCIAL STATEMENTS

Note – 38: RELATED PARTY DISCLOSURES (Contd..)

(₹ in Crore)

		March 31, 2021	March 31, 2020
9	**Purchase/(Sale)/Acquisition of Fixed Assets (Incl. CWIP/ Leases)**	**(1.56)**	3.91
	[Includes Purchase/ (Sale)/ Acquisition/ (Recovered) of Fixed Assets incl. CWIP/ Leases from Indian Oiltanking Ltd- **Nil** (2020: ₹ 3.50 Crore), IHB Private Limited: ₹ **(1.34 Crore)** (2020: Nil) and IOT Engineering & Construction Services Limited: ₹ **(0.28 Crore)** (2020: Nil)]		
10	**Provisions made/ (write back) during the year**	**5.93**	(316.66)
	[Includes Provision made / (written back) in INDOIL Netherlands B.V. ₹ **7.03 Crore** (2020: Nil) and Indian Oiltanking Ltd- **Nil** (2020: ₹ (316.66) Crore)]		
11	**Outstanding Receivables/ Loans**	**1,381.85**	966.51
	[Includes Outstanding Receivables/ Loans from IndianOil LNG Private Limited ₹ **500.66 Crore** (2020: ₹ 251.32 Crore), Petronet LNG Limited ₹ 297.15 Crore 2020: ₹ 265.58 Crore) and Suntera Nigeria 205 Limited ₹ **158.23 Crore** (2020: ₹ 163.76 Crore)]		
12	**Outstanding Payables (Incl. Lease Obligation)**	**3,183.23**	3,312.23
	[Includes Outstanding payable to IOT Utkal Energy Services Limited ₹ **2,321.57 Crore** (2020: ₹ 2,497.78 Crore) and Petronet LNG Limited ₹ **533.88 Crore** (2020: ₹ 420.86 Crore)]		
13	**Investments in JV/ Associates as on date**	**16,261.19**	11,592.78
14	**Guarantees**		
	Financial Guarantees	**217.51**	1,114.28
	[Includes Financial Guarantee given to Indian Synthetic Rubber Private Limited ₹ **217.51 Crore** (2020: ₹ 305.88 Crore) and IndianOil LNG Private Limited- **Nil** (2020: ₹ 808.40 Crore)]		

Note:

1) Transactions in excess of 10% of the total related party transactions for each type has been disclosed above.
2) In case of Joint Venture/ Subsidiary Companies constituted/acquired during the period, transactions w.e.f. date of constitution / acquisition is disclosed.
3) In case of Joint Venture / Subsidiary Companies which have been closed/divested during the period, transactions up to the date of closure / disinvestment only are disclosed.

2. Government related entities where significant transactions carried out

Apart from transactions reported above, the Group has transactions with other Government related entities, which includes but not limited to the following:

Name of Government: Government of India (Central and State Government)

Nature of Transactions:
- Sale of Products and Services
- Purchase of Products
- Purchase of Raw Materials
- Handling and Freight Charges, etc.

These transactions are conducted in the ordinary course of the Group's business on terms comparable to those with other entities that are not Government-related.

*Liquidator has been appointed for winding up of Company w.e.f. August 30, 2018.

@@IndianOil has exited the Joint Venture by selling its entire stake in IPPCL to SCION Exports Private Limited on March 5, 2021.

@The Company is under winding up process and the appointed liquidator has submitted his report to the official liquidator who is still to submit its report to Tribunal for winding up of the company.

#IndianOil has exited the Joint Venture, IndianOil Ruchi Biofuels LLP (M/s IORB) by giving notice of its exit from the LLP to the other JV partner viz. Ruchi Soya Industries Limited (M/s Ruchi) as well as to the LLP on December 26, 2018 stating that it will exit the LLP w.e.f. January 25, 2019. The time frame for completing exit formalities by M/s Ruchi by filing requisite forms with ROC was within 30 days of notice expiry period (i.e., by February 24, 2019) but the same is still pending and IndianOil name is appearing on ROC website as Partner in the said LLP. M/s Ruchi was under Corporate Insolvency Resolution Process and has been taken over by Patanjali Ayurveda Limited. All necessary documents have been provided to M/s Ruchi for completing formalities relating to exit of IndianOil from IORB LLP.

NOTES TO FINANCIAL STATEMENTS

Note – 38: RELATED PARTY DISCLOSURES (Contd..)

3) Key Managerial Personnel

A. Whole-time Directors/ Company Secretary	B. Independent Directors	C. Government Nominee Directors
1) Shri S. M. Vaidya (w.e.f. 14.10.2019)	1) Shri Rajendra Arlekar	1) Ms Indrani Kaushal
2) Shri G. K. Satish	2) Ms Lata Usendi	2) Dr Navneet Mohan Kothari
3) Dr S. S. V. Ramakumar	3) Shri Vinoo Mathur (upto 21.09.2020)	
4) Shri Ranjan Kumar Mohapatra	4) Shri Samirendra Chatterjee (upto 21.09.2020)	
5) Shri Gurmeet Singh	5) Shri Chitta Ranjan Biswal (upto 21.09.2020)	
6) Shri S. K. Gupta (w.e.f. 18.05.2019)	6) Dr Jagdish Kishwan (upto 21.09.2020)	
7) Shri Akshay Kumar Singh (upto 31.01.2021)	7) Shri Sankar Chakraborti (upto 21.09.2020)	
8) Shri Sanjiv Singh (upto 30.06.2020)	8) Shri Dharmendra Singh Shekhawat (upto 21.09.2020)	
9) Shri Kamal Kumar Gwalani		

D) Details relating to the personnel referred to in Item No. 3A & 3B above:

March 31, 2021

(₹ in Crore)

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remuneration	Sitting Fees	Outstanding Loans (Gross)/ Advance Receivables
A. Whole-time Directors/ Company Secretary						
1) Shri S. M. Vaidya	0.45	0.09	0.08	0.62	-	0.01
2) Shri G. K. Satish	0.47	0.09	0.16	0.72	-	-
3) Dr S. S. V. Ramakumar	0.55	0.09	0.08	0.72	-	0.01
4) Shri Ranjan Kumar Mohapatra	0.46	0.08	0.08	0.62	-	0.02
5) Shri Gurmeet Singh	0.61	0.73	0.09	1.43	-	-
6) Shri S. K. Gupta	0.47	0.08	0.08	0.63	-	-
7) Shri Akshay Kumar Singh	0.35	0.30	0.16	0.81	-	-
8) Shri Sanjiv Singh	0.37	0.70	0.18	1.25	-	-
9) Shri Kamal Kumar Gwalani	0.47	0.08	0.06	0.61	-	0.19
B. Independent Directors						
1) Shri Rajendra Arlekar	-	-	-	-	0.10	-
2) Ms Lata Usendi	-	-	-	-	0.07	-
3) Shri Vinoo Mathur	-	-	-	-	0.03	-
4) Shri Samirendra Chatterjee	-	-	-	-	0.04	-
5) Shri Chitta Ranjan Biswal	-	-	-	-	0.02	-
6) Dr Jagdish Kishwan	-	-	-	-	0.03	-
7) Shri Sankar Chakraborti	-	-	-	-	0.04	-
8) Shri Dharmendra Singh Shekhawat	-	-	-	-	0.03	-
TOTAL	4.20	2.24	0.97	7.41	0.36	0.23

NOTES TO FINANCIAL STATEMENTS

Note – 38: RELATED PARTY DISCLOSURES (Contd..)

March 31, 2020

(₹ in Crore)

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remuneration	Sitting Fees	Outstanding Loans (Gross)/ Advance Receivables
A. Whole-time Directors/ Company Secretary						
1) Shri S. M. Vaidya	0.21	0.03	-	0.24	-	0.01
2) Shri G. K. Satish	0.59	0.07	-	0.66	-	-
3) Dr S. S. V. Ramakumar	0.63	0.08	0.04	0.75	-	0.02
4) Shri Ranjan Kumar Mohapatra	0.60	0.07	-	0.67	-	0.04
5) Shri Gurmeet Singh	0.61	0.07	-	0.68	-	-
6) Shri S. K. Gupta	0.47	0.06	-	0.53	-	0.11
7) Shri Akshay Kumar Singh	0.58	0.07	-	0.65	-	0.01
8) Shri Sanjiv Singh	0.60	0.07	-	0.67	-	-
9) Shri Kamal Kumar Gwalani	0.50	0.07	-	0.57	-	0.21
B. Independent Directors						
1) Shri Rajendra Arlekar	-	-	-	-	0.04	-
2) Ms Lata Usendi	-	-	-	-	0.02	-
3) Shri Vinoo Mathur	-	-	-	-	0.09	-
4) Shri Samirendra Chatterjee	-	-	-	-	0.09	-
5) Shri Chitta Ranjan Biswal	-	-	-	-	0.05	-
6) Dr Jagdish Kishwan	-	-	-	-	0.10	-
7) Shri Sankar Chakraborti	-	-	-	-	0.09	-
8) Shri Dharmendra Singh Shekhawat	-	-	-	-	0.09	-
TOTAL	**4.79**	**0.59**	**0.04**	**5.42**	**0.57**	**0.40**

Notes :

1) This does not include the impact of provision made on actuarial valuation of retirement benefit/ long term Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors.

2) There were no Share Based Employee Benefits given to KMPs during the period.

3) In addition, whole-time Directors are also allowed the use of Corporation's car for private purposes up to 12,000 kms. per annum on a payment of ₹ 2,000/- per mensem.

NOTES TO FINANCIAL STATEMENTS

Note – 38: RELATED PARTY DISCLOSURES (Contd..)

4) Relatives of Key Managerial Personnel and nature of relation with whom transactions are undertaken during the year:

1) Shri Siddharth Shrikant Vaidya (Senior Production Engineer, Indian Oil Corporation Limited): Son of Key Managerial Personnel

(₹ in Crore)

Details relating to the parties referred above:	March 31, 2021	March 31, 2020
1 Remuneration		
Shri Siddharth Shrikant Vaidya ^	**0.15**	0.08
2 Outstanding Receivables/ Loans		
Shri Siddharth Shrikant Vaidya ^	**-**	-

^Remuneration and Loan balances for relative of KMP is reported for the period of tenure of KMP.

5) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

Name of the Trust	Post Employment Benefit Plan	March 31, 2021		March 31, 2020	
		Contribution by employer	Outstanding Receivable/ (Payable)	Contribution by employer	Outstanding Receivable/ (Payable)
1 IOCL (Refinery Division) Employees Provident Fund*	Provident Fund	**237.27**	**82.50**	229.72	(7.40)
2 Indian Oil Corporation Limited (Assam Oil Division) Employees Provident Fund	Provident Fund	**21.35**	**38.10**	24.46	(7.52)
3 Provident Fund for the Employees of Indian Oil Corporation Limited (Marketing Division)*	Provident Fund	**246.47**	**168.24**	256.89	(59.90)
4 IOCL Employees Superannuation Benefit Fund	Pension Scheme	**164.06**	**33.42**	294.21	135.97
5 IOCL Employees Post Retirement Medical Benefit Fund	Post Retirement Medical Scheme	**746.56**	**(241.05)**	163.54	(544.63)
6 IOCL Employees Group Gratuity Trust	Gratuity	**528.93**	**3.74**	-	(432.38)
7 CPCL Employees Provident Fund	Provident Fund	**28.25**	**2.00**	22.74	0.55
8 CPCL Employees Superannuation Benefit Fund	Pension Scheme	**11.05**	**-**	22.71	-
9 CPCL Employees Group Gratuity Trust	Gratuity	**14.28**	**26.43**	0.30	21.90
10 CPCL Post Retirement Medical Benefit Trust	PRMB	**41.68**	**11.55**	195.00	41.67

Transactions with CPCL Educational Trust

(₹ in Crore)

Type of Transactions	March 31, 2021	March 31, 2020
1 CSR Expenses	**0.30**	0.50
2 Misc Expenses	**-**	0.01

*Includes ₹ 335.00 Crore advance given to PF trust in FY 20-21 as per actuarial valuation against interest shortfall in future years against which provision for probable contingencies to the tune of ₹ 262.26 Crore was provided for in books as Contingencies for Probable Obligation as on March 31, 2021 (Refer Note 36)

NOTES TO FINANCIAL STATEMENTS

Note - 39: SEGMENT INFORMATION

Primary Segment Reporting as per Ind-AS 108 for the period ended March 31, 2021 is as under:

(₹ in Crore)

