FORM A

(FORM FOR SUBMISSION OF UNQUALIFIED AUDIT REPORT ALONGWITH ANNUAL RPORT AS REQUIRED UNDER CLAUSE 31(a) OF THE LISTING AGREEMENT)

1	Name Of the Company	Indian Oil Corporation Limited
2	Annual Financial statements for the year ended	31st March, 2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not applicable

30/7/14 30.7.14

(B. Ashok) **Chairman**

(P.K.Goyal) **Director (F)**

(SMT.Shyamala Gopinath) **Chairperson** **Audit Committee**

(Auditor)
4/8/14

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

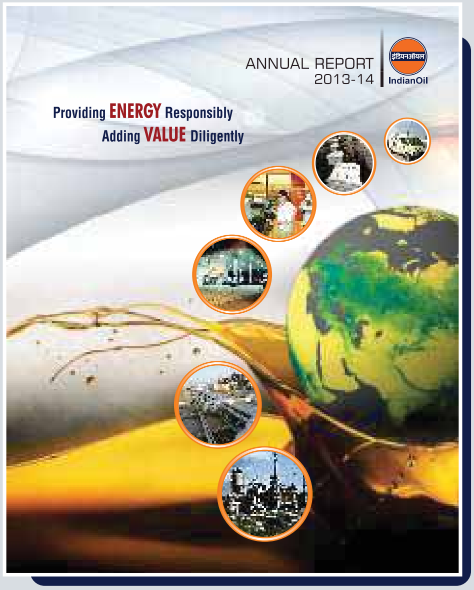
Place :

Date :

ANNUAL REPORT 2013-14

IndianOil

Providing ENERGY Responsibly
Adding VALUE Diligently



Providing ENERGY Responsibly
Adding VALUE Diligently

IndianOil, striving relentlessly to ensure energy efficiency.... at the cusp of sustainable energy offerings, we are diligently fuelling the energy basket of the nation. Powered by technology.... driven by values.... IndianOil is passionate about growth, innovation & operational excellence.... with a passion to be the energy of India, we pledge our energy as the Nation's Energy.

Contents

इंडियनऑयल

Indian Oil Corporation Limited

Registered Office: IndianOil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East), Mumbai - 400 051

In this Report, one lakh corresponds to 0.1 million and one crore to ten million.

Spreading Smiles Across Miles

As an active participant in the growth of the nation, IndianOil has been contributing towards social and economic development of communities through myriad ways. Various CSR initiatives have been taken up by IndianOil across the nation catering to healthcare, education, child nutrition, drinking water, restoration of heritage sites and sustainability. Some of the flagship CSR initiatives by IndianOil are Sachal Swasthya Sewa, Assam Oil School of Nursing, Educational Scholarship Scheme, Sports Scholarship Schemes, Expansion of Cancer Centre with Tata Medical Centre Trust, Shikshak Dakshyata Vikas Abhiyan, Sarve Santu Niramaya etc. IndianOil is committed to be a partner in not only developing the nation but to reach out and spread happiness to one and all.

इंडियनऑयल
IndianOil

•REFINERIES •PIPELINES •MARKETING •R&D •PETROCHEMICALS •GAS •E&P •RE&SD

CHAIRMAN'S MESSAGE

Dear Members,

My heartiest greetings to you all on behalf of Indian Oil Corporation and its employees.

Through this message, I wish to share with you my reading of the global trends in the financial year 2013-14, your Corporation's performance highlights during the year, and its agenda for the future.

Compared to the challenging global economic environment that we had witnessed in 2012-13, the year 2013-14 brought in a sense of optimism as it unfolded. The world economy prepared for a more positive financial outlook in the coming years with the Euro Zone seeming to come out of recession and registering positive growth in the second quarter of 2013 and US too showing signs of strengthening of the economy. However, overall, the year 2013-14 was as challenging as 2012-13, with the global economy growing by 3 per cent in 2013, compared to 3.2 per cent in 2012 and 4 per cent in 2011.

The year 2013-14 was marked by incidences of financial turbulence in emerging economies, caused by tapering of Quantitative Easing (QE). Many emerging economies also suffered sharp depreciation of currencies during May-September 2013, resulting from capital outflows triggered by speculation on withdrawal of QE and later in January 2014 when the US Federal Reserve announced a further cut in QE for February 2014.

As you are aware, Indian economy is no longer isolated from its global counterparts. The aftermath of global recession was clearly visible in the country's subdued GDP growth rate of 4.7 per cent in 2013-14 (2012-13: 4.5 per cent, 2011-12: 6.7 per cent), with declining industrial performance particularly attributable to mining and manufacturing sectors. This was compounded by an unprecedented depreciation of Indian Rupee against the US Dollar witnessed in August 2013, as the exchange rate hit a new low of ` 68.85 per USD. However, policy measures to curb imports and control liquidity helped reduce the trade deficit. Also, rise in net invisible receipts improved the country's current account deficit position to USD 32.4 Billion in 2013-14 (1.7 per cent of GDP) as compared to USD 87.8 Billion in 2012-13 (4.7 per cent of GDP).

A view of Naphtha Cracker Unit at Panipat

When we look at the performance of the global oil & gas sector, of which our Corporation is an integral part, we notice two significant trends. First, conventional oil resources are depleting the world over, and more & more new finds are being reported from non-conventional sources like tar sands, oil shale and deep offshore, which as of now are costly and may also pose environmental challenges. In fact, production of crude oil from conventional sources has virtually plateaued due to under-investments in producing assets, besides various other geo-political issues. Second, there has been a major shift in demand for oil from developed economies to emerging markets led by Asian economies.

> *"...Indian economy is no longer isolated from its global counterparts. The aftermath of global recession was clearly visible in the country's subdued GDP growth rate of 4.7 per cent in 2013-14 (2012-13: 4.5 per cent, 2011-12: 6.7 per cent), with declining industrial performance particularly attributable to mining and manufacturing sectors."*

It is a known fact that geo-political issues impact not only supplies but oil prices too. The crisis in Syria, the Ukraine-Russia stand-off, unrest in Egypt

Crude Carrier discharging into IndianOil SPM

and supply disruptions in Libya impacted the oil prices in the second quarter of FY13-14. However, prices of crude oil came down subsequently with improvement of the situation in Syria and partial restoration of oil supplies from Libya, together with positive news of hydrocarbons production from non-conventional resources in US. The average prices of crude oil in the international market fell in 2013-14, with Brent price moderating to USD 107.6 per barrel (bbl) from USD 110.1/bbl in 2012-13. The average price of the Indian crude basket too came down from USD 108/bbl in FY12-13 to USD 105.5/bbl in FY13-14.

In such a perpetually changing, volatile scenario, it is indeed a constant challenge to establish a stable supply of energy resources to fuel the economic growth of the nation. With its decades-old experience and expertise in international trade, your Corporation is not only meeting this challenge but also keeping a continuous watch to secure supplies at optimum cost.

In line with global trends, India's oil & gas demand was also sluggish in 2013-14, with consumption of 158.2 million metric tonnes (MMT) of petroleum products as compared to 157.06 MMT in 2012-13. In fact, the annual growth of 0.7 per cent registered in 2013-14 is the lowest since 0.4 per cent growth recorded in 2001-02. Consequently, crude oil imports by Indian refiners witnessed a deceleration in growth. Growth in refinery throughput too decelerated to mere 1.6 per cent, from a robust 7.4 per cent posted in 2012-13. Indigenous natural gas production also hit a low of 35.4 billion cubic metres (bcm), largely due to a decline in production from the Krishna-Godavari (KG) Basin. In addition, a price-sensitive market and insufficient infrastructure constrained LNG (Liquefied Natural Gas) imports which stagnated at 10.9 MMT.

Among products, LPG, MS (petrol), LDO (light diesel oil), ATF (aviation turbine fuel) and pet-coke registered positive growth, while the rest showed a decline in growth. The most significant was the fall in HSD (diesel) consumption by 1 per cent, in stark contrast to the average annual growth rate (AAGR) of over 7 per cent registered during the past seven years (2006-07 to 2012-13).

Now, let us look at IndianOil's performance in 2013-14 and other business-related issues that cropped up during the year.

IndianOil has been maintaining its leadership in the downstream petroleum sector for many years now and currently holds a market share of 47.1 per cent.

For IndianOil, 2013-14 was a year of subdued optimism as the turnover touched a new high of ` 4,57,553 crore, a jump of 10.3 per cent over the previous year, and net profit surged to ` 7,019 crore, a leap of 40.2 per cent compared to 2012-13.

With refining as its backbone, IndianOil is the largest refiner in the country. The 15-MMTPA refinery project at Paradip is being commissioned this year. With capability to process heavy and high-sulphur crudes, the state-of-the-art refinery will further strengthen the Corporation's competitiveness in the market-place and also improve operational flexibility. We are also working on several other projects to improve our product pattern; installation of a Coker unit at Haldia Refinery is one such project.

Improving gross refining margins (GRM) as a means to improve profitability has been one of the biggest challenges for the Corporation in the last few years. For this, we have been enhancing the capabilities of our group refineries to process cheaper grades of crude oil and also maintaining an optimum mix between term and non-term contracts for crude oil purchases for cost benefit.

In its pursuit of optimised operations, the Corporation has also been focussing on various energy conservation measures at its refineries and bringing their performance parameters on par with global peers. The Solomon benchmarking study is one such step; we are pursuing this initiative vigorously to enhance our physical performance to be at par with the world's best. During the year, the Corporation launched a new initiative Project Samriddhi with great potential to enhance refinery margins by pursuing several initiatives in a structured and holistic manner with the help of a change management agency. An optimisation 'war room' has also been set up with experts drawn from across functions. I am sure that, as we continuously recalibrate our business model, and given the scale and scope of our operations, the economic gains arising out of such entrepreneurial professionalism will add significantly to our bottomline.

The IndianOil management is deeply conscious of the risk potential of the safety hazards in the hydro-carbon industry. This calls for comprehensive preventive measures in our business processes and work culture. In our efforts to ensure the safety and security of our people and assets, we have adapted best-in-class technologies and stringent SOPs (standard operating procedures) at all locations. All stake-holders at operating locations undergo unit-specific training on safety, health and environment issues. Rigorous monitoring systems are also in place to ensure safety in day-to-day operations. A safety culture improvement project-SEED (Safety in Each and Every Deed)-was launched in 2013 at Gujarat Refinery in association with M/s. DuPont, the global leader in employee safety.

For IndianOil, a major challenge in operating landlocked refineries lies in delivery of opportunity crudes at site. Your Corporation's over 11,000 km network of crude oil and product pipelines offer an economical, safe and environment-friendly solution to the challenge of complex logistics. During the year, the Corporation added crude oil tankage of 425 tkl (thousand kilolitres) to facilitate blending of heavy crudes and enhance capability to transport heavy and viscous crudes that fetch better refining margins.

Currently, the Pipelines Division of IndianOil is implementing 13 projects at a cost of over ` 6,800 crore to further expand its network of crude oil and product pipelines during the XII Plan period. This would result in additional throughput capacity of about 15.5 MMTPA and a pipeline length of over 3,200 km. Several LPG pipeline projects are also being planned to leverage the multiple advantages of pipeline transport.

Looking at the trends in the market place, customer expectations are going up by the day even as competition is gaining momentum. In such a scenario, IndianOil sees technology as a vital tool in sustaining customer confidence and competitive advantage. Over the years, our customer-centric marketing initiatives have enabled us to maintain our leadership position, and we intend to keep the trust and faith of our customers in future too with innovative, IT-enabled solutions. As part of this, the IndianOil team is focussing on enhancing customer service and engagement at its retail outlets by way of modernisation and automation of operations; standardization of look-and-feel; quality assurance for products and services on offer; well-trained customer attendants; and by making available other value-added services, facilities and mobile apps. that the new-generation customers aspire for.

As on 31st March 2014, over 6,000 retail outlets were fully automated and it is targeted to achieve 100 per cent automation by the year 2021-22. A unique drive 'Networking of Highway ROs; covering over six hundred retail outlets has been initiated for the benefit of HSD consumers from the commercial transport segment. We are also strengthening our presence in rural areas and semi-urban growth centres through the Kisan Seva Kendra (KSK) retail outlets, which have emerged as a clear proof of our Corporation's commitment to inclusive and sustainable growth.

In LPG Marketing, we have not only increased our market share in 2013-14 but also launched several customer-friendly initiatives, such as portability of LPG connection within and across companies, sale of 5-kg free-trade LPG cylinders through select retail outlets and kirana stores.

IndianOil's leading *SERVO* brand lubricants continued to dominate the business segment during 2013-14 despite adverse market dynamics.

Even though IndianOil maintained its position as the market leader with product sales of 75.53 MMT (including petroleum products, gas, petrochemicals and exports) for the year 2013-14, the overall volumes in domestic sale of petroleum products registered a drop of 1.5 MMT as compared to the previous year. This was mainly due to the prevailing dual-pricing policy in HSD that resulted in sharp decline of bulk sales. Several other factors contributed to the dip in HSD consumption: decline in sale of commercial and passenger vehicles, improved power situation in the country, and shift of industrial users to alternative fuels. However, the Corporation delivered an impressive performance in retail sales of HSD. Also even though dual-pricing threatened to erode the Corporation's market share as well as profits in HSD, we could still maintain our coveted status as the lead supplier to the railways, defence services and several major consumers.

The Corporation's state-of-the-art R&D Centre at Faridabad is a pioneer in lubricants formulation, refinery processes, pipeline transportation and alternative fuels. Besides focussing on innovative products in line with business trends for competitive advantage, the Centre has achieved significant breakthroughs in the demonstration and commercialisation of some of the refinery technologies developed inhouse. With 292 patents to its credit as on date, more than half of them registered overseas, including the US, the Centre aspires to emerge as a world-class technology solutions provider in the petroleum sector. We are confident that the full-scale IndMax unit coming up as part of Paradip Refinery will showcase our R&D capabilities and open up more avenues for commercialisation of other proven technologies developed by the Centre.

IndianOil set up its Business Development group in 1997 with a view to expand its business activities across the hydrocarbon value chain and achieve vertical integration by entering both upstream and downstream verticals. Within a short span of time, it has been able to establish itself in the downstream petrochemicals business by setting up modern,

India's highest altitude Retail Outlet at Leh

world-scale plants. Today, with a comprehensive products portfolio and a countrywide logistics and marketing set-up, your Corporation has emerged as the second largest player in petrochemicals business in the country. We have also entered niche product segments like Styrene Butadiene Rubber (SBR), Butene-1, and Butadiene. In 2014, the Corporation's JV company became the first in the country to produce SBR, a 100 per cent import substitution product. Our consolidated market share in petrochemicals rose to 19.4 percent in 2013-14 from 18.6 per cent in 2012-13, together with the highest-ever export of 125 TMT of petrochemical products to 46 countries.

Besides ambitious expansion into downstream petrochemicals business, we have consolidated our foray into upstream E&P (exploration & production) segment too with a portfolio of 13 domestic blocks and 11 overseas blocks. We are operators with 100 per cent participating interest in two onshore exploration blocks in the Cambay Basin and hold non-operating participating interest in the range of 20 to 44 per cent in the remaining domestic blocks. In the 11 overseas blocks located across

> *"Over the years, our customer-centric marketing initiatives have enabled us to maintain our leadership position, and we intend to keep the trust and faith of our customers in future too with innovative, IT-enabled solutions."*

8 countries, the Corporation holds non-operating participating interest in the range of 3.5 to 50 per cent. During the year, the Corporation has acquired 10 per cent participating interest in the multibillion dollar integrated upstream & LNG project-Pacific North West LNG in Canada with initial investment of USD 1 billion, making Corporation's biggest overseas acquisition so far. Acquisition of overseas acreages is a clear proof of our ambition for upstream integration as well as our commitment to the energy security of the nation.

The Corporation has been making all-out efforts to expand and consolidate its overseas businesses through its subsidiaries in Sri Lanka, Mauritius, United Arab Emirates (UAE), Sweden, USA and The Netherlands. IndianOil Mauritius Ltd, the Mauritius subsidiary, has earned a market share of

53.2 per cent in aviation fuelling, with 13.5 per cent retail infrastructure share and 25.2 per cent market share in petroleum products sale. In Sri Lanka, Lanka IOC PLC has 15.6 per cent retail infrastructure share and over 15 per cent market share in MS. The Corporation continues to explore all available opportunities to expand its presence overseas beyond its current business horizon.

At IndianOil, we see natural gas as a transition fuel to a low-carbon era, and are making determined efforts for expanding our natural gas marketing initiatives in a big way, with focus on import, transportation and infrastructure development. IndianOil already has marketing rights for 30 per cent of the LNG procured by Petronet LNG Ltd. at its operating terminal in Dahej and upcoming terminal at Kochi. Steps have been initiated for garnering a significant share in the country's gas infrastructure through participation in three upcoming gas pipelines and by setting up an import, storage and regasification terminal at Ennore. We are also pursuing city gas distribution projects in India.

Irregular compensation on account of under-recoveries on HSD (Retail), LPG (Domestic) and Kerosene (PDS) continues to remain a contentious issue. During the year 2013-14, under-recoveries on LPG (Domestic) & Kerosene (PDS) registered a rise, with the former growing by over 17 per cent on industry basis. However, the Corporation's gross under-recoveries to the tune of ` 72,938 crore were significantly lower than the corresponding ` 85,793 crore in 2012-13. The decline in gross under-recoveries was solely on account of fall in under-recoveries on diesel by about 32 per cent on industry basis. After receipt of discount from the upstream oil companies and budgetary support from the Government, the Corporation was left with an unmet under-recovery of ` 1,083 crore for the year 2013-14 as against ` 548 crore for 2012-13.

Debates on oil price policy are often animated and make headline news. However, the discussions rarely take into account the complex mechanism through which the changes in the global price of oil affect macroeconomic outcomes, such as inflation, growth and fiscal deficit. It is a dichotomous situation where, on one hand, macroeconomic parameters are to be balanced and subsidy continued and on the other, the severe financial crunch arising out of this burden has to be managed.

In a situation where rising international oil prices are not being fully passed on to the customers through appropriate price build-up, the widening gap in net under-recoveries erodes the bottomline of the Corporation. In the absence of an established mechanism for compensation of under-recoveries, and delays in disbursement, the Corporation's borrowings rose to ` 86,263 crore at the year-end as compared to ` 80,894 crore at the end of the previous year. This was despite a reduction in interest cost by more than `1,300 crore as compared to 2012-13, achieved by careful sequencing of fund-raising strategies throughout the year. The Corporation raised an unprecedented USD 2.4 Billion through external commercial borrowings through issuance of international bonds, syndicated loans and bridge loans. We had also arranged revolving lines of credit to the tune of USD 3.6 Billion for financing our crude oil purchases. These lines can be availed of and repaid at short notice and, therefore, provided the much-needed flexibility in arranging funds for crude oil imports during the year when the Rupee suffered high volatility with a downward bias.

Despite the severe financial crunch in the past few years, the Corporation continued with its investments in value-addition projects that would contribute to future growth and expansion of business in the coming years. Planned Capital investments of about ` 9,400 crore and ` 16,700 crore were done in the years 2012-13 and 2013-14 respectively. An investment of about ` 12,000 crore has been planned for 2014-15. We have an expenditure target of ` 56,200 crore for various projects in XII Five Year Plan period, which is substantially higher than ` 48,655 crore spent in XI Five Year Plan period.

Inclusive and sustainable growth has been the cornerstone of IndianOil's success in business. Its comprehensive CSR (corporate social responsibility) agenda focusses, among others, on healthcare, education and women's empowerment in the communities in which it operates, with particular emphasis on the outcome and impact of its efforts. During 2013-14, the Corporation spent ` 81.91 crore on CSR initiatives. For instance, as part of IndianOil Sachal Swasthya Seva scheme, villages lacking access to primary healthcare services have been carefully selected as beneficiaries based on a baseline survey, and mobile medical units staffed by doctors and registered pharmacists stationed at the Corporation's KSK outlets travel to such villages in the neighbourhood, offering free medical check-up and medicines to the poor and the needy. Academic and sports scholarship schemes are also in place to encourage and support meritorious and talented youngsters on a merit-cum-means basis.

For more than five decades, IndianOil has been fuelling the growth of the country in the spirit of a national trust for economic prosperity. It owes its success in this endeavour to the dedication and commitment of its workforce of about 33,800 employees. As a new generation of leaders takes over key positions in the organisation, I am hopeful that they will achieve many more new milestones with renewed enthusiasm and zeal to take the organisation to the zenith of excellence. At the same time, it will be a big responsibility for the management to keep the leadership pipeline future-ready so that competent leaders pick up the baton when their time comes.

Today's volatile and increasingly complex world requires more than what we have been delivering. It requires a more collaborative and collective approach. That is why, we are forging strong ties with governmental, non-governmental, public and private partners whose technical know-how, strategic outlook or geographic reach can fill the gaps in our own capabilities. The objective is very clear: To meet the current energy demands of the nation without damaging the environment and secure reliable sources of energy for the future; in a nutshell, to work for an energy system that is safe, sustainable and affordable.

> *"For more than five decades, IndianOil has been fuelling the growth of the country in the spirit of a national trust for economic prosperity. It owes its success in this endeavour to the dedication and commitment of its workforce of about 33,800 employees."*

Before I conclude, I would like to thank all our shareholders, customers and stakeholders for standing by us and for supporting us throughout, during good and bad times. I am confident that, with your continued support, our collaborative efforts in finding new avenues of reliable and sustainable energy will help meet the growing energy demand of a growing nation. And our shareholders, customers and associates would expect nothing less from us.

B Ashok
Chairman

Indian Oil Corporation Limited

[CIN – L23201MH1959GOI011388]
Regd. Office: 'IndianOil Bhavan', G-9, Ali Yavar Jung Marg, Bandra (E), Mumbai - 400051
Tel: 022-26447616, Fax: 022-26447961, Email Id: investors@indianoil.in, Website: www.iocl.com

NOTICE

NOTICE is hereby given that the **55th Annual General Meeting** of the members of **INDIAN OIL CORPORATION LIMITED** will be held at **Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai - 400018** on **Wednesday, the 27th August, 2014** at **1030 hrs.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2014 together with Reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares for the year 2013-14.
3. To appoint a Director in place of Shri M. Nene (DIN: 01104975), who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri V. S. Okhde (DIN: 05123549), who retires by rotation and is eligible for reappointment.

SPECIAL BUSINESS

5. To appoint Shri Sanjiv Singh (DIN: 05280701) as Director of the Company.

   To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force, Shri Sanjiv Singh, who was appointed as an Additional Director and designated as Director (Refineries) by the Board of Directors effective 01.07.2014 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director (Refineries) of the Company, liable to retire by rotation."

6. To appoint Shri Ashok Balasubramanian (DIN: 06861345) as Chairman of the Company.

   To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force, Shri Ashok Balasubramanian, who was appointed as an Additional Director and designated as Chairman by the Board of Directors effective 16.07.2014 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Chairman of the Company, not liable to retire by rotation."

7. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2015.

   To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, the aggregate remuneration of ` 16.50 lakhs plus applicable taxes and out of pocket expenses payable to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the various units of the Company for the financial year ending March 31, 2015, be and is hereby ratified."

Registered Office:
IndianOil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East),
Mumbai - 400 051

By Order of the Board of Directors
For Indian Oil Corporation Limited

(Raju Ranganathan)
Company Secretary

17th July 2014

NOTES

(a) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. Such a proxy need not be a member of the company. Proxies, in order to be valid and effective, must be delivered at the registered office of the company duly filled, stamped & signed not later than 48 hours before the commencement of the meeting.

As per the provisions of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

(b) A brief resume of Directors retiring by rotation and eligible for reappointment is annexed hereto.

(c) A statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

(d) Members / Proxies / Authorised Representatives are requested to bring the attendance slip duly filled and signed along with copy of Annual Report to the meeting.

(e) The Annual Report duly circulated to the members of the Company, is available on the Company's Website at www.iocl.com.

(f) Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered Office of the Company on all working days i.e. Monday to Friday, between 10:30 a.m. and 12:30 p.m. upto the date of the Annual General Meeting.

(g) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 20th August, 2014 to Wednesday, the 27th August, 2014 (both days inclusive) for the purpose of ascertaining the eligibility of members for payment of dividend. The dividend payable on Equity Shares, if approved by the members, will be paid to those members whose names appear on the Company's Register of members and as per beneficial owner's position received from NSDL & CDSL as at the close of working hours on Tuesday, 19th August, 2014.

(h) Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Transfer Agent (RTA), M/s Karvy Computershare Pvt. Ltd., 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500081; Phone No.: 040-44655000; Fax No.: 040-44655024; Email: einward.ris@karvy.com.

(i) Reserve Bank of India has initiated NECS (National Electronic Clearing System) facility for credit of dividend directly to the bank account of the members. Hence, members are requested to register their Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR code & 11 digit IFSC code), in respect of shares held in dematerialized form with their respective Depository Participant i.e. the agency where the demat account has been opened and in respect of shares held in physical form with the RTA or at the registered office of the Company.

(j) Members may send their requests for change / updation of Address, Bank A/c details, ECS mandate, Email address, Nominations:

i) **For shares held in dematerialised form** - to their respective Depository Participant

ii) **For shares held in physical form** - to the RTA, M/s Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company.

(k) Non-Resident Indian members are requested to inform the RTA, M/s Karvy Computershare Private Limited, Hyderabad immediately about :

i) Change in their residential status on return to India for permanent settlement.

ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

(l) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market failing which the demat account / folio no. would be suspended for trading. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA.

(m) Pursuant to the provisions of section 205A & 205C of the Companies Act, 1956, the Company has transferred all unpaid dividend declared upto the financial year 2005-06 and interim dividend for the financial year 2006-07 to Investor Education & Protection Fund (IEPF) established by the Central Government. Upon completion of 7 years, the Company would transfer the unclaimed / unpaid dividend for the financial year 2006-07 in October, 2014. The dividend for the financial year 2007-08 and thereafter, which remains unpaid or unclaimed for a period of 7 years would be transferred to the IEPF on respective due dates. Hence the members, who have not encashed their dividend warrant so far for the financial years 2007-08 to 2012-13 are requested to write to the RTA, M/s. Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company for claiming the unpaid dividend.

Similarly, the dividend declared by erstwhile Bongaigaon Refinery & Petrochemicals Ltd. (BRPL) (since merged with IndianOil) remaining unclaimed / unpaid, will be transferred to IEPF on expiry of 7 year period. The members of erstwhile BRPL who have not encashed their dividend warrants so far are requested to write to the RTA, M/s Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company.

NOTES (Contd.)

(n) Pursuant to Section 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, Annual Report of the Company has been sent through email to those members whose email ID is registered with the Company / Depository. In case any member wants a physical copy of the Annual Report, he may send a request to the Company Secretary at the Registered office / RTA at the address given in point no. (h) above. Those members who have not registered their email ID are requested to write to the RTA / their Depository Participant for registering the same.

(o) In terms of Section 108 of Companies, Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is providing the facility to its members to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. The cut-off date for this purpose is Friday, the 25th July, 2014.

(p) Facility for E-Voting

(1) Details of the process and manner of e-voting along with the User ID and Password are being sent to the members along with the notice:

- By email to those members whose email ID is registered with the Company / Depository Participant.
- By post to those members whose email ID is not registered with the Company / Depository Participant.

(2) The instructions and other information relating to e-voting are as under:

i. Launch internet browser by typing the URL: https://evoting.karvy.com.

ii. Enter the login credentials (i.e. User ID and Password mentioned in the notice). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for logging in.

iii. After entering these details appropriately, Click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new password.

vi. On successful login, the system will prompt you to select the "EVENT" i.e. Indian Oil Corporation Limited.

vii. On the voting page, enter the number of shares (which represents the number of votes as on the Cut Off date) under "FOR / AGAINST / ABSTAIN" or alternatively, you may partially enter any number of votes in "FOR" and partially in "AGAINST" such that the total number of votes cast "FOR / AGAINST" taken together should not exceed your total shareholding. In case you do not wish to cast your vote you may choose the option "ABSTAIN".

viii. Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item it will be treated as abstained.

ix. Members holding multiple demat accounts / folios shall choose the voting process separately for each demat account / folio.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).

xii. Corporate / Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: ioclevoting2014@dholakia-associates.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format **"IndianOil, 55th Annual General Meeting".**

(3) The e-voting period commences on Thursday, August 21, 2014 at 9:30 A.M. and ends on Saturday, August 23, 2014 at 05.30 P.M. During this period, the members of the Company as on the cut-off date, being 25th July, 2014, may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast, the member shall not be allowed to change it subsequently. Further, the members who have cast their vote electronically shall not be able to vote at the Annual General Meeting in case poll is held at the meeting.

(4) In case of any query pertaining to e-voting, please visit Help & FAQ's section of https://evoting.karvy.com.

NOTES (Contd.)

(5) The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company, as on the cut-off date, being Friday, July, 25, 2014.

(6) The Board of Directors has appointed Shri Nrupang B. Dholakia of M/s. Dholakia & Associates, a practicing Company Secretary, as Scrutinizer, and in his absence Shri B. V. Dholakia of M/s. Dholakia & Associates as alternate Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.

(7) The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or any other officer authorized by Chairman.

(8) The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.

(9) The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.iocl.com) and on Service Provider's website (https://evoting.karvy.com) within 2 (two) days of declaration of the results and would also be communicated to the BSE Limited and the National Stock Exchange of India Limited.

A brief resume of Directors, who are retiring by rotation and are eligible for reappointment, is given below:-

Item No. 3

Shri M. Nene, Director (Marketing), aged 59 years, a Mechanical Engineer, has over 33 years experience in the downstream petroleum business. He has held several key portfolios and handled varied assignments in core business functions in IndianOil such as LPG, Supply & Distribution (S&D), Operations, Shipping, Commercial, etc. As head of Operations and Supply & Distribution, Shri Nene piloted the introduction of Euro-III and Euro-IV green fuels through IndianOil's countrywide marketing network, which despite complex logistics was executed ahead of schedule. He was also instrumental in rationalizing the Corporation's supply & distribution zones, paving the way for IndianOil to emerge as the least cost supplier in the industry.

Details of Directorships in Other Companies (excluding Foreign Companies)

Name of the Company	Position held
IndianOil Petronas Pvt. Ltd.	Chairman
IndianOil Skytanking Ltd.	Chairman
IndianOil Skytanking Delhi Ltd.	Chairman

Membership / Chairmanship in the Committees of other Companies

Name of the Committee	Position held
Remuneration Committee of IndianOil Skytanking Ltd.	Chairman
Remuneration Committee of IndianOil Skytanking Delhi Ltd.	Chairman
No. of Shares held in the Company	NIL
Relationship between Directors inter-se	None

Item No. 4

Shri V. S. Okhde, Director (Pipelines), aged 59 years, is a Mechanical Engineer from REC, Bhopal & an Executive MBA from Management Development Institute, Gurgaon. He has over 3 decades of experience of working in hydrocarbon industry. He has held important portfolios like Pipelines, Corporate Planning, Exploration & Production and has worked in various disciplines like operations, maintenance, engineering services, projects, etc.

Details of Directorships in Other Companies (excluding Foreign Companies)

Name of the Company	Position held
Petronet India Ltd.	Director
IOT Infrastructure & Energy Services Ltd.	Director
Membership/Chairmanship in the Committees of other Companies	NIL
No. of Shares held in the Company	2400
Relationship between Directors inter-se	None

NOTES (Contd.)

STATEMENT SETTING OUT THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS IN PURSUANCE OF SECTION 102(1) OF THE COMPANIES ACT, 2013.

Item No. 5

Shri Sanjiv Singh was appointed as an Additional Director w.e.f. 01.07.2014 and designated as Director (Refineries) by the Board of Directors, pursuant to Article 94(*l*) of the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013 and holds office up to the date of this Annual General Meeting.

Shri Sanjiv Singh aged 54 is a graduate in Chemical Engineering from IIT Roorkee. He has over 30 years experience in various positions at Mathura, Barauni and Panipat Refineries of the Corporation. He has also worked with Centre for High Technology under Ministry of Petroleum & Natural Gas and was on deputation with Nigeria Petroleum National Company, Nigeria. Shri Singh was In-Charge of most modern refinery of the country at Panipat and was instrumental in setting up Naphtha Cracker and other downstream polymer units at Panipat. Prior to assuming charge as Director he was heading the upcoming mega refinery project of the Corporation at Paradip, Odisha.

Details of Directorships in Other Companies (excluding Foreign Companies)

Name of the Company	Position held
Chennai Petroleum Corporation Limited	Director
Membership/Chairmanship in the Committees of other Companies	NIL
No. of Shares held in the Company	4200
Relationship between Directors inter-se	None

In terms of Section 160 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri Sanjiv Singh as a candidate for the office of Director.

None of the Directors / Key Managerial Personnel of the Company except Shri Sanjiv Singh is interested or concerned in the resolution

The Directors, therefore, recommend the Ordinary Resolution for approval by members.

Item No. 6

Shri Ashok Balasubramanian was appointed as an Additional Director w.e.f. 16.07.2014 and designated as Chairman by the Board of Directors, pursuant to Article 94(*l*) and 94(a) of the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013 and holds office up to the date of this Annual General Meeting.

Shri Ashok, aged 57 years is a Mechanical Engineer from the College of Engineering, Madras with the Post-Graduate Management Diploma from the prestigious National Management Programme of Management Development Institute, Gurgaon. Shri Ashok has over 33 years of expertise in the Oil and Gas sector and has a very wide experience in various roles in the Marketing Division. As a head of Retail Sales, he managed a strong retail network of about 24000, which contributes nearly 55% of the volumes. Being the State Head in two major States, he handled the complete business portfolio besides acting as the Co-ordinator for the entire industry. He has also been a harbinger of the Business Development activities at the Corporate Office and also headed the overseas business of IndianOil in South East Asia. He was till recently on the Board of Lanka IOC, a subsidiary company of IndianOil. He has also headed Corporate Communications during his wide-ranging career contour in IndianOil. He has been in leadership and policy formulation positions in the organization for several years and has established many benchmarks for the industry as well.

Details of Directorships in Other Companies (excluding Foreign Companies)	NIL
Membership/Chairmanship in the Committees of other Companies	NIL
No. of Shares held in the Company	3600
Relationship between Directors inter-se	None

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member signifying his intention to propose Shri Ashok Balasubramanian as a candidate for the office of Chairman.

None of the Directors / Key Managerial Personnel of the Company except Shri Ashok Balasubramanian are interested or concerned in the resolution.

The Directors, therefore, recommend the Ordinary Resolution for approval by members.

NOTES (Contd.)

Item No. 7

The Board, on the recommendation of the Audit Committee, has approved the appointment of the following Cost Auditors at an aggregate remuneration of ` 16.50 Lakhs plus applicable taxes and out of pocket expenses to conduct the audit of the cost records of the various units of the Company for the financial year ending March 31, 2015:

Sl. No.	Name of the Cost Auditor	Audit Fees (`)
1.	A.C. Dutta & Co., Kolkata	90,000
2.	B. M. Sharma & Co., Pune	1,80,000
3.	DGM & Associates, Kolkata	1,30,000
4.	G.R. Kulkarni & Associates, Mumbai	2,25,000
5.	Goyal, Goyal & Associates, New Delhi	45,000
6.	Jugal K. Puri & Associates, New Delhi	1,80,000
7.	K. G. Goyal & Associates, New Delhi	1,60,000
8.	Narasimha Murthy & Co., Hyderabad	2,70,000
9.	P. Raju Iyer, M. Pandurangan & Associates, Chennai	1,30,000
10.	Shome & Banerjee, Kolkata	2,40,000
	TOTAL	**16,50,000**

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company are interested or concerned in the resolution.

The Directors, therefore, recommends the Ordinary Resolution for approval by the members.

Registered Office:
IndianOil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East),
Mumbai - 400 051

By Order of the Board of Directors
For Indian Oil Corporation Limited

(Raju Ranganathan)
Company Secretary

17th July 2014

Important Communication to Members

Pursuant to Section 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, and Clause 32(i) of the Listing Agreement, Annual Report of the Company has been sent through email to those members whose email ID is registered with the Company / Depository. In case any member wants a physical copy of the Annual Report he may write to the Company Secretary / RTA.

MEMBERS WHO HAVE NOT YET REGISTERED THEIR EMAIL ADDRESS ARE REQUESTED TO REGISTER THEIR EMAIL ADDRESS EITHER WITH DEPOSITORIES OR WITH THE COMPANY IN THE FORMAT GIVEN BELOW.

FORM FOR REGISTRATION OF EMAIL ADDRESS FOR RECEIVING DOCUMENTS / NOTICES BY ELECTRONIC MODE

To,
Karvy Computershare Private Limited
Unit: Indian Oil Corporation Limited
Plot No.17 to 24,
Vittal Rao Nagar, Madhapur
Hyderabad - 500081

I agree to receive all documents / notices from the Company in electronic mode. Please register my email address given below in your records for sending communication through email.

Name of Sole / First Holder : ____________________

DP ID / Client ID / Folio No. : ____________________

PAN No. : ____________________

E-mail Address : ____________________

(Signature of Member)

Date :

Place :

Indian Oil Corporation Limited

[CIN – L23201MH1959GOI011388]

Regd. Office: 'IndianOil Bhavan', G-9, Ali Yavar Jung Marg, Bandra (E), Mumbai - 400051

Tel: 022-26447616, Fax: 022-26447961, Email Id: investors@indianoil.in, Website: www.iocl.com

ATTENDANCE SLIP

DP ID	CLIENT ID	FOLIO NO.	NO. OF SHARE(S)

I/We hereby record my/our presence at the **55th Annual General Meeting** of the Company, to be held on **Wednesday, 27th August, 2014** at **10:30 hrs.** at **Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai - 400018.**

Name of the Member____

Signature of the Member____

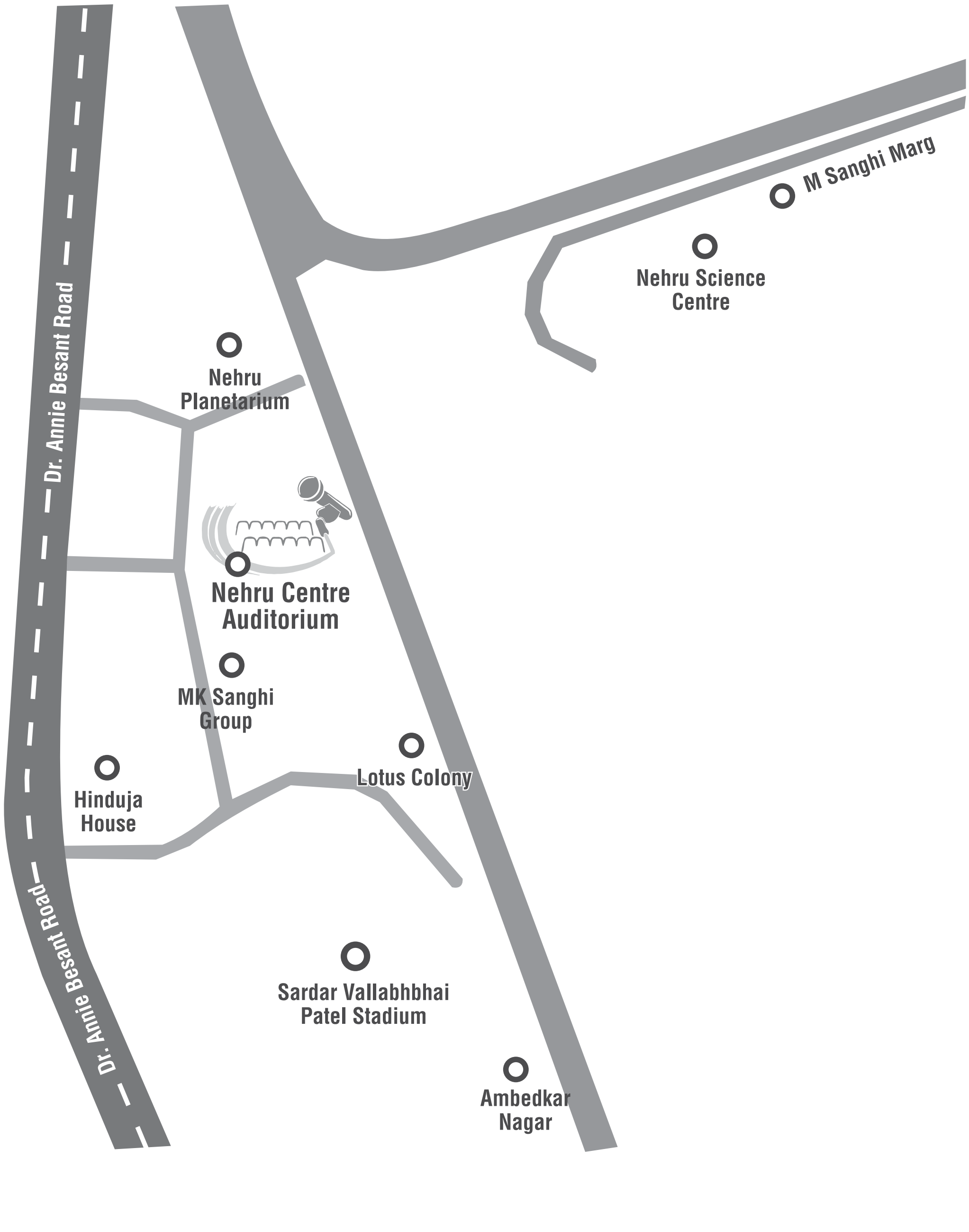
Name of the Proxy____

Signature of the Proxy____

NOTES:

1. Kindly sign and hand over the attendance slip at the entrance of the meeting hall.
2. Members/Proxy holders are requested to bring their copy of the Annual Report for reference at the meeting.

Nehru Centre Auditorium, Mumbai
Venue of IndianOil's
55th Annual General Meeting



इंडियनऑयल

Indian Oil Corporation Limited

[CIN – L23201MH1959GOI011388]

Regd. Office: 'IndianOil Bhavan', G-9, Ali Yavar Jung Marg, Bandra (E), Mumbai - 400051

Tel: 022-26447616, Fax: 022-26447961, Email Id: investors@indianoil.in, Website: www.iocl.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the member(s)	
Registered Address	
Email id	
Folio No. / Client Id	
DP ID	

I/We, being the member(s) of ………………… shares of the above named company, hereby appoint

1) .... of .... having email id .... or failing him

2) .... of .... having email id .... or failing him

3) .... of .... having email id ....

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **55th Annual General Meeting** of the Company, to be held on **Wednesday, 27th August 2014** at **10:30 a.m.** at **Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai - 400018** and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	RESOLUTIONS
	ORDINARY BUSINESS
1	To receive, consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2014 together with Reports of the Board of Directors and the Auditors thereon.
2	To declare dividend on equity shares for the year 2013-14.
3	To appoint a Director in place of Shri M. Nene (DIN: 01104975), who retires by rotation and is eligible for reappointment.
4	To appoint a Director in place of Shri V. S. Okhde (DIN: 05123549), who retires by rotation and is eligible for reappointment.
	SPECIAL BUSINESS
5	To appoint Shri Sanjiv Singh (DIN: 05280701) as Director of the Company.
6	To appoint Shri Ashok Balasubramanian (DIN: 06861345) as Chairman of the Company
7	To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2015.

Signed this …………….......... day of ……………........ 2014.

Affix Revenue Stamp

....

Signature of Member

....

Signature of first proxy holder | Signature of second proxy holder | Signature of third proxy holder

NOTE: This Proxy Form duly filled in must be deposited at the Registered Office of the Company at IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai - 400051 not less than 48 hours before the commencement of the Annual General Meeting.


IndianOil

PROFILE

Indian Oil Corporation Limited is the country's flagship national oil company and highest ranked (96th) Indian corporate in the prestigious *Fortune* 'Global 500' listing in the year 2014, with business interests straddling the entire hydrocarbon value chain.

With dominant share of national refining and pipeline capacities as well as in petroleum products' market, IndianOil has been meeting the energy needs of the country for more than five decades now. A strong workforce of about 33,800 employees has been instrumental in achieving such glorious milestones.

The company's operations are strategically structured along the core business areas viz. Refineries, Pipelines, Marketing, and Research & Development. Additionally, to keep up with the rapid changes in business environment, Business Development group was formed with a mandate to expand the existing portfolio through backward and forward integration such as embarking into Exploration & Production and venturing into Petrochemicals and Natural Gas business.

Refineries

IndianOil and its subsidiary company, Chennai Petroleum Corporation Ltd., together own and operate 10 of India's 22 refineries with a total refining capacity of 65.7 MMTPA accounting for 30.54 percent of country's refining capacity.

Presently, the Corporation's flagship, state-of-the-art 15 MMTPA refinery project at Paradip is inching closer towards commissioning. Once commissioned, this refinery will improve Corporation's competitiveness in the market and provide enhanced operational flexibility.

Pipelines

The Corporation's cross-country network of over 11,000 kms of crude oil, product and gas pipelines is the largest in the country, meeting the vital energy needs of consumers in an efficient and environment-friendly manner.

Firm action plans are in hand to augment the pipeline capacities for transportation of crude oil, petroleum products including LPG, develop crude oil tankages to improve blending in order to enable refineries to process heavier crudes as well.

Marketing

With indefatigable workforce, robust countrywide dealership/ distributorship network backed by sprawling infrastructures such as depots, terminals, aviation fuel stations, and LPG bottling plants, the Corporation caters every corner of the country in every situation, be it scorching heat or freezing cold. The rural markets of the country are being catered by Kisan Seva Kendra (KSK), special format retail outlets. The KSKs are not only becoming the new face of the organization but also bolstering its market presence. Almost every second household in India is fuelled through Indane LPG, through its vast network of retail distributors. A large network of consumer pumps are also in operation for the convenience of bulk consumers, ensuring products and inventory at their doorstep. The corporation enjoys more than 51 percent of infrastructure share in the industry as a market leader.

IndianOil's aviation service commands an enviable market share in the aviation fuel business and successfully services the demands of the Indian Defence Service, domestic and international flag carriers as well as private airlines.

PX unit at Panipat Refinery

Crude Oil Pipeline at Paradip Refinery

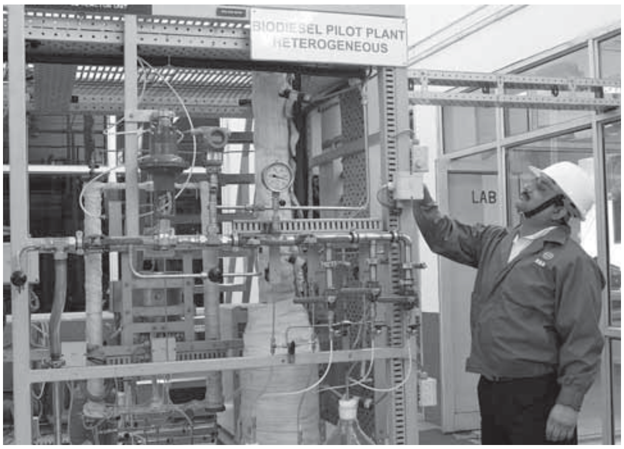
IndianOil Retail Outlet at Tamilnadu

Indane LPG, *SERVO* lubricants, PROPEL petrochemicals, are the most common and much-respected energy brands of the Corporation amongst other.

Customer centricity has been always the focus of the Corporation. Thrust has been on modernization of retail outlets through automation, stringent quality control measures, highway networking, loyalty programmes, fore court management, IVRS etc.

Research & Development

IndianOil's state-of-the-art Research & Development Centre is a pioneer in lubricants formulation, refinery processes, pipeline transportation and alternative fuels. This nodal agency of the Indian hydrocarbon sector has been instrumental in ushering in research on Hydrogen fuel in the country. DHDT technology, Light Naptha Isomerization technology, INDMAX technology (for maximizing LPGas yield), INDAdept^{G}, Oilivorous bio-remediation technology (extended to marine applications too), Diesel Hydro DeSulphurisation (DHDS) catalyst, a special Indicat catalyst for Bharat Stage - IV compliant Diesel, IndVi catalyst for improved distillate



Bio-diesel pilot plant at R&D Centre, Faridabad

and FCC throughput, and adsorbent based deep sulphurisation process for gasoline and diesel streams are some of the in-house technologies and catalysts developed by IndianOil.

Business Development

The overseas businesses in Sri Lanka, Mauritius, United Arab Emirates (UAE), Sweden, USA and the Netherlands through subsidiaries have been getting a strong foothold. The corporation is further exploring the opportunities to expand its presence in new markets.

In a very short span of time the corporation has established itself as significant player in petrochemicals production and marketing. This has not only added value to its existing refineries, but also helped it diversify and achieve downstream integration. Today, the Corporation is second largest player in the country with a wide range of portfolio meeting various market segments. In order to meet the customer requirements, a pan India supply chain network and field level administrative set ups have also been established. The Corporation's J.V. company has become the first company to produce Styrene Butadiene Rubber (SBR) in the country, which is hundred percent import substitution product.

Work station at Product Application and Developement Centre, Panipat

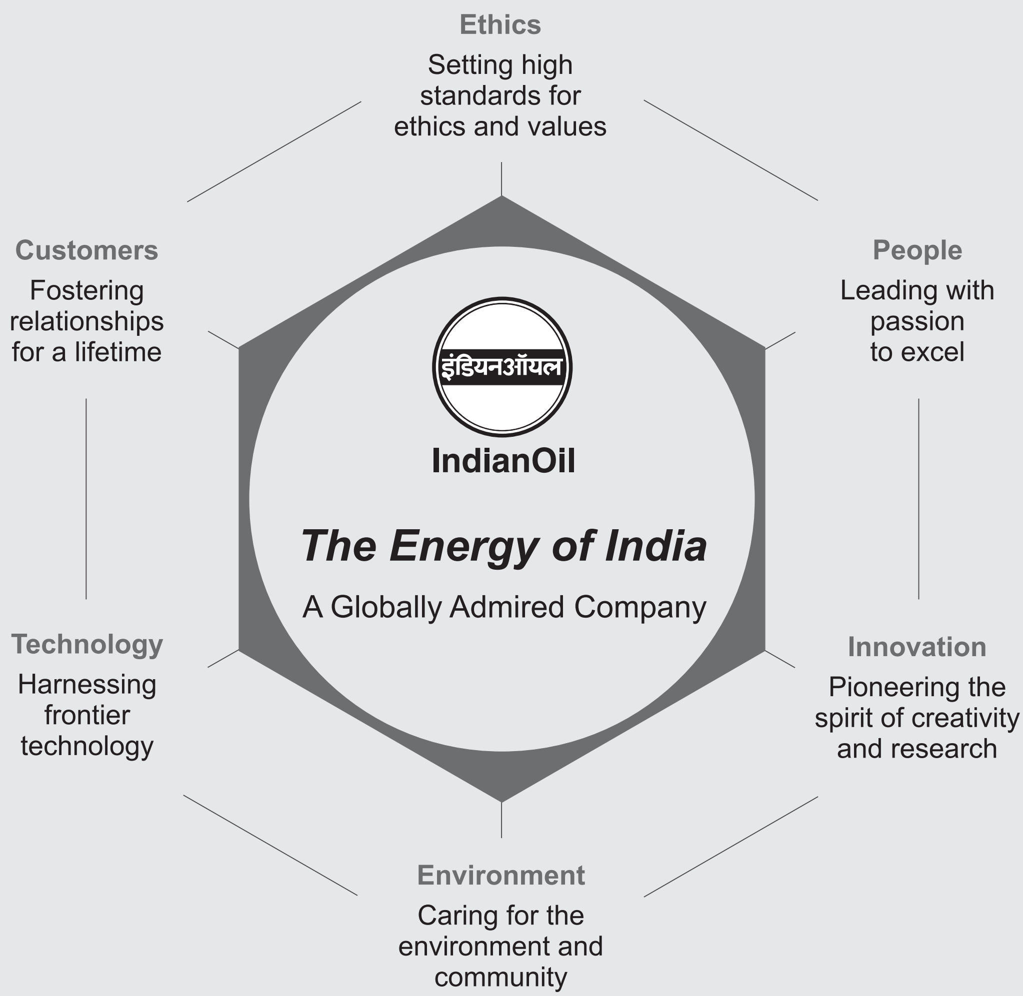
As a consortium partner in 13 domestic blocks and 11 overseas blocks, the Corporation has strengthened its position as a serious upstream player. The Corporation owns hydrocarbon producing assets overseas, in consortium by acquiring producing assets in US and Canada. In 2013-14 the Corporation has acquired 10 percent Participating Interest in the multi-billion dollar integrated upstream & LNG project - Pacific North West LNG in Canada with initial investment of US$ 1 billion, marking Corporation's biggest overseas acquisition so far.

Natural Gas Business has gathered momentum with focus on marketing, import, transportation & infrastructure development. IndianOil has marketing rights for 30 percent of the LNG procured by Petronet LNG Limited for its Dahej Terminal & upcoming Kochi Terminal. IndianOil is setting up a 5 MMTPA LNG regassificiation terminal of its own at Ennore. The Corporation has presence in City Gas Distribution through its JV companies. The Corporation and its joint venture partners have been awarded three major gas pipelines, which when completed will significantly enhance country's gas infrastructure.

The Corporation has forayed into alternative energy options such as wind, solar, bio-fuels and nuclear power. The corporation has started integrating sustainability aspects of business with its vision and core values. As a responsible corporate body, the corporation is determined to reduce emission of greenhouse gases (GHG), lower down the consumption of water and reduce waste generation in its business operations at all locations. The corporation is implementing ENCON projects at refineries to reduce GHG emission, solarising Retail Outlets, and creating rain water harvesting structured at installations as part of mitigation strategy.

In CSR, the focus area of the corporation is health and education of the community. Various health, family welfare, education, and environment related schemes are in place for enriching the quality of life of the community. The Corporation has always been at the forefront during national emergencies stepping in to provide assistance, relief and rehabilitation as well as maintaining an uninterrupted supply of petroleum products.

VISION



• Care • Innovation • Passion • Trust

OBJECTIVES AND OBLIGATIONS

Objectives

To serve the national interests in oil and related sectors in accordance and consistent with Government policies.

To ensure maintenance of continuous and smooth supply of petroleum products by way of crude oil refining, transportation and marketing activities and to provide appropriate assistance to consumers to conserve and use petroleum products efficiently.

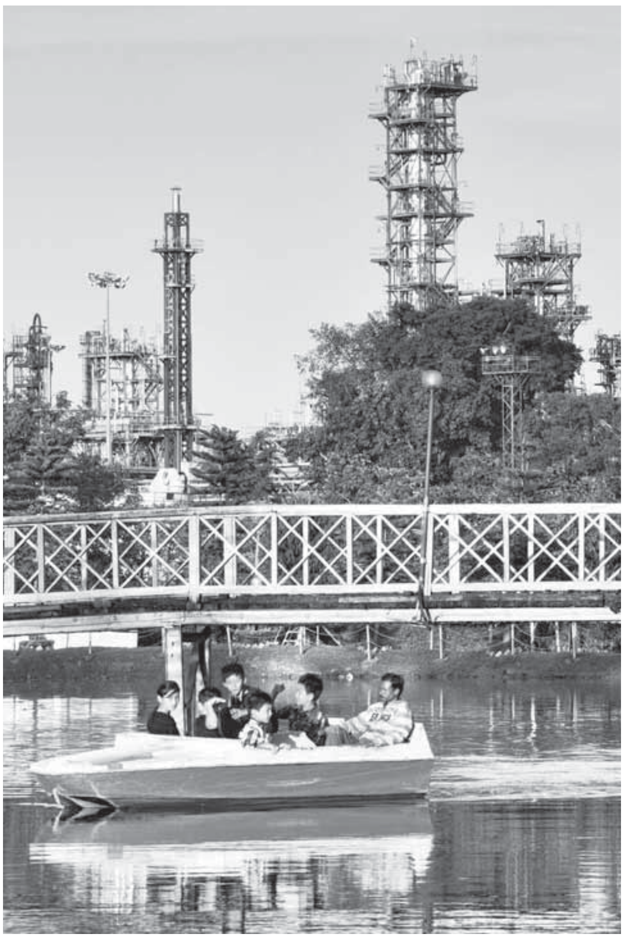
To enhance the country's self-sufficiency in crude oil refining and build expertise in laying of crude oil and petroleum product pipelines.

To further enhance marketing infrastructure and reseller network for providing assured service to customers throughout the country.

To create a strong research & development base in refinery processes, product formulations, pipeline transportation and alternative fuels with a view to minimising/eliminating imports and to have next generation products.

To optimise utilisation of refining capacity and maximise distillate yield and gross refining margin.

To maximise utilisation of the existing facilities for improving efficiency and increasing productivity.



Eco-park at Digboi Refinery

To minimise fuel consumption and hydrocarbon loss in refineries and stock loss in marketing operations to effect energy conservation.

To earn a reasonable rate of return on investment.

To avail all viable opportunities, both national and global, arising out of the Government of India's policy of liberalisation and reforms.

To achieve higher growth through mergers, acquisitions, integration and diversification by harnessing new business opportunities in oil exploration & production, petrochemicals, natural gas and downstream opportunities overseas.

To inculcate strong 'core values' among the employees and continuously update skill sets for full exploitation of the new business opportunities.

To develop operational synergies with subsidiaries and joint ventures and continuously engage across the hydrocarbon value chain for the benefit of society at large.

Obligations

Towards customers and dealers

To provide prompt, courteous and efficient service and quality products at competitive prices.

Towards suppliers

To ensure prompt dealings with integrity, impartiality and courtesy and help promote ancillary industries.

Towards employees

To develop their capabilities and facilitate their advancement through appropriate training and career planning.

To have fair dealings with recognised representatives of employees in pursuance of healthy industrial relations practices and sound personnel policies.

Towards community

To develop techno-economically viable and environment-friendly products.

To maintain the highest standards in respect of safety, environment protection and occupational health at all production units.

Towards Defence Services

To maintain adequate supplies to Defence and other para-military services during normal as well as emergency situations.

Financial Objectives

To earn adequate return on the capital employed and maintain a reasonable annual dividend on equity capital.

To ensure maximum economy in expenditure.

To manage and operate all facilities in an efficient manner so as to generate adequate internal resources to meet revenue cost and requirements for project investment, without budgetary support.

To develop long-term corporate plans to provide for adequate growth of the Corporation's business.

To reduce the cost of production of petroleum products by means of systematic cost control measures and thereby sustain market leadership through cost-competitiveness.

To complete all planned projects within the scheduled time and approved cost.


FRESH STYRENE
STORAGE TANK
25-T-18A
CAPACITY-949.85M³

Board of Directors

Shri B Ashok
Chairman

Shri A M K Sinha
Director (Planning & BD)

Shri P K Goyal
Director (Finance)

Shri Makrand Nene
Director (Marketing)

Shri V S Okhde
Director (Pipelines)

Shri Sanjiv Singh
Director (Refineries)

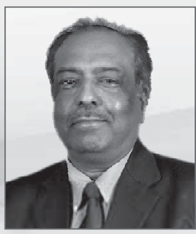
Dr. S C Khuntia
Govt. Nominee
Director

Shri Rajive Kumar
Govt. Nominee
Director

Ms. Shyamala Gopinath
Independent
Director

Shri Shyam Saran
Independent
Director

Prof. Devang Khakhar
Independent
Director



Shri K Jairaj
Independent
Director

Shri Nesar Ahmad
Independent
Director

Shri Sunil Krishna
Independent
Director

Shri Sayan Chatterjee
Independent
Director

BOARD OF DIRECTORS

1.	**Shri B. Ashok**	Chairman	w.e.f. 16.07.2014
2.	**Shri A. M. K. Sinha**	Director (Planning & Business Development) and Chairman from 01.07.2014 to 15.07.2014	
3.	**Shri P. K. Goyal**	Director (Finance)	
4.	**Shri M. Nene**	Director (Marketing)	
5.	**Shri V. S. Okhde**	Director (Pipelines)	
6.	**Shri Sanjiv Singh**	Director (Refineries)	w.e.f. 01.07.2014
7.	**Dr. S. C. Khuntia**	Government Nominee Director	
8.	**Shri Rajive Kumar**	Government Nominee Director	
9.	**Smt. Shyamala Gopinath**	Independent Director	
10.	**Shri Shyam Saran**	Independent Director	
11.	**Prof. Devang Khakhar**	Independent Director	
12.	**Shri K. Jairaj**	Independent Director	w.e.f. 20.03.2014
13.	**Shri Nesar Ahmad**	Independent Director	w.e.f. 20.03.2014
14.	**Shri Sunil Krishna**	Independent Director	w.e.f. 20.03.2014
15.	**Shri Sayan Chatterjee**	Independent Director	w.e.f. 20.03.2014
16.	**Shri Sudhir Bhalla ***	Director (Human Resources)	upto 22.05.2014
17.	**Dr. Sudhakar Rao**	Independent Director	upto 29.05.2014
18.	**Shri R. S. Butola**	Chairman	upto 31.05.2014
19.	**Dr. R. K. Malhotra**	Director (Research & Development) and Chairman from 01.06.2014 to 30.06.2014	upto 30.06.2014
20.	**Shri Rajkumar Ghosh**	Director (Refineries)	upto 30.06.2014
21.	**Prof. (Dr.) V. K. Bhalla ****	Independent Director	upto 06.08.2013

COMPANY SECRETARY

Shri Raju Ranganathan

* Shri Sudhir Bhalla, Director (Human Resources), who was in serious medical comatose state since February, 2012, passed away on 22.05.2014.

** Prof. (Dr.) V. K. Bhalla expired on 06.08.2013.

CORE TEAM

Standing (from left to right): *Shri Sanjiv Singh, Director (Refineries), Shri V S Okhde, Director (Pipelines), Shri P K Goyal, Director (Finance), Shri B Ashok, Chairman, Shri A M K Sinha, Director (Planning & BD), Shri Makrand Nene, Director (Marketing)*

SENIOR MANAGEMENT TEAM

Sanjeevanee Kutty (Ms)
Chief Vigilance Officer

N K Bansal
Executive Director (Corporate Planning & Economic Studies), Corporate Office

S Ramasamy
Executive Director I/C (Information System), Corporate Office

Satwant Singh
Executive Director (Cryogenics)

Debasis Sen
Executive Director(OSD), Corporate Office

S C Meshram
Executive Director (Consumer Sales), Marketing

H S Bedi
Executive Director I/C (Human Resource), Marketing

N Sethurathinam
Executive Director (Maintenance & Inspection), Refineries

Ashwani Sharma
Executive Director (Business Development), Corporate Office

N K Gupta
Executive Director (Optimisation), Corporate Office

S S Bapat
Executive Director (Corporate Communication & Branding), Marketing

S Krishna Prasad
Executive Director I/C (Finance), Marketing

S K Diwan
Executive Director I/C (Anti Adulteration Cell), Corporate Office

B P Baliga
Executive Director (Health, Safety & Environment), Corporate Office

S Ganguli
Executive Director I/C (Mathura Refinery)

A K Digar
Executive Director (Health, Safety & Environment), Marketing

S Balasubramanian
Executive Director (Operations), Marketing

J P Ojha
Executive Director (Northern Region Pipelines), Panipat

A N Jha
Executive Director (LPG), Marketing

S Mitra
Executive Director (Petrochemicals), Corporate Office

P M Nazirudeen
Executive Director (Co-ordination, Planning & Quality Control), Marketing

S S Samant
Executive Director I/C (Projects & Engineering), Marketing

S K Ghosh
Executive Director (Operations), Refineries

Anish Aggarwal
Executive Director (Operations), Pipelines

Barun Barpujari
Executive Director I/C (Assam Oil Division)

Projjal Chakraborty
Executive Director (Information System), Marketing

T K Basak
Executive Director (I/C) (Panipat Refinery)

Rajiv Khanna
Executive Director (Internal Audit), Corporate Office

S K Jha
Executive Director (Barauni Refinery)

V K Khurana
Executive Director I/C (Projects), Pipelines

R K Arora
Executive Director (Cryogenics)

Lee Bee Sen
Executive Director (Human Resource & CSR), Corporate Office

Indrajit Bose
Executive Director (Retail Sales), Marketing

B P Das
Executive Director (Refining Technology), R&D

B D Yadav
Executive Director (Western Region Pipelines), Gauridad

Rajiv Chawla
Executive Director (Information Systems), Corporate Office

Gautam Roy
Executive Director I/C (Gujarat Refinery)

Amresh Kapoor
Executive Director (I/C) (Regional Services, Northern Region), Marketing

Priobhash Dey
Executive Director (IndianOil Management Academy), Haldia

P Rajendran
Executive Director (Lubes), Marketing

Narinder Kumar
Executive Director (Projects), Refineries

G Ramkumar
Executive Director (Automation), Marketing

A K Chowdhury
Executive Director (Human Resource), Refineries

Rajiv Bahl
Executive Director (Finance & Treasury), Corporate Office

Ramjee Ram
Executive Director I/C – Paradip Refinery Project

Verghese Cherian
Executive Director (IndianOil Institute of Petroleum Management)

A C Mishra
Executive Director (Haldia Refinery)

Vijay Prakash
Executive Director (Panipat Refinery)

A S Malik
Executive Director (Construction), Pipelines, Bhubaneswar

S S Mishra
Executive Director (Delhi State Office)

U V Mannur
Executive Director (Tamil Nadu State Office)

A K Sharma
Executive Director (Finance), Refineries

B S Canth
Executive Director (Andhra Pradesh State Office)

G K Satish
Executive Director (Gas), Corporate Office

Ashok Sen
Executive Director (Regional Services, Western Region), Marketing

S P S Jolly
Executive Director (Health, Safety & Environment), Refineries

G Murali
Executive Director (Finance), R&D

K Venkataramana
Executive Director (Finance), Marketing

P K Singh
Executive Director (Co-ordination), Corporate Office

S Sathiavageeswaran
Executive Director (Human Resource), Marketing

A Anbezhil
Executive Director (Southern Region Pipelines), Chennai

S K Singhal
Executive Director (Maintenance & Construction), Refineries

J Pradhan
Executive Director (Human Resource), Pipelines

T S Khwaja
Executive Director (Aviation), Marketing

R Suresh
Executive Director (Lube Technology), R&D

Amita Singh (Ms)
Executive Director (Pricing), Corporate Office

S Mukherjee
Executive Director (Corporate Communication), Corporate Office

H P Sahi
Executive Director (Eastern Region Pipelines), Kolkata

K Bora
Executive Director (Assam Oil Division)

R K Mittal
Executive Director (Exploration & Production), Corporate Office

S K Dhargupta
Executive Director (Gujarat Refinery)

V K Shukla
Executive Director, Paradip Refinery Project

Sanjib Kumar
Executive Director (Technical), Mathura Refinery

M R Karandikar
Executive Director (Supplies), Marketing

Biswajit Roy
Executive Director (Human Resource Development), Corporate Office

B S Giridhar
Executive Director (Projects & Engineering), Marketing

Deepak Dhawan
Executive Director (Corporate Affairs & Law), Corporate Office

Raju Ranganathan
Executive Director (Comp.Secretary & Law)

Pranab Kumar Das
Executive Director (Punjab State Office), Chandigarh

Y K Gupta
Executive Director (West Bengal State Office), Kolkata

Gurmeet Singh
Executive Director (Rajasthan State Office), Jaipur

P Mohan Madhava
Executive Director (Pricing), Marketing

MAIN OFFICES & MAJOR UNITS

Registered Office:
IndianOil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East), Mumbai - 400 051

Corporate Office
3079/3, Sadiq Nagar,
J.B. Tito Marg, New Delhi - 110 049

Refineries Division:

Head Office
SCOPE Complex, Core-2,
7, Institutional Area, Lodhi Road,
New Delhi - 110 003

Barauni Refinery
P. O. Barauni Refinery,
Dist. Begusarai - 861 114 (Bihar)

Gujarat Refinery
P. O. Jawahar Nagar,
Dist. Vadodara - 391 320 (Gujarat)

Guwahati Refinery
P. O. Noonmati, Guwahati - 781 020 (Assam)

Haldia Refinery
P. O. Haldia Refinery,
Dist. Midnapur - 721 606 (West Bengal)

Mathura Refinery
P. O. Mathura Refinery,
Mathura - 281 005 (Uttar Pradesh)

Panipat Refinery
P. O. Panipat Refinery,
Panipat - 132 140 (Haryana)

Bongaigaon Refinery
P. O. Dhaligaon 783 385
Dist. Chirang (Assam)

Paradip Refinery Project
P.O. Jhimil, Distt. Jagatsinghpur
Odisha-754141

Pipelines Division:

Head Office
A-1, Udyog Marg,
Sector-1, NOIDA - 201 301 (Uttar Pradesh)

Northern Region
P. O. Panipat Refinery,
Panipat - 132 140 (Haryana)

Eastern Region
14, Lee Road, Kolkata - 700 020

Western Region
P. O. Box 1007, Bedipara,
Morvi Road, Gauridad,
Rajkot - 360 003 (Gujarat)

Southern Region
IndianOil Bhavan,
139, Nungambakkam High Road,
Chennai - 600 034

Marketing Division:

Head Office
IndianOil Bhavan, G-9, Ali Yavar Jung Marg,
Bandra (East), Mumbai - 400 051

Northern Region
IndianOil Bhavan, 1, Aurobindo Marg,
Yusuf Sarai, New Delhi - 110 016

Eastern Region
IndianOil Bhavan,
2, Gariahat Road (South), Dhakuria,
Kolkata - 700 068

Western Region
IndianOil Bhavan-BKC,
Plot C-33, "G" Block, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

Southern Region
IndianOil Bhavan,
139, Nungambakkam High Road,
Chennai - 600 034

R&D Centre:
Sector 13, Faridabad - 121 007 (Haryana)

Assam Oil Division:
P. O. Digboi - 768 171 (Assam)

IBP Division:
34 A, Nirmal Chandra Street, Kolkata - 700 013

AUDITORS, REGISTRAR & TRANSFER AGENT, STOCK EXCHANGES, BANKERS AND DEBENTURE TRUSTEE

STATUTORY AUDITORS
M/s Parakh & Co., Jaipur
M/s Dass Gupta & Associates, New Delhi
M/s J Gupta & Associates, Kolkata
M/s G M Kapadia & Co., Mumbai

BRANCH AUDITORS
Shri S. Jaykishan, Kolkata
M/s H D S G & Associates, New Delhi
M/s M. Thomas & Co., Chennai
M/s S.K. Naredi & Co., Kolkata
M/s S. Lall & Co., Panipat

COST AUDITORS
M/s DGM & Associates, Kolkata
M/s Shome & Banerjee, Kolkata
M/s B. M. Sharma & Co., Pune
M/s Jugal K. Puri & Associates, New Delhi
M/s K. G. Goyal & Associates, New Delhi
M/s Narasimha Murthy & Co., Hyderabad
M/s. R. M. Bansal & Co., Kanpur
M/s Thakur & Co., Kolkata
M/s ABK & Associates, Mumbai
M/s Vivekanandan Unni & Associates, Chennai

M/s Narasimha Murthy & Co., Hyderabad is the Central Cost Auditor.

