IndianOil (Mauritius) Ltd

ANNUAL REPORT

YEAR ENDED MARCH 31, 2018

IndianOil (Mauritius) Ltd

ANNUAL REPORT
March 31, 2018

Contents

Corporate information
For the year ended 31 March 2018

BOARD OF DIRECTORS

NON RESIDENT

Mr. A.K.Sharma	Chairman
Mr. T. S. Khwaja	Director , Member of Corporate Governance Committee
Mr. S. K. Dey	Director , Member of Remuneration Committee
Mr. P. K. Sinha	Director , Member of Audit Committee

RESIDENT

Mr. Sanjay Parashar	Managing Director, Member of Remuneration Committee & Corporate Governance Committee
Mr. R.T.R Servansingh	Director, Chairman of Audit Committee & Chairman of Corporate Governance Committee
Ms. V. Burrenchobay	Director, Chairman Remuneration Committee & Member of Audit Committee

REGISTERED OFFICE

Mer Rouge
Port Louis
Mauritius

COMPANY SECRETARY

Mr Jugdeo Naginlal Modi
Chartered Certified Accountant
35B, Middle Road
Belle Etoile
Mauritius

AUDITORS

Chase Dewitt
Public Accountants
Member of Prime Global
20, Vandermeersch Street
Rose Hill , 71366
Mauritius

BANKERS

Bank of Baroda
Port Louis
Mauritius

SBI (Mauritius) Ltd
Port Louis
Mauritius

The Hongkong and Shanghai Banking Corporation Limited
Port Louis
Mauritius

The Mauritius Commercial Bank Ltd
Port Louis
Mauritius

Company Secretary's Certificate

In accordance with Section 166 (d) of the Companies Act 2001, I certify that to the best of my knowledge and belief, the Company has filed with the Registrar of Companies, for the financial year ended 31st March 2018, all such returns as are required of the Company under the Companies Act 2001.

Naginlal Modi

Mr Jugdeo Naginlal Modi
Chartered Certified Accountant
Company Secretary

Date:

STATEMENT OF COMPLIANCE
(Section 75 (3) of the Financial Reporting Act)

Name of PIE: INDIANOIL (MAURITIUS) LTD

Reporting period: year ended 31 March 2018

We, the Directors of IndianOil (Mauritius) Ltd (the PIE), confirm to the best of our knowledge that the PIE has complied with all of its obligations and requirements under the Code of Corporate Governance except with the following sections:

1. Section 2.2.3 - Number of executive directors on Board
   There is only one Executive Director on the Board Of Directors. The Board of Indian Oil Corporation Ltd (the holding company) is of the view that considering the size of the PIE (its fully owned subsidiary), the appointment of only one Executive Director – the Managing Director – is sufficient. Also, the Management Team of the PIE comprises of a couple of other qualified and experienced expatriates besides the Managing Director, e.g. the Vice President (Finance), Vice President (Marketing Operations). These employees are in attendance at meetings of the full Board of Directors or Corporate Governance or Audit Committee, as and when required.

2. Section 2.3.2 - Frequency of Board Meetings :
   For the year under review, the Board met twice. The Board meetings are conducted in accordance with the Constitution of the PIE and the Mauritius Companies Act 2001. In addition, decisions are also taken by way of written resolutions signed by all directors.

3. Section 2.10.3 - Assessment of Board and Directors :
   For the year under review, no evaluation of the Board or its Committees was carried out. The Directors forming part of the Board of the PIE, especially those who are members of Board Committees, have been appointed in the light of their wide range of skills and competence acquired through several years of working experience and professional background.

Sanjay Parashar
Managing Director

A.K Sharma
Chairman

Date: 12/5/18

The Company is committed to the highest standard of business integrity, transparency and professionalism in all its activities to ensure that the activities within the Company are managed ethically and responsibly to enhance business value for all stakeholders.

The Company upholds a high standard of Corporate Governance through observance of business ethics and supervision of its management team by the Board of Directors. The Board of Directors recognizes that the Report on Corporate Governance (the Code) is regarded as best practice and therefore uses its best endeavours to ensure compliance with the provisions set out in the Code.

The Company has established a Corporate Governance framework involving the Board of Directors, Board Committees, Management, Internal and External Auditors, Industry Best practices as well as established policies and procedures across all operations. The Board of Directors and Management of the Company also recognize the need to adapt and improve the principles and practices in light of their experience, regulatory requirements and investor expectations.

1. Shareholding Structure

The Company is a wholly owned subsidiary of IndianOil Corporation Ltd. Its issued share capital amounted to Rs. 488,204,300 at 31 March 2018 and was made up of 4,882,043 Ordinary Shares of Rs. 100 each.

2. Board of Directors

The Board of IOML has a unitary structure and has been constituted in compliance with the Companies Act 2001. As on 31 March 2018, the membership of the Board comprised of 7 Directors including 2 Independent Directors, 4 Non–Executive Directors and 1 Executive Director. The Independent Directors play a key Governance role and bring in an excellent dimension to the Board. The Board of IOML functions as an authoritative decision making body and meets regularly, as required, and monitors the performance of the Management. All the Directors possess expertise and experience in relevant areas such as Accountancy, Public Administration and Corporate Management. The Board collectively and the Directors individually are fully involved in the Company's affairs and adhere to the highest ethical standards.

Board Meetings are convened by giving appropriate notice and the quorum for a meeting of Directors shall be a majority of the Directors currently holding office.

2. Board of Directors (continued)

(a) Directors' Profile

The profiles of the individual Directors are given below:

(i) Mr. A. K. Sharma

Mr. Arun Kumar Sharma is a Chartered Accountant. Apart from this he is a Graduate in B.Com and an LLB from Allahabad University. He is Director (Finance) of Indian Oil Corporation Ltd.

Mr. Sharma has a rich experience of working in Petroleum Industry right from grass root level to the Corporate Office. With a career in IndianOil spanning over 31 years, he has served both the major Divisions i.e. Marketing Division as well as the Refinery Division of Indian Oil.

He has also served in the Corporate Office as the Head of IOCL's Treasury where he was credited for issuing the first ever Foreign Currency Bonds ($500 million bonds REG-S) of IndianOil in the International Markets in 2010. Mr. A K Sharma has played a significant role in arrangement and utilisation of funds for the massive grass root Refinery Project of Paradip costing $6 billion, it said.

He also brings with him the vast experience of Project appraisal and Project Finance besides the financial accounting activities related to Refining and Marketing. He is also the recipient of the Best CFO Award from the Institute of Chartered Accountants of India (ICAI) in the 'CA CFO - Public Sector' category at an award ceremony held at Mumbai on 1st February, 2015.

(ii) Mr. T. S. Khwaja

Mr. T.S. Khwaja has joined Indian Oil Corporation Limited in the year 1981 as Officer Trainee, after completing his BE (Mechanical). Subsequently, he acquired his MBA (PGDM) from MDI, Gurgaon, which is a prestigious Business School in the country.

In the last 36 years of his career, he has handled various key positions at various levels at Indian Oil Corporation Limited. He began his career with Aviation Department from North East India and then continued for almost 13 years in the same SBU at different locations, including Head of Mumbai Aviation Fuel Station. After successful completion of MBA from MDI, Gurgaon, in 1994 he was inducted into HRD Group to propagate the learning to other employees of the Corporation and headed HRD in Eastern Region, Kolkata and then in HO, Mumbai.

2. Board of Directors (continued)

(a) Directors' Profile (continued)

(ii) Mr. T. S. Khwaja (continued)

Mr Khwaja has handled almost all the business verticals, including HR and demonstrated his acumen, maturity, competence and vision, which resulted into establishing Indian Oil footprint more strongly at his all place of posting.