	2020-2021					2019-2020				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
Revenue										
External Revenue	4,88,313.68	19,149.78	12,773.38	-	5,20,236.84	5,44,610.78	15,702.53	15,676.39	-	5,75,989.70
Inter-segment Revenue	8,516.35	19.31	68.19	(8,603.85)	-	10,054.57	24.28	80.21	(10,159.06)	-
Total Revenue	4,96,830.03	19,169.09	12,841.57	(8,603.85)	5,20,236.84	5,54,665.35	15,726.81	15,756.60	(10,159.06)	5,75,989.70
Result										
Segment Results excluding Exchange Gain/(Loss)	24,904.18	5,218.82	(317.27)	-	29,805.73	10,232.85	2,029.99	(1,218.72)	-	11,044.12
Segmental Exchange Gain/(Loss)	666.56	(0.56)	23.09	-	689.09	(887.31)	(21.64)	8.08	-	(900.87)
Segment Results (Before Exceptional Items)	25,570.74	5,218.26	(294.18)	-	30,494.82	9,345.54	2,008.35	(1,210.64)	-	10,143.25
Less: Unallocable Expenditure										
- Finance Cost					3,589.12					6,578.74
- Provision for diminution in Investments (Net)					-					-
- Loss on sale and disposal of Assets					136.50					106.25
- Exchange Loss - (Net)					-					3,244.66
- Loss on Derivatives					-					170.58
- Fair value Loss on Financial instruments classified as FVTPL					27.64					26.18
- Amortisation of FC Monetary Item Translation					-					28.92
Add: Unallocable Income										
- Interest/Dividend Income					2,094.52					2,722.82
- Profit on Sale of Investments (Net)					1.84					-
- Provision for diminution in Investments written back (Net)					1.99					-
- Exchange Gain - (Net)					568.53					-
- Gain on Derivatives					140.87					-
- Other non operating income					4.69					50.80
- Share of Profit in Joint Venture and Associates					1,196.73					1,366.09
Profit before Exceptional items and Tax					30,750.73					4,127.63
Exceptional Items (Refer point no. 14 of Note-48)	-	-	-	-	-	(10,946.98)	(293.73)	(63.93)	-	(11,304.64)
Profit Before Tax					30,750.73					(7,177.01)
Less: Income Tax (including deferred tax)					8,988.51					(5,300.69)
Profit After Tax					21,762.22					(1,876.32)

1. The Company is engaged in the following business segments:
   a) Sale of Petroleum Products
   b) Sale of Petrochemicals
   c) Other operating segment of the Corporation comprises; Gas, Oil & Gas Exploration Activities, Explosives & Cryogenic Business and Wind Mill & Solar Power Generation.

Segments have been identified and reported taking into account, the nature of products and services and differing risks and returns.

2. Segment Revenue comprises of the following:
   a) Turnover (Inclusive of Excise Duties)
   b) Net Claim/(Surrender) of SSC
   c) Subsidy / Grants received from Governments
   d) Other Operating Revenue
3. Inter segment pricing are at Arm's length basis

NOTES TO FINANCIAL STATEMENTS

Note - 39: SEGMENT INFORMATION (Contd..)

Other Information

(₹ in Crore)

	March 31, 2021					March 31, 2020				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
Segment Assets	2,61,306.53	21,734.13	20,049.70		3,03,090.36	2,47,086.91	19,970.34	17,391.96		2,84,449.21
Corporate Assets										
Investments (Current and Non Current)					44,716.82					35,570.87
Advances For Investments					1,460.64					1,314.94
Advance Tax					2,479.91					4,291.82
Interest Accrued On Investments/ Bank Deposits					0.77					1.72
Loans					3,117.19					3,910.35
Derivative Asset					45.13					131.11
Finance Lease Receivables					4.06					65.77
Total Assets					3,54,914.88					3,29,735.79
Segment Liabilities	1,05,453.64	847.13	2,867.63		1,09,168.40	87,597.78	970.38	3,193.80		91,761.96
Corporate Liabilities										
Liability for Dividend					1,260.79					3.69
Provision For Taxation					802.52					-
Borrowings (Short Term and Long Term)					1,08,514.91					1,25,968.05
Current Maturities Of Long-Term Debt					8,138.19					3,822.28
Deferred Tax Liability					13,964.47					11,439.29
Derivative Liabiliies					252.65					467.38
Total Liabilities					2,42,101.93					2,33,462.65
Capital Employed										
Segment Wise	1,55,852.89	20,887.00	17,182.07		1,93,921.96	1,59,489.13	18,999.96	14,198.16		1,92,687.25
Corporate					(81,109.01)					(96,414.11)
Total Capital Employed					1,12,812.95					96,273.14
Capital Expenditure	21,055.86	2,071.48	2,695.46	-	25,822.80	29,160.04	3,259.98	(62.69)	-	32,357.33
Depreciation and Amortisation	9,273.44	918.02	749.99	-	10,941.45	8,324.14	898.09	1,051.16	-	10,273.39

Geographical information

(₹ in Crore)

	Revenue from external customers		Non-current assets	
	2020-2021	2019-2020	March 31, 2021	March 31, 2020
India	4,98,501.23	5,44,621.01	1,94,491.35	1,79,661.55
Outside India	21,735.61	31,368.69	16,744.14	16,670.83
Total	5,20,236.84	5,75,989.70	2,11,235.49	1,96,332.38

Revenue from major products and services

(₹ in Crore)

	2020-2021	2019-2020
Motor Spirit (MS)	1,12,706.72	1,14,313.03
High Speed Diesel (HSD)	2,60,139.23	2,83,897.33
Superior Kerosene Oil (SKO)	4,502.41	9,539.55
Liquified Petroleum Gas (LPG)	64,124.29	65,866.07
Aviation Turbine Fuel (ATF)	9,550.30	28,213.95
Others	69,213.90	74,159.77
Total External Revenue	5,20,236.84	5,75,989.70

NOTES TO FINANCIAL STATEMENTS

Note - 40: FAIR VALUE MEASUREMENT

I. Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, along with the fair value measurement hierarchy:

(₹ in Crore)

	Carrying Value		Fair Value		Fair Value measurement hierarchy level
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
FINANCIAL ASSETS					
A. Fair Value through Other Comprehensive Income (FVTOCI):					
Quoted Equity Shares	**12,213.70**	8,016.28	**12,213.70**	8,016.28	Level 1
Quoted Equity Shares - Phinergy Limited (refer Note 2 below)	**118.38**	-	**118.38**	-	Level 1
Unquoted Equity Instrument	**1,629.82**	1,397.93	**1,629.82**	1,397.93	Level 3
Quoted Government Securities	**11,883.53**	11,931.81	**11,883.53**	11,931.81	Level 1
Hedging derivatives					
Foreign exchange forward contracts- Loans	**-**	18.67	**-**	18.67	Level 2
Foreign exchange forward contracts- Crude/ Product Liablities	**-**	3.23	**-**	3.23	Level 2
Commodity forward contracts- Margin Hedging	**17.12**	93.00	**17.12**	93.00	Level 2
Interest Rate Swap	**5.35**	-	**5.35**	-	Level 2
B. Fair Value through Profit and Loss (FVTPL):					
Derivative Instruments at fair value through profit or loss	**22.66**	16.21	**22.66**	16.21	Level 2
Unit Trust Investments	**289.02**	173.93	**289.02**	173.93	Level 1
Investment through PMS	**126.30**	30.86	**126.30**	30.86	Level 1
C. Amortised Cost:					
Loans to employees	**1,535.80**	1,447.99	**1,703.63**	1,567.68	Level 2
PMUY Loan (Refer point 1 of Note-48 for more details)	**1,058.43**	2,098.54	**1,108.88**	2,132.88	Level 3
FINANCIAL LIABILITIES					
A. Amortised Cost:					
Non-Convertible Redeemable Bonds/ Debentures	**18,242.16**	9,280.80	**18,242.41**	9,289.68	Level 2
Term Loans from Oil Industry Development Board (OIDB)	**916.37**	667.33	**915.82**	673.12	Level 2
Foreign Currency Bonds - US Dollars	**10,330.07**	14,510.96	**11,451.94**	14,077.15	Level 1
Foreign Currency Bonds - Singapore Dollars	**2,227.92**	2,176.44	**2,321.48**	2,065.38	Level 2
Loan from Odisha Government	**1,291.34**	962.66	**1,303.89**	1,000.53	Level 2
USD 100 Mn Term Loan	**731.59**	-	**731.50**	-	Level 2

NOTES TO FINANCIAL STATEMENTS

Note - 40: FAIR VALUE MEASUREMENT (Contd..)

(₹ in Crore)

	Carrying Value		Fair Value		Fair Value measurement hierarchy level
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
B. Fair Value through Profit and Loss (FVTPL):					
Derivative Instruments at fair value through profit or loss	**252.65**	435.87	**252.65**	435.87	Level 2
C. Fair Value through Other Comprehensive Income (FVTOCI):					
Hedging Derivatives					
Commodity forward contracts-Margin Hedging	-	31.51	-	31.51	Level 2

Notes:

1. The management assessed that fair value of Trade Receivables, Cash and Cash Equivalents, Bank Balances/ Deposits, Advances for Investment, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Finance Lease Receivable, B site RO modernisation loans, Security Deposits paid and received, Short-term Borrowings (including Current Maturities of Long term Borrowings), Trade Payables, Floating Rate Borrowings/ Receivables, Other Non-derivative Current Financial Liabilities and Liabilities towards financial guarantees approximate their carrying amounts.

2. Equity shares of Phinergy limited were listed on Israel stock exchange during the year. Hence, the quoted prices (unadjusted) in active markets are available for fair valuation. Accordingly, the fair value hierarchy level has been changed from Level 3 to Level 1 in current FY 2020-21. Earlier, it was being shown in unquoted equity instruments (being level 3 fair value hierarchy level). Last year figure (fair value ₹ 92.24 Crore) has not been reclassified into Level 1.

METHODS AND ASSUMPTIONS

The following methods and assumptions were used to estimate the fair values at the reporting date:

A. Level 1 Hierarchy:

(i) **Quoted Equity Shares:** Closing quoted price (unadjusted) in National Stock Exchange of India Limited and Tel Aviv Stock Exchange, Israel for shares of Phinergy Limited

(ii) **Quoted Government Securities:** Closing published price (unadjusted) in Clearing Corporation of India Limited

(iii) **Foreign Currency Bonds - US Dollars:** Closing price for the specific bond collected from Bank

(iv) **Unit Trust Investment/PMS:** Closing NAV for the specific investment available in Trust Bulletin/ Newspaper/PMS

B. Level 2 Hierarchy:

(i) **Derivative Instruments at FVTPL:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.

(ii) **Hedging Derivatives at FVTOCI:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.

(iii) **Loans to employees :** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities, adjusted for insignificant unobservable inputs specific to such loan like principal and interest repayments are such that employee get more flexibility in repayment as per the respective loan schemes.

NOTES TO FINANCIAL STATEMENTS

Note - 40: FAIR VALUE MEASUREMENT (Contd..)

(iv) **Non-Convertible Redeemable Bonds/ Debentures, Foreign Currency Bonds - Singapore Dollars , Loan from Odisha Government and USD 100 Mn Term Loan:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities (Excluding floating rate borrowings).

(v) **Term Loans from Oil Industry Development Board (OIDB):** Discounting future cash flows using rates currently available for similar type of borrowings (OIDB Borrowing Rate) using exit model as per Ind AS 113.

C. Level 3 Hierarchy:

(i) **Unquoted Equity Instruments:** Fair values of the unquoted equity shares have been estimated using Market Approach & Income Approach of valuation techniques. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

(ii) **PMUY Loan:** Fair value of PMUY loans is estimated by discounting future cash flows using approximate interest rates applicable on loans given by Banks duly adjusted for significant use of unobservable inputs in estimating the cash flows comprising of specific qualitative and quantitative factors like consumption pattern, assumption of subsidy rate, deferment of loan etc.