REGISTRAR & TRANSFER AGENT
M/s. Karvy Computershare Pvt. Ltd.
Plot No. 17 - 24, Vittal Rao Nagar, Madhapur,
Hyderabad - 500 081
Tel.: 040-44655000, Fax: 040-44655024

STOCK EXCHANGES

BSE Ltd.
P.J. Towers, Dalal Street
Mumbai - 400 001.

National Stock Exchange of India Ltd. (NSE)
Exchange Plaza, 5th Floor,
Plot C/1, 'G' Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051.

BANKERS
State Bank of India
HDFC Bank Ltd.
United Bank of India

DEBENTURE TRUSTEE
SBICAP Trustee Company Limited
Apeejay House,
6th Floor, 3, Dinshaw Wachha Road,
Churchgate, Mumbai - 400020
Website: www.sbicaptrustee.com

GROUP COMPANIES

Name	Business
Indian Subsidiaries	
Chennai Petroleum Corporation Limited	Refining of petroleum products
IndianOil - CREDA Biofuels Limited	Plantation of Jatropha and extraction of oil for Bio-diesels
Indo Cat Pvt. Limited	Manufacturing of FCC catalyst / additive
Foreign Subsidiaries	
IndianOil (Mauritius) Ltd., Mauritius	Terminalling, Retailing & Aviation refuelling
Lanka IOC PLC, Sri Lanka	Retailing, Terminalling & Bunkering
IOC Middle East FZE, UAE	Lube blending & marketing of lubricants
IOC Sweden AB, Sweden	Investment company for E&P Project in Venezuela
IOCL (USA) Inc., USA	Participation in Shale Gas Asset Project
IndOil Global B.V., Netherlands	Exploration & Production

JOINT VENTURES

Name	Business	Partners
Avi-Oil India Pvt. Ltd.	Speciality lubricants	NYCO SA, France and Balmer Lawrie & Co. Ltd.
Delhi Aviation Fuel Facility Private Limited	Setting up and operation of Aviation Fuel Facility at Delhi Airport.	DIAL and BPCL
Green Gas Ltd.	City gas distribution	GAIL
GSPL India Transco Ltd.	Setting up of Natural Gas Pipelines	GSPL, HPCL, BPCL
GSPL India Gasnet Ltd.	Setting up of Natural Gas Pipelines	GSPL, HPCL, BPCL
IOT Infrastructure & Energy Services Ltd.	Terminalling services	Oiltanking GmbH, Germany.
IndianOil Petronas Pvt. Ltd.	Terminalling services and parallel marketing of LPG	Petronas, Malaysia.
IndianOil Ruchi Bio Fuels LLP	Bio Fuel related activities	Ruchi Soya
IndianOil Skytanking Ltd.	Aviation fuel facility projects	IOT Infrastructure & Energy Services Ltd., Skytanking GmbH, Germany.
Indian Synthetic Rubber Limited	Manufacturing of Styrene Butadiene Rubber at Panipat	TSRC Taiwan and Marubeni Japan
Lubrizol India Pvt. Ltd.	Lube Additives	Lubrizol Inc., USA
NPCIL – IndianOil Nuclear Energy Corporation Limited	For setting up Nuclear Power Plant	Nuclear Power Corporation of India Limited
Petronet LNG Ltd.	LNG Imports/distribution	BPCL, ONGC, GAIL, GDFI and ADB
Suntera Nigeria 205 Limited	Oil exploration activities.	Oil India Ltd. and Suntera Resources Ltd., Cyprus
IndianOil Adani Gas Pvt. Ltd.	City gas distribution	Adani Gas Ltd.

BPCL - Bharat Petroleum Corporation Ltd. **HPCL** - Hindustan Petroleum Corporation Ltd. **ONGC** - Oil and Natural Gas Corporation Ltd.
GAIL - GAIL (India) Ltd. **DIAL**- Delhi International Airport Pvt.Ltd. **TSRC**- TSRC Corporation, Taiwan **ADB** - Asian Development Bank
GSPL - Gujarat State Petronet Ltd. **GDFI** - Gaz de France

PERFORMANCE AT A GLANCE

	2013-14	2012-13	2013-14	2012-13	2011-12	2010-11	2009-10
	(US $ Million)		(` in Crore)				
I FINANCIAL							
Turnover (Inclusive of Excise Duty)	75,666	76,200	4,57,553	4,14,909	3,73,926	3,03,695	2,50,065
Profit Before Exceptional Items, Finance Cost, Tax, Depreciation & Amortisation (EBITDA)	3,146	3,175	19,023	17,284	21,919	16,316	18,859
Profit Before Exceptional Items, Finance Cost & Tax (EBIT)	2,193	2,219	13,263	12,083	17,052	11,769	15,632
Profit Before Exceptional Items & Tax	1,353	1,037	8,179	5,648	11,462	9,096	14,106
Profit Before Tax	1,641	1,037	9,926	5,648	3,754	9,096	14,106
Profit After Tax	1,161	919	7,019	5,005	3,955	7,445	10,221
Dividend	349	276	2,112	1,505	1,214	2,307	3,156
Dividend Tax	59	47	359	256	194	359	509
Retained Earnings	752	596	4,548	3,244	2,547	4,779	6,556
Contribution to Central & State Exchequer	14,249	14,659	86,164	79,819	78,914	77,622	57,680
Cumulative Dividend	4,252	4,334	25,713	23,601	22,096	20,882	18,575
Value Added	4,529	4,510	27,389	24,555	19,188	22,752	24,600
Distribution :							
To Employees	1,095	1,335	6,619	7,271	4,977	6,436	5,741
To Providers of Capital							
- Finance Cost	840	1,182	5,084	6,435	5,590	2,673	1,526
- Dividend	349	276	2,112	1,505	1,214	2,307	3,156
To Government- Income Tax & Dividend Tax	539	165	3,266	899	(7)	2,010	4,394
Retained in Business							
- Depreciation	953	956	5,760	5,201	4,867	4,547	3,227
- Retained earnings	753	596	4,548	3,244	2,547	4,779	6,556
What Corporation Owns							
Gross Fixed Assets	18,793	19,311	1,12,609	1,04,840	99,183	93,137	72,089
Depreciation & Amortisation	8,288	8,143	49,660	44,207	39,336	34,950	30,508
Net Fixed Assets	10,505	11,168	62,949	60,633	59,847	58,187	41,581
Capital Work In Progress (CWIP)	5,820	5,077	34,871	27,564	21,770	12,620	21,227
(including Capital Advances)							
Investments (including current investments)	3,938	3,439	23,594	18,671	18,678	19,545	22,370
Working Capital	6,066	7,487	36,347	40,646	38,251	24,036	14,679
Misc. Expenditure	18	3	110	17	20	15	18
Total	**26,347**	**27,174**	**1,57,871**	**1,47,531**	**1,38,566**	**1,14,403**	**99,875**
What Corporation Owes							
Net Worth							
- Share Capital	405	447	2,428	2,428	2,428	2,428	2,428
- Reserves	10,608	10,812	63,564	58,696	55,449	52,904	48,125
Total	**11,013**	**11,259**	**65,992**	**61,124**	**57,877**	**55,332**	**50,553**
Borrowings	14,397	14,900	86,263	80,894	75,447	52,734	44,566
Deferred Tax Liability	937	1,015	5,616	5,513	5,242	6,337	4,756
Total	**26,347**	**27,174**	**1,57,871**	**1,47,531**	**1,38,566**	**1,14,403**	**99,875**

Note: Figures for the previous year have been regrouped, wherever necessary.

PERFORMANCE AT A GLANCE (Contd.)

	2013-14 (US $)	2012-13 (US $)	2013-14 (`)	2012-13 (`)	2011-12 (`)	2010-11 (`)	2009-10 (`)
Ratios							
Earnings Per Share*	0.48	0.38	28.91	20.61	16.29	30.67	42.10
Cash Earnings Per Share*	0.87	0.77	52.63	42.04	36.34	49.39	55.39
Networth Per Share*	4.54	4.64	271.80	251.75	238.38	227.90	208.21
Debt Equity Ratio							
- Total Debt To Equity			1.31:1	1.32:1	1.30:1	0.95:1	0.88:1
- Long Term Debt To Equity			0.57:1	0.39:1	0.38:1	0.34:1	0.36:1
Return on Average Networth (%)			11.04	8.41	6.99	14.06	21.62
Return on Average Capital Employed (%)			11.45	10.69	16.48	13.90	21.61
PBT /Turnover (%)			1.79	1.36	3.07	3.00	5.64
EBITDA/Turnover (%)			4.16	4.17	5.86	5.37	7.54

* Earnings Per Share, Cash Earnings Per Share and Net Worth per Equity Share for all the periods have been adjusted for Bonus Issue in November 2009

Note: Exchange rate used:-

For 2013-14 Average Rate 1 US $ = ` 60.47 and Closing Rate 1 US $ = ` 59.92 as on 31.03.2014

For 2012-13 Average Rate 1 US $ = ` 54.45 and Closing Rate 1 US $ = ` 54.29 as on 31.03.2013

1	Value Added	Profit Before Tax + Finance Cost + Depreciation & Amortisation + Employee benefit expenses
2	Borrowings (Total Debt)	Short Term Borrowing + Long Term Borrowings + Current Maturities of Long Term Debt + Interest Accured and due on Loans
3	Net Worth	Equity Share Capital + Share Capital Suspense a/c + Reserves & Surplus
4	Capital Employed	Net Worth + Borrowings – CWIP- Misc. Expenditure
5	Earnings Per Share	Profit After Tax/Weighted average number of Equity shares
6	Cash Earnings Per Share	(Profit after tax + Depreciation & Amortisation) /Weighted average number of Equity shares
7	Networth Per Equity Share	Net Worth/ Number of Equity Shares
8	Total Debt To Equity	Borrowings/ Net Worth
9	Long Term Debt To Equity	(Long Term Borrowing + Current Maturities of Long Term Debt)/ Net Worth
10	Return on Average Networth (%)	Profit after Tax/ Average Net Worth
11	Return on Average Capital Employed (%)	EBIT/Average Capital Employed
12	PBT /Turnover (%)	Profit Before Exceptional Items & Tax/ Turnover

		2013-14	2012-13	2011-12	2010-11	2009-10
II OPERATIONS						
Operating Performance						
Product Sales						
Domestic						
- Petroleum Products	Million Tonnes	67.136	68.617	68.103	65.314	63.030
- Gas	Million Tonnes	1.935	1.830	1.723	1.638	1.683
- Petrochemicals	Million Tonnes	1.991	1.963	1.473	0.909	0.652
- Explosives	Million Tonnes	0.085	0.080	0.071	0.071	0.058
Total Domestic	**Million Tonnes**	**71.147**	**72.490**	**71.370**	**67.932**	**65.423**
Export	Million Tonnes	4.384	3.747	4.291	4.988	4.497
Total	**Million Tonnes**	**75.531**	**76.237**	**75.661**	**72.920**	**69.920**
Refineries Throughput	**Million Tonnes**	**53.126**	**54.650**	**55.621**	**52.962**	**50.696**
Pipelines Throughput	**Million Tonnes**	**73.069**	**75.166**	**75.549**	**68.512**	**65.007**

		2013-14	2012-13	2011-12	2010-11	2009-10
III MANPOWER	Numbers	33,793	34,084	34,233	34,105	34,363

ENERGY BRANDS

इंडियनऑयल IndianOil SERVO®
WORLD-CLASS LUBRICANTS
100% PERFORMANCE. EVERYTIME.

इंडियनऑयल IndianOil autogas®
EXPERIENCE THE ECO-DRIVE

इंडियनऑयल IndianOil XTRA care
Fuel Station
Fuels and More

इंडियनऑयल IndianOil Indane
SAFE·RELIABLE·CONVENIENT

इंडियनऑयल IndianOil PROPEL™
100% TRUST. 100% VALUE.
A range of world-class petrochemicals

इंडियनऑयल IndianOil Aviation
Our groundwork takes you sky high

इंडियनऑयल IndianOil KISAN SEVA KENDRA

इंडियनऑयल IndianOil XTRAPOWER
EASY FUEL

इंडियनऑयल IndianOil XTRAPOWER
FLEET CARD
CONVENIENT, SECURE & REWARDING.

इंडियनऑयल IndianOil XTRAREWARDS™
XTRA REWARDS. XTRA VALUE

DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors, it gives me immense pleasure to present the 55th Annual Report of the Corporation for the financial year ended 31st March 2014, alongwith the Audited Statement of Accounts, Auditors' Report and the Report of the Comptroller & Auditor General of India on the Accounts.

PERFORMANCE REVIEW

FINANCIAL

	2013-14		2012-13	
	US$ Million	**` in Crore**	US$ Million	` in Crore
Turnover (inclusive of Excise Duty)	75,666	4,57,553	76,200	4,14,909
EBITDA (Profit Before Exceptional Items, Finance Cost, Tax, Depreciation & Amortisation)	3,146	19,023	3,175	17,284
Finance Cost	840	5,084	1,182	6,435
Depreciation	953	5,760	956	5,201
Profit Before Tax & Exceptional Items	1,353	8,179	1,037	5,648
Exceptional Items	288	1,747	-	-
Profit Before Tax	1,641	9,926	1,037	5,648
Tax Provision	480	2,907	118	643
Profit After Tax	1,161	7,019	919	5,005
Balance Brought Forward from Last Year	399	2,174	-	-
Less: Appropriations				
Proposed Dividend	349	2,112	276	1,505
Corporate Dividend Tax	59	359	47	256
Insurance Reserve	3	20	4	20
Bond Redemption Reserve	198	1,196	97	528
CSR Reserve	(3)	(17)	4	22
General Reserve	954	5,523	92	500
Balance Carried to Next Year	-	-	399	2,174

SHARE VALUE

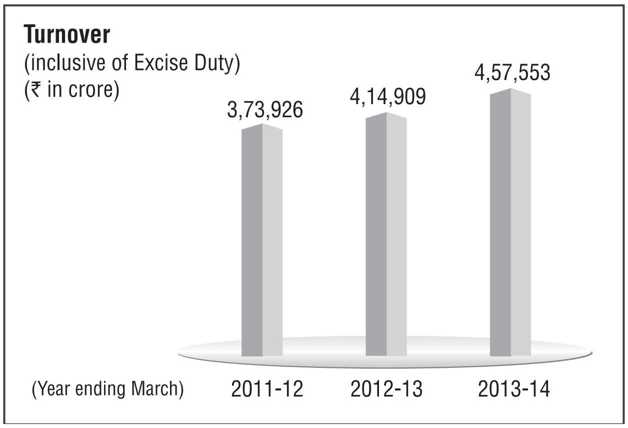
	2013-14		2012-13	
	US$	**`**	US$	`
Cash Earnings per share	**0.87**	**52.63**	0.77	42.04
Earnings per share	**0.48**	**28.91**	0.38	20.61
Book value per share	**4.54**	**271.80**	4.64	251.75

Note: Exchange Rate used:-
For 2013-14 Average Rate 1 US$ = ` 60.47 and Closing Rate 1 US$ = ` 59.92 as on 31.03.2014
For 2012-13 Average Rate 1 US$ = ` 54.45 and Closing Rate 1 US$ = ` 54.29 as on 31.03.2013

PHYSICAL

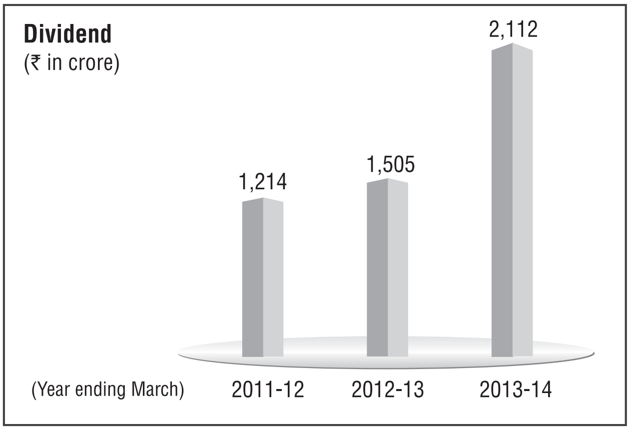
Million Tonnes

	2013-14	2012-13
Refineries Throughput	**53.13**	54.65
Pipelines Throughput	**73.07**	75.17
Product Sales (incl. of Gas, Petrochemicals & Exports)	**75.53**	76.24



DIVIDEND

The Board of Directors of your Corporation is pleased to recommend a dividend of 87%, i.e., ₹ 8.70 per equity share of ₹ 10/- each, on the paid-up Share Capital as against ₹ 6.20 per share declared in the previous year. This is the 47th consecutive year for which your Corporation has recommended payment of dividend. So far, your Corporation has paid a cumulative dividend of ₹ 23,601 crore, excluding the dividend of ₹ 2,112 crore payable for the current year, subject to approval by shareholders. The dividend shall be paid to the members whose names appear in the Register of Members as well as the Beneficial Ownership Position provided by NSDL/CDSL as on 19th August, 2014.

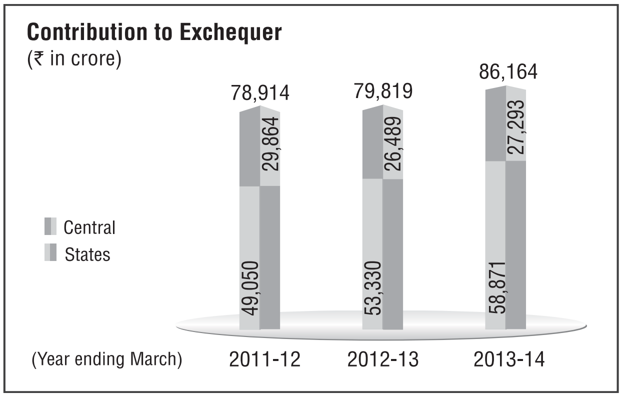


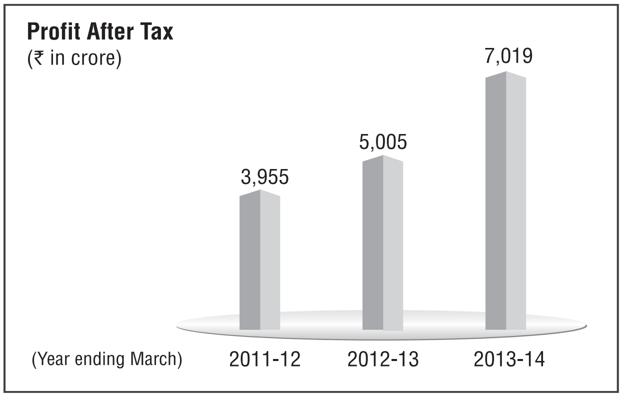
PUBLIC DEPOSIT SCHEME

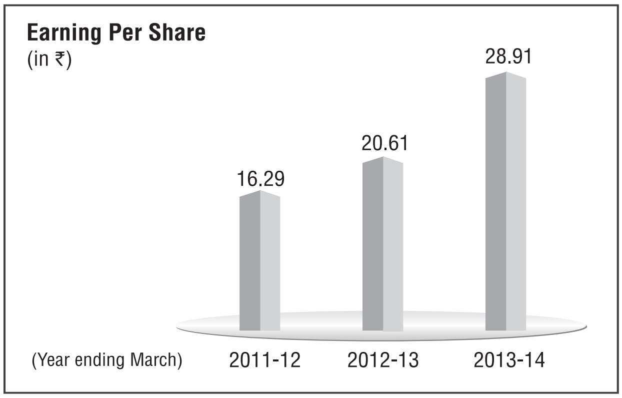
The Public Deposit Scheme of the Corporation was closed with effect from 31st August, 2009. The total outstanding deposits as on 31.03.2014 were ₹ 55,000/-.

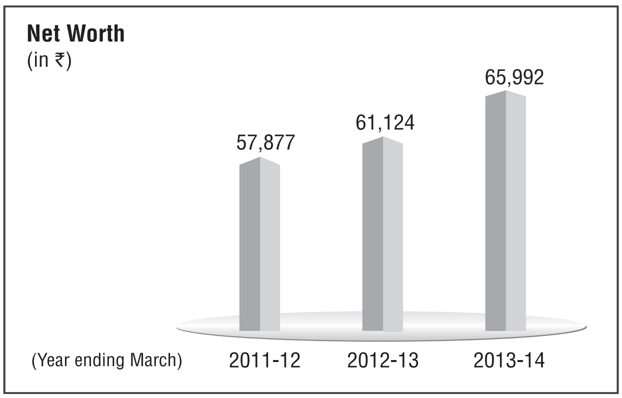
CONTRIBUTION TO EXCHEQUER

Your Corporation has consistently been the largest contributor to the national exchequer in the form of duties and taxes. During the year 2013-14, ₹ 86,164 crore was paid to the exchequer as against ₹ 79,819 crore paid in the previous year. An amount of ₹ 27,293 crore was paid to the Central Exchequer and ₹ 58,871 crore to the State Exchequers as against ₹ 26,489 crore and ₹ 53,330 crore paid in the previous year to the Central and State Exchequers respectively.

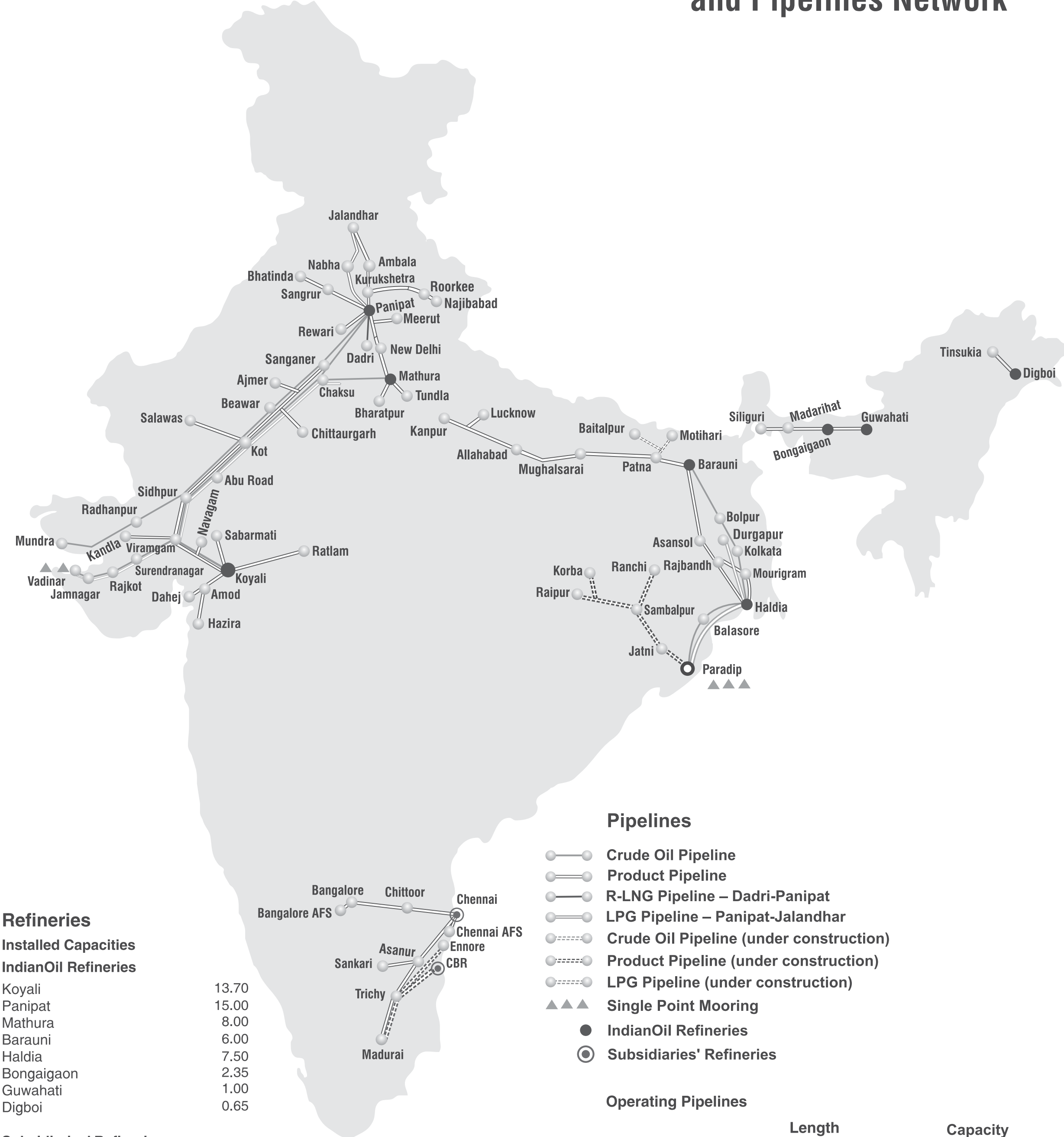








IndianOil Group Refineries and Pipelines Network



Pipelines

- Crude Oil Pipeline
- Product Pipeline
- R-LNG Pipeline – Dadri-Panipat
- LPG Pipeline – Panipat-Jalandhar
- Crude Oil Pipeline (under construction)
- Product Pipeline (under construction)
- LPG Pipeline (under construction)
- Single Point Mooring
- IndianOil Refineries
- Subsidiaries' Refineries

Refineries

Installed Capacities

IndianOil Refineries	
Koyali	13.70
Panipat	15.00
Mathura	8.00
Barauni	6.00
Haldia	7.50
Bongaigaon	2.35
Guwahati	1.00
Digboi	0.65
Subsidiaries' Refineries	
CPCL, Chennai	10.50
CPCL, Narimanam	1.00
Group Total	65.70
Paradip (upcoming)	15.00

(Figures in million metric tonnes per annum, equivalent to 20,000 barrels per day)

Operating Pipelines

	Length (km)	Capacity
Crude Oil Pipelines	4,448	40.40 MMTPA
Product Pipelines	6,632	37.09 MMTPA
Gas Pipeline	134	9.5 MMSCMD
Total	**11,214**	

(As on 31st March 2014)

(Map not to scale)

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, your Corporation has prepared the Consolidated Financial Statement of its subsidiaries and joint venture entities. The highlights of the Consolidated Financial Results are as follows:

	2013-14		2012-13	
	US$ million	` in crore	US$ million	` in crore
Turnover (inclusive of Excise Duty)	78,697	4,75,878	79,328	4,31,940
Profit Before Tax	1,650	9,978	827	4,504
Profit After Tax	1,152	6,967	666	3,627
Less: Share of minority	(20)	(119)	(151)	(822)
Profit for the group	1,172	7,086	817	4,449

Note: Exchange Rate used:
For 2013-14 Average Rate 1 US$ = ` 60.47
For 2012-13 Average Rate 1 US$ = ` 54.45

CORPORATE GOVERNANCE

Your Corporation consistently endeavours to adopt the best practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning. The Corporate Governance Report highlighting these endeavours has been incorporated as a separate section, forming part of the Annual Report.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

The Management's Discussion & Analysis Report (MDA) for the year 2013-14, as required under Corporate Governance guidelines, has also been incorporated as a separate section forming part of the Annual Report.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report forms part of the Annual Report in accordance with the directives of SEBI vide circular dated 13th August, 2012 mandating the top 100 listed entities (including IndianOil) to include Business Responsibility Report on initiatives taken with regard to environmental, social & governance perspectives.

SECRETARIAL AUDIT

As a good corporate governance practice, your Corporation has been conducting secretarial audit of its records and documents since 2009-10. The Secretarial Audit Report for the year 2013-14 confirms that the Corporation has complied with all the applicable provisions of the corporate laws, guidelines, rules, etc. The report, duly certified by a practising Company Secretary, is provided separately in the Annual Report.

CODE OF CONDUCT

The Board of your Corporation has enunciated a code of conduct for the Directors and Senior Management Personnel, which has been circulated to all concerned and has also been hosted on the corporate website. The Directors and Senior Management Personnel have affirmed compliance with the code of conduct, except Shri Sudhir Bhalla, Director(HR), who was in a serious medical comatose condition since February, 2012.

MoU PERFORMANCE

As in the past, the Memorandum of Understanding (MoU) of your Corporation with the Govt. of India setting the performance parameters for the year 2013-14 was signed by the Chairman, IndianOil, and the Secretary (P&NG), Govt. of India, on 25th March, 2013. The thrust while arriving at the MoU targets was broadly on the long term perspective, while at the same time covering all

Transaction agreement signed with Petronas

the critical operations of the Corporation, including crude throughput, Product Pipeline throughput, Project implementation, Capital expenditure, Distillate yield, Energy Factor, Safety, Quality and new areas of Business Development. Specific weightage has also been assigned to CSR, Sustainable Development, HRM and R&D.

Despite the various challenges during the year 2013-14, the Corporation was able to meet the MoU targets under various parameters as per the MoU with the Government. The Corporation has earned "Excellent" MoU performance rating consistently from 1989-90 to 2012-13 (except in the year 2006-07). The performance rating for 2013-14 MoU is yet to be finalised by the Government.

Project 'Chetna' being launched

OPERATIONAL PERFORMANCE

Refineries

The year 2013-14 was a significant year for your Corporation's Refineries Division in terms of many initiatives taken for improving plant reliability and consolidation of operations in pursuit of excellence. The refineries achieved the combined distillate yield of 78.1 wt% during the year, which is the same as that achieved in the previous year. The eight refineries of your Corporation achieved a combined crude oil throughput of 53.13 million tonnes during the year, with an overall capacity utilisation of 98%, as against a throughput of 54.65 million tonnes and capacity utilisation of 100.8% in the previous year. The marginal fall in the throughput and capacity utilisation is mainly due to the shutdown of Mathura Refinery for a period of 45 days for project related activities. The refineries also recorded the lowest ever specific energy consumption of 55.8 MBTU/BBL/NRGF (MBN*) during the year. Nine new crude oil grades (including high-TAN crudes

Inspecting the work progress at Paradip Refinery

such as Marlim and Dalia) were processed by the Corporation's refineries for the first time during the year in order to widen the crude basket for derisking supply sources and to improve the margins.

*MBN–Thousand British Thermal Unit / Barrel / Energy Factor (MBTU/BBL/NRGF)

Pipelines

The Corporation's pipelines network achieved a throughput of 73.07 million tonnes in 2013-14 as against a throughput of 75.17 million tonnes achieved in the previous year. The marginal drop in the throughput was due to reduction in throughput of the refineries. The product pipelines achieved a throughput of 27.21 million tonnes during the year as against 27.77 million tonnes in the previous year. Similarly, the crude oil pipelines registered a throughput of 45.86 million tonnes during the year as against 47.40 million tonnes in the previous

Best Station Award Ceremony in Pipeline Division

year. The gas pipeline recorded the highest ever throughput of 1168 MMSCM, surpassing the previous highest throughput of 960 MMSCM achieved during the previous year. The combined length of your Corporation's network of crude oil, product and gas pipelines as on 31.03.2014 was 11,214 km.

Marketing

IndianOil maintained its position as the market leader for the year 2013-14 with domestic sales of 67.14 million tonnes of petroleum products. However, the overall volumes registered a drop of 1.5 million tonnes as compared to the previous year on account of the prevailing dual-pricing policy in diesel resulting in decline in bulk sales of diesel. However, the Corporation performed well in retail sales of diesel.

To keep pace with the high growth in the retail business, 1,717 retail outlets (including 764 *Kisan Seva Kendra Outlets*) were commissioned during the year,

Inauguration of 100% Automated RO in Jamnagar, Gujarat

raising their total number to 23,993. The contribution of KSK outlets to total sales during the year reached a new high of 11.6% in Petrol(Retail) & 11.7% in Diesel(Retail). 1,700 ROs were brought under automation during the year, taking the total number of automated retail outlets to 6,077. The concept of NANF (No Automation, No Fuelling) was extended to over 1,150 more retail outlets during the year. The concept of city specific automation was implemented in all retail outlets of 4 cities viz. Chandigarh, Mangalore, Jamnagar and Vadodara.

IndianOil increased its market share in the LPG segment during the year and released a record number of new connections, besides augmenting its bottling and storage capacities and expanding its distributorship network, especially in the rural areas. New initiatives were launched to enhance product availability and customer convenience, such as portability of LPG connection within and across companies and sale of 5-kg free-trade LPG cylinders through select ROs and *kirana* stores. A record 80.3 lakh new domestic LPG connections were released, raising the *Indane* customer strength to 817.9 lakh. 106 regular LPG distributorships and 478 RGGLV distributorships were commissioned during the year to further expand the retail network.

Between June 2013 and January 2014, the Aadhaar based DBTL (Direct Benefit Transfer in LPG) Scheme for subsidy transfer directly to the beneficiaries was introduced in 6 phases, covering 3,732 distributors and 4.24 crore Indane consumers of IndianOil. Under this unique scheme, 12.1 million consumers were benefited and more than ` 2,230 crore was transferred to the Aadhaar linked bank account of individual consumers. At present, the scheme has been kept in abeyance and a committee has been constituted to review the scheme for better implementation.

Dealer Convention at Trichy

IndianOil's finished lube sales registered a decline of 1.7% over the previous year. Constraints in availability of base oil from Chennai Petroleum Corporation (CPCL) Refinery and non-availability of rubber process oil over a four-month period affected the overall sales volumes for the year 2013-14. Besides launch of a new lubricant for gearless scooters during the year, long-term tie-ups were concluded with major customer groups for marketing a wide range of products and approvals obtained for the *SERVO* range products from leading Equipment

PROJECTS

IndianOil has always accorded top priority to timely completion of projects and its dedicated project teams ensure that the construction and commissioning of the projects is done seamlessly. The list of the major projects, both completed and ongoing is as under:-

Completed Projects

- Butadiene extraction unit at Panipat Naphtha Cracker Complex.
- Styrene Butadiene Rubber (SBR) plant at Panipat through a JV company.
- Revamp of Fluidized Catalytic Cracking Unit (FCCU) at Mathura Refinery.
- Butene-1 Unit at Panipat Naphtha Cracker Complex.
- Marketing terminal at Chittoor.
- Automation of 20 bulk product storage terminals.
- Automation of 1700 retail outlets.

Ongoing Projects

- 15 million tonnes per annum grassroots refinery at Paradip, Odisha.
- Installation of a demonstration unit of INDAdept[G] at Guwahati Refinery.
- Reverse Osmosis (RO) unit for ETP water at Gujarat Refinery.
- Installation of a new gas turbine alongwith heat recovery steam generator at Gujarat Refinery.
- Coke chamber replacement at Coker-A at Barauni Refinery.
- Distillate yield improvement (Coker) project at Haldia Refinery.
- Polypropylene project at Paradip Refinery.
- Installation of feed preparation unit at Haldia Refinery.
- Pet Coke evacuation project at Paradip Refinery.
- Debottlenecking of Salaya-Mathura crude oil pipeline.
- Augmentation of the Paradip-Haldia-Barauni crude oil pipeline.
- Cauvery Basin Refinery - Trichy product pipeline.
- Paradip-Raipur-Ranchi product pipeline and associated tap-off point.
- Paradip-Haldia-Durgapur LPG pipeline.
- Mourigram-Kolkata Airport ATF pipeline.
- New tap-off point at Jasidih, Jharkhand, on the Haldia-Barauni-Kanpur pipeline.
- Product evacuation facilities at Paradip.
- Tap-off point at Mohanpura, Rajasthan on the Koyali-Sanganer pipeline
- Ennore-Trichy-Madurai LPG pipeline
- Patna-Motihari-Baitalpur pipeline
- Revamping of fire water system at crude oil tank farm locations
- Modernisation of lube blending plant at Trombay.
- LPG import terminal at Kochi.
- LPG bottling plants at Mysore and Tirunelveli.

Builder Approver (EBA) / Original Equipment Manufacturers (OEMs) in India and abroad. A breakthrough was achieved in overseas marketing with export of 165 kl of marine engine oils to Madagascar, Yemen and Nigeria.

IndianOil's Aviation Service maintained its leadership position during the year by improving its market share to an all-time high of 64.5%. Against the Industry growth of 4.4%, IndianOil aviation fuel sales registered a volume growth of 6% during the year. The improvement in market share was largely aided by aggressive bidding in the international sector and strong tie-ups with major players in the domestic sector.

Assam Oil and IBP Divisions

The Assam Oil Division (AOD) continued to play a vital role in ensuring supply of petroleum products in the north-east region. The Digboi Refinery processed 0.65 million tonnes of crude oil during the year.

During the year, the Explosives and Cryogenics businesses of IBP Division continued with its robust performance and recorded the highest ever production and sales of explosives and cryocans. The Explosives group manufactured and sold 85,264 MT of explosives during the year, recording growth of 6.16% over previous year's volume of 80,313 MT. The Cryogenics group sold 23,747 units of cryocans during 2013-14, recording 28.83% growth over the previous year's sale of 18,433 units. The Cryogenics group designed and manufactured a liquid oxygen storage tank and delivery system alongwith PLC controls for the Naval Materials Research Laboratory (NMRL), DRDO, Ministry of Defence, Government of India. This was the country's first indigenous land based prototype for fuel cell powered submarines.

RESEARCH & DEVELOPMENT

During the year, your Corporation's R&D Centre at Faridabad made significant progress in the demonstration and commercialisation of some of the technologies developed inhouse. The Centre expanded the OEM approval base

Inauguration of Refining Technology Block (North) at R&D Centre, Faridabad

of *SERVO* lubricants with the development of new formulations of low-viscosity and energy-efficient lubricants. During the year, 130 lubricant formulations were developed and 48 product approvals were obtained from OEMs & Defence services. The IndMax technology developed by the Centre is being actively considered by refineries of other Oil Companies besides the 4.17 million tonnes per annum IndMax unit at your Corporation's Paradip Refinery. The demonstration unit of INDAdept[G], another technology developed by IndianOil's R&D Centre with low Hydrogen consumption for Sulphur reduction in Motor Gasoline, is being implemented at the Corporation's Guwahati Refinery. The R&D Centre has developed a process "OCTAMAX" for upgradation of C4 hydrocarbons from refinery LPG stream to high-octane gasoline blending stock. The Bio-Energy Research Centre has signed an agreement with Lanzatech to develop a micro-algae technology that entails development of an acetate-to-lipid pathway and evaluation of its viability for CO_2 gas fermentation technology.

Inauguration of TAXSYS-Tax Management Software

In order to harness futuristic energy sources, your Corporation took the initiative of setting up IndianOil Centre for Alternative & Renewable Energy (i-CARE) at Manesar, near Delhi. Besides, Bio-Energy, this Centre will also focus on gasification technology, solar, thermal and hydrogen energy, including fuel cells.

Research activities carried out during the year resulted in filing of 54 new patents, surpassing the previous year's record of 52 patents. Eleven patents were granted during the year including overseas patents taking the number of patents owned by the Centre to 292 as on 31.03.2014.

EXPANDING BUSINESS

Beyond the core business of refining, transportation and marketing of petroleum products, your Corporation has been working towards strengthening its presence in the oil & gas value chain. The Corporation's endeavours in diversified businesses such as Petrochemicals, E&P, Gas and Alternative Energy sources have over the years consolidated, establishing it as a major player in some of these new areas. These diversified businesses have made the Corporation's portfolio more vibrant and have also begun contributing to its bottomline.

Petrochemicals

Your Corporation has emerged as the second largest petrochemicals player in the country. During the year, your Corporation's petrochemicals business

Petrochemical Conclave 2014

scaled new heights and achieved the highest ever sales since its inception. The Corporation sold 2.12 million tonnes of petrochemicals (including exports) against 2.08 million tonnes during the previous year. New overseas markets, covering 16 countries in Africa, Latin America & Europe, were added to the export list during the year.

During the year, your Corporation developed six new polyethylene and polypropylene grades with a view to increase its customer base. Besides this, nine Original Equipment Manufacturer (OEM) approvals were obtained during the year for the Corporation's polymer products.

During the year, your Corporation's persistent endeavours in the petrochemicals space helped it extend its frontiers with the commissioning of 138 kta Butadiene Extraction Unit (BDEU) and 120 kta Styrene Butadiene Rubber (SBR) plant at Panipat. This SBR plant, set up as a joint venture, is India's first for import substitution.

Gas

Gas business presents a major opportunity for your Corporation to maximize its prospects across the gas value chain. During the year, the Corporation's gas sales grew by 5.7%, reaching 1.94 million tonnes against sales of 1.83 million tonnes achieved in the previous year. LNG sales through 'LNG at the Doorstep' business model increased to 30,036 MT, registering a growth of 16%.

Your Corporation's endeavours in strengthening its presence in the gas infrastructure and delivery capability in the country received a major boost as its consortium with other partners was awarded authorisation for city gas distribution projects in the cities of Chandigarh & Allahabad. The Corporation has also booked 1.5 million tonnes per annum additional LNG capacity at Dahej Terminal of Petronet LNG Limited. The Corporation is also currently setting up its maiden 5-million tonnes per annum LNG import, storage and regasification terminal at Ennore, which is targeted for completion in 2016-17. The work is progressing in three pipeline projects being implemented through two joint ventures (GSPL India Gasnet Limited and GSPL India Transco Limited) in which IndianOil has 26% of equity participation.

Exploration & Production (E&P)

Your Corporation has a portfolio of 13 domestic and 11 overseas blocks currently. Among the domestic blocks, the Corporation is the operator with

Drilling site of exploratory well in Gujarat

100% participating interest in 2 onshore exploration blocks in Cambay basin and holds non-operating participating interest in the range of 20% to 44% in the remaining blocks. In the overseas blocks located across eight countries, the Corporation holds non-operating participating interest in the range of 3.5% to 50%. Your Corporation had acquired 10% working interest in the producing Niobrara Shale Oil Asset in the State of Colorado, USA, in October, 2012.

During the year, your Corporation expanded its overseas portfolio with the acquisition of 10% interest in new integrated upstream & LNG project- the Pacific North West LNG, based on unconventional gas, in British Columbia, Canada. This interest was acquired through a wholly owned subsidiary of the Corporation incorporated in Netherlands, which in turn incorporated a wholly owned subsidiary in Canada. This is a producing asset with total gross 2P reserves of 8.35 tcfe and has generated a gross revenue of CAD 1.56 million during the year. The Corporation will have access to assured LNG supply of 1.2 million tonnes per annum from this project for a minimum period of 20 years.

Alternative Energy

Your Corporation has been expanding its presence in the alternative energy space. During the year, the Corporation commissioned a 14.7 MW capacity wind energy project at Gandikota in Andhra Pradesh. With this, total renewable installed capacity of the Corporation reached 68 MW, which includes 63 MW of wind and 5 MW of solar energy.

Sustainable Development

Sustainable Development is a key tenet of the business philosophy of your Corporation. During the year, the Corporation solarised 887 retail outlets taking the total number of solarised retail outlets to 1265. During the year, solar PVs were installed at 13 repeater-cum-cathodic protection stations of Southern Region Pipelines, Orissa State Office building and Divisional Office at Indore. With a view to reduce the water footprint of the organisation and to increase water availability for daily operations through rainwater harvesting, the Corporation commissioned rainwater-harvesting systems in 54 locations during the year. Energy audit was completed for 51 office buildings in various locations. The Corporation's Sustainability Report 2012-13 in e-version as well as an abridged printed version of highlights were released during the year. The report is compliant with the Global Reporting Initiative, GRI G3.1 and OGSS with A+ rating from an external assurance agency.

Consultancy Services

Leveraging its vast experience in core business activities, your Corporation has been providing consultancy services, especially to refiners in other developing countries. During the year, it continued having structured interactions with prospective countries and received offers for consultancy services in various refinery projects.

INTERNATIONAL TRADE

Your Corporation imported 42.55 million tonnes of crude oil valued at ` 2,02,492 crore during the year, as against 42.53 million tonnes valued at ` 1,84,559 crore in the previous year, to meet its crude oil requirements through a carefully selected and diversified mix of supply sources. The import of petroleum products during the year was 3.74 million tonnes, valued at ` 21,414 crore, as against 4.26 million tonnes valued at ` 21,289 crore in the previous year. The Corporation also exported petroleum and petrochemical products worth ` 21,525 crore during the year as against ` 18,549 crore in the previous year.

BUSINESS PROCESS OPTIMISATION

Your Corporation's Business Process Optimisation group continues to play key role in improving refinery margins through reduction in crude input cost for which several initiatives were taken to process new and cheaper crudes. Further, crude and product inventories were managed through optimum purchases. Investment proposals for new projects were evaluated under various scenarios of demand and prices through optimisation models, which helped in assessing the net impact of the investment on the overall corporate profitability.

IndianOil Pavilion at GASTECH 2014

INFORMATION SYSTEMS

Your Corporation maintained 100% uptime of its centralised online SAP operations during the year. An SMS indenting system was introduced for LPG as well as other consumer groups, for enhanced customer satisfaction. The purchase functions of the Corporation spread across the country use the e-tendering application for purchase of goods and services. During the year, several IT-enabled marketing initiatives were launched, such as *X-Sparsh*, *X-Snehash*, Dealer Annual Return and Retail Dashboard to facilitate interaction with and reporting by retail outlet dealers.

HEALTH, SAFETY & ENVIRONMENT (HSE)

Your Corporation is committed to conduct its business with a strong environment conscience, ensuring sustainable development, safe workplaces and enrichment of the quality of life of its employees, customers and the community at large. All IndianOil refineries are certified to ISO:14064 standards for sustainable development as well as for the Occupational Health & Safety Management System (OHSMS/OHSAS-18001), besides operating fully equipped occupational health centres. Compliance with safety systems and procedures and environmental laws is being monitored at the unit level, division level and corporate level. The HSE activities of the Corporation are reviewed in every Board meeting. During the year, planned and surprise safety audits were carried out at various offices and locations. A safety culture improvement project

World Environment Day celebration at R&D Centre, Faridabad

named 'SEED' – Safety in Each & Every Deed' was launched during the year at Gujarat Refinery. M/s. DuPont – the global leader in employee safety have been engaged for the purpose for a period of three years.

ENERGY CONSERVATION

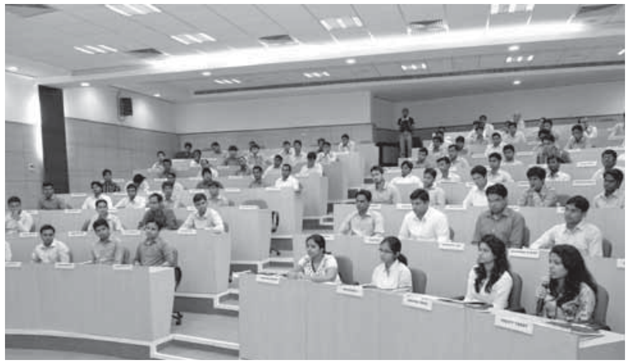
Your Corporation continuously gives thrust on Energy conservation through extensive performance monitoring at all its refineries and units. Keeping abreast with the latest technological developments and global best practices is a major thrust area for your Corporation in achieving energy conservation. As a result of the various energy conservation measures undertaken on a continuous basis, the energy performance parameter in terms of MBN* of IndianOil refineries during the year is down to 55.8, which is the best ever achieved, as also against the energy index of 56.3 in the previous year. The energy conservation schemes implemented during the year resulted in an estimated fuel savings of 1,02,800 MT of Standard Refinery Fuel (SRF), valued at about ` 420 crore. In addition, various initiatives are taken to highlight the importance of energy conservation through seminars and campaigns for retail and bulk consumers.

*MBN– Thousand British Thermal Unit / Barrel / Energy Factor (MBTU/BBL/NRGF)

HUMAN RESOURCES

The employee strength of the Corporation was 33,793 as on 31.03.2014; consisting of 15,407 executives and 18,386 non-executives. This includes 2,642 women employees comprising 7.82% of the total workforce. Besides, maintaining a cordial industrial relations climate during the year, your Corporation continued to provide comprehensive welfare facilities to all members of the IndianOil family.

Your Corporation has always encouraged participative culture in the management by adopting a consultative approach with the collectives, establishing a harmonious relationship for industrial peace and higher productivity. Employees' participation is ensured through information-sharing with the collectives and employees on a regular basis while seeking their support, suggestions and co-operation. The efforts to promote employees' participation in management were continued during the year through activities such as Suggestions Scheme, Quality Circles, Total Productive Maintenance (TPM), Mentoring, etc.



IndianOil's apex learning centre at Gurgaon

Your Corporation has adopted forward-looking strategies such as women development and gender equality in pursuit of its commitment to diversity and inclusiveness. Women employees are rendered support through various initiatives to deal with their dual obligations with optimum results, both for

Work in progress at PADC Lab, Panipat

them and for the organisation. All women employees have equal opportunities, equal rights and equal responsibilities. In addition, there are women-oriented policies, viz. child adoption leave, child care leave, special leave without pay. WIPS cells (formed under Forum for Women in Public Sector) strive to empower women by undertaking numerous developmental activities not only for the women employees of the Corporation but also for those in the neighbourhood of its units.

A number of strategic interventions were initiated during the year to rejuvenate the organisation through a dynamic hierarchy of executives covering the entire employee lifecycle. Some of the key initiatives that were implemented for the executives include a comprehensive transfer policy and career path model; succession planning – through leadership centres and multi-rater feedback mechanism; new accelerated career progression scheme; recruitment of a new grade A_0, etc.

The Presidential Directives and various instructions / guidelines issued by the Government of India with regard to reservation in services for SCs/STs/PH/ OBCs, etc, were meticulously followed. Your Corporation endeavors to utilise 25% of its community development funds towards Special Component Plan (SCP) and Tribal Sub Plan (TSP) for meeting the needs of the weaker sections. Liaison officers were appointed at various locations/units/installations all over the country to ensure implementation of the Government directives. Reports in the prescribed form relating to representation of SCs/STs/OBCs are provided in the Annual Report as Report I & II.

Your Corporation is implementing the provisions of the Disabilities Act 1995 by way of 3% reservation for physically challenged and disabled persons. In addition, various concessions and relaxations are being extended to physically challenged persons in the recruitment process.

Efforts were continued during the year for increasing the progressive use of Hindi in official work in compliance with the Official Language Act, 1963, Official Language Rules, 1976 and related orders issued by the Government of India from time to time. In all offices/units/locations of the Corporation, committees are functioning for implementing Official Language work effectively and to review the progress of implementation of Official Language policies in the offices as also the Annual Programme as circulated by the Department of Official Language, Govt. of India.

VIGILANCE

The objective of Vigilance is to ensure maintenance of the highest level of integrity throughout the Corporation. To achieve this objective, the Vigilance group carries out preventive and punitive functions, with greater emphasis on the preventive aspects. During the year, 48 vigilance awareness programmes were conducted, which were attended by over 1300 employees. In order to promote transparency and efficiency in the working of the Corporation, various initiatives like e-tendering, bill watch system, standardisation of schedule of rates, file tracking system, etc., have been implemented.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility has been the cornerstone of success for your Corporation right from inception. The Corporation sees itself as an essential part of society and is well aware of its responsibilities beyond financial considerations towards improving quality of life of the communities at large. A report on your Corporation's CSR activities has been incorporated as a separate section forming part of the Annual Report.

REMUNERATION TO THE AUDITORS

The Auditors' remuneration for the year 2013-14 has been fixed at ` 90 lakh plus applicable taxes. In addition, reasonable out-of-pocket expenses at actuals incurred are also reimbursable.

Medical Camp at Digboi, Assam

PUBLIC PROCUREMENT POLICY FOR MSMEs 2012

Necessary steps have been initiated by the various divisions of the Corporation for implementation of the Public Procurement Policy of the Govt. of India for procurement from MSMEs. All efforts are being made to procure items specified for procurement from MSMEs. Necessary provision has been made in all the tenders stating the eligibility of MSMEs to participate in the tender. The MSMEs are exempted from payment of tender fees and earnest money deposit. As against the target of 20% for procurement from MSMEs, the actual procurement of your Corporation from MSMEs during the year was around 32%.

COST AUDIT REPORT

In accordance with the directives of the Central Government, Cost Auditors were appointed for conducting the cost audit of IndianOil's refineries, lube blending plants and other units of the Corporation for the year 2013-14. The cost audit for the year 2012-13 was carried out for the refineries, lube plants, etc. and the cost audit report was filed by the Central Cost Auditor with the Central Govt. in the prescribed form within the stipulated time period. A remuneration of ` 16.50 lakh and applicable taxes has been fixed by the Board for payment to cost auditors for the year 2013-14.

SUBSIDIARIES AND JOINT VENTURES

Your Corporation has formed various subsidiaries and joint ventures for exploiting business opportunities across the hydro-carbon value chain. The financial performance of major operating subsidiaries and joint venture companies of the Corporation during 2013-14 is annexed to the Directors' Report.

In accordance with the General Exemption granted by the Ministry of Corporate Affairs, the balance sheet, statement of profit and loss and other documents of the subsidiary companies have not been attached with the balance sheet of the Company. A summary of the financial information of the Company's subsidiaries for the financial year ended March 31, 2014 has been incorporated separately in the Annual Report. The Annual Accounts of the subsidiaries and the related information will be made available to any member of the Company/ its subsidiaries seeking such information and are available for inspection at the Registered Office of the Company.

REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS

In accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988, a report on Energy Conservation, Technology Absorption and Foreign Exchange earnings & outgo is annexed.

The Petrotech baton being handed over to IndianOil

PARTICULARS OF EMPLOYEES

As per Notification No. GSR 289(E) dated 31st March, 2011 issued by the Ministry of Corporate Affairs, Govt. of India, amending the provisions of the Companies (Particulars of Employees) Rules, 1975 issued in terms of Section 217(2A) of the Companies Act, 1956, Government companies are not required to include the statement of particulars of employees drawing remuneration of ` 60 lakhs or more per annum, if employed throughout the financial year or ` 5 lakhs per month, if employed for part of the financial year. The information has not been included as part of the Directors Report as per the said Notification as IndianOil is a Government Company.

BOARD OF DIRECTORS

During the year, the following persons ceased to be Directors on the Board of the Corporation:-

- Late Prof. V. K.Bhalla, Independent Director w.e.f. 06.08.2013
- Late Shri Sudhir Bhalla, Director(HR) w.e.f. 23.05.2014
- Dr. Sudhakar Rao, Independent Director w.e.f. 30.05.2014
- Shri R.S.Butola, Chairman w.e.f. 01.06.2014
- Dr.R.K.Malhotra, Director (R&D) w.e.f. 01.07.2014
- Shri Rajkumar Ghosh, Director(Refineries) w.e.f. 01.07.2014

The following Directors were appointed to the Board of the Corporation:

- Shri K.Jairaj, Independent Director, w.e.f. 20.03.2014
- Shri Nesar Ahmad, Independent Director, w.e.f. 20.03.2014
- Shri Sunil Krishna, Independent Director, w.e.f. 20.03.2014
- Shri Sayan Chatterjee, Independent Director, w.e.f. 20.03.2014
- Shri Sanjeev Singh, Director(Refineries), w.e.f. 01.07.2014
- Shri B. Ashok, Chairman, w.e.f. 16.07.2014

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

(i) that in the preparation of the annual accounts for the financial year ended 31st March 2014, all applicable accounting standards have been followed along with proper explanations relating to material departures;

(ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;

(iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the Directors had prepared the accounts for the financial year ended 31st March 2014 on a 'going concern' basis.

ACKNOWLEDGEMENTS

The Board of Directors would like to express its appreciation for the dedicated efforts and valuable services rendered by the members of the IndianOil family in the Corporation's achievements during the year 2013-14. The Board would also like to thank the Government of India, particularly the Ministry of Petroleum & Natural Gas, and the various State Governments, regulatory and statutory authorities for their valuable guidance and support. The Board is grateful to all its stakeholders like bankers, investors, customers, consultants, technology licensors, contractors, vendors, etc, for their continued support and confidence reposed in the Corporation.

The Board wishes to place on record its appreciation of the valuable guidance and significant contribution made by late Prof.V.K.Bhalla, late Shri Sudhir Bhalla, Dr. Sudhakar Rao, Shri R.S. Butola, Dr. R.K. Malhotra and Shri Rajkumar Ghosh during their tenure on the Board.

For and on behalf of the Board

(B Ashok)
Chairman

Place : New Delhi
Date : 17th July 2014

FINANCIAL PERFORMANCE OF MAJOR OPERATING SUBSIDIARIES AND JOINT VENTURE COMPANIES

Subsidiaries

(` in Crore)

Name of the Company	Area of Business	Total Turnover	Net Profit	Dividend (in %)
Chennai Petroleum Corporation Limited	Refining of petroleum products	53,923.70	(303.85)	-
IndianOil (Mauritius) Ltd.	Terminalling, Retailing & Aviation refuelling	1,579.25	40.86	6%
Lanka IOC PLC.	Retailing, Terminalling & Bunkering	3,793.02	223.21	15%
IOC Middle East FZE	Lube blending & marketing of lubricants	77.42	3.30	30%
IndianOil - CREDA Biofuels Limited	Plantation of Jatropha and extraction of oil for Bio-diesels	0.17	(3.46)	-
IOCL (USA) Inc.	Participation in Shale Gas Asset Project	52.20	(5.46)	-
IndOil Global BV	Investment company for integrated upstream and LNG Project in Canada	8.43	3.37	-

Joint Ventures

(` in Crore)

Name of the Company	Area of Business	Total Turnover	Net Profit	Dividend (in %)
Avi-Oil India Pvt. Ltd.	Speciality lubricants	44.25	0.54	-
Delhi Aviation Fuel Facility Private Limited	Operation of Aviation Fuel Facility at Delhi Airport.	99.01	30.10	12.50%
Green Gas Ltd.	City gas distribution	183.17	22.63	-
IOT Infrastructure & Energy Services Ltd.	Terminalling services	2,370.06	(324.36)	-
IndianOil Petronas Pvt. Ltd.	Terminalling services and parallel marketing of LPG	1,596.71	105.00	30%
IndianOil Skytanking Ltd.	Aviation fuel facility projects	335.62	23.78	30%
Indian Synthetic Rubber Limited	Styrene Butadiene Rubber manufacturing facility at Panipat	7.26	(39.89)	-
Lubrizol India Pvt. Ltd.	Lube Additives	1,067.77	113.44	300%
Petronet LNG Ltd.	LNG Imports/distribution	37,747.58	711.92	20%

IndianOil Mauritius - A subsidiary company

ANNEXURE-I

Report on Energy Conservation, Technology Absorption and Foreign Exchange Earnings as per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988.

A) CONSERVATION OF ENERGY

a) Energy conservation measures taken:

As a part of continued efforts towards energy conservation, a number of Energy Conservation projects have been implemented during 2013-14 in refineries resulting in saving of 1,02,800 Standard Refinery Fuel Tonne (SRFT) in the year equivalent to about ` 420 Crore. Some of the major schemes in this regard are as under:

Sl. No.	PARTICULARS	ESTIMATED COST (` Lakh)	EST. FUEL SAVING, (Standard Refinery Fuel Equivalent) MT/Year
1	Installation of new S-2 C/D condenser for heat recovery from CDU CL-2 overhead to BFW to TPS at Guwahati Refinery	92.00	1460
2	Revision in DHDT RGC minimum speed from 7700 to 7100 RPM at Barauni Refinery	NIL	1100
3	Reduction in LP steam in Deaerator of FCC (picking up waste heat by BFW) at Barauni Refinery	0.25	2015
4	AU-III preheat improvement by 7^{0}C (268^{0}C to 275^{0}C) by replacement of old heat exchangers at Gujarat Refinery	292.39	2060
5	Steam trap replacement and repair by Forbes Marshall at Gujarat Refinery	242.30	8220
6	Bypassing of MSQ Reformate splitter at Haldia Refinery	NIL	1500
7	Scheme for AVU Preheat improvement by min. 12^{0}C at Mathura Refinery	1184.00	6500
8	Installation of foggy cooler in GT-1 at Mathura Refinery	147.00	1200
9	Recovery of Hydrogen from Hydrogen Rich CRU / WHFU off-gas by routing the same through HGU at Digboi Refinery	983.00	1800
10	Switch on MP steam generators in AVU I (KERO & Vac. Slop) at Panipat Refinery	418.00	1280
11	Reduction of back pressure at WGC MP steam header in DCU by interconnecting DCU MP steam headers at Panipat Refinery	152.00	2330
12	Commissioning of new GTG with HRSG at Bongaigaon Refinery	293.00	27000

b) Additional investment and proposals, if any, being implemented for Energy Conservation:

MAJOR SCHEMES UNDER IMPLEMENTATION:

Guwahati Refinery :

- Utilization of SRGO CR and KERO CR for replacing NSF F-001 & F-002 Furnaces.
- Replacement of INDMAX De-butanizer and De-ethanizer steam reboilers, with hydrocarbon reboilers

Barauni Refinery :

- DHDT Stabilizer Off gas (lower H_2 content) routing to RFCCU WGC instead of DOG PSA
- Direct Supply of BFW to HRSG-1 & 2 bypassing HP heater
- Make up water heater (MUWH) in HRSG-II
- Coker-A Single Furnace Operation

Gujarat Refinery :

- Insulation replacement in 20 culverts of HP and MP steam lines
- MP steam line from ISOM to FCC commissioning
- Hot feed to Coker (preheat improvement by 8^{0}C)
- Closing of DHDT RGC spill back
- GT-3 Up-rate
- FPU1 Internal replacement
- AU1 rerun- routing of hot K8 bottom to MSQ

Haldia Refinery :

- RFCCU MAB turbine vacuum improved from – 0.69 to -0.89 Kg/cm2 (g) by identification and rectification of air leakages
- Optimization of SWS column in U-29
- Replacement of existing APH and burners based in CDU-II
- Pre-heat Improvement in CDU-I by 14^{0}C by installation of Helical exchangers
- Tuning of BOV in MAB of RFCCU (Saving of 5 MT/hr of MP steam)

Mathura Refinery :

- Reduction in DIH recycle from present ~50% to ~40% (2.5 MT/hr MP steam saving in DIH re-boiler)
- Stoppage of PX-NSU
- Avoidance of steam leak through defective steam traps by survey/ rectification by external agency

Digboi Refinery :

- Recovery of Hydrogen from Hydrogen Rich CRU/ WHFU off-gas by routing the same through HGU
- Increase in AVU preheat by establish the HGO PA flow

Panipat Refinery :

- Reduction of MP steam load by use of surplus MLP steam in DIH reboiler(113^{0}C) to replace the MP steam) in MSQ
- Improvement of combustion air preheat from 190^{0}C to 250^{0}C by replacement of OHCU Air Preheater.
- Heat recovery from C-7 (naphtha splitter) O/H product in NSU-1 for Crude pre-heat improvement in AVU-I
- Routing of slurry circuit steam to Py gas splitter reboiler in RFCC
- Floating of AVU-2 main fractionator with RFCCU WGC. (Approx. 5 deg C reduction in COT
- Installation of Stepless control system in one MUG compressor at OHCU (359 KWH)

- Hydrogen recovery from DHDT MP separator

Bongaigaon Refinery :

- Stepless capacity control for DHDT MUG compressor
- CDU-II Crude preheat train revamp (Crude preheat improvement from 234^0C to 265^0C)
- Implementation of combustion control in CDU-II
- Running of single Boiler Feed Pump for both HRSG and Boilers

c) Impact of the measures at (a) and (b) above on reduction of energy consumption and consequent impact on the cost of production of goods

The measures taken under item (a) resulted in savings of 1, 02,800 SRFT in 2013-14. The impact of additional savings with major investments under item (b) in 2014-15 would be approx. 1, 02,000 SRFT.

d) Total energy consumption and energy consumption per unit of production as per Form 'A' of the Annexure in respect of industries specified in the schedule thereto.