He is now All India Head of Aviation Group of Marketing Division of Indian Oil Corporation Limited and responsible for all the operations/ marketing activities of Indian Oil Corporation Limited Aviation business, which is handled through 98 Aviation Fuel Stations across the country.

Mr. Khwaja is currently on the Board of JV Companies like Mumbai Aviation Fuel Farm Facility Private Limited, Delhi Aviation Fuel Facility Private Limited, IndianOil (Mauritius) Ltd and IndianOil Skytanking Limited. He is a well acclaimed professional across the Industry and also he has close liaison with domestic and international customers, which has helped him fostering positive and supportive image of Indian Oil Corporation Limited.

(iii) Mr. Pankaj Kumar Sinha

Mr. Pankaj Kumar Sinha is a member of Institute of Chartered Accountants of India since 1987. He also successfully completed IndianOil's prestigious International MBA program in 1999 and acquired MBA Degree from University of Ljubljana, Slovenia.

He is in the whole time employment with Indian Oil Corporation limited since 1988.Prior to that he practiced as a Chartered Accountant during 1987-88. Presently he is holding the position of Deputy General Manager – Finance in Indian Oil Corporation Limited.

He has a wide exposure of over 28 years in the fields of Financial Management, Direct and Indirect Taxes, Project Finance, Pricing and International Trade. He has headed finance department in most of the assignments handled at Marketing State Office, Marketing Terminal, Depot, International Trade Department. Besides he has the diverse experience of working in three Regional Offices of Marketing Division and Corporate Office.

Presently he is in charge Finance function of Corporate Affairs Department and is handling 33 Subsidiaries and Joint Ventures of Indian Oil Corporation Limited. He has also won the IndianOil's award for "Best Suggestion of the Year" in 1998 relating to Banking Function.

2. Board of Directors (continued)

(c) Directors' Profile (continued)

(v) Mr Rajiv T.R. Servansingh

Mr. RTR Servansingh, former member of Parliament of Mauritius, was until recently Vice Chairman of the Competition Commission of Mauritius, a Director in Banyan Tree Capital Growth Ltd, Director and Vice Chairman in Taysun Corporate Services Ltd and was the Chairman of Airports Terminal Operations Ltd. In addition to the above, he is also the Chairman of Mind Africa Management Services Limited which deals in Investment and Advisory Services. Mr. Servansingh has a long career as an industrialist and business consultant. He had worked for Government Institutions such as the State Investment Corporation; he was also the Regional Director of the Board of Investment of Mauritius in Mumbai.

(vi) Mr. Sanjay Parashar

Mr. Sanjay Parashar, a post graduate in Personnel Management from Xavier Institute, India and international MBA from University of Ljubljana, Europe has joined as Managing Director of IndianOil (Mauritius) Ltd. on 17th of March, 2017. Prior to current assignment he was Head of Operations for Maharashtra & Goa State Office of parent company, IndianOil

Mr. Sanjay Parashar is having more than 25 years of experience and represented IndianOil in various forums at national and international levels.

Apart from working in Sales and Operations across India as head of locations, he has long stint in Human Resource functions where he headed Departments like Human Resource Development, Training & Development, Employee Relations, Management Services & Administration and was instrumental in implementation of many HR initiatives at various capacities in IndianOil.

Mr Sanjay Parashar has taken over as Managing Director of IndianOil (Mauritius) Ltd from 17th March 2017.

2. Board of Directors (continued)

(b) Directors' Profile (continued)

(iv) Mr. S. K. Dey

Mr. Sivasis Kumar Dey joined Indian Oil Corporation Limited in the year 1983 as an Officer Trainee, after completing his BE (Mechanical) from NIT Durgapur. In the course of his career spanning over 34 years, he has handled key positions at various levels in Indian Oil Corporation Limited.

He started his career in IOC with Aviation Department in Eastern Region. He held key portfolios in Aviation including in the North East sector. Mr Dey has cross-functional experience covering areas of Institutional Business (IB), Retail marketing and Human Resource (HR), with Retail being his main forte.

He has subsequently headed the Retail Group of West Bengal State Office including Sikkim, Andaman & Nicobar Islands and Bhutan. The Retail business of West Bengal experienced an all-time high market share with continuous improvement. The strategies in place helped in improvement of MS business share for a decade long era. The business in Bhutan got a boost during his tenure as the Retail Head, by way of renewing the business agreement.

In the year 2014, Shri Dey joined Marketing Head Office, Mumbai and is presently holding the key portfolio of Retail Strategy, Policy formulation, Network management and Coordination with Industry and Ministry of Petroleum & natural Gas (MOP&NG). The strategic initiatives and the network/customer centric policies introduced by him have contributed by way of improved market share in Motor Spirit (MS) continuously and improvement in market share in both MS and HSD during 2016-17 which was after a period of long 7 years.

Rural marketing is an area which is very close to his heart. The strategies devised by him towards consolidation on rural network (Kisan Seva Kendras-KSK) in the form of standard 'look and feel', has contributed positively as evident from the improvement in Per Pump Throughput (PPT) of KSKs, continuously for the last 3 financial years. His passion for rural marketing led to the launch of the unique brand 'KSK Haat' as a brand with differentiated 'look and feel' and provisions of non-fuel facility. These initiatives in Rural Marketing earned IOC with the coveted awards by Rural Marketing Association of India in 2016 and award by Asia Retail Congress in 2017 under the category 'Best integrated rural marketing Campaign'. Mr. Dey is a firm believer of doing things differently and believes that innovation holds the key to any success. He is into various extracurricular activities and is a sport enthusiast. He is a passionate and a keen golfer.

2. Board of Directors (continued)

(a) Directors Profile (continued)

(vii) Ms. Valérie Burrenchobay

Ms Valérie Burrenchobay is an entrepreneur and a seasoned branding professional based in Mauritius. At present, Valérie is the Managing Director of a branding Consultancy 'Brand In One' based in Mauritius. She holds an MBA from Durham University (England), a BA (Hons) from the City of London Polytechnic (England) and a DUT "Techniques de Commercialisation" from the University of Bordeaux (France). She has experience in the profession of branding and communication for more than 22 years, both in Europe (France & UK) and Mauritius. Her vast cross functional experience includes publishing (Pitman Publishing, part of Pearson Professional), hospitality, luxury, haute couture (Thierry Mugler), wine and media. Her unique style of exhaustive analysis and original perspectives stems from her international background and experience.

She was also Director of Communications of two of the biggest and most prestigious hotel groups of Mauritius (Kerzner International/Sun Resorts 1996-2007 and Naiade Resorts/now LUX Resorts 2007-2008). Her core competency is in Branding, Marketing and Communication. At Kerzner International, she gained extensive experience working with some of the most respected brand companies and advertising agencies in the world to develop the famous luxury One&Only Resorts Brand. Valérie is a vivid consultant to numerous Mauritian Corporations in all sectors of activities, local as well as international brands. She joined the IndianOil Board on 29th September, 2017.

(b) Directors' remuneration

The remuneration for resident Independent Directors is set by a resolution in the Meeting of the Board of Directors. No remuneration is paid to non-resident independent Directors. The remuneration of the Managing Director, who is an employee of the holding company, is guided by the Human Resource policy of the holding company.
Details of Directors' remuneration are as follows:

	2017-18	2015-16
	Rs	Rs
Directors' remuneration – part time	**420,770**	400,000
Directors' emoluments – full time	**5,805,294**	4,961,125

(c) Directors service contract

The Company has only one Service Contract with the Managing Director.