The significant unobservable inputs used in fair value assessment categorised within Level 3 of the Fair Value Hierarchy together with a quantitative sensitivity analysis as on March 31, 2021 and March 31, 2020 are shown below:

	Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
I	**Lanzatech New Zealand Ltd.** (included under FVTOCI assets in unquoted equity instruments. Refer Note-4 for Carrying Value)	Income Approach - Option Pricing Model (OPM)	Equity Volatility	March 31, 2021: 55.9% - 59.9% (57.9%) March 31, 2020: 24.4% - 28.4% (26.4%)	1% increase/(decrease) in Discount Rate would result in (decrease)/increase in fair value by: March 31, 2021: ₹ (0.35) Crore/ ₹ 0.35 Crore March 31, 2020: ₹ (0.94) Crore/ ₹ 0.96 Crore
			Expected time to liquidity event	March 31, 2021: 2 Yrs - 4 Yrs (3 Yrs) March 31, 2020: 2 Yrs - 4 Yrs (3 Yrs)	Increase/ (decrease) in 1 year would result in (decrease)/ increase in fair value by: March 31, 2021: ₹ (0.88) Crore/ ₹ 1.59 Crore March 31, 2020: ₹ (7.43) Crore/ ₹ 10.51 Crore
II	**Haldia Petrochemical Limited** (included under FVTOCI assets in unquoted equity instruments. Refer Note-4 for Carrying Value)	Market Approach with equal weights to Revenue and EBITDA Multiple	Revenue Multiple	March 31, 2021: 1.02x - 1.06x (1.04x) March 31, 2020: 0.49x - 0.53x (0.51x)	0.01x increase/(decrease) in Revenue Multiple would result in increase/(decrease) in fair value by: March 31, 2021: ₹ 4.50 Crore/ ₹ (4.50) Crore March 31, 2020: ₹ 4.20 Crore/ ₹ (4.10) Crore
			EBITDA multiple	March 31, 2021: 4.8x - 5.2x (5.0x) March 31, 2020: 5.6x - 6.0x (5.8x)	0.1x increase/(decrease) in EBITDA Multiple would result in increase/(decrease) in fair value by: March 31, 2021: ₹ 10.0 Crore/ ₹ (10.0) Crore March 31, 2020: ₹ 4.30 Crore/ ₹ (4.20) Crore

NOTES TO FINANCIAL STATEMENTS

Note - 40: FAIR VALUE MEASUREMENT (Contd..)

	Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
III	**Ceylon Petroleum Storage** Terminals Limited (included under FVTOCI assets in unquoted equity instruments. Refer Note-4 for Carrying Value)	Market Approach with equal weights to Revenue and EBITDA Multiple	Revenue Multiple	March 31, 2021: 1.3x - 1.7x (1.5x) March 31, 2020: 1.2x - 1.6x (1.4x)	0.1x increase/(decrease) in Revenue Multiple would result in increase/(decrease) in fair value by: March 31, 2021: ₹ 8.26 Crore/ ₹ (8.22) Crore March 31, 2020: ₹ 10.74 Crore/ ₹ (10.70) Crore
			EBITDA multiple	March 31, 2021: 6.2x - 8.2x (7.2x) March 31, 2020: 4.3x - 6.3x (5.3x)	0.5x increase/(decrease) in EBITDA Multiple would result in increase/(decrease) in fair value by: March 31, 2021: ₹ 7.68 Crore/ ₹ (7.75) Crore March 31, 2020: ₹ 13.34 Crore/ ₹ (13.29) Crore
IV	**Petrocarababo S.A. and Carabobo Ingenieria Y Construcciones S.A.** (included under FVTOCI assets in unquoted equity instruments. Refer Note-4 for Carrying Value)	Income Approach - Present Value Measurement	Discount Rate	March 31, 2021: 22.5% - 26.5% (24.5%) March 31, 2020: 28.0% - 32.0% (30.0%)	1% increase/(decrease) in Discount Rate would result in (decrease)/increase in fair value by: March 31, 2021: ₹ (9.51) Crore/ ₹ 10.96 Crore March 31, 2020: ₹ (12.11) Crore/ ₹ 14.38 Crore

Unquoted Equity Instruments carried at FVTOCI includes following investments for which sensitivity disclosure is not disclosed:

	Carrying Value	
	March 31, 2021	**March 31, 2020**
Mer Rouge Oil Storage Terminal Company Limited	**5.67**	6.07
BioTech Consortium India Limited	**0.10**	0.10
MRL Industrial Cooperative Service Society	**0.01**	0.01
Woodlands Multispeciality Hospital Limited	**0.10**	0.10
International Cooperative Petroleum Association, New York	**0.02**	0.02

Reconciliation of fair value measurement of Assets and Liabilities under Level 3 hierarchy of Fair Value measurement:

Description	FVTOCI Assets Unquoted Equity Shares
Balance as at March 31 2020	1,397.93
Fair Value Changes	385.98
Exchange Difference	(35.71)
Transfer in	-
Transfer out (to Level 1)	(118.38)
Balance as at March 31 2021	1,629.82

NOTES TO FINANCIAL STATEMENTS

Note - 40: FAIR VALUE MEASUREMENT (Contd..)

II. Disclosures relating to recognition of differences between the fair value at initial recognition and the transaction price

In the following cases, the Group has not recognised gains/losses in profit or loss on initial recognition of financial assets/ financial liability, instead, such gains/losses are deferred and recognised as per the accounting policy mentioned below.

Financial Assets

1. **Loan to Employees**

   As per the terms of service, the Group has given long term loan to its employees at concessional interest rate. Transaction price is not fair value because loans are not extended at market rates applicable to employees. Since implied benefit is on the basis of the services rendered by the employee, it is deferred and recognised as employee benefit expense over the loan period.

2. **PMUY loan**

   The PMUY loan is the interest free loan given to PMUY beneficiaries towards cost of burner and 1st refill. The loan is interest free and therefore transaction price is not at fair value. The difference between fair value and transaction price is accumulated in Deferred expenses and amortised over the loan period on straight line basis in the Statement of Profit and Loss.

3. **Security Deposits**

   The security deposit is paid to landlord in relation to lease of land. The security deposit is interest free and therefore transaction price is not fair value.The difference between fair value and transaction price is accumulated in Deferred expenses and amortised over the loan period on straight line basis in the statement of Profit and loss till March 31,2019 prior to introduction of IND AS 116.

Financial Liabilities

1. **Security Deposits**

   In case certain deposits payable to deceased employees under R2 option and security deposits received in relation to some revenue expenses contracts, transaction price is not considered as fair value because deposits are interest free. The difference between fair value and transaction price is accumulated in Deferred income and amortised over the tenure of security deposit on straight line basis in the Statement of Profit and Loss.

   Reconciliation of deferred gains/losses yet to be recognised in the Statement of Profit and Loss are as under:

(₹ in Crore)

Particulars	Opening Balance	Addition During the Year	Amortised During the Year	Adjusted During the Year	Closing Balance
2020-21					
Deferred Expenses (Refer Note 8)					
Loan to employees	**707.52**	28.85	48.42	-	**687.95**
PMUY Loan	**647.55**	-	209.52	61.53	**376.50**
Security Deposits	**1.34**	-	0.03	-	**1.31**
Deferred Income (Refer Note 20)					
Security Deposits	**5.61**	-	1.09	-	**4.52**
2019-20					
Deferred Expenses (Refer Note 8)					
Loan to employees	**659.88**	102.49	54.85	-	**707.52**
PMUY Loan	**247.03**	691.59	291.07	-	**647.55**
Security Deposits	**16.38**	-	0.14	14.90	**1.34**
Deferred Income (Refer Note 20)					
Security Deposits	**7.38**	-	1.35	0.42	**5.61**

NOTES TO FINANCIAL STATEMENTS

Note – 41 FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial Risk Factors

The Group's principal financial liabilities, other than derivatives, comprise Borrowings, trade and other payables, security deposits, employee liabilities and lease obligation. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans & advances, trade and other receivables, short-term deposits and cash / cash equivalents that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

The Group is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risk relating to interest rate, commodity prices, foreign currency exchange rates and equity price, credit risk and liquidity risk.

The Risk Management Commitee comprised of senior management oversees the management of these risks. The Group's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Group. The Risk Management Committee provides assurance to the Board that the Group's risks are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Group's policies, risk objectives and risk appetite.

The Group's requirement of crude oil are managed through integrated function handled through its international trade and optimisation department. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. As per the Group's policy, derivatives contracts are taken only to hedge the various risks that the Group is exposed to and not for speculation purpose.

The Board of Directors oversee the risk management activities for managing each of these risks, which are summarised below:

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The major components of market risk are interest rate risk, foreign currency risk, commodity price risk and other price risk viz. equity shares etc. Financial instruments affected by market risk include Borrowings, Deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets and liabilities of foreign operations.

1. Interest Rate Risk

The Group is exposed to interest rate risk from the possibiltiy that changes in interst rates will affect future cash flows of a financial instrument, principally financial debt. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages to maintian a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market/ regulatory constraints etc. The Group also use interest rate swap contracts for managing the interest rate risk of floating interest rate debt. As at March 31, 2021, approximately 65% of the Group's borrowings are at a fixed rate of interest (March 31, 2020: 57%).

Group is exposed to USD LIBOR interest rate benchmark reform with respect to floating rate debts raised by it and associated derivative contracts. Group is closely monitoring the market and the announcements from the various agencies managing the transition to new benchmark interest rates. Secured Overnight Financing Rate (SOFR) has been identified by the regulators as the replacement benchmark for USD LIBOR. This is applicable for both loans as well as interest rate derivatives contracts benchmarked to USD LIBOR. Based on announcements made in March 2021 by various agencies involved in USD LIBOR transition, the transition from USD LIBOR to SOFR will take effect immediately after 30 June 2023. The Group is not expecting any material financial impact of transition from USD LIBOR to SOFR on its floating rate loans linked to USD LIBOR and associated derivative contracts which are maturing beyond 30th June 2023.

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on INR and USD floating rate borrowings is per table below. The Group's exposure to interest rate changes for all other currency borrowings is not material.

NOTES TO FINANCIAL STATEMENTS

Note – 41 FINANCIAL INSTRUMENTS AND RISK FACTORS(Contd..)

Currency of Borrowings	Increase/ Decrease in basis points	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in basis points	Effect on profit before tax (₹ in Crore)
	March 31, 2021		March 31, 2020	
INR	**+50**	**(40.22)**	+50	(6.87)
US Dollar	**+50**	**(149.70)**	+50	(257.39)
INR	**-50**	**40.22**	-50	6.87
US Dollar	**-50**	**149.70**	-50	257.39

2. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and Borrowings.

The Group manages its foreign currency risk through combination of natural hedge, mandatory hedging and hedging undertaken on occurence of pre-determined triggers. The hedging is mostly undertaken through forward contracts.

The Group has outstanding forward contract of Nil as at March 31, 2021 (March 31, 2020: ₹ 3,296.52 Crore) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

The sensitivity to a reasonably possible change in USD/INR exchange rates, with all other variables held constant, the impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Group's exposure to foreign currency changes for all other currencies other than below is not material.

Currency	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)
	March 31, 2021		March 31, 2020	
Forward Contract - US Dollar	**+5%**	**-**	+5%	164.83
	-5%	**-**	-5%	(164.83)
Other Exposures - US Dollar	**+5%**	**(3,478.19)**	+5%	(4,175.50)
	-5%	**3,478.19**	-5%	4,175.50
Other Exposures - SGD	**+5%**	**(111.40)**	+5%	(108.82)
	-5%	**111.40**	-5%	108.82
Cross Currency - USD vs. SGD	**+5%**	**(119.03)**	+5%	(123.18)
	-5%	**119.03**	-5%	123.18
Cross Currency - USD vs. INR	**+5%**	**(63.98)**	+5%	-
	-5%	**63.98**	-5%	-

The effects of most exchange rate fluctuations are absorbed in business operating results which are offset by changing cost competitiveness, lags in market adjustments to movements in rates to its other non-financial assets like inventory etc. For this reason, the total effect of exchange rate fluctuations is not identifiable separately in the Group's reported results.

NOTES TO FINANCIAL STATEMENTS

Note – 41 FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

3. Commodity Price Risk

The Group is exposed to various commodity price related risk such as Refinery Margins i.e. Differential between the prices of petroleum products & crude oil, Crude Oil Price fluctuation on accounts of inventoty valuation fluctuation and crude oil imports etc. As per approved risk management policy, the Group can undertake refinery margin hedging, inventory hedging and crude oil price hedging through swaps, options and futures in the OTC market as well as domestic exchanges to mitigate the risk within the approved limits.

Category-wise quantitative data about commodity derivative transactions that are oustanding as at the end of the financial year is given below:

Quantity (in Lakhs bbls)

Particulars	March 31, 2021	March 31, 2020
Margin Hedging Forward contracts	**14.25**	50.50

The sensitivity to a reasonably possible change in Crude benchmark price difference/ refinery margin on the outstanding commodity hedging position as on March 31, 2021:

Particulars	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)
	March 31, 2021		March 31, 2020	
Margin Hedging	**+10%**	**(2.88)**	+10%	(14.37)
Margin Hedging	**-10%**	**2.88**	-10%	14.37

4. Equity Price Risk

The Group's investment in listed and non-listed equity securities, other than its investments in Joint Ventures/ Associates and Subsidiaries, are susceptible to market price risk arising from uncertainties about future values of the investment securities.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 1,629.82 Crore. Sensitivity analysis of these investments have been provided in Note 40.