Necessary information is provided in Form 'A' annexed hereto.

B) TECHNOLOGY ABSORPTION

Details of efforts made in technology absorption are provided in Form 'B' annexed hereto.

C) FOREIGN EXCHANGE EARNING AND OUTGO

(a) Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services; and export plans :

IndianOil continued to explore newer markets during the year by exporting its petroleum and petrochemical products. Servo lubricants were exported to new destinations Yemen and Nigeria during the year. The Petrochemical products were exported to new destinations, covering 16 countries in Africa, Latin America & Europe during the year.

(b) Total foreign exchange used and earned

	(` in crore)
Foreign Exchange earnings	21,608
Foreign Exchange used	2,69,257

Marine Spread at Paradip

FORM 'A'

Form for Disclosure of particulars with respect to Conservation of Energy

	2013-14	2012-13
A Power and Fuel Consumption :		
1. Electricity:		
(a) Purchased		
Unit ('000 KWH)	**65238**	57596
Rate/Unit	**8.64**	8.05
Total Amount (Rs/Lacs)	**5638**	4639
(b) Own Generation		
(i) Through Duel Fuel (HSD/ Natural Gas Generators)		
Unit ('000 KWH)	**3987238**	3946144
KWH per MT of Std Fuel (Last Year Figures Recomputed)	**6871**	7593
Cost/Unit (`/KWH)	**6.16**	4.61
(ii) Through Steam Turbine/Generators		
Unit ('000 KWH)	**936864**	1060953
KWH per MT of Std Fuel	**3554**	3413
Cost/Unit (`/KWH)	**9.81**	9.29
(c) Electricity Consumed		
(a+b) ('000 KWH)	**4989340**	5064693
2. Coal		
3. Liquid Fuel (FO/Naphtha/Diesel)		
Qty (MTs)	**1717181**	1805212
Amount (`/Lacs)	**653580**	669725
Average Rate (`/MT)	**38061**	37100
4. Others / Internal Fuel		
a) Internal Fuel		
i) Fuel Gas		
Unit (MTs)	**1998965**	2003430
Amount (`/Lacs)	**756944**	720639
Average Rate (`/MT)	**37867**	35970
ii) Coke		
Unit (MTs)	**319747**	324159
Amount (`/Lacs)	**48282**	59801
Average Rate (`/MT)	**15100**	18448
b) Purchased Fuel		
Natural Gas		
Unit (MTs)	**739356**	858142
Amount (`/Lacs)	**330100**	297560
Average Rate (`/MT)	**44647**	34675
B) 1. Consumption per MT of Production: PETROLEUM		
Actual Production ('000 MTs)	**47247.23**	48561.38
Consumption per MT of Product		
Electricity (KWH/MT)	**77.182**	76.878
Liquid Fuel (MT/MT)	**0.034**	0.034
Fuel Gas/ LDO/ Coke (MT/MT)	**0.038**	0.038
Natural Gas (MT/MT)	**0.011**	0.013
2. Consumption per MT of Production : LAB		
i) Actual Production ('000 MTs)	**103.193**	118.764
ii) Consumption per MT of Product		
- Electricity (KWH/MT)	**568.091**	577.844
- Liquid Fuel (MT/MT)	**0.538**	0.541
- Fuel Gas/ LDO/ Coke (MT/MT)	**0.238**	0.174
- Natural Gas (MT/MT)	**0.000**	0.000
3. Consumption per MT of Production :-PTA		
i) Actual Production ('000 MTs)	**387.723**	567.275
ii) Consumption per MT of Product		
- Electricity (KWH/MT)	**525.986**	385.141
- Liquid Fuel (MT/MT)	**0.154**	0.138
- Fuel Gas/ LDO/ Coke (MT/MT)	**0.290**	0.220
- Natural Gas (MT/MT)	**0.070**	0.059
4. Consumption per MT of Production :-PNCP		
i) Actual Production ('000 MTs)	**1552.058**	1440.385
ii) Consumption per MT of Product		
- Electricity (KWH/MT)	**695.887**	725.011
- Liquid Fuel (MT/MT)	**0.006**	0.012
- Fuel Gas/ LDO/ Coke (MT/MT)	**0.250**	0.238
- Natural Gas (MT/MT)	**0.119**	0.138
5. Consumption Per MT of Total Production		
i) Actual Production ('000 MTs)	**49291.091**	50687.800
ii) Consumption per MT of Product		
- Electricity (KWH/MT)	**101.222**	99.919
- Liquid Fuel (MT/MT)	**0.035**	0.036
- Fuel Gas/ LDO/ Coke (MT/MT)	**0.047**	0.046
- Natural Gas (MT/MT)	**0.015**	0.017

FORM B

Form for disclosure of particulars with respect to technology absorption, research & development

1. **Specific areas in which R&D carried out by the Company**
   - Development of Refinery process technologies and demonstration
   - Licensing and commercialization of refinery process technologies
   - Refinery Process Modeling and simulation
   - Trouble shooting, revamp and optimization in refineries
   - Technical services to refineries, petrochemicals and pipeline division
   - Catalysts development for refining and petrochemical processes
   - Crude assay and transportation solutions
   - Specialty bituminous products
   - Petrochemicals & Polymers
   - Development of Intelligent and Caliper pigs for monitoring health of pipelines.
   - Material failure Analyses, Corrosion and remaining life assessment
   - Product development – Lubricant, Greases and Specialties
   - Boundary Lubrication and Metal Working Tribology
   - Development of fuel additives
   - Fuel and Emission Studies
   - Biotechnology interventions for refinery ETP
   - Carbon dioxide mitigation
   - Alternative fuels - HCNG, 2nd & 3rd Generation bio-fuels
   - Nanotechnological interventions for developing superior fuels and lubricants

2 **Benefits derived as a result of above study :**
   - During the year, record number of 54 Patents were filed which include 25 Indian and 29 foreign patents (USA-10, Europe-1, Brazil-1, Canada-1, South Africa-4, UAE -3, Oman-3, Qartar-3 Bahrain-1, Russia-1, and Sri Lanka-1). 11 Patents were granted during the year (Indian - 1 and Foreign - 10)
   - Developed a process, "OCTAMAX" for upgradation of C4 hydrocarbons from refinery LPG stream to high-octane (RON>100) gasoline blending stock. Preparation of basic design package for 55 KTA OCTAMAX unit jointly by IndianOil R&D and Mathura Refinery is at the final stage.
   - Improvements in INDMAX technology in terms of propylene yield achieving more than 26 wt% from hydrotreated VGO feedstock. INDMAX technology is currently under active consideration by an Indian refinery for up-gradation of residue stream to petrochemical feedstocks.
   - An integrated process developed for the production of Cyclohexane, Methylcyclopentane and Polymer Grade Hexane from raffinate stream of Naphtha Cracker at Panipat. The process is primarily based on extractive distillation and hydrogenation using the solvent available at Panipat refinery.
   - Bongaigaon Refinery's DHDT Unit was designed for diesel and Kero/ATF mode operation. ATF production from DHDT unit has been established and the product met ATF spec. as per IS 1571: 2008 standards.
   - In Digboi refinery, Foots oil was being processed mostly in Coker unit and partly was used for LDO production. R&D conducted a study to increase HSD production by routing Foots oil to HDT unit with in-house and commercial catalyst system.
   - At Digboi refinery, only 75% Coker Light Distillate Oil (CLDO) was added in hydrotreating feed (HDT) and the rest diverted to Fuel Oil. By increasing Weighted Average Bed Temperature (WABT), entire CLDO could be routed to HDT unit while meeting BS-III/IV diesel specification. This process resulted in significant increase in GRM by $0.53/barrel.
   - Development of a process for Clarified Oil (CLO) desulphurization with low hydrogen consumption and low aromatics saturation for preserving ring structure as required for Furnace Oil stability.
   - Review of Solomon hydrocracker benchmarking study alongwith performance study of IndianOil hydrocracker units carried out by R&D Centre. A procedure for estimating C1-C4 yield of Hydrocracker units using technique developed by R&D Centre was used for comparing performance of IOC hydrocracker units.
   - A state-of-the–art automated Multi-cyclic Catalyst Deactivation unit has been set up and methodology has been developed for simulation of metal deactivation of RFCC catalyst for evaluation of catalyst performance in Resid FCC units with better accuracy.
   - Technical assistance provided during various stages of unit inspection, selection of fresh catalyst, CO promoter additive and Equilibrium catalyst as required for start-up & commissioning of INDMAX unit at Paradip Refinery. Study on "Feasibility of Petrochemical mode operation after commissioning in MS mode" completed.
   - Feasibility study for 125% capacity revamp of HDT unit of Digboi refinery carried out. It was found that pumps were limiting and with existing pumps, a maximum capacity up to 115% of design throughput can be processed.
   - Developed Delayed Coker technology and a Process Design & Engineering Package for revamp of Coker Unit at Barauni Refinery. The project envisages replacement of existing four reactors with two new reactors equipped with upgraded metallurgy, associated state-of-the-art features and energy conservation measures.
   - Process design of 'Orifice Chamber' with additional grids for reliable operation of Double Disk Slide Valve & Main Stripping Steam Distributors' for improving stripper efficiency in FCC unit at Gujarat Refinery have been provided for implementation. Schemes towards better performance of cyclones to reduce catalyst loss have already been implemented.
   - High value carbon nanotube, a unique material with light weight but stronger than steel, has been successfully produced from naphtha. The nanotube has high electrical conductivity (>10 times) and high thermal conductivity (>1000 times) than copper
   - A unique additive formulation suitable for FCC process developed that can enhance the ISO-butylene selectivity to 40% in total C4 olefins vis-a-vis current selectivity of 34% obtained.
   - A unique catalyst - "Coke Reduction Additive (CRA)" suitable for improving the performance of FCC unit through reduction of coke was developed. The additive reduces coke by 2 units, which translates in

to an enhanced yield of gasoline by 3 units and reduction in bottoms by 0.77 units under simulated conditions of GR INDMAX.

- Customized additive "i-MAX Value" capable of simultaneous reduction in bottoms and giving enhanced propylene and gasoline yields developed for participation in 300 MT tender for Panipat Refinery.
- Customized i-MAX series additives / Residue Upgradation Additive (RUA) were offered along with predicted performance for participation in tenders. Orders were obtained for 3 tenders corresponding to a total sale of 131 MT with royalty earnings of ` 55 lacs.
- A process for the production of Polymer Modified Bitumen (PMB) using VG10 grade bitumen instead of traditional VG30 grade bitumen has been developed. PMB will be produced from reactive polymer in the existing CRMB plant.
- Three novel REACH compliant internal donor (ID) molecules synthesized successfully and used for preparing Zieglar-Natta catalyst systems for propylene polymerization.
- Established the usage of the commercial catalyst for producing ultrahigh molecular weight Drag Reducing Additives (DRAs). This in-house synthesized polydecene based DRA showed encouraging results during Pilot plant test loop (PPTL) evaluation.
- Demonstrated competency in assessing corrosion rates of process circuits in refining high TAN opportunity crudes and has rendered valuable assistance in working out feasible high TAN crude blends for Gujarat & Panipat refineries.
- A MOU project (Phase-2) with IIT, Madras for development of advanced data analysis software for IPIG tools have been completed. The software enables faster and accurate analysis of data acquired during in line inspection of pipelines.
- The blending strategy for pumping waxy Mangla crude to inland refineries studied and optimum blends suggested for the Mundra - Panipat and Viramgam - Koyali crude pipelines considering the pipeline terrains and seasonal soil temperature variations.
- Developed 130 lubricant formulations and received 48 Original Equipment Manufacturer (OEM) / Customer / Defense approvals and re-certifications.
- Ultra low viscosity Passenger Car Motor Oil 0W-20 grade approved by Maruti Suzuki India Ltd.
- First time ever a new generation engine oil in SAE 10W-30 grade was approved by NISSAN Motors for an oil company outside Japan.
- Customized engine oils were approved by Volkswagen, Germany against their stringent VW 502.00 and 505 and 505.01 standards for service-fill applications. These approvals are also valid for Skoda and Audi cars.
- General Electric Company, USA approved *SERVO* Magnum RR 510, Generation 6 lubricating oil for use in GE Diesel Engines.
- Ashok Leyland approved *SERVO* Pride ALT Plus 15W-40 for 80,000 km drain interval.
- Transmission Oil *SERVO* Transtrac 30 approved by Mahindra & Mahindra - Farm Equipment, Swaraj Division for Wet Brake variants of Swaraj Tractors.
- Long life Transmission & Axle oils approved Tata Motors for all commercial vehicles for extended drain intervals of minimum 1,20,000 km.
- Plant fill and service fill approval from Mahindra & Mahindra for Transmission systems for 1,20,000 km for 25-40 Ton HCV obtained.
- Mitsubishi Heavy Industries, Japan approved Servoprime 32 XL turbine oil meeting MS04-MA-CL001 standard after detailed testing at Japan. First fill order in 660 MW steam turbines received from L&T Power, Koradi.
- Servomesh Gold series developed with excellent anti-mircopitting properties approved by Siemens, Germany.
- High performance Servomesh XP 320 and Servosystem XLP 46 developed specially for Steel Plants and first supply made to JSPL.
- Rationalization of engine coolants carried out for Indian Coast Guard (ICG) and Servokool HWC and Servoanticorr recommended for use in 12 different applications.
- Synthetic grease and gear oils have been approved by Bombardier, Germany for application in EMUs. Trials on Prototype train are in progress at Mumbai Railway Vikas Corporation (MRVC).
- Screw compressor oil developed with 4% energy efficiency. OEMs are being approached for establishing credentials of field trials.
- Roll Bite Lubricant (RBL) for Hot Rolling Steel Mills developed and its credentials established at RSP with SAIL RDCIS. Based on above work, its commercial use initiated in July 2013 at Bokaro.
- Servoduotherm-Solar Heat Storage Fluid developed and cleared for field trials by the Abengoa, Spain.
- Study of the relevance of Least Additive Concentration (LAC) of indigenously developed gasoline MFA vis-a-vis gasoline MFA on engine cleanliness using BS-IV gasoline & E5 blend was completed.
- Development & optimization of after-treatment devices (ATDs) under memorandum of collaboration with Sud Chemie. Performance of 3 no. of Diesel Oxidation Catalyst (DOC) on light commercial vehicles has shown satisfactory performance upto 20,000 km.
- A new test facility (Cummins gas engine test bench) created for the development of gas engine oils for evaluation of oxidation, nitration, wear & tear impact on regulated as well as unregulated emissions.
- Mass emission testing facility was integrated with the existing 120 kW Chassis Dynamometer for vehicle testing. The emission and performance testing of different fuels including gasoline, diesel, CNG and LPG etc. complying with up to BS IV & Euro IV emission legislations can be undertaken.
- The drain period of 20000 km has been established on a newly developed gas engine oil after completing an engine endurance test of 700 hrs and field trials on two buses of 20000 km using HCNG.
- Developed corrosion inhibitor for pipeline transportation of non ATF products. The new product has superior performance attributes and is cost effective than commercial products. 2 MT of product has been commercially produced at Vashi plant for field trial in Guwahati-Siliguri pipeline section.
- Nano Calcium hydroxide based additive in marine & engine oil formulations showed excellent detergency characteristics in single cylinder engine tests. Field trial using Naono Calcium hydroxide in LCVs is underway.
- It is proposed to set-up a dedicated IndianOil Centre for Alternative & Renewable Energy (i-CARE) at Manesar to work towards energy security, sustainable development, reduction of carbon footprint

and alternative energy. i-CARE shall take up studies in bio-energy, pyrolysis, hydrogen & fuel cell, gasification, solar energy, etc.

- State-of-the-art facilities in fermentation, enzyme development & evaluation, bioprocess optimization, advanced analysis of sugars, fatty acids, ethanol & other metabolites, scalable algal cultivation etc. were established in the Bio-Energy Research Centre. The Centre was dedicated to the nation by Secretary, DBT, Govt. of India.
- Intensive research activities were initiated in areas of biomass saccharification, enzyme development and recycling, improved C6 fermentation, biohydrogen and gas fermentation.
- Integrated process development is in progress along with Lanzatech, USA by utilizing acetates generated from its CO_2 gas fermentation technology for production of high value products using Thraustochytrids microorganism.

3 Future Plans

- Processing of Heavy and high TAN crudes
- Development of environment friendly refinery catalyst
- Coke reduction in Delayed Coking unit
- Slurry bed Resid Hydrocracking
- Improvement in distillate yield in Coker Unit using additive
- Setting up demonstration units for catalysts production
- Development of advanced test facilities for corrosion and failure analysis in refineries
- Development of Indigenous Polyethylene (PE) Catalyst Technology for better productivity and grade performance
- Development of long life, energy efficient cost effective lubricants
- Development of Nano additive based lubes / fuels
- Formulating bio-degradable and FDA compatible lubricants
- Technologies for reduction of GHG emissions
- Promoting hydrogen as transportation fuel and fuel cell
- Solar Energy applications and product development
- Development of Fuel Efficient, Ultra Low Viscosity Engine Oils for Indian Passenger Car Segment
- Development of Component based High Temperature Turbine Fluid
- Development of 100 BN Marine Cylinder Oils
- Development of bio-jet fuel using non-edible vegetable oil
- Development of fuel saving and environment friendly fuel additives.
- Production of 2nd / 3rd Generation fuels by bio-mass pyrolysis and through algal route
- Development and optimization of process for gasification
- To set-up a dedicated IndianOil Centre for Alternative & Renewable Energy (i-CARE) at Manesar

4. Expenditure on R&D

(a)	Capital	:	` 78.32 crore
(b)	Revenue	:	` 174.40 crore
(c)	Total	:	` 252.72 crore

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

With a view to improve the product pattern and product quality as well as to meet the environmental emission norms, IndianOil has adopted most modern technologies in line with the latest developments worldwide. Major steps taken in this regard are given below:

A. Imported Technology

i. Hydrocracker Technology

Full Conversion Hydrocracking Unit (HCU) technologies from M/s Chevron USA and M/s UOP USA have been implemented at Gujarat Refinery and Panipat Refinery respectively for conversion of Vacuum Gas Oil to Jet fuel, Kerosene and Diesel.

ii. Once through Hydrocracking Technology

Once Through Hydrocracking Units (OHCU) were commissioned at Panipat, Mathura and Haldia refineries with the technologies from M/s UOP, USA, M/s Chevron, USA and M/s Axens, France respectively for improvement of distillate yield and diesel quality w.r.t Sulphur and Cetane Number.

iii. Diesel Hydro-Desulphurisation Technology

Diesel Hydro Desulphurisation Units have been commissioned at Mathura & Panipat refineries with technology from M/s IFP, France and at Gujarat & Haldia refineries with technology from M/s UOP, USA to meet the Diesel quality requirement w.r.t Sulphur.

iv. Diesel Hydrotreatment Technology

Diesel Hydrotreatment Units have been commissioned at Guwahati, Barauni & Digboi refineries with the technology from M/s UOP, USA and at Mathura and Panipat refineries with technology of M/s Axens, France to meet the Diesel quality requirement w.r.t Sulphur and Cetane Number. Technology from M/s Axens has been implemented at Gujarat Refinery under Resid Upgradation Project. Technology from M/s Shell Global Solutions, Netherlands has been selected for implementation at Paradip Refinery Project.

v. Fluidised Catalytic Cracking Technology

Fluidised Catalytic Cracking (FCC) technology from M/s UOP, USA has been implemented in Gujarat and Mathura refineries for conversion of Vacuum Gas Oil to LPG, MS and Diesel. Technology from M/s ABB Lummus, USA is under implementation for revamp of FCCU at Mathura Refinery for reliability improvement and maximization of value added Propylene.

vi. Resid Fluidised Catalytic Cracking Technology

The Resid Fluidized catalytic cracking (RFCC) technology from M/s S&W, USA has been successfully implemented at Panipat, Haldia and Barauni Refineries.

vii. Catalytic Iso-Dewaxing Unit at Haldia Refinery

For improving the lube oil quality in line with international standards and augmenting production capability, Iso-dewaxing technology from M/s MOBIL, USA has been implemented at Haldia refinery.

viii. Solvent Dewaxing/Deoiling Technology at Digboi

In order to upgrade the process for production of Paraffin Wax at Digboi Refinery, Solvent dewaxing/deoiling technology from M/s UOP, USA has been implemented.

ix. Hydrofinishing Technology for treatment of Paraffin Wax/ Microcrystalline Wax

Process technology from M/s. IFP, France for hydro finishing of paraffin wax has been implemented at Digboi refinery. The same technology from M/s IFP, France for production of Microcrystalline Wax has been implemented at Haldia Refinery.

x. Biturox Technology

To produce various grades of Bitumen as well as to meet the quality requirements, Biturox technology from M/s Porner, Austria has been employed at Gujarat and Mathura Refineries.The same technology has also been selected for Barauni Refinery.

xi. Hydrogen Generation Technology

Hydrogen generation technology from M/s Linde, Germany was adopted in 1993 for Hydrogen production and supply to Hydrocraker unit at Gujarat Refinery and has been implemented at Barauni Refinery under MS Quality Improvement Project. Hydrogen generation technology obtained from M/s. Haldor Topsoe, Denmark is in operation at Gujarat, Mathura, Haldia, Panipat and Barauni refineries and has been implemented at Gujarat Refinery under Resid Upgradation Project. Technology from M/s UHDE, Germany has been selected for implementation at Paradip Refinery Project. Similar technology from M/s KTI, the Netherlands has been implemented for Hydrogen generation at Guwahati, Digboi, and Mathura refineries and has been commissioned at Haldia Refinery under Once through HydroCracker Project. Hydrogen generation technology from M/s Technip Benelux B.V, Netherlands has been implemented at Bongaigaon Refinery under Diesel Quality improvement project.

xii. Sulphur Recovery Technologies for reduction of SO_2 emissions

Refineries at Gujarat, Haldia, Mathura and Barauni are provided with Sulphur Recovery Technology from M/s. Stork Comprimo (now Jacob), Netherlands. The Sulphur recovery technology from M/s.Delta Hudson, Canada has been employed at Panipat refinery. Further, Sulphur recovery technologies from M/s B & V Pritchard, USA has been implemented under Panipat Refinery Expansion Project and has been implemented at Gujarat Refinery under Resid Upgradation Project and the same has also been selected for implementation at Paradip Refinery Project. Technology from M/s Technip, KTI, Spain has been implemented at Haldia Refinery under Once through Hydrocracker Project. Technology from M/s Jacobs, Netherlands is under implementation in additional Sulphur Recovery Unit at Mathura Refinery. Technology from M/s Lurgi, Germany has been selected for implementation under Distillate Yield improvement (Coker) project at Haldia Refinery.

xiii. ISOSIV Technology at Guwahati Refinery

For production of unleaded MS at Guwahati Refinery, ISOSIV technology from M/s UOP, USA has been implemented.

xiv. Delayed Coker Technology

For bottom of the barrel upgradation, Coker technology from M/s ABB Lummus, USA has been implemented at Panipat Refinery as part of Panipat Refinery Expansion Project. Coker Technology from M/s Foster Wheeler, USA has been implemented at Gujarat Refinery under Resid Upgradation Project and has also been selected for implementation at Paradip Refinery Project as well as at Haldia Refinery under Distillate Yield improvement project.

xv. VGO Hydrotreatment Technology

Technology from M/s UOP has been implemented at Gujarat Refinery under Resid Upgradation Project. Technology from M/s Axens, France has been selected for implementation at Paradip Refinery Project.

xvi. Continuous Catalytic Reforming Technology

For improvement in Octane number of Motor Spirit, Continuous Catalytic reforming technology from M/s IFP, France has been implemented at Mathura & Panipat refineries. Technology from M/s UOP, USA has been implemented at Gujarat Refinery under MS Quality Upgradation Project and has also been selected for implementation at Paradip Refinery Project.

xvii. Technology for Para –Xylene

For production of Para-Xylene at Panipat, technologies from M/s UOP, USA have been implemented and same have been selected for implementation at Paradip Refinery Project.

xviii. Technology for Purified Terephthalic Acid (PTA)

For production of PTA at Panipat Refinery, technology from M/s Du Pont, USA has been implemented.

xix. Technology for Linear Alkyl Benzene (LAB)

Technology from M/s UOP, USA has been implemented for production of Linear Alkyl Benzene at Gujarat Refinery.

xx. MS Quality Upgradation Technology

For MS quality upgradation, Isomerisation technology of M/s UOP, USA have been implemented at Mathura, Panipat and Gujarat Refineries. Technology from M/s Axens, France has been implemented at Haldia, Guwahati, Digboi and Barauni refineries.

FCC Gasoline desulphurization technology (Prime-G) from M/s Axens, France has been employed at Haldia, Mathura, Panipat and Barauni Refineries.

xxi. Naphtha Cracker Technology

Naphtha Cracker Technology from M/s ABB Lummus, USA has been implemented at Panipat Refinery. Technologies from M/s Basell, Italy, M/s Basell, Germany, M/s Nova Chemicals, Canada & Scientific Design, USA have been implemented for various downstream polymer plants viz. Poly-Propylene Unit, HDPE unit, Swing Unit (HDPE/LLDPE) and MEG Unit respectively.

Technology from M/s Basell, Italy has been selected at Paradip Refinery Project for production of Poly-Propylene.

xxii. Alkylation Technology

For production of MS, Alkylation technology from M/s Exxon Mobil, USA has been selected for implementation at Paradip Refinery Project.

xxiii. Ethyl Benzene/Styrene Technology

For production Ethyl Benzene/Styrene, technology from M/s ABB Lummus, USA has been selected for implementation at Paradip Refinery Project.

xxiv. Regenerative type Flue Gas De-Sulphurisation Technology

In order to recover Sulphur Di-Oxide from Boiler flue gases a Regenerative type Flue gas De-Sulphurisation technology from M/s Cansolv Technology Incorporate (CTI), Canada, has been selected for implementation at Paradip Refinery Project.

xxv. Spent Acid Regeneration Technology

In order to regenerate fresh sulphuric acid from spent sulphuric acid recovered from Alkylation Unit a Spent Acid Regeneration technology from M/s MECS, USA has been selected for implementation at Paradip Refinery Project.

xxvi. ATF Treatment Technology

ATF Treatment Technology from M/s UOP, USA has been implemented at Gujarat and Panipat Refineries. Technology from M/s Merichem, USA has been selected for Paradip Refinery Project.

xxvii. LPG Treatment Technology

Coker LPG Treatment technology from M/s UOP, USA has been implemented at Panipat Refinery and it has been selected for implementation at Haldia Refinery under the distillate yield improvement (Coker) project.

xxviii. Coker Gas Oil Hydrotreatment Technology

Coker Gas Oil Hydrotreatment Technology from M/s Axens, France has been selected for implementation at Haldia Refinery under the distillate yield improvement (Coker) project.

xxix. MTBE Technology

Technology from M/s CD Tech, USA has been commissioned for production of MTBE at Gujarat Refinery.

xxx. Butene-1 Technology

For production of Butene-1, Technology from M/s Axens, France has been implemented at Gujarat Refinery and at Panipat Refinery.

xxxi. Sulphur Pelletization Technology

For production of Sulphur in Pellet form, Technology from M/s Sandvik, Germany has been implemented at Gujarat Refinery and is being commissioned at Mathura and Panipat Refineries.

B. Indigenous Technology

i. INDMAX Technology

INDMAX technology developed in-house by R&D Centre of IndianOil for converting heavy distillate and residue into LPG/light distillate products has been implemented successfully at Guwahati Refinery and has been selected for implementation at Bongaigaon Refinery. For production of petro-chemical feedstocks viz. Ethylene, Propylene from VGO, INDMAX technology has been selected for implementation at Paradip Refinery Project.

ii. Hexane Hydrogenation Technology

Hexane Hydrogenation process for production of Food grade Hexane (WHO grade quality), developed by R&D Centre of IndianOil with indigenous catalyst has been successfully implemented at Gujarat Refinery.

iii. Diesel Hydrotreatment Technology

Diesel Hydrotreatment technology developed by R&D Centre of IndianOil and licensed jointly with EIL has been implemented at Bongaigaon Refinery for meeting Diesel quality requirements.

iv. Isomerisation Technology

Isomerisation Technology developed by R&D Centre of IndianOil and licensed jointly with EIL has been implemented at Bongaigaon Refinery for meeting MS quality requirements.

v. INDAdept[G] Technology

INDAdept[G] unit based on technology developed by R&D Centre of IndianOil is being implemented at Guwahati Refinery for desulphurisation of cracked gasoline feed stock.

MODERNISATION OF INSTRUMENTATION & CONTROL

DISTRIBUTED DIGITAL CONTROL SYSTEM (DDCS)

DDCS is already in place in all Process Units and Captive Power Plants of all Refineries. All the new units will be equipped with DDCS from the inception. Further, to keep pace with technology change, modernization etc. and to take care of obsolescence, upgradation of existing DDCS is also taken up in refineries based on necessity. Various process units are equipped with state-of-the-art Instruments and smart transmitters for real-time monitoring precise control of plant, which ensures stable operation and optimum process parameters.

ADVANCED PROCESS CONTROL (APC)

IndianOil has always given full emphasis on modernization of its refineries and implementation of Advanced Process Control Systems (APC) for better operational efficiency, margin improvement and for remaining competitive. Model based Multi-variable Predictive Advanced Process Control Systems (APC) have been implemented in the various units of the Refineries.

The Performance Index (KPI) based Methodology of APC Benefit assessment based on controller-wise, variable-wise on-stream factors and average values of controlled variables have been developed for all existing APC controllers across IOCL and are being used for monitoring realistic APC benefit on regular basis.

During this year, APC was implemented in Naphtha Cracker Unit and Benzene Extraction Unit in Panipat Naphtha Cracker. The penetration of APC increased from 57.5% to 68.0% in IOC refineries.

OFFSITE MODERNIZATION

As a part of modernisation of Oil Movement & Storage facilities the following have already been implemented at various refineries:

- Automation of Tank Wagon loading.
- Automation of Tank Truck Loading.
- Blending Automation for MS and HSD stream with a view to reduce Quality Giveaway as well as elimination of off-spec products.
- Auto Tank gauging consisting of Servo / Radar gauges with interface software for inventory monitoring from control rooms.

AUTOMATION OF LABORATORIES

Automation of Laboratories has been completed at all refineries.

Networking & Real Time Data Base Management System (RTDBMS)

- Networking of units and offsite facilities has been completed at all refineries.
- RTDBMS has been implemented at all refineries and are in operation.
- DRYA (Data Reconciliation and Yield Accounting Package), implemented in all refineries for working out accurate Daily Production Balance using real time process data.
- PS (Production Scheduling) implemented at Gujarat and Panipat Refineries.

SC/ST/OBC REPORT - I

Annual Statement showing the representation of SCs, STs and OBCs as on 1st January 2014 and number of appointments made during the preceding calender year

Name of the Public Enterprise: **Indian Oil Corporation Ltd.**

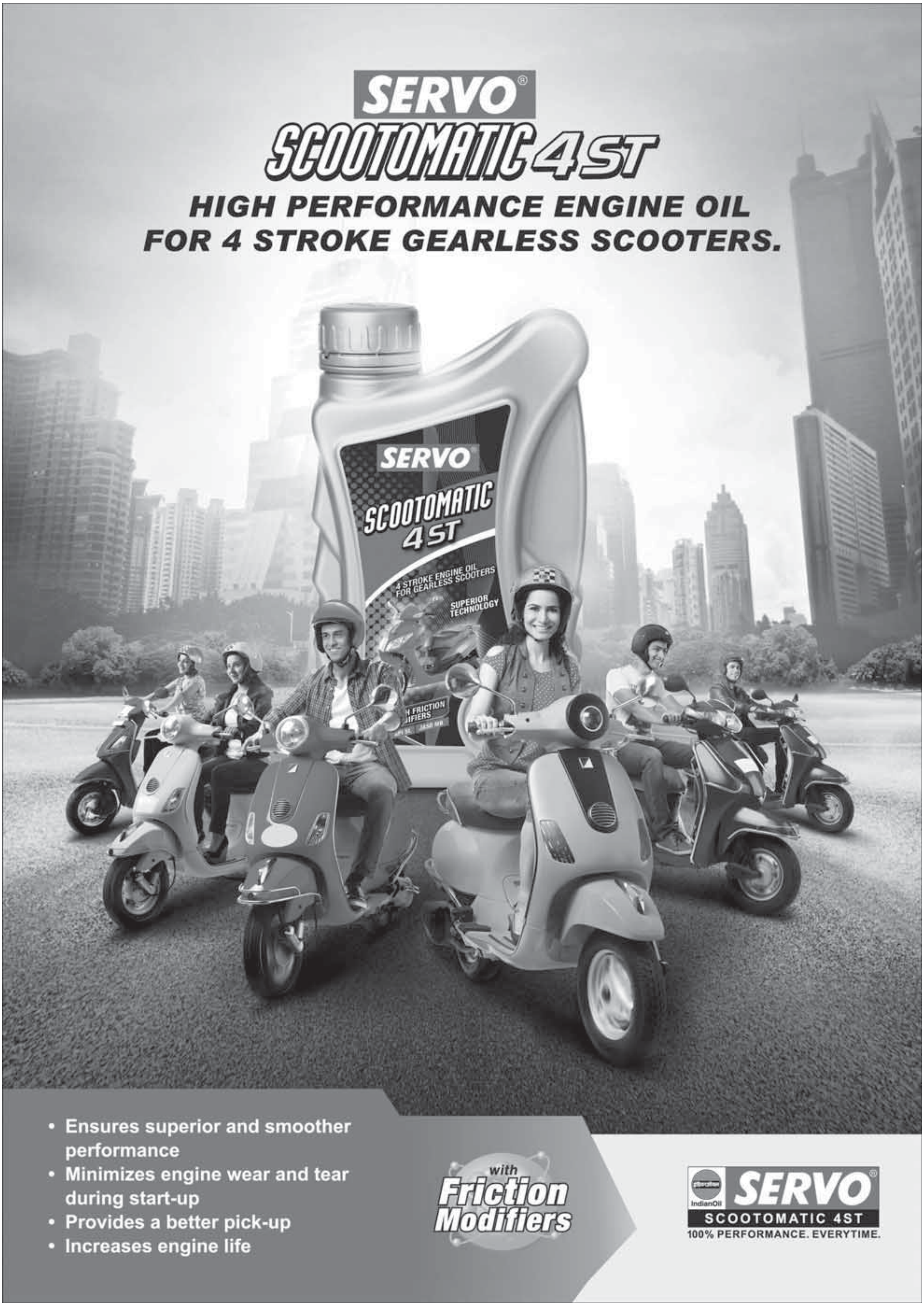
Groups	Representation of SCs/STs/OBCs (As on 1.1.2014)				Number of appointments made during the calendar year 2013									
					By Direct Recruitment				By Promotion			By Deputation/Absorption		
	Total No. of employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Executives A	15512	2574	1092	2070	1003	171	75	324	3039	508	212	2	0	0
Non-executives B	6202	1034	597	183	2	1	0	0	429	80	51	0	0	0
C	11475	2365	841	1641	341	68	24	115	1631	364	99	2	0	0
D (Excluding Sweeper)	847	161	72	314	70	17	7	21	0	0	0	0	0	0
D (Sweeper)	2	2	0	0	0	0	0	0	0	0	0	0	0	0
Total (Executives in Grade 'A' plus Non-executives)	**34038**	**6136**	**2602**	**4208**	**1416**	**257**	**106**	**460**	**5099**	**952**	**362**	**4**	**0**	**0**

SC/ST/OBC REPORT - II

Annual Statement showing the representation of SCs, STs and OBCs in various group A services as on 1st January 2014 and number of appointments made in the service in various grades in the preceding calender year

Name of the Public Enterprise: **Indian Oil Corporation Ltd.**

Pay Scale (In Rupees)	Representation of SCs/STs/OBCs (As on 1.1.2014)				Number of appointments made during the calendar year 2013									
					By Direct Recruitment				By Promotion			By Deputation/Absorption		
	Total No. of Employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
20600-46500	143	20	12	47	199	30	17	64	0	0	0	0	0	0
24900-50500	3888	620	256	889	804	141	58	260	235	41	23	0	0	0
29100-54500	3642	591	277	627	No recruitment is made in this Group.				926	125	57	1	0	0
32900-58000	2567	432	192	283	No recruitment is made in this Group.				600	108	54	1	0	0
36600-62000	1884	368	146	189	No recruitment is made in this Group.				550	116	30	0	0	0
43200-66000	1315	290	123	29	No recruitment is made in this Group.				288	62	26	0	0	0
51300-73000	1264	188	71	3	No recruitment is made in this Group.				210	36	14	0	0	0
51300-73000	543	54	13	2	No recruitment is made in this Group.				141	14	8	0	0	0
51300-73000	193	7	2	0	No recruitment is made in this Group.				68	4	0	0	0	0
62000-80000	73	4	0	1	No recruitment is made in this Group.				21	2	0	0	0	0
G.Total	**15512**	**2574**	**1092**	**2070**	**1003**	**171**	**75**	**324**	**3039**	**508**	**212**	**2**	**0**	**0**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REPORT ON CORPORATE SOCIAL RESPONSIBILITY

IndianOil's Corporate Social Responsibility (CSR) objectives are aptly enshrined in its Vision/Mission statement, i.e. "…to help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience...". At IndianOil, CSR has been the cornerstone of success right from its inception in the year 1964. IndianOil has defined its core values as Care, Innovation, Passion and Trust. IndianOil takes pride in being able to claim almost all countrymen as customers. That's why, the Corporation has coined the phrase, 'IndianOil – India Inspired'. IndianOil is an integral part of the society and is aware of its responsibilities beyond financial considerations towards improving quality of life of the communities it serves. To guide, undertake CSR activities in a focused and structured manner, a Committee of Board has been constituted. Under CSR, Health & Medical Care, Education and Clean Drinking Water are the thrust areas. The CSR expenditure during the current year is ` 81.91 crore as against ` 78.97 crore in Financial Year 2012-13. Further, an unspent amount of ` 20.45 crore has been carried forward and would be added to the CSR Budget of FY 2014-15 for spending as some of the projects conceptualized/initiated during FY-2013-14 are at various stages of finalization and expenditure against them would be effected in FY 2014-15. The details of major CSR activities are given hereunder:-

1. IndianOil Sachal Swasthya Seva (ISSS)

'IndianOil Sachal Swasthya Seva (ISSS)', which literally means 'IndianOil Mobile Healthcare Service', is one of IndianOil's largest CSR programs on

'IndianOil Sachal Swasthya Seva' Mobile Medical Units

healthcare, which was launched in January 2012, marrying 2 concepts viz. 'Healthcare for the poor' and 'Rural no-frill petrol/diesel stations'. IndianOil's network of 6002 'Kisan Seva Kendras' (KSK), which literally means 'Farmers' Service Centres', is an award winning 'rural no-frill petrol/diesel-station' model, conceptualized to cater to rural Indians/ farmers' multifarious daily needs. This extensive network provides an ideal foundation to launch social initiatives for the under-privileged rural Indians. ISSS attempts to bridge the gap of inaccessibility of qualified medical doctors by bringing primary health care to the doorstep of rural villagers through Mobile Medical Units (MMU) with KSK as a base.

Under this CSR project, villages lacking access to any primary healthcare services have been carefully selected as beneficiaries, based on a baseline survey. The MMUs, which are stationed at the KSKs, travel to the nearby villages to provide free primary healthcare and free medicines to the poor and needy population. 52 MMUs are stationed at 52 KSKs [27 in Telengana, 13 in Andhra Pradesh & 12 in Uttar Pradesh]. Each MMU has a 4-member

IndianOil Mobile Medical Unit, doctor examing a young patient

team comprising of a registered qualified Doctor (MBBS), a pharmacist, a driver and a Community Mobilizer, who acts as a link between villagers and Mobile Medical Unit team. Each MMU visits 10-12 villages every week and returns to the same village once every week, i.e. each village is visited 52 times in a year, which helps in repeat & continuous health check-ups. MMUs are able to provide curative as well as preventive primary healthcare-related medical services to the villagers, who are otherwise unable to avail such services due to poverty, high cost/inaccessibility of medical services, etc. Every year, 52 MMUs treat 1.5 million patients in 681 villages in 13 districts of 3 States. During 2013-14, 14.76 lakh patients were treated & cumulatively, more than 26 lakh patients have been treated by these 52 MMUs in Telengana, Andhra Pradesh & Uttar Pradesh.

2. Swarna Jayanti Samudaik Hospital, Mathura

IndianOil's 50-bed Swarna Jayanti Samudaik Hospital was established in 1999 to provide medical assistance to residents of nearby areas of Mathura Refinery. In addition, 2 mobile dispensaries are operating to provide primary medical care in the nearby villages. The hospital provides free treatment to the destitute and offers subsidized treatment to others. During 2013-14, 49,514 patients were treated and since 1999-2000, about 7 lakh patients have been treated at this hospital. The entire cost of

Swarna Jayanti Samudaik Hospital at Mathura operation and maintenance of hospital and 2 mobile dispensaries is borne by IndianOil.

3. Assam Oil School of Nursing (AOSN), Digboi

AOSN, established in 1986, offers professional nursing/ midwifery courses to unemployed girls of the North East and offers 4 year Diploma in General Nursing and Midwifery (GNM) to young girls (after 10+2). 20 students were enrolled for the course in 2013-14 and 18 students successfully

Nurses of Assam Oil School of Nursing participating in a March

completed the 4-year course during the year. All expenses of the students during the entire program are borne by IndianOil. Since inception, 334 students have successfully completed the course with 100% placement record. IndianOil plans to upgrade this school for graduation courses in GNM and increase intake capacity to 40 students per year. This project has won many accolades: 2nd prize under the category PRSI National Award (CSR) instituted by Public Relations Society of India (PRSI) (Sep-2012); top award under 'Women's' Empowerment' category at Odisha CSR Conclave, Bhubaneswar (Jan-2014) and at World CSR Congress, Mumbai (Feb-2014).

4. IndianOil Education Scholarship Scheme

IndianOil Education Scholarship Scheme for the poor and deserving SC/ ST students was started in the year 1984-85 with 50 scholarships to SC/ ST students pursuing full time graduation courses in Engineering/ Medical and post-graduation courses in Business Administration / Management. Today, IndianOil awards 2600 Scholarships on merit-cum-means basis to students pursuing full-time courses in 10+/ITI, Engineering, Medical and Business Administration to nurture and support talent among the deserving students belonging to families with less than ` 1 lakh gross annual family income. 50% scholarships are reserved for SC/ST/OBC students. In each category/sub-category, 25% scholarships are reserved for girl students and 10% for Persons with Disabilities (PWD). 300 scholarships are awarded for Engineering, 200 for MBBS, 100 for MBA and 2000 to students pursuing 10+/ITI courses. In the year 2013-14, about 53,000 applications were received for 2600 scholarships.

5. IndianOil Sports Scholarship Scheme

IndianOil has been promoting Sports for over three decades now. In line with the sports policy adopted in 1985, the Corporation has, over the years, recruited many promising sportspersons, who then went on to reach their peak in their chosen disciplines. The purpose of recruiting sportsperson is to nurture their talent early on, enhance their performance at the National & International level & bring laurels for the Country. IndianOil introduced a Sports Scholarship Scheme in the year 2006-07 for promising young sports persons representing State in team games and National ranking in others. The scheme started with 55 scholarships in 7 games/sports. At present, 150 scholarships for 19 games/ sports are awarded to upcoming junior players from 14 to 19 years of age. In addition to the scholarship amount, the cost of kit items is also paid by IndianOil. IndianOil also provides assistance towards travel, lodging etc. for scholars in individual games.

6. MoU with TATA Medical Centre Trust

Adding one more feather in its CSR thrust area of "Health & Medical Care", IndianOil launched Cancer Care Initiative and signed an MoU with TATA Medical Centre Trust & TATA Eastern Medical Trust for development of Phase-II of TATA Medical Centre, Kolkata for addition of 250 beds in a new building, which will have well-trained professional staff and a comprehensive Cancer Care Center equipped with modern facilities. The new facility will be named as ***'IndianOil TATA Care Center'***. At present, TATA Medical Center (TMC) runs a 167 bed cancer hospital in Kolkata since May 2011, which provides the entire spectrum of services from Prevention, Diagnosis and therapy to Rehabilitation and Palliative support. With IndianOil's contribution, TMC will add 250 beds by constructing a new structure with a basement and six floors and seamlessly integrating with the existing hospital facilities. The project will primarily benefit the

Foundation Stone of IndianOil - Tata Care Centre being laid at Kolkata

underprivileged cancer patients. The hospital will also conduct regular preventive oncology activities through an extensive outreach program, which will include awareness campaigns and cost-effective cancer screening in poor rural and urban areas in the East and the North-East.

7. LPG Scheme of Government of India

In accordance with Government of India's guidelines, 20% of 2% of Net Profit of previous year (i.e. ` 20.02 crore) was allocated towards release of one-time grant to Below Poverty Line (BPL) families in the rural areas for release of new LPG connection under Rajiv Gandhi Grameen LPG Vitarak Yojana. About 2.4 lakh BPL connections were released during the year as a part of CSR initiatives.

8. Help for Flood/Cyclone affected people in Uttarakhand & Odisha

IndianOil contributed ` 2 crore during the year to Uttrakhand Chief Minister's Relief Fund for relief and rehabilitation of people affected by floods / cloud burst in Uttrakhand. The Corporation also contributed ` 1 crore to Odisha Chief Minister's Relief Fund to help the cyclone affected people of Odisha.

9. Shikshak Dakshyata Vikas Abhiyan

IndianOil recognizes the need to encourage children to attend school regularly and that a teacher can play an instrumental role in this by making the classrooms more interesting and interactive. IndianOil organized a program christened Shikshak Dakshyata Vikas Abhiyan along with the district education department, Government of Assam, which aims to improve soft skills of government school teachers. The program has been planned in three stages, which would train teachers from primary, middle and high schools. During 2013-14, 121 teachers from schools covering 42 villages in and around Digboi were trained under the program. So far, 182 teachers have been trained under this project.

10. Sarve Santu Niramaya

To provide free health consultation and medicines for both human beings and livestock population, IndianOil launched this unique project in 8 villages near Digboi. During 2013-14, 2,035 poor patients and 25,274 cattle / poultry (including 506 free vaccinations) have been treated (with free medical consultation & medicines).

11. Drinking water projects near Guwahati

20 community stand-alone drinking water projects were implemented on cost-sharing basis near Guwahati for 1,211 subscribing households. In addition, IndianOil's Guwahati Refinery also operates a free dedicated community drinking water-supply project at greater Noonmati since 1994 (for residents of Noonmati Bazar, Bishnurava Nagar, Sankarnagar, Jyotinagar and KB Chowk). Treated water is supplied twice a day from a centrally located water-tank in the Refinery complex and about 5,000 households have benefited from this scheme.

12. IndianOil Foundation (IOF)

IOF, a non-profit Trust, was founded to protect, preserve and promote national heritage in collaboration with Archaeological Survey of India (ASI) and National Culture Fund (NCF) of the Government of India. In the first phase, the following six sites have been identified for preservation, restoration and conservation of monuments and to develop tourist friendly facilities in the monument complex:

1) Sun Temple at Konark, Odisha

2) Vaishali, Bihar

3) Khajuraho, Madhya Pradesh

4) Warangal Fort, Andhra Pradesh

5) Bhoganandeeshwara temple, Chikkaballapur district, Karnataka

6) Daulatabad Fort, Aurangabad, Maharashtra.

At present, work for development of tourist friendly facilities viz. cafeteria, landscaping, parking, toilets, souvenir shops, information centre, pathways, etc. at Sun Temple at Konark (Odisha) and Khajuraho (MP) are in progress. The development plans for other monuments are in various stages of planning. IOF has constructed Swatantra Jyoti (Eternal Flame) in the Cellular Jail Complex, Port Blair in memory of freedom fighters, who were incarcerated there.

Tourist Development Facilities at Konark, Odisha initiated by IndianOil Foundation

13. Awards and Accolades

IndianOil received the following 7 awards during 2013-14.

Sl	Name of award	When	Awarding authority	CSR Activity awarded
1	Best CSR Project (Women Empowerment)	Jan-14	Think Media Inc., Bhubaneswar	Assam Oil School of Nursing, Digboi
2	Women Empowerment	Feb-14	World CSR Congress, Mumbai	Assam Oil School of Nursing, Digboi
3	Concern for Health	Feb-14	World CSR Congress, Mumbai	Health Care Activities by Bongaigaon Refinery
4	Community Development	Feb-14	World CSR Congress, Mumbai	Community Development Activities by Guwahati Refinery
5	Improvement in Quality of Education	Feb-14	World CSR Congress, Mumbai	Education Improvment Activities by Guwahati Refinery
6	SCOPE Gold Award on CSR	Mar-14	SCOPE	IndianOil CSR
7	Outstanding CSR in the Oil & Gas Sector	Mar-14	Think Media Inc., Delhi	Assam Oil School of Nursing, Digboi

AWARDS AND RECOGNITIONS

- Gold Trophy "SCOPE Meritorious Award" for Corporate Social Responsibility & Responsiveness for the year 2012-13
- IndianOil became the highest ranked Indian company (96th) in the prestigious *Fortune* 'Global 500' listing.
- Topped the Financial Express 500, Business Standard 1000, Economic Times 500 and *Fortune* 'India 500' listings.
- PetroFed awards received in four categories - Leading Oil & Gas Corporate of the Year, Oil & Gas Marketing Company of the Year, Special Commendation Award - Environment Sustainability-Company of the Year and Innovator of the Year- Team special commendation.
- Best CFO award by Institute of Chartered Accountants of India (ICAI) to Director (Finance).
- Featured in Business India Super 100 companies (Rank 11), BT 500 India's Most Valuable companies (Rank 18), BW 500 (2nd biggest company) and Forbes Global 2000 (Rank 6 among Indian companies).
- IndianOil won the 'Global Human Resources Development Awards 2014' in the category 'Improved Quality of Working Life' instituted by International Federation of Training & Development Organisation (IFTDO). IndianOil emerged as overall winner and winner in its category.

Performance Excellence Award by Indian Institute of Engineering (IIE) at Amritsar

- Won Bronze at the fifth edition of the Rural Marketing Association of India Flame Awards-2013 in the Category 'Channel Marketing/Retailer Incentive of the year' for its Kisan Seva Kendra brand of retail outlets set up in the rural hinterland.
- For the sixth consecutive year, IndianOil was conferred the coveted Oil & Gas Supply Chain Excellence Award at the 7th Express, Logistics & Supply Chain Conclave held in Mumbai.
- Conferred the SKOCH Platinum Award under the category of innovative mobile applications for Mobile applications *M-Power* and *X-Sparsh*.

Director (Finance) receiving the Best CFO award by ICAI

- IndianOil was awarded Best CSR Project (Women Empowerment) for Assam Oil School of Nursing by Think Media Inc., Bhubaneshwar and World CSR Congress, Mumbai.
- Bongaigaon Refinery, Gauridad Pump Station of Western Region Pipelines (WRPL), Rajkot, Ennore BP, Mayiladuthurai BP, Vijayawada BP, Coimbatore BP, Bhopal BP, Rajbandh Terminal bagged National Safety Award from Ministry of Labour & Employment, Government of India.
- Bongaigaon Refinery won the National Energy Conservation Award 2013 constituted by Ministry of Power, Govt. of India.
- IOML was presented the 'Africa Sustainability Leadership Award- 2013' under the category 'Best Community Action' under the aegis of World CSR Congress. The Sustainability Awards is a leading industry event for recognising and rewarding outstanding achievement in sustainability in the built environment, with participation from nearly 30 countries.

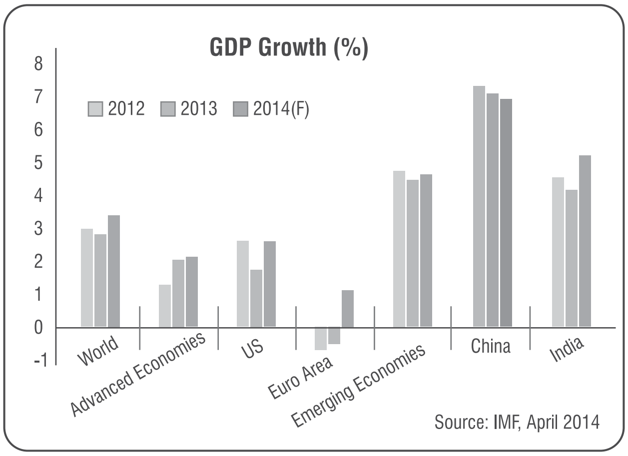
IFTDO Global Human Resource Development Award

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC OVERVIEW & OUTLOOK

Global

During the year, expansion of global trade and services moved at a moderate pace. GDP growth, however decelerated further in 2013 to 3.0 percent from 3.2 percent in 2012 and 4.0 percent in 2011. While growth plunged in advanced economies and emerging economies, some green-shoots were observed in the advanced economies group that came in as a boost for the overall global prospects. After six consecutive quarters of contraction, recession ended in the Euro Area in second quarter of 2013 with growth turning positive. In the US, as well, growth strengthened in 2013. Moreover, unemployment rate fell in the US and in the Euro Area. The improving economic situation in the US, prompted the Federal Reserve to consider tapering the Quantitative Easing (QE), which finally began in January 2014. The improving economic conditions in the advanced economies augur well for the overall global outlook and would be a major factor leading to the expected acceleration in the global growth in 2014.



In emerging economies, the year was marked by episodes of financial turbulence caused by developments relating to the tapering of QE. During late May to late September 2013, many emerging economies faced sharp depreciation of their currencies resulting from capital outflows triggered by the expectation of withdrawal of QE and later in January 2014 when the Federal Reserve announced a further cut in QE for February 2014, which was not factored in by the markets. On the growth front, supply-side constraints and structural weaknesses continued to affect growth in many emerging economies and many struggled with high inflation rates as well. There was a slight pickup in growth in the later half of 2013 mainly on account of stronger export demand from advanced economies and depreciation of emerging economies' currencies. Another worrying feature that emerged was the slowing of growth in China in fourth quarter 2013, which until now had been the anchor for the emerging economies group.

Looking ahead, a significant acceleration in global growth is expected in 2014, with advanced economies, especially the US expected to lead the growth. However, a number of risks, such as continuing deflation in the Euro Area, emergence of new geo-political risks such as Russia-Ukraine stand-off and turmoil at Iraq, weakening growth and financial fragilities in China & the risk of volatility in the financial markets in response to the phasing out of QE will continue to be major concerns.

India

During the year, Indian economy witnessed a subdued growth of 4.7 percent that remains an area of concern. Besides, some of the major macro-economic indicators exhibited low performance at different points of time and structural constraints continued to mire growth.

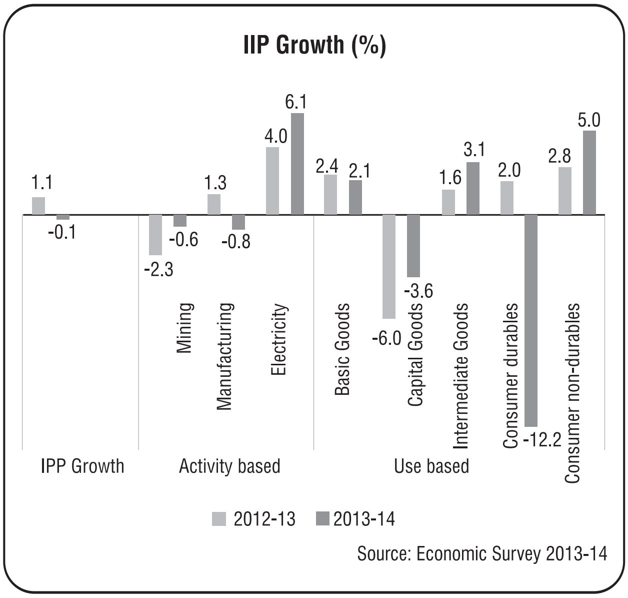
Sectoral Growth Performance

Many major sectors experienced weak growth or decline in their outputs and continued to drag the momentum of the Indian Economy.

Index of Industrial Production (IIP)

The foremost was Index of Industrial Production (IIP), where output declined to 0.1 percent after growing by a meagre 1.1 percent in 2012-13.

The decline in output was largely reflective of the deteriorating performance of the manufacturing sector, with manufacturing output declining for the first time since 1991-92. Further, the trend of declining output in the mining sector since 2011-12 continued in 2013-14 as well, policy hurdles continued to affect the coal and natural gas sectors and added to the woes of the Indian industry.



In addition, there was significant decline in outputs of capital goods and consumer durable industries, reflecting the weak investment and consumption sentiments in the economy. Performance of 8-Core Infrastructure Industries also took a hit, with growth falling to 2.7 percent from 6.5 percent in 2012-13.

In terms of final consumption and investment numbers, there was continuation of the downward trend.

Final Consumption Expenditure

Growth in final consumption expenditure slipped further in the year to 4.7 percent after falling to 5.2 percent in 2012-13 from a buoyant 8.9 percent in 2011-12 and compared to a CAGR of over 7 percent during the ten year period from 2001-02 to 2011-12.

Investment

Investment growth, which had been decelerating since 2011-12, entered the negative zone, as gross capital formation in the country fell by 2.5 percent in 2013-14. During the year, dropped investment projects reached an all time high, while new investment projects announced hit the lowest level since 2004-05, in terms of cost of projects. This was despite setting up of the Cabinet Committee on Investment in January 2013 to fast track the approval process.

Other major sectors that pulled down growth were ports, commercial vehicles and passenger vehicles sectors.

Agriculture

An exception came from Agriculture sector, which acted as a major performance booster during the year. Growth in the sector accelerated to 4.7 percent from a mere 1.4 percent in 2012-13 benefitting from healthy monsoon in 2013-14.

Electricity

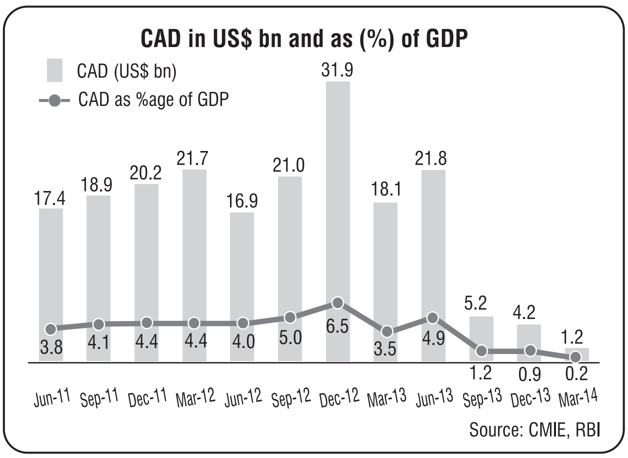
Another sector that helped in supporting growth was the Electricity Generation sector, which grew at 6.1 percent in 2013-14 from 4.0 percent in 2012-13. The acceleration was mainly because of better performance of the hydel power generation owing again to the good monsoons. Correspondingly, power deficit situation in the country improved significantly, with lowering of deficit and peak deficit to 4.2 percent & 4.5 percent respectively from 8.7 percent & 9 percent in 2012-13.

Additionally, improvement in performances of aviation, railways and road construction sectors came in as welcome developments.

Macro-economic indicators

Current Account Deficit (CAD), Capital Flows & Exchange Rate

Indian economy entered the current year with a difficult CAD position. CAD had spiked to 4.7 percent of GDP in 2012-13 (highest since 1970-71) and in the initial few months the position deteriorated largely due to decline in exports and a growth in imports. In first quarter of 2013-14, CAD hit a high of 4.9 percent of GDP. Moreover, the situation turned even more difficult as financing concerns heightened with flight of capital, accompanied by an unprecedented depreciation of the Rupee against the US$ as the exchange rate hit a low of ` 68.85/US$ on 28th August 2013. This was on account of speculation that engulfed the global financial markets, as the US Federal Reserve contemplated tapering QE in late May 2013. India was among the so called "Fragile Five" emerging economies, which were the worst hit. Fortunately, in late September, markets calmed down with greater clarity on Fed's policy stance. Along with this, policy measures to control imports, especially gold, to control liquidity, and measures to attract NRI funds also helped stabilizing the situation. As a result, the flight of capital and rampant depreciation of the Rupee were arrested. On the aggregate, India received net FII inflows of US$ 8.9 bn and exchange rate averaged at ` 60.47/US$ in 2013-14 (vs. ` 54.45/US$ in 2012-13). Further, the year ended with a comfortable CAD of 1.7 percent of GDP, benefiting from the accelerated growth in both merchandise and services exports mainly on account of a lower Rupee; and a sharp decline in imports, especially non-oil imports due to import control on gold.



Inflation

Inflationary pressure remained high during the year, moderating only towards the end of the year. WPI & CPI inflation stood at 6.0 percent and 9.7 percent in 2013-14, slightly lower than 2012-13 levels. During June-December 2013, flaring of food inflation along with rise in fuel inflation due to periodic fuel price hikes contributed to rise in monthly WPI numbers and high (close to 10 percent) monthly CPI inflation. Mounting inflationary pressures forced RBI hike rates despite weakening real sector growth.

Fiscal Situation

Fiscal situation continued to be an area of concern as actual deficit continued to grow at a fast pace, during the year. Moreover, between April' 2013 and February' 2014, deficits had overshot the annual estimates. However, as per the provisional numbers for 2013-14, fiscal deficit was contained to 4.5 percent of GDP, lower than the revised estimate of 4.6 percent of GDP. The Government met the target despite below target tax revenue collection by cutting in plan and non-plan expenditures.

Economic Outlook

A stable government at the Centre is now a major morale booster in the current fiscal year. On the other hand, risks in the form of weaker agriculture growth due to below normal monsoon could affect overall growth and also add to inflationary pressures. The economy is expected to recover gradually with the GDP at factor cost at constant price at 5.4 to 5.9 percent in 2014-15. This considers the revival of growth in the industrial sector with stable current account and steady capital inflows, improved fiscal situation and, on the supply side, improved electricity generation and recovery in manufacturing and private services sectors. Turning around the investment and consumer sentiment in the country is a priority area and pivotal to bringing back accelerated growth of the economy.

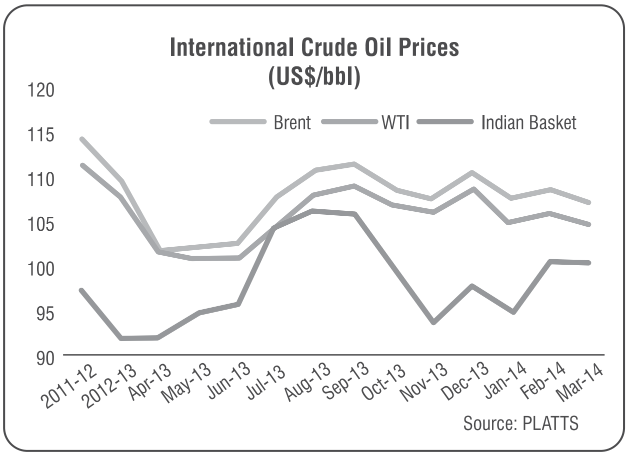
INDUSTRY STRUCTURE & DEVELOPMENTS

Oil Market-International

Prices

For the second year in a row, average international crude oil prices fell, with Brent price moderating to US$ 107.6/bbl in 2013-14 from US$ 110.1 /bbl in 2012-13. Fluctuations in crude oil prices were mainly because of geo-political events and supply outages in Middle East. During the year, emergence of the Syrian Crisis followed by its resolution, the historic interim agreement between Iran & the Western Powers and the Ukraine-Russia crisis were the three major geo-political events, which affected the international oil market. Supply outages in Libya, Nigeria and Iraq and later prospects of resumption of exports from Libya also played their role in the oil market. In addition, concerns about global growth and macro-economic concerns also influenced the market from time to time.

Another development on the international oil price front has been the narrowing of the Brent-WTI gap. In 2013-14, the gap fell significantly on an average to

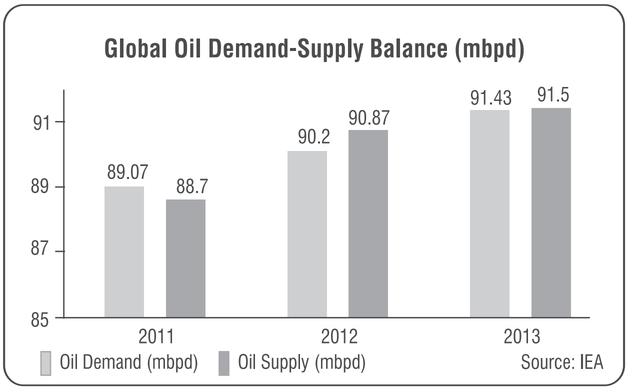


US$ 8.55/bbl from US$ 18.2/bbl in 2012-13. New pipeline transportation from Cushing, Oklahoma (delivery point of WTI) to Houston (refining hub) helped in pulling down stocks at Cushing by enabling transportation of WTI to demand centres in the US Gulf, thus supporting WTI price and in turn narrowing down Brent-WTI gap.

Supply-Demand Balance

Similar to 2012, the international oil market remained broadly balanced in 2013 as well. Global oil demand rose by 1.3 mbpd in 2013 to the level of 91.4 mbpd, this was matched by oil supply of 91.5 mbpd, rising by 0.6 mbpd from 2012 levels.

On the demand side, the decline in Organisation for Economic Co-operation and Development (OECD) demand witnessed in 2012 was reversed to some extent



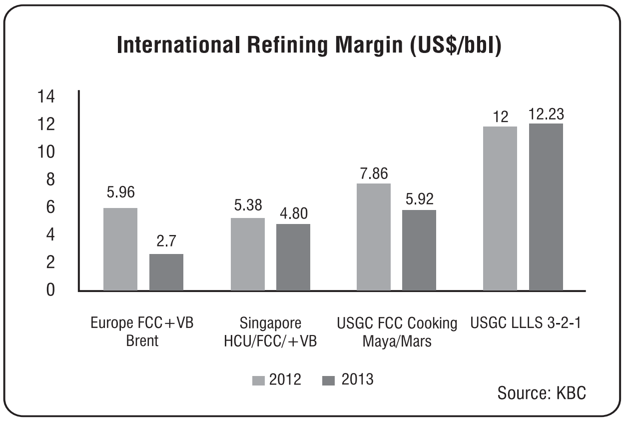
as demand rose to 46.1 mbpd in 2013 from 46.0 mbpd in 2012. The trend of rising Non-OECD demand continued as demand rose to 45.4 mbpd in 2013. However, the size of incremental demand in the Non-OECD countries fell to 1.2 mbpd in 2013 from 1.6 mbpd registered in 2012, mainly due to weakening of the economic conditions in 2013 for the group.

Global oil demand is expected to grow in the year 2014. The growing demand will be attributed by non-OECD Asian demand. China, a key factor for the increasing demand, is expected to return to a higher growth pattern in second quarter of 2014.