(d) Committees of the Board of Directors

In line with best practices of Corporate Governance, the Board of IOML has set up three committees namely (a) Audit Committee (b) The Corporate Governance Committee and (c) Remuneration Committee. All three committees are chaired by Independent Directors.

3. Audit Committee

The Audit Committee oversees the management's financial stewardship and also the performance of the External Auditors. It maintains direct communication with the External Auditors specially while reviewing the accounts of the Company. The External Auditors are invited to participate in the Audit Committee meetings at the time of review and adoption of the annual accounts of the Company. A summary of its terms of reference is given below:

- Oversight of the Company's financial reporting process and the disclosures of financial information to ensure that the financial statements are correct, sufficient and credible;
- Reviewing with the Management, the financial statements along with related party transactions before submission to the Board;
- Reviewing with the Management about the adequacy of the internal control system;
- Ensure the independence of the external audit process and assessment of the external auditors' performance;
- Recommending to the Board, the appointment/reappointment/removal of the statutory auditors and fixing their remuneration; and
- Reviewing the Company's financial and risk management policies.

The Audit Committee comprises of the following three Directors:

1.	Mr. R.T.R Servansingh, Member	- Chairman – Non-executive Director
2.	Ms. Valérie Burrenchobay	- Non Executive Director
3.	Mr. Pankaj Kumar Sinha, Member	– Non Executive Director

The presence of the internal and external auditors and management is requested whenever necessary.

4. Corporate Governance Committee

The Corporate Governance Committee ensures enforcement of good Governance practices in line with the Code on Corporate Governance and the Charter of Corporate Governance adopted by the Board. A summary of its terms of reference is given hereunder:-

- Board of Directors - its composition and Board Meetings;
- Code of conduct for Directors and senior management personnel;

4. Corporate Governance Committee (continued)

- Audit Committee;
- Enterprise Risk Management Policies; and
- Report, Compliance and Schedule of Implementation.

The Corporate Governance committee comprises of the following three Directors:

1.	Mr. T.N Servansingh, Chairperson	- Independent – Non executive Director
2.	Mr. T S Khwaja, Member	- Non executive Director
3.	Mr. Sanjay Parashar, member	- Executive Director

5. Remuneration Commmitee

The Remuneration Committee has been set up to advise the Board on various Human Resource related issues and include the following:

- Determining the Company's general Policy on remuneration of its employees;
- Determining specific package relating to Basic Salary, Benefits, annual Bonuses, and Performance based Incentives and other long term benefits;
- Determining the criteria necessary to measure the performance of the employees; and
- Any other employee related issues.

The Remuneration Committee comprises of the following Directors:

1.	Mrs. Valérie Burrenchobay, Chairperson	- Independent – Non executive director
2.	Mr. Sivasis Kumar Dey, Member	- Non executive Director
3.	Mr. Sanjay Parshar, Member	- Executive Director

6. Meetings of the Board and Sub Committees

The details of attendance to Board and sub Committees meetings are given below:

	Board of Directors	Remuneration Committee	Corporate Governance Committee	Audit Committee
No. of Meetings Held				
Mr. A. K. Sharma	2	NA	NA	NA
Mr. T. S. Khwaja	1	NA	1	NA
Mr. P. K Sinha	2	NA	NA	2
Mr. S. K. Dey	NA	NA	NA	NA
Mr. V. Ramdeny	1	NA	1	1
Mr. R. D. Kherdekar	1	2	NA	NA
Mr V. Burrenchobay	1	1	NA	NA
Mr R.T.R Servansingh	2	1	1	2
Mr S. Parashar	2	1	1	NA
Mr. R. Bhardwaj	1	1	1	NA

7. Members of Senior Management of IOML

1. Mr Sagar Mudhole, Vice President (F)

Mr Sagar Mudhole joined IndianOil (Mauritius) Limited as Vice President (Finance) on 05.05.2015. He is University topper in Bachelor of Commerce and is qualified Chartered Accountant as well as Cost Accountant from The Institute Of Chartered Accountants Of India and The Institute Of Cost and Works Accountants Of India, respectively. He joined the parent company in 1996 and has wide experience in different spheres of Accounting and Finance.

7. Members of Senior Management of IOML (continued)

2. Mr Sanjib Kumar Behera, Vice President (MO)

Mr. Sanjib Kumar Behera joined as Vice President (Marketing Operations) in IndianOil (Mauritius) Limited on 25th May, 2015. He is a B. Tech. in Mechanical Engineering and has 20 years of working experience in the parent company Indian Oil, in the fields of LPG Operations & Retail Sales. He has wide & varied experience of taking up challenging assignments & delivering outstanding results even under trying conditions. He has successfully headed many Divisional Offices in the parent company and has been instrumental in formulation of many policies & procedures.

8. Social Responsibilities

Within the Company

IOML believes in maintenance of harmonious industrial relations in order to achieve its objectives in the interest of both the Company and its employees. It provides a work environment that is free from discrimination.

Within the broader society

The Company participated in various community service activities and contributed an amount of Rs. 1,895,311 to the following projects under Corporate Social Responsibility (CSR) scheme as per the provisions of the Finance Act, 2009 (Miscellaneous Provisions):

- Contribution to SOS Village towards education aid to needy students – Rs 200,000/-
- Contribution to GRF towards the healthcare – Rs. 501,000/-
- Beautification of Ebene Junction to share a global message for environment i.e "Protegeons L'Environnement"

9. Health and Safety Practice

IOML is fully committed to bring about a health and safety culture within the organization and believes that every individual employee has a responsibility for health and safety, and actively promotes awareness of health and safety at all level of the organization.

In its dedication to health and safety issues, the Company follows the undernoted procedures:

- Ensure compliance with all relevant health and safety legislation;
- Ensure individual responsibility and accountability for various safety related activities;
- Provide information, instruction and training as necessary, to enable its team members to perform their task safely and efficiently;
- Ensure that all plant, machinery and equipment provided for use at work, is properly maintained for safe operation at all times;
- Strive for continuous improvement in the performance of its health and safety management system; and
- Regular health check-up of the employees.

10. Risk management and internal control

The Company, by nature of its business, exposes itself to a large portfolio of risks that could impact on the Company's operations, financial performance and business growth.

The Company has developed adequate internal controls commensurate with the size of its operation and nature of business to ensure reasonable assurance for effectiveness and efficiency of operations, safeguard of assets, reliability of financial controls and compliance with applicable laws and regulations. The integrity of the internal control system is achieved through, inter-alia, well documented Delegation of Authority, Policies and Guidelines issued from time to time.

The external Auditors, in addition to their statutory audit also undertake limited reviews of quarterly accounts. Improvement opportunities identified during such reviews are communicated to the Board and Audit Committee on an ongoing basis.

The Directors have overall responsibility for risk management and have instituted a risk focus programme to address and mitigate the occurrence of the following risks:

(a) Financial risk

These are exposures that can directly impact on the financial performance and are categorized as follows:

1. **<u>Credit risk</u>** – The Company needs to provide credit facilities to all its major Marine, Aviation and Domestic customers in line with terms allowed by direct competitors and does exposes itself to the risk of credit default. The Company has well defined Credit Policy for dealing with Government and Private Customers to ensure that business is conducted with credit worthy customers (based on information supplied by independent rating Agencies or suitable publicly available financial information) and monitors their payment pattern on a regular basis.

10. Risk management and internal control (Continued)

2. Liquidity risk – in view of the credit facilities allowed to customers, the Company exposes itself to short term cash flow risk. As part of its business model, the Company has implemented Organizational structure, policies and procedures to address the Company's exposure to the above risks. Moreover, the Company maintains sufficient balances in its bank accounts denominated in MUR and USD. The Company has access to "funding" through committed credit facilities.