The exposure to listed equity securities valued at fair value was ₹ 12,332.08 Crore. An increase / decrease of 5% on the market index could have an impact of approximately ₹ 616.60 Crore on the OCI and equity attributable to the Group. These changes would not have an effect on profit or loss.

5. Derivatives and Hedging

(i) Classification of derivatives

The Group is exposed to certain market risks relating to its ongoing business operations as explained above.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are accounted for at fair value through profit or loss. Information about the derivatives used by the Group and outstanding as at the end of the financial year is provided below:

(₹ in Crore)

	March 31, 2021		March 31, 2020	
	Other Financial Assets	Other Financial Liabilities	Other Financial Assets	Other Financial Liabilities
Derivatives not designated as hedging instruments				
Foreign exchange forward contracts- Loans	**-**	**-**	16.21	-
Foreign Exchange currency swap	**22.66**	**252.65**	-	435.87

NOTES TO FINANCIAL STATEMENTS

Note – 41 FINANCIAL INSTRUMENTS AND RISK FACTORS(Contd..)

(₹ in Crore)

	March 31, 2021		March 31, 2020	
	Other Financial Assets	Other Financial Liabilities	Other Financial Assets	Other Financial Liabilities
Derivatives designated as hedging instruments				
Foreign exchange forward contracts- Loans	-	-	18.67	-
Foreign exchange forward contracts- Crude/ Product Liabilities	-	-	3.23	-
Interest Rate Swap	**5.35**	-	-	-
Commodity Forward Contracts - Margin Hedging	**17.12**	-	93.00	31.51

(ii) Hedging activities

The primary risks managed using derivative instruments are commodity price risk, foreign currency risk and interest rate risk.

Commodity Price Risk

Margin Hedging

IndianOil buys crude and sells petroleum products linked to international benchmark prices and these benchmark prices do not move in tandem. This exposes IndianOil to the risk of variation in refining margins.

The risk of fall in refining margins of petroleum products in highly probable forecast sale transactions is hedged by undertaking crack spread forward contracts. The Group wants to protect the realisation of margins and therefore to mitigate this risk, the Group is taking these forward contracts to hedge the margin on highly probable forecast sale in future. Risk management activities are undertaken in OTC market i.e. these are the bilateral contracts with registered counterparties.

All these hedges are accounted for as cash flow hedges.

Foreign Currency Risk

The Group is exposed to various foreign currency risks as explained in A.2 above. As per Group's Foreign Currency & Interest Rate Risk Management Policy , the Group is required to fully hedge the short term foreign currency loans (other than revolving lines and PCFC loans) and at least 50% of the long term foreign currency loans based on market conditions.

Apart from mandatory hedging of loans, the Group also undertakes foreign currency forward contracts for the management of currency purchase for repayment of crude/ product liabilities based on market conditions and requirements. The above hedgings are undertaken through delivery based forward contracts.

All these hedges are accounted for as cash flow hedges.

Interest Rate Risk

The Group is exposed to interest rate risks on floating rate borrowings as explained in A.1 above. Group hedges interest rate risk by taking interest rate swaps as per Group's Interest Rate Risk Management Policy based on market conditions. The Group uses interest rate derivatives to hedge exposure to interest payments for floating rate borrowings denominated in foreign currencies.

All these hedges are accounted for as cash flow hedges.

Hedge Effectiveness

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity forward contracts match the terms of hedge items. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange, interest rate and commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. In case of interest rate swaps, as the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates.

NOTES TO FINANCIAL STATEMENTS

Note – 41 FINANCIAL INSTRUMENTS AND RISK FACTORS(Contd..)

Source of Hedge ineffetiveness

In case of commodity price risk, the Group has identified the following sources of ineffectiveness, which are not expected to be material:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

In case of foreign currency risk and interest rate risk, the main source of hedge ineffectiveness is the effect of the counterparty and the Group's own credit risk on the fair value of hedge contracts, which is not reflected in the fair value of the hedged items. The effect of this is not expected to be material.

Disclosures of effects of Cash Flow Hedge Accounting

Hedging instruments

The Group is holding the following hedging instruments:

(₹ in Crore)

As at March 31,2021	Maturity					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 12 Months	Total
Foreign exchange forward contracts- Loans						
Nominal amount	-	-	-	-	-	-
Average forward rate	-	-	-	-	-	
Foreign exchange forward contracts- Crude/ Product Liabilities						
Nominal amount	-	-	-	-	-	-
Average forward rate	-	-	-	-	-	
Interest Rate Swaps						
Nominal amount	-	-	-	-	1438.43	1438.43
Commodity forward contracts- Margin Hedging						
Nominal volume (Quantity in Lakhs bbls)	0.75	1.50	6.00	6.00	-	14.25
Nominal amount (₹ Crore)	(0.91)	(1.82)	37.48	11.17	-	45.92
Average forward rate ($ /bbl)	(1.66)	(1.66)	8.55	2.55	-	-

(₹ in Crore)

As at March 31,2020	Maturity					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 12 Months	Total
Foreign exchange forward contracts- Loans						
Nominal amount	449.00	-	756.00	-	-	1,205.00
Average forward rate	74.76	-	75.62	-	-	

NOTES TO FINANCIAL STATEMENTS

Note – 41 FINANCIAL INSTRUMENTS AND RISK FACTORS(Contd..)

(₹ in Crore)

As at March 31,2020	Maturity					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 12 Months	Total
Foreign exchange forward contracts- Crude/ Product Liabilities						
Nominal amount	1,131.99	-	-	-	-	1,131.99
Average forward rate	75.47	-	-	-	-	
Interest Rate Swaps						
Nominal amount	-	-	-	-	-	-
Commodity forward contracts- Margin Hedging						
Nominal volume (Quantity in Lakhs bbls)	8.75	12.50	17.25	12.00	-	50.50
Nominal amount (₹ Crore)	16.14	31.15	109.81	32.40	-	189.50
Average forward rate (US$ /bbl)	2.44	3.29	8.41	3.57	-	

The impact of the hedging instruments on the Balance Sheet is as under

(₹ in Crore)

	Foreign exchange forward contracts- Loans		Foreign exchange forward contracts- Crude/ Product Liablities		Interest Rate Swaps		Commodity forward contracts- Margin Hedging	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Nominal amount	-	1205.00	-	1131.99	**1438.43**	-	**45.92**	189.50
Carrying amount	-	18.67	-	3.23	**5.35**	-	**17.12**	61.49
Line item in the Balance Sheet that's includes Hedging Instruments	Other Current Financial Assets / Other Current Financial Liabilities*							
Change in fair value used for measuring ineffectiveness for the period - Gain (Loss)	**(14.14)**	18.67	**(6.30)**	(6.61)	**5.35**	-	**136.67**	124.70

*Refer 5(i) above for further break-up.

Hedge Items

The impact of the Hedged Items on the Balance Sheet is as follows:

(₹ in Crore)

	Foreign exchange forward contracts- Loans		Foreign exchange forward contracts- Crude/ Product Liablities		Interest Rate Swaps		Commodity forward contracts- Margin Hedging	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax)	-	-	-	-	**4.00**	-	**12.80**	46.00
Change in value of the hedged items used for measuring ineffectiveness for the period	**14.14**	(18.67)	**6.30**	6.61	**(5.35)**	-	**(136.67)**	(124.70)

NOTES TO FINANCIAL STATEMENTS

Note – 41 FINANCIAL INSTRUMENTS AND RISK FACTORS(Contd..)

The effect of the cash flow hedge in the Statement of Profit and Loss and Other Comprehensive Income is as follows:

(₹ in Crore)

	Foreign exchange forward contracts- Loans		Foreign exchange forward contracts- Crude/ Product Liablities		Interest Rate Swaps		Commodity forward contracts- Margin Hedging	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Cash flow Hedge Reserve at the beginning of the year	**-**	(1.08)	**-**	-	**-**	-	**46.00**	23.12
Total hedging gain/(loss) recognised in OCI	**(14.14)**	20.33	**(6.30)**	(6.61)	**5.35**	-	**75.18**	89.14
Income tax on above	**3.56**	(5.12)	**1.59**	1.66	**(1.35)**	-	**(18.92)**	(22.43)
Ineffectiveness recognised in profit or loss	**-**	-	**-**	-	**-**	-	**-**	-
Line item in the statement of profit or loss that includes the recognised ineffectiveness	**NA**	NA	**NA**	NA	**NA**	NA	**NA**	NA
Amount reclassified from OCI to profit or loss	**(14.14)**	18.67	**(6.30)**	(6.61)	**-**	-	**119.55**	63.21
Income tax on above	**3.56**	(4.54)	**1.59**	1.66	**-**	-	**(30.09)**	(19.38)
Cash flow Hedge Reserve at the end of the year	**-**	-	**-**	-	**4.00**	-	**12.80**	46.00
Line item in the statement of profit or loss that includes the reclassification adjustments	**Other Income**	Other Expenses	**Other Income**	Other Expenses	**NA**	NA	**Revenue from Operations**	Revenue from Operations

B. Credit risk

Trade Receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by Letters of Credit, Bank Guarantees or other forms of credit insurance, wherever required.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Group applies Simplified approach for providing the expected credit losses on Trade Receivables as per the accounting policy of the Group. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(₹ in Crore)

	0 - 90 days	91 days to 6 months	Above 6 months to 1 Year	Above 1 Year to 3 Years	> 3 years	Total
Year ended March 31, 2021						
Gross Carrying amount	10,387.92	636.33	994.27	2,129.89	263.87	14,412.28
Expected loss rate	(10.11)	(0.28)	(0.75)	(1.98)	(0.10)	(13.22)
Specific Provision	(102.05)	(62.99)	(58.65)	(203.76)	(171.33)	(598.78)
Carrying amount	**10,275.76**	**573.06**	**934.87**	**1,924.15**	**92.44**	**13,800.28**
Year ended March 31, 2020						
Gross Carrying amount	7,236.33	3,205.09	2,392.84	358.36	214.50	13,407.12
Expected credit losses	(6.86)	(3.18)	(2.39)	(0.37)	(0.07)	(12.87)
Specific Provision	-	(0.09)	(1.24)	(1.93)	(131.51)	(134.77)
Carrying amount	**7,229.47**	**3,201.82**	**2,389.21**	**356.06**	**82.92**	**13,259.48**

NOTES TO FINANCIAL STATEMENTS

Note – 41 FINANCIAL INSTRUMENTS AND RISK FACTORS(Contd..)

Other Financial instruments and cash deposits

The Group's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2021 and March 31, 2020 is the carrying amounts as provided in Note 4, 5, 6, 11 & 12.

The Group applies General approach for providing the expected credit losses on these items as per the accounting policy of the Group.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Group's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group has given loans to PMUY (Pradhan Mantri Ujjwala Yojana) customers which are shown under Loans in Note-5. PMUY loans are given to provide clean cooking fuel to BPL families as per GOI scheme wherein free LPG connections are issued by Oil Marketing Companies (OMCs) to the women belonging to the Below Poverty Line (BPL) households. As per the scheme, OMCs are providing an option for interest free loan towards cost of burner and 1st refill to PMUY consumers which is to be recovered from the subsidy amount payable to customer when such customers book refill.

In case of certain PMUY loans, the Group has determined that there is significant increase in the credit risk. The Group considers the probability of default upon initial recognition of the loan and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers past experience and time elapsed since the last refill for determining probability of default on collective basis. The Group has categorised the PMUY loans wherein credit risk has increased significantly under various categories considering the likelihood of default based on time gap since last refill. During the year, due to inactivity of a portion of PMUY consumers despite the efforts of Group and GOI, Group has changed the percentage of ECL provisioning. ECL is provided @80% (2020: @50%) in case of time gap since last refill is more than 12 months but not exceeding 18 months, @90% (2020: @70%) in case of time gap is more than 18 months but not exceeding 24 months and @100% (2020: @90%) for those consumers who have not taken any refill more than 24 months. ECL is provided for the loans where the refill is taken within last 12 months based on experience ratio of more than 12 months as above.

The PMUY loans are classified as credit impaired as on reporting date considering significant financial difficulty in case the customer has not taken any refill from past 24 months (2020: 30 months).