On the supply side, while Organization of the Petroleum Exporting Countries (OPEC) supply fell to 36.8 mbpd in 2013 from 37.5 mbpd in 2012, it was more than compensated by the increase in Non-OPEC supply, which rose to 54.7 mbpd in 2013 from 53.4 mbpd in 2012. The rise in Non-OPEC supply is largely attributable to the significant expansion of unconventional oil production in North America (Canadian tar sands & shale oil from US). In fact, it is this structural change witnessed in the oil market in the form of addition of a new supply source, which has helped to keep the oil prices range bound in the last three years.

Refining

During 2013, global crude distillation capacity rose by 0.8 mbpd to the level of 92.6 mbpd. The rise was driven mainly by capacity additions in Middle East (0.43 mbpd), East Asia (0.36 mbpd) and North America (0.20 mbpd) among others. However, along with this expansion, trend of refinery closures in Europe and OECD Asia continued, shelving off around 0.4 mbdp capacity together.



As regards margins, both in Europe and Asia, margins witnessed a fall. Weak margins in Europe was a result of weak economic conditions in the region and in turn poor product demand coupled with mismatch of refinery product mix with the demand pattern. Moreover, the refiners in this region were affected by efficiency issues and stringent emission regulations.

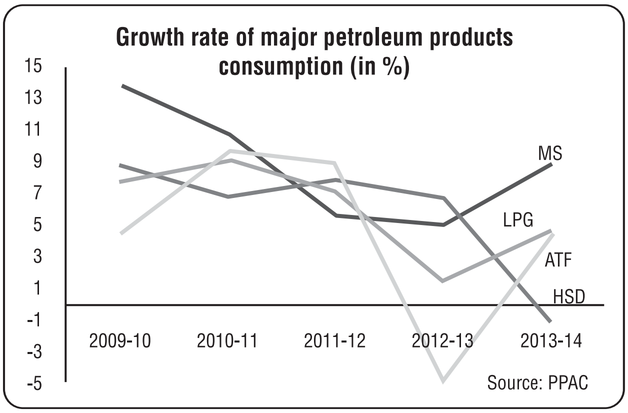
On the other hand, US margins have remained healthy and higher than the other regions because of the low crude cost advantage and benefit arising from lower prices of gas, which is a refinery fuel.

Looking ahead, with sizeable new capacities lined up for 2014 & 2015 in Asia and Middle East, which are likely to outpace global demand growth, there is likely to be pressure on margins in Asia and also in Europe. This will be targeted by exports from the new Middle East refineries. Refiners in North America are likely to continue benefiting from high margins. Exports from the region are on a rise and capacity is being expanded.

Oil Market-Domestic

Domestic Demand

During the year, refined petroleum products demand in India was hit severely, with total consumption of 158.2 MMT the growth in consumption fell to 0.7 percent, which is the lowest since the 0.4 percent growth recorded in 2001-02. Barring LPG, MS, ATF and Petcoke, consumption of all other major products declined during the year. Amongst the products that witnessed a decline in consumption, the most significant undoubtedly was HSD consumption, which accounts for over 40 percent of domestic POL consumption, declined by 1 percent, in stark contrast to the Average Annual Growth Rate (AAGR) of over 7 percent registered during 2006-07 to 2012-13. This decline in HSD consumption acted as a major drag on the overall consumption growth.



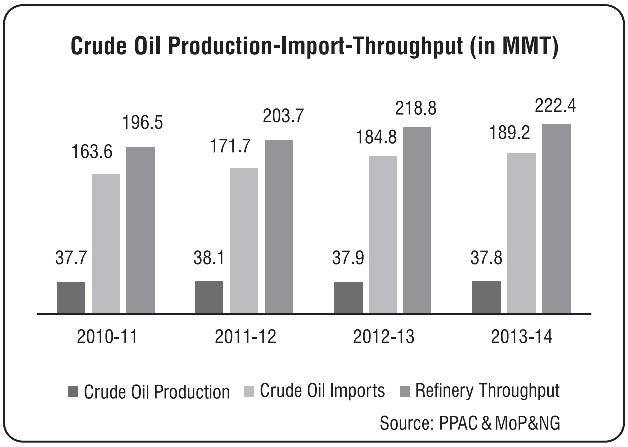
The main factor that restrained petroleum demand in the country was the weakening economic growth and in particular decline in industrial output. The factor that affected HSD demand was the rise in HSD prices. Besides this, decline in sales of commercial and passenger vehicles (inter-alia due to high interest rates), better power situation in the country, shift to alternative fuels by industrial users due to deregulation of bulk diesel, and poor performance of port sector contributed to the decline in HSD consumption.

In case of MS, growth was led by spurt being witnessed in 2-wheeler sales, which account for 60 percent of MS consumption. The gradual narrowing of price difference between MS & HSD, coupled with shifting of new consumers to two-wheelers instead of low budget cars due to overall economic weakening and high interest rates and also agrarian prosperity supported MS sales demand. Growth in LPG was because of low base effect, resumption in issue of new connections, and increase in capping limit. ATF sales grew because of the revival that was witnessed in the Indian aviation sector in the country.

Supply

The Domestic crude oil production at 37.8 MMT was almost stagnant. Crude oil production by National Oil Companies that account for over 70 percent of production, continued to fall during the year, while production by private companies rose by 3.7 percent. Ageing of oil fields, closure of oil wells, delays in execution and bandh and blockades, are reasons for repressed production.

During the year, the need to reinvigorate the domestic hydrocarbon E&P sector was increasingly recognized in policy circles. In line with this, the first report of the Kelkar Committee on the "Roadmap for Enhancing Domestic Production of Oil and Gas and Sustainable Reduction in Import Dependency by 2030" recommended phased launch of Open Acreage Licensing Policy (OALP); development of national data repository, reforms in tax policy and administration; development of policy for marginal fields in the context of E&P sector amongst others. Following this in February 2014, the new Policy for Geo-Scientific Data Generation for Hydrocarbons in Indian Sedimentary Basins was approved. The policy aims at accelerating acquisition of geo-scientific data in respect of all the sedimentary basins of the country.



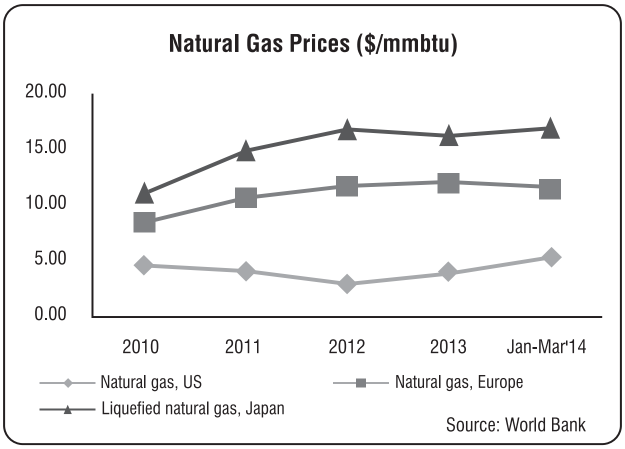
Crude oil imports by Indian refiners also witnessed a deceleration in their growth. At 189.2 MMT, crude oil imports grew by 2.4 percent as compared to 7.6 percent growth registered in 2012-13. In value terms, crude imports amounted to USD 142.96 bn slightly lower than the value in 2012-13.

As regards the Indian refineries, in 2013-14, growth in refinery throughput decelerated to a mere 1.6 percent from a robust 7.4 percent posted in 2012-13. Deceleration in demand for petroleum products, technical problems and shutdowns at major refineries affected throughput growth.

Natural Gas Sector

International

Global natural gas production rose by 1.1 percent in 2013 following a 1.9 percent growth in 2012. In the US, the largest producer of gas, total marketed gas production grew by 1.3 percent vis-a-vis around 4.7 percent growth recorded in 2012.



As regards prices, global natural gas market continues to be segmented by geographies. Henry Hub prices in the US, continued to be the lowest amongst the regions, at an average of $3.7/mmbtu in 2013. On the other hand, prices of natural gas in Europe was at an average of $11.8/mmbtu and in Asia (Japan) at $16/mmbtu in 2013, which was considerably high. While this price differential is likely to reduce in the long-term, steps in this direction have already begun. Presently, US have surplus gas, but is bound by both lack of permits and export (liquefaction) infrastructure, resulting in a domestic glut and lower prices.

Domestic

During the year, domestic natural gas production fell further to 35.4 bcm largely due to decline in production from KG Basin. Along with this, price sensitive market & insufficient infrastructure constrained LNG imports, which remained almost stagnant at 10.85 MMT in 2013-14. On the domestic gas-pricing front, which for long has been a contentious area, the Government during the year adopted the Natural Gas Pricing Guidelines 2013, based on the recommendations of the Report of Rangarajan Committee on the PSC

Mechanism in Petroleum Industry. As per the guidelines, a single pricing formula based on a weighted average of wellhead prices of Indian LNG imports and gas prices in North America, Europe, and Japan was to be applicable for all domestically produced gas, with effect from April 2014. However, in view of General Elections during April-May 2014, the implementation of the guideline was kept on hold.

Petrochemicals Sector

International

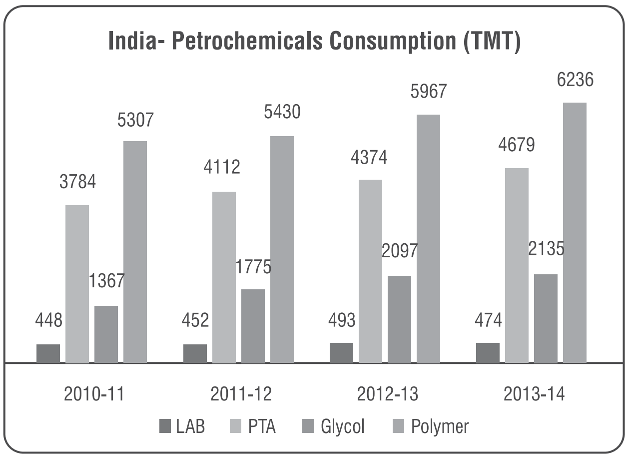
With US and China leading the recovery, the global petrochemical demand has witnessed an upward movement. World Polypropylene (PP) and Polyethylene (PE) production in 2013-14 increased by 4.9 percent and 5.1 percent respectively, while demand increased by 4.7 percent, and 4.4 percent respectively.

China plays an important role in the global PE and PP markets, with an increasing number of global suppliers vying for a share of the market. As it continues to be the main consumption centre, despite increase in domestic capacity, it continues to be a net importer of polymer products. New capacity of 3 MMT added in PP globally in 2013-14 with 50 percent of these coming from China alone.

Global economic and chemical output growth is expected to continue to accelerate in 2014 with a projected growth rate of 3.6 percent over last year. The strongest growth is expected to be in the developing nations of Asia, the Middle East, and Latin America. Due to competitive advantages from shale gas, growth is expected to be strong in North America. With strengthening production volumes, global capacity utilization is to improve in the years to come. China's chemical production is expected to grow by 8.8 percent in 2014 and 8.5 percent in 2015 from respective previous year.

Domestic

During the year, in line with the overall downturn in the economy, Indian petrochemicals sector also witnessed a slowdown in growth. In addition to this, the depreciation in Rupee against the US$ made petrochemicals imports costlier, which constitute a sizeable share of the market. In 2013-14, growth in polymer



consumption including imports was around 4.5 percent, which was around 10 percent in 2012-13, with imports witnessing an absolute decline (-8.5 percent growth). Sales volumes of LAB also took a hit, falling by about 4 percent from previous year as compared to a robust growth of 9 percent in 2012-13.

As economic momentum in the country is expected to pick up, petrochemicals demand is expected to bounce back. Moreover, the long-term prospects for the sector continue to be bright, based on the sizeable potential for petrochemicals demand growth. In line with this, capacity additions are lined up by several manufacturers. By 2015-16, import dependency is projected to come down as new capacities come on line.

PERFORMANCE, OPPORTUNITIES AND CHALLENGES

Core Business

India is one of the major growth centres of petroleum demand and also a hub for downstream petroleum business. As per International Energy Agency (IEA), over the medium-term (2020) India will continue to be a net exporter of refined petroleum products and over the long-term (2035) it will become the largest source of global oil consumption and a net importer.

Refining

Presently, the Corporation is the largest refiner in the country including CPCL, its group company. The Indian market for refined petroleum products is growing and over the long-term growth in demand is set to exceed refinery capacity additions. In global context, refining business is increasingly seen under stress especially in Europe & Asia because of new capacities being added in Middle East and China along with US becoming a large petroleum product exporter. In this backdrop, capacity additions over the long-term and protection of margins are two main objectives of the Corporation.

Corporation's flagship 15 MMTPA refinery project at Paradip, which is at the cusp of commissioning, will improve Corporation's competitiveness in the market and provide enhanced operational flexibility with its state-of-the-art configuration to process heavy and high sulphur crude oil varieties along with the capability to produce futuristic Euro-V standard fuels. A major constraint in the current refining infrastructure of the Corporation is the lack of a refinery on the west coast. Looking ahead the supply-demand evolution of petroleum products in the country throws up an opportunity to set up one such refinery on the west coast. The Corporation is working towards taking advantage of this opportunity.

The Corporation sees optimization of refinery operations as a major strategy for margin protection and enhancement. Since crude oil cost constitutes as high as 95 percent of the input cost, reducing cost of crude oil has been a priority area for the Corporation. In pursuit of this, the Corporation has been enhancing capabilities of its refineries to process cheaper crude varieties and on the other hand has initiated action to provide optimum crude mix to refineries. During 2013-14, the Corporation's refineries processed 16.1 percent heavy and high TAN crudes vis-a-vis 11.5 percent in 2012-13. Plans are afoot to raise this proportion to 20 percent by 2015-16, and 30 percent by 2017-18. To leverage the capability of processing tougher crudes, high sulphur crude has also increased from 44.3 percent in 2009-10 to 53.7 percent (including Mangla Crude) in the year 2013-14. With Paradip Refinery operation, the same will increase to 67 percent. Total dependence on term contracts though meeting the objective of secured supplies, may not yield the best GRMs as it provides less elbow room to take advantage of aligning crude supplies with product price fluctuations. At the same time, crudes that can yield high GRMs may not be available in right quantities when desired. A right balance, therefore, has to be exercised between term and non-term crude oil supplies. In pursuit of optimization of operations, the Corporation is also focused on various ENCON measures and is striving for bringing various performance parameters of refineries at par with global peers.

Marketing

The Corporation has an impressive presence in the domestic petroleum products marketing space. Its pan India and highly connected supply infrastructure is the key strength. However, increasing competition in the market coupled with overall slackening of the domestic petroleum products market witnessed this year has emerged as a major challenge.

Infrastructure efficiency, customer satisfaction and cost minimization are pertinent for meeting such challenge.

In infrastructure development efforts, the corporation has further fortified its presence in upcoming rural and semi-urban centres of growth through the 'Kisan Seva Kendras' (KSKs) Retail Outlets. Our KSK bouquet includes a network of 6002 outlets. The KSKs are not only becoming the new face of the organization but also bolstering its market share and profit margin. Automation of Retail Outlets has also been one of the initiatives, which will not only provide better productive management and high level of Q&Q assurance but it will also reduce cost and give the Corporation a competitive advantage. 1700 ROs were brought under automation during the year taking the total number of automated retail outlets to 6,077 and aspires to achieve 100 percent automation by 2021-22. It has also strengthened its presence in the highways, not just by commissioning new ROs, but through an initiative termed as Highway Networking to cater to the commercial transportation segment, a significant consumer of HSD on the highways. Decision making ability and real time monitoring at field level has been improved with the help of technological interventions through various software applications such as mPower for enhancement of field officers' productivity; mobile application *X-Sparsh* for enhancing dealers' productivity and *X-Snehash* for provision of relevant information on-the-go for retail customers. Such unique initiatives of the Corporation are aimed at profit-oriented approach. Focus is not only on expanding RO network but also to turning around existing ROs.

Customer centricity has been the focus of the Corporation. In fact, continuous enhancement of retail experience of customers is pivotal for maintaining market leadership, especially so, as competition levels increase. A professional training initiative for Customer Attendants - Project *CHETNA* was launched. This initiative aims to enhance service standards of customer attendants on the forecourt. Through 'Total Look and Feel' initiative, thrust has been on modernization of ROs by providing various features and facilities.

In pursuit of cost minimization, the Corporation is relying on technological up gradation and improving efficiency of infrastructure. The Corporation has also explored the opportunity for outsourcing of resources at its terminal operations & LPG Bottling plants. Common User Terminals (CUTs), which can be outsourced, is the next level of terminal operations. This is a financially and operationally attractive alternative which shall promote a more efficient use of its valuable resources including manpower.

The Corporation has further strengthened its foothold in LPG business. Share of Domestic LPG during 2013-14 has increased by 0.35 percent from previous year. Efforts are to further increase market share during 2014-15 by commissioning more number of LPG distributorships and improving service standards. A number of initiatives have been taken to make the distribution system more transparent and customer oriented through IT enabled application. As on 31.03.2014, the Corporation has LPG bottling capacity of 7170 TMTPA with 7035 LPG distributors.

The Corporation holds major share in bulk consumer products. In the year 2013-14 market share has increased in major Bulk consumer products like Naphtha, FO, and Bitumen. The stronghold in the ATF market with 64.5 percent market share has been strengthened further with the Corporation, improving its market share of ATF by 1 percent.

SERVO brand of the Corporation remains the market leader in the domestic Lubes market. In a highly competitive market, *SERVO* outperformed the industry and has improved its market share by 0.5 percent. However, to further strengthen the brand and improve performance, various initiatives have been undertaken, such as strategic tie-ups with large volume customers, initiatives to improve Lube sales through RO network, enhancement of production capacity through new projects, modernization, automation, outsourcing of production, filling & packaging activities etc.

Reach of the Corporation's business is now beyond national boundaries. Its business is expanding in overseas downstream petroleum sector. IndianOil Mauritius Ltd, a subsidiary of the corporation in Mauritius, enjoys market share of 53.2 percent in aviation sector with 25.23 percent market share in POL sales. In Sri Lanka, Lanka IOC PLC has 15.6 percent retail infrastructure share and over 15 percent market share in MS. The corporation is further exploring the opportunities to expand its presence in new markets.

Pipelines

Crude oil pipelines, which consistently achieve over 100 percent capacity utilization, have been considered the backbone of refinery operations of the corporation. They are the most cost effective and environment friendly mode of transportation spreading across the country. As most of the Corporation's refineries are inland, delivery of opportunity crudes at site was also a challenge, which was met by enhancing the capability to transport heavy and viscous crudes through crude oil pipelines network. Efforts are on for advancement of this initiative which will further support the refineries in improving their GRMs.

The total length of your Corporation's network of crude oil, product and gas pipelines as on 31.03.2014 was 11,214 km. The Corporation has added crude oil tankage facility of 425 TKL to improve crude blending. Higher blending levels enables refineries to process tougher crudes and improve GRMs. The Corporation handled 98 tankers at Paradip during 2013-14 – highest in a year at the East coast, compared to 75 tankers during 2012-13.

Recently, the corporation has a renewed focus on LPG pipelines so as to leverage the economics and safety aspects of LPG transport via pipelines. With increased LPG imports and significant evacuation through tankers, LPG pipelines are the next growth avenue. Paradip-Haldia-Durgapur Pipeline and Ennore-Trichy-Madurai Pipeline are being planned for transportation of LPG. The Corporation has planned to invest ` 1,200 crore during the current financial year for implementing various pipeline projects.

Petrochemicals

Petrochemicals play a vital role in the functioning of virtually all key sectors of economy including agriculture, infrastructure, healthcare, textiles and consumer durables. Unlike US, where per capita consumption of polymer has reached saturation level, India having the advantage of high population and projection of high economic growth, polymer consumption is expected to reach new levels in coming year.

In a very short span of time the corporation has established itself as a significant player in petrochemicals production and marketing. This has not only helped the Corporation to add value to its existing refineries, but also helped it diversify and achieve downstream integration in true sense. Production of petrochemicals from India's largest naptha cracker unit at Panipat also stabilized. The corporation has entered niche products segment like Styrene Butadiene Rubber (SBR), Butene-1, and Butadiene. The Corporation's J.V. Company became the first company in the country to produce SBR, which is a 100 percent import substitute. Consolidated market share of petrochemicals rose to 19.4 percent in 2013-14 from 18.6 percent in 2012-13 with highest-ever export of 125 TMT to 46 countries.

Having laid the building blocks for petrochemicals, the corporation is now considering setting up value added niche chemical projects. In this direction, various projects based on derivatives of C4 & C5 are under consideration. The corporation has invested approximately ` 408 crore in petrochemicals in 2013-14. The cumulative investment in petrochemicals touches ` 20,023 crore till 31.03.2014. The company has further plans to expand its business in near future.

Gas

The gas business has gathered momentum registering sales growth of 5.7 percent over previous year with 1.94 MMT gas sales in 2013-14. Steps have been initiated to have a significant share in the country's gas infrastructure through participation in upcoming gas pipelines (in JVs) and planned import storage and degasification terminal of 5 MMTPA LNG with provision for future expansion to 10 MMTPA at Ennore near Chennai. Gas demand from existing customers and own refineries in the western and northern part of India is growing. With the construction of 3 new gas pipelines, new customers may also be supplied gas in coming years. The corporation has executed 20 years re-gasification agreement with PLL Dahej for firm capacity of 1.5 MMTPA of the expansion of 5 MMTPA. This would be available from 2016-17 upon capacity expansion from 10 MMTPA to 15 MMTPA at Dahej. To meet the gas requirement of upcoming Paradip refinery, and other potential customers, setting up a LNG terminal is under consideration at East Coast in near future.

LNG at doorstep has been the major thrust for developing gas business of the corporation. In 2013-14 LNG sales touched 30.04 TMT registering a growth of 16.0 percent over previous year. The corporation is leveraging its strength of being market leader in energy sector to attract customers of LNG at doorstep. Its experience and expertise of over 30 years in the field of cryogenics is also unique in the oil industry. Utilization of in-house designed and manufactured cryogenic LNG tankers strengthens the capability to deliver "LNG at Doorstep" to the consumers.

The Corporation has been pursuing development of CGD projects in India. At present, 2 JV companies are implementing CGD projects in Allahabad and Chandigarh.

E&P

Energy security is the foremost concern for a growing economy dependent on imported crude oil to the extent of over 75 percent. With 13 domestic blocks and 11 overseas blocks, the Corporation is strengthening its position as a serious upstream player. The Corporation has made a beginning in acquisition of hydrocarbon producing assets overseas, in consortium by acquiring producing assets in US and Canada.

Acquisition of participating interest (PI) in Niobrara shale asset in USA provided the required beginning and experience to the Corporation, with first ever revenue earnings from its E&P business. The Corporation's well-wise working interest share of gross production has reached to a level of around 1,60,000 bbl of oil and 225 MMSCF of gas. The peak rate of production from the asset has been estimated to be 4,025 boe/d, which is likely to be achieved in the year 2017.

In 2013-14 the Corporation has acquired 10 percent PI in the multi-billion dollar integrated upstream & LNG project - Pacific North West LNG in Canada with initial investment of US$ 1 billion, marking Corporation's biggest overseas acquisition so far. The project is also a producing asset which has already started generating revenue. With 10 percent share, the corporation is expected to get LNG of 1.2 MMTPA by 2019.

R&D

R&D has always been a major thrust area and integral part of Corporation's development strategy. It not only gives an edge over competitors but also helps to stay abreast of scientific breakthroughs that will transform the way the corporation does business, especially in lubes and petrochemical business. INDMAX unit at Paradip refinery, the first indigenous refining technology developed by R&D team, is under commissioning. Successful commissioning of INDMAX unit of 4.2 MMTPA would significantly enhance the corporation's reputation as a technology provider and open up greater avenues for commercialization of its technologies. R&D Centre has expanded its domain by providing support to the petrochemicals business as well and has also extended its research in the field of alternate energy. The upcoming IndianOil Centre for Renewable Energy, Manesar (i-CARE) will provide a boost to research activities in the country in the field of futuristic energy resources.

Sustainability & CSR

The corporation has started integrating sustainability aspects of business with its vision and core values. As a responsible corporate body, the corporation is determined to reduce emission of greenhouse gases (GHG), lower down the consumption of water and reduce waste generation in its business operations at all locations. Following the principle of "measure before we can manage", it has undertaken eco-foot printing, i.e. measuring of GHG emissions, water and waste streams from its installations. The corporation is implementing ENCON projects at refineries to reduce GHG emissions, solarising ROs, and creating rain water harvesting structured at installations as part of mitigation strategy. Venturing into off grid and on grid solar and wind energy was also considered as a forward looking approach. Awareness generation among the employees and conducting Carbon Neutral Events are the other thrust areas. In CSR the focus area of the corporation is health and education of the community. Various health and education related schemes are in place for improving the quality of life of the community, an important stakeholder of the Corporation.

Human Resource

Existence of exuberant and competent workforce is vital for the effective functioning of an organization. It's a source of unlimited potential, if tapped with the right perspective. To achieve this, the corporation thoroughly analyzed its existing HR systems to ascertain various areas of improvement. It was decided to consciously move towards transparency and fairness in HR processes and practices through a set of HR interventions. Major initiatives were undertaken in terms of opening-up of performance appraisal report, shift from single-rater to multi-rater (360^0) appraisal and assessment of potential through Leadership Centres. Promotion Policy - 2013 has been institutionalized in the Corporation and made completely objective and transparent with focus on 'performance' and 'potential' of an executive, with a view to have leadership pipeline 'future-ready'. The whole exercise is aimed at promoting meritocracy and rejuvenating the organization through dynamic hierarchy of executives, which has already started showing results.

RISKS & CONCERNS

Profit erosion due to government policies/ decisions

Diesel (Retail), PDS Kerosene and domestic LPG prices are being controlled by the Government. The under recoveries arising out of regulated pricing, are partly being borne by the upstream Oil Companies by way of discount on crude/products and partly by the government through subsidy. In absence of any established mechanism of compensation of under recoveries, delay in disbursement adversely affects the financial health of the Corporation.

Exposure to borrowings and foreign exchange fluctuations

Instability in the global economy, forex movement and increasing borrowing cost have been affecting overall performance and growth of the corporation. Given high dependency on import of crude oil, forex fluctuation has been the area of concern for the corporation.

Non-recovery/ delays in recovery of outstanding dues

Non-recovery/ delays in recovery of outstanding dues resulting in blockage of working capital, forcing the Corporation to borrow from the market.

Geopolitics & Speculative Activity:

Geopolitical developments, instability in certain regions, and speculative activity in oil markets pose a major risk to the Corporation. During the year, political tension between Russia and Ukraine, political unrest in Middle East continued to play a role in building risk premium in the price of crude oil.

Safety and security of assets and people:

The Corporation has adapted best in class technologies and standard operating procedures at all the locations to ensure safety and security of its people. Specific training on safety, health and environment are provided and stringent monitoring systems are in place to further reinforce safe operations. The Corporation is committed to bridge all the gaps and working towards institutionalizing safety as the first and foremost priority, at all times.

The huge risk potential of the hazards in the hydrocarbon industry calls for preventive actions in our processes and work culture. Behaviours and human factors are widely recognised as having an important effect on accident causation and its prevention. Therefore, in addition to strict compliance of the existing safety systems and procedures, improvement in safety culture and personal safety behaviour is required to be addressed effectively for sustenance of safe working environment.

In the pursuit to follow a course of gradual improvement in the field of Safety & Health Management System and to prevent any accidents, a safety culture improvement project named "SEED" - Safety in Each and Every Deed was launched in October 2013 by engaging M/s. DuPont (the global leader in employee safety). This is being implemented for the first time in IndianOil at Gujarat refinery.

FINANCIAL REVIEW

Revenue from Operations

The Corporation clocked net revenue from operations of ` 4,73,210 crore in the year 2013-14 as against ` 4,47,096 in the previous year. The turnover of your Corporation (inclusive of excise duty) for the year 2013-14 was ` 4,57,553 crore as compared to ` 4,14,909 crore in the previous year.

Profit Before Tax

The Corporation has earned a Profit Before Tax of ` 9,926 crore in 2013-14 as compared to ` 5,648 crore in 2012-13.

Provision for Taxation

An amount of ` 2,907 crore has been provided towards income tax for 2013-14 considering the applicable income tax rates as against ` 643 crore provided during 2012-13.

Profit After Tax

The Corporation has earned a Profit After Tax of ` 7,019 crore during the current financial year as compared to ` 5,005 crore in 2012-13.

Depreciation & Amortisation

Depreciation for the year 2013-14 was ` 5,760 crore as against ` 5,201 crore for the year 2012-13.

Finance Cost

Finance Cost of the Corporation for the current year was ` 5,084 crore as against ` 6,435 crore during 2012-13.

Borrowings

The borrowings of your Corporation were ` 86,263 crore as on March 31, 2014 as compared to ` 80,894 crore as on March 31, 2013. The Total Debt to Equity ratio as on 31st March, 2014 works out to 1.31:1 as against 1.32:1 as on 31st March, 2013 and the Long Term Debt to Equity ratio stands at 0.57:1 as on 31st March, 2014 as against 0.39:1 as on 31st March, 2013.

Gross Under Recovery and Compensation

The Corporation suffered gross under recovery of ` 72,938 crore in the year 2013-14 as against ` 85,793 crore in the previous year. During the year Corporation has received ` 34,673 crore as discount on Crude Oil / Products purchased from ONGC/GAIL/OIL/CPCL towards part of under recovery as against ` 31,967 crore received in the previous year. Additionally as budgetary support, during the year the Corporation accounted ` 37,182 crore as against ` 53,278 crore for the previous year.

During the year Corporation has suffered net under realization of ` 1,083 crore on sale of regulated products as against ` 548 crore in the previous year.

Capital Expenditure

Gross Fixed Assets (including CWIP and Capital Advances) increased from ` 1,32,404 crore as on 31.03.2013 to ` 1,47,480 crore as on 31.03.2014.

Investments

Investments as on 31st March, 2014 were ` 23,594 crore as compared to ` 18,671 crore as on 31st March, 2013. The increase in investments during the year is mainly due to investment in a new subsidiary viz IndOil Global BV. The aggregate market value of quoted investments as on 31st March, 2014, i.e., investments made in ONGC Ltd., GAIL(India) Ltd., Oil India Ltd., Chennai Petroleum Corporation Ltd., Petronet LNG Ltd. and Lanka IOC Plc., is ` 25,935 crore (as against the acquisition price of ` 3,828 crore).

Earnings Per Share

Earnings Per Share works out to ` 28.91 for the current year as compared to ` 20.61 in the previous year.

Earnings in Foreign Currency

During the year, the Corporation earned ` 21,608 crore in foreign currency as against ` 18,559 crore in 2012-13, which is mainly on account of export of petroleum products.

RBI Forex Swap Window

The financial year witnessed sharp volatility in Indian Rupee vis-a-vis USD necessitating RBI to open a Special Swap Window for catering to USD requirements of OMCs for meeting their crude payment obligations. Under the Special Window, RBI provided USD 8,022 million to Corporation through a series of transactions entered from August to November 2013. Corporation fully hedged entire swap transactions in the Financial Year 2013-14 itself. As on 31.03.2014, transactions amounting to USD 3,625 million were fully settled and the balance USD 4,397 million got settled during April and May 2014. There was a net gain of ` 2,020 crore on entire RBI swap transactions out of which ` 1,275 crore was realized and accounted in 2013-14 itself comprising ` 805 crore as exchange gain and ` 470 crore as net premium income. The balance gain of ` 745 crore is on outstanding transactions as on 31.03.2014, which comprises a loss of ` 1,291 crore (` 823 crore exchange loss and ` 468 crore premium expense) on forward purchase contracts with a corresponding gain of ` 2,036 crore (` 887 crore exchange gain and ` 1,149 crore premium income) on forward sale contracts. This net gain of ` 745 crore (` 64 crore exchange gain and ` 681 crore net premium income) has since been realized in April - May 2014.

SEGMENTWISE PERFORMANCE (` in Crore)

	Sale of Petroleum Products	Sale of Petrochemicals	Other Businesses	Eliminations	Total
External Revenue	4,45,847	18,076	9,287	-	4,73,210
Inter Segment Revenue	11,423	50	6,485	(17,958)	-
Total Revenue	**4,57,270**	**18,126**	**15,772**	**(17,958)**	**4,73,210**
Segment Results	12,883	1,002	(169)	-	13,716

Notes:

A. Segment Revenue comprises Turnover (Net of Excise Duties), Net Claim/ (Surrender) of SSC, Subsidy & Grants received from Government of India and Other Operating Income.

B. Other Business segment of the Corporation comprises; Sale of Gas, Oil & Gas Exploration Activities, Explosives & Cryogenic Business and Wind Mill & Solar Power Generation.

INTERNAL CONTROL SYSTEMS

The Corporation has well-established internal control systems. Detailed Manuals and well documented policies on various aspects of business activities are already in place. Notwithstanding, the internal processes are continuously reviewed, strengthened and revision of policies and guidelines are constantly carried out to align with the changing needs. The Corporation has put in process of e-tendering for its procurements. The IT team continuously works with various departments to provide solutions to the internal and external customers, and extend IT enabled services across the entire procurement-to-pay process. The Corporation has an independent Internal Audit Department headed by an Executive Director (below Board level), who reports to the Chairman. The Internal Audit Department has a mix of officers from finance and technical functions. The audit assignments are carried out as per the Annual Audit Program approved by the Chairman and Audit Committee. The Internal Audit carries out extensive audits throughout the year covering each and every aspect of business activity so as to ensure accuracy, reliability and consistency of records, systems and procedures. The Statutory Auditors, during the process of financial audit, check the internal control efficacy. The significant observations, corrective actions and good practices suggested by Statutory and Internal Auditors are reviewed by the Management and Audit Committee (which comprises entirely of independent Directors) for appropriate implementation in order to strengthen the controls of various business processes. The Audit Committee reviews the recommendations and observations of the Internal Audit Department regularly.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Corporation recognises the importance of human capital for the success of its business. In view of the rising competition in the domestic market, acquiring and retaining manpower is a challenge. However, the Corporation acquires the best talent in the country from leading institutes and universities. It has been working towards nurturing and retaining talent. Job rotation and inter-location transfers throughout the organisation facilitates planned development of careers and broaden outlook. The industrial relations climate in the Corporation remained harmonious, peaceful and cordial during the year. Employees' Participation has been ensured through information sharing with employees regularly seeking their support, suggestions and co-operation. Corporation continues to align its HR strategies with organisational strategies. The employee strength of Corporation as on 31st March, 2014 was 33,793 including 15,407 executives.

Information regarding Corporate Social Responsibility, Environmental Protection & Conservation, Technological Conservation, Renewable Energy Developments, Foreign Exchange Conservation has been included in the Director's Report and Annexure thereto.

CAUTIONARY STATEMENT

Statements in the Management's Discussion & Analysis describing the Company's focal objectives, expectations or anticipations may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from the expectations. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of products, input availability and prices, changes in Government regulations/ tax laws, economic developments within the country and factors such as litigation and industrial relations.

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. **Corporate Identity Number (CIN):** L23201MH1959GOI011388
2. **Name of the Company:** Indian Oil Corporation Limited
3. **Registered Address:** Indian Oil Corporation Limited, IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai-400051
4. **Website:** www.iocl.com
5. **Email id:** investors@indianoil.in
6. **Financial Year reported:** 2013 – 2014
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

   The industrial activities carried out are described below. The code numbers of group, class and sub-class are assigned by National Industrial Classification, Ministry of Statistics and Program Implementation.

Group	Class	Sub-class	Description
061	0610	06102	Upstream activities in India and overseas.
192	1920	19201	Production of liquid and gaseous fuels, illuminating oils, lubricating oils or greases or other products from crude petroleum or bituminous minerals.
		19202	Manufacture of paraffin wax.
		19203	Bottling of LPG/CNG.
		19209	Manufacture of other petroleum n.e.c. (includes manufacture of petroleum jelly, micro-crystalline petroleum wax, slack wax, ozokerite, lignite wax, petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals).
201	2013	20131	Manufacture of plastics in primary forms.
202	2029	20292	Manufacture of explosives.
251	2512	25121	Manufacture of metal containers for compressed or liquefied gas.
351	3510	35105	Electricity power generation using Solar Energy.
		35106	Electricity power generation using Non-conventional sources.
352	3520	35202	Distribution and sale of gaseous fuels through mains.
466	4661	46610	Wholesale of solid, liquid & gaseous fuels & related products.
473	4730	47300	Retail sale of automotive fuel in specialized stores (petrol filling stations).
477	4773	47736	Retail sale of household fuel oil, bottled gas.
493	4930	49300	Transport via pipeline.

8. **List three key products / services that the Company manufactures / provides (as in balance sheet):** Petroleum Products, Petrochemicals and Gas
9. **Total number of locations where business activity is undertaken by the Company:**

   (i) Number of International locations: The Company undertakes overseas business activities through its subsidiaries at Mauritius, Srilanka, UAE, Sweden, USA and Netherlands. IndianOil has its upstream presence along with other consortium/JV partners at 7 international locations in USA, Libya, Gabon, Nigeria, Yemen, Canada and Venezuela.

   (ii) Number of National locations: (as on 31.03.2014)

Locations	No.
Operating Refineries	8
Refinery under construction (Paradeep Refinery Project, Odisha)	1
Oil Depots & Terminals	135
Aviation Fuelling Stations	98
LPG Bottling Plants	90
Lube Blending Plants	14
Pipelines Terminals	83
R&D Centre	1
Retail Outlets (including Kisan Seva Kendra ROs)	23,993
Kisan Sewa Kendra (Rural Petrol/Diesel Stations)	6,002

Locations	No.
LPG Distributors (including distributorships under Rajiv Gandhi Gramin LPG Vitarak Yojana)	7,035
SKO/LDO Dealers	3,930
Consumer Pumps	6,359
Solar Power Plant	1
Wind Power Project	3
Petrochemical producing plant	3
Explosive plant	10
Cryogenic plant	1

10. Markets served by the Company-Local/State/National/ International: National and International

Section B: Financial Details of the Company

1. **Paid up capital (INR):** ` 2,428 crore (as on 31.03.2014)
2. **Total turnover (INR):** ` 4,57,553 crore (for FY 2013-14)
3. **Total profit after taxes (INR):** ` 7,019 crore (for FY 2013-14)
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 1.2% of the profit after tax during financial year 2013-14
5. **List of activities in which expenditure in 4 above has been incurred:-**

   The broad areas, where the expenditure is incurred, are towards health care, facilitating education, skill development programmes, provision of drinking water, promotion of sports, providing LPG connections to BPL families, etc.

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes, the details are given below:

Name of Subsidiary	Indian/Overseas	Business
Chennai Petroleum Corporation Limited (CPCL)	Indian Subsidiary	Refining of petroleum products
IndianOil CREDA Biofuels Limited	Indian Subsidiary	Biofuels
Indo Cat Pvt. Limited	Indian Subsidiary	Manufacturing of catalyst and additives
IndianOil (Mauritius) Ltd., Mauritius	Overseas Subsidiary	Terminalling, Retailing of Petroleum products & Aviation refuelling
Lanka IOC PLC, Colombo, Srilanka	Overseas Subsidiary	Retailing, Terminalling & Bunkering of Petroleum products
IOC Middle East FZE, Dubai, UAE	Overseas Subsidiary	Lube blending & Marketing of Lubricants
IOC Sweden AB, Sweden	Overseas Subsidiary	Exploration & Production
IOCL (USA) Inc., USA	Overseas Subsidiary	Shale Gas
IndOil Global B.V., Netherlands	Overseas Subsidiary	Exploration & Production

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).**

   IndianOil has 3 Indian subsidiaries and 6 overseas subsidiaries. The Indian subsidiaries do not participate in the Business Responsibility initiatives of the parent Company. However, CPCL is a listed Mini-Ratna Company, which participates in its own BR initiatives and adheres to such other guidelines as issued by the Government from time to time.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

   No other entities that the company does business with, participate in the BR initiatives of the company.

Section D: BR Information

1. **Details of Director/Directors responsible for BR**

   a) **Details of the Director/Director responsible for implementation of the BR policy/policies**

Director name	Shri R.S. Butola
DIN	00145895
Designation	Chairman and Director (HR)

   b) **Details of the BR Head**

DIN Number (if applicable)	NA
Name	Shri Lee Bee Sen
Designation	Executive Director (HR & CSR)
Telephone number	011-26260070
e-mail id	senlb@indianoil.in

2. **Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N) - As given below:**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These, briefly, are as under:

P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 – Businesses should promote the well-being of all employees.

P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

P5 – Businesses should respect and promote human rights.

P6 – Businesses should respect, protect, and make efforts to restore the environment.

P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 – Businesses should support inclusive growth and equitable development.

P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Questions	P 1: Ethics	P 2: Products & Services	P 3: Employees	P 4: Stakeholder Engagement	P 5: Human Rights	P 6: Environment	P 7: Public Policy	P 8: Inclusive Growth/ CSR	P 9: Customer
Do you have policy/policies for....	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has the policy being formulated in consultation with the relevant stakeholders?	As a Government Company, IndianOil is governed by rules, guidelines, procedures and policies issued by the Government of India from time to time. Additionally, in keeping with the vision of the company and the changing business environment, IndianOil constantly reviews its business policies and practices towards developing a sustainable business agenda. Industry practices/ standards at National and International level are kept in view while devising such policies.								
Does the policy conform to any national /international standards? If yes, specify? (50 words)									
Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	The policies are approved at appropriate levels by the competent authority including the Board, wherever required.								
Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Policy frameworks are regularly monitored in course of the Company's day-to-day business operations. Additionally, Board has delegated certain powers to various committees of the Board with distinct roles and responsibilities.								
Indicate the link for the policy to be viewed online?	http://www.iocl.com/AboutUs/Vision.aspx http://www.iocl.com/Aboutus/sustainability.aspx http://www.iocl.com/AboutUs/Environment(SHE).aspx http://www.iocl.com/Aboutus/IndianOil_CSR_Policy_22_sep_2011.pdf								
Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Does the company have in-house structure to implement the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Policies are constantly monitored and reviewed from time to time.								

3. **Governance related to BR:**

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

  Various principles of BR performance constitute an integral part of the day to day operations of the corporation and the same are reviewed by the Board / Committee of the Board from time to time.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  Yes. IndianOil publishes Sustainability Report annually. Additionally, an abridged version of the Sustainability Report 2012-13 was also published as Sustainability Highlights 2012-13. The link to view the Sustainability Report and Sustainability Highlights 2012-13 is at http://www.iocl.com/Aboutus/sustainability.aspx. The first BR Report was published as a part of Annual Report in the year 2012-13.

Section E: Principle-wise performance

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

   The Company has in place adequate measures and control to address issues relating to ethics, bribery and corruption in the context of appropriate policy guidelines issued by the Government from time to time. The policy relating to ethics, bribery and corruption covers the company as well as its business partners.

   The Conduct, Discipline and Appeal (CDA) rules outline the company's approach towards assessing frauds/risks and reporting, investigating and responding to suspected incidents of fraud and corruption, which is mandatory for all employees to comply with. As a responsible corporate citizen, IndianOil undertakes and implements widely accepted initiatives like the Grievance Redressal Mechanism and the Whistle Blower policy.

   IndianOil values business relationships with its domestic as well as international contractors, vendors of goods and services. The Company has entered into MoU with Transparency International India for enhancing transparency in its business transactions, contracts and procurement processes. Additionally, IndianOil is a founder member of United Nations Global Compact (UNGC), an international initiative with UN agencies, labor and civil societies to support universal environmental and social principles.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   The Company received 2019 complaints from the shareholders during the year, which were promptly resolved. In addition, five complaints were received under the Integrity Pact (IP) with regard to tenders floated by the Corporation and same were dealt in line with the extant guidelines on IP and resolved. Moreover, during the year, the company received 4,41,234 complaints relating to sales, services, tenders and through Public Grievance Redressal system, out of which 4,34,727 complaints (98.5%) were resolved.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   As a major player in the hydrocarbon sector, predominantly supplying fuel for transportation as well as domestic and industrial use, IndianOil constantly endeavours to imbibe in its business processes, the need to address the concerns towards environment and society. Over the years, the Company has spent more than ` 20,000 crore towards quality improvement of its transportation fuels, namely Motor Spirit (MS) & High Speed Diesel (HSD), which constitute two of its major products.

   IndianOil has an advanced, state-of the-art R&D Centre, which has developed a number of environment friendly formulations and is conducting research in Bio-Energy and Hydrogen Fuel.

   These initiatives not only meet the stringent environmental norms, but additionally through a constant upgradation of processes and absorption of technology, have led the company towards attaining product stewardship.

   List of 3 such products

   Ethanol Blended Petrol (EBP): IndianOil procured around 1,49,000 kilolitres of ethanol for blending into petrol during 2013-14, thereby substituting precious fossil fuels to that extent. Ethanol procurement also helps in rural development, i.e. improvement in employment / income generation for sugarcane farmers.

   BS-IV products: As on 1.1.2014, downstream oil industry has implemented BS-IV norms in 39 cities & proposes to cover 5 more cities (Vizag, Kochi, Trivandrum, Lakshadweep and Panchagani) by 1.1.2015. MoP&NG has constituted an expert committee under the Chairmanship of Shri Soumitra Choudhary, Member, Planning Commission for drawing out a road map for BS-IV/ BS-V implementation across India. Based on the Committee's report, IOC, along with the Industry, would implement BS-IV/BS-V across India.

   Auto Gas: Auto Gas (brand name for Auto-LPG) is a clean, high octane and eco-friendly fuel (lower emissions with respect to Petrol and Diesel). IOCL has set up 371 Auto LPG dispensing stations covering 205 cities across India and is the Market Leader in this product.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   Lower negative impact on Environment

   Supply of low-Sulphur transportation fuels (petrol & diesel) and alternate fuels have led to fossil-fuel substitution and relatively lower negative impact on the environment. At present, maximum sulphur content in IndianOil's BS-IV petrol & diesel is as low as 50 ppm (vs. 500 ppm in BS-II grades, which were supplied earlier).

   Efficiency in crude oil sourcing & vessel utilization: Cost of sea-borne transportation of crude oil was optimized adopting the following strategies:

   - Maximization of Very Large Crude Carrier (VLCC) parcels.
   - Co-loading of Suezmax parcels in VLCC on 11 occasions during the year resulting in savings of about $10 million.

- Optimum utilization of Time Charter (TC) vessels: Judicious use of TC vessels in spot chartering market led to softening of charter rates. TC utilization has also increased to 99% from 97%.

Energy Conservation:

- As a part of continued efforts towards energy conservation, 126 Energy Conservation projects have been implemented during 2013-14 in refineries resulting in saving of 1,02,800 Standard Refinery Fuel Tons (SRFT) in the year, equivalent to about ` 420 crore.
- IndianOil Refineries have achieved the lowest ever MBN of 55.8 during the year, against the previous year's MBN of 56.3. *[The specific energy consumption at refineries is measured in terms of MBN (MBTU/BBL/NRGF), which is the amount of energy consumed in a refinery per barrel of crude processed per unit energy factor.]*

Resource foot-printing exercise: Under a long term plan, Carbon and water foot-printing has been completed for the entire organization and waste foot-printing exercise is currently in progress. The long term plan envisages reduction target of 18% in carbon and water footprints by the year 2020, with reference to 2013-14.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

Yes

i. If yes, what percentage of your inputs was sourced sustainably?

Oil & Gas sector is particularly vulnerable to sectoral threats like depletion of resources and geo-political uncertainties. Company has long and short term contracts in place for its crude oil procurement. Moreover, the Company has diversified its global fuel sourcing centers. Further, efforts are made for optimization of crude basket and to minimize inventories. Company purchases LNG, crude oil, gas and other raw materials under long term as well as short term purchase contract from national and global sources. Also e-Tendering, e-Procurement and e-Payment procedures are followed relentlessly as a mode for sustainable sourcing. As pipeline transportation is the most sustainable mode of transportation for petroleum products, IndianOil has been expanding the pipeline network relentlessly. As on 31st March 2014, total length of pipelines stand at 11,214 KMs.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

As per the Public Procurement Policy of the Govt. of India for procurement from Micro, Small and Medium Enterprises (MSME), necessary steps have been initiated by various divisions of the Corporation for its implementation. Endeavours are made to procure items specified for procurement from MSMEs. Necessary provision has been made in all the tenders stating the eligibility of MSMEs to participate in the tender. The MSMEs are exempted from payment of tender fees / earnest money deposit. As against the target of procurement of 20% from MSMEs, the procurement from MSMEs during the year by various Divisions was around 32%.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

IndianOil makes continuous efforts to recycle products and waste through installation of Effluent Treatment Plants, Sewage Treatment Plants, Organic Waste Converters and other sustainable practices like bio-remediation of oily sludge, rainwater harvesting, etc. During the year, about 75% of treated effluent was reused in refinery operations and 21,601 MT of oily sludge was treated for oil recovery. At all marketing locations, Oil Water Separators have been provided to separate out oil and water. Oil is reclaimed and recycled and water samples monitored and if found to be less than 8 ppm, are let out into external water drains, ponds or pits.

Principle 3

1. **Please indicate the Total number of employees.**

Total number of employees as on 31.3.2014 is 33,793.

2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.**

- 99 persons were engaged as Consultants/ Liaison officers/ Specialist doctors, etc. during the year.
- 37 persons are working as casual laborers/temporary workers.
- IndianOil awards job contracts to contractors at its various locations for several ongoing projects as well as for operational needs. The contractors, in turn, engaged 65,224 contract workers during the year. IndianOil, as a principle employer, ensures that all statutory requirements are duly complied with.

3. **Please indicate the Number of permanent women employees.**

Total number of permanent women employees as on 31.3.2014 is 2,642.

4. **Please indicate the Number of permanent employees with disabilities.**

There are 517 permanent employees with disabilities.

5. **Do you have an employee association that is recognized by management?**

   Yes. There are 23 recognized unions representing non-executive employees and one officers' association for executives.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   Over 98% of the employees (non-executives and executives) are members of the recognized unions and officers' association.

7. **Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year.**

   As given below:

Category	No. of complaints filed during 2013-14	No. of complaints pending as on 31st March 2014
Child labour/forced labour/involuntary labour	NIL	NIL
Sexual harassment	3	2
Discriminatory employment	NIL	NIL

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Category of employees	% age of employees given safety & skill up-gradation training during 2013-14
Permanent Male employees	69.46%
Permanent Women Employees	67.22%
Permanent Employees with Disability	39.35%
Casual/Temporary/ Contractual Employees/Contract Labor	84.18%

Principle 4

1. **Has the company mapped its internal and external stakeholders? Yes/No**

   Yes. The company has mapped its internal and external stakeholders.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders.**

   Yes. The company has further identified its disadvantaged, vulnerable and marginalised stakeholders.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   Yes. IndianOil scrupulously follows the presidential directives and guidelines issued by Government of India regarding reservation in services for SC/ ST/ OBC/ PWD (Persons with Disabilities)/ Ex-servicemen to promote inclusive growth. Grievance/ Complaint Registers are also maintained at Division/ Region/ Unit levels for registering grievances. Efforts are made to promptly dispose off representations / grievances received from OBC/ SC/ ST employees. Reported cases of sexual harassment are inquired into by a Complaint Committee and disciplinary action, as per Conduct, Discipline and Appeal Rules, against the delinquent employees is taken. Facilities like Braille machine, ramp, etc. are provided for PWDs.

   For engagement of disadvantaged, vulnerable and marginalized external stakeholders, various initiatives viz. allotment of dealership/ distributorship, petty contracts, CSR initiatives, etc. are undertaken.

Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The policy of the company covers human right principles. As a part of the commitment towards meeting its societal needs, IndianOil believes in safeguarding human rights within its sphere of influence.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   NIL

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

   The policy on Health, Safety and Environment (HSE) covers the Company. IndianOil is committed to conduct business with a strong environmental conscience ensuring sustainable development, safe work places and enrichment of quality of life of employees, customers and the community at large.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes. Company's Sustainability Policy encompasses environmental, social and economical aspects of the entire business operations and identifies roles and responsibilities of various departments to achieve goals of sustainable development. A separate department namely 'Alternative Energy & Sustainable Development' is dedicated to formulate strategies and implement action plans to address environmental issues such as climate change, global warming, etc. Board Committee on CSR & Sustainable Development is the apex body to plan strategies and monitor Sustainable Development initiatives. Under a long term plan, Carbon and water foot-printing has been completed for the entire organization and waste foot-printing exercise is currently in progress. The long term plan envisages reduction target of 18% in carbon and water footprints by the year 2020, with reference to 2013-14. Carbon neutral events are a regular feature at IndianOil. In addition, the company is pursuing a drive for solarization of its petrol/diesel stations. Corporate Sustainability Report is published annually, which gives a full account of all Sustainable Development initiatives, environmental, social and economical performances of the Company. Details about Corporate Sustainability can be accessed at www.iocl.com/Aboutus/sustainability.aspx.

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes. Regular assessment of the environmental risks associated with operations is carried out. The Board committee on Health Safety & Environment (HSE) periodically reviews the Environmental risk and presentation is made to Board of Directors on HSE issues at every Board meeting.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   Yes. Six projects of the company have been registered as CDM (Clean Development Mechanism) projects under UNFCCC (United Nations Framework Convention on Climate Change) viz. One AVU Energy optimization project at Digboi Refinery, Four Flare Gas Recovery projects at Haldia, Barauni, Guwahati & Gujarat Refineries and one 21-MW wind power project in Gujarat. As on 31st March 2014, 2,693 CERs (Certified Emission Reduction) are held as inventory and 74,045 CERs are under certification.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Yes. The company has diversified into alternate energy such as wind, solar, biofuels and nuclear. Some of the sustainability initiatives undertaken by the company are: Carbon and water foot-printing, petrol/diesel station solarization, energy audit of office buildings, carbon neutral events, waste water recycling, putting up organic waste converter, sale of solar lanterns, rain water harvesting projects, etc. The details are given at the hyperlink http://www.iocl.com/Aboutus/sustainability.aspx

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes. The emissions/ waste generated during the course of operations are generally within the permissible limits given by CPCB/ SPCB norms.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   The status of show cause / legal notices received from CPCB / SPCB, which are pending at end of 2013-14, is as follows:

   (a) **Refineries Division:** As on 31.3.2014, reply to 2 show-cause notices received by Haldia Refinery (one from CPCB and one from WBPCB) were pending. However, the same have been replied during April 2014.

   (b) **Pipelines Division:** One show cause notice received by Rewari station on SMPL de-bottlenecking project from HSPCB on 30th March 2014.

   (c) **Marketing Division:** Nil

Principle 7

1. **Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**

   Yes. The details are provided below:

Association	National/International
Advertising Standards Council of India (ASCI)	National
All India Management Association (AIMA)	National
Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
Association of Business Communicators of India	National
Association of Oil & Gas Operators	National
Confederation of Indian Industry (CII)	National
Council of Indian Employers (CIE)	National
Federation of Indian Chambers of Commerce and Industry (FICCI)	National
India International collaborations (U21 Global Universitas, Singapore, ifp France, etc.)	International
Indian Auto LPG Coalition (IAC)	National
Indian Institution of Industrial Engineering	National
Indian LP Gas Industry Association (ILPGIA)	National

Association	National/International
Indian Society of Advertisers (ISA)	National
International Advertising Association (IAA)	National
International Air Transport Association (IATA)	International
National HRD Network (NHRD)	National
Petroleum Federation of India (PetroFed)	National
Standing Conference of Public Enterprises (SCOPE)	National
TERI-Business Council for Sustainable Development	National
Transparency International India (TII)	International
United Nations Global Compact (UNGC)	International
World LP Gas Association, Paris	International

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   Yes. IndianOil proactively advocates for public welfare with an aim to bring positive change in governance and compliant behavior among key stakeholders such as employees, customers and business partners. IndianOil is actively involved with Committees of Government of India and other organizations for advancement or improvement of public good by contributing to Economic Reforms, Sustainable Business Principles, Energy Security, Inclusive Development Policies, etc.

   Two recent committees of Government of India, to which IndianOil has contributed, are:

   - National Mission for Enhanced Energy Efficiency
   - DPE guidelines for CSR and Sustainable Development

Principle 8

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Yes. Brief details about major CSR programs are as follows:

Scheme	Benefits
Indian Oil Sachal Swasthya Seva (ISSS): 52 Mobile Medical Units (MMU) are operational in Andhra Pradesh, Telengana & Uttar Pradesh.	During 2013-14, 14.76 lakh patients were treated & cumulatively, more than 26 lakh patients have been treated.
Swarna Jayanti Samudaik Hospital, Mathura, Uttar Pradesh: 50-bed hospital	During 2013-14, 49,514 patients were treated; Since 1999, about 7 lakh patients have been treated.
Assam Oil School of Nursing (AOSN), Digboi, Assam	Since inception, 334 students have successfully completed the course with 100% placement record.
IndianOil Education Scholarship Scheme	During 2013-14, about 53,000 applications were received for 2600 scholarships.
IndianOil Sports Scholarship Scheme	150 scholarships for 19 games/ sports are awarded to upcoming junior players from 14 to 19 years of age.
MoU with TATA Medical Centre Trust, Kolkata	IOC has signed an MoU with TATA Medical Centre Trust & TATA Eastern Medical Trust for 'IndianOil TATA Care Center'at Kolkata (250 beds with comprehensive modern Cancer Care Center)
LPG Scheme of Government of India	One-time grant to Below Poverty Line (BPL) families in the rural areas for release of new LPG connection under Rajiv Gandhi Grameen LPG Vitarak Yojana.
Help for Flood/Cyclone affected people in Uttarakhand & Odisha	Contributed ` 2 crore to Uttrakhand Chief Minister's Relief Fund (for flood affected people) and ` 1 crore to Odisha Chief Minister's Relief Fund (for cyclone affected people).
Shikshak Dakshyata Vikas Abhiyan, Digboi, Assam	This project aims to improve soft skills of government school teachers: During 2013-14, 121 teachers from schools covering 42 villages in and around Digboi were trained under the program. So far, 182 teachers have been trained under this project.
Sarve Santu Niramaya, Digboi, Assam	This project aims to provide free health consultation and medicines for both human beings and livestock population: During 2013-14, 2,035 poor patients and 25,274 cattle /poultry (including 506 free vaccinations) have been treated (with free medical consultation & medicines).

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   Programs / projects are implemented by NGOs/ vendors/ institutions/ government bodies etc. and some projects are implemented by in–house team.

3. **Have you done any impact assessment of your initiative?**

   Yes. The impact assessment of CSR initiatives is done in line with the guidelines issued by Department of Public Enterprises, Government of India.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

Scheme	Total Expenditure during 2013-14
IndianOil Sachal Swasthya Seva in Andhra Pradesh, Telengana & Uttar Pradesh	` 81.91 Crore
Swarna Jayanti Samudaik Hospital, Mathura, Uttar Pradesh	
Assam Oil School of Nursing (AOSN), Digboi, Assam	
IndianOil Education Scholarship Scheme	
IndianOil Sports Scholarship Scheme	
MoU with TATA Medical Centre Trust, Kolkata, West Bengal	
LPG Scheme of Government of India	
Help for Flood/Cyclone affected people in Uttarakhand & Odisha	
Shikshak Dakshyata Vikas Abhiyan, Digboi, Assam	
Sarve Santu Niramaya, Digboi, Assam	
Other CSR projects by Divisions/Locations	

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes. Various social welfare initiatives viz. health & medical care, education, clean drinking water, etc. with focus on welfare of the economically and socially deprived sections of society are implemented, mostly, in the vicinity of establishments, typically after conducting baseline study and assessing needs of the benefactors. In many cases, efforts are made to sign MoU with the implementing / beneficiary organizations for successful adoption / sustainability of the projects.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   1.5 % of complaints are pending (6,507 complaints are pending out of 4,41,234 complaints received).

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

   Yes. All our commercial products follow Bureau of Indian Standards (BIS) guidelines for product information and labeling. In case of LPG, Cylinder, Pressure Regulator & valves conform to BIS Standards, which are displayed on the equipment. Distributors are also under instruction to sell Rubber Tube / LPG Hose and Hot Plates conforming to BIS Standards.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   Two cases have been filed against the company regarding anti-competitive behavior. One Case is pending before Competition Commission of India (CCI) wherein complainant has alleged cartelization by Oil Marketing Companies, for collusive bidding in a tender for ATF supplies. The Delhi High Court has stayed the proceedings before CCI. In another case, a party has alleged non-competitive price due to cartelization by Sugar Manufacturers & joint tendering by OMCs for ethanol. The party had appealed before COMPAT against CCI's interim order and also filed application for interim relief of stay of the tender process. The COMPAT dismissed both Appeal and Application for stay. The party has now filed Civil Appeal before the Supreme Court against COMPAT's order. The matter is pending in the Supreme Court.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Yes. Besides regular customer engagement initiatives, IOC conducts consumer survey / market feedback to improve upon deliverables to meet customer expectations. Provision of rating of LPG Distributor services is available in the Transparency Portal.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

IndianOil believes that good Corporate Governance practices ensure ethical and efficient conduct of the affairs of the Company and also help in maximizing value for all its stakeholders like customers, employees and society at large in order to build an environment of trust and confidence among all the constituents. The Company endeavors to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning which are vital to achieve its Vision of being the Energy of India and a Globally Admired Company.

IndianOil recognises that good Corporate Governance is a continuous exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders. For effective implementation of the Corporate Governance practices, IndianOil has a well-defined policy framework inter alia consisting of the following:-

- Code of Conduct for Directors and Senior Management Personnel
- Code of Conduct for prevention of Insider Trading
- Enterprise Risk Management Policy
- Integrity Pact to enhance transparency in business
- Whistle Blower Policy
- Conduct, Discipline and Appeal Rules for employees
- Corporate Social Responsibility / Sustainable development
- Human Resources initiatives

2. BOARD OF DIRECTORS

(a) Composition of Board of Directors

The Board of IndianOil comprises of optimum combination of Executive (Whole-time) and Non-Executive (Part-time) Directors (which include Independent Directors and Government Nominee Directors). Independent Directors are persons with proven record in diverse areas like energy, law, academics, finance, economics, marketing, administration, etc..

As on 31.03.2014, the strength of the Board of Directors was 18 comprising of 8 Executive (Whole-time Functional) Directors (including Chairman) and 10 Part-time Non-Executive Directors, out of which 8 are Independent Directors and 2 are Government Nominee Directors. IndianOil has not been able to comply with the requirement of 50% Independent Directors on its Board. IndianOil, being a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the Directors are nominated by the Government of India. The Company is pursuing with the Government of India to induct requisite number of Independent Directors as required under clause 49 of the Listing Agreement as well as Department of Public Enterprises (DPE) guidelines on Corporate Governance.

The composition of the Board of Directors as on 31.03.2014 is given below:-

Sl. No.	Name	Category
1.	Shri R. S. Butola	Chairman
2.	Dr. R. K. Malhotra	Director (Research & Development)
3.	Shri Sudhir Bhalla	Director (Human Resources)
4.	Shri A. M. K. Sinha	Director (Planning & Business Development)
5.	Shri P. K. Goyal	Director (Finance)
6.	Shri Rajkumar Ghosh	Director (Refineries)
7.	Shri M. Nene	Director (Marketing)
8.	Shri V. S. Okhde	Director (Pipelines)
9.	Dr. S. C. Khuntia	Government Nominee Director
10.	Shri Rajive Kumar	Government Nominee Director
11.	Dr. Sudhakar Rao	Independent Director
12.	Smt. Shyamala Gopinath	Independent Director
13.	Shri Shyam Saran	Independent Director
14.	Prof. Devang Khakhar	Independent Director
15.	Shri K. Jairaj	Independent Director
16.	Shri Nesar Ahmad	Independent Director
17.	Shri Sunil Krishna	Independent Director
18.	Shri Sayan Chatterjee	Independent Director

(b) Board Meetings

The Board of Directors oversees the overall functioning of the Company and has set strategic goals in order to achieve its Vision Statement. The Board defines the Company's policy and oversees its implementation in attaining its goal. The Board has constituted various committees to facilitate the smooth and efficient flow of decision making process.

The meetings of the Board of Directors are generally held once in a month. During the financial year 2013-14, thirteen Board Meetings were held. The dates of the Board Meetings are fixed well in advance and intimated to the Board members so as to enable the Directors to plan their schedule accordingly. The agenda papers are circulated to the Directors well in advance before the meeting. However, certain exigent proposals are tabled at the Board Meeting with the approval of the Chairman. The agenda items are comprehensive and informative in nature to facilitate deliberations and appropriate decision at the Board Meeting.

Presentations are made to the Board on various functional and operational areas of the Company like Refinery, Pipelines and Marketing operations, major projects, financial highlights etc. The agenda placed before the Board inter alia includes the following:

- Annual operating plans and Capital and Revenue budgets.
- Quarterly and Annual Financial results of the Company.
- Dividend declaration.
- Quarterly report on borrowings and treasury operations.
- Constitution of Board committees with terms of reference.
- Minutes of meetings of Audit Committee and other Committees of the Board, as also resolutions passed by circulation.
- Details of investment in any joint venture / subsidiary.
- New projects and expansion plans.
- Status of various projects.
- Risk management and minimization process.
- HR related issues.
- Safety / Security related matters
- General notices / matters of interest of Directors.
- Periodic reports to the Board on :-
  - Treasury Operations
  - Project status
  - Risk Management
  - Secretarial reports
  - Compliance of laws
  - Disciplinary cases
  - Action Taken Report (ATR) on decisions of the Board
  - Foreign tour report of Wholetime Functional Directors / officials of the Company.

The Board Minutes are prepared at the earliest, after the Board Meeting and thereafter the approval of the Wholetime Functional Directors and the Chairman is obtained. Thereafter the minutes are circulated to the concerned department / group for implementation. ATR on the decision of the Board is obtained and submitted to the Board periodically.