(b) Operational Risk

The Company follows a well-defined "Operations Manual" which sets out procedures that must be followed while handling the petroleum products to minimize losses arising out of product contamination, receipt and dispatch. To minimize losses due to equipment breakdown, the Company has implemented a procedure for predictive, preventive and breakdown maintenance. The Company has also provided sufficient redundancy for critical equipment. Operating systems and procedures are periodically reviewed by an independent authority.

The Company has set up a "Fuel Testing Laboratory" to continuously monitor the product quality in its storage tanks and at its Retail Outlets to prevent losses arising out of contamination.

To handle the fire risk associated with storage and handling of petroleum products, the storage facilities owned by the Company are in conformity to relevant international standards. A well designed firefighting system is in place and the employees are regularly trained to handle the firefighting equipment in case of emergency.

(c) Business Risk

Business risk is the probability of loss inherent to changes in its business environment that can affect or impair the Company's ability to provide returns to its shareholder.

The Company has implemented management organizational structure across its business units to monitor and ensure that all changes in its business environment are proactively handled and appropriate measures taken.

10. Risk management and internal control (continued)

(d) Hazard Risk

The Company maintains comprehensive insurance cover for all its properties against material damages and public liability arising from hazardous or accidental occurrences, which could financially impact its operations. The Company's cover is reviewed periodically in collaboration with a professional insurance advisor.

In addition, the company carries out hazard risk assessments and safety audits through experts from parent company. It has also carried out benchmarking exercise of its safety preparedness vis-à-vis international standards and standards adopted by major oil companies.

11. Auditors' Remuneration

The Auditors' remuneration is as follows:

Amount (Rupees)

	2017-2018	2016-2017
Audit Fees	**200,000**	200,000

12. Related party transactions

The details in respect of such transactions are disclosed as under-

	2017-2018 Rs	**2016-2017 Rs**
(a) Balance at the year end with holding company		
Amount due to Indian Oil Corporation Ltd		
Current and purchase account	**21,240,985**	5,181,476

12. Related party transactions (continued)

The details in respect of such transactions are disclosed as under-

	2017-2018 Rs	2016-2017 Rs
(b) Balance at the year end with holding company		
Amount due to Indian Oil Corporation Middle East FZE Purchase account	-	-
(c) Transactions during the year with holding company		
Purchase of lubricants	**13,014,296**	5,130,667
(d) Transactions during the year with fellow subsidiary company		
Purchase of lubricants	-	-

13. Time Table of Events

Approval of Annual Financial Statements	April
Annual Meeting	June
Declaration of Dividend	June
Payment of Dividend	July

14. Donations

During the year, no donation was made by the Company.

15. Political Contributions

No political contribution was made during the year under review.

Mr. R.T.R Servansingh
Director and Chairman
Corporate Governance Committee

Mr. Sanjay Parashar
Managing Director and Member
Corporate Governance Committee

AUDITORS' REPORT TO THE SHAREHOLDERS OF

INDIANOIL (MAURITIUS) LTD

Report on the Financial Statements

Opinion:

We have audited the financial statements of **IndianOil (Mauritius) Ltd** on pages 27 to 51 which comprise the statement of financial position as at **31 March 2018** and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion the financial statements on pages 27 to 51 give a true and fair view of the financial position of the Company as at **31 March 2018** and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Mauritian Companies Act and Financial Reporting Act.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report, secretary's certificate, corporate governance report and statement of compliance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our reporting responsibilities regarding the corporate governance report is dealt with in the "Report on Other Legal and Regulatory Requirements" section of this report.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated, If based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001 and Financial Reporting Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud and error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 not reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 my 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

Auditors' Responsibilities (Continued)

- Conclude on the appropriateness of the directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of my auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act

The Mauritian Companies Act requires that in carrying out our audit we consider and report on the following matters. We confirm that:

(a) We have no relationship with or interests in the Company other than in our capacity as auditors;
(b) We have obtained all the information and explanations we have required; and
(c) In our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records

Financial Reporting Act

The directors are responsible for preparing the corporate governance report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance (the "Code") as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.

AUDITORS' REPORT TO THE SHAREHOLDERS OF

INDIANOIL (MAURITIUS) LTD

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Chase Derwitt
....

Chase Derwitt
Public Accountants
Rose Hill
Mauritius

....

Patrick Lawrens Amyss, FCCA, MIPA
Licensed by 'FRC'

Date: 12 May 2018

IndianOil (Mauritius) Ltd
Statement of Financial Position
As at 31 March 2018

	Note	2018 Rs	2017 Rs
ASSETS			
Non-current assets			
Property, plant and equipment	4	**545,915,786**	561,564,685
Available-for-sale investments	6	**13,500,000**	5,000,000
Total non-current assets		**559,415,786**	566,564,685
Current assets			
Inventories	7	**546,302,615**	598,493,906
Trade and other receivables	8	**755,087,875**	595,920,139
Cash and cash equivalents	9	**998,081,240**	706,061,118
Total current assets		**2,299,471,730**	1,900,475,163
TOTAL ASSETS		**2,858,887,516**	2,467,039,848
EQUITY AND LIABILITIES			
Equity			
Stated capital	10	**488,204,300**	488,204,300
Retained earnings		**923,048,799**	871,471,755
Total equity		**1,411,253,099**	1,359,676,055
Liabilities			
Non-current liability			
Deferred tax liability	13	**51,630,185**	45,667,099
Current liabilities			
Trade and other payables	11	**1,369,028,412**	1,041,046,238
Amount due to holding company	12	**21,240,985**	5,181,476
Tax liability	13	**5,734,834**	15,468,980
Total current liabilities		**1,396,004,232**	1,061,696,694
Total liabilities		**1,447,634,417**	1,107,363,793
TOTAL EQUITY AND LIABILITIES		**2,858,887,516**	2,467,039,848

The financial statements were approved by the Board of Directors and signed on its behalf by:

Valérie Burrenchobay
Director

R.T.R Servansingh
Director

Sanjay Parashar
Managing Director

Date:

The notes on pages 31 to 51 form part of these financial statements.

IndianOil (Mauritius) Ltd

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2018

	Note	2018	2017
		Rs	Rs
Revenue		**7,029,140,878**	6,287,613,239
Cost of sales	7	**(6,799,456,895)**	(6,073,211,099)
Gross profit		**229,683,983**	214,402,140
Other operating income	14	**46,794,383**	58,519,383
Administrative expenses	15	**(93,274,580)**	(83,708,200)
Loss on write off of fixed assets		**-**	(12,557,590)
Net finance income	16	**4,951,493**	5,808,551
Selling expenses		**(5,713,462)**	(2,178,692)
Provision for doubtful Debts/ Claims		**-**	-
Depreciation	4	**(41,287,501)**	(42,357,275)
Exchange difference		**(44,194,398)**	2,059,697
Profit/ (Loss) before tax	17	**96,959,918**	139,988,014
Income tax expense	13	**(16,090,628)**	(22,637,066)
Profit/ (Loss) for the year		**80,869,290**	117,350,948
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**80,869,290**	117,350,948
Earnings per share	18	**16.56**	24.04

The notes on pages 31 to 51 form part of these financial statements.