In case of other financial assets, there are certain credit impaired cases mainly due to breach of contract arising due to default or bankruptcy proceedings.

The movement in the loss allowance for impairment of financial assets at amortised cost during the year was as follows:

(₹ in Crore)

2020-21	Opening Balance	ECL created during the year	ECL write Back	ECL written off/ Reclassifications*	Closing Balance
	A	B	C	D	(A+B+C+D)
Trade Receivables					
Expected credit losses	12.87	2.39	(2.04)	-	13.22
Specific Provision	134.77	482.71	(2.14)	(16.56)	598.78
Total	147.64	485.10	(4.18)	(16.56)	612.00
Loans					
12 Months ECL	69.98	257.07	-	(0.02)	327.03
Life Time ECL- not credit impaired	126.39	69.92	-	-	196.31
Life Time ECL- credit impaired	360.29	197.25	(0.14)	(0.09)	557.31
Total	556.66	524.24	(0.14)	(0.11)	1,080.65
Security Deposits					
12 Months ECL	-	-	-	-	-
Life Time ECL- not credit impaired	-	-	-	-	-
Life Time ECL- credit impaired	1.50	-	(0.10)	-	1.40
Total	1.50	-	(0.10)	-	1.40

NOTES TO FINANCIAL STATEMENTS

Note – 41 FINANCIAL INSTRUMENTS AND RISK FACTORS(Contd..)

(₹ in Crore)

2020-21	Opening Balance	ECL created during the year	ECL write Back	ECL written off/ Reclassifications*	Closing Balance
Other Financial assets					
12 Months ECL	-	-	-	-	-
Life Time ECL- not credit impaired	-	71.56	-	-	71.56
Life Time ECL- credit impaired	90.76	58.00	(3.28)	(1.20)	144.28
Total	**90.76**	**129.56**	**(3.28)**	**(1.20)**	**215.84**

* Net of translation difference amounting to ₹ 0.64 Crore.

(₹ in Crore)

2019-20	Opening Balance	ECL created during the year	ECL write Back	ECL written off/ Reclassifications*	Closing Balance
	A	B	C	D	(A+B+C+D)
Trade Receivables					
Expected Credit Loss	15.49	-	(0.56)	(2.06)	12.87
Specific Provision	141.05	5.29	(0.49)	(11.08)	134.77
Total	**156.54**	**5.29**	**(1.05)**	**(13.14)**	**147.64**
Loans					
12 Months ECL	-	69.98	-	-	69.98
Life Time ECL- not credit impaired	1,141.71	-	(658.50)	(356.82)	126.39
Life Time ECL- credit impaired	3.63	-	-	356.66	360.29
Total	**1,145.34**	**69.98**	**(658.50)**	**(0.16)**	**556.66**
Security Deposits					
12 Months ECL	-	-	-	-	-
Life Time ECL- not credit impaired	-	-	-	-	-
Life Time ECL- credit impaired	1.56	0.05	(0.10)	(0.01)	1.50
Total	**1.56**	**0.05**	**(0.10)**	**(0.01)**	**1.50**
Other Financial assets					
12 Months ECL	-	-	-	-	-
Life Time ECL- not credit impaired	-	-	-	-	-
Life Time ECL- credit impaired	106.83	0.26	(16.33)	-	90.76
Total	**106.83**	**0.26**	**(16.33)**	**-**	**90.76**

*Net of translation difference amounting to ₹ (0.23) Crore

C. Liquidity risk

The Group monitors its risk of shortage of funds using a liquidity planning tool. The Group seeks to manage its liquidity requirement by maintaining access to both short term and long term debt markets. In addition, Group has committed credit facilities from banks.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, commercial papers, bank loans, debentures, and leases. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual payments.

NOTES TO FINANCIAL STATEMENTS

Note – 41 Financial Instruments and Risk Factors(Contd..)

(₹ in Crore)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2021						
Borrowings excluding Lease Obligations	**16,549.54**	**27,334.12**	**10,361.65**	**50,394.00**	**4,291.01**	**1,08,930.32**
Lease Obligations	**15.86**	**289.82**	**1,167.21**	**2,492.18**	**3,757.71**	**7,722.78**
Trade Payables	**3,584.57**	**32,249.42**	**1,413.98**	**-**	**-**	**37,247.97**
Other financial liabilities	**30,109.40**	**7,278.76**	**4,348.50**	**517.67**	**329.81**	**42,584.14**
Derivatives	**-**	**252.65**	**-**	**-**	**-**	**252.65**
	50,259.37	**67,404.77**	**17,291.34**	**53,403.85**	**8,378.53**	**1,96,737.86**
Year ended March 31, 2020						
Borrowings excluding Lease Obligations	16,349.26	31,232.74	24,742.58	45,766.51	3,962.32	1,22,053.41
Lease Obligations	48.41	296.41	1,050.32	2,895.19	3,446.59	7,736.92
Trade Payables	2,936.12	23,376.11	1,264.03	-	-	27,576.26
Other financial liabilities	31,057.91	5,233.85	1,353.08	415.98	373.60	38,434.42
Derivatives	-	467.38	-	-	-	467.38
	50,391.70	**60,606.49**	**28,410.01**	**49,077.68**	**7,782.51**	**1,96,268.39**

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

E. Collateral

As Group has been rated investment grade by various domestic and international rating agencies, there has been no requirement of submitting any collateral for booking of derivative contracts. Group undertakes derivatives contract only with those counterparties that have credit rating above the internally approved threshold rating. Accordingly, Group does not seek any collaterals from its counterparties.

Note–42: CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders of the parent Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using debt equity ratio, which is borrowings divided by Equity. The Group's endeavour is to keep the debt equity ratio around 1:1.

(₹ in Crore)

	March 31, 2021	March 31, 2020
Borrowings	**1,16,653.10**	1,29,790.33
Equity Share Capital	**9,181.04**	9,181.04
Reserves and Surplus	**1,02,657.01**	86,216.87
Equity	**1,11,838.05**	95,397.91
Debt Equity Ratio	**1.04 : 1**	1.36 : 1

No changes were made in the objectives, policies or processes for managing capital during the financial year ended 31 March 2021 and 31 March 2020.

NOTES TO FINANCIAL STATEMENTS

Note–43: DISCLOSURE ON GOVERNMENT GRANTS

A. Revenue Grants

1 Subsidies on sales of SKO (PDS) and LPG (Domestic)

Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ₹ **72.46 Crore** (2020: ₹ 148.29 Crore) and subsidies on sales of SKO and LPG to customers in Bhutan amounting to ₹ **3.13 Crore** (2020: ₹ 13.39 Crore) have been reckoned as per the schemes notified by Governments.

2 Compensation against under recoveries

The Group has accounted for Budgetary Support of **Nil** (2020: ₹ 1,296.17 Crore) towards under-recovery on sale of SKO (PDS) in the Statement of Profit and Loss as Revenue Grants.

3 Export of Notified Goods under MEIS Claims

The Group has recognised ₹ **0.02 Crore** (2020: ₹ 1.41 Crore) on export of notified goods under Merchandise Exports from India Scheme (MEIS) in the Statement of Profit and Loss as Revenue Grants.

4 Stidend to apprentices under NATS scheme

As per Ministry of HRD, 50% of the cost of stipend for apprentices which are paid under National Apprenticeship Training Scheme (NATS) will be reimbursed to employer from Government subject to prescribed threshhold limit.The Group has recognised grant in respect of stipend paid to apprentices appointed under National Apprenticeship Training Scheme (NATS) amounting to ₹ **2.52 Crore** (2020: ₹ 5.85 Crore) as Revenue Grant.

5 Grant in respect of revenue expenditure for research projects

During the year, the Group has received revenue grant of ₹ **1.68 Crore** (2020: ₹ 2.40 Crore) in respect of meeting out revenue expenditure such as Manpower, Consumables, Travel & Contingency etc for research projects undertaken with various agencies.

6 Incentive on sale of power

Group is getting incentive from Department of Renewable Energy, GOI for wind power generation of Electricity at the rate of ₹ 0.50 paise for per unit of power generated. The Group has received grant of ₹ **2.08 Crore** during the current year (2020: ₹ 2.76 Crore).

7 EPCG Grant

Grant recognised in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Govt. which allows procurement of capital goods including spares for pre production and post production at zero duty subject to an export obligation of 6 times of the duty saved on capital goods procured. The unamortised grant amount as at March 31, 2021 is ₹ **2.29 Crore** (2020: ₹ 41.56 Crore). During the year, the Group has recognised ₹ **41.57 Crore** (2020: ₹ 20.78 Crore) in the Statement of Profit and Loss as amortisation of revenue grant. The Group expects to meet the export obligations and therefore equivalent deferred grant has not been treated as liability.

8 Excise duty benefit in North East

Excise duty exemption of 50% of goods manufactured and cleared from north east refineries has been reckoned at full value in revenue and on net basis in expenses under 'Excise Duty' (to the extent of duty paid). Financial impact for the current year is ₹ **5,655.21 Crore** (2020: ₹ 2,627.98 Crore).

9 Grant in respect of Hydrogen blended Natural Gas project at Rajghat DTC

The Group has received grant from Transport Ministry, Govt of NCT, DELHI as per the direction of Hon'ble Supreme Court to carry out its study & pilot project of hydrogen blended CNG (H-CNG). The Group has recognised **Nil** (2020: ₹ 15.00 Crore) in Statement of Profit and Loss during the year.

10 Export of Notified Goods under Advance Authorisation Scheme

The Group has recognised **Nil** (2020: ₹ 0.38 Crore) on export of notified goods under Advance Authorisation Scheme in the Statement of Profit and Loss as Revenue Grants.

B. Capital Grants

1 OIDB Government Grant for strengthening distribution of SKO (PDS)

The Group has received government grant from OIDB (Oil Industry Development Board) for strengthening distribution of PDS Kerosene as per the directions of MoP&NG to be used in construction of 20KL underground Tank, Mechanical Dispensing Units and Barrel Shed. The unamortised capital grant amount as at March 31, 2021 is ₹ **0.76 Crore** (2020: ₹ 1.01 Crore). During the year, the Group has recognised ₹ **0.25 Crore** (2020: ₹ 0.27 Crore) in Statement of Profit and Loss as amortisation of capital grants.

NOTES TO FINANCIAL STATEMENTS

Note–43: DISCLOSURE ON GOVERNMENT GRANTS (Contd..)

2 Capital Grant in respect of Excise duty,Custom duty and GST waiver

The Group has received grant in respect of Custom duty waiver on import on capital goods,Excise duty waiver and GST waiver on purchase of goods from local manufacturer in India under the certificate issued by Department of Scientific and Industrial Research (DSIR). The unamortised capital grant amount as at March 31, 2021 is **₹ 67.77 Crore** (2020: ₹ 61.78 Crore) The goods so imported or procured from local manufacturer shall not be transferred or sold for a period of five years from date of installation. During the year, the Group has recognised **₹ 10.85 Crore** (2020: ₹ 8.50 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

3 Capital Grant in respect of Research projects

The Group has received capital grant from various agencies in respect of procurement/ setting up of Capital assets for research projects undertaken. The unamortised capital grant amount as at March 31, 2020 is **₹ 11.19 Crore** (2020: ₹ 12.24 Crore). During the year, the Group has recognised **₹ 2.60 Crore** (2020: ₹ 2.51 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

4 Capital Grant in respect of Entry Tax Exemption from Odisha Govt.

Entry Tax exemption received from Odisha Government for Paradip Refinery Project has been recognised as Capital Grant and grossed up with the concerned Assets.The unamortised capital grant amount as at March 31, 2020 is **₹ 105.55 Crore** (2020: ₹ 111.02 Crore). During the year, the Group has recognised **₹ 5.47 Crore** (2020: ₹ 5.30 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

5 Capital Grant in respect of demonstration unit

Grant received from OIDB for setting up of demonstration unit at Guwahati refinery with the Group's R&D developed IndaDeptG technology and also for Ethanol production from Refinery off gases at Panipat Refinery. The unamortised capital grant amount as at March 31, 2021 is **₹ 173.27 Crore** (2020: ₹ 90.77 Crore). During the year, the Group has recognised **₹ 4.38 Crore** (2020: ₹ 4.38 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

6 Capital Grant in respect of interest subsidy

The Group has received capital grant in respect of interest subsidy on loans taken from OIDB. The unamortised capital grant amount as at March 31, 2021 is **₹ 32.98 Crore** (2020: ₹ 16.61 Crore). During the year, the Group has recognised **₹ 1.82 Crore** (2020: ₹ 0.81 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

7 Capital Grant in respect of Viability Gap Funding (VGF)

The Group has received capital grant in the form of interest free loans from Orissa Government for a period of 15 years.The unamortised capital grant amount as at March 31, 2021 is **₹ 2,065.16 Crore** (2020: ₹ 1,750.64 Crore). During the year, the Group has recognised **₹ 144.86 Crore** (2020: ₹ 112.11 Crore) in the Statement of Profit and Loss account as amortisation of capital grants.