Details of the Board Meetings held during the year 2013-14 are as under :-

Sl. No.	Date	Board Strength	No. of Directors Present
1.	30-04-2013	15	13
2.	30-05-2013	14	11
3.	02-07-2013	15	14
4.	13-08-2013	14	12
5.	03-09-2013	14	11
6.	08-10-2013	14	11
7.	19-10-2013	14	11
8.	08-11-2013	14	12
9.	10-12-2013	14	10
10.	20-12-2013	14	13
11.	16-01-2014	14	10
12.	13-02-2014	14	12
13.	20-03-2014	18	16

(c) Attendance of each Director at Board Meetings held during 2013-14, last Annual General Meeting and Number of other Directorships and Chairmanship / Membership of Committees of each Director in various companies is as under:-

Name of the Director	No. of Board Meetings attended out of 13 meetings held	Attendance at the AGM on 03.09.2013 (Yes/No)	No. of Director-ship in other companies as on 31.03.2014	Member-ship of committees in other companies as on 31.03.2014	Chairman-ship of committees in other companies as on 31.03.2014
Whole-time Functional Directors					
Shri R. S. Butola, Chairman	13	Yes	2	-	-
Dr. R. K. Malhotra Director (Research & Development)	13	Yes	2	-	-
Shri Sudhir Bhalla [1] Director (Human Resources)	-	-	-	-	-
Shri A. M. K. Sinha Director (Planning & Business Development)	13	Yes	5	2	-
Shri P. K. Goyal Director (Finance)	13	Yes	3	-	-
Shri Rajkumar Ghosh Director (Refineries)	13	Yes	2	-	-
Shri M. Nene Director (Marketing)	12	Yes	4	-	-
Shri V. S. Okhde Director (Pipelines)	13	Yes	2	-	-
Part-time Non-Executive Directors (Govt. nominees)					
Shri Sudhir Bhargava [2]	1	NA	1	-	-
Dr. S. C. Khuntia	11	Yes	2	-	-
Shri Rajive Kumar [3]	8	Yes	2	-	-
Part-time Non-Executive Independent Directors					
Dr. Sudhakar Rao	9	Yes	8	4	2
Prof. (Dr.) V. K. Bhalla [4]	3	NA	1	2	-
Smt. Shyamala Gopinath	11	Yes	5	3	2
Shri Shyam Saran	11	No	2	-	-
Prof. Devang Khakhar	8	No	1	-	-
Shri K. Jairaj [5]	1	NA	3	1	-
Shri Nesar Ahmad [6]	1	NA	2	-	-
Shri Sunil Krishna [7]	1	NA	-	-	-
Shri Sayan Chatterjee [8]	1	NA	1	-	-

Note 1: The Directorships held by Directors as mentioned above include public limited, private limited and foreign companies but do not include the companies registered under section 25 of the Companies Act, 1956.

Note 2: The membership / chairmanship of committee is considered only for Audit Committee and Shareholders' / Investor's Grievance Committee

Note 3: The details of directorship on Board of other companies and committee position are as on the date of cessation from the Board of IndianOil

Remarks:

1. Shri Sudhir Bhalla, Director (HR), was under serious medical comatose state since February 2012 and therefore could not attend the Annual General Meeting and any of the Board meetings during the year for which he was granted leave of absence by the Board. Shri R.S. Butola, Chairman was holding additional charge of Director(HR).
2. Shri Sudhir Bhargava ceased to be Director w.e.f. 09.05.2013
3. Shri Rajive Kumar was inducted on the Board w.e.f. 02.07.2013
4. Prof. V. K. Bhalla ceased to be Director w.e.f. 06.08.2013
5. Shri K. Jairaj was inducted on the Board w.e.f. 20.03.2014
6. Shri Nesar Ahmad was inducted on the Board w.e.f. 20.03.2014
7. Shri Sunil Krishna was inducted on the Board w.e.f. 20.03.2014
8. Shri Sayan Chatterjee was inducted on the Board w.e.f. 20.03.2014.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he / she is a Director. All the Directors have made requisite disclosures regarding Directorship / Committee position occupied by them in other companies.

A brief resume of the Directors, who are being appointed / re-appointed at the forthcoming AGM, is given in the notice of the AGM.

(d) Code of Conduct

The Code of Conduct for the Directors and Senior Management Personnel of the Company has been laid down by the Board, which has been circulated to all concerned and the same is also hosted on the website of the Company "www.iocl.com". The Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the IndianOil's Code of Conduct for the financial year ended 31.03.2014 except Shri Sudhir Bhalla, Director (HR), who was in serious medical comatose state since February 2012.

3. AUDIT COMMITTEE

The Audit Committee has been constituted in line with the provisions of Clause 49 of the Listing Agreement and also meets the requirements of the provisions of the Companies Act. The members of the Audit Committee have requisite financial and management expertise. Due to the sudden demise of Prof. V. K. Bhalla, Independent Director and Audit Committee member, the Audit Committee comprised of two independent directors from 07.08.2013 to 02.09.2013. The Audit Committee was reconstituted on 03.09.2013 with the induction of Shri Shyam Saran, Independent Director, as a member of the Committee in place of Prof. V. K. Bhalla, Independent Director. The Audit Committee comprised of following three Independent Directors as on 31.03.2014:

(1) Smt. Shyamala Gopinath - Independent Director (Chairperson)

(2) Dr. Sudhakar Rao - Independent Director

(3) Shri Shyam Saran - Independent Director

The Terms of Reference of Audit Committee covers all matters specified under Clause 49 of the Listing Agreement of the Stock Exchanges, which inter alia includes the following:-

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing with management the quarterly and annual financial statements alongwith related party transactions, if any, before submission to the Board.
- Reviewing with the management and statutory and internal auditors, the adequacy of internal control systems.
- Discussion with internal auditors on Annual Internal Audit Program, Significant Audit Findings and follow up on such issues.
- Discussion with statutory auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- Reviewing with the management, the observations / comments / assurances of the Comptroller & Auditor General of India (CAG).
- Review with the management, the follow-up action taken on the recommendations of the Parliamentary Committee on Public Undertaking (CoPU).
- Review of Cost Audit Report.
- To examine, decide and deal with all issues relating to Ethics in the Corporation.

The attendance at the eight meetings of the Audit Committee held during the year 2013-14 is given below:-

Date	Shri Shyamala Gopinath	Dr. Sudhakar Rao	Prof. V.K. Bhalla (Member)	Shri Shyam Saran
12-04-2013	No	Yes	Yes	NA
29-05-2013	Yes	Yes	Yes	NA
02-07-2013	Yes	Yes	Yes	NA
12-08-2013	Yes	Yes	NA	NA
07-11-2013	Yes	No	NA	Yes
20-01-2014	Yes	Yes	NA	Yes
13-02-2014	Yes	Yes	NA	No
24-02-2014	Yes	Yes	NA	No

The Audit Committee meetings are attended by the Director (Finance) and the Head of Internal Audit as invitees. The representatives of the Statutory Auditors are also invited to the Audit Committee meetings while considering the quarterly / annual financial statements and discussion on nature & scope of Annual Audit. The Cost Auditors are invited when the Cost Audit Reports are considered by the Audit Committee.

The Minutes of the meetings of the Audit Committee are circulated to the members of the Audit Committee and to all concerned for necessary action and are also submitted to the Board for information. The ATR on decisions of the Audit Committee are also submitted to the Committee as a follow up action.

The Chairman of the Audit Committee was present at the last Annual General Meeting.

The Company Secretary acts as the Secretary of the Audit Committee.

4. REMUNERATION COMMITTEE

IndianOil being a Government Company, the remuneration of the whole-time Functional Directors is decided by the Government of India. The Independent Directors are not paid any remuneration except sitting fees of Rs. 20,000/- for attending each meeting of the Board or Committees thereof. However, the Board has constituted a Remuneration Committee to approve certain perquisites for whole-time Functional Directors and below Board level Executives, which are within the powers of the Board as well as to approve performance related pay to the executives of the Company. The Committee comprised of the following Directors as on 31.03.2014:

1. Smt. Shyamala Gopinath - Independent Director (Chairperson)
2. Shri Shyam Saran - Independent Director
3. Prof. Devang Khakhar - Independent Director
4. Shri Sudhir Bhalla - Director (Human Resources)
5. Shri P.K. Goyal - Director (Finance)

The attendance at one meeting of the Remuneration Committee held during 2013-14 is given below:

Name of Director	Designation	Attendance at meeting held on 13-02-2014
Smt. Shyamala Gopinath	Chairperson	Yes
Shri Shyam Saran	Member	No
Shri Devang Khakhar	Member	Yes
Shri R. S. Butola [1]	Member	Yes
Shri P. K. Goyal	Member	Yes

Remarks:

1. Shri R. S. Butola attended the meeting as Director (HR).

Remuneration paid to whole-time Functional Directors during the financial year 2013-14 is as under:-

(` in crore)

Name of the Director	Designation	Salaries & Allowances	Contribution to PF & other Funds	Other Benefits & Perquisites	Total remuneration
Shri R. S. Butola	Chairman	0.33	0.05	0.09	0.47
Dr. R. K. Malhotra	Director (Research & Development)	0.35	0.04	0.13	0.52
Shri Sudhir Bhalla	Director (Human Resources)	0.18	0.04	0.27	0.49
Shri A. M. K. Sinha	Director (Planning & Business Development)	0.35	0.04	0.14	0.53
Shri P. K. Goyal	Director (Finance)	0.27	0.04	0.11	0.42
Shri Rajkumar Ghosh	Director (Refineries)	0.25	0.04	0.14	0.43
Shri M. Nene	Director (Marketing)	0.43	0.04	0.09	0.56
Shri V. S. Okhde	Director (Pipelines)	0.29	0.04	0.09	0.42
	TOTAL	**2.45**	**0.33**	**1.06**	**3.84**

Note:

1. Performance Linked Incentives are payable to the Whole-time Functional Directors as employees of the Company as per the policy applicable to all employees of the Company.
2. During the year, no Stock Options have been issued to Whole-time Functional Directors.
3. The terms of appointment of the Whole-time Functional Directors, as issued by the Government of India, provides for 3 months notice period or salary in lieu thereof for severance of service.
4. The remuneration does not include the provision made on actuarial valuation of retirement benefit schemes and provision made during the year towards post retirement benefits as the same is not separately ascertainable for individual directors.

The sitting Fees paid to Independent Directors during the financial year 2013-14 is as under:-

Name of the Director	Sitting Fees (` Lakhs)
Dr. Sudhakar Rao	4.40
Prof. (Dr.) V. K. Bhalla	1.60
Smt. Shyamala Gopinath	5.60
Shri Shyam Saran	4.20
Prof. Devang Khakhar	2.40
Shri K. Jairaj	0.20
Shri Nesar Ahmad	0.20
Shri Sunil Krishna	0.20
Shri Sayan Chatterjee	0.20
TOTAL	**19.00**

Notes:

1. None of the Independent Directors was holding any shares of Company as on 31^{st} March 2014.
2. There were no other materially significant pecuniary relationships or transactions of the Independent Directors vis-à-vis the Company.

Shareholding of Directors as on 31.03.2014

The following Directors are holding shares of IndianOil as on 31.03.2014 as per disclosure made by them:

Name	Designation	No. of shares
Dr. R. K. Malhotra	Director (R&D)	3600
Shri Sudhir Bhalla	Director (Human Resources)	3620
Shri A. M. K. Sinha	Director (P&BD)	2400
Shri P. K. Goyal	Director (Finance)	800
Shri Rajkumar Ghosh	Director (Refineries)	3000
Shri V. S. Okhde	Director (Pipelines)	2400

5. SHAREHOLDERS' / INVESTORS GRIEVANCE COMMITTEE

The Shareholders' / Investors Grievance Committee (SIGC) examines the grievances of shareholders / investors and the system of redressal of the same. It also approves issuance of share certificates. The Company accords top priority to resolve complaints / grievances / queries of shareholders within a reasonable period of time. The SIGC was reconstituted on 03.09.2013 with the induction of Prof. Devang Khakhar, Independent Director in place of Prof. V. K. Bhalla, Independent Director.

The Committee comprised of the following four members as on 31.03.2014:

1. Smt. Shyamala Gopinath - Independent Director (Chairperson)
2. Prof. Devang Khakhar - Independent Director
3. Director (Human Resources)
4. Director (Finance)

The attendance at one meeting of SIGC held during the year 2013-14 is given below:-

Sl. No.	Name of the Director	Designation	Attendance at Meeting held on 12.08.2013
1.	Prof. V. K. Bhalla [1]	Chairman	NA
2.	Smt. Shyamala Gopinath	Member	Yes
3.	Prof. Devang Khakhar	Member	NA
4.	Director (Human Resources)	Member	No
5.	Director (Finance)	Member	Yes

Remarks:

1) Prof. V. K. Bhalla ceased to be Director w.e.f. 06.08.2013

The Company Secretary is the Compliance Officer.

Details of complaints received and redressed during the financial year 2013-14:-

During the year, 2,019 complaints were received and all have been settled. As on 31st March 2014, no complaints were pending. Further, during the year, 2,562 requests for change of address, recording of nomination, issue of duplicate share certificates / dividend warrant, etc. were received, out of which 35 requests were pending as on 31.03.2014, which were subsequently dealt with.

The Company has created a designated email-id investors@indianoil.in exclusively for investor servicing and for responding to their queries.

6. OTHER COMMITTEES OF THE BOARD

In addition to the above statutory committees, the Board has delegated certain powers to various committees with distinct roles and responsibilities. The composition of various such committees as on 31.03.2014 is as under:

Sl. No.	Name of Committee	Role and Responsibilities	Members
1.	**Project Evaluation Committee**	To appraise projects costing ` 250 crore and above before the Projects are submitted to the Board for approval.	Three Independent Directors, one Government Director, and Director (Finance). The committee is headed by Government Director.
2.	**Corporate Social Responsibility (CSR) & Sustainable Development Committee**	To recommend, monitor and administer activities under CSR, Sustainable Development Plan, SD Policy and to oversee its performance / implementation.	Three Independent Directors, Director (Human Resources), Director (Finance), Director (Marketing) & Director (Planning & Business Development). The committee is headed by an Independent Director.
3.	**Health, Safety & Environment Committee**	To review compliance of safety systems, procedures, rules & regulations on safety, occupational health and environment protection and to review the safety audit in various Divisions.	Two Independent Directors, Director (Marketing), Director (Refineries), Director (Pipelines). The committee is headed by an Independent Director.
4.	**Marketing Strategies Committee**	To evolve the strategies, policies, guidelines and take decisions on all matters relating to marketing activities of the Corporation including revival of dealerships / distributorships.	Two Independent Directors, Director (Finance), Director (Marketing) and Director (Planning & Business Development). The committee is headed by an Independent Director.
5.	**Establishment Committee**	To create and sanction posts as well as to consider promotions for Executives in Grade 'H' (General Manager) and above.	Chairman and all Whole-time Functional Directors, one Government Director and two Independent Directors. The committee is headed by the Chairman of the Company.
6.	**Deleasing of Immoveable Properties Committee**	To consider Deleasing of Company leased flats/ accommodation / immoveable properties.	Chairman, Director (Human Resources), Director (Finance), Director (Marketing) and one Government Director. The committee is headed by the Chairman of the Company.
7.	**Contracts Committee**	To approve contracts beyond certain limits as provided in the DoA of the Corporation.	Chairman and all Wholetime Functional Directors. The committee is headed by the Chairman of the Company.
8.	**Planning & Projects Committee**	To consider and approve all Project Proposals above ` 100 crore and upto ` 250 crore.	Chairman and all Wholetime Functional Directors. The committee is headed by the Chairman of the Company.
9.	**Oil Price Risk Management Committee**	To approve the derivative transactions above USD 50 million on 'mark to market' basis.	Chairman, Director (Finance) and Director (Refineries). The committee is headed by the Chairman of the Company.
10.	**Spot LNG Purchase Committee**	- To approve execution of Master Sales & Purchase Agreement (MSPA) with suppliers on bilateral basis - To approve deviation to standard MSPA - To review & approve LNG price formula / gas pricing / SPA terms - To approve bids for purchase of LNG - Accept offer on single tender basis from domestic R-LNG suppliers	Director (Planning & Business Development), Director (Finance) and Director (Refineries). The committee is headed by Director (Planning & Business Development)
11.	**LNG Sourcing Committee**	To review the terms & condition of LNG sales & Purchase Agreement and recommend the same to Board for approval for purchase of LNG on long term basis.	Chairman, Director (Planning & Business Development), Director (Finance), Director (Refineries) and one Government Director. The committee is headed by the Chairman of the Company.

The Company Secretary is Secretary to all the Board Committees.

7. GENERAL MEETINGS

The Annual General Meetings of the Company are held at Mumbai where the Registered Office of the Company is situated. The details of the AGM held for the past three years are as under:-

	2010-11	2011-12	2012-13
Date & Time	27.09.2011 10:30 A.M.	14.09.2012 10:30 A.M.	03.09.2013 10:30 A.M.
Venue	Nehru Centre Auditorium, Discovery of India Building, Worli, Mumbai-400 018	Nehru Centre Auditorium, Discovery of India Building, Worli, Mumbai-400 018	Nehru Centre Auditorium, Discovery of India Building, Worli, Mumbai-400 018
No. of Special Resolutions Passed	Nil	Nil	Nil

No Extraordinary General Meeting of the Members was held during the year 2013-14.

8. POSTAL BALLOT

No approval of shareholders was sought by means of postal ballot during 2013-14.

9. DISCLOSURES

a. Materially significant related party transactions

The Company has not entered into any materially significant related party transactions with the Directors or the Senior Management Personnel or their relatives as well as its subsidiaries / Joint Ventures etc. except for those disclosed in the financial statements for the year ended 31st March 2014.

b. Details of non-compliance during the last three years

There were no cases of non-compliance by the Company and no penalties / strictures were enforced on the Company by Stock Exchanges / SEBI or any other statutory authority on any matter related to capital markets during the last three years.

c. Whistle Blower Policy

The Company has framed a whistle blower policy wherein the employees are free to report any improper activity resulting in violations of laws, rules, regulations or code of conduct by any of the employees, to the Competent Authority or Chairman of the Audit Committee, as the case may be. Any such complaint is reviewed by the Competent Authority or Chairman of the Audit Committee. The confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practice. No employee has been denied access to the Audit Committee.

d. Compliance with mandatory and adoption of non-mandatory requirement of Clause 49

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement except in respect of composition of the Board of Directors with regard to 50% independent Directors. IndianOil, being a Government Company, is pursuing with the Government of India to induct requisite number of Independent Directors.

The Company has also adopted the following non-mandatory requirements of Clause 49 of the Listing Agreement:-

- Constitution of Remuneration Committee
- Unqualified Financial Statement
- Whistle Blower Policy
- Training of Board Members

The newly appointed Directors of the Company are familiarized with the various aspects of the Company like Constitution, Vision & Mission Statement, core activities, board procedures, strategic directions, etc. by way of a detailed presentation. Information material like Code of Conduct, Insider Trading Code, and Performance highlights, etc. are provided to supplement the above presentation. Periodic presentations are made at the Board and Committee Meetings to update them on all business-related issues and new initiatives undertaken. Strategy meet of the Board is held generally once in a year to deliberate in detail the strategic issues, policy decisions and prospective plans for the future. The directors are also nominated for training programs / seminars conducted by SCOPE and other government authorities.

e. Risk Management Policy

The Company has also laid down the Enterprise Risk Management Policy and Procedures thereof for periodically informing Board Members about the risk assessment and minimising procedures.

f. CEO / CFO Certification

Chairman and Director (Finance) of the Company have given the “CEO / CFO Certification” to the Board.

g. Integrity Pact

IndianOil has signed a Memorandum of Understanding (MoU) with Transparency International India (TII) in 2008 for implementing Integrity Pact (IP) Program focused on enhancing transparency, probity, equity and competitiveness in its procurement process.

Presently, three nos. Independent External Monitors (IEMs), have been nominated by the Central Vigilance Commission (CVC) to monitor the implementation of IP in all tenders, of the threshold value of `10 Crore and above, across all Divisions of the Corporation.

During the year 6 meetings of IEM's have taken place. Based on the above threshold value, 235 tenders came under the purview of IP during the year against which 5 complaints were received which were referred to the IEMs and deliberated.

h. Relationship between Directors

None of the Directors are inter-se related to other Directors of the Company.

i. Guidelines on Corporate Governance by DPE

IndianOil is complying with the all the requirements of the DPE Guidelines on Corporate Governance except in respect of composition of the Board of Directors with regard to 50% independent Directors. IndianOil, being a Government Company, is pursuing with the Government of India to induct requisite number of Independent Directors.

The details of compliance with the Presidential Directives have been provided in the Directors' Report.

No items of expenditure have been debited in books of accounts, which are not for the purpose of business. No expenses, which are of personal nature, have been incurred for the Board of Directors and top management.

The administrative & office expense were 1.72% of total expense during 2013-14 as against 1.21% during the previous year.

10. MEANS OF COMMUNICATION

a. Financial Results

The quarterly unaudited financial results / audited financial results of the Company are announced within the time limits prescribed by the listing agreement. The results are published in leading newspaper like The Times of India and Maharashtra Times (Marathi Newspaper). The financial results are also hosted on company's website www.iocl.com. The Company issues news releases on significant corporate decisions / activities and posts them on its website as well as notifies stock exchange as and when deemed necessary.

b. News Releases

Official press releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website **www.iocl.com**.

c. Website

The Company's website **www.iocl.com** provides a separate section for investors where relevant shareholders information is available. The Annual Report of the Company is available on the website in a user friendly and downloadable form.

d. Annual Report

Annual Report is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report and Corporate Governance Report form part of the Annual Report.

e. Chairman's Speech at AGM

Chairman's speech is distributed to the shareholders at the Annual General Meeting. The same is also placed on the website of the Company as well as published in the newspapers for information of the shareholders residing in various parts of the country.

f. Investor Service Cell

Investor Service Cell exist at the registered office in Mumbai and the Corporate Office, New Delhi to address the grievances / queries of shareholders / debenture holders. To facilitate the investors to raise queries / grievances through electronic mode, IndianOil has created a separate e-mail ID **investors@indianoil.in.** M/s Karvy Computershare Pvt. Ltd., Registrar & Transfer Agent, have offices across the country, wherefrom the queries / grievances of the investors are also addressed.

g. Green initiative – reaching important communication to shareholders through email

In terms of the Green initiative launched by the Ministry of Corporate Affairs to allow service of documents to the members through electronic mode, IndianOil would send the copy of the Annual Report for the year 2013-14 alongwith the notice convening the Annual General Meeting through email to those shareholders who have registered their email id with the DP's / R&T agents and have not opted for physical copy of the Annual report.

11. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting:

Date, Time & Venue of the Annual General Meeting	Wednesday, 27th August 2014 at 1030 hrs at Nehru Centre Auditorium Discovery of India Building, Worli, Mumbai - 400 018.

(b) Financial Calendar for 2014-15 to approve quarterly / annual financial results:

Quarter ending 30th June 2014	On or before 14.08.2014
Quarter ending 30th September 2014	On or before 14.11.2014
Quarter ending 31st December 2014	On or before 14.02.2015
Quarter and year ending 31st March 2015	On or before 30.05.2015

(c) Book Closure Dates for Dividend:

Book Closure for Dividend	20.08.2014 to 27.08.2014, inclusive of both days.

(d) Dividend Payment Date:

A dividend of ` 8.70 per share (87%), as recommended by the Board of Directors, if approved at the AGM, shall be paid to the eligible shareholders well before the stipulated 30 days period after the AGM as provided under the Companies Act.

(e) Listing on Stock Exchanges:

The shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

The debt securities issued by the Company are listed on the Wholesale Debt Market (WDM) segment of NSE & the Indian Corporate Debt Market (ICDM) segment of BSE.

The Company has paid Listing fees in respect of its shares as well debt securities to both the stock exchanges.

(f) Corporate Identity Number (CIN):

The Company is registered with the Registrar of Companies (RoC) in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is **L23201MH1959GOI011388**.

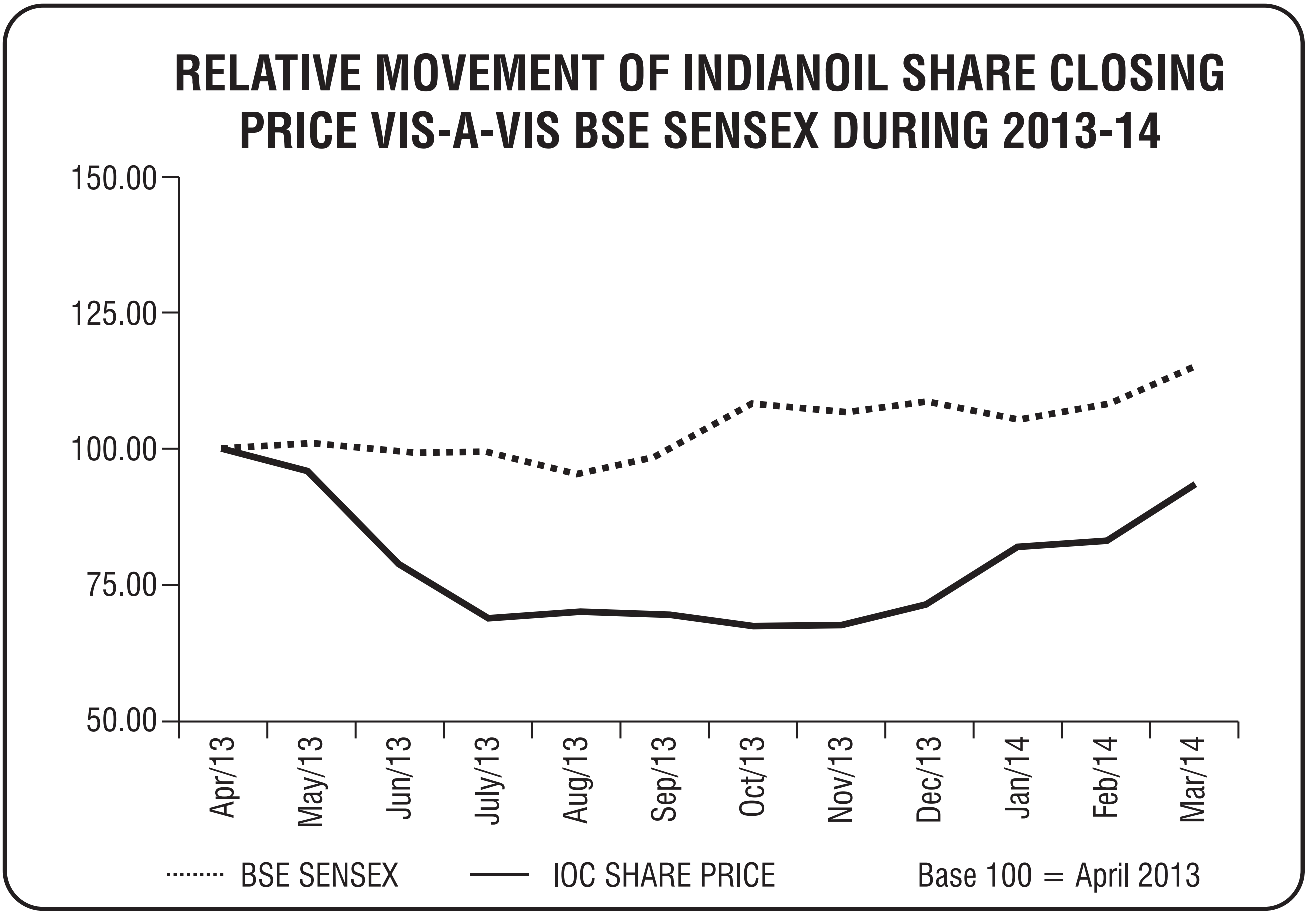
(g) Stock Code at BSE	:	**530965**
(h) Stock Code at NSE	:	**IOC**
(i) Demat ISIN Number at NSDL / CDSL	:	**INE 242A01010**

(j) Stock Market Data:

Month	BSE			NSE		
	High (`)	Low (`)	Volume	High (`)	Low (`)	Volume
April 2013	309.10	278.00	12,73,181	309.00	278.10	85,61,477
May 2013	320.45	285.00	18,23,266	320.60	285.00	1,19,67,947
June 2013	291.00	218.90	15,90,035	290.70	218.50	1,07,45,517
July 2013	241.65	186.20	14,48,519	241.50	186.00	1,00,87,434
August 2013	217.80	187.75	16,63,030	217.70	187.50	1,02,66,107
September 2013	238.15	204.45	17,50,925	238.40	204.30	1,35,85,338
October 2013	214.25	196.75	13,29,069	214.15	196.35	1,01,11,144
November 2013	221.55	196.10	14,74,982	221.40	196.05	95,01,215
December 2013	216.25	196.00	11,50,188	216.80	196.05	84,94,589
January 2014	247.05	194.50	23,77,172	247.00	193.75	1,86,58,888
February 2014	262.00	233.50	10,97,223	260.05	233.20	98,55,072
March 2014	289.00	241.50	20,91,245	289.50	241.00	2,01,21,400
12 month High / Low	**320.45**	**186.20**		**320.60**	**186.00**	

(k) Stock Price Performance in comparison to broad-based BSE Sensex:

The relative comparison of monthly closing share price of IndianOil with monthly closing BSE Sensex during 2013-14 is given below:



(l) Debt Securities :

The debt securities issued by the Company are listed on the Wholesale Debt Market (WDM) Segment of BSE and NSE. The Company has appointed SBICAP Trustee Company Limited as Debenture Trustee for the debt securities.

(m) Registrar & Transfer Agents (R&T) :

Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar,
Madhapur
Hyderabad - 500 081

Tel. Nos.	:	(040) 44655000
Fax No.	:	(040) 44655024
E-mail Address	:	einward.ris@karvy.com
Website	:	www.karvycomputershare.com

(n) Share Transfer System:

The shares of the Company are compulsorily traded in dematerialised form. Shares received in physical form are transferred within the stipulated period from the date of lodgement subject to documents being valid and complete in all respects. There were no overdue share transfers pending as on 31.03.2014. In order to expedite the process of share transfer and in line with Clause 49 of the Listing Agreement, the Company has delegated the power of share transfer to R&T Agent "M/s Karvy Computershare Pvt. Ltd.".

(o) **Distribution of shareholding as on 31st March 2014:**

Sl. No.	Nominal Value Equity Shares (`)			No. of Shareholders (Folios)	% of Shareholders	Amount (`)	% of Amount
1.	1	-	5000	1,61,552	86.41	12,55,40,010	0.52
2.	5001	-	10000	7,410	3.96	5,52,64,810	0.23
3.	10001	-	20000	6,485	3.47	9,83,09,660	0.40
4.	20001	-	30000	3,788	2.03	9,66,46,240	0.40
5.	30001	-	40000	6,716	3.59	24,00,78,770	0.99
6.	40001	-	50000	372	0.20	1,67,15,780	0.07
7.	50001	-	100000	324	0.17	2,23,04,540	0.09
8.	100001	&	Above	321	0.17	23,62,46,65,010	97.30
			Total	**1,86,968**	**100.00**	**24,27,95,24,820**	**100.00**

(p) **Categories of Shareowners as on 31st March 2014**

Sl. No.	Category	Shareholders (Folios) No.	Shareholders (Folios) %	Shares No.	Shares %
1.	President of India (Note)	1	0.00	1,66,49,65,562	68.57
2.	Governor of Gujarat	1	0.00	27,,00,000	0.11
3.	Government Company (ONGC)	1	0.00	33,43,03,814	13.77
4.	Government Company (Oil India)	1	0.00	12,13,97,624	5.00
5.	Corporate Bodies	1,644	0.88	85,78,912	0.35
6.	FIIs/NRI	2,410	1.29	5,38,01,835	2.22
7.	Banks	60	0.03	86,94,264	0.36
8.	Mutual Funds	38	0.02	2,26,67,390	0.93
9.	Insurance Companies	9	0.00	8,49,40,681	3.50
10.	Public	1,82,391	97.55	6,62,51,165	2.73
11.	Trusts	45	0.02	5,87,46,336	2.42
12.	Others	367	0.21	9,04,899	0.04
	Total	**1,86,968**	**100.00**	**2,42,79,52,482**	**100.00**

Note: Till 13.03.2014, President of India (PoI) was holding 1,91,61,55,710 equity shares of IndianOil constituting 78.92% of the total equity shares. On 14.03.2014, President of India disinvested 10% of the equity share capital of IndianOil i.e. 24,27,95,248 shares equally in favour of ONGC Ltd. (5%) & Oil India Ltd. (5%). Consequently the equity holding of PoI reduced to 1,67,33,60,462 constituting 68.92% of the equity share capital.

The PoI has further disinvested 83,94,900 equity shares on 21.03.2014 in favour of CPSE ETF (an Exchange Traded Fund comprising of 10 PSU stocks managed by Goldman Sach India), whereby the PoI holding has further reduced to 1,66,49,65,562 equity shares constituting 68.57% of the paid up equity share capital of IndianOil.

(q) **Top 10 shareholders as on 31st March 2014:**

Sl. No.	Name	No. of Shares	% to Equity
1.	President of India	1,66,49,65,562	68.57%
2.	Oil and Natural Gas Corporation Limited	33,43,03,814	13.77%
3.	Oil India Ltd.	12,13,97,624	5.00%
4.	Life Insurance Corporation of India	6,95,44,401	2.86%
5.	IOC Shares Trust	5,82,79,614	2.40%
6.	Government Pension Fund Global	91,49,396	0.38%
7.	CPSE ETF	83,94,900	0.35%
8.	General Insurance Corporation of India	70,56,495	0.29%
9.	Vanguard Emerging Markets Stock Index Fund	55,38,422	0.23%
10.	HDFC Trustee Company Limited - HDFC Equity Fund	53,66,990	0.22%

(r) Dematerialisation of Shares and Liquidity:

The shares of the Company are compulsorily traded in dematerialised form. In order to facilitate the shareholders to dematerialise the shares, the Company has entered into an agreement with NSDL and CDSL. The summarised position of shareholders in Physical and Demat segment as on 31st March 2014 is as under:-

Type of Shareholding	Shareholders (Folios)		Shareholding	
	No.	%	No.	%
Physical	8,436	4.51	1,26,47,366	0.52
Demat	1,78,532	95.49	2,41,53,05,116	99.48
TOTAL	**1,86,968**	**100.00**	**2,42,79,52,482**	**100.00**

(s) Corporate Action:

i) Dividend payment history since 2000-01:-

Financial Year	Rate (%)	Remarks
2000-01	95%	-
2001-02	110%	-
2002-03	210%	Includes interim of 50%
2003-04	210%	Includes interim of 50%
2004-05	145%	Includes interim of 45%
2005-06	125%	-
2006-07	190%	Includes interim of 60%
2007-08	55%	-
2008-09	75%	-
2009-10	130%	-
2010-11	95%	-
2011-12	50%	-
2012-13	62%	-

ii) Bonus issue since listing of the shares:-

Financial Year	Ratio
1999-2000	1:1
2003-2004	1:2
2009-2010	1:1

(t) Unpaid Dividend

Section 205 of the Companies Act, 1956 provides that any dividend that has remained unpaid / unclaimed for a period of seven years be transferred to the Investor Education and Protection Fund (IEPF) established by Central Government. The Company annually sends a communication to the concerned shareholders, advising them to lodge their claim with respect to unclaimed dividend. Shareholders are also informed that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

The summarized details of dividend declared by IndianOil and its erstwhile subsidiary i.e. Bongaigaon Refinery & Petrochemicals Ltd. (since merged with IndianOil) which remains unpaid as on 31.03.2014 are given below:-

Name	Year	Unpaid Dividend Amount (`)
Indian Oil Corporation Ltd.	2006-07 to 2012-13	8,08,93,983
Bongaigaon Refinery & Petrochemicals Ltd. (merged w.e.f. 25.03.2009)	2006-07 to 2007-08	39,65,453

The shareholders, who have not yet encashed their dividend for the aforesaid years, may write to the Company or its R&T Agent in this regard.

The Ministry of Corporate Affairs (MCA) had notified the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies), Rules, 2012, in May 2012 by which every company is required to file information of all unclaimed and unpaid amount, as referred to under section 205C (2) of the Companies Act, within 90 days after holding of the AGM, in prescribed form 5 INV. Thereafter, a detailed investor-wise information is required to be uploaded on the IEPF website as well as the website of the company. The information is required to be filed for the financial year 2010-11 onwards.

In line with the said rules, IndianOil has filed the information for the financial year 2012-13 in the prescribed form / format with the MCA / IEPF website and also hosted it on IndianOil's website **www.iocl.com.**

(u) Plant locations

The addresses of the plant locations are given in the Annual Report.

(v) Address for Correspondence

Company Secretary
Indian Oil Corporation Limited
IndianOil Bhavan
G-9, Ali Yavar Jung Marg
Bandra (East)
Mumbai - 400051
Tel. No. : (022) 26447616 / 26447528
Fax : (022) 26447961
E-mail ID : **investors@indianoil.in**

IndianOil Retail Outlet at New Delhi

Report on Corporate Governance

COMPLIANCE CERTIFICATE

To the Members of Indian Oil Corporation Ltd.

We have examined the compliance of conditions of Corporate Governance by Indian Oil Corporation Limited for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges in India and the guidelines on Corporate Governance for Central Public Sector Enterprises, as enunciated by the Department of Public Enterprises (DPE).

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination, as carried out in accordance with the Guidance Note on Corporate Governance issued by the Institute of Chartered Accountants of India, was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement as well as the DPE guidelines except for non-compliance of Clause 49(I)(A)(ii) of the Listing Agreement relating to the number of Independent Directors on the Board of Directors of the Company which was less than half of the total strength of Board during the year and non-compliance of Clause 49(II)(A) of the Listing Agreement relating to composition of the Audit Committee during the period August 7, 2013 to September 2, 2013 .We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DASS GUPTA & ASSOCIATES	**For G M KAPADIA & CO.**	**For J GUPTA & CO.**	**For PARAKH & CO.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 000112N)	(Firm Regn. No. 104767W)	(Firm Regn. No. 314010E)	(Firm Regn. No.001475C)
Sd/-	Sd/-	Sd/-	Sd/-
(CA. Naresh Kumar)	**(CA. Rajen Ashar)**	**(CA. J N Gupta)**	**(CA. Prakash Sharma)**
Partner	Partner	Partner	Partner
M. No. 082069	M. No. 048243	M. No. 051428	M. No. 072332

Place : New Delhi
Date : 12th June, 2014

SECRETARIAL AUDIT REPORT

To,
Indian Oil Corporation Limited
Indian Oil Bhavan,
G- 9, Ali Yavar Jung Marg,
Bandra (East),
Mumbai – 400051
Maharashtra

(I) We have examined the registers, records and documents of M/s. Indian Oil Corporation Limited ("The Company") for the Financial Year ended on 31st March, 2014 according to the provisions / clauses of:

A. The Companies Act, 1956 , and the Companies Act, 2013 and the Rules made thereunder, to the extent applicable;

B. The Memorandum of Association and Articles of Association of the Company;

C. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

D. The Equity Listing Agreements entered into by the Company with the BSE Limited and the National Stock Exchange of India Limited;

E. The Debt Listing Agreements with the BSE Limited and the National Stock Exchange of India Limited;

F. The Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011;

G. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

H. Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises;

(II) Based on the verification of records / documents produced to us, the information furnished to us by the Company and the test check carried out by us, we are of the opinion that the Company has complied with the provisions of the Companies Act, 1956, the Companies Act, 2013 and the Rules made thereunder, to the extent applicable, and the Memorandum and Articles of Association of the Company with regard to:

1) Maintenance of various statutory registers and documents and making necessary entries therein;

2) Filing of the requisite forms, returns and other documents with the Registrar of Companies, Mumbai and the Central Government within the prescribed time;

3) Service of documents by the Company on its Members, Auditors, Debenture holders and Debenture Trustees;

4) Closure of Register of Members and Share Transfer Books of the Company from Monday, 28th August, 2013 to Wednesday, 3rd September, 2013 (both days inclusive);

5) Convening and holding of the 54th Annual General Meeting of the Company on Tuesday, 3rd September, 2013;

6) Convening and holding of the meetings of Directors and Committees of Directors, including passing of the Resolutions by Circulation;

7) Minutes of the proceedings of General Meeting, Board Meetings and Board Committees were properly recorded in loose leaf form, which are being bound in a book form at regular intervals;

8) Appointment and remuneration of Auditors, including Cost Auditors;

9) Transfers and transmission of shares; issue / delivery of share certificates including duplicate share certificates; dematerialisation / re-materialisation of shares;

10) Declaration and payment of Dividend;

11) Uploading of the details of unclaimed / unpaid Dividend with the Ministry of Corporate Affairs (MCA) as well as on the Website of the Company;

12) Transfer of amounts due under the Act to the Investor Education and Protection Fund (IEPF);

13) Payment of interest and redemption proceeds on bonds (in nature of Debentures);

14) Investment of the Company's Funds including Inter-Corporate Loans and Investments;

15) Giving guarantees in connection with loans taken by Subsidiaries and Associate Companies;

16) Borrowings and registration, modification and satisfaction of charges, wherever applicable;

17) Deposit of both the Employees and Employers contribution relating to Provident Fund with the Trusts created for the purpose;

18) Form of Balance Sheet, Statement of Profit & Loss Account and disclosures to be made therein as per the revised Schedule VI to the Act issued by the MCA;

19) Generally, all other applicable provisions of the Act and the Rules made thereunder that Act.

(III) We further state that;

1) The Directors have disclosed their interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities as and when required and their disclosures have been noted and recorded by the Board except Shri Sudhir Bhalla, Director (HR) of the Company, who was under serious medical comatose state since February 2012, and therefore could not make any disclosure to the Company. Shri Bhalla expired on 22nd May 2014;

2) The Directors have complied with the disclosure requirements in respect of their eligibility of appointments, their being independent and compliance with the Code of Conduct for Directors and Senior

Management Personnel except Shri Sudhir Bhalla, Director (HR) of the Company, who was under serious medical comatose state since February 2012, and therefore could not make any disclosure to the Company. Shri Bhalla expired on 22nd May 2014;

3) The Company has obtained all necessary approvals under the various provisions of the Act; and

4) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreements and Rules, Regulation and Guidelines framed under these Acts against/ on the Company, its Directors and Officers.

(IV) We further report that:

1) The Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed there under by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialization securities with all securities issued by the Company.

2) The Company has complied with all the mandatory requirements under the Listing Agreement executed with the BSE Limited and the National Stock Exchange of India Limited and the guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, except as given below:

i) Composition of Board of Directors with regard to 50% independent Directors during the year under review as required under Clause 49(I)(A) of the Listing Agreement;

ii) Composition of the Audit Committee during the period 7th August, 2013 to 2nd September, 2013 due to sudden demise of an Audit Committee Member;

3) The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 with regard to disclosures and maintenance of records required under the regulation including the disclosure relating to disinvestment by the Promoter of the Company viz. the President of India, who was holding 78.92% of the equity share capital of the Company till 13th March 2014, as given below:

i) On 14th March, 2014, the President of India disinvested 10% of the equity share capital of Indian Oil Corporation Ltd i.e. 24,27,95,248 equity shares equally in favour of Oil & Natural Gas Corporation of India Ltd. (5%) & Oil India Ltd. (5%). Consequently the Equity holding of the President of India reduced to 1,67,33,60,462 constituting 68.92% of the Equity Share Capital of Company.

ii) The President of India further disinvested 83,94,900 equity shares on 21st March, 2014 in favour of CPSE ETF (an Exchange Traded Fund comprising of 10 PSU Stocks managed by Goldman Sach India), whereby the President of India holding further reduced to 1,66,49,65,562 Equity Shares constituting 68.57% of the paid up equity share capital of the Company.

4) The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading)Regulation, 1992 with regards to disclosures and maintenance of records including the disclosure relating to disinvestment by the the President of India as sated at point no. 3 above.

For DHOLAKIA & ASSOCIATES
(Company Secretaries)

Sd/-
(CS B. V. Dholakia)
Partner
C.P. No. 507

Place : Mumbai
Date : 20th June 2014

Annual Accounts

AUDITORS' REPORT TO THE MEMBERS OF INDIAN OIL CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Indian Oil Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

The financial statements include the Company's proportionate share in jointly controlled assets ` 366.67 crore, liabilities ` 66.82 crore, expenditure ` 271.28 crore and the elements making up the Cash Flow Statement and related disclosures in respect of 18 blocks under New Exploration Licensing Policy (NELPs) / Joint Venture (JVs) accounts for exploration and production, which are based on statements from the respective operators and have been certified by the management. Our observations thereon are based on such statements from the operators and certification of the management. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
   i. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
   ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
   iii. The reports on the accounts of the branch offices audited under section 228 of the Act by auditors appointed by the office of the Comptroller Auditor General of India have been forwarded to us as required by clause (c) of sub-section (3) of section 228 of the Act and have been dealt with in preparing our report in the manner considered necessary by us;
   iv. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   v. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013
   vi. Disclosure in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 is not required for Government Companies as per Notification No. GSR 829(E) dated October 21, 2003 issued by the Department of Company Affairs

For DASS GUPTA & ASSOCIATES	**For G M KAPADIA & CO.**	**For J GUPTA & CO.**	**For PARAKH & CO.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 000112N)	(Firm Regn. No. 104767W)	(Firm Regn. No. 314010E)	(Firm Regn. No.001475C)
Sd/-	Sd/-	Sd/-	Sd/-
(CA. Pankaj Mangal)	**(CA. Rajen Ashar)**	**(CA. J N Gupta)**	**(CA. Prakash Sharma)**
Partner	Partner	Partner	Partner
M. No. 097890	M. No. 048243	M. No. 051428	M. No. 072332

Place : New Delhi
Date : 29th May, 2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 under "other legal and regulatory requirements" of our report of even date)

Based upon the information and explanations furnished to us and the books and records examined by us in the normal course of our audit, we report that to the best of our knowledge and belief:

i) The Company has generally maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

The Fixed Assets of the Company, other than LPG cylinders and pressure regulators with customers, are physically verified by the Management in a phased program of three years cycle which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In our opinion and as per the information given by the Management, the discrepancies observed were not material and have been appropriately accounted in the books.

Fixed assets disposed off during the year were not substantial and, therefore, do not affect the going concern assumption.

ii) In our opinion, physical verification of inventory has been conducted at reasonable intervals by the management.

In our opinion, the procedures of physical verification of inventory followed by the management are adequate in relation to the size of the Company and the nature of its business.

The Company has maintained proper records of inventory. No material discrepancies have been noticed on physical verification between physical stock and book records.

iii) The Company has not taken / granted any loans secured or unsecured from/to companies, firms or other parties covered in the register maintained under section 301 of the Act. Hence the question of reporting under sub-clause a to g of clause (iii) of paragraph 4 of the Order does not arise.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and sale of goods and services. We have not observed any major weakness in the internal controls during the course of audit.

v) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act exceeding the value of Rupees five lakhs in respect of any party during the year.

vi) In our opinion and according to the information and explanations given to us, during the year, the Company has not accepted public deposits and no deposits are outstanding at the year-end except old cases under dispute aggregating to ` 0.01 crore, where the Company has complied with necessary directions.

vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

viii) We have broadly reviewed the books of account maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of these records.

ix) A) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.

According to the records examined by us and information and explanations given to us, no undisputed dues payable in respect of income tax, wealth tax, sales tax, service tax, customs duty, excise duty, investor education and protection fund and cess were in arrears, as at March 31, 2014 for more than six months from the date they became payable.

B) The details of dues of Sales Tax, Service Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess, which have not been deposited on account of any dispute are given in the **Annexure** to this report.

x) The Company neither has any accumulated losses as on March 31, 2014, nor it has incurred any cash loss during the financial year ended on that date or in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The Company is not a chit fund or a Nidhi / Mutual benefit fund / society.

xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.

xv) In our opinion, in respect of the guarantee given by the Company for the loans taken by others from a bank, the terms and conditions thereof are not, prima facie, prejudicial to the interest of the Company.

xvi) On the basis of review of utilization of funds pertaining to term loans on overall basis and related information as made available to us, the term loans taken by the Company have been utilized for the purposes for which they are obtained.

xvii) On the basis of review of utilization of funds, which is based on overall examination of the balance sheet of the Company, related information as made available to us and as represented to us by the management, funds raised on short-term basis have not been used for long-term investments.

xviii) The Company has not made any preferential allotment of shares during the year.

xix) The Company has created necessary securities or charge as per the debenture trust deed in respect of bonds/debentures issued and outstanding at the year end.

xx) The Company has not raised any money by way of public issue during the financial year. Accordingly, the provisions of clause (xx) of paragraph 4 of the Order are not applicable to the Company.

xxi) As represented to us by the management and based on our examination of the books and records of the company in accordance with the generally accepted auditing practices in India, we have neither come across any material fraud on or by the Company noticed or reported during the year nor we have been informed of any such case by the management that causes the financial statements to be materially misstated.

For DASS GUPTA & ASSOCIATES	**For G M KAPADIA & CO.**	**For J GUPTA & CO.**	**For PARAKH & CO.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 000112N)	(Firm Regn. No. 104767W)	(Firm Regn. No. 314010E)	(Firm Regn. No.001475C)
Sd/-	Sd/-	Sd/-	Sd/-
(CA. Pankaj Mangal)	**(CA. Rajen Ashar)**	**(CA. J N Gupta)**	**(CA. Prakash Sharma)**
Partner	Partner	Partner	Partner
M. No. 097890	M. No. 048243	M. No. 051428	M. No. 072332

Place : New Delhi
Date : 29th May, 2014

REPORTING AS PER COMPANIES (AUDITOR'S REPORT) ORDER 2003 (DISPUTED CASES)

SR NO.	NAME OF THE STATUTE/ NATURE OF DUES	FORUM WHERE DISPUTE IS PENDING	AMOUNT (net of deposits) (` Crore)	PERIOD TO WHICH THE AMOUNT RELATES (FINANCIAL YEARS)
1	**CENTRAL EXCISE**	High Court	18.81	2002 to 2014
		Tribunal	2,226.74	1980 to 2014
		Appellate Authority (Below Tribunal)	27.30	1993 to 2014
		Total	**2,272.85**	
2	**CUSTOMS DUTY**	Tribunal	57.38	1994 to 2004
		Appellate Authority (Below Tribunal)	62.26	2006 to 2014
		Total	**119.64**	
3	**SALES TAX/ VAT/ TURNOVER TAX**	Supreme Court	36.83	2006 to 2014
		High Court	508.71	1978 to 2014
		Tribunal	3,779.46	1988 to 2014
		Revisionary Authority	615.34	1979 to 2014
		Appellate Authority (Below Tribunal)	3,837.58	1981 to 2014
		Total	**8,777.92**	
4	**INCOME TAX**	High Court	0.11	2012 to 2014
		Tribunal	0.42	2003 to 2014
		Appellate Authority (Below Tribunal)	5.29	2001 to 2014
		Total	**5.82**	
5	**SERVICE TAX**	Tribunal	70.33	2004 to 2014
		Appellate Authority (Below Tribunal)	2.39	2004 to 2014
		Total	**72.72**	
6	**ENTRY TAX**	Supreme Court	8,372.17	1991 to 2014
		High Court	911.89	2003 to 2014
		Tribunal	27.13	1999 to 2014
		Appellate Authority (Below Tribunal)	20.32	1997 to 2014
		Total	**9,331.51**	
7	**Others (Commercial Tax/ Entertainment Tax Etc.)**	Supreme Court	26.91	1998 to 2014
		High Court	11.83	1989 to 2014
		Appellate Authority (Below Tribunal)	0.72	1999 to 2014
		Total	**39.46**	
		GRNAD TOTAL	**20,619.92**	

BALANCE SHEET as at 31st March 2014

(` in Crore)

Note	Page	Particulars	March-14		March-13
		EQUITY AND LIABILITIES			
		(1) Shareholders' Funds			
2	107	(a) Share Capital	**2,427.95**		2,427.95
3	108	(b) Reserves and Surplus	**63,564.13**		58,696.36
				65,992.08	61,124.31
		(2) Non-current liabilities			
4	109	(a) Long-term borrowings	**31,683.58**		21,414.20
5	111	(b) Deferred tax liabilities (Net)	**5,616.18**		5,512.66
6	112	(c) Other Long-term liabilities	**13,411.58**		11,435.18
7	112	(d) Long-term provisions	**390.12**		375.25
				51,101.46	38,737.29
		(3) Current liabilities			
8	113	(a) Short-term borrowings	**48,915.54**		56,911.00
9	113	(b) Trade payables	**35,697.29**		29,667.93
6	112	(c) Other current liabilities	**24,319.15**		19,914.08
7	112	(d) Short-term provisions	**26,388.26**		21,664.71
				1,35,320.24	1,28,157.72
		TOTAL		**2,52,413.78**	2,28,019.32
		ASSETS			
		(4) Non-current assets			
		(a) Fixed Assets			
10	114	(i) Tangible assets	**62,256.62**		59,823.45
11	116	(ii) Intangible assets	**692.17**		809.28
12	116	(iii) Capital work-in-progress	**33,150.64**		25,646.21
13	117	(iv) Intangible assets under development	**728.59**		584.11
			96,828.02		86,863.05
14	118	(b) Non-current investments	**16,311.49**		5,032.62
15	122	(c) Long-term loans and advances	**4,626.48**		4,876.23
16	124	(d) Other non-current assets	**70.02**		13.86
				1,17,836.01	96,785.76

Contd...

(` in Crore)

Note	Page	Particulars		March-14	March-13
		(5) Current assets			
14	121	(a) Current investments	**7,282.70**		13,638.60
17	124	(b) Inventories	**64,697.37**		59,314.39
18	125	(c) Trade receivables	**11,023.10**		11,257.32
19	125	(d) Cash and Bank Balances	**2,608.53**		503.29
15	122	(e) Short-term loans and advances	**41,574.33**		39,756.94
16	124	(f) Other current assets	**7,391.74**		6,763.02
				1,34,577.77	1,31,233.56
		TOTAL		**2,52,413.78**	2,28,019.32
1	104	Significant Accounting Policies			
2-47	107	Notes on Financial Statements			

Sd/-
(R. S. Butola)
Chairman

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

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

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

Sd/-
(CA. Pankaj Mangal)
Partner
M. No. 097890

For G M KAPADIA & CO.
Chartered Accountants
(Firm Regn. No. 104767W)

Sd/-
(CA. Rajen Ashar)
Partner
M. No. 048243

For J GUPTA & CO.
Chartered Accountants
(Firm Regn. No. 314010E)

Sd/-
(CA. J N Gupta)
Partner
M. No. 051428

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

Sd/-
(CA. Prakash Sharma)
Partner
M. No. 072332

Place : New Delhi
Date : 29th May, 2014

STATEMENT OF PROFIT AND LOSS for the Year Ended 31st March 2014

(` in Crore)

Note	Page	Particulars		March-14	March-13
		(1) Revenue:			
20	126	(a) Revenue from operations (Gross)	**4,97,114.13**		4,70,650.43
		Less: Excise Duty	**23,904.04**		23,554.18
		Revenue from operations (Net)		**4,73,210.09**	4,47,096.25
21	127	(b) Other Income		**3,417.29**	3,514.79
		Total Revenue		**4,76,627.38**	4,50,611.04
		(2) Expenses:			
22	128	(a) Cost of materials consumed		**2,27,012.01**	2,19,744.05
		(b) Purchase of Stock-in-Trade [Net of Duty Draw Back ` **5.12 crore** (2013: ` 21.96 crore)]		**1,96,237.15**	1,88,182.20
23	128	(c) Changes in Inventory		**(1,153.00)**	(5,220.03)
24	128	(d) Employee benefit expenses		**6,618.97**	7,271.27
25	129	(e) Finance cost		**5,084.42**	6,435.27
		(f) Depreciation and Amortisation on :			
		(i) Tangible Assets	**5,616.78**		5,056.25
		(ii) Intangible Assets	**143.31**		144.74
				5,760.09	5,200.99
26	129	(g) Other Expenses		**28,792.73**	23,355.79
		Total Expenses		**4,68,352.37**	4,44,969.54
		(3) Profit before Prior Period, Exceptional Items and Tax		**8,275.01**	5,641.50
27	131	(4) Income / (Expenses) pertaining to Prior Years (Net)		**(96.30)**	6.30
		(5) Profit before Exceptional Items and Tax		**8,178.71**	5,647.80
		(6) Exceptional Items (Refer point 3 of Note - 47)		**1,746.80**	-
		(7) Profit before Tax		**9,925.51**	5,647.80

Contd...

(` in Crore)

Note	Page	Particulars	March-14	March-13
		(8) Tax Expense:		
		Current Tax [includes ` **(116.31) crore** (2013 : ` (25.71) crore) relating to prior years]	**2,802.90**	821.94
		MAT Credit Entitlement	**-**	(450.09)
		Deferred Tax	**103.52**	270.78
		(9) Profit for the year	**7,019.09**	5,005.17
33	142	**(10) Earning per Equity Share (`):**		
		(a) Basic	**28.91**	20.61
		(b) Diluted	**28.91**	20.61
		Face Value Per Equity Share (`)	**10**	10
1	104	Significant Accounting Policies		
2 - 47	107	Notes on Financial Statements		

Sd/-
(R. S. Butola)
Chairman

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

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

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

Sd/-
(CA. Pankaj Mangal)
Partner
M. No. 097890

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(Firm Regn. No. 104767W)

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Sd/-
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Partner
M. No. 051428

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

Sd/-
(CA. Prakash Sharma)
Partner
M. No. 072332

Place : New Delhi
Date : 29th May, 2014

CASH FLOW STATEMENT For the Year Ended 31st March 2014

(` in Crore)

		Particulars	March-14		March-13	
A		**Cash Flow from Operating Activities**				
	1	Profit Before Tax		9,925.51		5,647.80
	2	Adjustments for :				
		Depreciation	**5,768.65**		5,219.80	
		Loss/(Profit) on sale of Assets (net)	**57.51**		21.44	
		Loss/(Profit) on sale of Investments (net)	**42.54**		(28.01)	
		Amortisation of Capital Grants	**(2.26)**		(1.46)	
		Amortisation of Premium on Forward Contracts	**(583.20)**		15.49	
		Provision for Probable Contingencies (net)	**238.11**		407.91	
		Provision for Loss on Investments (net)	**483.12**		(634.15)	
		Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores (net)	**103.84**		16.06	
		Provision for Dimunition in 'Receivable from trust' (net)	**(0.29)**		(110.15)	
		Provision for MTM Loss/(Gain) on interest rate swap	**(30.61)**		10.81	
		Foreign Currency Monetary Item Translation Difference Account	**(47.66)**		-	
		Interest Income on Investments	**(1,037.41)**		(1,118.85)	
		Dividend Income on Investments	**(884.91)**		(999.47)	
		Interest Expenditure	**5,086.60**		6,434.91	
				9,194.03		9,234.33
	3	Operating Profit before Working Capital Changes (1+2)		**19,119.54**		14,882.13
	4	Change in Working Capital: (Excluding Cash & Bank Balances)				
		Trade & Other Receivables	**(2,291.87)**		(7,617.18)	
		Inventories	**(5,391.55)**		(2,504.96)	
		Trade and Other Payables	**12,340.41**		7,855.32	
		Change in Working Capital		**4,656.99**		(2,266.82)
	5	Cash Generated From Operations (3+4)		**23,776.53**		12,615.31
	6	Less : Taxes paid		**1,726.64**		1,004.71
	7	Net Cash Flow from Operating Activities (5-6)		**22,049.89**		11,610.60
B		**Cash Flow from Investing Activities:**				
		Sale/Transfer of Assets	**449.63**		721.87	
		Sale / Maturity of Investments	**1,117.42**		782.27	
		Interest Income on Investments	**1,037.32**		1,128.40	
		Dividend Income on Investments	**884.91**		999.47	
		Purchase of Assets	**(4,876.39)**		(2,723.23)	
		Investments in Subsidiaries	**(6,269.09)**		(164.04)	
		Investments in Long Term Investments / Others	**(187.66)**		(60.83)	
		Expenditure on Construction Work in Progress	**(9,992.72)**		(9,022.20)	
		Net Cash Generated/(Used) in Investing Activities:		**(17,836.58)**		(8,338.29)

Contd...

(` in Crore)

	Particulars	March-14		March-13	
C	**Net Cash Flow From Financing Activities:**				
	Proceeds from Long-Term Borrowings	**16,253.67**		7,098.44	
	Repayments of Long-Term Borrowings	**(2,513.58)**		(5,078.14)	
	Proceeds from/(Repayments of) Short-Term Borrowings	**(8,010.39)**		3,426.90	
	Interest paid	**(6,075.83)**		(7,115.08)	
	Dividend/Dividend Tax paid	**(1,761.94)**		(1,408.15)	
	Net Cash Generated/(Used) from Financing Activities:		**(2,108.07)**		(3,076.03)
D	**Net Change in Cash & Bank Balances (A+B+C)**		**2,105.24**		196.28
E	1 Cash & Bank Balances as at end of the year		**2,608.53**		503.29
	Less:				
E	2 Cash & Bank Balances as at the beginning of year		**503.29**		307.01
	NET CHANGE IN CASH & BANK BALANCES (E 1-2)		**2,105.24**		196.28
Notes:					
1.	Cash & Bank Balances as at end of the year		**2,608.53**		503.29
	Less: Other Bank Balances		**776.37**		1.37
	Cash and Cash Equivalents		**1,832.16**		501.92

2. Cash and Bank balance includes ` 9.94 crore which are not readily available for use (refer Note-19).

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

Sd/- **(R. S. Butola)** Chairman	Sd/- **(P. K. Goyal)** Director (Finance)	Sd/- **(Raju Ranganathan)** Company Secretary

As per our attached Report of even date

For DASS GUPTA & ASSOCIATES Chartered Accountants (Firm Regn. No. 000112N)	**For G M KAPADIA & CO.** Chartered Accountants (Firm Regn. No. 104767W)	**For J GUPTA & CO.** Chartered Accountants (Firm Regn. No. 314010E)	**For PARAKH & CO.** Chartered Accountants (Firm Regn. No.001475C)
Sd/- **(CA. Pankaj Mangal)** Partner M. No. 097890	Sd/- **(CA. Rajen Ashar)** Partner M. No. 048243	Sd/- **(CA. J N Gupta)** Partner M. No. 051428	Sd/- **(CA. Prakash Sharma)** Partner M. No. 072332

Place : New Delhi
Date : 29th May, 2014

NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES

(Page No. 99)

1. BASIS OF PREPARATION

1.1 The financial statements are prepared under historical cost convention in accordance with the mandatory accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956 (to the extent applicable) and provisions of Companies Act, 2013 (to the extent notified).

1.2 The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates.

2. FIXED ASSETS

2.1 Tangible Assets

2.1.1 Fixed Assets are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment.

2.1.2 Land acquired on perpetual lease as well as on lease for over 99 years is treated as freehold land.

2.1.3 Land acquired on lease for 99 years or less is treated as leasehold land.

2.1.4 Technical know-how / license fee relating to plants/facilities are capitalised as part of cost of the underlying asset.

2.2 Construction Period Expenses on Projects

2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously are charged to revenue.

2.2.2 Financing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized on quarterly basis up to the date of capitalization.

2.2.3 Financing cost, if any, incurred on General Borrowings used for projects is capitalized at the weighted average cost. The amount of such borrowings is determined on quarterly basis after setting off the amount of internal accruals.

2.3 Capital Stores

2.3.1 Capital stores are valued at cost. Specific provision is made for likely diminution in value, wherever required.

2.4 Depreciation/Amortization

2.4.1 Cost of leasehold land for 99 years or less is amortized over the lease period.

2.4.2 Depreciation on fixed assets is provided in accordance with the rates as specified in Schedule XIV to The Companies Act, 1956, on straight line method, upto 95% of the cost of the asset other than Insurance spares which are depreciated upto 100%. Depreciation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalization/ sale, disposal/ or earmarked for disposal.

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

2.4.4 Expenditure on the items, ownership of which is not with the Company are charged off to revenue in the year of incurrence of such expenditure.

2.5 INTANGIBLE ASSETS

2.5.1 Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets and amortized on a straight line basis over a period of ten years or life of the underlying plant/ facility, whichever is earlier.

2.5.2 Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.

2.5.3 Costs incurred on computer software purchased/developed resulting in future economic benefits, are capitalized as Intangible Asset and amortized over a period of three years beginning from the quarter in which such software is capitalized. However, where such computer software is still in development stage, costs incurred during the development stage of such software are accounted as “Intangible Assets Under Development”.

2.5.4 Cost of Right of Way for laying pipelines is capitalized and amortised on a straight line basis over the period of such Right of Way or 99 years whichever is less

3. Impairment of Assets

As at each balance sheet date, the carrying amount of cash generating units / assets is tested for impairment so as to determine:

(a) the provision for impairment loss, if any, required; or

(b) the reversal, if any, required of impairment loss recognized in previous periods.

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

4. BORROWING COST

Borrowing costs that are attributable to the acquisition and construction of the qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

5. FOREIGN CURRENCY TRANSLATION

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

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

5.3 Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc.) are valued at the exchange rate prevailing on the date of the transaction.

5.4.1 (a) Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit & Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.

(b) Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets in line with Para 46A of Accounting Standard -11. In other cases, exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long-term foreign currency monetary item by recognition as income or expense in each of such periods.

5.4.2 Premium/discount arising at the inception of the forward contracts entered into to hedge foreign currency risks are amortized as expense/income over the life of the contract. Outstanding forward contracts as at the reporting date are restated at the exchange rate prevailing on that date.

6. INVESTMENTS

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

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

7. INVENTORIES

7.1 Raw Materials & Stock-in-Process

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

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

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

7.2 Finished Products and Stock-in-Trade

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

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

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

7.3 Stores and Spares

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

7.3.2 Stores & Spares in transit are valued at cost.

7.3.3 Certified Emission Reductions (CERs) rights are valued at cost or net realizable value, whichever is lower.

8. TRADE RECEIVABLES

In addition to the specific provision made, an Adhoc provision @ 1% is also made in respect of Trade Receivables, other than those relating to Oil Marketing companies, Subsidiary & Joint Venture companies, Export Customers, DGS&D group of customers (i.e. DGS&D, Railway, Army, Air Force and Defence) and Retail Outlets enjoying temporary credit to recognize the element of uncertainty.

9. CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

9.1 Contingent Liabilities

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

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

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

a) a provision is recognized in respect of present obligations where the outflow of resources is probable;

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

9.2 Capital Commitments

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

10. REVENUE RECOGNITION

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

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

10.3 Claims (including interest on outstanding) are accounted:

a) When there is certainty that the claims are realizable

b) Generally at cost

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

10.5 Pre-paid expenses upto Rupees five lakhs in each case are charged to Statement of Profit & Loss in the year in which it is incurred.

11. EXCISE DUTY

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

12. TAXES ON INCOME

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred Tax Liability / Asset resulting from 'timing difference' between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

13. **EMPLOYEES BENEFITS**

13.1 **Short Term Benefits:**

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

13.2 **Post-Employment Benefits and Other Long Term Employee Benefits:**

a) The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Statement of Profit and Loss.

b) The Company operates defined benefit plans for Gratuity and Post Retirement Medical Benefits. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year and are administered through respective Trusts. Actuarial gains/losses are charged to Statement of Profit and Loss.

c) Obligations on Compensated Absences, Resettlement, Long Service Awards and Ex-gratia are provided using the projected unit credit method of actuarial valuation made at the end of the year.

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

13.3 **Termination Benefits:**

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

14. **GRANTS**

14.1 **Capital Grants**

In case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants which are recognized as income in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

14.2 **Revenue Grants**

Revenue grants are reckoned as per the respective schemes notified by Government from time to time, subject to final adjustments as per separate audit wherever applicable.

15. **OIL & GAS EXPLORATION ACTIVITIES**

15.1 The Company is following the "Successful Efforts Method" of accounting for Oil & Gas exploration and production activities as explained below:

a) Survey costs are expensed in the year of incurrence.

b) Acquisition cost, cost of incomplete / undecided exploratory wells and development costs are carried as capital work in progress/ Intangible assets under development till the time these are either transferred to producing properties on completion or expensed in the year when determined to be dry, as the case may be.

c) Expenditure towards unfinished Minimum Work Programme with and without extension of time is expensed in the year of incurrence.