IndianOil (Mauritius) Ltd

Statement of Cash Flows

For the year ended 31 March 2018

	Note	2018 Rs	2017 Rs
Profit/ (loss) before tax		**96,959,918**	139,988,014
Adjustments for:			
Depreciation		**41,287,501**	42,357,275
Interest expense		**276,319**	104,818
Interest income		**(5,227,812)**	(5,913,369)
Loss on Write off of Property, plant and equipment		**-**	12,557,590
Operating profit/ (loss) before working capital changes		**133,295,926**	**189,094,328**
Change in inventories		**52,191,291**	(280,034,103)
Change in trade and other receivables		**(159,167,737)**	(154,581,759)
Change in trade and other payables		**327,982,174**	422,039,132
Change in amount due to holding company		**16,059,509**	3,048,856
Advance against equity		**(8,500,000)**	-
Cash flows from/ (used in) operating activities		**361,861,163**	**179,566,454**
Income tax paid		**(17,966,374)**	(641,160)
Tax refunded during the year		**-**	3,824,380
CSR contribution paid		**(1,895,310)**	-
Net cash from/ (used in) operating activities		**341,999,478**	182,749,674
Cash flows from investing activities			
Interest received		**5,227,812**	5,913,369
Acquisition of property, plant and equipment		**(25,638,604)**	(15,491,895)
Net cash used in investing activities		**(20,410,792)**	(9,578,526)
Cash flows from financing activities			
Dividend paid		**(29,292,245)**	(73,230,645)
Interest paid		**(276,319)**	(104,818)
Net cash used in financing activities		**(29,568,564)**	(73,335,463)
Net change in cash and cash equivalents		**292,020,122**	99,835,685
Cash and cash equivalents at the beginning of the year		**706,061,118**	606,225,433
Cash and cash equivalents at the end of the year	11	**998,081,240**	706,061,118

The notes on pages 31 to 51 form part of these financial statements.

Statement of Changes in Equity
For the year ended 31 March 2018

	Stated capital Rs	Retained earnings Rs	Total equity Rs
At 01 April 2016	488,204,300	827,351,452	1,315,555,752
Total comprehensive income for the year			
Loss for the year	-	117,350,948	117,350,948
Total comprehensive income for the year	-	117,350,948	117,350,948
Distributions to owner of the Company			
Dividends paid	-	(73,230,645)	(73,230,645)
Total distributions to owner of the Company	-	(73,230,645)	(73,230,645)
At 31 March 2017	488,204,300	871,471,755	1,359,676,055
Total comprehensive income for the year			
Profit for the year	-	80,869,290	80,869,290
Total comprehensive income for the year	-	80,869,290	80,869,290
Distributions to owner of the Company			
Dividends paid	-	(29,292,245)	(29,292,245)
Total distributions to owner of the Company	-	(29,292,245)	(29,292,245)
At 31 March 2018	**488,204,300**	**923,048,799**	**1,411,253,099**

The notes on pages 31 to 51 form part of these financial statements.

1. GENERAL INFORMATION

IndianOil (Mauritius) Ltd (the "Company') is a company incorporated in Mauritius as a private company with limited liability.The registered office and the principal place of business of the Company is situated at Mer Rouge, Port Louis, Mauritius. The Company is a fully owned subsidiary of IndianOil Corporation Limited which is incorporated in India.

The principal activity of IndianOil (Mauritius) Ltd is the selling and distribution of petroleum products.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with Mauritius Companies Act and Financial Reporting Act.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paidto transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Company uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Company (working closely with external qualified valuers) using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/ liability that market participants would take into account.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognized by the Company at the end of the reporting period during which the change occurred.

2. BASIS OF PREPARATION (CONTINUED)

(c) Functional and presentation currency

The financial statements are presented in Mauritian Rupees (Rs) which is the Company's functional currency.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from these estimates.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Note 4– Useful lives estimates of property, plant and equipment
Note 13– Measurement of deferred taxation
Note 20 – Employee benefits
Note 21 – Operating lease classification
Note 23 – Measurement of contingent liabilities

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Application of new and revised International Financial Reporting Standards (IFRSs)

The following standards have been adopted by the Company for the first time for the year beginning on 01 April 2016:

RS 7, 'Financial Instruments - Disclosures'

IFRS 7, 'Financial Instruments - Disclosures', provide specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition. It also provides additional disclosures relating to the offsetting of financial assets and financial liabilities that only need to be included in interim reports if required by IAS 34.

Amendments to IAS 1, 'Presentation of Financial Statements'

Amendments to IAS 1, 'Presentation of Financial Statements', are made in the context of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, including materiality, disaggregation and subtotals, notes and other comprehensive income.

IndianOil (Mauritius) Ltd
Notes to the Financial Statements
For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 01 April 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

IFRS 9 Financial Instruments

IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income. For liabilities designated at fair value through profit or loss, IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting period beginning on or after 01 January 2018. Early adoption is permitted. The Company is yet to assess IFRS 9's full impact.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 'Revenue from Contracts with Customers', establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It will supersede the following revenue standards and interpretations:

- IAS 18 Revenue
- IAS 11 Construction Contracts
- IFRIC 13 Customer loyalty
- IFRIC 15 Agreements for the construction of real estate

IFRIC 18 Transfers of assets from customers
- SIC 31 Revenue - Barter transactions involving advertising services

IFRS 15 will only cover revenue arising from contracts with customers. Under IFRS 15, a customer of an entity is a party that has contracted with the entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration. Unlike the scope of IAS 18, the recognition and measurement of interest income and dividend income from debt and equity investments are no longer within the scope of IFRS 15. Instead, they are within the scope of IAS 39 Financial Instruments: Recognition and Measurement.

IndianOil (Mauritius) Ltd
Notes to the Financial Statements
For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company (continued)

IFRS 15 Revenue from Contracts with Customers (continued)
The new revenue standard has a single model to deal with revenue from contracts with customers. Its core principle is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company intends to adopt IFRS 15 no later than the accounting period beginning on or after 01 January 2018.

IFRS 16 Leases

IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 has one model for lessees which will result in almost all leases being included on the Statement of Financial Position. No significant changes have been included for lessor.

The standard is effective for annual periods beginning on or after 01 January 2019, with early adoption permitted only if the entity also adopts IFRS 15. The transitional requirements are different for lessees and lessors. The Company is assessing the potential impact on the financial statements resulting from the application of IFRS 16.

There are no other standards and IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all costs directly attributable to bringing the asset to working condition for their intended use.

Depreciation is calculated to write off the cost of the assets on a straight line basis over the expected useful lives of such assets. Additions during the year bear a due proportion of the annual depreciation charge. The annual depreciation rates used for the purpose are as follows:

Leasehold property	19 1/4 years
Building, plant and equipment	2 –10%
Furniture & fittings	10%
Office & laboratory equipment	15 – 25%
Motor vehicles	10%

Freehold land and assets in progress are not depreciated. Gains and losses on disposal of property, plant and equipment are determined by reference to their written down value and are included in determining operating profit.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Available-for-sale investments

Available-for-sale investments are non-derivatives financial assets included in non-current assets unless management intends to dispose of the investment within twelve months of the reporting date.

Regular purchases and sales of investments are recognised on the trade-date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale investments are subsequently carried at fair value.

Changes in the fair value of available-for-sale investments are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses from 'investment securities'. Dividends on available-for-sale equity instruments are recognised in the statement of profit or loss and other comprehensive income when the Company's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs. Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

(e) Foreign currencies

Transactions in foreign currencies are translated to the reporting currency at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date and gains or losses on translation are recognised in profit or loss.

(f) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less any impairment. Trade and other receivables in the financial statements are measured at cost which is not materially different from amortised cost.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the presentvalue of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the statement of profit or loss and other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Operating lease payments are recognised as expenses on a straight-line basis over the lease term. Contingent rentals arising under the operating leases are recognised as expenses in the year in which they are incurred.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories for all products, other than Lubricants, is determined on 'First in First Out' basis and for Lubricants based on the weighted average principle. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Cash and cash equivalents

Cash comprises of cash at bank and cash in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(j) Employee Benefits – provision for severance allowance

The present value of severance allowance in respect of Employment Rights Act 2008 gratuities is recognised in the statement of financial position as a non-current liability where material. The annual provisions are recognised as an expense.