8 Capital Grant in respect of Solar Power Generation

The Group has received capital financial assistance from Ministry of New and Renewable Energy in respect of procurement and installation of Solar Panels for Power Generation.The unamortised capital grant amount as at March 31, 2021 is **₹ 3.96 Crore** (2020: ₹ 4.14 Crore). During the year, the Group has recognised **₹ 0.18 Crore** (2020: ₹ 0.19 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

9 Capital Grant from Nepal Government

The Group has received grant from Nepal Government by way of waiver of Local taxes on goods/services procured locally in Nepal and Import Duty for goods/services imported into Nepal. The Group has recognised **₹ 1.05 Crore** (2020: ₹ 0.71 Crore) in Statement of Profit & Loss. The unamortised balance is **₹ 12.42 Crore** (2020: ₹ 13.63 Crore)

NOTES TO FINANCIAL STATEMENTS

Note–44: REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group is in the business of oil and gas and it earns revenue primarily from sale of petroleum products, petrochemicals and others comprising of Gas, E&P and Others. Revenue are recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. In determining the transaction price for the sale of products, the group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Generally, Group enters into contract with customers;

a. On delivered basis in case of Retail Sales, LPG and Aviation.

b. On EX-MI as well as delivered basis in case of Lubes and Consumers.

c. On FOB or CIF basis depending on terms of contract in case of Export sales.

Majority of Group's sales are to retail category which are mostly on cash and carry basis. Group also execute supply to Institutional Businesses(IB), Lubes , Aviation on credit which are for less than a year.

For maintaining uninterrupted supply of products, customers generally deposit amount in advance with the Group against which orders for purchase of products are placed by the customers. Based on these orders, supply is maintained by the Group and revenue is recognised when the goods are delivered to the customer by adjusting the advance from customers.

Group also extend volume/slab based discounts to its customers on contract to contract basis for upliftment of products and it is adjusted in revenue as per the terms of the contract. Group also runs loyalty programmes and incentive schemes for its retail and bulk customers. Loyalty points are generated and accumulated by the customers on doing transactions at Group's outlet which can be redeemed subsequently for fuel purchases from Group outlets. Revenue is recognised net of these loyalty points and incentive schemes.

Beside this, though not significant, Group also undertakes contruction contracts on deposit basis. Revenue is recognised for these contracts on input based on cost incurred. Similarly non-refundable deposits received from Retail Outlets (ROs) are recognised as revenue over time.

Bifurcation of Total Revenue into Revenue from contract with customers and other sources of revenue as per requirement of Ind AS is given below;

(₹ in Crore)

	March 31, 2021	March 31, 2020
Total Revenue (A+D)	**5,20,236.84**	**5,75,989.70**
Revenue from contract with customers (A)	**5,17,680.08**	5,72,025.96
Recognised from contract liability balance of previous year (B)	**4,288.98**	3,225.89
Recognised from contracts initiated in current year (C)	**5,13,391.10**	5,68,800.07
Revenue from other contracts/from others (D)	**2,556.76**	3,963.74

An amount of ₹ **483.48 Crore** (2020: ₹ 2.16 Crore) on account of impairment losses on receivables is recognised under the head Impairment Loss on Financial Assets on the face of Statement of Profit and Loss.

The Group disclose information on reportable segment as per Ind AS 108 under Note 39 - Segmental Information. An amount of ₹ **300.55 Crore** (2020: ₹ 69.19 Crore) is recognised over time under Revenue from contract with customers.

NOTES TO FINANCIAL STATEMENTS

Note–44: REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTD..)

(₹ in Crore)

	Receivables	Contract Asset	Contract Liability
Opening Balance	13,293.57	-	5,948.98
Closing Balance	13,848.36	-	5,769.20

The Group has applied practical expedient as per IndAS 115 in case of delivered sales, advance from customers where the performance obligation is part of the contract and the original expected duration is one year or less and in case of construction contracts/deposit works wherein the company has a right to consideration from customer that correspond directly with the value of the entity's performance completed for the customer.

Revenue in cases of performance obligation related to delivered sales and advance from customers are recognised in time based on delivery of identified and actual goods and no significant judgement is involved. Revenue in case of contruction contracts/ deposit works are recognised over time using input based on cost incurred. Revenue in case of Non Refundable RO Deposit is recognised on time proportion basis.

NOTES TO FINANCIAL STATEMENTS

Note – 45: STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, JV'S AND ASSOCIATES (FORM AOC - I)

Part "A": Subsidiaries

(₹ in Crore)

Sl. No.	1	2	3	4	5	6	7	8
Name of the Subsidiary	Chennai Petroleum Corporation Limited	IndianOil (Mauritius) Limited	Lanka IOC PLC	IOC Middle East FZE	IOC Sweden AB	IOCL (USA) Inc.	IndOil Global BV.	IOCL Singapore PTE Limited
Date since when subsidiary was acquired	29.03.2001	24.10.2001	29.08.2002	19.04.2006	26.02.2010	01.10.2012	25.02.2014	13.05.2016
Reporting Currency	INR	MUR	SLR	AED	EURO	USD	CAD	USD
Exchange Rate (INR):								
Closing as on March 31, 2021	-	1.7998	0.3674	19.9010	85.7800	73.1150	58.0198	73.1150
Average Rate 2020-21	-	1.8711	0.3948	20.2134	86.6410	74.2199	56.2174	74.2199
Share Capital	148.91	75.67	250.54	2.30	387.26	336.32	6,185.26	7,128.82
Other Equity	1,462.29	254.21	556.57	39.22	77.34	(240.98)	(2,180.94)	981.86
Liabilities	12,613.83	148.59	972.99	4.85	12.51	7.03	3,556.42	3,195.26
Total Liabilities	14,225.03	478.47	1,780.10	46.37	477.11	102.37	7,560.74	11,305.94
Total Assets	14,225.03	478.47	1,780.10	46.37	477.11	102.37	7,560.74	11,305.94
Investments	198.62	5.67	676.63	0.04	464.47	-	45.42	8,096.22
Turnover	41,813.95	648.45	2,632.76	17.30	-	27.12	1,005.24	1,305.47
Profit Before Taxation	1,296.24	36.09	5.30	(0.31)	(7.84)	(115.46)	(210.48)	587.18
Provision for Taxation	1,038.98	3.60	4.34	-	-	-	(1.46)	68.47
Profit After Taxation	257.26	32.49	0.96	(0.31)	(7.84)	(115.46)	(209.02)	518.71
Proposed Dividend	-	26.36	12.49	-	-	-	-	-
Percentage of shareholding	51.89%	100.00%	75.12%	100.00%	100.00%	100.00%	100.00%	100.00%

An application has been submitted for one of the subsidiary called Indian Catalyst Private Limited to RoC Ahmedabad on 30.12.20 for striking-off the company's name from the ROC's Register

INR	Indian Rupees
MUR	Mauritian rupees
SLR	Srilankan Rupees
AED	United Arab Emirates Dirham
USD	United States Dollars
CAD	Canadian Dollars

NOTES TO FINANCIAL STATEMENTS

Note - 45 PART - "B" : STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (FORM AOC - I)

(₹ in Crore)

		Indian Oiltanking Limited	Lubrizol India Private Limited	Indian Oil Petronas Private Limited	Green Gas Limited	Indian Oil Skytanking Private Limited
1	Name of the Associates / Joint Ventures	Indian Oiltanking Limited	Lubrizol India Private Limited	Indian Oil Petronas Private Limited	Green Gas Limited	Indian Oil Skytanking Private Limited
2	Latest Audited Balance Sheet Date	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
3	Date of which Associate or Joint Venture was associated or acquired	August 28, 1996	April 01, 2000	December 03, 1998	October 07, 2005	August 21, 2006
4	Shares of Associate / Joint Ventures held by the company on the year end					
	i. No.	494828289	499200	134000000	23042250	25950000
	ii. Amount of Investment in Associates / Joint Venture	723.98	61.71	134.00	23.04	73.28
	iii. Extent of Holding %	49.38%	26.00%	50.00%	49.97%	50.00%
5	Description of how there is significant influence	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control
6	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Networth attributable to Shareholding as per latest audited Balance Sheet	680.21	173.01	705.29	229.64	84.65
8	Profit / (Loss) for the year (After Tax)	112.88	85.52	205.81	56.34	10.20
	i. Considered in Consolidation	55.74	22.24	102.91	28.15	5.10
	ii. Not Considered in Consolidation	57.14	63.28	102.90	28.19	5.10

NOTES TO FINANCIAL STATEMENTS

Note - 45 PART - "B" : STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (FORM AOC - I) (Contd..)

(₹ in Crore)

	Suntera Nigeria 205 Ltd.	Delhi Aviation Fuel Facility Private Limited	Indian Synthetic Rubber Private Limited	NPCIL - IndianOil Nuclear Energy Corporation Limited	GSPL India Transco Limited	GSPL India Gasnet Limited	Indradhanush Gas Grid Limited	Indian Oil Total Private Limited
	March 31, 2020	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
	May 09, 2006	Match 28, 2010	July 06, 2010	April 06, 2011	March 29, 2013	March 29, 2013	August 10, 2018	October 07, 2020
	2500000	60680000	222861375	260000	151320000	413925030	61000000	7500000
	0.05	60.68	222.86	0.26	151.32	413.93	61.00	7.50
	25.00%	37.00%	50.00%	26.00%	26.00%	26.00%	20.00%	50.00%
	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control
	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
	(171.52)	91.97	199.02	0.37	125.20	403.26	57.92	6.39
	(62.80)	(12.43)	238.43	0.06	(65.09)	16.21	2.03	(2.21)
	(15.70)	(4.60)	119.22	0.02	(16.92)	4.21	0.41	(1.11)
	(47.10)	(7.83)	119.21	0.04	(48.17)	12.00	1.62	(1.10)

NOTES TO FINANCIAL STATEMENTS

Note - 45 PART - "B" : STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (FORM AOC - I) (Contd..)

(₹ in Crore)

1	Name of the Associates / Joint Ventures	IndianOil Adani Gas Private Limited	Mumbai Aviation Fuel Farm Facility Private Limited	Kochi Salem Pipelines Private Limited	Indian Oil LNG Private Limited
2	Latest Audited Balance Sheet Date	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
3	Date of which Associate or Joint Venture was associated or acquired	October 04, 2013	October 09, 2014	January 22, 2015	May 29, 2015
4	Shares of Associate / Joint Ventures held by the company on the year end				
	i. No.	432245000	48288750	202500000	5000
	ii. Amount of Investment in Associates / Joint Venture	432.25	48.29	202.50	0.01
	iii. Extent of Holding %	50.00%	25.00%	50.00%	50.00%
5	Description of how there is significant influence	Joint Control	Joint Control	Joint Control	Joint Control
6	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Networth attributable to Shareholding as per latest audited Balance Sheet	413.63	87.24	192.94	(154.11)
8	Profit / (Loss) for the year (After Tax)	(18.25)	1.56	(3.99)	(33.49)
	i. Considered in Consolidation	(9.12)	0.39	(1.99)	(16.74)
	ii. Not Considered in Consolidation	(9.13)	1.17	(2.00)	(16.75)

Following associates or joint ventures are yet to commence operations:

i) Suntera Nigeria 205 Ltd.

ii) NPCIL - IndianOil Nuclear Energy Corporation Limited

iii) Kochi Salem Pipelines Private Limited

iv) Ratnagiri Refinery & Petrochemicals Limited

v) Hindustan Urvarak and Rasayan Limited

vi) Indradhanush Gas Grid Limited

vii) IHB Private Limited

viii) IndianOil Total Private Limited

Equity Consolidation in respect of following Jointly Controlled Entities have not been consolidated as the Management has decided to exit from these companies and provided for full dimunition in the value of investment:

i) Petronet CI Limited.

ii) Indian Oil Ruchi Biofuels LLP

NOTES TO FINANCIAL STATEMENTS

Note - 45 PART - "B" : STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (FORM AOC - I) (Contd..)