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

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

16. **COMMODITY HEDGING**

The realized gain or loss in respect of commodity hedging contracts, the pricing period of which has expired during the year, are recognized in the Statement of Profit & Loss. However, in respect of contracts, the pricing period of which extends beyond the balance sheet date, suitable provision for likely loss, if any, is made.

NOTE - 2: SHARE CAPITAL

[Item No. 1(a), Page No. 98]

(` in Crore)

Particulars	March-14	March-13
Authorised:		
6,00,00,00,000 Equity Shares of ` 10 each	**6,000.00**	6,000.00
Issued, Subscribed and Paid Up:		
2,42,79,52,482 (2013 : 2,42,79,52,482) Equity Shares of ` 10 each	**2,427.95**	2,427.95
TOTAL	**2,427.95**	2,427.95
A. Reconciliation of No. of Equity Shares		
Opening Balance	**2,42,79,52,482**	2,42,79,52,482
Shares Issued	**-**	-
Shares bought back	**-**	-
Closing Balance	**2,42,79,52,482**	2,42,79,52,482

B. Terms/Rights attached to equity shares

The company has only one class of equity shares having par value of ` 10 each and is entitled to one vote per share. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the corporation, the holders of equity shares will be entitled to receive the remaining assets of the corporation in proportion to the number of equity shares held.

C. Details of shareholders holdings more than 5% shares

Name of Shareholder	March-14		March-13	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
PRESIDENT OF INDIA	**1,66,49,65,562**	**68.57**	1,91,61,55,710	78.92
OIL AND NATURAL GAS CORPORATION LIMITED	**33,43,03,814**	**13.77**	21,29,06,190	8.77

During March 2014, President of India, has disinvested 10.35% of paid up equity capital of IndianOil to ONGC Ltd (5%), Oil India Limited (5%) and CPSE ETF -an Exchange Traded Fund (0.35%).

D. Aggregate shares allotted as fully paid up Bonus Shares by Capitalization of General Reserve / Securities Premium during preceding five years (in November 2009) are 1,21,39,76,241 no. of equity shares of ` 10 each.

NOTE - 3: RESERVES AND SURPLUS

[Item No. 1(b), Page No. 98]

(` in Crore)

Particulars			March-14	March-13
Capital Reserve:				
As per last Account			**183.08**	183.08
General Reserve:				
As per last Account		**53,607.57**		53,122.61
Less: Transfer to Corporate Social Responsibility Reserve		**-**		15.56
Add: Appropriation from Profit and Loss		**5,522.75**		500.52
			59,130.32	53,607.57
Insurance Reserve :	A			
As per last Account		**124.10**		104.40
Less : Recoupment of uninsured fire loss		**-**		0.30
Add: Appropriation from Profit and Loss		**20.00**		20.00
			144.10	124.10
Export Profit Reserve	B		**53.72**	53.72
Capital Grants:	C			
As per last Account		**17.09**		13.49
Add: Received/ (Written Back) during the year		**8.51**		5.06
Less: Amortized during the year		**2.26**		1.46
			23.34	17.09
Bond Redemption Reserve :				
As per last Account		**2,499.52**		1,971.45
Add: Provision during the year		**1,557.51**		1,228.00
Less: Write-back of provision on redemption of bonds		**361.65**		699.93
			3,695.38	2,499.52
Corporate Social Responsibility Reserve:	D			
As per Last Account		**37.48**		-
Add: Transferred from General Reserve		-		15.56
Add: Appropriation from Profit and Loss		**64.88**		100.89
Less: Utilized during the year		**81.91**		78.97
			20.45	37.48
Balance of Profit and Loss:				
Balance Brought Forward from Last Year's Account			**2,173.80**	-
Profit for the Year			**7,019.09**	5,005.17
Less: Appropriations				
Final Dividend (Proposed)			**2,112.32**	1,505.33
Corporate Dividend Tax on:				
Final Dividend (Proposed)			**358.99**	255.83
Insurance Reserve (Net)			**20.00**	19.70
Bond Redemption Reserve (Net)			**1,195.86**	528.07
Corporate Social Responsibility Reserve (Net)			**(17.03)**	21.92
General Reserve			**5,522.75**	500.52
Balance carried forward to next year			**-**	2,173.80
Foreign Currency Monetary Item Translation Difference Account				
As per Last Account		**-**		-
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items		**361.40**		-
Less: Amortized during the year		**47.66**		-
			313.74	-
TOTAL			**63,564.13**	58,696.36

A. Reserve is created to mitigate risk of loss of assets not insured with external insurance agencies.
B. Amount set aside out of profits from exports for availing income tax benefits.
C. Grants received in respect of capital assets from various agencies.
D. Reserve is created for meeting expenses relating to CSR activities of the company.

NOTE - 4: LONG TERM BORROWINGS

[Item No. 2(a), Page No. 98]

(` in Crore)

Particulars		Long Term				Current Maturities*			
		March-14		March-13		March-14		March-13	
SECURED LOANS									
Bonds:									
Non-Convertible Redeemable Bonds-Series-VIII B	A	**1,070.00**		1,070.00		**-**		-	
Non-Convertible Redeemable Bonds-Series-XIII	B&H	**-**		-		**1,700.00**		-	
Non-Convertible Redeemable Bonds-Series-XII	C	**1,295.00**		1,295.00		**-**		-	
Non-Convertible Redeemable Bonds-Series-IX	D	**1,600.00**		1,600.00		**-**		-	
Non-Convertible Redeemable Bonds-Series-VII B	E	**500.00**		500.00		**-**		-	
Non-Convertible Redeemable Bonds-Series-XI	F&H	**-**		-		**-**		1,415.00	
Non-Convertible Redeemable Bonds-Series-V	G&H	**63.20**		94.80		**31.60**		31.60	
			4,528.20	4,559.80			**1,731.60**	1,446.60	
Term Loans:									
From other parties									
Oil Industry Development Board (OIDB)	I		**1,359.50**	1,385.00			**597.50**	772.50	
Finance Lease Obligation	J		**2,959.54**	-			**89.61**	-	
Total Secured Loans			**8,847.24**	5,944.80			**2,418.71**	2,219.10	
UNSECURED LOANS									
Bonds									
Foreign Currency Bonds	K&H	**7,942.84**		7,196.54		**2,996.00**		-	
US **$ 1,825.58 million** (2013: US $ 1,325.58 million)									
Senior Notes (Bank of America)	L	**1,797.60**		1,628.70		-		-	
US **$ 300 million** (2013: US $ 300 million)									
			9,740.44	8,825.24			**2,996.00**	-	
Term Loans:									
From Banks									
In Foreign Currency Loans	M	**13,019.65**		6,398.16		**34.02**		30.82	
US **$ 2,178.52 million** (2013: US $ 1,184.19 million)									
From Others									
In Rupees	N	**76.25**		246.00		**169.75**		259.25	
			13,095.90	6,644.16			**203.77**	290.07	
Total Unsecured Loans			**22,836.34**	15,469.40			**3,199.77**	290.07	
TOTAL LONG-TERM BORROWINGS			**31,683.58**	21,414.20			**5,618.48**	2,509.17	

*Current maturities (including Finance Lease Obligations) are carried to Note - 6: Other Current Liabilities.

Secured Loans (Bonds: A-H)

	Particulars	Allotment Date	Coupon Rate	Date of Redemption	Security Details
A	10,700 Bonds of face value of ` 10,00,000/- each	10th September 2008	11.00 % p.a. payable annually on 15th September	After 10 years from the date of allotment	These are secured by way of registered mortgage over the immovable properties of the Company i.e. Flat no. 3/62 Nanik Niwas of Shyam Co-op. Housing Society Ltd. situated at Bhulabhai Desai Road at Mumbai, together with 5 shares of the said society and immovable properties of the company at Panipat Refinery situated at Panipat in the state of Haryana ranking pari passu with Bond Series V & IX holders and OIDB.
B	17,000 Bonds of face value of ` 10,00,000/- each	6th May 2013	8.14 % p.a. payable annually on 30th June (starting after 18 months) from the date of exercise of first put/ call option	After 5 years with put/ call option after 18 and 36 months from the date of allotment	These are secured by way of registered mortgage over the immovable properties of the Company at Gujarat Refinery situated at Vadodara in the State of Gujarat ranking pari passu with Bond Series VIIB & XII holders and OIDB.

Contd...

	Particulars	Allotment Date	Coupon Rate	Date of Redemption	Security Details
C	12,950 Bonds of face value of ` 10,00,000/- each	30th April 2012	9.35 % p.a. payable annually on 30th June	After 5 years with put/call option after 3rd year from the date of allottment.	These are secured by way of registered mortgage over the immovable properties of the Company at Flat No. A-52, Rishi Krishna Co. Op. Hsg. Soc. Ltd., Linking Road, Oshiwara, Andheri (West), Mumbai 400 058 and immovable properties of the Company at Gujarat Refinery situated at Vadodara in the state of Gujarat ranking pari passu with Bond Series VIIB & XIII holders and OIDB.
D	16,000 Bonds of face value of ` 10,00,000/- each	11th December 2008	10.70 % p.a. payable annually on 30th June	After 8 years from the date of allotment.	These are secured by way of registered mortgage over the immovable properties of the Company i.e. Flat no. 3/62 Nanik Niwas of Shyam Co-op. Housing Society Ltd. situated at Bhulabhai Desai Road at Mumbai, together with 5 shares of the said society and immovable properties of the company at Panipat Refinery situated at Panipat in the state of Haryana ranking pari passu with Bonds Series V & VIII B holders and OIDB.
E	5,000 Bonds of face value of ` 10,00,000/- each	15th September 2005	7.40% p.a. payable annually on 15th September	After 10 years from the date of allotment.	These are secured by way of registered mortgage over the immovable properties of the Company at Gujarat Refinery situated at Vadodara in the state of Gujarat ranking pari passu with Bond Series XII & XIII holders and OIDB.
F	14,150 Bonds of face value of ` 10,00,000/- each	21st December 2011	9.28 % p.a. payable annually on 21st June	After 5 years with put/call option after 18 months from the date of allottment.	These were secured by way of registered mortgage over the immovable properties of the Company at Gujarat Refinery in the state of Gujarat ranking pari passu with Bond Series VII B & XII holders and OIDB.
G	158 Bonds of face value of ` 2,60,00,000/- each	18th July, 2001	10.25% p.a. payable annually on 30th September	Redeemable in 13 equal installments from the end of the 3rd year upto the end of 15th year from the date of allotment. Accordingly, 10th instalment (STRPPJ) was paid in July 2013.	These are secured by way of registered mortgage over the Company's premises no. 301 situated in Bandra Anita Premises Co-op. Housing Society Ltd. at Bandra, Mumbai together with 5 shares of Bandra Anita Premises Co-op. Housing Society Ltd. and immovable properties at Panipat Refinery in the state of Haryana ranking pari passu with Bond Series VIII B & IX holders and OIDB.

H	In line with the requirement of MCA circular no. 04/2013 dated 11th Feb 2013, the company has earmarked 6.90% Oil Marketing companies GOI Special Bonds of carrying value of ` **709.14 Crore** (2013: ` 216.99 crore) being 15% of the total bonds value of ` **4,727.60 crore** (2013: ` 1,446.60 crore) maturing in the next financial year.

I. Secured Loans (Term Loans)

1. Security Details for OIDB Loans:

a) First Charge on the facilities of Motor Spirit Quality Improvement Project at Barauni Refinery in Bihar.

b) First charge on facilities for improvement of Diesel quality and Distillate yield (Hydrocracker) and expanded capacity for Haldia Refinery (from 6 MMTPA to 7.5 MMTPA) which includes Once through Hydrocracking Unit (OHCU), Hydrogen Unit, Sulphur Recovery Unit, revamped Crude Distillation Unit and related utilities & off-site facilities pertaining to Haldia Refinery in the state of West Bengal.

c) Second pari-passu charge on facilities for Naphtha Cracker with associated units viz. hydrogenation, butadiene extraction, benzene extraction, etc & downstream polymer units like swing unit (LLDPE / HDPE), dedicated HDPE unit, Polypropylene unit and MEG unit and units like CDU/VDU, OHCU, DCU, DHDT, MSQ relating to expansion of Panipat Refinery from 12MMTPA to 15 MMTPA in the state of Haryana.

d) First Charge on the facilities of Motor Spirit Quality Improvement Project which includes installation of light Naptha isomerisation along with Benzene Saturation Unit and other Units like Feed Preparation Unit, Reaction Section etc. and Diesel Hydro Treatment project at Bongaigaon Refinery, Dhaligaon, Assam.

e) First Charge on the facilities at Paradip Refinery, Orissa.

f) First charge on the facilities at Butadiene Extraction Unit, Panipat, Haryana.

g) First charge on the facilities at FCC Unit at Mathura Refinery, Uttar Pradesh.

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

S.No.	Repayable During	Repayable Amount (` in crore)	Range of Interest Rate
1	2014-15	597.50	6.62% - 8.98%
2	2015-16	405.50	8.50% - 9.27%
3	2016-17	405.50	8.50% - 9.27%
4	2017-18	405.50	8.50% - 9.27%
5	2018-19	143.00	8.94% - 9.27%
	Total	**1,957.00**	

J. Finance Lease Obligation

The Finanace Lease Obligation is against assets aquired under Finance Lease. The carrying value of the same is ` 3,049.40 crore (refer Note - 32).

Contd...

Unsecured Loans

K. Repayment Schedule of Foreign Currency Bonds

S. No.	Particulars of Bonds	Date of Issue	Date of Repayment
1	USD 500 Million Reg S bonds	1st August 2013	Payable after 10 years form the date of issue
2	SGD 400 Million Reg S bonds	15th October 2012	On the same day, cross currency swap amounting to USD 325.58 Million. Payable after 10 years form the date of issue
3	USD 500 Million Reg S bonds	2nd August 2011	Payable after 10 years from the date of issue
4	USD 500 million Reg S bonds	22nd January 2010	Payable after 5 years from the date of issue

L. Repayment Schedule of Senior Notes (Bank of America)

1 USD 300 million US Private Placement bonds issued in four tranches of USD 75 Million dt. 6th June, 2nd July, 1st August and 4th Sept. 2007 is payable in three tranches of USD 100 million each on 1st August 2016, 1st August 2017 and 1st August 2018

M. Repayment Schedule of loans from Banks and financial institutions

1 USD 56.77 Million long term credit (credit in four tranches of USD 7.39 Million dt.31st March 2004, USD 15.29 Million dt 30th Nov. 2004, USD 32.49 Million dt. 22nd April 2005 and USD 1.60 Million dt 10th June 2005) guaranteed by US Ex-Im Bank is payable in 20 semi annual installments of USD 2.84 Million starting from 20th March 2006.

S.No.	Particulars of Loans	Date of drawal	Date of Repayment
1	USD 500 Million syndication loan	31st December 2010	Payable after 5 years from the date of drawal
2	USD 250 Million syndication loan	15th December 2011	
3	USD 300 Million syndication loan	13th July 2012	
4	USD 120 Million syndication loan	12th March 2013	
5	USD 500 Million synidication loan	In three trances between 5th September 2013 to 11th September, 2013	Payable after 3 years from the date of drawal
6	USD 500 Million syndication loan	In four trances between 24th December 2013 to 8th January 2014	

N. Repayment Schedule of Unsecured-Rupee Loans from OIDB

S.No.	Repayable During	Repayable Amount (` in Crore)	Range of Interest Rate
1	2014-15	169.75	5.82% - 8.89%
2	2015-16	51.25	7.20% - 8.89%
3	2016-17	25.00	8.89%
	Total	**246.00**	

NOTE - 5: DEFERRED TAX

[Item No. 2(b), Page No. 98]

In compliance of Accounting Standard – 22 on "Accounting for Taxes on Income", Deferred Tax expense amounting to ` **103.52 crore** (2013: ` **270.78 crore**) has been recognized during the current year. The year end position of Deferred Tax Liability is given below:

(` in Crore)

Particulars	As on 01.04.2013	Provided during the year	Balance as on 31.03.2014
Deferred Tax Liability:			
Related to Fixed Assets	9,476.65	413.73	9,890.38
Total Deferred Tax Liability (A)	9,476.65	413.73	9,890.38
Deferred Tax Assets:			
Provision on Inventories, Trade Receivables, Loans and advances, Investments etc.	418.63	151.03	569.66
Compensation for Voluntary Retirement Scheme	24.52	2.98	27.50
43B Disallowances etc.	2,955.75	92.65	3,048.40
Foreign Currency gain on long term monetary item	-	73.97	73.97
Capital Grants	4.09	3.84	7.93
Provision for leave encashment	561.00	(14.26)	546.74
Total Deferred Tax Assets (B)	3,963.99	310.21	4,274.20
Deferred Tax Liability (Net) (A – B)	5,512.66	103.52	5,616.18
Previous Year	5,241.88	270.78	5,512.66

NOTE - 6: OTHER LIABILITIES

[Item No. 2(c) & 3(c), Page No. 98]

(` in Crore)

Particulars		Non Current			Current	
		March-14	March-13		**March-14**	March-13
Current maturities of long-term debt (Refer Note - 4)		**-**	-		**5,618.48**	2,509.17
Interest accrued but not due on borrowings		**-**	-		**675.20**	671.46
Interest accrued and due on borrowings		**-**	-		**45.19**	60.12
Liability for Capital Expenditure		**-**	-		**2,096.12**	2,541.65
Liability to Trusts and Other Funds		**-**	-		**747.49**	755.46
Employee Liabilities		**-**	-		**900.80**	1,094.24
Statutory Liabilities		**-**	-		**5,101.05**	4,713.15
Liability for Purchases on Agency Basis		**-**	-		**5,002.36**	4,223.73
Advances from Customers		**-**	-		**1,930.48**	1,482.75
Investor Education & Protection Fund to be credited on the due dates :						
- Unpaid Dividend	**-**		-	**8.49**		9.27
- Unpaid Matured Deposits	**-**		-	**0.01**		0.01
		-	-		**8.50**	9.28
Security Deposits		**13,409.72**	11,433.22		**741.98**	693.96
Deposits for materials given on loan (Net)(Refer Note -15)		**-**	-		**0.01**	0.01
Others		**1.86**	1.96		**1,451.49**	1,159.10
TOTAL		**13,411.58**	11,435.18		**24,319.15**	19,914.08

NOTE - 7: PROVISIONS

[Item No. 2(d) & 3(d), Page No. 98]

(` in Crore)

Particulars		Long Term			Short Term	
		March-14	March-13		**March-14**	March-13
Provision for Employee Benefits		**390.12**	375.25		**2,043.75**	2,074.10
Provision for Taxation:						
For Current Tax	**1,805.01**		1,653.87	**5,067.26**		2,070.41
Less: Advance payment	**2,837.73**		2,714.87	**3,304.99**		1,633.24
	(1,032.72)		(1,061.00)	**1,762.27**		437.17
Provision for Taxation (Net of Advance Tax)		**-**	-		**1,762.27**	437.17
Proposed Dividend		**-**	-		**2,112.32**	1,505.33
Corporate Dividend Tax		**-**	-		**358.99**	255.83
Contingencies for probable obligations A		**-**	-		**20,020.46**	17,271.20
Provision for MTM Loss on Interest Rate Swap		-	-		**90.47**	121.08
TOTAL		**390.12**	375.25		**26,388.26**	21,664.71

A1. In compliance of Accounting Standard – 29 on “Provisions, Contingent Liabilities and Contingent Assets”, the required information is as under :

(` in Crore)

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance*
Excise	7.84	-	2.75	-	5.09
Sales Tax	791.00	253.37	4.94	11.14	1,028.29
Entry Tax	16,446.55	2,974.69	-	534.36	18,886.88
Others	25.81	74.90	0.18	0.33	100.20
TOTAL	**17,271.20**	**3,302.96**	**7.87**	**545.83**	**20,020.46**

Contd...

	March-14	
	Addition includes	Utilization/reversal includes
- capitalized	**51.95**	0.06
- included in Raw Material	**2,176.76**	-
- included in Finance Cost	**446.62**	0.12
- Shown as Exceptional Item	**368.83**	534.36
- Amount transferred from Liabilities to Provisions	**1.53**	-

* Expected timing of outflow is not ascertainable at this stage as the matters are under dispute with respective authorities.

A2. An amount of ` **11,806.52 crore** (2013: ` 9,192.81 crore) has been deposited against 'Contingencies for Probable Obligations' and included in sundry deposits (Note-15).

NOTE - 8: SHORT TERM BORROWINGS

[Item No. 3(a), Page No. 98] **(` in Crore)**

Particulars			March-14	March-13
SECURED LOANS				
Loans Repayable on Demand				
From Banks:				
Working Capital Demand Loan	A	**9,000.00**		3,650.00
Cash Credit		**-**		2,231.72
			9,000.00	5,881.72
From Others:				
Loans through Collaterised Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd. (CCIL)	B		**18.75**	2,630.00
Total Secured Loans			**9,018.75**	8,511.72
UNSECURED LOANS				
Loans Repayable on Demand				
From Banks				
In Foreign Currency		**29,360.02**		30,679.28
US **$ 4,899.87** million (2013: US $ 5,651 million)		**9,625.00**		16,140.00
In Rupee			**38,985.02**	46,819.28
From Others				
Commercial Papers		**675.00**		1,580.00
Inter-Corporate Deposits		**236.77**		-
			911.77	1,580.00
Total Unsecured Loans			**39,896.79**	48,399.28
TOTAL SHORT-TERM BORROWINGS			**48,915.54**	56,911.00

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, Etc.

B. Against pledging of Oil Marketing Companies Government of India Special Bonds amounting to ` 4,365 crore and Bank Guarantees of ` 1,650 crore in favour of CCIL.

NOTE - 9: TRADE PAYABLES

[Item No. 3(b), Page No. 98] **(` in Crore)**

Particulars	March-14	March-13
Dues of Micro, Small and Medium Enterprises	**14.33**	12.36
Dues to Related Parties	**2,278.06**	2,926.98
Dues to others	**33,404.90**	26,728.59
TOTAL	**35,697.29**	29,667.93

NOTE - 10: TANGIBLE ASSETS

[Item No. 4(a)(i), Page No. 98]

		AT COST					DEPRECIATION,	
		Gross Block as at 01.04.13	Additions during the year	Transfers from Construction Work-in-Progress	Disposals / Deductions / Transfers / Reclassifications	Gross Block as at 31.03.14 (Refer C)	Depreciation & Amortisation as at 01.04.13	Depreciation and Amortisation during the year (Refer D)
Land - Freehold	A&G	1,174.58	31.28	0.68	4.66	1,211.20	0.00	0.00
- Leasehold		694.20	45.63	0.08	(5.82)	734.09	106.75	14.79
Buildings, Roads etc.	B&G	9,356.95	82.97	690.37	(202.36)	9,927.93	1,630.70	186.66
Plant and Equipment	E	88,888.49	4,608.81	2,857.05	(477.13)	95,877.22	40,004.22	5,259.15
Office Equipments		1,886.12	106.42	120.95	(99.23)	2014.26	904.25	138.50
Transport Equipments		409.55	8.15	0.58	(5.93)	412.35	312.99	16.08
Furnitures and Fixtures		320.81	26.95	11.85	(5.30)	354.31	164.90	20.00
Railway Sidings		200.40	0.00	0.09	(0.02)	200.47	129.22	7.81
Drainage, Sewage and Water Supply System		364.45	1.23	1.21	(60.76)	306.13	219.07	10.90
Total		**1,03,295.55**	**4,911.44**	**3,682.86**	**(851.89)**	**1,11,037.96**	**43,472.10**	**5,653.89**
Previous Year		97,682.59	2,754.11	3,976.89	(1,118.04)	1,03,295.55	38,715.98	5,096.97

A. i) Freehold land includes 57.27 acres at a nominal value of ` 1 which was originally purchased at ` **16.65 crore** and leased out to a jointly owned entity for a period of 99 years against reimbursement of cost by onetime premium. As per the lease deed the same is renewable for further periods.

ii) Freehold land includes ` **7.59 crore** (2013: ` 7.59 crore) lying vacant due to title disputes/ litigation.

B. Buildings include ` **0.01 crore** (2013: `0.01 crore) towards value of **1610** (2013: 1610) Shares in Co-operative Housing Societies towards membership of such societies for purchase of flats.

C. The cost of assets are net of VAT CREDIT/CENVAT, wherever applicable.

D. Depreciation and amortisation for the year includes ` **8.43 crore** (2013 : ` 11.67 crore) pertaining to prior year and ` **28.68 crore** (2013 : ` 29.05 crore) relating to construction period expenses shown in Note-27 and Note-12.1 respectively.

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 assets of the Company, WDV of such assets is ` **57.40 crore** (2013: ` 65.59 crore).

F. Considering the Government policies and modalities of compensating the oil marketing companies towards under-recoveries, future cash flows are worked out based on desired margins for deciding on impairment of related Cash Generating Units. In view of the assumption being technical, peculiar to the industry and policy matter, the auditors have relied on the same.

G. Land and Buildings include ` **94.39 crore** (2013: ` 64.07 crore) in respect of which Title / Lease Deeds are pending for execution or renewal.

Details of assets under lease included above:

(` in Crore)

Asset Particulars	Original Cost	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.14	W.D.V. as at 31.03.13
Plant and Equipment:					
Given on Operating Lease	21.40	19.17	0.00	2.23	3.93
Taken on Finance Lease	1,909.89	34.29	0.00	1,875.60	0.00

(₹ in Crore)

AMORTISATION & IMPAIRMENT						NET BLOCK	
Disposals / Deductions / Transfers / Reclassifications	Total Depreciation and Amortisation upto 31.03.14	Total Impairment Loss as at 01.04.13	Impairment Loss during the year (Refer F)	Impairment loss reversed during the the year	Total Impairment Loss upto 31.03.14	AS AT 31.03.14	AS AT 31.03.13
0.00	0.00	0.00	0.00	0.00	0.00	1,211.20	1,174.58
(1.48)	120.06	0.00	0.00	0.00	0.00	614.03	587.45
(26.14)	1,791.22	0.00	0.00	0.00	0.00	8,136.71	7,726.25
(233.22)	45,030.15	0.00	0.00	0.00	0.00	50,847.07	48,884.27
(53.67)	989.08	0.00	0.00	0.00	0.00	1,025.18	981.87
(1.51)	327.56	0.00	0.00	0.00	0.00	84.79	96.56
(4.77)	180.13	0.00	0.00	0.00	0.00	174.18	155.91
(0.01)	137.02	0.00	0.00	0.00	0.00	63.45	71.18
(23.85)	206.12	0.00	0.00	0.00	0.00	100.01	145.38
(344.65)	**48,781.34**	**0.00**	**0.00**	**0.00**	**0.00**	**62,256.62**	**59,823.45**
(340.85)	43,472.10	34.32	0.00	(34.32)	0.00	59,823.45	

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

(` in Crore)

Assets Particulars	Name of Joint Owner	Original Cost	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.14	W.D.V. as at 31.03.13
Land - Freehold	HPC/BPC	3.10	0.00	0.00	3.10	3.10
Land - Leasehold	HPC/BPC/BALMER LAWRIE	0.18	0.05	0.00	0.13	0.11
Buildings	HPC/BPC/BALMER LAWRIE	18.53	7.09	0.00	11.44	12.36
Plant and Equipment	HPC/BPC/GSFC/IPCL/GNRE	127.48	76.21	0.00	51.27	61.07
Transport Equipment	RAILWAYS	0.00	0.00	0.00	0.00	0.57
Railway Sidings	HPC/BPC	54.95	42.40	0.00	12.55	14.72
Drainage,Sewage & Water Supply	GSFC	0.99	0.94	0.00	0.05	0.05
Total		**205.23**	**126.69**	**0.00**	**78.54**	**91.98**
Previous year		216.90	124.92	0.00	91.98	

Additions to Gross Block Includes:

(` in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	31.03.14	31.03.13	31.03.14	31.03.13
Land - Freehold	0.00	0.00	0.00	0.00
Land - Leasehold	0.00	0.00	0.00	0.00
Buildings	(0.03)	1.89	0.38	2.69
Plant and Equipment	420.91	283.23	51.52	21.22
Office Equipments	0.00	0.00	0.00	0.00
Transport Equipment	0.00	0.00	0.00	0.00
Furniture & Fixtures	0.01	0.00	0.00	0.00
Railway Sidings	0.00	0.00	0.00	0.00
Drainage,Sewage & Water Supply	0.00	0.00	0.00	0.01
Total	**420.89**	**285.12**	**51.90**	**23.92**

NOTE - 11: INTANGIBLE ASSETS

[Item No. 4(a)(ii), Page No. 98]

	AT COST					DEPRECIATION	
	Gross Block as at 01.04.13	Additions during the year	Transfers from Construction Work-in-Progress	Disposals / Deductions / Transfers / Reclassifications	Gross Block as at 31.03.14	Total Amortisation as at 01.04.13	Amortisation during the year (Refer A)
Right of Way	147.58	8.80	0.00	0.00	156.38	8.57	1.73
Licenses	1,230.00	4.03	3.35	(0.99)	1,236.39	589.24	124.16
Computer Software	166.35	7.22	3.52	1.19	178.28	136.84	18.24
Total	**1,543.93**	**20.05**	**6.87**	**0.20**	**1,571.05**	**734.65**	**144.13**
Previous Year	1,500.34	41.74	5.52	(3.67)	1,543.93	584.18	152.05

A. (a) Amortisation for the year includes ` **0.13 crore** (2013 : ` 7.14 crore) pertaining to prior year taken to Note-27.

(b) Amortisation for the year includes ` **0.69 crore** (2013 : ` 0.17 crore) relating to construction period expenses taken to Note-12.1.

Additions to Gross Block Includes: **(` in Crore)**

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	31.03.14	31.03.13	**31.03.14**	31.03.13
Licences	**0.25**	0.15	**0.01**	-
Computer Software	**0.01**	-	**-**	-

NOTE - 12: CAPITAL WORK IN PROGRESS

[Item No. 4(a)(iii), Page No. 98]

(` in Crore)

Particulars			March-14	March-13
Construction Work in Progress - Tangible Assets (Including unallocated capital expenditure, materials at site)		**22,919.77**		17,114.29
Less: Provision for Capital Losses		**16.83**		12.63
			22,902.94	17,101.66
Capital stores	A	**4,132.62**		4,745.75
Less: Provision for Capital Losses		**3.49**		0.03
			4,129.13	4,745.72
Capital Goods in Transit			**280.69**	324.18
Construction Period Expenses pending allocation:				
Balance as at beginning of the year		**3,474.65**		1,958.03
Add: Net expenditure during the year (Note -"12.1")		**2,559.28**		1,700.14
		6,033.93		3,658.17
Less: Allocated to Assets during the year		**196.05**		183.52
			5,837.88	3,474.65
TOTAL			**33,150.64**	25,646.21
A. Includes Stock lying with Contractors			**111.78**	51.01

(₹ in Crore)

AMORTISATION & IMPAIRMENT					NET BLOCK	
Disposals / Deductions / Transfers / Reclassifications	Total Amortisation upto 31.03.14	Total Impairment Loss as at 01.04.13	Impairment Loss during the year	Total Impairment Loss upto 31.03.14	AS AT 31.03.14	AS AT 31.03.13
0.00	10.30	0.00	0.00	0.00	146.08	139.01
(0.98)	712.42	0.00	0.00	0.00	523.97	640.76
1.08	156.16	0.00	0.00	0.00	22.12	29.51
0.10	**878.88**	**0.00**	**0.00**	**0.00**	**692.17**	**809.28**
(1.58)	734.65	1.65	(1.65)	0.00	809.28	

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

(` in Crore)

Particulars	March-14	March-13
Employee Benefit expenses	249.31	248.40
Repairs and Maintenance	15.45	10.79
Consumption of Stores and Spares	4.42	3.60
Power & Fuel	37.89	1.79
Rent	9.87	7.13
Insurance	35.12	39.08
Rates and Taxes	0.20	0.33
Travelling Expenses	39.03	34.15
Communication Expenses	2.17	1.66
Printing and Stationery	1.30	0.99
Electricity and Water Charges	16.69	11.14
Bank Charges	0.40	0.75
Technical Assistance Fees	0.04	0.11
Exchange Fluctuation	1,131.19	597.74
Finance Cost	992.97	724.96
Depreciation and Amortization on:		
Tangible Assets	28.68	29.05
Intangible Assets	0.69	0.17
Start Up/ Trial Run Expenses (net of revenue)	(0.45)	-
Others	45.20	46.22
Total Expenses	2,610.17	1,758.06
Less : Recoveries	50.89	57.92
Net Expenditure during the year	**2,559.28**	**1,700.14**

NOTE - 13: INTANGIBLE ASSETS UNDER DEVELOPMENT

[Item No. 4(a)(iv), Page No. 98]

(` in Crore)

Particulars			March-14	March-13
Work in Progress - Intangible Asset (Including Unallocated Capital Expenditure)	A	854.85		710.37
Less: Provision for Loss		126.26		126.26
			728.59	584.11
TOTAL			**728.59**	**584.11**

A. Includes Capital Expenditure amounting to ` **358.46 crore** (2013 : ` 298.12 crore) relating to ongoing Oil & Gas Exploration activities.

NOTE - 14: INVESTMENTS

[Item No. 4(b) & 5(a), Page No. 98 & 99]

(` in Crore)

Particulars	No. and Particulars	Face Value per Share (Rupees)	March-14	March-13
I NON-CURRENT INVESTMENTS (At Cost):				
1. QUOTED:				
Trade Investments:				
In Subsidiary Companies:				
Chennai Petroleum Corporation Limited	7,72,65,200 (2013: 7,72,65,200) Equity Shares each fully paid	10/-	**509.33**	509.33
Lanka IOC PLC (Quoted in Colombo Stock Exchange, Sri Lanka)	40,00,00,005 (2013: 40,00,00,005) Equity Shares each fully paid	10/- [a]	**194.13**	194.13
	Sub-total: (a)		**703.46**	703.46
In Joint Venture Companies				
Petronet LNG Limited	9,37,50,000 (2013: 9,37,50,000) Equity Shares each fully paid	10/-	**98.75**	98.75
	Sub-total: (b)		**98.75**	98.75
Others:				
Oil and Natural Gas Corporation Limited	65,79,23,428 (2013: 65,79,23,428) Equity Shares each fully paid	5/-	**1,780.12**	1,780.12
GAIL (India) Limited	3,06,29,661 (2013: 3,06,29,661) Equity Shares each fully paid	10/-	**122.52**	122.52
Oil India Limited	2,67,50,550 (2013: 2,67,50,550) Equity Shares each fully paid	10/-	**1,123.52**	1,123.52
	Sub-total: (c)		**3,026.16**	3,026.16
	TOTAL: 1		**3,828.37**	3,828.37

Aggregate Market Value of securities mentioned above is ` **25,934.61 crore** (2013: ` 25,394.76 crore) as on 31st March 2014 which includes ` **706.65 crore** (2013: ` 349.91 crore) in respect of Lanka IOC PLC, quoted on Colombo Stock Exchange, Sri Lanka, being equivalent in Indian currency.

Particulars	No. and Particulars	Face Value per Share (Rupees)	March-14	March-13
2. UNQUOTED:				
A) Non-Trade Investments:				
In Consumer Cooperative Societies:				
Barauni [b]	250 (2013: 250) Equity Shares each fully paid	10/- }		
Guwahati [c]	750 (2013: 750) Equity Shares each fully paid	10/- }		
Mathura [d]	200 (2013: 200) Equity Shares each fully paid	10/- }		
Haldia [e]	1,663 (2013: 1,663) Equity Shares each fully paid	10/- }		
In IndianOil Cooperative [f] Consumer Stores Ltd., Delhi	375 (2013: 375) Equity Shares each fully paid	10/- }		
Others:				
Assam Sillimanite Ltd. [g] (Dissolved)	NIL (2013: 1,00,000) Equity Shares fully paid as revalued by Directors on 31.03.1980	10/- }		
Shama Forge Co. Ltd. [h] (Under liquidation)	1,00,000 (2013: 1,00,000) Equity Shares fully paid as revalued by Directors on 31.03.1979	10/- }		
Shama Forge Co. Ltd. [i] (Under liquidation)	5,000 (2013: 5,000) 9.5% Cumulative Redeemable Preference Shares fully paid as revalued by Directors on 31.03.1979	100/- }		
	Sub-total: 2A		**-**	-

a. In Sri Lankan Rupees
b. Amount Invested is ` 2,500 (2013: ` 2,500)
c. Amount Invested is ` 2,500 (2013: ` 2,500)
d. Amount Invested is ` 2,000 (2013: ` 2,000)
e. Amount Invested is ` 16,630 (2013: ` 16,630)
f. Amount Invested is ` 3,750 (2013: ` 3,750)
g. Amount Invested is NIL (2013: ` 100)
h. Amount Invested is ` 100 (2013: ` 100)
i. Amount Invested is ` 100 (2013: ` 100)

Contd...

NOTE - 14: INVESTMENTS (Contd.)

(₹ in Crore)

	Particulars	No. and Particulars of Shares	Face Value per Share (Rupees)		March-14	March-13
B)	**Trade Investments:**					
a)	**In Subsidiary Companies:**					
	IndianOil Mauritius Limited	48,82,043 (2013: 48,82,043) Equity Shares each fully paid	100/- [j]		**75.67**	75.67
	IOC Middle East FZE	2 (2013: 2) Equity Shares each fully paid	1 Million/- [k]		**2.30**	2.30
	IndianOil Creda Bio Fuels Ltd.	1,74,49,197 (2013: 1,66,49,997) Equity Shares each fully paid	10/-		**17.45**	16.65
	IOC Sweden AB	36,89,537 (2013: 33,46,988) Equity Shares each fully paid	100/- [l]		**256.20**	224.87
	IOCL (USA) Inc.	429,65,80,467 (2013: 3,000) Equity Shares each fully paid	0.01/- [m]		**243.36**	-
	Indo Cat Private Limited#	1,40,12,200 Equity Shares each fully paid	10/-		**9.26**	-
	IndOil Global B.V.	111,60,31,500 (2013: Nil) Equity Shares each fully paid	1/- [n]		**6,103.04**	-
		Sub-total: (a)			**6,707.28**	319.49
b)	**In Joint Venture Entitles**					
(i)	**In Joint Venture Companies:**					
	Avi-Oil India Private Limited	45,00,000 (2013: 45,00,000) Equity Shares each fully paid	10/-		**4.50**	4.50
	Petronet India Limited	1,80,00,000 (2013: 1,80,00,000) Equity Shares each fully paid	10/-	**18.00**		18.00
	Less: Provision for Diminution			**18.00**		18.00
					-	-
	IOT Infrastructure & Energy Services Limited	15,31,17,537 (2013 : 11,61,42,855) Equity Shares each fully paid	10/-		**299.93**	155.72
	Petronet VK Limited	2,59,99,970 (2013: 2,59,99,970)	10/-	**26.00**		26.00
	Less: Provision for Diminution	Equity Shares each fully paid		**26.00**		26.00
					-	-
	Indian Oil Panipat Power Consortium Limited	8,40,000 (2013: 8,40,000) Equity Shares each fully paid	10/-	**1.99**		1.99
	Less: Provision for Diminution			**1.99**		1.99
					-	-
	Lubrizol India Private Limited	9,60,000 (2013: 9,60,000) Equity Shares each fully paid	100/-		**118.67**	118.67
	Indian Oil Petronas Private Limited	13,40,00,000 (2013: 13,40,00,000) Equity Shares each fully paid	10/-		**134.00**	134.00
	Petronet CI Limited	37,44,000 (2013: 37,44,000)	10/-	**3.83**		3.83
	Less: Provision for Diminution	Equity Shares each fully paid		**3.83**		3.83
					-	-
	Green Gas Limited	12,500 (2013: 12,500) Equity Shares each fully paid	10/-		**0.01**	0.01
	Indo Cat Private Limited #	(2013 : 66,96,100) Equity Shares each fully paid	10/-		**-**	6.70
	IndianOil SkyTanking Limited	1,73,00,000 (2013: 1,73,00,000) Equity Shares each fully paid	10/-		**17.30**	17.30

j. In Mauritian Rupees
k. In Arab Emirates Dirham
l. In Swedish Krona
m. In USD
n. In Canadian Dollars
\# Indo Cat Private Limited became 100% subsidiary during the year which was a Joint Venture company in previous year

Contd...

NOTE - 14: INVESTMENTS (Contd.)

(` in Crore)

	Particulars	No. and Particulars of Shares	Face Value per Share (Rupees)		March-14	March-13
	Suntera Nigeria 205 Limited	62,502 (2013: 62,502) Equity Shares each fully paid	1/ [o]		-	-
	Delhi Aviation Fuel Facility Pvt. Ltd.	6,06,80,000 (2013: 6,06,80,000) Equity Shares each fully paid	10/-		**60.68**	60.68
	Indian Synthetic Rubber Limited	17,57,81,250 (2013: 17,57,81,250) Equity Shares each fully paid	10/-		**175.78**	175.78
	NPCIL-IndianOil Nuclear Energy Corporation Limited	2,60,000 (2013: 2,60,000) Equity Shares each fully paid	10/-		**0.26**	0.26
	GSPL India Gasnet Limited	3,56,25,030 (2013: 1,50,25,030) Equity Shares each fully paid	10/-		**35.63**	15.03
	GSPL India Transco Limited	2,99,00,000 (2013: 1,00,25,030) Equity Shares each fully paid	10/-		**29.90**	10.03
	Indian Oil Adani Gas Pvt. Ltd.	25,000 (2013: Nil) Equity Shares each fully paid	10/-		**0.03**	-
(ii)	**In Limited Liability Partnership**					
	Indian Oil Ruchi Biofuels LLP (Limited Liability Partnership)	Capital Fund			**1.30**	1.05
		Sub-total: (b)			**877.99**	**699.73**
c)	**In Others**					
	International Cooperative Petroleum Association, New York	350 (2013: 350) Equity Shares fully paid up	$100		**0.02**	0.02
	Haldia Petrochemicals Limited	15,00,00,000 (2013: 15,00,00,000) Equity Shares each fully paid	10/-		**150.00**	150.00
	Vadodara Enviro Channel Limited (Formerly Effluent Channel Projects Limited)	7,151 (2013: 7,151) Equity Shares each fully paid	10/- [p]		**-**	-
	Petroleum India International	Capital Fund		**15.00**		15.00
	(AOP by Oil Companies)	Share in accumulated surplus		**21.53**		19.91
					36.53	34.91
	Woodlands Multispeciality Hospital Limited	1,01,095 (2013: 1,01,095) Equity shares each fully paid	10/-		**0.10**	0.10
	6.9% Oil Marketing Companies GOI Special Bonds 2026	52,00,000 (2013: NIL) Number of Bonds	10,000/-	**5,200.00**		-
	Less: Provision for Diminution			**488.80**		-
					4,711.20	-
		Sub-total: (c)			**4,897.85**	185.03
		Sub-total: 2B			**12,483.12**	1,204.25
		Total: 2			**12,483.12**	1,204.25
		Total I: (1 + 2)			**16,311.49**	5,032.62
	Aggregate value of Unquoted Non Current Investments				**13,021.74**	1,254.07
	Aggregate value of provisions on Unquoted Non Current Investments				**538.62**	49.82

o. In Naira rupees {Amount Invested is ` 21,897 (2013: ` 21,897)}
p. Amount Invested is ` 10 (2013: ` 10)

Contd...

(` in Crore)

	Particulars	No. and Particulars	Face Value (Rupees)	March-14	March-13
II	**CURRENT INVESTMENTS: (Valued at Lower of Cost or Fair Market Value)**				
	[Item No. 5(a), Page No. 99]				
	UNQUOTED:				
	Oil Marketing Companies GOI Special Bonds	79,74,040 Number of Bonds (2013: 1,44,69,040)	10,000/-	**7,974.04**	14,469.04
	Less: Marked to Market Loss			**691.34**	830.44
		Total II:		**7,282.70**	13,638.60

Note : A

During the year New investments as well as additional investments were made, as per details below :

Name of the Company	No. of Shares	(` Crore)
Indian Oil Creda Biofuels Limited	7,99,200	0.80
IOC Sweden AB	3,42,549	31.33
IOCL (USA) Inc.	4,29,65,77,467	243.36
Indo Cat Private Limited	73,16,100	2.56
IndOil Global B.V.	1,11,60,31,500	6,103.04
IOT Infrastructure & Energy Services Limited	3,69,74,682	144.21
GSPL India Gasnet Limited	2,06,00,000	20.60
GSPL India Transco Limited	1,98,74,970	19.87
Indian Oil Adani Gas Pvt. Ltd.	25,000	0.03
Indian Oil Ruchi Biofuels LLP	Partnership	0.25

Note: B

Investment in IndianOil Ruchi Bio fuel (LLP)

Name of the Partners	Share	Capital (` Crore)
Indian Oil Corporation Limited	50.00%	1.30
Ruchi Biofuels Limited	50.00%	1.30

Note: C

Current Investment Consists:

Nature of Bond	No. of Bonds	Face Value (` Crore)	Marked to Makret value (` Crore)
7.59% GOI SPECIAL BONDS 2015	2,950	2.95	2.92
7.61% GOI SPECIAL BONDS 2015	4,070	4.07	4.03
8.13% GOI SPECIAL BONDS 2021	78,000	78.00	73.80
7.95% GOI SPECIAL BONDS 2025	4,57,250	457.25	418.07
8.20% GOI SPECIAL BONDS 2023	14,53,510	1,453.51	1,362.66
6.90% GOI SPECIAL BONDS 2026	12,29,930	1,229.93	1,025.00
8.00% GOI SPECIAL BONDS 2026	16,43,270	1,643.27	1,498.45
8.20% GOI SPECIAL BONDS 2024	31,05,060	3,105.06	2,897.77
Total	**79,74,040**	**7,974.04**	**7,282.70**

Note: D : Other Disclosures

1 During the year, Oil Marketing Companies GOI Special Bonds of face value ` **5,200 crore** and carrying value of ` **4711.20 crore** are reclassified from current to non current investments.

2 Out of 6.90% Oil Marketing Companies GOI Special Bonds, ` **709.14 crore** (2013: 216.99 crore) has been earmarked in line with the requirement of MCA circular No. 04/2013 dated 11th Feb 2013.

NOTE - 15: LOANS AND ADVANCES

[Item No. 4(c) & 5(e), Page No. 98 & 99]

(` in Crore)

Particulars		Long Term			Short Term		
		March-14		March-13	**March-14**		March-13
Advance for Capital Expenditure:							
Secured, Considered Good		**93.60**		106.04	**-**		-
Unsecured, Considered Good		**898.43**		1228.04	**-**		-
Unsecured, Considered Doubtful		**0.10**		0.10	**-**		-
		992.13		1,334.18	**-**		-
Less: Provision for Doubtful Advance		**0.10**		0.10	-		-
			992.03	1,334.08		**-**	-
Advances for Investments:	A						
Joint Ventures		**25.53**		23.03	**-**		-
Subsidiary Companies		**0.20**		112.00	**-**		-
			25.73	135.03		**-**	-
Advance recoverable in cash or in kind or for value to be received:	B						
From Related Parties							
Secured, Considered Good		**0.03**		0.08	**0.01**		0.04
Unsecured, Considered Good		**180.54**		75.58	**37.94**		26.13
Unsecured, Considered Doubtful		**-**		-	**2.25**		2.25
		180.57		75.66	**40.20**		28.42
Less : Provision for Doubtful Advances		**-**		-	**2.25**		2.25
		180.57		75.66	**37.95**		26.17
From Others							
Secured, Considered Good		**757.02**		778.87	**76.60**		75.79
Unsecured, Considered Good		**1,497.54**		1,369.15	**4,349.81**		2,460.99
Unsecured, Considered Doubtful		**0.33**		0.33	**63.48**		5.27
		2,254.89		2,148.35	**4,489.89**		2,542.05
Less : Provision for Doubtful Advances		**0.33**		0.33	**63.48**		5.27
		2,254.56		2,148.02	**4,426.41**		2,536.78
			2,435.13	2,223.68		**4,464.36**	2,562.95
Amount Recoverable from Central/State Govt.:							
Unsecured, Considered Good			**-**	-		**20,533.12**	23,843.23
Finance Lease Receivables			**5.66**	7.34		**1.68**	1.54
Claims Recoverable:	C						
From Related Parties							
Unsecured, Considered Good		**-**		-	**0.16**		1.39
Unsecured, Considered Doubtful		**-**		-	**2.61**		2.61
		-		-	**2.77**		4.00
From Others							
Unsecured, Considered Good		**-**		-	**1,046.33**		1,012.75
Unsecured, Considered Doubtful		**-**		-	**96.73**		77.40
		-		-	**1,143.06**		1,090.15
Less : Provision for Doubtful Claims		-		-	**99.34**		80.01
			-	-		**1,046.49**	1,014.14

Contd...

NOTE - 15: LOANS AND ADVANCES (Contd.)

(` in Crore)

Particulars	Long Term			Short Term		
		March-14	March-13		March-14	March-13
Balance with Customs, Port Trust and Excise Authorities:						
Unsecured, Considered Good		**-**	-		**33.06**	24.68
Deposits for Leave Encashment Fund		**-**	-		**2,197.60**	1,894.92
Advance Tax/Provision for Taxation						
Advance payments for Current Tax	**2,837.73**		2,714.87	**3,304.99**		1,633.24
Less : Provisions	**1,805.01**		1,653.87	**5,067.26**		2,070.41
	1,032.72		1,061.00	**(1,762.27)**		(437.17)
Advance Payments for Fringe Benefit Tax	**52.03**		52.03	**-**		-
Less : Provisions	**44.52**		44.52	**-**		-
	7.51		7.51	**-**		-
Advance Tax (net)		**1,040.23**	1,068.51		**-**	-
Mat Credit Receivable		**-**	-		**1,419.20**	1,142.08
Materials given on loan (Refer Note-6)**:**						
To Related Parties						
Secured, Considered Good	**-**		-	**0.14**		0.16
Less : Deposits received	**-**		-	**0.15**		0.17
	-		-	**(0.01)**		(0.01)
		-	-		**-**	-
Sundry Deposits (Refer Note - 7 Point A2)						
To Others						
Secured, Considered Good	**9.23**		9.23	**-**		-
Unsecured, Considered Good	**118.47**		98.36	**11,878.82**		9,273.40
Unsecured, Considered Doubtful	**-**		-	**0.31**		0.31
	127.70		107.59	**11,879.13**		9,273.71
Less : Provision for Doubtful Deposits	**-**		-	**0.31**		0.31
		127.70	107.59		**11,878.82**	9,273.40
TOTAL		**4,626.48**	4,876.23		**41,574.33**	39,756.94
A. Advances against equity pending allotment						
B. Includes:						
1. Due from Directors		**0.03**	0.08		**0.05**	0.05
2. Due from Other Officers		**1.12**	1.43		**0.78**	0.76
C. Includes:						
1. Customs/ Excise Duty/DEPB/Duty Drawback Claims which are in the process of being claimed with the Department.		-	-		**46.88**	51.47
2. Claims recoverable from Customs Authorities pending for final assessment / settlement.		-	-		**114.28**	126.65

NOTE - 16: OTHER ASSETS

[Item No. 4(d) & 5(f), Page No. 98 & 99]

(` in Crore)

Particulars	Non Current			Current		
	March-14		March-13	**March-14**		March-13
Interest Accrued on Investments/ Bank Deposits		**-**	-		**155.87**	155.78
Gold Coins in Hand (at Cost)		**-**	-		**6.37**	5.18
Receivable from IOC Shares Trust	**-**		-	**1,989.78**		1,989.78
Less : Provision for Diminution	**-**		-	**348.34**		348.63
		-	-		**1,641.44**	1,641.15
Discount on Issue of Bonds		**10.98**	13.86		**2.88**	3.15
Unamortized Borrowing Cost		**59.04**	-		**37.09**	-
Receivables on Agency Sales		**-**	-		**4,900.13**	4,363.66
Assets Held for Disposal		**-**	-		**34.67**	23.86
Others	**-**		-	**620.03**		570.25
Less : Provision	**-**		-	**6.74**		0.01
		-	-		**613.29**	570.24
TOTAL		**70.02**	13.86		**7,391.74**	6,763.02

NOTE - 17: INVENTORIES

[Item No. 5(b), Page No. 99]

(` in Crore)

Particulars			**March-14**	March-13
In Hand:				
Stores, Spares etc.	A	**3,231.59**		2,958.14
Less : Provision for Losses		**142.71**		134.14
			3,088.88	2,824.00
Raw Materials	B		**19,306.54**	16,229.58
Finished Products	C		**21,630.08**	20,094.20
Stock in Trade	D		**5,903.10**	6,300.41
Stock in Process			**5,460.15**	5,449.14
Barrels and Tins	E		**37.24**	35.52
			55,425.99	50,932.85
In Transit :				
Stores, Spares etc.			**143.02**	122.50
Raw Materials			**8,004.67**	7,138.77
Stock in Trade			**1,123.69**	1,120.27
			9,271.38	8,381.54
TOTAL			**64,697.37**	59,314.39
Includes-				
A.1 Includes Certified Emmission Reductions (CER's) rights of ` 30,249. Details given in Note-39.				
A.2 Includes stock lying with contractors			**14.01**	13.28
B Includes stock lying with others			**2.27**	2.44
C Includes stock lying with others			**941.43**	794.46
D Includes stock lying with others			**750.76**	749.16
E Includes stock lying with others			**0.77**	0.79

NOTE - 18: TRADE RECEIVABLES

[Item No. 5(c), Page No. 99]

(` in Crore)

Particulars		March-14	March-13
Over Six Months:			
From Related Parties			
Unsecured, Considered Good	**0.34**		0.11
From Others			
Unsecured, Considered Good	**197.35**		1,274.75
Unsecured, Considered Doubtful	**128.29**		130.50
	325.64		1,405.25
Total	**325.98**		1,405.36
Less : Provision for Doubtful Debts	**128.29**		130.50
		197.69	1,274.86
Other Debts:			
From Related Parties			
Unsecured, Considered Good	**120.31**		80.49
From Others			
Secured Considered Good	**43.98**		49.80
Unsecured, Considered Good	**10,661.12**		9,852.17
Unsecured, Considered Doubtful	**59.02**		53.47
	10,764.12		9,955.44
Total	**10,884.43**		10,035.93
Less : Provision for Doubtful Debts	**59.02**		53.47
		10,825.41	9,982.46
TOTAL		**11,023.10**	11,257.32

NOTE - 19: CASH AND BANK BALANCES

[Item No. 5(d), Page No. 99]

(` in Crore)

Particulars			March-14	March-13
Cash and Cash Equivalents				
Bank Balances with Scheduled Banks:				
Current Account		**943.97**		24.71
Fixed Deposit - Maturing within 3 months		**725.00**		300.00
Earmarked Balances	A	**8.56**		9.35
			1,677.53	334.06
Bank Balances with Non-Scheduled Banks:				
Bank of Commerce & Development, Libya [Maximum balance during the year ` 0.59 crore]		**0.59**		0.53
Myanmar Economic Bank Branch(5), Rangoon [Maximum balance during the year ` 0.01 crore]	B	**0.01**		0.01
			0.60	0.54
Cheques, Drafts in hand			**149.42**	159.76
Cash Balances, Including Imprest			**4.61**	7.56
Other Bank Balances				
Fixed Deposit	C	**776.27**		1.27
Blocked Account	D	**0.10**		0.10
			776.37	1.37
TOTAL			**2,608.53**	503.29

A) Pertains to Unpaid Dividend/Fractional Share Warrants.

B) There exists restrictions on repatriation of said amount from Myanmar.

C) Includes ` 1.27 crore earmarked in favour of Port Authorities.

D) Blocked in pursuance to Hon'ble High Court order.

NOTE - 20: REVENUE FROM OPERATIONS

[Item No. 1(a), Page No. 100]

(` in Crore)

Particulars			March-14	March-13
Sale of Products and Crude		**4,63,614.82**		4,19,826.60
Less: Discounts		**6,061.57**		4,917.88
Sales (Net of Discounts)		**4,57,553.25**		4,14,908.72
Sale of Services		**17.85**		10.33
Other Operating Revenues (Note - "20.1")		**1,033.48**		975.85
			4,58,604.58	4,15,894.90
Net Claim/(Surrender) of SSC			**(447.69)**	(304.78)
Subsidy From Central/State Govt.	A		**1,774.97**	1,782.24
Grant from Government of India	B		**37,182.27**	53,278.07
TOTAL			**4,97,114.13**	4,70,650.43

A. Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ` **1,718.81 crore** (2013: ` 1,729.72 crore) and subsidies on sales of SKO & LPG to customers in Bhutan amounting to ` **52.21 crore** (2013: ` 52.52 crore) have been reckoned as per the schemes notified by Government of India. In addition, incentive of ` **3.95 crore** (2013: NIL) have been reckoned against sale of power from wind mills.

B1. The company has accounted for Budgetary Support of ` **37,182.27 crore** towards under-recovery on sale of regulated products viz HSD, SKO (PDS) and LPG (Domestic) for the current year [2013: ` 53,278.07 crore] in the Statement of Profit and Loss as Revenue Grants.

B2. In line with the scheme formulated by Petroleum Planning and Analysis Cell (PPAC), the Company has received during the year, discounts of ` **30,719.11 crore** (2013: ` 29,461.74 crore) on Crude Oil/Products purchased from ONGC/GAIL/OIL and ` **3,954.48 crore** (2013: ` 2,505.10 crore) from CPCL, through sale of HSD to IOC, out of their purchase of crude oil from ONGC, towards part of the under recovery suffered on sale of regulated products viz HSD, SKO (PDS) and LPG (Domestic) and the same has been adjusted against the purchase cost.

Product wise sales has been shown as per Note - 41.

NOTE - 20.1: OTHER OPERATING REVENUES

(` in Crore)

Particulars	March-14	March-13
Sale of Power and Water	**90.34**	44.44
Unclaimed / Unspent liabilities written back	**52.93**	58.45
Provision for Doubtful Debts, Advances, Claims, and Stores written back	**22.49**	51.50
Provision for Contingencies written back	**19.16**	15.57
Recoveries from Employees	**22.07**	16.98
Retail Outlet License Fees	**115.07**	107.05
Income from Non Fuel Business	**152.87**	120.18
Commission and Discount Received	**12.55**	11.22
Sale of Scrap	**85.26**	101.08
Income from Finance Leases	**0.90**	1.04
Amortization of Capital Grants	**2.26**	1.46
Commodity Hedging Gain (Net)	**32.12**	-
Revenue Grants	**1.45**	0.24
Terminalling Charges	**8.91**	20.76
Other Miscellaneous Income	**415.10**	425.88
TOTAL	**1,033.48**	975.85

NOTE - 21: OTHER INCOME

[Item No. 1(b), Page No. 100]

(` in Crore)

Particulars			March-14	March-13
Interest on :	A			
Loans and Advances		**67.37**		69.38
Fixed Deposits with Banks		**0.50**		0.14
Customers Outstandings		**404.16**		355.76
Oil Companies GOI SPL Bonds		**1,037.41**		1,118.85
Others		**330.90**		169.34
			1,840.34	1,713.47
Dividend:	B			
From Related Parties		**101.46**		142.00
From Other Companies		**783.45**		857.47
			884.91	999.47
Profit on Sale of Investments (Net)			**-**	28.01
Provision For Investment Written Back (Net)			**-**	634.15
Provision for Diminution in Trust Written Back (Net)			**0.29**	110.15
Amortisation of Premium/Discount on Forward Contracts			**583.20**	-
MTM Gain on IRS			**30.61**	-
Amortisation of FC Monetary Item Translation			**47.66**	-
Other Non Operating Income	C		**30.28**	29.54
TOTAL			**3,417.29**	3,514.79
A 1. Includes Tax Deducted at Source			**12.68**	2.24
A 2. Includes interest received under section 244A of the Income Tax Act.			**121.19**	-
A 3. Interest on Oil Companies GOI SPL Bonds include interest on:				
Current Investments			**768.31**	1,118.85
Non-Current Investments			**269.10**	-
B. Pertains to Dividend on Non-Current Investments				
C. Includes share of profit in Petroleum India International			1.**62**	1.75

Annual Accounts

NOTE - 22: COST OF MATERIAL CONSUMED

[Item No. 2(a), Page No. 100]

(` in Crore)

Particulars	March-14	March-13
Opening Stock	**23,368.35**	26,535.92
Add: Purchases	**2,30,954.87**	2,16,576.48
	2,54,323.22	2,43,112.40
Less: Closing Stock	**27,311.21**	23,368.35
TOTAL	**2,27,012.01**	2,19,744.05

Particulars relating to consumption of raw material are shown as per Note - 43 (also refer Note-20 Point B2).

NOTE - 23: CHANGE IN INVENTORY

[Item No. 2(c), Page No. 100]

(` in Crore)

Particulars		March-14	March-13
Closing Stock			
Finished Products	**21,630.08**		20,094.20
Stock in Process	**5,460.15**		5,449.14
Stock- in - trade	**7,026.79**		7,420.68
		34,117.02	32,964.02
Less:			
Opening Stock			
Finished Products	**20,094.20**		**17,651.19**
Stock in Process	**5,449.14**		**5,302.52**
Stock - in - Trade	**7,420.68**		**4,790.28**
		32,964.02	**27,743.99**
NET INCREASE/(DECREASE)		**1,153.00**	**5,220.03**

Product wise Purchases, Sales, Opening and Closing Stock are shown as per Note - 41 and Note - 42.

NOTE - 24: EMPLOYEE BENEFIT EXPENSES

[Item No. 2(d), Page No. 100]

(` in Crore)

Particulars	March-14	March-13
Salaries, Wages, Bonus etc.	**5,056.63**	4,336.41
Contribution to Provident & Other Funds	**916.96**	1,849.08
Voluntary Retirement Compensation	**37.58**	81.39
Staff Welfare Expenses	**607.80**	1,004.39
TOTAL	**6,618.97**	7,271.27

A. Includes ` **104.23 crore** (2013: ` 621.20 crore) towards corpus fund created for Post Retirement Medical Benefits and other emergency needs in respect of employees retired prior to 01.01.2007 as per DPE guidelines.

B. Disclosure in compliance with Accounting Standard-15 (Revised 2005) on “Employee Benefits” is given in Note - 29.

NOTE - 25: FINANCE COST

[Item No. 2(e), Page No. 100]

(` in Crore)

Particulars		March-14	March-13
Interest Payments on:			
Fixed period loans from Banks/Financial Institutions/Others	**332.50**		330.85
Bonds	**469.75**		391.34
Short Term loans from Banks	**1,248.88**		1,884.46
Others	**1,470.84**		2,748.89
		3,521.97	5,355.54
Other Borrowing Cost		**47.92**	76.73
Applicable Net (Gain)/Loss on Foreign Currency Transactions and Translation		**1,514.53**	1,003.00
TOTAL		**5,084.42**	6,435.27

NOTE - 26: OTHER EXPENSES

[Item No. 2(g), Page No. 100]

(` in Crore)

Particulars			March-14	March-13
Consumption:				
a) Stores, Spares and Consumables		**1,199.35**		1,052.63
b) Packages & Drum Sheets		**457.06**		439.38
			1,656.41	1,492.01
Power & Fuel		**21,972.57**		20,981.70
Less : Fuel from own production		**15,758.62**		15,654.77
			6,213.95	5,326.93
Throughput, Processing & Blending Fees, Royalty and Other Charges			**598.91**	478.65
Octroi, Other Levies and Irrecoverable taxes			**987.47**	825.28
Repairs and Maintenance				
i) Plant & Machinery		**2,085.56**		1,744.98
ii) Buildings		**186.34**		164.48
iii) Others		**228.29**		113.91
			2,500.19	2,023.37
Freight, Transportation Charges and Demurrage			**9,606.20**	8,622.85
Office Administration, Selling and Other Expenses (Note - "26.1")			**8,056.68**	5,370.48
TOTAL			**29,619.81**	24,139.57
Less: Company's use of own Products and Crude			**824.26**	850.59
			28,795.55	23,288.98
Duties (Net)	A		**(2.82)**	66.81
TOTAL (Net)			**28,792.73**	23,355.79

A. Includes an amount of ` **39.60 crore** (2013 : ` 130.75 Crore) on account of difference of Excise Duty between opening and closing stock of finished goods.

Annual Accounts

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

(` in Crore)

Particulars		March-14	March-13
Rent		**465.88**	329.06
Insurance		**119.11**	103.93
Rates & Taxes		**90.35**	98.00
Donations		**0.10**	-
Payment to auditors			
a) Audit Fees	**0.96**		0.96
b) Tax Audit Fees	**0.11**		0.11
c) Other Services (for issuing certificates etc.)	**0.43**		0.51
d) Re-imbursement of Expenses	**0.54**		0.67
		2.04	2.25
Travelling & Conveyance		**477.75**	447.38
Communication Expenses		**52.84**	54.83
Printing & Stationery		**34.60**	31.44
Electricity & Water		**251.31**	232.91
Bank Charges		**36.57**	44.21
Bad Debts, Advances & Claims written off		**3.19**	3.45
Provision/ Loss on Assets sold or written off (Net)		**57.51**	21.44
Technical Assistance Fees		**36.71**	18.86
Exchange Fluctuation (net)		**3,190.92**	1,509.10
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.		**126.33**	67.56
Provision for Diminution/Loss on Revaluation in Investments		**483.12**	-
Security Force Expenses		**322.29**	283.81
Sales Promotion Expenses (Incl. Commission)		**708.06**	616.31
Handling Expenses		**313.32**	259.47
Expenses on Enabling Facilities		**71.46**	60.81
Commodity Hedging Losses (Net)		**-**	0.34
Provision for Probable Contingencies		**257.27**	423.48
Exploration & Production Cost		**355.30**	211.21
Amortization of Premium on Forward Contracts		**-**	15.49
MTM Loss on Interest Rate Swap		**-**	10.81
Loss on Sale of Investments (Net)		**42.54**	-
Expenses on CSR Activities		**81.91**	78.97
Miscellaneous Expenses		**476.20**	445.36
TOTAL		**8,056.68**	5,370.48

A. In respect of Oil and Gas Exploration activities, Revenue Expenditure amounting to ` **355.30 crore** (2013: ` 211.21 crore) and Capital Expenditure amounting to ` **60.34 crore** (2013 : ` 121.29 crore) of Oil and Gas Exploration Projects have been incorporated in these accounts on the basis of unaudited statements provided by respective operators of Production Sharing Contracts to the Company.

B. Expenses Includes:

i) Expenditure on Public Relations and Publicity amounting to ` **48.85 crore** (2013: ` 52.69 crore) which is inclusive of ` **17.22 crore** (2013: ` 14.98 crore) on account of Staff and Establishment and ` **31.63 crore** (2013: ` 37.71 crore) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is **0.00011:1** (2013: 0.00013:1)

ii) Entertainment Expenses ` **4.36 crore** (2013: ` 2.96 crore).