State pension plan

Contributions to the National Pension Scheme are expensed to the statement of profit or loss and other comprehensive income in the period in which they fall due.

(k) Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(m) Trade and other payables

Trade and other payables are stated at fair value and subsequently at amortised cost using the effective interest method.

The effective interest method calculates the amortised cost of a financial liability and allocates interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid that form an integral part of the effective interest rate, transaction costs and other provisions or discounts) through the expected life of the financial liability, to the net carrying amount at initial recognition. The interest amount would be immaterial for short-term payables.

The carrying amount of trade and other payables approximates their fair values.

(n) Revenue

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(o) Net finance income

Net finance income consists of bank interest income/ expense that are recognised in the statement of profit or loss and other comprehensive income.

(p) Expenses

All expenses are recognised in the statement of profit or loss and other comprehensive income on an accrual basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year using tax rates enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Corporate social responsibility (CSR) fund

The Company has set up a CSR fund equivalent to 2% of its chargeable income derived during the preceding financial year to:

-implement an approved programme by the Company;
-implement an approved programme under the National Empowerment Foundation; or
-finance an approved Non-governmental Organisation.

(s) Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individuals or other entities.

4. PROPERTY, PLANT AND EQUIPMENT

	Leasehold property Rs	Freehold property Rs	Plant & equipment Rs	Furniture & fittings Rs	Office & lab equipment Rs	Motor vehicles Rs	Assets in progress Rs	Total Rs
COST								
As at 01 April 2016	2,694,640	7,403,750	904,407,479	3,339,798	22,997,420	5,974,018	11,575,862	958,392,967
Additions	-		8,310,815	118,787	133,467	-	6,928,827	15,491,895
Transfer to/ from AIP	-		(8,512,173)	-	-	-	5,436,369	(3,075,804)
Disposal/ Write Off	-		(21,059,162)	-	-	-	-	(21,059,162)
As at 01 March 2017	2,694,640	7,403,750	883,146,959	3,458,585	23,130,887	5,974,018	23,941,058	949,749,896
Additions	-		12,270,873	14,500	5,836,556		7,516,675	25,638,604
Disposal/ Write Off	-					(1,590,000)		(1,590,000)
Transfer to/ from AIP	-		2,850,400				(2,850,400)	-
As at 31 March 2018	**2,694,640**	**7,403,750**	**898,268,232**	**3,473,085**	**28,967,443**	**4,384,018**	**28,607,333**	**973,798,500**
ACCUMULATED DEPRECIATION								
As at 01 April 2016	1,982,856	-	326,937,300	2,862,944	22,227,801	3,394,411	-	357,405,312
Charge for the year	139,981	-	41,207,465	188,166	427,061	394,602	-	42,357,275
Transfer to AIP	-	-	-	-	-	-	-	-
Disposal/ Write Off	-	-	(11,577,376)	-	-	-	-	(11,577,376)
As at 31 March 2017	2,122,837	-	356,567,389	3,051,110	22,654,862	3,789,013	-	388,185,211
Charge for the year	152,480		39,337,349	94,133	1,323,540	380,000	-	41,287,501
Transfer to AIP	-	-	-	-	-	-	-	-
Disposal/ Write Off	-	-		-	-	(1,590,000)	-	(1,590,000)
As at 31 March 2018	**2,275,317**	**-**	**395,904,738**	**3,145,243**	**23,978,402**	**2,579,013**	**-**	**427,882,712**
NET BOOK VALUE								
As at 31 March 2018	**419,323**	**7,403,750**	**502,363,495**	**327,842**	**4,989,040**	**1,805,005**	**28,607,333**	**545,915,786**
As at 31 March 2017	571,803	7,403,750	526,579,570	407,475	476,024	2,185,005	23,941,058	561,564,684

5. INTEREST IN JOINT VENTURE

	2018	2017
Cost:	Rs	Rs
At start of year	-	5,000,000
Investment reclassified to available-for-sale investments	-	(5,000,000)
At end of year	-	-

6. AVAILABLE-FOR-SALE INVESTMENTS

	2018	2017
Cost:	Rs	Rs
At start of year	5,000,000	-
Investment reclassified from Interest in Joint Venture	8,500,000	5,000,000
At end of year	13,500,000	5,000,000

Name of investee company	Country of incorporation	Number of shares held	Cost	% holding 2016
Mer Rouge Oil Storage Terminal Co Ltd ("MOST")	Mauritius	5,000	5,000,000	6%

Since the construction of the facility is in progress, cost of the investment has been treated as the fair value. Rs 8,500,000 is contributed towards capital requirement of MOST.

Initially, the Company had a share of 25% in MOST. During the year 2017, there has been a change in shareholding consequent upon the management's decision to particpate in MOST with 6% of shareholding.

7. INVENTORIES

	2018	2017
	Rs	Rs
Inventory of petroleum product	546,302,616	598,493,906
Opening inventory	598,493,906	318,459,803
Purchases	6,643,807,803	6,243,401,150
Closing inventory	(546,302,616)	(598,493,906)
Cost of inventory included in cost of sales	6,695,999,093	5,963,367,047
Direct cost	103,457,802	109,844,052
Cost of sales	6,799,456,895	6,073,211,099

8. TRADE AND OTHER RECEIVABLES

	2018	2017
	Rs	Rs
Trade receivables	685,046,875	587,593,672
Prepayments	1,920,539	1,653,402
Other receivables	68,120,461	6,673,065
	755,087,875	595,920,139

9. CASH AND CASH EQUIVALENTS

	2018	2017
	Rs	Rs
Cash at bank	998,067,737	706,048,759
Cash in hand	13,503	12,359
	998,081,240	706,061,118

10. STATED CAPITAL

	2018	2017
	Rs	Rs
Issued and fully paid		
4,882,043 Ordinary shares of Rs 100 each	**488,204,300**	488,204,300

11. TRADE AND OTHER PAYABLES

	2018	2017
	Rs	Rs
Trade payables	**1,184,369,060**	1,001,962,746
Other payables and accruals	**184,402,176**	39,083,492
	1,368,771,236	1,041,046,238

12. AMOUNT DUE TO HOLDING COMPANY

	2018	2017
	Rs	Rs
Current account (holding company)	**14,158,979**	4,000,436
Purchases account (holding company)	**7,082,006**	1,181,040
	21,240,985	5,181,476

13. INCOME TAX EXPENSE

	2018	2017
	Rs	Rs
Current tax		
Income tax provision for the year @ 15%	**6,363,822**	14,214,830
Income tax provision for the year @ 3%	**1,749,126**	-
Corporate social responsibility	**2,014,594**	1,895,310
Deferred tax expense	**5,963,086**	6,526,926
Tax recognised in the Statement of Profit or Loss and Other Comprehensive Income	**16,090,628**	22,637,066
Reconciliation of effective tax:		
Profit/ (Loss) before tax	**96,959,918**	139,988,014
Income tax expense at 15% (2017: 15%)	**14,544,114**	20,998,202
Export credit at 12%	**(6,996,505)**	-
Effect of non-deductible expenses	**6,355,132**	8,310,323
Effect of allowances not included in profit or loss	**(5,789,792)**	(6,248,390)
Effect of recognised temporary differences	**(111,054)**	(2,318,379)
CSR on recognised temporary differences	**6,074,139**	-
Corporate social responsibility	**2,014,594**	1,895,310
Tax recognised in the Statement of Profit or Loss and Other Comprehensive Income	**16,090,628**	22,637,066
Deferred tax liability		
At start of year	**45,667,099**	39,140,173
Deferred tax expenses recognised in current year	**5,963,086**	6,526,926
At end of year	**51,630,185**	45,667,099