(₹ in Crore)

	Hindustan Urvarak and Rasayan Limited	Ratnagiri Refinery & Petrochemicals Limited	IHB Private Limited	Avi-Oil India Private Limited	Petronet VK Limited	Petronet LNG Limited	Petronet India Limited
	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
	June 15, 2016	September 22, 2017	July 09, 2019	November 04, 1993	May 21, 1998	April 02, 1998	May 26, 1997
	1131765000	100000000	829000000	4500000	50000000	187500000	18000000
	1131.77	100.00	829.00	4.50	26.02	98.75	0.18
	29.67%	50.00%	50.00%	25.00%	50.00%	12.50%	18.00%
	Joint Control	Joint Control	Joint Control	Associate	Associate	Associate	Associate
	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
	1129.66	63.82	829.51	17.52	-	1465.65	0.47
	(16.32)	(17.45)	6.22	3.07	(9.10)	2854.31	-
	(4.84)	(8.73)	3.11	0.77	-	356.79	-
	(11.48)	(8.72)	3.11	2.30	(9.10)	2497.52	-

NOTES TO FINANCIAL STATEMENTS

Note - 46: ADDITIONAL INFORMATION FOR CONSOLIDATED FINANCIAL STATEMENTS AS PER SCHEDULE-III TO COMPANIES ACT, 2013

Name of the Enity	Net Assets		Share in Profit/ (loss) after Tax		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Total	Amount (₹ in Crore)	As % of Total*	Amount (₹ in Crore)	As % of Total*	Amount (₹ in Crore)	As % of Total*	Amount (₹ in Crore)
Indian Oil Corporation Limited	98.80%	1,10,500.04	100.91%	21,836.04	101.38%	4,583.89	100.99%	26,419.93
Subsidiaries								
Indian								
Chennai Petroleum Corporation Limited	1.44%	1,611.20	1.19%	257.26	(0.12%)	(5.33)	0.96%	251.93
Foreign								
IndianOil (Mauritius) Limited	0.29%	329.88	0.15%	32.49	(0.35%)	(15.76)	0.06%	16.73
Lanka IOC PLC	0.72%	807.11	-	0.96	(1.58%)	(71.66)	(0.27%)	(70.70)
IOC Middle East FZE	0.04%	41.52	-	(0.31)	(0.03%)	(1.49)	(0.01%)	(1.80)
IOC Sweeden AB	0.42%	464.60	(0.04%)	(7.84)	(1.47%)	(66.30)	(0.28%)	(74.14)
IOCL (USA) Inc.	0.09%	95.34	(0.53%)	(115.46)	(0.12%)	(5.58)	(0.46%)	(121.04)
IndOil Global BV.	3.58%	4,004.32	(0.97%)	(209.02)	4.08%	184.69	(0.09%)	(24.33)
IOCL Singapore PTE Limited	7.25%	8,110.68	2.40%	518.71	(2.09%)	(94.47)	1.62%	424.24
Less: Minority Interests in all subsidiaries	0.87%	975.96	0.57%	124.01	(0.45%)	(20.39)	0.40%	103.62
Joint Venture								
Indian								
Indian Oiltanking Limited	0.61%	680.21	0.26%	55.74	(0.01%)	(0.38)	0.21%	55.36
Lubrizol India Private Limited	0.15%	173.01	0.10%	22.24	-	0.11	0.09%	22.35
Indian Oil Petronas Private Limited	0.63%	705.29	0.48%	102.91	-	(0.09)	0.39%	102.82
Green Gas Limited	0.21%	229.64	0.13%	28.15	-	0.12	0.11%	28.27
Indian Oil Skytanking Private Limited	0.08%	84.65	0.02%	5.10	-	0.06	0.02%	5.16
Delhi Aviation Fuel Facility Private Limited	0.08%	91.97	(0.02%)	(4.60)	-	-	(0.02%)	(4.60)
Indian Synthetic Rubber Private Limited	0.18%	199.02	0.55%	119.22	-	(0.02)	0.46%	119.20
Indian Oil Ruchi Biofuels LLP	-	-	-	-	-	-	-	-
NPCIL - IndianOil Nuclear Energy Corporation Limited	-	0.37	-	0.02	-	-	-	0.02
GSPL India Transco Limited	0.11%	125.20	(0.08%)	(16.92)	-	0.03	(0.06%)	(16.89)
GSPL India Gasnet Limited	0.36%	403.26	0.02%	4.21	-	0.06	0.02%	4.27
IndianOil Adani Gas Private Limited	0.37%	413.63	(0.04%)	(9.12)	-	(0.05)	(0.04%)	(9.17)
Mumbai Aviation Fuel Farm Facility Private Limited	0.08%	87.24	-	0.39	-	-	-	0.39
Kochi Salem Pipelines Private Limited	0.17%	192.94	(0.01%)	(1.99)	-	-	(0.01%)	(1.99)
IndianOil LNG Private Limited	(0.14%)	(154.11)	(0.08%)	(16.74)	-	0.04	(0.06%)	(16.70)
Hinduatan Urvarak and Rasayan Limited	1.01%	1,129.66	(0.02%)	(4.84)	-	-	(0.02%)	(4.84)
Ratnagiri Refinery & Petrochemicals Limited	0.06%	63.82	(0.04%)	(8.73)	-	-	(0.03%)	(8.73)
Indradhanush Gas Grid Limited	0.05%	57.92	-	0.41	-	-	-	0.41
IHB Private Limited	0.74%	829.51	0.01%	3.11	-	-	0.01%	3.11
IndianOil Total Private Limited	0.01%	6.39	(0.01%)	(1.11)	-	-	-	(1.11)
Foreign							-	-
Suntera Nigeria 205 Ltd.	(0.15%)	(171.52)	(0.07%)	(15.70)	0.13%	5.68	(0.04%)	(10.02)

NOTES TO FINANCIAL STATEMENTS

Note - 46: ADDITIONAL INFORMATION FOR CONSOLIDATED FINANCIAL STATEMENTS AS PER SCHEDULE-III TO COMPANIES ACT, 2013 (Contd..)

Name of the Enity	Net Assets		Share in Profit/ (loss) after Tax		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Total	Amount (₹ in Crore)	As % of Total*	Amount (₹ in Crore)	As % of Total*	Amount (₹ in Crore)	As % of Total*	Amount (₹ in Crore)
Associates								
Indian								
Avi-Oil India Private Limited	0.02%	17.52	-	0.77	-	0.08	-	0.85
Petronet VK Limited	-	-	-	-	-	-	-	-
Petronet LNG Limited	1.31%	1,465.65	1.65%	356.79	-	-	1.36%	356.79
Petronet India Limited	-	0.47	-	-	-	-	-	-
							-	-
Intra Group Eliminations	(17.70%)	(19,782.42)	(5.39%)	(1,169.92)	(0.27%)	(12.46)	(4.51%)	(1,182.38)
TOTAL	100.00%	1,11,838.05	100.00%	21,638.21	100.00%	4,521.56	100.00%	26,159.77

Note:

1. Figures in respect of Joint Operations as mentioned in Note 34 have been included in the financial statements of Indian Oil Corporation Ltd & Subsidiary Companies and in respect of other Joint Ventures/Associates of Subsidiary Companies, the same has been included in the financial statements of respective subsidiary company.

2. Following Companies have not been consolidated in the consolidated financial statements as the Management has decided to exit from these Entities and provided for full dimunition in value of investment:

   a) Petronet CI Ltd.

   b) Indian Oil Ruchi Biofuels LLP

   c) Indian Catalyst Private Limited

3. Group's share of loss in Petronet VK Limited amounting to **₹ 4.55 Crore** (2020: loss of ₹ 3.74 Crore) has not been recognised as the company has accumulated losses as on 31.03.2021. The Groups's share of unaccounted accumulated losses as on 31st March 2021 stands at **₹ 56.07 Crore** (2020: ₹ 51.52 Crore).

Note–47: ADDITIONAL DISCLOSURES BY GROUP COMPANIES

1 Impairment loss in respect of Cauvery Basin Refinery

CPCL (Subsidiary) has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery). Consequent to implementation of BS-IV specifications on a pan India basis w.e.f April 1, 2017 and in the absence of secondary treatment facilities, the BS-III grade of diesel production from CBR would not be marketable in the local market, entailing significant coastal/export under recoveries, which has adversely impacted the profitability of CBR and the operations of the CBR unit have been stopped from April 1, 2019. Accordingly, value in use is negative and, the recoverable value of the assets was reviewed and it is estimated that there would not be any recoverable value for the same. Considering Nil recoverable value of the assets, an amount of **₹ 1.59** (2020: ₹ 54.42 Crore) has been accounted as impairment loss during the year, (including capital work in progress), in line with the requirements of Ind AS -36. The total impairment loss recognised as at March 31, 2021 is **₹ 123.06 Crore** (2020: ₹ 121.47 Crore).]

The impairment provision is sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

2 During the previous year, CPCL (Subsidiary) has opted to settle pending disputed cases under the Direct Tax Vivad se Vishwas Act, 2020. The gross amount of tax dispute foregone is ₹ 269.54 Crore and provision for ₹ 94.51 Crore has been included in current tax expense and the same is subject to receipt of final orders from Income Tax Authorities. The procedural complainces in this regard is under progress.

NOTES TO FINANCIAL STATEMENTS

Note–47: ADDITIONAL DISCLOSURES BY GROUP COMPANIES (Contd..)

3 Pursuant to the introduction of Section 115BAA of the Income Tax Act, 1961, the CPCL (Subsidiary) has an option to pay corporate income tax at the rate of 22% plus applicable surcharge and cess (lower rate) as against the earlier rate of 30% plus applicable surcharge and cess, subject to certain conditions. Considering all the provisions under said section 115BAA of the Income Tax Act, 1961 the CPCL (Subsidiary) has decided to avail the lower rate from FY 2019-20.

Accordingly, the CPCL (Subsidiary) has recognised Provision for Income tax for the year ended 31st March, 2021 and re-measured the net Deferred Tax Liabilities at the lower rate. Further, the Minimum Alternate Tax balance as on 31st March, 2020 has not been carried forward as per provision of Section 115BAA of the Income Tax Act, 1961. The MAT balance of ₹ 599.99 Crore and the net impact on deferred tax due to this change is ₹ 93.77 Crore is accounted as Tax expense during the year.

The recognition of deferred tax assets / liability is based on the "Asset and liability method", determined on the basis of difference between the financial statement and tax bases of the assets and liabilities, by using the enacted tax rates applicable to the CPCL (Subsidiary).

The deferred taxes are recognised to the extent, they are more likely than not to be realised, based on the best estimates as at the balance sheet date. In making such estimates, all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and pricing assumptions based on the past trend are considered. Such estimates are subject to significant fluctuations in earnings and timing of such earnings.

Note–48: OTHER DISCLOSURES

1 In order to provide clean cooking fuel to BPL families, Government has approved "Pradhan Mantri Ujjwala Yojana (PMUY)" scheme where free LPG connections are issued by Oil Marketing Companies (OMCs) to the women belonging to the Below Poverty Line (BPL) households as per SECC -2011 (Rural) database. The scheme was launched on May 1, 2016. As per the scheme, the initial cost towards connection charges (Refundable deposit) would be borne by the Central Government for each card holder. Few State Governments have also extended this scheme to other beneficiaries. As per the scheme, OMCs would provide an option for EMI/Loans towards cost of burner and 1st refill to the PMUY consumers. The loan amount is to be recovered from the subsidy amount payable by the government to the customers on each refill sale. During the year, discounting of the loan has been done based on assumption of 3 refills in a year and average subsidy of ₹ 44.69 per cylinder as loan recovery.

The amount of outstanding as at March 31, 2021 towards PMUY claim from Central Government is **₹ 6.38 Crore** (2020: ₹ 468.54 Crore) and loan to PMUY consumers is **₹ 3,022.58 Crore** (2020: ₹ 3,185.64 Crore) (net of recovery through subsidy). Against the above loan, a provision for doubtful loans amounting to **₹ 910.45 Crore** (2020: ₹ 553.19 Crore) has been created as at March 31, 2021 against the beneficiaries who have not taken any refill for more than 12 months based on expected credit loss(ECL) model and applying experience factor based on experience ratio of more than 12 months. (Also refer Credit Risk under Note 41).

On account of decline in subsidy amount of LPG cylinders in current year, the Parent Company has remeasured the gross carrying amount of PMUY loan as at Balance Sheet date based on revised estimated future contractual cash flows resulting in reduction in PMUY loans by ₹ 847.08 Crore which has been charged to Statement of Profit and Loss in Note 29.1 under the head ""Amortisation and Remeasurement of PMUY Assets""

2 During the year, Parent Company settled old dispute with Delhi Development Authority (DDA) pertaining to demand of license fee towards Retail Outlets with DDA based on decision of the Committee of Secretaries under Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD). Consequently provision of ₹ 205.38 Crore has been written back and included in Revenue from operations.