NOTE - 27: INCOME / EXPENSES RELATING TO PREVIOUS YEARS

[Item No. 4, Page No. 100]

(` in Crore)

Particulars	March-14	March-13
Income:		
Miscellaneous Income	**2.83**	(42.92)
Total Income	**2.83**	(42.92)
Expenditure:		
Purchase of Products and Crude	**-**	(40.76)
Depreciation and Amortisation on:		
Tangible Assets	**8.43**	11.67
Intangible Assets	**0.13**	7.14
Consumption of Stores, Spares and Consumables	**1.39**	(27.04)
Technical fees	**(0.29)**	0.08
Power and Fuel	**(0.89)**	(7.34)
Repairs and Maintenance	**8.36**	2.72
Interest	**2.18**	(0.36)
Rent	**16.27**	-
Rates & Taxes	**-**	0.20
Employee Benefit Expenses	**(6.52)**	0.45
Other Expenses	**70.07**	4.02
Total Expediture	**99.13**	(49.22)
NET INCOME /(EXPENDITURE)	**(96.30)**	6.30

NOTE - 28

Contingent Liabilities & Commitments

A. Contingent Liabilities

A.1 Contingent Liabilities amounting to ` **11,676.65 crore** (2013: ` 11,619.68 crore) are as under :

A.1.1 ` **210.43 crore** (2013: ` 225.70 crore) being the demands raised by the Central Excise /Customs/ Service Tax authorities including interest of ` 49.15 crore (2013 : ` 43.82 crore).

A.1.2 ` **1,173.20 crore** (2013: ` 1,294.80 crore) in respect of demands for Entry Tax from State Governments including interest of ` **46.10 crore** (2013 : ` 44.94 crore).

A.1.3 ` **4,581.84 crore** (2013: ` 4,631.93 crore) in respect of VAT/ Sales Tax demands including interest of ` **1,495.93 crore** (2013: ` 1,610.50 crore).

A.1.4 ` **2,904.16 crore** (2013: ` 2,962.25 crore) in respect of Income Tax demands including interest of ` **233.90 crore** (2013 : ` 268.22 crore).

A.1.5 ` **2,113.84 crore** (2013: ` 1,917.26 crore) including ` **1,601.65 crore** (2013: ` 1,600.49 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ` **65.42 crore** (2013: ` 37.81 crore).

A.1.6 ` **693.18 crore** (2013: ` **587.74 crore**) in respect of other claims including interest of ` **119.51 crore** (2013 : ` 98.73 crore).

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

A.2 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.

A.3 The Company has issued Corporate Guarantee in favour of three beneficiaries i.e. Bolivarian Republic of Venezuela (Republic), The Corporacion Venezolana del Petroleo S.A. and PeTroCarabobo S.A., on behalf of Indoil Netherlands B.V., Netherlands (an associate company) to fulfill the associate company's future obligations of payment of signature bonus / equity contribution / loan to the beneficiaries. The total amount sanctioned by the Board of Directors is USD 424 million. The estimated amount of such obligation (net of amount paid) is ` **2,236.58 crore - USD 373.26 million** (2013: ` 2,054.23 crore – USD 378.38 million).

A.4 The company has issued Corporate Guarantee on behalf of 'Indian Synthetic Rubber Limited (ISRL), Joint venture company to the extent of obligations of later company under loans (principal and interest both) made to ISRL by 'Japan Bank for International Cooperation (JBIC)' and 'Mizuho Corporate Bank (MHCB)'. The Company's share of such obligation is estimated at ` **333.44 crore - USD 55.65 million** (2013: ` 302.57 crore – USD 55.73 million).

A.5 The company has entered into Master Guarantee Agreement, on behalf of its subsidiaries viz. Indoil Global B.V. and Indoil Montney Ltd. for all of its payments and performance obligations under the various Project Agreements entered by the subsidiaries with PETRONAS Carigali Canada B.V. and Progress Energy Canada Ltd. The total amount sanctioned by the Board of Directors is CAD 3907 million. The estimated amount of such obligation (net of amount paid) is ` **15,181.63 crore - CAD 2,791.07 million** (2013: NIL).

Commitments

B.1 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account not provided for ` **12,574.58 crore** (2013: ` 14,648.43 crore).

B.2 Other Commitments

The Company has an export obligation to the extent of ` **2,729.83 crore** (2013: ` 3,090.25 crore) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.

NOTE – 29: EMPLOYEE BENEFITS

Disclosures in compliance with Accounting Standard-15 (Revised 2005) on "Employee Benefits" is as under:

(A) PROVIDENT FUND

(i) The Company has three Provident Funds maintained by respective PF Trusts. All these three PF Trusts do not have any shortfall as on 31.03.2014.

(ii) During the year, Company has conducted Actuarial Valuation of all three PF Trusts. As per Actuarial Valuation, all three PF Trusts do not have any deficit as on 31st March 2014. Accordingly, other related disclosures in respect of Provident Fund have not been made.

(iii) During the year, the company has recognised ` **322.92 crore** (2012-13 : ` 288.05 crore) as Employer's contribution to Provident Fund in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 24/ Construction period expenses pending allocation in Note-12).

(iv) In addition, during the year, the company has recognised ` **20.57 crore** (2012-13: ` 20.83 crore) as contribution to EPS-95 in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 24/ Construction period expenses pending allocation in Note-12).

(B) PENSION SCHEME

During the year, the company has recognised ` **306.92 crore** (2012-13: ` 232.06 crore) towards Defined Contributory Employees Pension Scheme in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 24/ Construction period expenses pending allocation in Note-12).

(C) DEFINED BENEFIT PLANS- GENERAL DESCRIPTION

Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service subject to maximum of ` 0.10 crore at the time of separation from the company.

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 up to 300 days. In addition, each employee is entitled to get 5 sick leaves at the end of every six months. The entire accumulation of sick leaves is permitted for encashment only at the time of retirement.

PRMS:

Post Retirement Medical Scheme (PRMS) provides medical benefit to retired employees and eligible dependant family members.

Resettlement Allowance:

Resettlement allowance is paid to employees to permanently settle down at a place other than the location of last posting at the time of retirement.

Long Service Award:

On completion of specified period of service with the company and also at the time of retirement, employees are rewarded with Gold Coins of different weight based on the duration of service completed.

Ex gratia:

Ex-gratia is payable to those employees who have retired before 01-11-1987 and not covered under the pension scheme. Further, for employees who have retired on or after 01-11-1987 and their entitlement under the pension scheme is less than applicable amount under Ex- Gratia Scheme, such employees are also eligible to the extent of shortfall or difference under Ex-gratia scheme. The scheme of ex-gratia has been restricted to cover only those eligible employees who have retired upto 31.12.2006, and not thereafter.

Staff Pension fund at AOD:

The Fund is maintained for disbursement of pension to Officers who have joined erstwhile Assam Oil Company before 14-10-1981 and opted to continue the benefit of pension as existing prior to takeover. The company is managing the fund after takeover of the erstwhile Assam Oil Company in the name of IOCL(AOD) Staff Pension Fund.

(D) RECONCILIATION OF BALANCE OF DEFINED BENEFIT OBLIGATION

(` in Crore)

	Gratuity	Leave Encashment	PRMS	Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD	Ex-Gratia
	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Funded	Non-Funded
Defined Obligation at the beginning	**1,444.72**	**2,017.19**	**1,685.72**	**82.83**	**234.59**	**7.61**	**114.69**
	1,384.32	1,631.15	882.94	79.36	214.28	7.97	-
Current Service Cost	**10.63**	**136.89**	**116.67**	**10.77**	**38.04**	**0.19**	**-**
	12.58	114.10	61.85	7.55	33.82	0.21	-
Interest Cost	**119.19**	**164.47**	**139.07**	**7.53**	**21.28**	**0.52**	**8.61**
	119.47	139.73	76.20	7.33	19.92	0.64	-
Past Service Cost	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	708.90	-	-	-	-
Benefits paid	**(137.24)**	**(321.07)**	**(129.45)**	**(4.71)**	**(29.37)**	**(2.58)**	**(20.74)**
	(128.15)	(252.36)	(100.15)	(3.97)	(34.52)	(1.17)	-
Actuarial (gain)/ loss on obligations	**(88.75)**	**(11.41)**	**140.76**	**(22.35)**	**(73.85)**	**0.12**	**80.41**
	56.50	384.57	55.98	(7.44)	1.09	(0.04)	-
Defined Benefit Obligation at the end of the year	**1,348.55**	**1,986.07**	**1,952.77**	**74.07**	**190.69**	**5.86**	**182.97**
	1,444.72	2,017.19	1,685.72	82.83	234.59	7.61	-

Contd...

(E) RECONCILIATION OF BALANCE OF FAIR VALUE OF PLAN ASSETS

(` in Crore)

	Gratuity Funded	Leave Encashment Non-Funded	PRMS Funded	Resettlement Allowance Non-Funded	Long Service Award Non-Funded	Staff Pension Fund at AOD Funded	Ex-Gratia Non-Funded
Fair Value of Plan Assets at the beginning of the year	**1,786.20** 1,631.02	**-** -	**943.22** 882.94	**-** -	**-** -	**7.14** 7.74	**-** -
Expected return on plan assets	**155.40** 140.27	**-** -	**82.06** 75.93	**-** -	**-** -	**0.52** 0.64	**-** -
Contribution by Employer	**-** 128.15	**-** -	**296.08** 71.05	**-** -	**-** -	**-** -	**-** -
Contribution by Employees	**-** -	**-** -	**1.12** -	**-** -	**-** -	**-** -	**-** -
Benefit paid	**(137.24)** (128.15)	**-** -	**(129.45)** (100.15)	**-** -	**-** -	**(2.58)** (1.17)	**-** -
Actuarial gain / (losses)	**7.67** 14.91	**-** -	**19.46** 13.45	**-** -	**-** -	**(0.07)** (0.07)	**-** -
Fair value of plan assets at the end of the year	**1,812.03** 1,786.20	**-** -	**1,212.49** 943.22	**-** -	**-** -	**5.01** 7.14	**-** -

(F) RECONCILIATION OF FAIR VALUE OF PLAN ASSETS AND DEFINED BENEFIT OBLIGATION

(` in Crore)

	Gratuity Funded	Leave Encashment Non-Funded	PRMS Funded	Resettlement Allowance Non-Funded	Long Service Award Non-Funded	Staff Pension Fund at AOD Funded	Ex-Gratia Non-Funded
Fair Value of Plan Assets at the end of the year	**1,812.03** 1,786.20	**-** -	**1,212.49** 943.22	**-** -	**-** -	**5.01** 7.14	**-** -
Defined Benefit Obligation at the end of the year	**1,348.55** 1,444.72	**1,986.07** 2,017.19	**1,952.77** 1,685.72	**74.07** 82.83	**190.69** 234.59	**5.86** 7.61	**182.97** -
Amount recognised in the Balance Sheet	**(463.48)** (341.48)	**1,986.07** 2,017.19	**740.28** 742.50	**74.07** 82.83	**190.69** 234.59	**0.85** 0.47	**182.97** -

(G) AMOUNT RECOGNISED IN CWIP / STATEMENT OF PROFIT AND LOSS

(` in Crore)

	Gratuity Funded	Leave Encashment Non-Funded	PRMS Funded	Resettlement Allowance Non-Funded	Long Service Award Non-Funded	Staff Pension Fund at AOD Funded	Ex-Gratia Non-Funded
Current Service Cost	**10.63** 12.58	**136.89** 114.10	**116.67** 61.85	**10.77** 7.55	**38.04** 33.82	**0.19** 0.21	**-** -
Interest Cost	**119.19** 119.47	**164.47** 139.73	**139.07** 76.20	**7.53** 7.33	**21.28** 19.92	**0.52** 0.64	**8.61** -
Expected (return) / loss on plan asset	**(155.40)** (140.27)	**-** -	**(82.06)** (75.93)	**-** -	**-** -	**(0.52)** (0.64)	**-** -
Contribution by Employees	**-** -	**-** -	**(1.12)** -	**-** -	**-** -	**-** -	**-** -
Past Service Cost	**-** -	**-** -	**-** 708.90	**-** -	**-** -	**-** -	**-** -
Actuarial (gain)/ loss	**(96.42)** 41.59	**(11.41)** 384.57	**121.30** 42.53	**(22.35)** (7.44)	**(73.85)** 1.09	**0.19** 0.03	**80.41** -
Expenses for the year	**(122.00)** 33.37	**289.95** 638.40	**293.86** 813.55	**(4.05)** 7.44	**(14.53)** 54.83	**0.38** 0.24	**89.02** -

Contd...

(H) MAJOR ACTUARIAL ASSUMPTIONS

	Gratuity Funded	Leave Encashment Non-Funded	PRMS Funded	Resettlement Allowance Non-Funded	Long Service Award Non-Funded	Staff Pension Fund at AOD Funded	Ex-Gratia Non-Funded
Discount rate	**9.33%**	**9.33%**	**9.27%**	**9.33%**	**9.33%**	**8.60%**	**9.07%**
	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	-
Expected return on plan assets	**8.70%**	**-**	**8.70%**	**-**	**-**	**9.00%**	**-**
	8.70%	-	8.70%	-	-	9.00%	-
Salary escalation	**8.00%**	**8.00%**	**-**	**-**	**-**	**8.00%**	**-**
	8.00%	8.00%	-	-	-	8.00%	-
Inflation	**-**	**-**	**7.00%**	**6.00%**	**-**	**-**	**-**
	-	-	7.00%	6.00%	-	-	-

(I) ACTUAL RETURN ON PLAN ASSETS:

	Gratuity Funded	PRMS Funded	Staff Pension Fund at AOD Funded
Actual Return on Plan Assets	**9.13%**	**10.76%**	**6.30%**
	9.51%	10.12%	7.36%

(J) INVESTMENT DETAILS:

	Gratuity Funded	PRMS Funded	Staff Pension Fund at AOD Funded
Life Insurance Corporation of India	96.72%	17.21%	51.91%
Self managed investments	3.28%	82.79%	48.09%
Total	**100.00%**	**100.00%**	**100.00%**

DETAILS OF THE INVESTMENT PATTERN FOR THE ABOVE-MENTIONED FUNDED OBLIGATIONS IS AS UNDER:

	Gratuity Funded	PRMS Funded	Staff Pension Fund at AOD Funded
Government of India securities	48.51%	8.35%	1.89%
Investment in Equity Shares	4.91%	0.88%	-
Investment in Debentures	30.85%	5.49%	-
Other approved investments (incl. Cash)	15.73%	85.28%	98.11%
Total	**100.00%**	**100.00%**	**100.00%**

(K) EFFECT OF INCREASE/DECREASE IN HEALTHCARE COST (PRMS):

(` in Crore)

	2013-14	2012-13
Change in Liability for 1% increase in inflation rate	176.37	91.63
Change in Liability for 1% decrease in inflation rate	(140.84)	(78.79)

Contd...

(L) GRATUITY AMOUNT FOR THE CURRENT AND PREVIOUS PERIODS ARE AS FOLLOWS:

(` in Crore)

	2013-14	2012-13	2011-12	2010-11	2009-10
Defined benefit obligation	**1,348.55**	1,444.72	1,384.32	1,388.21	1,346.76
Plan Assets	**1,812.03**	1,786.20	1,631.02	1,489.80	1,358.67
Surplus / (Deficit)	**463.48**	341.48	246.70	101.59	11.91
Expected contribution for next financial year	**-**	-	23.75	22.52	19.60
Experience adjustment on plan liabilities - (Gain)/Loss	**4.06**	21.63	(2.25)	23.22	(16.69)
Experience adjustment on plan Assets - Gain/(Loss)	**7.67**	14.91	17.91	18.09	(6.68)

The management has relied on the overall acturial valuation conducted by the actuary.

NOTE - 30: SEGMENT INFORMATION

Information regarding Primary Segment Reporting as per AS-17 for the year ended March 31, 2014 is as under:

(` in Crore)

	March-14					March-13				
	Petroleum Products	Petro-chemicals	Other Businesses	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Businesses	Eliminations	Total
Revenue										
External Revenue	4,45,847.08	18,075.98	9,287.03	-	4,73,210.09	4,24,942.62	15,596.49	6,557.14	-	4,47,096.25
Inter-segment Revenue	11,422.80	49.75	6,484.92	(17,957.47)	-	10,114.16	39.55	5,092.29	(15,246.00)	-
Total Revenue	**4,57,269.88**	**18,125.73**	**15,771.95**	**(17,957.47)**	**4,73,210.09**	**4,35,056.78**	**15,636.04**	**11,649.43**	**(15,246.00)**	**4,47,096.25**
Result										
Segment Results	12,882.90	1,002.35	(169.02)	-	13,716.23	9,605.92	530.10	(17.20)	-	10,118.82
Less: Unallocable Expenditure										
- Finance Cost					5,084.42					6,435.27
- Loss on Sale of Investments (Net)					42.54					-
- Provision for diminution in Investments (Net)					483.12					-
- Loss on sale and disposal of Assets					57.51					21.44
- Exchange Loss/(Gain) - (Net)					3,190.92					1,509.10
- Amortisation of Premium/Discount on Forward Contracts					-					15.49
- MTM Loss on IRS					-					10.81
Add: Unallocable Income										
- Interest/Dividend Income					2,725.25					2,712.94
- Profit on Sale of Investments (Net)					-					28.01
- Provision for diminution in Investments written back (Net)					-					634.15
- Provision for diminution in Trust written back (Net)					0.29					110.15
- Amortisation of Premium/Discount on Forward Contracts					583.20					-
- MTM Gain on IRS					30.61					-
- Amortisation of FC Monetary Item Translation					47.66					-
- Other non operating income					30.28					29.54
- Prior year income/(expenses) -net					(96.30)					6.30
Profit before Exceptional items and Tax					**8,178.71**					**5,647.80**
Exceptional Items					1,746.80					-
Profit Before Tax					**9,925.51**					**5,647.80**
Less: Income Tax (including deferred tax)					2,906.42					642.63
Profit After Tax					**7,019.09**					**5,005.17**
Other Information										
Segment Assets	207,982.32	16,613.47	1,724.78		2,26,320.57	1,87,836.40	17,815.48	1,333.59		2,06,985.47
Corporate Assets					26,093.21					21,033.85
Total Assets					**2,52,413.78**					**2,28,019.32**
Segment Liabilities	88,904.48	406.00	998.67		90,309.15	76,737.63	369.59	1,182.31		78,289.53
Corporate Liabilities					96,112.55					88,605.48
Total Liabilities					**1,86,421.70**					**1,66,895.01**
Capital Employed										
Segment Wise	119,077.84	16,207.47	726.11		1,36,011.42	1,11,098.77	17,445.89	151.28		1,28,695.94
Corporate					(70,019.34)					(67,571.63)
Total Capital Employed					**65,992.08**					**61,124.31**
Capital Expenditure	15,441.09	364.09	95.98	-	15,901.16	12,949.97	239.07	275.67	-	13,464.71
Depreciation and Amortization	4,658.96	1,023.91	77.22	-	5,760.09	4,168.23	996.07	36.69	-	5,200.99

1. The Company is engaged in the following business segments:
   a) Sale of Petroleum Products
   b) Sale of Petrochemicals
   c) Other Businesses, which comprises Sale of Gas, Explosives & Cryogenics, Wind Mill & Solar Power Generation and Oil & Gas Exploration Activities.

   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 (Net of Excise Duties)
   b) Net Claim/(Surrender) of SSC
   c) Subsidy / Grants received from Government of India
   d) Other Operating Income
3. There are no reportable geographical segments.

NOTE - 31: RELATED PARTY DISCLOSURES

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

1. RELATIONSHIP

A) Details of Joint Venture Entities/Associates

1) IOT Infrastructure Energy Services Ltd.
2) Lubrizol India Pvt. Ltd.
3) Petronet VK Ltd.
4) IndianOil Petronas Pvt. Ltd.
5) Avi-Oil India Pvt.Ltd.
6) Petronet India Ltd.
7) Petronet LNG Ltd.
8) Green Gas Ltd.
9) IndianOil Panipat Power Consortium Ltd.
10) Petronet CI Ltd.
11) Indo Cat Pvt. Ltd. (Upto 26.03.2014)
12) IndianOil SkyTanking Ltd.
13) Suntera Nigeria 205 Ltd.
14) Delhi Aviation Fuel Facility Private Ltd.
15) Indian Synthetic Rubber Ltd.
16) Indian Oil Ruchi Biofuels LLP
17) NPCIL- IndianOil Nuclear Energy Corporation Ltd.
18) GSPL India Transco Ltd.
19) GSPL India Gasnet Ltd.
20) IndianOil Adani Gas Pvt. Ltd.
21) Petroleum India International - AOP (An Associate)

B) Details of Joint Ventures (Unincorporated)

1) MN-OSN-2000/2
2) AA-ONN-2001/2
3) MB-OSN-2004/1
4) MB-OSN-2004/2
5) KG-DWN-2005/1
6) GK-OSN-2009/1
7) GK-OSN-2009/2
8) CB-ONN-2010/6
9) AAP-ON-94/1
10) BK-CBM-2001/1
11) NK-CBM-2001/1
12) FARSI BLOCK IRAN
13) LIBYA BLOCK 86
14) LIBYA BLOCK 102/4
15) SHAKTHI GABON
16) YEMEN 82
17) YEMEN 83
18) AREA 95-96

C) Whole-time Directors

1) Shri R.S.Butola
2) Dr. R.K.Malhotra
3) Shri Sudhir Bhalla
4) Shri A.M.K.Sinha
5) Shri P.K.Goyal
6) Shri R.K.Ghosh
7) Shri Makarand Nene
8) Shri V.S. Okhde

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

A) Details relating to parties referred to in item number 1(A) & 1(B) above:

(` in Crore)

		2013-14	2012-13
i)	**Sales**	**733.94**	665.00
	[Mainly Includes sales to IndianOil Petronas Pvt. Ltd. ` **501.71 crore** (2012-13 : ` 513.77 crore), Lubrizol India Pvt. Ltd. ` **150.17 crore** (2012-13 : ` 149.19 crore) and Indian Synthetic Rubber Ltd. ` **80.69 crore** (2012-13 : ` NIL)]		
ii)	**Interest received**	**1.65**	0.84
	[Mainly includes interest received from Indian Synthetic Rubber Ltd. ` **1.64 crore** (2012-13 : ` 0.76 crore)]		
iii)	**Consultancy Services/Other Income**	**89.06**	135.91
	[Mainly includes Consultancy Service/Other Income from IndianOil Petronas Pvt. Ltd. ` **33.58 crore** (2012-13 : ` 9.13 crore), Petronet LNG Ltd. ` **27.91 crore** (2012-13 : ` 27.12 crore) and Indian Synthetic Rubber Ltd. ` **9.76 crore** ( 2012-13: ` 6.02 crore)]		
iv)	**Purchase of Products**	**13,196.63**	11,027.08
	[Mainly includes Purchase of Products from Petronet LNG Ltd. ` **13,124.93 crore** (2012-13 : ` 10,971.44 crore)]		

Contd...

(` in Crore)

		2013-14	2012-13
v)	**Purchase of Chemicals/materials**	**328.76**	291.46
	[Mainly includes Purchase of chemicals /materials from Lubrizol India Pvt. Ltd ` **328.75 crore** (2012-13 : ` 291.46 crore)].		
vi)	**Handling Expenses**	**526.01**	443.37
	[Mainly includes Handling Expenses to Indian Oil Petronas Pvt Ltd ` **266.12 crore** (2012-13: ` 249.86 crore) and IndianOil Sky Tanking Ltd ` **231.88 crore** (2012-13: ` 178.07)]		
vii)	**Freight Expenses**	**0.52**	0.37
	[Freight Expenses to Lubrizol India Pvt Ltd ` **0.52 crore** (2012-13 : ` 0.37 crore)]		
viii)	**Exploration & Production Expenses**	**271.83**	209.04
	[Mainly includes Exploration & Production Expenses to KG-DWN-2005/1 ` **153.89 crore** (2012-13: ` 7.28 crore) and ShakthiGabon ` **50.94 crore** (2012-13: ` 30.14 crore)]		
ix)	**Reimbursement of Expenses**	**4.19**	4.85
	[Mainly includes Reimbursement of Expenses to Indian Oil Petronas Pvt. Ltd. ` **2.76 crore** (2012-13 : ` **2.67 crore**), IndianOil Adani Gas Pvt. Ltd. ` **0.49 crore** (2012-13: ` NIL) and Lubrizol India Pvt Ltd ` **0.48 crore** (2012-13 : ` 0.32 crore)]		
x)	**Investments made during the year**	**186.58**	60.83
	[Includes Investment made in IOT Infrastructure Energy Services Ltd. ` **144.21 crore** (2012-13 ` NIL), GSPL India Gasnet Ltd. ` **20.60 crore** (2012-13: ` 15.03 crore) and GSPL India Transco Ltd. ` **19.87 crore** (2012-13: ` 10.03 crore)]		
xi)	**Purchase/Acquisition of Fixed Assets including CWIP**	**146.06**	225.78
	[Purchase/Acquisition of Fixed Assets incl. CWIP from IOT Infrastructure Energy Services Ltd ` **82.08 crore** (2012-13 : ` 112.20 crore) and AREA 95-96 ` **61.00 crore** (2012-13 : ` 24.43 crore)]		
xii)	**Provisions made/(written off) during the year**	**-**	0.03
	[Includes provision made against advance given to Petronet VK Ltd. ` **NIL** (2012-13: ` 0.03 crore)]		
xiii)	**Outstanding Receivables/ Loans Recoverable**	**317.25**	162.79
	[Mainly includes Outstanding Receivables/ Loans Recoverable from Suntera Nigeria 205 Ltd ` **96.27 crore** (2012-13: ` 75.58 crore), Petronet LNG Ltd. ` **84.37 crore** (2012-13 : ` 1.10 crore), Indian Synthetic Rubber Ltd. ` **59.40 crore** (2012-13: ` 4.11 crore) and IndianOil Petronas Pvt. Ltd. ` **37.97 crore** (2012-13 : ` 58.42 crore)]		
xiv)	**Outstanding Payables**	**836.61**	910.46
	[Mainly includes Outstanding payable to Petronet LNG. Ltd. ` **618.63 crore** (2012-13 : ` 684.07 crore) and IOT Infrastructure Energy Services Ltd. ` **84.60 crore** (2012-13 : ` 63.06 crore)]		
xv)	**Investments in Joint Venture Entities/ Associates as on 31.03.2014**	**1,013.27**	833.39

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

(` in Crore)

FY 2013-14 **B.1) Details of Whole-time Directors**	**Remuneration**	**Interest & Furniture Hire Charges**	**Outstanding loans/advances receivables**
1) Shri R.S. Butola	0.47	-	-
2) Dr. R.K.Malhotra	0.52	-	-
3) Shri Sudhir Bhalla	0.49	-	0.04
4) Shri A.M.K. Sinha	0.53	-	-
5) Shri P.K. Goyal	0.42	-	-
6) Shri R.K. Ghosh	0.43	-	0.04
7) Shri Makarand Nene	0.56	-	-
8) Shri V.S. Okhde	0.42	-	-
TOTAL	**3.84**	**-**	**0.08**

FY 2012-13 **B.1) Details of Whole-time Directors**	**Remuneration**	**Interest & Furniture Hire Charges**	**Outstanding loans/advances receivables**
1) Shri R.S. Butola	0.54	-	-
2) Dr. R.K. Malhotra	0.54	-	-
3) Shri Sudhir Bhalla	1.37	-	0.05
4) Shri A.M.K. Sinha	0.46	-	-
5) Shri P.K. Goyal	0.46	-	0.02
6) Shri R.K. Ghosh	0.41	-	0.06
7) Shri Makarand Nene	0.44	-	-
8) Shri V.S. Okhde	0.34	-	-
TOTAL	**4.56**	**-**	**0.13**

Notes:

1) This does not include the impact of provision made on acturial valuation of retirement benefit Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors.

2) In addition, whole - time Directors are also allowed the use of Corporation's car for private purposes upto 12,000 kms per annum on a payment of ` 520/- per mensem for car less than 16 hp or `780/- per mensem for car of above 16 hp as specified in the terms of appointment.

3) No disclosure is required for Subsidiary Companies which can be treated as state controlled enterprises '(i.e. ownership by Central/State Govt, directly or indirectly, of more than 50% of voting rights, shall be treated as state controlled enterprise)

4) In case of Joint Venture Companies constituted/acquired during the period, transactions w.e.f. date of constitution/acquisition is disclosed.

5) In case of Joint Venture Companies which have been closed/divested during the period, transactions upto the date of closure/disinvestment only are disclosed.

NOTE - 32: LEASES

Disclosure as required under Accounting Standard – 19 on "Leases":

FINANCE LEASES:

a) As Lessee

Company has entered into BOOT agreement with IOT Utkal in respect of Tankages facility for a period of 15 years.

A. Disclosure under Finance Lease as Lessee:

(` in Crore)

	Particulars	March-14	March-13
i)	**Minimum lease payments:**		
	- Not later than one year	420.59	-
	- Later than one year and not later than five years	1,682.36	-
	- Later than five years	4,030.64	-
	Total	**6,133.59**	**-**
ii)	**Present value of minimum lease payments:**		
	- Not later than one year	396.56	-
	- Later than one year and not later than five years	1,215.45	-
	- Later than five years	1,437.14	-
	Total	**3,049.15**	**-**
	Add: Future Finance Charges	**3,084.44**	**-**
	Total	**6,133.59**	**-**
B.	Lessor will transfer ownership to IOCL after 15 Years at Nil value.		
C.	The Net Carrying amount of the assets acquired under Finance Lease included in Note – 10, 11 & 12		
	Plant & Equipment- Tangible Assets	1,875.60	-
	Plant & Equipment- Capital Work in Progress	1,173.80	-
		3,049.40	**-**

b) As Lessors

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

(` in Crore)

	Particulars	March-14	March-13
A.	**Gross Investments in Finance Lease**	**415.64**	**415.64**
	Less: Unearned Finance Income	2.11	3.01
	Less: Finance Income Received	169.04	168.14
	Less: Minimum Lease payment received	237.15	235.61
	Net Investment in Finance Lease as on Date	**7.34**	**8.88**
B.	Unearned finance Income	2.11	3.01
C.	Present Value of Minimum Lease Payments Receivable		
	Not Later than one year	1.68	1.54
	Later than one year and not later than five years	5.50	6.71
	Later than Five years	0.16	0.63
	Total :	**7.34**	**8.88**
D.	Break-up of un-earned income		
	Not Later than one year	0.75	0.90
	Later than one year and not later than five years	1.34	2.02
	Later than Five years	0.02	0.09
	Total	**2.11**	**3.01**

Contd...

Operating leases:

a) As Lessee

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

(` in Crore)

	Particulars	March-14	March-13
A.	Lease rentals recognized during the period	**172.93**	71.87
B.	Lease Obligations		
	- Not later than one Year	**170.37**	156.98
	- Later than one year and not later than five years	**627.53**	629.49
	- Later than five years	**1,450.59**	1,606.76

These relate to leases in respect of Port facilities at Gujarat,storage tankage facilities for petroleum products and BOO contract for Nitrogen and Hydrogen Plant.

(ii) The company has taken certain assets (including office/residential premises) on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements. During the year ` **71.57 crore** (2013: ` 57.80 crore) had been paid towards cancellable Operating Lease.

b) As Lessor

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

(` in Crore)

	Particulars	March-14	March-13
A.	Lease rentals recognized as income during the period	**7.13**	8.77
B.	Lease Rentals		
	(Category of assets – Plant & Equipment)		
	- Gross Carrying Amount	**21.40**	24.76
	- Accumulated Depreciation	**19.17**	20.83
	- Depreciation recognized in Profit and Loss Account	**0.59**	0.93

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

NOTE - 33: EARNINGS PER SHARE (EPS)

[Item No. 10, Page No. 101]

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

Particulars	March-14	March-13
Profit (` in Crore)	**7,019.09**	5,005.17
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	**2,42,79,52,482**	2,42,79,52,482
Earning Per Share (Basic and Diluted) (`)	**28.91**	20.61
Face value per share (`)	**10/-**	10/-

NOTE - 34: INTEREST IN JOINT VENTURES

In compliance of AS-27, " Financial Reporting of Interest in Joint Ventures", the required information is as under:

1) Disclosure of Interest in the following categories of Joint Ventures:

(a) Jointly Controlled Operations:-

The Corporation has entered into production sharing agreements for oil and gas exploration blocks with the Govt. of India and other body corporates. These joint ventures are:

Name	Participating Interest of IOC (%)	
	31.03.2014	31.03.2013
IN INDIA		
Under NELP Block		
MN-OSN-2000/2	**20.00**	20.00
AA-ONN-2001/2	**20.00**	20.00
MB-OSN-2004/1	**20.00**	20.00
MB-OSN-2004/2	**20.00**	20.00
KG-DWN-2005/1	**20.00**	20.00
GK-OSN-2009/1	**20.00**	20.00
GK-OSN-2009/2	**30.00**	30.00
CB-ONN-2010/6	**20.00**	20.00

Contd...

Name	Participating Interest of IOC (%)	
	31.03.2014	31.03.2013
Others		
AAP-ON-94/1	43.55	43.55
BK-CBM-2001/1	20.00	20.00
NK-CBM-2001/1	20.00	20.00
OUTSIDE INDIA		
FARSI BLOCK IRAN	40.00	40.00
LIBYA BLOCK 86	50.00	50.00
LIBYA BLOCK 102/4	50.00	50.00
SHAKTHI GABON*	50.00	50.00
YEMEN 82	15.00	15.00
YEMEN 83	15.00	15.00
AREA 95-96	25.00	25.00

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

(b) Jointly Controlled Assets:-

IOC's share in jointly controlled/ owned assets have been shown in Note 10 **"Tangible Assets"**. IOC's Share in aggregate of Contingent Liabilities and Capital Commitments of Jointly Controlled Assets is **NIL** as on 31.03.2014 (2013: NIL).

(c) Jointly Controlled Entities:-

Name	Country of Incorporation	Ownership Interest of IOC(%)	
		31.03.2014	31.03.2013
(i) IOT Infrastructure Energy Services Ltd	India	**47.94**	47.91
(ii) Lubrizol India Pvt. Ltd.	India	**50.00**	50.00
(iii) Petronet VK Ltd.	India	**26.00**	26.00
(iv) Petronet CI Ltd.	India	**26.00**	26.00
(v) IndianOil SkyTanking Ltd.	India	**33.33**	33.33
(vi) Delhi Aviation Fuel Facility Pvt. Ltd.	India	**37.00**	37.00
(vii) IndianOil Petronas Pvt.Ltd.	India	**50.00**	50.00
(viii) Suntera Nigeria 205 Ltd	Nigeria	**25.00**	25.00
(ix) IndianOil Panipat Power Consortium Ltd.	India	**50.00**	50.00
(x) Avi-Oil India Pvt. Ltd.	India	**25.00**	25.00
(xi) Petronet India Ltd.	India	**18.00**	18.00
(xii) Petronet LNG Ltd.	India	**12.50**	12.50
(xiii) Indian Synthetic Rubber Limited	India	**50.00**	50.00
(xiv) Indian Oil Ruchi Biofuels LLP	India	**50.00**	50.00
(xv) Green Gas Ltd.	India	**22.50**	22.50
(xvi) NPCIL IndianOil Nuclear Energy Corporation Limited	India	**26.00**	26.00
(xvii) GSPL India Transco Ltd.	India	**26.00**	20.65
(xviii) GSPL India Gasnet Ltd.	India	**26.00**	22.16
(xix) IndianOil Adani Gas Pvt. Ltd.	India	**50.00**	-
(xx) Indo Cat Pvt. Ltd.*	India	-	50.00

*Indo Cat Private Limited became 100% subsidiary during the year which was a Joint Venture company in previous year

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

(` in Crore)

	Jointly Controlled Entities		Jointly Controlled Operations*	
	31.03.2014	**31.03.2013**	**31.03.2014**	**31.03.2013**
(i) Assets				
- Long Term Assets	**3,985.66**	3,746.38	**353.00**	288.44
- Current Assets	**2,471.99**	2,347.67	**13.67**	2.47
(ii) Liabilities				
- Current Liabilities and Provisions	**1,998.80**	1,891.86	**66.82**	100.51
- Other Liabilities	**2,497.45**	2,346.30	**-**	-
(iii) Income	**7,334.82**	6,636.48	**-**	-
(iv) Expenses	**7,236.29**	6,183.98	**271.28**	200.83
(v) Contingent Liabilities	**299.24**	193.25	**21.20**	19.22
(vi) Capital Commitments	**461.81**	386.97	**1,475.17**	1,007.68

*Unaudited

NOTE - 35: EXPOSURE TO FINANCIAL AND COMMODITY DERIVATIVES

Financial and Derivative Instruments:

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

2. **The Derivative contracts entered into by the Company and outstanding as on 31st March 2014 are as below:**

   (a) For Hedging Currency Risks

   Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31st March 2014 is given below:

(` in Crore)

S. No.	Particulars	Unit of Currency	As on 31.03.2014		As on 31.03.2013	
			No of contracts	Aggregate amount	No of contracts	Aggregate amount
1.	Forward Contracts for Import and Export	USD	0	0	4	217.26

   (b) For Hedging Commodity Related Risks:

   Category–wise quantitative data about commodity derivative transactions that are outstanding as on 31st March 2014 is given below:

Quantity (in '000 bbls)

S. No.	Particulars	As at 31st March 2014	As at 31st March 2013
1.	Swaps on Crude oil	700	50
2.	Margin Hedging	8,000	200

   (c) For Hedging Interest Rate Related Risks:

   Interest rate swap for ` **2,996.00 crore** (2013: ` 2,714.50 crore) - (USD 500 million) syndicated loan (swap from 6 month USD LIBOR till maturity to 2.222% Fixed)

S. No.	Particulars	Number of Contracts	
		As at 31st March 2014	As at 31st March 2013
1	Interest Rate Swap	1	1

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

3. **Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2014 is given below:**

(` in Crore)

S. No.	Particulars	As on 31.03.2014	As on 31.03.2013
		Aggregate amount	Aggregate amount
1	Unhedged*	81,823.50	64,414.35

   **including cross currency swaps amounting to ` **1,950.84 crore** (2013: ` 1,767.54 crore)*

4. As on 29th August 2013 RBI announced a forex swap window for public sector oil companies for meeting its daily US dollar requirements by undertaking sell-buy swap thru Designated Bank which in turn will do back to back swap with IOCL. In the first leg (spot) IOCL bought dollars from RBI through the designated bank at that day's RBI reference rate. The second leg of the swap (forward sale contracts) was priced at rates used for the first leg plus prevailing USD/INR premium for the swap tenor and at the time of expiry of the second leg, IOC was required to repay dollars through the designated Bank and receive equivalent rupee amount. Subsequently w.e.f 1st November 2013, RBI allowed IOC to book forwards for the return leg of the swaps undertaken. The company started booking return leg from 5th November 2013 and completed the total return leg of the transactions on 7th March 2014 for balance maturity period of various transactions. Summary of transactions is given below:

S.No.	Particulars	Transactions entered during FY 2013-14			Outstanding maturities as on 31.03.2014		
		No. of contracts	Aggregate amount		No. of Contracts	Aggregate amount	
			USD in million	INR in crore		USD in million	INR in crore
1.	Forward Sale Contracts (Second leg)	49	8,022	52,611.08	29	4,397	26,346.82
2	Forward purchse contracts (Return leg)	112	8,022	50,590.77	51	4,397	26,346.82

NOTE – 36: DISCLOSURES AS REQUIRED BY CLAUSE 32 OF THE LISTING AGREEMENT

In compliance of amended clause 32 of the Listing Agreement with the Stock Exchanges, the required information is given as under:

(` in Crore)

		Amount as on		Maximum Amount outstanding during the year ended	
		31.03.2014	31.03.2013	**31.03.2014**	31.03.2013
I.	**Loans and Advances in the nature of loans:**				
	A) To Subsidiary Companies	-	-	-	-
	B) To Associates /Joint Venture				
	(i) Petronet V. K. Ltd. (No repayment schedule available)	**0.50**	0.50	**0.50**	0.50
	(ii) Suntera Nigeria 205 Ltd.	**96.27**	75.58	**96.27**	75.58
	C) To Firms/Companies in which directors are interested	**-**	-	**-**	-
	D) Where there is no repayment schedule or repayment beyond seven year or no interest or interest below section 372A of Companies Act	-	-	-	-
II.	**Investment by the loanee (as detailed above) in the shares of IOC and its subsidiaries**	**-**	-	**-**	-

NOTE - 37: DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

The dues to Micro, Small and Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

(` in Crore)

Particulars	**March-14**	March-13
Amount due and Payable at the year end		
- Principal	**23.10**	27.29
- Interest on above Principal	**0.03**	0.01
Payments made during the year after the due date		
- Principal	**4.68**	6.21
- Interest	**0.68**	0.01
Interest due and payable for principals already paid	**0.08**	0.09
Total Interest accrued and remained unpaid at year end	**0.11**	0.10

NOTE - 38: RESEARCH AND DEVELOPMENT EXPENDITURE

Research and Development Expenses of ` **78.32 crore** (2013: ` 81.40 crore) have been capitalized and ` **174.40 crore** (2013 : ` 167.66 crore) have been accounted for in the Statement of Profit and Loss during the year. Detailed break up of total expenditure is as under:

A. CAPITAL EXPENSES (FIXED ASSETS)

(` in Crore)

	Asset Block	Gross Block as at 01.04.2013	Additions during the year	Transferred from CWIP	Transfer/Deduction/Disposal during the year	Gross Block as at 31.03.2014	Work-in-Progress as on 01.04.2013	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as on 31.03.2014	Total Capital Expenditure
1	2	3	4	5	6	7 = (3+4+5-6)	8	9	10	11 = (8+9-10)	12=(4+5+11-8)
(a)	FIXED ASSETS										
1	Land - Free Hold	0.81	-	-	-	0.81	-	-	-	-	**-**
2	Building, Roads etc.	117.48	1.52	5.75	20.27	104.48	8.59	1.18	5.75	4.02	**2.70**
3	Plant & Equipment	634.11	30.63	36.30	8.79	692.25	27.76	38.93	36.36	30.33	**69.50**
4	Office Equipment	29.90	2.69	0.06	(6.54)	39.19	-	-	-	-	**2.75**
5	Transport Equipments	0.73	0.11	-	0.01	0.83	-	-	-	-	**0.11**
6	Furniture & Fixtures	8.21	2.70	-	(5.64)	16.55	-	-	-	-	**2.70**
7	Drainage & Sewage	0.61	-	-	-	0.61	-	-	-	-	**-**
	Sub Total :	**791.85**	**37.65**	**42.11**	**16.89**	**854.72**	**36.35**	**40.11**	**42.11**	**34.35**	**77.76**
(b)	INTANGIBLE ASSETS										
1	Right of way	-	-	-	-	-	-	-	-	-	-
2	Licenses / Technical Know-how	-	0.30	-	-	0.30	-	-	-	-	0.30
3	Computer Software	8.40	0.02	0.24	-	8.66	-	0.24	0.24	-	0.26
	Sub Total :	**8.40**	**0.32**	**0.24**	**-**	**8.96**	**-**	**0.24**	**0.24**	**-**	**0.56**
	TOTAL :	**800.25**	**37.97**	**42.35**	**16.89**	**863.68**	**36.35**	**40.35**	**42.35**	**34.35**	**78.32**
	Previous year :	**727.92**	**55.36**	**22.18**	**5.21**	**800.25**	**32.49**	**26.03**	**22.17**	**36.35**	**81.40**

B. RECURRING EXPENSES

(` in Crore)

	Particulars	2013-14	2012-13
1	Consumption of Stores, Spares	**9.34**	10.26
2	Repairs & Maintenance		
	(a) Plant & Machinery	**9.38**	6.34
	(b) Building	**4.87**	5.53
	(c) Others	**0.76**	0.32
3	Freight, Transportation Charges & demurrage	**0.10**	0.11
4	Payment to and Provisions for employees	**91.86**	98.54
5	Office Administration, Selling and Other Expenses	**58.09**	46.56
6	Interest	**-**	-
	TOTAL	**174.40**	167.66

C. TOTAL RESEARCH EXPENSES

(` in Crore)

	Particulars	2013-14	2012-13
1	Capital Expenditure	**78.32**	81.40
2	Recurring Expenditure	**174.40**	167.66
	TOTAL	**252.72**	**249.06**

NOTE - 39: DISCLOSURE RELATING TO CERTIFIED EMISSION REDUCTIONS

The disclosure in respect of self-generated Certified Emission Reductions (CERs) is as under :

Particulars	March'14	March'13
No. of CERs held as inventory	**2,693**	-
No. of CERs under certification	**74,045**	-
Depreciation and Operating and Maintenance costs of Emission Reduction Equipments expensed during the year (` in crore)	**15.13**	-

Stores and Spares etc. in Note 17-inventories includes CER rights valuing ` 30,249.

NOTE - 40: LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

(Figures in Lakh)

		UNIT		Licensed Capacity (Refer Note A)		Installed Capacity (Refer Note B)		Actual Production	
				March'14	March'13	**March'14**	March'13	**March'14**	March'13
i)	Crude Processing	MTs		**518.50**	518.50	**542.00**	542.00	**472.47**	485.61 (Refer Note C)
ii)	Lubricating Oil	MTs	Note D	**4.71**	4.71	**4.64**	4.64	**4.39**	4.20
			Note E	**1.46**	1.46	**0.34**	0.34	**0.35**	0.31
iii)	Wax/Bitumen/Asphalt Lube Oil Drums	Nos.		**15.00**	15.00	**15.00**	15.00	**4.12**	3.61
iv)	Propylene Recovery Unit	MTs		**0.24**	0.24	**0.24**	0.24	**0.10**	0.18
v)	MTBE Unit	MTs		**0.37**	0.37	**0.37**	0.37	**0.31**	0.24
vi)	Naptha Cracker plant	MTs		**14.60**	14.60	**14.60**	14.60	**15.52**	14.40
vii)	LAB Plant	MTs		**1.20**	1.20	**1.20**	1.20	**1.03**	1.19
viii)	PX/PTA Plant	MTs		**5.53**	5.53	**5.53**	5.53	**3.88**	5.67
ix)	Cryocontainer & Accessories	Nos.		**0.13**	0.13	**0.17**	0.17	**0.24**	0.17
x)	Site Mixed Slurry Explosives	MTs		**1.37**	0.94	**1.37**	0.68	**0.85**	0.80

A. i) Licensed Capacity of 6.50 lakh MT for Digboi Refinery is not specified and there is variance vis –a- vis installed capacity of 12.00 lakh MT & 5.00 lakh MT for Gujarat & Mathura Refinery respectively.

ii) Capacity for projects under construction not considered.

B. As certified by the Management.

C. i) Represents finished petroleum products.

ii) Excludes crude processed in secondary units for other companies/refiners

D. Per year operating in single shift.

E. Per year operating in two shifts.

NOTE - 41: FINISHED PRODUCTS - QUANTITY AND VALUE PARTICULARS

		Opening Stock		Purchases		Sales		Closing Stock	
		Quantity (MTs/ MMBTUs/Nos) in lakh	Value (` in crore)	Quantity (MTs/ MMBTUs/Nos) in lakh	Value (` in crore)	Quantity (MTs/ MMBTUs/Nos) in lakh	Value (` in crore)	Quantity (MTs/ MMBTUs/Nos) in lakh	Value (` in crore)
A.									
Petroleum Products :	MTs								
Year ended 31.03.14		**57.88**	**25,790.60**	**318.31**	**1,87,062.28**	**791.67**	**4,25,312.05**	**54.48**	**27,112.70**
Year ended 31.03.13		49.02	21,198.25	332.88	1,81,816.33	805.74	3,87,901.09	57.88	25,790.60
Lubricants & Greases :	MTs								
Year ended 31.03.14		**0.38**	**400.22**	**0.00**	**4.06**	**4.77**	**7,719.69**	**0.36**	**396.49**
Year ended 31.03.13		0.44	433.79	0.01	19.45	4.55	7,245.63	0.38	400.22
Crude Oil :	MTs								
Year ended 31.03.14		**0.00**	**0.00**	**0.68**	**292.30**	**0.68**	**292.30**	**0.00**	**0.00**
Year ended 31.03.13		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Base Oil & Additives :	MTs								
Year ended 31.03.14		**0.02**	**17.01**	**0.22**	**160.09**	**0.53**	**447.46**	**0.00**	**0.00**
Year ended 31.03.13		0.04	27.95	0.33	232.09	0.61	513.02	0.02	17.01
LAB :	MTs								
Year ended 31.03.14		**0.07**	**56.65**	**0.00**	**4.22**	**1.07**	**1,552.46**	**0.05**	**48.29**
Year ended 31.03.13		0.11	92.06	0.00	0.00	1.26	1,617.38	0.07	56.65
PX/PTA	MTs								
Year ended 31.03.14		**0.28**	**147.90**	**0.00**	**0.00**	**4.08**	**2,934.21**	**0.08**	**44.61**
Year ended 31.03.13		0.18	99.40	0.00	0.00	5.57	3,956.92	0.28	147.90
Polymer	MTs								
Year ended 31.03.14		**0.84**	**745.54**	**0.00**	**0.00**	**10.95**	**12,225.81**	**0.63**	**665.40**
Year ended 31.03.13		0.43	385.95	0.00	0.00	9.31	8,861.17	0.84	745.54
MEG/DEG/TEG	MTs								
Year ended 31.03.14		**0.16**	**94.82**	**0.00**	**0.00**	**3.30**	**2,356.58**	**0.04**	**32.23**
Year ended 31.03.13		0.16	89.45	0.00	0.00	3.14	2,063.95	0.16	94.82
Other Petrochemicals Product	MTs								
Year ended 31.03.14		**0.56**	**255.86**	**0.00**	**0.00**	**1.76**	**1,507.60**	**0.56**	**348.70**
Year ended 31.03.13		0.20	106.71	0.00	0.00	1.50	1,112.83	0.56	255.86
SUB TOTAL (A):									
Year ended 31.03.14		**60.19**	**27,508.60**	**319.21**	**1,87,522.95**	**818.81**	**4,54,348.16**	**56.20**	**28,648.42**
Year ended 31.03.13		50.58	22,433.56	333.22	1,82,067.87	831.68	4,13,271.99	60.19	27,508.60
B.									
Gas :	MMBTUs								
Year ended 31.03.14		**0.43**	**2.94**	**996.45**	**8,714.20**	**996.47**	**8,927.30**	**0.41**	**3.56**
Year ended 31.03.13		0.59	2.93	942.47	6,114.33	942.63	6,262.69	0.43	2.94
Explosives :	MTs								
Year ended 31.03.14		**0.00**	**0.00**	**0.00**	**0.00**	**0.85**	**300.41**	**0.00**	**0.00**
Year ended 31.03.13		0.00	0.00	0.00	0.00	0.80	260.88	0.00	0.00
Cryocontainers/Cryovessels:	Nos								
Year ended 31.03.14		**0.02**	**3.34**	**0.00**	**0.00**	**0.24**	**38.95**	**0.02**	**4.89**
Year ended 31.03.13		0.03	4.98	0.00	0.00	0.18	31.04	0.02	3.34
SUB TOTAL (B) :									
Year ended 31.03.14			**6.28**		**8,714.20**		**9,266.66**		**8.45**
Year ended 31.03.13			7.91		6,114.33		6,554.61		6.28
GRAND TOTAL (A+B):									
Year ended 31.03.14			**27,514.88**		**1,96,237.15**		**4,63,614.82**		**28,656.87**
Year ended 31.03.13			22,441.47		1,88,182.20		4,19,826.60		27,514.88

Note:

Purchase values are net of discounts on Crude Oil/Products. (Refer Foot Note B2 of Note 20)

NOTE - 42: WIP - QUANTITY AND VALUE PARTICULARS

		Opening Stock		Closing Stock	
		Quantity (MTs/Nos.) in lakh	Value (` in crore)	Quantity (MTs/Nos.) in lakh	Value (` in crore)
A.					
1 Petroleum Products :	MTs				
Year ended 31.03.14		**11.99**	**4,929.75**	**10.87**	**4,863.43**
Year ended 31.03.13		11.99	4,494.70	11.99	4,929.75
2 Lubricants & Greases :	MTs				
Year ended 31.03.14		**0.00**	**0.27**	**0.00**	**0.53**
Year ended 31.03.13		0.00	1.20	0.00	0.27
3 LAB :	MTs				
Year ended 31.03.14		**0.02**	**10.45**	**0.02**	**11.43**
Year ended 31.03.13		0.02	13.58	0.02	10.45
4 PX/PTA	MTs				
Year ended 31.03.14		**0.37**	**205.14**	**0.45**	**286.69**
Year ended 31.03.13		0.55	328.09	0.37	205.14
5 MEG/DEG/TEG	MTs				
Year ended 31.03.14		**0.00**	**0.00**	**0.00**	**0.00**
Year ended 31.03.13		0.01	3.27	0.00	0.00
6 Other Petrochemicals Product	MTs				
Year ended 31.03.14		**0.58**	**297.23**	**0.55**	**290.07**
Year ended 31.03.13		0.77	455.98	0.58	297.23
SUB TOTAL(A) :	MTs				
Year ended 31.03.14		**12.96**	**5,442.84**	**11.89**	**5,452.15**
Year ended 31.03.13		13.34	5,296.82	12.96	5,442.84
B.					
1 Explosives :	MTs				
Year ended 31.03.14		**0.01**	**1.85**	**0.01**	**2.96**
Year ended 31.03.13		0.01	2.21	0.01	1.85
2 Cryocontainers/Cryovessels:	Nos				
Year ended 31.03.14		**0.02**	**4.45**	**0.03**	**5.04**
Year ended 31.03.13		0.01	3.49	0.02	4.45
SUB TOTAL(B) :					
Year ended 31.03.14			**6.30**		**8.00**
Year ended 31.03.13			5.70		6.30
GRAND TOTAL(A+B) :					
Year ended 31.03.14			**5,449.14**		**5,460.15**
Year ended 31.03.13			5,302.52		5,449.14

NOTE - 43: CONSUMPTION PARTICULARS OF RAW MATERIALS, STEEL COILS/SHEETS/ STORES/SPARE PARTS AND COMPONENTS

	Imported		Indigenous		Quantity	Total
	Value (` in Crore)	% to total consumption	Value (` in Crore)	% to total consumption	MTs (in Lakh)	(` in Crore)
March-14						
Crude Oil	**2,02,033.16**	**91**	**19,975.98**	**9**	**530.95**	**2,22,009.14**
Base Oil	**11.08**	**0**	**2,542.25**	**100**	**4.25**	**2,553.33**
Ethanol	**0.00**	**0**	**614.13**	**100**	**1.38**	**614.13**
BENZENE	**0.00**	**0**	**99.18**	**100**	**0.14**	**99.18**
Natural Gas/RLNG	**0.00**	**0**	**1,983.24**	**100**	**4.18**	**1,983.24**
Additives	**93.25**	**14**	**560.17**	**86**	**0.50**	**653.42**
Packing Materials Consumed	**0.00**	**0**	**457.06**	**100**	**-**	**457.06**
Steel Coils / Sheets / Stores / Component and Spare Parts	**457.49**	**24**	**1,480.51**	**76**	**-**	**1,938.00**
Raw Material for Explosives	**0.98**	**1**	**170.01**	**99**	**0.67**	**170.99**
Others	**1.45**	**2**	**79.80**	**98**	-	81.25
March-13						
Crude Oil	1,91,641.45	89	24,452.22	11	543.68	2,16,093.67
Base Oil	3.21	0	2,395.19	100	4.01	2,398.40
Ethanol	0.00	0	323.74	100	0.98	323.74
BENZENE	0.00	0	98.30	100	0.16	98.30
Natural Gas/RLNG	0.00	0	1,452.45	100	3.98	1,452.45
Additives	76.34	12	544.75	88	0.49	621.09
Packing Materials Consumed	0.00	0	439.38	100	-	439.38
Steel Coils / Sheets / Stores / Component and Spare Parts	463.33	28	1,196.93	72	-	1,660.26
Raw Material for Explosives	42.35	30	98.96	70	0.63	141.31
Others	1.38	3	41.34	97	-	42.72

1. Consumption excludes value adjustments if any, shown under items pertaining to the prior period.
2. Consumption includes Indigenous Base Oil, additives & Benzene of ` **1,152.68 crore** (2013: ` 1,427.63 crore) which is internally produced.

NOTE - 44: EXPENDITURE IN FOREIGN CURRENCY FOR ROYALTY, KNOW-HOW, PROFESSIONAL & CONSULTATION FEES, GOODS FOR RESALE, INTEREST, DIVIDEND & OTHER MATTERS

(` in Crore)

			March-14	March-13
1.	Royalty		**-**	3.59
2.	Professional, Consultation Fees and Technical Service Fees		**196.47**	225.06
3.	Interest		**470.55**	453.12
4.	Purchase of Products		**21,413.61**	21,289.48
5.	Commodity Hedging		**16.50**	0.61
6	Others	A	**4,189.36**	4,378.44
	TOTAL		**26,286.49**	26,350.30

A. Includes ` **3,599.08 crore** (2013 : ` 4,029.13 Crore) on account of crude purchases from Indian Companies, payments of which were made in foreign currency.

B. Expenditure in Foreign Currency has been considered on accrual basis.

NOTE - 45: EARNINGS IN FOREIGN EXCHANGE

(` in Crore)

			March-14	March-13
1.	Exports	A	**21,524.67**	18,549.19
2.	Income from Royalty		**0.28**	0.32
3.	Income from Consultancy Services		**-**	2.57
4.	Interest		**-**	-
5.	Commodity Hedging		**48.62**	0.27
6.	Others		**34.56**	6.26
	TOTAL		**21,608.13**	18,558.61

A. Includes ` **3,949.22 crore** (2013 : ` 4,708.66 crore) received in Indian Currency out of the repatriable funds of Foreign Customers and other Export Sales through canalising agencies.

B. Earnings in Foreign Currency has been considered on accrual basis.

NOTE - 46: CIF VALUE OF IMPORTS

(` in Crore)

			March-14	March-13
1.	Crude Oil	A	**2,02,492.47**	1,84,558.65
2.	Base Oil		**9.37**	0.15
3.	Additives		**88.76**	59.71
4.	Capital Goods		**429.31**	1,102.15
5.	Other Raw Materials		**1.63**	25.34
6.	Revenue Stores, Component, Spare and Chemicals		**812.49**	679.52
	TOTAL		**2,03,834.03**	1,86,425.52

A. In addition, Corporation has imported crude oil of ` **39,136.76 crore** (2013 : ` 37,278.72 crore) on behalf of its subsidiary company as canalising agent.

B. Expenditure in Foreign Currency has been considered on accrual basis.

NOTE - 47: OTHER DISCLOSURES

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

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

3 Exceptional items include:-

a) Income of ` 1,581.27 crore arising out of recovery of additional State Specific Surcharge (SSC) towards UP Entry Tax paid in earlier years, in pursuance of MOP&NG Order dated 30.03.2013.

b) Income of ` 534.36 crore arising out of reduction in the interest expense on the arrears of UP Entry Tax by applying interest rate @12% per annum in lieu of varied rates of interest considered in earlier years pursuant to an application made by the Company to Hon'ble Supreme Court of India and disposal of the same by an order passed by the Hon'ble court dated 06-12-2013. The Supreme court in the said order while accepting the prayer of the company stated that the rate of interest shall be determined by the court at the time of disposal of appeal on the constitutional validity of imposition of entry tax by the Govt of Uttar Pradesh.

c) Expenditure of ` 368.83 crore (including interest of ` 205.15 crore) towards Entry Tax from 1999-2000 to 2004-05 due to change in calculation modalities, in line with Hon'ble Allahabad High Court Order dated 26.03.2014.

The net amount of ` 1,746.80 crore considering the accounting effects referred above has been disclosed as exceptional items.

4 On 29th August 2013, RBI announced a forex swap window for public sector oil companies for meeting its daily US dollar requirements. Income of ` 470.25 crore has been accounted as Premium on Forward Contracts and ` 804.64 crore as Exchange Gain (Net) on transactions settled upto 31.03.2014. Net Loss, if any, on all outstanding contracts maturing after 31.03.2014 have been considered.

5 Construction work in progress (Note-12) includes "on account running payment" made against Lump sum EPC contracts, which till last year was classified as Capital Advance (Note-15). In order to make previous period figures comparative, such transaction relating to the year ended 31.03.2013 ` 7,957.20 crore have been recast accordingly.

6 Deposits made against probable contingencies (hitherto partly netted against each other) are now uniformly accounted separately under probable contingencies (Note-7) and deposits (Note-15). In order to make previous period figures comparative, such transaction relating to the year ended 31.03.2013 ` 3,586.86 crore have been recast accordingly.

7 Pending transfer of certain fixed assets to a proposed JV Company, depreciation is being charged. On completion of certain formalities, these assets (Gross Block ` 41.36 crore and WDV ` 12.72 crore as on 31.03.2014) will be transferred by way of sale to the proposed JV Company at a consideration higher than the Written Down Value.

8 In the absence of relevant notification by the Government of India specifying the period and applicable rate at which cess on turnover is payable under section 441A of the Companies Act, 1956, the same is not determinable and hence, not provided for.

9 Previous year's comparative figures have been regrouped wherever necessary. Figures in brackets indicate deductions.

Sd/-
(R. S. Butola)
Chairman

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

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

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

Sd/-
(CA. Pankaj Mangal)
Partner
M. No. 097890

For G M KAPADIA & CO.
Chartered Accountants
(Firm Regn. No. 104767W)

Sd/-
(CA. Rajen Ashar)
Partner
M. No. 048243

For J GUPTA & CO.
Chartered Accountants
(Firm Regn. No. 314010E)

Sd/-
(CA. J N Gupta)
Partner
M. No. 051428

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

Sd/-
(CA. Prakash Sharma)
Partner
M. No. 072332

Place : New Delhi
Date : 29th May, 2014

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2014 ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES

(` in Crore)

Particulars	March-14	March-13
INCOME :		
1. Recovery of House Rent	**7.59**	6.76
2. Recovery of Utilities-Power and Water	**4.52**	4.32
3. Recovery of Transport Charges	**0.26**	0.21
4. Other Recoveries	**7.93**	7.08
5. Excess of Expenditure over Income	**468.60**	422.19
TOTAL :	**488.90**	440.56
EXPENDITURE :		
1. Salaries, Wages and PF & Gratuity Contribution	**155.54**	141.07
2. Consumable Stores and Medicines	**31.12**	27.03
3. Repairs and Maintenance	**110.03**	92.16
4. Interest	**16.77**	14.79
5. Depreciation	**12.65**	12.30
6. Miscellaneous Expenses :		
Taxes, License Fees, Insurance etc.	**36.44**	30.26
7. Utilities-Power, Water and Gas	**99.82**	92.63
8. Rent	**0.99**	0.54
9. Subsidies for Social & Cultural Activities	**17.63**	23.02
10. Bus Hire Charges	**1.81**	1.26
11. Club and Recreation	**0.54**	0.17
12. Others	**5.56**	5.33
TOTAL:	**488.90**	440.56

SCHEDULE OF FIXED ASSETS (TOWNSHIP) FOR THE YEAR ENDED 31st MARCH 2014

(` in Crore)

PARTICULARS	GROSS BLOCK AS ON 01.04.2013 (AT COST)	ADDITIONS DURING THE YEAR (AT COST)	TRANSFERS FROM CONSTRUCTION WORK IN PROGRESS (AT COST)	TRANSFERS/ DEDUCTION/ RECLASSIFICATIONS (AT COST)	GROSS BLOCK AS ON 31.3.2014 (AT COST)	DEPRECIATION/ AMORTISATION PROVIDED DURING THE YEAR	TOTAL DEPRECIATION & AMORTISATION UP TO 31.3.2014	NET DEPRECIATED BLOCK AS ON 31.3.2014	NET DEPRECIATED BLOCK AS ON 31.3.2013
LAND FREEHOLD	39.85	-	-	0.01	39.86	-	-	39.86	39.85
LAND-LEASEHOLD	12.14	-	-	-	12.14	0.15	3.35	8.79	8.94
BUILDINGS, ROADS ETC.	471.53	2.71	1.72	(0.62)	475.34	7.53	118.44	356.90	360.40
PLANT & MACHINERY	39.41	0.55	1.51	(0.36)	41.11	1.37	26.49	14.62	14.13
FURNITURE & FIXTURES	14.12	0.22	0.37	(0.03)	14.68	0.64	7.19	7.49	7.56
DRAINAGE, SEWAGE & WATER SUPPLY SYSTEM	35.12	0.03	-	-	35.15	0.98	29.45	5.70	6.65
EQUIPMENTS & APPLIANCES	41.89	1.56	0.78	(2.16)	42.07	1.95	22.51	19.56	19.61
VEHICLES	7.85	-	0.06	(5.53)	2.38	0.03	2.11	0.27	5.71
GRAND TOTAL :	**661.91**	**5.07**	**4.44**	**(8.69)**	**662.73**	**12.65**	**209.54**	**453.19**	**462.85**
PREVIOUS YEAR :	**630.47**	**17.23**	**17.50**	**(3.29)**	**661.91**	**12.30**	**199.06**	**462.85**	

STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956

	Chennai Petroleum Corporation Limited (CPCL)	IndianOil (Mauritius) Ltd. (IOML)	Lanka IOC PLC (LIOC)	IOC Middle East FZE	IndianOil Creda Biofuels Limited	IOC Sweden AB	IOCL (USA) INC.	Indo Cat Pvt. Ltd.	IndOil Global B.V., Netherlands
1. The extent of holding Company's interest in the subsidiary at the end of the financial year 31.03.2014 :									
- No. of Shares	7,72,65,200	48,82,043	40,00,00,005	2	1,74,49,197	36,89,537	4,29,65,80,467	1,40,12,200	1,11,60,31,500
- Paid up value of Shares (` Crore)	77.27	75.67	194.13	2.30	17.45	256.20	243.36	14.01	6,103.04
- Percentage of Holding Company's interest in the total share capital of the subsidiary (Shares in the Subsidiary Company were registered in the name of the Company and their nominees as indicated)	51.89%	100%	75.12%	100%	74%	100%	100%	100%	100%
2. The net aggregate amount of the profit of the Subsidiary Company not dealt with in the Company's accounts so far as it concerns the members of the holding Company :	` In crore								
- For the financial year ended 31.03.2014	(157.67)	35.22	139.67	2.30	(2.56)	(0.71)	(5.46)	(0.01)	3.37
- For all the previous financial years of the subsidiary	509.10	131.54	19.35	12.62	(1.06)	(2.15)	1.23	(0.81)	-
3. The net aggregate amount of the profit of the Subsidiary Company so far as its profits are dealt with in the Holding Company's accounts :									
- For the financial year ended 31.03.2014	-	5.64	28.01	1.00	-	-	-	-	-
- For all the previous financial years of the subsidiary	710.86	15.62	-	1.95	-	-	-	-	-

Note: Figures in respect of IOML,LIOC, IOC Middle East FZE, IOC Sweden AB, IOCL (USA) INC. and IndOil Global B.V., Netherlands are as converted in Indian currency.

Sd/-	Sd/-	Sd/-
(R. S. Butola)	**(P. K. Goyal)**	**(Raju Ranganathan)**
Chairman	Director (Finance)	Company Secretary

Place : New Delhi
Date : 29th May, 2014

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31st MARCH 2014.