13. INCOME TAX EXPENSE (CONTINUED)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2018	2017	**2018**	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs	**Rs**	Rs
Property, plant and equipment	**-**	-	**54,685,227**	48,277,974	**54,685,227**	48,277,974
Provision for doubtful debt	**(2,596,552)**	(2,291,075)	**-**	-	**(2,596,552)**	(2,291,075)
Employee retirement benefits	**(458,490)**	(319,800)	**-**	-	**(458,490)**	(319,800)
Tax losses carried forward	**-**	-	**-**	-	**-**	-
Net deferred tax (assets)/ liabilities	**(3,055,042)**	(2,610,875)	**54,685,227**	48,277,974	**51,630,185**	45,667,099

Movement in temporary differences during the year:

	2018	2017
	Rs	Rs
Property, plant and equipment	**6,407,253**	(2,477,920)
Provision for doubtful debt	**(305,477)**	211,891
Employee retirement benefits	**(138,690)**	(52,350)
Tax losses	**-**	8,845,305
	5,963,086	6,526,926

13. INCOME TAX EXPENSE (CONTINUED)

	2018	2017
	Rs	Rs
Current tax liability/ (receivable)		
At start of year	15,468,980	(3,824,380)
Income tax payable	8,112,949	14,214,830
CSR Payable	2,014,594	1,895,310
Tax paid during the year	(13,573,670)	-
CSR paid during the year	(1,658,397)	-
Tax paid in advance under APS	(4,135,532)	-
Tax paid in advance - TDS	(494,089)	(641,160)
Tax Refund Received during the year	-	3,824,380
Net current tax liability/ (receivable)	5,734,834	15,468,980

14. OTHER OPERATING INCOME

Other operating income consists of Fuel Storage Fee (FSF) charges refund and other miscellaneous income.

15. ADMINISTRATIVE EXPENSES

	2018	2017
	Rs	Rs
Salary - USD	20,015,892	18,666,587
Repairs & maintenance - terminal	21,293,823	16,426,867
Salary - MUR	16,989,826	13,283,102
Repairs & maintenance - Retail Outlet and Consumer	7,455,689	6,392,725
Insurance expenses	4,773,898	4,822,911
Rent - terminal (lease)	4,238,232	3,578,906
Consultancy-professional charges	1,822,079	2,865,205
Electricity & water charges	2,639,366	2,704,392
Vehicle expenses	2,017,580	1,880,951
Rent - residential	1,841,248	1,641,480
Legal and arbitration expenses	523,037	1,461,025
Loss on claims written off	-	1,412,607
Rates & taxes	904,648	1,260,485
Security service charges	581,750	856,000
Telephone expense	1,256,599	837,265
Staff welfare	1,050,069	775,604
Handling & house keeping	428,362	700,195
Overseas travelling	762,539	691,151
Transfer expenses	376,490	512,301
Repairs & maintenance	776,753	447,304
Board meeting expenses	393,692	384,269
Medical expenses	322,301	367,111
Printing & stationery	367,076	335,771
Directors remuneration	240,770	240,000
Audit fees/ other charges	200,000	200,000

15. ADMINISTRATIVE EXPENSES (CONTINUED)

	2018	2017
	Rs	Rs
Bank charges	**209,986**	209,085
Fees & subscription	**276,289**	180,226
Director's sitting fee	**180,000**	160,000
Postage & courier	**81,400**	115,430
Travelling expenses	**82,573**	72,280
Secretary fees	**70,000**	70,000
Entertainment expenses	**96,946**	65,876
Lease rent retail outlet	**1,172,928**	42,035
Books & periodicals	**23,282**	24,855
Training expenses	**22,500**	24,200
Loss on Write Off / Disposal of Fixed Assets	**(213,043)**	-
	93,274,580	83,708,200

16. NET FINANCE INCOME

	2018	2017
	Rs	Rs
Bank interest income	**5,227,812**	5,913,369
Interest paid on bank overdraft	**(276,319)**	(104,818)
	4,951,493	5,808,551

17. PROFIT BEFORE TAX

	2018	2017
	Rs	Rs
Profit before tax is arrived at after charging:		
Depreciation		
- Owned property	**41,135,021**	42,217,294
- Leased property	**152,480**	139,981
Directors' remuneration – part time	**420,770**	400,000
Directors' emoluments – full time	**5,805,294**	4,961,125
Staff cost	**37,005,718**	32,234,519
Average number of employees during the year	30	30

18. EARNINGS PER SHARE

Earnings per share is based on the proft for the year of Rs 80,869,290 (2017: Profit of Rs 117,350,948) and 4,882,043 ordinary shares.

19. RELATED PARTY TRANSACTIONS

During the year under review, the Company entered into the following transaction with related parties. The nature and volume of the transactions are as follows:

	2018	2017
(i) **Balances at year end with holding company**	Rs	Rs
Amount due to IndianOil Corporation Ltd:		
Current and purchases account	**21,240,985**	5,181,476

19. RELATED PARTY TRANSACTIONS (CONTINUED)

	2018	2017
(ii) **Balances at year end with fellow subsidiary company**	**Rs**	Rs
Amount due to IndianOil Corporation Middle East FZE:		
Purchases account	-	-
(iii) **Transactions during the year with holding company**		
Lubricants purchase from holding company	**13,014,296**	5,130,667
(iv) **Transactions during the year with fellow subsidiary company**		
Lubricants purchase from fellow subsidiary company	-	-

(v) **Pricing policies**

The above transactions were conducted on market terms and conditions. The directors have ensured that all such activities were undertaken on an arm's length basis. All amounts owed were unsecured.

(vi) **Key management personnel compensation**

Refer to note 17.

20. EMPLOYEE BENEFITS

(i) Pension obligations

The Company does not operate any pension plan for its employees on retirement.

(ii) Severance allowance

Under the Employment Rights Act 2008, employees are entitled to severance allowance on reaching the retirement age. Full provision for payment of severance allowance has been made in the financial statements.

The amount recognised in profit or loss in respect of the employees retirement severance allowance provision is as follows:

	2018	2017
	Rs	Rs
Current sevice cost	**565,000**	349,000

The amount included in the statement of financial position for employees retirement severance allowance provision is as follows:

	2018	2017
	Rs	Rs
Present value of employees retirement severance allowance provision	**2,697,000**	2,132,000

21. OPERATING LEASE COMMITMENT

Operating leases relate to:

(a) Lease of land with lease terms of 19 1/4 years. The operating lease contract contains a clause for 5-yearly market rental reviews. The Company does not have an option to purchase the leased land at the expiry of the lease periods.

(b) Lease of motor vehicles with lease terms of 5 years, after which the lessor will take possession of the vehicles.

21. OPERATING LEASE COMMITMENT (CONTINUED)

Payments recognised as an expense	**2018**	2017
	Rs	Rs
Minimum lease payments for land	**4,395,508**	3,516,406
Minimum lease payments for vehicles	**439,230**	698,280
	4,834,738	4,214,686
Non-cancellable operating lease commitments		
Not later than one year	**4,585,711**	4,664,340
Later than one year and not later than five years	**11,672,424**	14,959,094
	16,258,135	19,623,434

There was no liability in respect of non-cancellable operating leases at year end.