3 The Government of India had announced a relief package under Pradhan Mantri Garib Kalyan Yojna (PMGKY) to the Poor families affected by the pandemic. This scheme entailed PMUY consumers to avail a sequential advance towards purchase of three refill cylinders. The scheme was initially for the period beginning from 01.04.2020 and ending on 30.06.2020 which was subsequently extended up to 31.12.2020 to allow PMUY Beneficiaries to uplift refill against the transferred advance, and thereby enabling OMC to claim from MoPNG for such refill against the advance transferred.

Accordingly, the Parent Company during the year transferred advance of **₹ 4,541.05 Crore** (2020: Nil) to PMUY beneficiaries out of which **₹ 4,374.16 Crore** (2020: Nil) were utilised by the customers towards refills leaving an outstanding of ₹ 166.89

NOTES TO FINANCIAL STATEMENTS

Note–48: OTHER DISCLOSURES (Contd..)

Crore as on 31.03.2021. Doubtful provision has been made for the said unutilised amount and included under the head "Impairment Loss on Financial Assets" on the face of Statement of Profit and Loss , representing the difference between advance amount as against RSP on the date of upliftment of refill and advance against which no upliftment of refill has taken place and thereby claim could not be submitted by Parent Company.

4 A new Joint venture is proposed to be formed between IOCL(Parent Company) and CPCL (Subsidiary) with combined equity holding of 50% and balance to be retained by strategic / public investors for construction of new 9 MMTPA refinery at Cauvery Basin Nagapattinam. The land and other facilities held by parent company at its Narimanam Marketing Terminal, presently shown under the property Plant and Equipment, having WDV of ₹ 81.93 Crore (Gross Block: ₹ 151.39 Crore) will be transferred to the new Joint venture. Similarly pre-project feasibility study expenditure of **₹ 55.13 Crore** (2020: ₹ 49.66 Crore) under Capital Work in progress and **₹ 241.80 Crore** (2020: ₹ 222.29 Crore) under Intangibles under development in the books of subsidiary will also be transferred to the joint venture. Pending finalisation of modalities of transfer and approvals, these assets continue in respective books of parent / subsidiary as on March 31, 2021.

5 Pursuant to the Board approval for formation of a Joint Venture company between Indian Oil Corporation Ltd (Parent Company) and Coal India Ltd for transfer of explosives business to the said venture Company on slump sale basis at a value of ₹ 311.00 Crore (Net Assets WDV of ₹ 82.69 Crore as at March 31, 2020), consent of Niti Ayog was initially received for formation of the JV vide letter dated April 27, 2018. However, the formation of the JV is not carried forward on account of subsequent communication dated July 11, 2018 from MoPNG. The matter is under deliberation and accordingly, the explosive business continues to be in operation as at March 31, 2021. The Net Asset WDV of the business as at March 31, 2021 is ₹ 77.49 Crore.

6 In line with the conditions specified in Environment Clearance Certificates issued by Ministry of Environment, Forest and Climate Change (MoEFCC) at the time of commencement of the project, during the year, the Parent Company has recognised a cumulative liability towards environmental responsibility as project cost for the ongoing projects of ₹ 174.9 Crore and completed projects of ₹ 421.19 Crore.

7 Pursuant to the order of Honorable High Court of Odisha in the Feb' 2012 for removal of shoals from the upstream of Mahanadi Barrage and Construction of Water Treatment plant in Cuttack, Parent Company was treating the expenditure as enabling Asset for its Paradip Refinery which was commissioned in March 2016. In the financial year 2019-20, out of the total advance of ₹ 231.44 Crore, an amount of ₹ 147.10 Crore was shown as Construction-Work in Progress based on Utilisation Certificate received from the authorities and the balance amount of ₹ 84.34 Crore was shown as Advance for Capital Expenditure (Note-8). The balance unpaid amount of ₹ 146.96 Crore was shown under Capital Commitment (Note-37).

During the year, Parent Company has received an opinion from the Expert advisory Committee (EAC) of Institute of Chartered Accountant of India (ICAI) which opined that above expenses are directly attributable for bringing the refinery assets into operation and therefore should be capitalised along with Refinery. Accordingly, the Parent Company has capitalised the entire cost of ₹ 382.37 Crore by providing unpaid liability amounting to ₹ 33.19 Crore.

8 During the year, vessel MT New Diamond carrying crude cargo for Paradip Refinery met with fire incidence near Sri Lankan Coast and had to be towed to port of refuge, Kalba, UAE for Ship-to-Ship (STS) operations with the help of salvors. General Average claims arising out of such salvage, towing and STS operations in respect of vessel MT New Diamond is yet to be finalised by General Adjuster appointed for the purpose. The liability arising out of General Average claims is fully insured under Marine Insurance Policy except to the extent of excess clause, for which necessary provision amounting to ₹ 6.84 Crore is made in the books of accounts of Parent Company.

9 The Parent Company has net recoverable capital advances of ₹ 103.53 Crore and trade receivable of ₹ 8.40 Crore from parties which have been referred to National Company Law Tribunal (NCLT). In respect of capital advances provision of **₹ 9.36 Crore** (2020: Nil) is recognised after considering the available bank guarantees and no further provision is considered as the matter is subjudice. For trade receivable no provision have been created considering available bank gurantees.

10 Pursuant to the opinion of EAC of ICAI on treatment of Marine Cum Erection policy cost, Parent Company has charged an amount of ₹ 40.51 Crore as insurance cost under Note 29.1 in respect of ongoing projects and projects completed during the year.

11 During the year, Diamond Gas International (DGI) cancelled FOB LNG Cargoes scheduled to be loaded from Cameron LNG Project in USA, due to Force Majeure event - Hurricane Laura and Hurricane Delta. The Parent Company has created a provision of ₹ 288.38 Crore against advance paid to DGI, recognised ₹ 23.53 Crore payable to DGI under LNG Sale and Purchase Agreement as Miscellaneous Expenses and recognised ₹ 60.79 Crore as shipping cost settled with shippers.

NOTES TO FINANCIAL STATEMENTS

Note–48: OTHER DISCLOSURES (Contd..)

12 During the financial year 2019-20, the MAT Credit Entitlement as on April 1, 2019 amounting to ₹ 1,921.13 Crore was written off in the books of accounts upon exercising the option to pay tax at lower rates from Assessment Year 2020-21 as per provision of Section 115BAA of the Income Tax Act, 1961. However, the same is available for utilisation against any tax liabilities pertaining to past years i.e prior to Assessment Years 2020-21. During the current financial year, on account of increase in the tax liabilities pertaining to the past years, MAT Credit Entitlement previously written off, has been adjusted by ₹ 1,099.27 Crore by the Parent Company.

13 During the current financial year, the Parent Company has opted for settlement of eligible Income Tax disputes for the Assessment Years 1987-88 to 2010-11 through Vivad se Vishwas Scheme introduced by the Government of India vide The Direct Tax Vivad Se Vishwas Act, 2020. As per the provisions of the scheme liability has been assessed at ₹ 2,420.82 Crore in respect of said years. Accordingly, during the year, an additional amount of ₹ 1,582.44 Crore has been accounted for as current tax expense in the Statement of Profit and Loss towards the aforesaid scheme over and above the existing provision of ₹ 838.49 Crore which was being carried in the Books of account and contingent liability amounting to ₹ 625.09 Crore in respect of the said years has been reduced to Nil.

14 The Parent Company is consistently valuing its inventories at Cost or Net Realisable Value (NRV), whichever is lower and for this purpose NRV is derived is based on specified subsequent period as per regular practice. During previous financial year 2019-20, unprecedented situation caused by global outbreak of Covid-19 pandemic lead to demand reduction and significant fall in oil prices. Further, national lockdown from March 25, 2020 resulted in decline in demand necessitating the Parent Company to consider a longer time period than that as per regular practice for deriving NRV and the NRV so derived was compared with cost. As a result of considering a longer time period and fall in prices, value of inventories as on March 31,2020 were written down by ₹ 11,304.64 Crore, which was treated as Exceptional Item considering its nature and size.

15 A Memorandum of Understanding (MoU) dated October 9, 2020 is entered between the Parent Company and the Government of India, setting various performance parameters for the Parent Company including capital expenditure (Capex). In this regard, the amount of Capex on major capital projects and creation of additional facilities by the Parent Company and its proportionate share of similar Capex by its Subsidiaries, Joint Ventures and Associates during the financial year 2020-21 are given below:

(₹ in Crore)

Name of the Company/ Subsidiary	Capex	IOCL Share (%)	IOCL Share
Indian Oil Corporation Limited			23,752.80
Chennai Petroleum Corporation Limited	578.58	51.89	300.23
Indian Oil (Mauritius) Limited	17.19	100.00	17.19
Lanka IOC PLC	12.00	75.12	9.01
IOCL (USA) Inc	1.59	100.00	1.59
Ind Oil Global BV	629.75	100.00	629.75
IOC Singapore Pte Limited	793.11	100.00	793.11
Proportionate Capex by Joint Ventures & Associates listed in Note 33B			3,600.54
Total Capex by IOCL and its Subsidiaries, Joint Ventures & Associates			**29,104.22**

1. The above excludes capex amounting to ₹ 3,012.00 Crore on refinancing towards capex of earlier financial years and acquisition of equity / debt instruments from third parties, which is shown under Investments.

2. The Capex for this purpose has been computed considering the movements during the year in Property, Plant & Equipment; Intangible Assets; Construction Work in Progress (CWIP); Intangible Assets Under Development (IAUD) & Capital Advances.

3. The total capital expenditure in respect of subsidiaries, joint ventures & associates and parent company's share of such capital expenditure as disclosed above have not been audited by the Central Statutory Auditors (CSA) of the parent company. This information has been furnished to CSA by the parent company's management, which in-turn is based on Auditor / Management certificate received from the respective entities and has been relied upon by CSA.

16 The impact of Covid-19 pandemic on lives of people from every walk of life continued during the year and effected all business and economic activities globally. The national lock down imposed in last week of Mar 2020 lasted till May'2020 and the restrictions were gradually relaxed over a period extending unto third quarter. This skewed demand for petroleum products by reducing need for transportation fuels and increasing demand domestic fuel.

NOTES TO FINANCIAL STATEMENTS

Note–48: OTHER DISCLOSURES (Contd..)

The Group continued to meet energy demand of the nation under Essential Services, by modifying the production plans at its refineries and balancing it with import of products. The Group reorganised itself in tune with the new normal without any disruption in the supply chain or compromising with the internal controls. The demand for all petroleum products resumed to normal levels from the second half of the financial year. However, as Tourism and Airline industries had been hit worst by the pandemic, the demand for aviation fuel had not normalised.

The Group has taken into account all the possible impacts of pandemic in preparation of these consolidated financial statements, including but not limited to its assessment of liquidity, recoverable values of its financial and non-financial assets, performance of contractual liability and obligations etc. The Group has carried out this assessment based on available internal and external sources of information up to the date of approval of these consolidated financial statement. However, the Group is positive on the long term business outlook as well as its financial position.

17 Purchase of crude oil from Oil India Limited and some other oilfields has been accounted for provisionally, pending finalisation of agreements with respective parties. Adjustments, if any, will be made on finalisation of agreements.

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

19 There are no other significant subsequent events that would require adjustments or disclosures in the Financial Statements as at Balance Sheet date, other than those disclosed above.

20 Previous year's comparative figures have been regrouped wherever necessary. Figures in brackets indicate deductions/losses.

For and on Behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(S. M. Vaidya)	**(S. K. Gupta)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN- 06995642	DIN- 07570165	ACS-13737

As per our attached Report of even date

For G.S.MATHUR & CO.	**For K.C.MEHTA & CO.**	**For SINGHI & CO.**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 008744N)	(Firm Regn. No. 106237W)	(Firm Regn. No. 302049E)	(Firm Regn. No. 311017E)
Sd/-	Sd/-	Sd/-	Sd/-
(Rajiv Kumar Wadhawan)	**(Vishal P. Doshi)**	**(Pradeep Kumar Singhi)**	**(Sunil Singhi)**
Partner	Partner	Partner	Partner
M.No. 091007	M.No. 101533	M.No. 050773	M.No. 060854

Place: New Delhi
Dated: May 19, 2021