22. FINANCIAL RISK MANAGEMENT

Fair values

The fair values for financial assets and liabilities together with the carrying amounts shown in the statement of financial position are as follows:

Assets and liabilities not carried at fair value but which fair value is disclosed below:

	Level 1	**Level 2**	**Level 3**	**Total**
	USD	**USD**	**USD**	**USD**
31 March 2018				
Financial assets				
Trade and other receivables	-	-	755,087,875	**755,087,875**
Cash and cash equivalents	998,081,240	-	-	**998,081,240**
Total financial assets	**998,081,240**	**-**	**755,087,875**	**1,753,169,115**
Financial liabilities				
Amount due to holding company	-	-	21,240,985	**21,240,985**
Trade and other payables	-	-	1,369,028,412	**1,369,028,412**
Total financial liabilities	**-**	**-**	**1,390,269,397**	**1,390,269,397**

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

31 March 2017	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets				
Trade and other receivables	-	-	592,378,186	592,378,186
Cash and cash equivalents	706,061,118	-	-	706,061,118
Total financial assets	706,061,118	-	592,378,186	1,298,439,304
Financial liabilities				
Amount due to holding company	-	-	5,181,476	5,181,476
Trade and other payables	-	-	1,041,046,238	1,041,046,238
Total financial liabilities	-	-	1,046,227,714	1,046,227,714

The assets and liabilities included in the above table are carried at cost; their carrying values are a reasonable approximation of fair values.

The Company's activities are exposed to market risks (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management policy aims at reducing potential adverse impact on its financial performance.

(a) Market risk

(i) *Currency risk*

The Company has substantial transactions with global customers and therefore, exposed to currency risk arising from currency exposures mainly with respect to the US Dollar (USD). Currency risk arises from future commercial transactions due to the credit period enjoyed by the customers. The payments are made in USD in respect of bunker and aviation products supplied by State Trading Corporation, for which the payments are also obtained in USD from the global customers uplifting the products from the Company. The Company operates two USD accounts used for incoming payments from customers and outgoing payments to State Trading Corporation. It is the Company's policy not to carry out any 'hedging'.

Currency profile

The currency profile of the Company's financial assets is summarised as follows:

31 March 2018	**Financial assets Rs**
Mauritian Rupee	**205,936,508**
United States Dollar	**1,547,232,607**
Total	**1,753,169,115**

31 March 2017	Financial assets Rs
Mauritian Rupee	113,183,488
United States Dollar	1,185,255,816
Total	1,298,439,304

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) *Currency risk (continued)*

Currency profile (continued)

The currency profile of the Company's financial liabilities is summarised as follows:

31 March 2018	**Financial liabilities Rs**
Mauritian Rupee	**402,318,688**
United States Dollar	**987,950,709**
Total	**1,390,269,397**

31 March 2017	Financial liabilities Rs
Mauritian Rupee	280,071,087
United States Dollar	766,156,627
Total	1,046,227,714

Sensivity analysis

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 5% increase and decrease in Rs against USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency dominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or loss and equity where Rs strengthens 5% against the relevant currency. For a 5% weakening of Rs against the relevant currency, there would be an equal and opposite impact on profit or loss and equity, and the balances below would be negative.

	Profit or loss and equity 2018	Profit or loss and equity 2017
	Rs	Rs
Impact of currency :		
USD	**27,964,095**	20,954,959

(ii) *Price risk*

The price risk for the Company is limited to its sale in local market where prices and margins are controlled by the government. This risk is not significant for the Company at present.

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(iii) *Interest rate risk*

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or are repriced at different times or in different amounts. In the case of floating rate assets and liabilities, the Company is also exposed to basis risk, which is the difference in repricing characteristics of the various floating rate indices, such as the base lending rate and different types of interest.

At the reporting date, the interest rate profile of the Company's interest-earning/ bearing financial instruments was as follows:

	2018	2017
	Rs	Rs
Cash and cash equivalents		
Fixed rate instruments	**306,640,000**	465,140,000
Variable rate instruments	**61,744,673**	72,928,995

Sensitivity analysis

The following table indicates the approximate change in the Company's post-tax profit or loss and equity in response to reasonable possible changes in the interest rates to which the Company has significant exposure at the reporting date.

	Increase/ (decrease) in interest rates	Effect on post tax profit or loss and equity	
		2017	2018
		Rs	Rs
Increase in interest rate	+1%	**524,830**	619,896
Decrease in interest rate	-1%	**(524,830)**	(619,896)

(b) Credit risk

Credit risk arises from credit exposures to various customers to whom the credit facilities are extended. The Board has approved a credit policy wherein modalities have been laid down for setting individual credit limits based on internal ratings.

Credit risk arises from cash and cash equivalents and trade receivables.
The Company generally does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The bank balances are held with reputable institutions, thus the credit risk is minimal. The ageing of trade receivables at the reporting date was:

	2018		2017	
	Gross	Impairment	Gross	Impairment
	Rs	Rs	Rs	Rs
Within Credit	**639,220,843**	-	585,261,078	-
Beyond Credit	**61,906,395**	**16,080,364**	18,412,958	16,080,364
	701,127,239	**16,080,364**	603,674,036	16,080,364

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

The maximum exposure to credit risk for trade receivables by type of counterparty was as follows:

	Carrying amount	
	2018	2017
	Rs	Rs
Wholesale customers	**685,046,875**	587,593,672

At the reporting date, 58.47% of the trade receivables was due from two customers and therefore, the Company has concentration of credit risk to that extent.

(c) Liquidity risk

Liquidity risk is a risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains sufficient balances in their bank accounts denominated in Mauritian Rupee and United State Dollar. The Company has access to "funding" through committed credit facilities.

The table below analyses the Company's financial liabilities relevant maturity groupings based on the remaining period as on the remaining period from 31 March 2018. The amounts disclosed in the table are contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2018	**Less than one year**	**Repayable on demand**	**Total**
	Rs	**Rs**	**Rs**
Financial liabilities			
Trade and other payables	**1,369,028,412**	**-**	**1,369,028,412**
Amount due to holding company	**-**	**21,240,985**	**21,240,985**
Total financial liabilities	**1,369,028,412**	**21,240,985**	**1,390,269,397**
31 March 2017			
Financial liabilities			
Trade and other payables	1,041,046,238	-	1,041,046,238
Amount due to holding company	-	5,181,476	5,181,476
Total financial liabilities	1,041,046,238	5,181,476	1,046,227,714

Deferred tax liabilities have been excluded from the above analysis.

(d) Capital risk management

The Company's objectives when managing capital are to safeguard it's ability to continue as a going concern so as to provide returns to all stakeholders and to optimise the cost of capital.

The Company monitors its capital on the basis of the gearing ratio. The ratio is calculated as total debt divided by total capital. Total capital is calculated as 'equity' as shown in the statement of financial position plus total borrowings.

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk management (continued)

	2018	2017
	Rs	Rs
Total borrowings	**-**	-
Total equity	**1,411,253,099**	1,359,676,055
Total capital employed	**1,411,253,099**	1,359,676,055
Gearing ratio	**-**	-

The Company does not have any borrowings and consequently is not geared.

23. CONTINGENT LIABILITIES

The Company has issued several bank guarantees amounting to Rs 33,504,271 (2017: Rs 31,626,256) in favour of various third parties. Apart from this, the Company does not have any other contingent liabilities.

24. CAPITAL COMMITMENTS

The Company has capital commitments amounting to Rs 31,000,000 (2017: 10,272,220) as at 31 March 2018.

25. EVENTS AFETR REPORTING DATE

There has been no significant event after the reporting date which requires disclosure or amendment to these financial statements.