The preparation of financial statements of Indian Oil Corporation Limited for the year ended 31 March 2014 in accordance with the financial reporting frame work prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 619 (2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 29 May 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619 (3) (b) of the Companies Act, 1956 of the financial statements of Indian Oil Corporation Limited for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to the inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619 (4) of the Companies Act, 1956.

For and on the behalf of the
Comptroller and Auditor General of India

Atreyee Das
4/7/14

(Atreyee Das)
Director General of Commercial Audit
& Ex-officio Member, Audit Board-II,
New Delhi

Place : New Delhi
Date : 04.07.2014

Consolidated Financial Statements 2013-14

Indian Oil Corporation Limited


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

We have audited the accompanying consolidated financial statements of Indian Oil Corporation Ltd. (“the Company”), its subsidiaries and its joint ventures (collectively referred to as “the Group”), which comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Consolidated Financial Statements

Management of the Company is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 of error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and presentation of the consolidated financial statements that give a true and fair view 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of separate reports of the other auditors on financial statements / consolidated financial statements of its subsidiaries and joint ventures, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;

b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date, and

c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of 9 subsidiary companies and 12 joint venture entities, whose financial statements reflect total assets (net) of ` 26,335.13 crore as at March 31, 2014, total revenues of ` 61,052.65 crore and net cash inflow of ` 299.89 crore for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us. Financial statements of the entities located outside India are prepared under respective GAAP and audited by local firm of auditors. For the purpose of consolidation, we are furnished with the financial satements prepared and certified by the management under Indian GAAP which are prepared based on audited financial statements prepared under the local GAAP on which we have placed reliance for the purpose of this report. Our opinion, in so far as it relates to the amounts included in respect of such entities in based solely on the reports of the other auditors and the certification of the management with respect to conversion into Indian GAAP.

We have relied on the unaudited financial statements of 3 joint venture entities whose financial statements reflect total assets (net) of ` 3,260.03 crore as at March 31, 2014, total revenues (net) of ` 1,186.72 crore and net cash inflows amounting to ` 79.59 crore for the year ended on that date as considered in the consolidated financial statements. These unaudited financial statements as approved by the respective management of these companies have been furnished to us and our report in so far as it relates to the amount included in respect of the joint venture entities as mentioned above is based solely on such approved unaudited financial statements.

The financial statements of the holding company include the Company’s proprotionate share in jointly controlled assets ` 366.67 crore, liabilities ` 66.82 crore, expenditure ` 271.28 crore and the elements making up the Cash Flow Statement and related disclosures in respect of 18 blocks under New Exploration Licensing Policy (NELPs) / Joint Venture (JVs) account for exploration and production, which are based on statements from the respective operators and have been certified by the management. Our observations thereon are based on such statements from the operators and certification of the management.

Our opinion is not qualified in respect of the above matter.

For DASS GUPTA & ASSOCIATES	**For G M KAPADIA & CO.**	**For J GUPTA & CO.**	**For PARAKH & CO.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 000112N)	(Firm Regn. No. 104767W)	(Firm Regn. No.314010E)	(Firm Regn. No.001475C)
Sd/-	Sd/-	Sd/-	Sd/-
(CA. Pankaj Mangal)	**(CA. Rajen Ashar)**	**(CA. J N Gupta)**	**(CA. Prakash Sharma)**
Partner	Partner	Partner	Partner
M. No.097890	M. No. 048243	M. No. 051428	M. No. 072332

Place : New Delhi
Date : 29th May, 2014

BALANCE SHEET as at 31st March 2014

(` in Crore)

Note	Page	Particulars		March-14	March-13
		EQUITY AND LIABILITIES			
		(1) Shareholders' Funds:			
2	167	(a) Share Capital	**2,427.95**		2,427.95
3	168	(b) Reserves and Surplus	**65,485.07**		60,608.02
				67,913.02	63,035.97
		(2) Share application money pending allotment		**-**	1.20
		(3) Minority Interest		**1,170.56**	1,261.76
		(4) Non-current liabilities			
4	169	(a) Long-term borrowings	**35,865.16**		24,787.51
5	170	(b) Deferred tax liabilities	**6,456.70**		6,332.92
6	171	(c) Other Long-term liabilities	**13,691.59**		11,452.95
7	172	(d) Long-term provisions	**443.34**		420.56
				56,456.79	42,993.94
		(5) Current liabilities			
8	173	(a) Short-term borrowings	**53,067.35**		62,001.93
9	173	(b) Trade payables	**40,711.17**		33,527.58
6	171	(c) Other current liabilities	**20,699.04**		16,989.65
7	172	(d) Short-term provisions	**26,660.69**		21,912.95
				1,41,138.25	1,34,432.11
		TOTAL		**2,66,678.62**	2,41,724.98
		ASSETS			
		(6) Non-current assets			
		(a) Fixed Assets			
10	174	(i) Tangible assets	**71,681.14**		65,791.00
11	174	(ii) Intangible assets	**785.42**		895.91
12	176	(iii) Capital work-in-progress	**37,321.72**		26,645.54
13	177	(iv) Intangible assets under development	**739.18**		594.43
			1,10,527.46		93,926.88
14	178	(b) Non-current investments	**8,566.00**		3,693.83
5	170	(c) Deferred tax assets	**33.86**		0.64
15	179	(d) Long-term loans and advances	**4,944.80**		5,351.95
16	181	(e) Other non-current assets	**1,352.73**		1,281.87
				1,25,424.85	1,04,255.17
		(7) Goodwill on Consolidation		**87.81**	86.95

Contd...

(` in Crore)

Note	Page	Particulars		March-14	March-13
		(8) Current assets			
14	178	(a) Current investments	**7,328.98**		13,656.95
17	182	(b) Inventories	**72,339.39**		66,604.30
18	182	(c) Trade receivables	**12,551.72**		12,502.05
19	183	(d) Cash and Bank Balances	**3,704.52**		1,219.80
15	179	(e) Short-term loans and advances	**42,145.66**		40,266.84
16	181	(f) Other current assets	**3,095.69**		3,132.92
				1,41,165.96	1,37,382.86
		TOTAL		**2,66,678.62**	2,41,724.98
1	166	Principles of Consolidation and Significant Accounting Policies			
2 - 37	167	Notes on Financial Statements			

Sd/-
(R. S. Butola)
Chairman

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

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

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

Sd/-
(CA. Pankaj Mangal)
Partner
M. No. 097890

For G M KAPADIA & CO.
Chartered Accountants
(Firm Regn. No. 104767W)

Sd/-
(CA. Rajen Ashar)
Partner
M. No. 048243

For J GUPTA & CO.
Chartered Accountants
(Firm Regn. No. 314010E)

Sd/-
(CA. J N Gupta)
Partner
M. No. 051428

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

Sd/-
(CA. Prakash Sharma)
Partner
M. No. 072332

Place : New Delhi
Date : 29th May, 2014

STATEMENT OF PROFIT AND LOSS for the Year Ended 31st March 2014

(` in Crore)

Note	Page	Particulars		March-14	March-13
		(1) Revenue:			
20	183	(a) Revenue from operations (Gross)	**5,16,963.62**		4,89,389.70
		Less: Excise Duty	**28,618.69**		27,610.19
		Revenue from operations (Net)		**4,88,344.93**	461,779.51
21	184	(b) Other income		**3,442.38**	3,511.64
		Total Revenue		**4,91,787.31**	4,65,291.15
		(2) Expenses:			
22	185	(a) Cost of materials consumed		**2,78,014.76**	2,64,597.02
		(b) Purchase of Stock-in-Trade		**1,56,045.69**	1,55,459.12
23	185	(c) Changes in Inventory		**(1,252.88)**	(5,515.07)
24	185	(d) Employee benefit expenses		**7,137.41**	7,783.88
25	186	(e) Finance cost		**5,907.88**	7,118.78
		(f) Depreciation, Depletion and Amortisation on :			
		(i) Tangible Assets	**6,199.91**		5,536.96
		(ii) Intangible Assets	**160.08**		154.54
				6,359.99	5,691.50
26	186	(g) Other expenses		**31,259.44**	25,654.83
		Total expenses		**4,83,472.29**	4,60,790.06
		(3) Profit before Prior Period, Exceptional Items and Tax		**8,315.02**	4,501.09
27	188	(4) Income / (Expenses) pertaining to Prior Years (Net)		**(83.97)**	3.16
		(5) Profit before Exceptional Items and Tax		**8,231.05**	4,504.25
		(6) Exceptional Items (Refer point 3 of Note - 37)		**1,746.80**	-
		(7) Profit before Tax		**9,977.85**	4,504.25
		(8) Tax expense:			
		Current tax [includes ` **(139.73) crore** (2013 : ` (25.71) crore) relating to prior years]		**2,925.04**	969.35
		Mat Credit Entitlement		**(3.13)**	(455.31)
		Deferred tax		**89.36**	362.91

Contd...

(` in Crore)

Note	Page	Particulars	March-14	March-13
		(9) Profit for the year	**6,966.58**	3,627.30
		(10) Less: Share of Minority	**(119.01)**	(821.71)
		(11) Profit for the Group	**7,085.59**	4,449.01
33	196	**(12) Earning per Equity Share (`):**		
		(a) Basic	**29.18**	18.32
		(b) Diluted	**29.18**	18.32
		Face Value Per Equity Share (`)	**10**	10
1	166	Principles of Consolidation and Significant Accounting Policies		
2 - 37	167	Notes on Financial Statements		

Total Income includes ` **7,326.93 crore** (2013: ` 6,620.51 crore) share of jointly controlled entities.

Total Expenditure includes ` **7,228.40 crore** (2013: ` 6,168.01 crore) share of jointly controlled entities.

Sd/-
(R. S. Butola)
Chairman

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

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

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

Sd/-
(CA. Pankaj Mangal)
Partner
M. No. 097890

For G M KAPADIA & CO.
Chartered Accountants
(Firm Regn. No. 104767W)

Sd/-
(CA. Rajen Ashar)
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M. No. 048243

For J GUPTA & CO.
Chartered Accountants
(Firm Regn. No. 314010E)

Sd/-
(CA. J N Gupta)
Partner
M. No. 051428

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

Sd/-
(CA. Prakash Sharma)
Partner
M. No. 072332

Place : New Delhi
Date : 29th May, 2014

CASH FLOW STATEMENT for the year ended 31st March 2014

(` in Crore)

	Particulars		March-14		March-13
A	**Cash Flow from Operating Activities**				
1	Profit Before Tax		**9,977.85**		4,504.25
2	Adjustments for :				
	Depreciation	**6,369.13**		5,710.31	
	Loss/(Profit) on Sale of Assets (net)	**64.71**		28.66	
	Loss/(Profit) on Sale of Investments (net)	**40.48**		(28.01)	
	Amortisation of Capital Grants	**(2.26)**		(1.46)	
	Amortisation of Premium on Forward Contracts	**(582.76)**		19.72	
	Provision for Probable Contingencies (net)	**238.11**		407.91	
	Provision for Loss on Investments (net)	**483.12**		(634.15)	
	Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores (net)	**126.74**		21.83	
	Provision for Dimunition in 'Receivable from trust' (net)	**(0.29)**		(110.15)	
	Provision for MTM loss on interest rate swap	**(30.61)**		10.81	
	Foreign Currency Monetary Item Translation Difference Account	**(47.66)**		-	
	Interest Income on Investments	**(1,037.41)**		(1,118.85)	
	Dividend Income on Investments	**(860.24)**		(967.80)	
	Interest Expenditure	**5,910.06**		7,118.42	
			10,671.12		10,457.24
3	Operating Profit before Working Capital Changes (1 + 2)		**20,648.97**		14,961.49
4	Change in Working Capital: (Excluding Cash & Bank Balances)				
	Trade & Other Receivables	**(1,868.68)**		(10,338.87)	
	Inventories	**(5,747.24)**		(2,774.62)	
	Trade and Other Payables	**13,066.49**		8,660.47	
			5,450.57		(4,453.02)
5	Cash Generated From Operations (3 + 4)		**26,099.54**		10,508.47
6	Less : Taxes Paid		**1,895.58**		1,168.97
7	Net Cash Flow from Operating Activities (5-6)		**24,203.96**		9,339.50
B	**Cash Flow from Investing Activities:**				
	Sale/Transfer of Assets	**400.38**		511.00	
	Sale / Maturity of Investments	**1,119.85**		784.01	
	Interest Income on Investments	**1,038.29**		1,127.85	
	Dividend Income on Investments	**860.24**		967.80	
	Purchase of Assets	**(8,865.20)**		(4,178.38)	
	Investments in Long Term Investments / Others	**(188.90)**		115.29	
	Expenditure on Construction Work in Progress	**(12,959.09)**		(8,621.15)	
	Net Cash Generated/(Used) in Investing Activities:		**(18,594.43)**		(9,293.58)

Contd...

(` in Crore)

	Particulars	March-14		March-13	
C	**Net Cash Flow from Financing Activities:**				
	Proceeds from/(Repayments of) Long-Term Borrowings	**14,543.36**		3,958.35	
	Proceeds from/(Repayments of) Short-Term Borrowings	**(8,945.91)**		5,709.72	
	Interest paid	**(6,872.16)**		(7,823.98)	
	Dividend/Dividend Tax paid	**(1,850.10)**		(1,492.16)	
	Net Cash Generated/(Used) from Financing Activities:		**(3,124.81)**		351.93
D	**Net Change in Cash & Bank Balances** (A+B+C)		**2,484.72**		397.85
E - 1	Cash & Bank Balances as at end of the year Less:		**3,704.52**		1,219.80
E - 2	Cash & Bank Balances as at the beginning of the year		**1,219.80**		821.95
	NET CHANGE IN CASH & BANK BALANCE (E 1-2)		**2,484.72**		397.85
Notes:					
1.	Cash & Bank Balances as at end of the year		**3,704.52**		1,219.80
	Less: Other Bank Balances		**923.54**		116.59
	Total Cash and Cash Equivalents		**2,780.98**		**1,103.21**

2. Cash and Bank balance includes ` **47.10 crore** which are not readily available for use (refer Note-19).
3. Figures for previous periods have been regrouped wherever necessary for uniformity in presentation.

Sd/- **(R. S. Butola)** Chairman	Sd/- **(P. K. Goyal)** Director (Finance)	Sd/- **(Raju Ranganathan)** Company Secretary

As per our attached Report of even date

For DASS GUPTA & ASSOCIATES Chartered Accountants (Firm Regn. No. 000112N)	**For G M KAPADIA & CO.** Chartered Accountants (Firm Regn. No. 104767W)	**For J GUPTA & CO.** Chartered Accountants (Firm Regn. No. 314010E)	**For PARAKH & CO.** Chartered Accountants (Firm Regn. No.001475C)
Sd/- **(CA. Pankaj Mangal)** Partner M. No. 097890	Sd/- **(CA. Rajen Ashar)** Partner M. No. 048243	Sd/- **(CA. J N Gupta)** Partner M. No. 051428	Sd/- **(CA. Prakash Sharma)** Partner M. No. 072332

Place : New Delhi
Date : 29th May, 2014

NOTE – 1: PRINCIPLES OF CONSOLIDATION & SIGNIFICANT ACCOUNTING POLICIES

[Refer Page No. 161]

A. Principles of Consolidation

A.1. The consolidated financial statements relate to Indian Oil Corporation Limited (Parent Company), its subsidiaries and Joint Venture entities. The consolidated financial statements have been prepared on the following basis:

A.1.1. The financial statements of the Parent Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating the intra-group balances, intra-group transactions and unrealized profits or losses in accordance with Accounting Standard -21 on "Consolidated Financial Statements". The share of Minority Interest in the Subsidiaries has been disclosed separately in the "Consolidated Financial Statements".

A.1.2. The financial statements of Joint Ventures have been combined by applying proportionate consolidation method on a line-by-line basis on items of assets, liabilities, income, and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard –27 on "Financial Reporting of Interests in Joint Ventures".

A.1.3. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.

A.1.4. The excess/shortfall of cost to the Parent Company of its investment in the respective subsidiary companies and joint venture companies is recognized in the financial statements as goodwill/capital reserve respectively as per the equity method of valuation.

A.2. The Consolidated Financial Statements include the results of the following entities:

Sl. No.	Name of Company	Country of incorporation	Relation	Ownership Interest
1.	Chennai Petroleum Corporation Ltd	India	Subsidiary	51.89%
2.	Lanka IOC PLC	Sri Lanka	Subsidiary	75.12%
3.	Indian Oil (Mauritius) Ltd.	Mauritius	Subsidiary	100%
4.	IOC Middle East FZE	Dubai- UAE	Subsidiary	100%
5.	IndianOil CREDA Bio-Fuels Ltd.	India	Subsidiary	74%
6.	IOC Sweden AB	Sweden	Subsidiary	100%
7.	IOCL(USA) INC.	USA	Subsidiary	100%
8.	Indo Cat Pvt. Ltd.	India	Subsidiary	100%
9.	IndOil Global B.V.	Netherlands	Subsidiary	100%
10.	IOT Infrastructure & Energy Services Ltd	India	Joint Venture	47.94%
11.	Lubrizol India Pvt. Ltd	India	Joint Venture	50%
12.	AVI-OIL India Pvt. Ltd	India	Joint Venture	25%
13.	Petronet LNG Ltd	India	Joint Venture	12.5%
14.	Indian Oil Petronas Pvt.Ltd.	India	Joint Venture	50%
15.	Green Gas Ltd	India	Joint Venture	22.50%
16.	IndianOil Skytanking Ltd.	India	Joint Venture	33.33%
17.	Suntera Nigeria 205 Ltd.	Nigeria	Joint Venture	25%
18.	Delhi Aviation Fuel Facility (Private) Limited	India	Joint Venture	37%
19.	Indian Oil Ruchi Biofuels LLP	India	Joint Venture	50%
20.	Indian Synthetic Rubber Limited	India	Joint Venture	50%
21.	NPCIL IndianOil Nuclear Energy Corporation Limited	India	Joint Venture	26%
22.	GSPL India Transco Ltd.	India	Joint Venture	26%
23.	GSPL India Gasnet Ltd.	India	Joint Venture	26%
24.	IndianOil Adani Gas Pvt. Ltd.	India	Joint Venture	50%

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

B. Significant Accounting Policies

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

B.2. For certain items, the Company and its subsidiaries and Joint ventures have followed different accounting policies. Impact of change in accounting policy, wherever material, has been considered in the financial statements based on the accounting policies of the parent.

C. Financial statements of IOML, LIOC, IOC Middle East FZE, IOC Sweden AB, IndOil Global B.V., IOCL (USA) INC. and Suntera Nigeria are drawn in Mauritius Rupees, Sri Lankan Rupees, UAE Dirhams, Euro, CAD and USD respectively. The transactions with these foreign subsidiaries/Joint Ventures are considered as non integral operation as per Accounting Standard-11 on "The Effects of Changes in Foreign Exchange Rates" and accordingly, the Financial Statements have been translated in Indian Rupees for the purpose of Consolidated Financial Statements.

NOTE - 2: SHARE CAPITAL

[Item No. 1(a), Page No. 160]

(` in Crore)

Particulars	March-14	March-13
Authorised:		
600,00,00,000 Equity Shares of ` 10 each	**6,000.00**	6,000.00
Issued, Subscribed and Paid Up:		
2,42,79,52,482 (2013 : 2,42,79,52,482) Equity Shares of ` 10 each	**2,427.95**	2,427.95
TOTAL	**2,427.95**	2,427.95
A. Reconciliation of No. of Equity Shares		
Opening Balance	**2,42,79,52,482**	2,42,79,52,482
Shares Issued	**-**	-
Shares bought back	**-**	-
Closing Balance	**2,42,79,52,482**	2,42,79,52,482

B. Terms/Rights attached to equity shares

The company has only one class of equity shares having par value of ` 10 each and is entitled to one vote per share. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the corporation, the holders of equity shares will be entitled to receive the remaining assets of the corporation in proportion to the number of equity shares held.

C. Details of shareholders holdings more than 5% shares

Name of Shareholder	March-14		March-13	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
PRESIDENT OF INDIA	**1,66,49,65,562**	**68.57**	1,91,61,55,710	78.92
OIL AND NATURAL GAS CORPORATION LIMITED	**33,43,03,814**	**13.77**	21,29,06,190	8.77

During March 2014, President of India, has disinvested 10.35% of paid up equity capital of IndianOil to ONGC Ltd (5%), Oil India Limited (5%) and CPSE ETF -an Exchange Traded Fund (0.35%).

D. Aggregate shares allotted as fully paid up Bonus Shares by Capitalization of General Reserve / Securities Premium during preceding five years (in November 2009) are 1,21,39,76,241 no. of equity shares of ` 10 each.

NOTE - 3: RESERVES AND SURPLUS

[Item No. 1(b), Page No. 160]

(` in Crore)

Particulars		March-14	March-13
Capital Reserve:			
As per Last Account	**389.85**		383.08
On Consolidation	**(1.60)**		6.77
		388.25	389.85
Securities Premium:			
As per Last Account	**128.55**		128.55
Addition during the year	**65.54**		-
		194.09	128.55
General Reserve:			
As per Last Account	**55,240.54**		54,637.39
Less: Transfer to Corporate Social Responsibility Reserve	**-**		15.56
Add: Appropriation from Profit and Loss	**5,722.74**		618.71
		60,963.28	55,240.54
Insurance Reserve:			
As per Last Account	**124.10**		104.40
Less : Recoupment of uninsured fire loss	**-**		0.30
Add: Appropriation from Profit and Loss	**20.00**		20.00
		144.10	124.10
Export Profit Reserve		**53.72**	53.72
Capital Grants:			
As per Last Account	**17.09**		13.49
Add: Received/ (Written Back) during the year	**8.51**		5.06
Less: Amortised during the year	**2.26**		1.46
		23.34	17.09
Bond Redemption Reserve:			
As per Last Account	**2,499.52**		1,971.45
Add: Provision during the year	**1,559.39**		1,228.00
Less: Write-back of provision on redemption of bonds	**361.65**		699.93
		3,697.26	2,499.52
Corporate Social Responsibility Reserve:			
As per Last Account	**37.48**		-
Add: Transferred from General Reserve	**-**		15.56
Add: Appropriation from Profit and Loss	**64.88**		100.89
Less: Utilised during the year	**81.91**		78.97
		20.45	37.48
Balance of Profit and Loss:			
Balance Brought Forward from Last Year's Account		**2,075.83**	656.23
Add: Opening Balance Adjustment		**(0.03)**	29.32
Add: Profit for the Year		**7,085.59**	4,449.01
Less: Appropriations:			
Interim Dividend		**9.03**	-
Final Dividend (Proposed)		**2,212.85**	1,596.15
Corporate Dividend Tax on:			
Final Dividend (Proposed)		**376.33**	274.18
Insurance Reserve (Net)		**20.00**	19.70
Bond Redemption Reserve (Net)		**1,197.74**	528.07
Corporate Social Responsibility Reserve (Net)		**(17.03)**	21.92
General Reserve		**5,722.74**	618.71
Balance carried forward to next year		**(360.27)**	2,075.83

Contd...

(` in Crore)

Particulars		March-14	March-13
Foreign Currency Monetary Item Translation Difference Account			
As per Last Account	**-**		-
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	**364.02**		-
Less: Amortised during the year	**47.66**		-
		316.36	-
Translation Reserve on Consolidation			
As per Last Account	**41.34**		(2.96)
Add : Translation difference	**3.15**		44.30
		44.49	41.34
TOTAL		**65,485.07**	60,608.02
Share of jointly controlled entities		**1,152.42**	1,118.99

NOTE - 4: LONG TERM BORROWINGS

[Item No. 4(a), Page No. 160]

(` in Crore)

Particulars	Long Term			Current Maturities		
		March-14	March-13		March-14	March-13
SECURED LOANS						
Bonds:						
Non-Convertible Redeemable Bonds-Series-VIII B	**1,070.00**		1,070.00	**-**		-
Non-Convertible Redeemable Bonds-Series-XIII	**-**		-	**1,700.00**		-
Non-Convertible Redeemable Bonds-Series-XII	**1,295.00**		1,295.00	**-**		-
Non-Convertible Redeemable Bonds-Series-IX	**1,600.00**		1,600.00	**-**		-
Non-Convertible Redeemable Bonds-Series-VII B	**500.00**		500.00	**-**		-
Non-Convertible Redeemable Bonds-Series-XI	**-**		-	**-**		1,415.00
Non-Convertible Redeemable Bonds-Series-V	**63.20**		94.80	**31.60**		31.60
		4,528.20	4,559.80		**1,731.60**	1,446.60
Debentures:						
Non-Convertible Debentures	**2,037.50**		1,000.00	**-**		-
Convertible Debentures (Issued by Subsidiary/JV entities)	**95.88**		95.82	**-**		-
		2,133.38	1,095.82		-	-
Term Loans:						
From banks	**1,364.75**		1,496.14	**230.36**		204.39
From other parties						
Oil Industry Development Board (OIDB)	**1,359.50**		1,385.00	**597.50**		772.50
Others	**203.37**		203.72	**31.28**		29.50
		2,927.62	3,084.86		**859.14**	1,006.39
Finance Lease Payables		**2,961.04**	-		**89.90**	**-**
Total Secured Loans		**12,550.24**	8,740.48		**2,680.64**	2,452.99

Contd...

(` in Crore)

Particulars	Long Term March-14		March-13	Current Maturities March-14		March-13
UNSECURED LOANS						
Bonds:						
Foreign Currency Bonds	**7,942.84**		7,196.54	**2,996.00**		-
Senior Notes (Bank of America)	**1,797.60**		1,628.70	**-**		-
		9,740.44	8,825.24		**2,996.00**	-
Term Loans:						
From Banks/Financial Institutions:						
In Foreign Currency	**13,405.89**		6,758.42	**38.98**		30.82
From Others						
In Rupees	**76.25**		388.13	**267.75**		397.87
		13,482.14	7,146.55		**306.73**	428.69
Inter-Corporate Deposits		**92.34**	75.24		**-**	-
Total Unsecured Loans		**23,314.92**	16,047.03		**3,302.73**	428.69
TOTAL LONG-TERM BORROWINGS		**35,865.16**	24,787.51		**5,983.37**	2,881.68
Share of jointly controlled entities		**2,180.60**	2,230.53		**217.07**	174.18

NOTE - 5: DEFERRED TAX

[Item No. 4(b) & 6(c), Page No. 160]

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

	As on 01.04.2013	Provided during the year*	Balance as on 31.03.2014
<u>Deferred Tax Liability:</u>			
Related to Fixed Assets	10,303.78	449.99	10,753.77
Total Deferred Tax Liability (A)	10,303.78	449.99	10,753.77
<u>Deferred Tax Assets:</u>			
Provision on Inventories, Trade Receivables, Loans and advances, Investments	418.64	151.02	569.66
Compensation for Voluntary Retirement Scheme	24.52	2.98	27.50
43B Disallowances etc.	2,959.61	92.17	3,051.78
Foreign Currency gain on long term monetary item	-	73.97	73.97
Capital Grants	4.09	3.84	7.93
Provision for Leave Encashment/Retirement Benefits	561.00	(14.26)	546.74
Others	3.64	49.71	53.35
Total Deferred Tax Assets (B)	3,971.50	359.43	4,330.93
Deferred Tax Liability (Net) (A – B)	**6,332.28**	**90.56**	**6,422.84**
Previous Year	5,969.56	362.72	6,332.28
Share of jointly controlled entities	104.27		125.00
As per Balance Sheet			
Deferred Tax Liability	6,332.92		6,456.70
Deferred Tax Asset	0.64		33.86
Deferred Tax Liability (Net)	**6,332.28**		**6,422.84**

* Includes ` **1.20 crore** (2013: ` (0.19) crore) due to translation of Opening Balance at closing exchange rate considered in Translation Reserve.

NOTE - 6: OTHER LIABILITIES

[Item No. 4(c) & 5(c), Page No. 160]

(` in Crore)

Particulars	Non Current		Current	
	March-14	March-13	**March-14**	March-13
Current maturities of long-term debt (Refer Note 4)	**-**	-	**5,983.37**	2,881.68
Interest accrued but not due on loans	**-**	-	**726.70**	693.09
Interest accrued and due on borrowings	**-**	-	**53.07**	64.40
Liability for Capital Expenditure	**84.06**	0.34	**2,314.14**	2,761.79
Liability to Trusts and Other Funds	**-**	-	**747.49**	755.46
Employee Liabilities	**0.05**	0.03	**968.89**	1,176.20
Statutory Liabilities	**-**	-	**5,532.98**	5,080.33
Advances from Customers	**31.25**	-	**2,030.84**	1,484.72
Investor Education & Protection Fund to be credited on the due dates :				
- Unpaid Dividend	**-**	-	**44.84**	46.12
- Unpaid Matured Deposits	**-**	-	**0.01**	0.01
	-	-	**44.85**	46.13
Liability on Forward Contracts (Net of Receivables)	**-**	-	**-**	0.03
Security Deposits	**13,414.09**	11,440.34	**763.29**	716.87
Long Term Trade Payables	**2.66**	6.30	**-**	-
Other Liabilities	**159.48**	5.94	**1,533.42**	1,328.95
TOTAL	**13,691.59**	11,452.95	**20,699.04**	16,989.65
Share of jointly controlled entities	**191.85**	11.50	**663.66**	533.89

NOTE - 7: PROVISIONS

[Item No. 4(d) & 5(d), Page No. 160]

(` in Crore)

Particulars	Long Term		Short Term	
	March-14	March-13	**March-14**	March-13
Provision for Employee Benefits	**443.19**	420.56	**2,132.27**	2,158.30
Provision for Taxation	**-**	-	**1,788.50**	494.89
Proposed Dividend	**-**	-	**2,212.85**	1,572.15
Corporate Dividend Tax	**-**	-	**395.64**	286.95
Contingencies for probable obligations	**-**	-	**20,021.43**	17,279.58
Provision for MTM Loss on Interest Rate Swap	**-**	-	**90.47**	121.08
Other Provisions	**0.15**	-	**19.53**	-
TOTAL	**443.34**	420.56	**26,660.69**	21,912.95
Share of jointly controlled entities	**14.02**	15.55	**170.29**	112.71

NOTE - 8: SHORT TERM BORROWINGS

[Item No. 5(a), Page No. 160]

(` in Crore)

Particulars		March-14	March-13
SECURED LOANS			
Loans Repayable on Demand			
From Banks:			
Working Capital Demand Loan	**10,633.65**		4,722.23
Cash Credit	**41.04**		2,239.05
Foreign Currency Loans	**160.60**		651.48
		10,835.29	7,612.76
From Others:			
Loans through Collaterised Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd. (CCIL)		**18.75**	2,630.00
Loans and advances from related parties		**-**	0.02
Total Secured Loans		**10,854.04**	10,242.78
UNSECURED LOANS			
Loans Repayable on Demand			
From Banks/Financial Institutions:			
In Foreign Currency	**31,577.19**		32,441.09
In Rupees	**9,661.09**		16,904.37
From Others			
Commercial Paper	**675.00**		2,330.00
Inter-Corporate Deposits	**236.77**		-
		42,150.05	51,675.46
Other Loans and Advances		**63.26**	83.69
Total Unsecured Loans		**42,213.31**	51,759.15
TOTAL SHORT-TERM BORROWINGS		**53,067.35**	62,001.93
Share of jointly controlled entities		**419.04**	339.19

NOTE - 9: TRADE PAYABLES

[Item No. 5(b), Page No. 160]

(` in Crore)

Particulars	March-14	March-13
Dues of Micro, Small and Medium Enterprises	**14.99**	12.42
Dues to Related Parties	**837.12**	874.57
Dues to others	**39,859.06**	32,640.59
TOTAL	**40,711.17**	33,527.58
Share of jointly controlled entities	**731.79**	890.48

NOTE - 10: TANGIBLE ASSETS

[Item No. 6(a)(i), Page No. 160]

	AT COST					DEPRECIATION,	
	Gross Block as at 01.04.13	Additions during the year	Transfers from Construction Work-in-Progress	Disposals / Deductions / Transfers / Reclassifications	Gross Block as at 31.03.14	Depreciation, Depletion & Amortisation as at 01.04.13	Depreciation Depletion and Amortisation during the year
Land - Freehold	1,310.33	50.76	0.68	6.97	1,368.74	0.00	0.00
- Leasehold	744.25	46.16	0.08	(5.79)	784.70	116.38	15.56
Buildings, Roads etc.	9,778.52	196.07	700.45	(196.13)	10,478.91	1,758.95	202.97
Plant and Equipment	98,128.87	5,613.40	2,881.25	(439.97)	1,06,183.55	43,904.23	5,758.71
Office Equipments	1,963.46	116.80	120.95	(99.72)	2,101.49	948.80	145.14
Transport Equipments	446.39	11.76	0.58	(6.35)	452.38	337.73	18.77
Furnitures and Fixtures	360.23	34.50	11.85	(6.56)	400.02	181.52	23.27
Railway Sidings	209.09	0.00	0.09	(0.02)	209.16	134.86	8.19
Drainage, Sewage and Water Supply System	388.33	1.36	1.21	(60.76)	330.14	222.66	11.27
E&P Producing Properties	71.55	2,809.81	0.00	7.43	2,888.79	4.89	53.25
Total	**1,13,401.02**	**8,880.62**	**3,717.14**	**(800.90)**	**1,25,197.88**	**47,610.02**	**6,237.13**
Previous Year	1,06,022.87	4,142.79	4,210.89	(975.53)	1,13,401.02	42,387.86	5,577.90

A Considering the Government policies and modalities of compensating the oil marketing companies towards under-recoveries, future cash flows have been worked out based on desired margins for deciding on impairment of related Cash Generating Units. In view of the assumption being technical, peculiar to the industry and policy matter, the auditors have relied on the same.

B Land & Buildings include ₹ **94.57 crore** (2013: ₹ 64.07 crore), in respect of which Title / Lease Deeds are pending for execution or renewal.

Net Tangible Assets includes ₹ **2,031.24 crore** (2013 : ₹ 1,095.64 crore) share of jointly controlled entities.

NOTE - 11: INTANGIBLE ASSETS

[Item No. 6(a)(ii), Page No. 160]

		AT COST					DEPRECIATION,	
		Gross Block as at 01.04.13	Additions during the year	Transfers from Construction Work-in-Progress	Disposals / Deductions / Transfers / Reclassifications	Gross Block as at 31.03.14	Total Amortisation as at 01.04.13	Amortisation during the year
Right of Way		149.42	12.66	0.00	0.05	162.13	8.81	1.79
Licenses		1,289.68	13.12	3.35	1.21	1307.36	617.70	130.45
Computer Software		189.28	13.04	3.52	0.96	206.80	155.30	21.12
Goodwill	A	61.64	0.00	0.00	6.28	67.92	13.20	7.76
Other Intangible Assets		9.17	0.00	0.00	0.92	10.09	8.27	0.46
Total		**1,699.19**	**38.82**	**6.87**	**9.42**	**1,754.30**	**803.28**	**161.58**
Previous Year		1,583.33	45.65	5.52	64.69	1,699.19	620.86	161.89

A. Goodwill is due to the excess of purchase consideration paid to the Government of Sri Lanka and Ceylon Petroleum Corporation over the net assets value representating applicable shares alloted in the acquisition of retail outlets.

Net Intangible Assets includes ₹ **54.45 crore** (2013: ₹ 46.99 crore) share of jointly controlled entities.

(₹ in Crore)

DEPLETION, AMORTISATION AND IMPAIRMENT						NET BLOCK	
Disposals / Deductions / Transfers / Reclassifications	Total Depreciation, Depletion and Amortisation upto 31.03.14	Total Impairment Loss as at 01.04.13	Impairment Loss during the year (Refer A)	Impairment loss reversed during the the year	Total Impairment Loss upto 31.03.14	AS AT 31.03.14	AS AT 31.03.13
0.00	0.00	0.00	0.00	0.00	0.00	1,368.74	1,310.33
(1.45)	130.49	0.00	0.00	0.00	0.00	654.21	627.87
(22.58)	1,939.34	0.00	0.00	0.00	0.00	8,539.57	8,019.57
(221.83)	49,441.11	0.00	0.00	0.00	0.00	56,742.44	54,224.64
(53.87)	1,040.07	0.00	0.00	0.00	0.00	1,061.42	1,014.66
(1.89)	354.61	0.00	0.00	0.00	0.00	97.77	108.66
(4.94)	199.85	0.00	0.00	0.00	0.00	200.17	178.71
0.00	143.05	0.00	0.00	0.00	0.00	66.11	74.23
(23.85)	210.08	0.00	0.00	0.00	0.00	120.06	165.67
0.00	58.14	0.00	0.00	0.00	0.00	2,830.65	66.66
(330.41)	**53,516.74**	**0.00**	**0.00**	**0.00**	**0.00**	**71,681.14**	**65,791.00**
(355.74)	47,610.02	34.32	0.00	(34.32)	0.00	65,791.00	

(₹ in Crore)

DEPLETION, AMORTISATION AND IMPAIRMENT					NET BLOCK	
Disposals / Deductions / Transfers / Reclassifications	Total Amortisation upto 31.03.14	Total Impairment Loss as at 01.04.13	Impairment Loss during the year	Total Impairment Loss upto 31.03.14	AS AT 31.03.14	AS AT 31.03.13
0.00	10.60	0.00	0.00	0.00	151.53	140.61
(0.83)	747.32	0.00	0.00	0.00	560.04	671.98
1.72	178.14	0.00	0.00	0.00	28.66	33.98
2.32	23.28	0.00	0.00	0.00	44.64	48.44
0.81	9.54	0.00	0.00	0.00	0.55	0.90
4.02	**968.88**	**0.00**	**0.00**	**0.00**	**785.42**	**895.91**
20.53	803.28	1.65	(1.65)	0.00	895.91	

NOTE - 12: CAPITAL WORK IN PROGRESS

[Item No. 6(a)(iii), Page No. 160]

(` in Crore)

Particulars			March-14	March-13
Construction Work in Progress - Tangible Assets (Including unallocated capital expenditure, materials at site)	A	**27,042.61**		18,066.09
Less: Provision for Capital Losses		**20.02**		12.63
			27,022.59	18,053.46
Capital stores		**4,167.47**		4,786.77
Less: Provision for Capital Losses		**3.49**		0.03
			4,163.98	4,786.74
Capital Goods in Transit			**281.63**	324.47
Construction Period Expenses pending allocation:				
Balance as at beginning of the year		**3,480.87**		1,973.22
Less: Opening Balance Adjustment		**(6.39)**		-
Add: Net expenditure during the year (Note -"12.1")		**2,575.93**		1,807.87
		6,063.19		3,781.09
Less: Allocated to Assets during the year		**209.67**		300.22
			5,853.52	3,480.87
TOTAL			**37,321.72**	26,645.54
Share of jointly controlled entities			**308.97**	769.14

A. Includes Capital Expenditure amounting to ` **3,490.68 crore** (2013 : ` 44.79 crore) relating to ongoing Oil & Gas Exploration activities.

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

(` in Crore)

Particulars	March-14	March-13
Employee Benefit expenses	**261.26**	263.87
Repairs and Maintenance	**15.45**	10.79
Consumption of Stores and Spares	**4.42**	3.60
Power & Fuel	**37.89**	53.31
Rent	**10.30**	7.55
Insurance	**35.12**	39.09
Rates and Taxes	**0.26**	0.36
Travelling Expenses	**39.47**	35.35
Communication Expenses	**2.17**	1.72
Printing and Stationery	**1.30**	1.00
Electricity and Water Charges	**16.69**	11.16
Bank Charges	**0.42**	0.84
Technical Assistance Fees	**0.12**	0.11
Exchange Fluctuation	**1,131.19**	593.99
Finance Cost	**995.71**	766.04
Depreciation, Depletion and Amortisation on:		
Tangible Assets	**28.79**	29.27
Intangible Assets	**0.79**	0.21
Start Up/ Trial Run Expenses (net of revenue)	**(0.45)**	-
Others	**45.92**	50.17
Total Expenses	**2,626.82**	1,868.43
Less : Recoveries	**50.89**	60.56
Net Expenditure during the year	**2,575.93**	1,807.87

NOTE - 13: INTANGIBLE ASSETS UNDER DEVELOPMENT

[Item No. 6(a)(iv), Page No. 160]

(` in Crore)

Particulars		March-14		March-13
Work in Progress - Intangible Asset (Including Unallocated Capital Expenditure)	A	**865.44**		720.69
Less: Provision for Loss		**126.26**		126.26
			739.18	594.43
TOTAL			**739.18**	594.43
Share of jointly controlled entities			**-**	-

A. Includes Capital Expenditure amounting to ` **358.46 crore** (2013 : ` 298.12 crore) relating to ongoing Oil & Gas Exploration activities.

Note - 14: INVESTMENTS

[Item No. 6(b) & 8(a), Page No. 160 & 161]

(` in Crore)

Particulars		March-14	March-13
NON CURRENT INVESTMENTS:			
QUOTED: (Market Value of ` **23,414.71 crore** (2013: ` 22,828.81 crore)		**3,026.16**	3,026.16
UNQUOTED:			
Oil Companies GOI SPL Bonds	**5,200.00**		0.00
Less: Provision for Diminution	**488.80**		0.00
		4,711.20	0.00
In Government - Securities		**0.00**	6.24
In Petroleum India International (AOP by Oil Companies)			
- Capital Fund	**20.00**		20.00
- Share in accumulated surlpus	**29.41**		27.21
		49.41	47.21
In Others		**779.23**	614.22
TOTAL NON CURRENT INVESTMENTS		**8,566.00**	3,693.83
CURRENT INVESTMENTS (UNQUOTED): (AT LOWER OF COST OR MARKET PRICE)			
Oil Companies GOI SPL Bonds	**7,974.04**		14469.04
Less: Provision for Diminution	**691.34**		830.44
		7,282.70	13,638.60
In Others		**46.28**	18.35
TOTAL CURRENT INVESTMENTS		**7,328.98**	13,656.95
TOTAL INVESTMENTS		**15,894.98**	17,350.78
Share of jointly controlled entities		57.64	35.91

NOTE - 15: LOANS AND ADVANCES

[Item No. 6(d) & 8(e), Page No. 160 & 161]

(` in Crore)

Particulars	Long Term			Short Term		
	March-14		March-13	**March-14**		March-13
Advance for Capital Expenditure						
Secured, Considered Good	**93.60**		129.60	-		**-**
Unsecured, Considered Good	**947.67**		1,493.90	-		**-**
Unsecured, Considered Doubtful	**0.10**		0.10	-		**-**
	1,041.37		1,623.60	-		-
Less: Provision for Doubtful Advance	**0.10**		0.10	-		
		1,041.27	1,623.50		**-**	-
Advances for Investments						
Joint Ventures		**13.92**	12.67		-	-
Advance recoverable in cash or in kind or for value to be received:						
From Related Parties						
Secured, Considered Good	**0.03**		0.08	**0.01**		0.04
Unsecured, Considered Good	**180.58**		75.62	**40.24**		27.43
Unsecured, Considered Doubtful	**-**		-	**2.25**		2.25
	180.61		75.70	**42.50**		29.72
Less : Provision for Doubtful Advances	**-**		-	**2.25**		2.25
	180.61		75.70	**40.25**		27.47
From Others						
Secured, Considered Good	**800.86**		826.22	**81.74**		80.98
Unsecured, Considered Good	**1,547.46**		1,421.15	**4,584.59**		2,719.84
Unsecured, Considered Doubtful	**0.33**		0.33	**63.48**		5.44
	2,348.65		2,247.70	**4,729.81**		2,806.26
Less : Provision for Doubtful Advances	**0.33**		0.33	**63.48**		5.44
	2,348.32		2,247.37	**4,666.33**		2,800.82
		2,528.93	2,323.07		**4,706.58**	2,828.29
Amount Recoverable from Central/State Govt.:						
Unsecured, Considered Good		-	-		**20,533.12**	23,843.23
Finance Lease Receivables		**5.66**	7.34		**1.68**	1.54
Claims Recoverable:						
From Related Parties						
Unsecured, Considered Good	**-**		-	**0.17**		1.39
Unsecured, Considered Doubtful	**-**		-	**17.01**		17.01
	-		-	**17.18**		18.40
From Others						
Secured, Considered Good	**-**		-	**9.21**		8.12
Unsecured, Considered Good	**-**		-	**1,137.69**		1,115.22
Unsecured, Considered Doubtful	**-**		0.12	**101.86**		81.49
	-		0.12	**1,248.76**		1,204.83
Less : Provision for Doubtful Claims	**-**		0.12	**118.87**		98.50
		-	-		**1,147.07**	1,124.73

Contd...

NOTE - 15: LOANS AND ADVANCES (Contd.)

(` in Crore)

Particulars	Long Term			Short Term		
		March-14	March-13		**March-14**	March-13
Balance with Customs, Port Trust and Excise Authorities:						
Unsecured, Considered Good		**-**	-		**124.29**	51.60
Deposits for Leave Encashment Fund		**-**	-		**2,262.43**	1,955.06
Advance Tax		**1,040.23**	1,068.51		**49.33**	26.14
Mat Credit Receivable		**-**	-		**1,423.11**	1,149.54
Materials given on loan:						
To Related Parties						
Secured, Considered Good	**-**		-	**0.06**		0.08
Less: Deposits received	**-**		-	**0.06**		0.08
		-	-		**-**	-
Sundry Deposits						
a) To Related Parties						
Unsecured, Considered Good	**58.39**		57.86	**-**		-
	58.39		57.86	**-**		-
b) To Others						
Secured, Considered Good	**9.23**		9.23	**-**		-
Unsecured, Considered Good	**247.17**		249.77	**11,898.05**		9,286.71
Unsecured, Considered Doubtful	**-**		0.04	**0.31**		0.31
	256.40		259.04	**11,898.36**		9,287.02
	314.79		316.90	**11,898.36**		9,287.02
Less : Provision for Doubtful Deposits	**-**		0.04	**0.31**		0.31
		314.79	316.86		**11,898.05**	9,286.71
TOTAL		**4,944.80**	5,351.95		**42,145.66**	40,266.84
Share of jointly controlled entities		**239.10**	521.86		**328.11**	193.46

NOTE - 16: OTHER ASSETS

[Item No. 6(e) & 8(f), Page No. 160 & 161]

(` in Crore)

Particulars	Non Current			Current		
		March-14	March-13		**March-14**	March-13
Interest Accrued on Investments/ Bank Deposits		**-**	-		**158.28**	159.16
Gold Coins in Hand (at Cost)		**-**	-		**6.60**	5.66
Receivable from IOC Shares Trust	-		-	**1,989.78**		1,989.78
Less : Provision for Diminution	-		-	**348.34**		348.63
		-	-		**1,641.44**	1,641.15
Receivable on Forward Contracts (Net of Payables)		**-**	-		**-**	-
Premium on Forward Contract		**-**	-		**1.40**	-
Discount on Issue of Bonds		**10.98**	13.86		**2.88**	3.15
Unamortized Borrowing Cost		**59.04**	-		**37.09**	-
Assets Held for Disposal		**-**	-		**34.68**	23.86
Other Assets	**1,282.71**		1,268.01	**1,220.06**		1,299.95
Less : Provision	**-**		-	**6.74**		0.01
		1,282.71	1,268.01		**1,213.32**	1,299.94
TOTAL		**1,352.73**	1,281.87		**3,095.69**	3,132.92
Share of jointly controlled entities		**1,282.71**	1,268.01		**603.49**	732.70

NOTE - 17: INVENTORIES

[Item No. 8(b), Page No. 161]

(` in Crore)

Particulars		March-14	March-13
In Hand:			
Stores, Spares etc.	**3,531.35**		3,224.30
Less : Provision for Losses	**166.08**		153.93
		3,365.27	3,070.37
Raw Materials		**21,476.32**	18,437.13
Finished Products		**23,815.50**	22,342.24
Stock in Trade		**6,445.27**	6,857.79
Stock in Process		**6,297.00**	6,107.28
WIP - Construction Contracts		**16.77**	37.63
Barrels and Tins		**37.24**	35.52
		61,453.37	56,887.96
In Transit:			
Stores, Spares etc.		**145.70**	130.23
Raw Materials		**9,615.10**	8,464.70
Finished Products		**1.53**	1.14
Stock in Trade		**1,123.69**	1,120.27
		10,886.02	9,716.34
TOTAL		**72,339.39**	66,604.30
Share of jointly controlled entities		**417.72**	365.85

NOTE - 18: TRADE RECEIVABLES

[Item No. 8(c), Page No. 161]

(` in Crore)

Particulars		March-14	March-13
Over Six Months:			
From Related Parties			
Unsecured, Considered Good	**0.34**		-
From Others			
Unsecured, Considered Good	**327.24**		1,386.88
Unsecured, Considered Doubtful	**142.17**		134.39
	469.41		1,521.27
Total	**469.75**		1,521.27
Less : Provision for Doubtful Debts	**142.17**		134.39
		327.58	1,386.88
Other Debts :			
From Related Parties			
Unsecured, Considered Good	**106.41**		97.59
From Others			
Secured Considered Good	**137.45**		145.48
Unsecured, Considered Good	**11,980.28**		10,872.10
Unsecured, Considered Doubtful	**61.16**		55.34
	12,178.89		11,072.92
Total	**12,285.30**		11,170.51
Less : Provision for Doubtful Debts	**61.16**		55.34
		12,224.14	11,115.17
TOTAL		**12,551.72**	12,502.05
Share of jointly controlled entities		**596.82**	578.76

NOTE - 19: CASH AND BANK BALANCES

[Item No. 8(d), Page No. 161]

(` in Crore)

Particulars			March-14	March-13
Cash and Cash Equivalents				
Bank Balances with Scheduled Banks:				
Current Account		**1,251.51**		263.08
Fixed Deposit - Maturing within 3 months		**1,329.30**		625.38
Earmarked Balances	A	**44.95**		46.24
			2,625.76	934.70
Bank Balances with Non-Scheduled Banks:				
Bank of Commerce & Development, Libya		**0.59**		0.53
Myanmar Economic Bank Branch(5), Rangoon	B	**0.01**		0.01
			0.60	0.54
Cheques, Drafts in hand			**149.42**	159.76
Cash Balances, Including Imprest			**5.20**	8.21
Other Bank Balances				
Fixed Deposit		**922.67**		113.36
Blocked Account		**0.87**		3.23
			923.54	116.59
TOTAL			**3,704.52**	1,219.80
Share of jointly controlled entities			**479.57**	458.53

A) Mainly Pertains to Unpaid Dividend/Fractional Share Warrants.

B) There exists restrictions on repatriation of said amount from Myanmar.

NOTE - 20: REVENUE FROM OPERATIONS

[Item No. 1(a), Page No. 162]

(` in Crore)

Particulars			March-14	March-13
Sale of Products and Crude		**4,82,061.86**		4,36,997.82
Less: Discounts		**6,183.40**		5,057.82
Sales (Net of Discounts)		**4,75,878.46**		4,31,940.00
Sale of Services		**1,490.15**		1,664.37
Other Operating Revenues (Note - "20.1")		**1,085.46**		1,029.80
			4,78,454.07	4,34,634.17
Net Claim/(Surrender) of SSC			**(447.69)**	(304.78)
Subsidy From Central/State Govt.	A		**1,774.97**	1,782.24
Grant from Government of India	B		**37,182.27**	53,278.07
TOTAL			**5,16,963.62**	4,89,389.70

A. Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ` **1,718.81 crore** (2013: ` 1,729.72 crore) and subsidies on sales of SKO & LPG to customers in Bhutan amounting to ` **52.21 crore** (2013: ` 52.52 crore) have been reckoned as per the schemes notified by Government of India. In addition, incentive of ` **3.95 crore** (2013: NIL) have been reckoned against sale of power from wind mills.

B1. The Group has accounted for Budgetary Support of ` **37,182.27 crore** towards under-recovery on sale of regulated products viz HSD, SKO (PDS) and LPG (Domestic) for the current year (2013: ` 53,278.07) crore in the Statment of Profit and Loss as Revenue Grants.

B2. In line with the scheme formulated by Petroleum Planning and Analysis Cell (PPAC), the Group has received during the year, discounts of ` **34,673.59 crore** (2013: ` 31,966.84 crore) on Crude Oil/Products purchased from ONGC/GAIL/OIL and the same has been adjusted against the purchase cost.

NOTE - 20.1: OTHER OPERATING REVENUES

(` in Crore)

Particulars	March-14	March-13
Sale of Power and Water	**90.83**	49.57
Unclaimed / Unspent liabilities written back	**56.03**	60.13
Provision for Doubtful Debts, Advances, Claims, and Stores written back	**22.49**	51.50
Provision for Contingencies written back	**19.16**	15.57
Recoveries from Employees	**23.10**	17.37
Retail Outlet Licence Fees	**115.07**	107.05
Income from Non Fuel Business	**152.87**	120.18
Commission and Discount Received	**13.72**	11.22
Sale of Scrap	**116.04**	111.55
Income from Finance Leases	**0.90**	1.04
Amortisation of Capital Grants	**2.26**	1.46
Commodity Hedging Gain (Net)	**32.12**	-
Revenue Grants	**1.45**	0.24
Terminalling Charges	**9.14**	20.83
Other Miscellaneous Income	**430.28**	462.09
TOTAL	**1,085.46**	1,029.80

NOTE - 21: OTHER INCOME

[Item No. 1(b), Page No. 162]

(` in Crore)

Particulars			March-14	March-13
Interest on :				
Loans and Advances		**71.43**		73.74
Fixed Deposits with Banks		**31.51**		19.15
Short Term Deposits with Banks		**0.61**		0.26
Customers Outstandings		**408.27**		358.11
Oil Companies GOI SPL Bonds		**1,037.41**		1,118.85
Others		**339.26**		174.28
			1,888.49	1,744.39
Dividend :				
From Related Parties		**72.73**		107.00
From Other Companies		**787.51**		860.80
			860.24	967.80
Profit on Sale of Investments (Net)			**-**	28.01
Provision for Investment Written Back (Net)			**-**	634.15
Provision for Diminution in Trust Written Back (Net)			**0.29**	110.15
Amortisation of Premium/Discount on Forward Contracts			**583.20**	-
MTM Gain on IRS			**30.61**	-
Amortisation of FC Monetary Item Translation			**47.66**	-
Other Non Operating Income	A		**31.89**	27.14
TOTAL			**3,442.38**	3,511.64
A. Includes share of profit in Petroleum India International			**2.20**	2.36

NOTE - 22: COST OF MATERIAL CONSUMED

[Item No. 2(a), Page No. 162]

(` in Crore)

Particulars	March-14	March-13
Raw Material Consumed:		
Opening Balance	**26,901.83**	30,166.01
Add: Purchases	**2,82,204.35**	2,61,332.84
	3,09,106.18	2,91,498.85
Less: Closing Stock	**31,091.42**	26,901.83
TOTAL	**2,78,014.76**	2,64,597.02

NOTE - 23: CHANGE IN INVENTORY

[Item No. 2(c), Page No. 162]

(` in Crore)

Particulars		March-14	March-13
Closing Stock			
Finished Products	**23,817.03**		22,343.38
Stock in Process	**6,297.00**		6,107.28
Stock- in - trade	**7,568.96**		7,978.06
		37,682.99	36,428.72
Less:			
Opening Stock			
Finished Products	**22,343.38**		19,925.49
Stock in Process	**6,107.28**		5,737.68
Stock - in - Trade	**7,978.06**		5,250.48
Opening Stock Adjustment	**1.39**		-
		36,430.11	30,913.65
Net Increase/(Decrease)		**1,252.88**	5,515.07

NOTE - 24: EMPLOYEE BENEFIT EXPENSES

[Item No. 2(d), Page No. 162]

(` in Crore)

Particulars	March-14	March-13
Salaries, Wages, Bonus etc.	**5,491.06**	4,740.08
Contribution to Provident & Other Funds	**953.48**	1,895.86
Voluntary Retirement Compensation	**37.58**	81.47
Staff Welfare Expenses	**655.29**	1,066.47
TOTAL	**7,137.41**	7,783.88

A. Disclosure in compliance with Accounting Standard-15 (Revised 2005) on “Employee Benefits” is given in Note - 29.

NOTE - 25: FINANCE COST

[Item No. 2(e), Page No. 162]

(` in Crore)

Particulars		March-14	March-13
Interest Payments on:			
Fixed period loans from Banks/Financial Institutions/Others	**573.49**		562.47
Bonds/Debentures	**580.78**		403.22
Short Term loans from Banks	**1,545.24**		2,264.80
Others	**1,492.73**		2,747.62
		4,192.24	5,978.11
Other Borrowing Cost		**53.95**	81.62
Applicable Net (Gain)/Loss on Foreign Currency Transactions and Translation		**1,661.69**	1,059.05
TOTAL		**5,907.88**	7,118.78

NOTE - 26: OTHER EXPENSES

[Item No. 2(g), Page No. 162]

(` in Crore)

Particulars		March-14	March-13
Consumption:			
a) Stores, Spares and Consumables	**1,267.72**		1,135.56
b) Packages & Drum Sheets	**459.12**		440.56
		1,726.84	1,576.12
Power & Fuel	**25,825.94**		25,198.48
Less : Fuel from own production	**19,484.17**		19,755.86
		6,341.77	5,442.62
Throughput, Processing & Blending Fees, Royalty and Other Charges		**624.84**	491.81
Octroi, Other Levies and Irrecoverable taxes		**1,198.78**	955.45
Repairs and Maintenance			
i) Plant & Machinery	**2,257.31**		1,937.31
ii) Buildings	**198.67**		172.05
iii) Others	**265.18**		159.34
		2,721.16	2,268.70
Freight, Transportation Charges and Demurrage		**9,689.70**	8,726.64
Office Administration, Selling and Other Expenses (Note - 26.1)		**9,809.15**	7,007.68
TOTAL		**32,112.24**	26,469.02
Less: Company's use of own Products and Crude		**824.26**	902.15
		31,287.98	25,566.87
Duties (Net)		**(28.54)**	87.96
TOTAL (Net)		**31,259.44**	25,654.83

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

(` in Crore)

Particulars		March-14	March-13
Rent		**508.10**	380.96
Insurance		**153.63**	131.72
Rates & Taxes		**112.06**	140.92
Donations		**0.23**	0.08
Payment to auditors			
a) Audit Fees	**1.85**		1.74
b) Tax Audit Fees	**0.14**		0.14
c) Other Services(for issuing certificates etc.)	**0.58**		0.59
d) Re-imbursement of Expenses	**0.58**		0.70
		3.15	3.17
Travelling & Conveyance		**523.36**	489.66
Communication Expenses		**57.36**	59.63
Printing & Stationery		**35.74**	32.52
Electricity & Water		**252.47**	233.71
Bank Charges		**39.96**	45.72
Bad Debts, Advances & Claims written off		**3.30**	3.45
Provision/ Loss on Assets sold or written off (Net)		**64.71**	28.66
Technical Assistance Fees		**42.07**	23.29
Exchange Fluctuation (net)		**3,649.99**	1,829.49
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.		**149.23**	73.33
Provision for Dimunition in Investments		**483.12**	-
Security Force Expenses		**340.32**	301.38
Sales Promotion Expenses (Incl. Commission)		**719.83**	622.94
Handling Expenses		**363.63**	299.13
Expenses on Enabling Facilities		**71.46**	60.81
Commodity Hedging Losses (Net)		**-**	0.34
Terminalling Charges		**15.85**	22.51
Provision for Probable Contingencies		**257.27**	423.48
Exploration & Production Cost		**361.46**	213.33
Amortisation of Premium on Forward Contracts		**0.44**	19.72
MTM Loss on Interest Rate Swap		**-**	10.81
Loss on Sale of Investments (Net)		**40.48**	-
Expenses on CSR Activities		**83.97**	80.90
Miscellaneous Expenses		**1,475.96**	1,476.02
TOTAL		**9,809.15**	7,007.68

NOTE - 27: INCOME / EXPENSES RELATING TO PREVIOUS YEARS

[Item No. 4, Page No. 162]

(` in Crore)

Particulars	March-14	March-13
Income:		
Miscellaneous Income	**2.94**	(43.44)
Total Income	**2.94**	(43.44)
Expenditure:		
Purchase of Products and Crude	**-**	(40.76)
Raw Materials Consumption	**(14.30)**	-
Depreciation, Depletion and Amortization on:		
Tangible Assets	**8.43**	11.67
Intangible Assets	**0.71**	7.14
Consumption of Stores, Spares and Consumables	**(0.25)**	(27.04)
Technical fees	**(0.29)**	0.70
Power and Fuel	**(0.63)**	(7.34)
Repairs and Maintenance	**8.36**	2.72
Interest	**2.18**	(0.36)
Rent	**16.27**	-
Rates & Taxes	**-**	0.20
Employee Benefit Expenses	**(6.52)**	0.45
Other Expenses	**72.95**	6.02
Total Expediture	**86.91**	(46.60)
NET INCOME /(EXPENDITURE)	**(83.97)**	3.16

NOTE - 28: CONTINGENT LIABILITIES & COMMITMENTS

A. Contingent Liabilities

A.1 Contingent Liabilities amounting to ` **12,281.23 crore** (2013: ` 12,103.99 crore) are as under :

A.1.1 ` **5,100.59 crore** (2013: ` 5,164.02 crore) being the demands raised by the Central Excise /Customs/ Service Tax/ VAT/ Sales Tax Authorities including interest of ` **1,545.08 crore** (2013 : ` 1,654.32 crore).

A.1.2 ` **1,173.20 crore** (2013: ` 1,294.80 crore) in respect of demands for Entry Tax from State Governments including interest of ` **46.10 crore** (2013 : ` 44.94 crore).

A.1.3 ` **2,988.07 crore** (2013: ` 3,019.53 crore) in respect of Income Tax demands including interest of ` 233.90 crore (2013 : ` 268.22 crore).

A.1.4 ` **2,148.75 crore** (2013: ` 1,944.06 crore) including ` **1,617.93 crore** (2013: ` 1,613.92 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ` **65.42 crore** (2013: ` 37.81 crore).

A.1.5 ` **870.62 crore** (2013: ` 681.58 crore) in respect of other claims including interest of ` **119.51 crore** (2013 : ` 98.73 crore).

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

A.2 Pending decision of the Government, no liability could be determined and provided for in respect of additional compensation, if any, payable to the land owners and the Government for certain lands acquired.

B. Commitments

B.1 **Capital Commitments**

Estimated amount of contracts remaining to be executed on Capital Account not provided for ` **14,890.38 crore** (2013: ` 15,428.30 crore).

B.2 **Other Commitments**

The Group has an export obligation to the extent of ` **2,828.55 crore** (2013: ` 3,200.51 crore) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.

NOTE - 29: EMPLOYEE BENEFITS

The Group has adopted Accounting Standard 15 (AS15) on “Employee Benefits”. These consolidated financial statements include the obligations as per the requirements of this standard except for those subsidiaries which are incorporated outside India who have determined the valuation/provision for employee benefits as per requirements of their respective countries. The disclosure in compliance with the Standard is as under:

(a) Provident Fund

(i) During the year, the Group has recognised ₹ **346.05 crore** (2012-13 : ₹ 313.45 crore) as Employer’s contribution to Provident Fund in the Statment of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 24/ Construction period expenses pending allocation in Note-12).

(ii) In addition, during the year, the Group has recognised ₹ **20.57 crore** (2012-13 : ₹ 20.83 crore) as contribution to EPS-95 in the Statment of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 24/ Construction period expenses pending allocation in Note-12) .

(b) Pension Scheme

During the year, the Group has recognised ₹ **322.04 crore** (2012-13 : ₹ 246.93 crore) towards Defined Contributory Employees Pension Scheme in the Statment of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 24/ Construction period expenses pending allocation in Note-12).

(c) Reconciliation of balance of Defined Benefit Obligation

(₹ in Crore)

	Gratuity		Leave Encashment		PRMS		Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD	Ex Gratia
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded	Non-Funded
Defined Obligation at the beginning of the year	**1,520.28**	**1.79**	**5.50**	**2,092.43**	**1,685.72**	**35.77**	**82.83**	**239.66**	**7.61**	**114.69**
	1,451.04	1.58	4.59	1,683.24	882.94	31.48	79.36	219.53	7.97	-
Translation Difference	**-**	**0.12**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	0.11	-	-	-	-	-	-	-	-
Current Service Cost	**12.71**	**0.31**	**0.27**	**139.95**	**116.67**	**0.65**	**10.77**	**38.50**	**0.19**	**-**
	14.39	0.15	0.25	116.54	61.85	0.47	7.55	34.27	0.21	-
Interest Cost	**125.37**	**0.23**	**0.42**	**170.07**	**139.07**	**3.04**	**7.53**	**21.66**	**0.52**	**8.61**
	124.90	0.17	0.37	143.80	76.20	2.58	7.33	20.33	0.64	-
Past Service Cost	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	708.90	-	-	-	-	-
Benefits paid	**(141.11)**	**(0.08)**	**(0.56)**	**(334.50)**	**(129.45)**	**(2.20)**	**(4.71)**	**(30.25)**	**(2.58)**	**(20.74)**
	(131.51)	(0.12)	(0.70)	(258.32)	(100.15)	(1.14)	(3.97)	(34.98)	(1.17)	-
Actuarial (gain)/ loss on obligations	**(94.45)**	**0.03**	**0.17**	**(8.26)**	**140.76**	**7.01**	**(22.35)**	**(73.63)**	**0.12**	**80.41**
	61.46	(0.10)	0.99	407.17	55.98	2.38	(7.44)	0.51	(0.04)	-
Defined Benefit Obligation at the end of the year	**1,422.80**	**2.40**	**5.80**	**2,059.69**	**1,952.77**	**44.27**	**74.07**	**195.94**	**5.86**	**182.97**
	1,520.28	1.79	5.50	2,092.43	1,685.72	35.77	82.83	239.66	7.61	-

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

(₹ in Crore)

	Gratuity		Leave Encashment		PRMS		Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD	Ex Gratia
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded	Non-Funded
Fair Value of Plan Assets at the beginning of the year	**1,857.78**	**-**	**5.12**	**-**	**943.22**	**-**	**-**	**-**	**7.14**	**-**
	1,697.83	-	4.31	-	882.94	-	-	-	7.74	-
Expected return on plan assets	**161.46**	**-**	**0.44**	**-**	**82.06**	**-**	**-**	**-**	**0.52**	**-**
	145.88	-	0.38	-	75.93	-	-	-	0.64	-
Contribution by Employer	**0.91**	**-**	**0.45**	**-**	**296.08**	**-**	**-**	**-**	**-**	**-**
	130.07	-	1.11	-	71.05	-	-	-	-	-
Contribution by Employees	-	-	-	-	**1.12**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	-	-	-	-	-
Benefit paid	**(141.11)**	**-**	**(0.56)**	**-**	**(129.45)**	**-**	**-**	**-**	**(2.58)**	**-**
	(131.51)	-	(0.70)	-	(100.15)	-	-	-	(1.17)	-
Actuarial gain / (losses)	**7.00**	**-**	**(0.04)**	**-**	**19.46**	**-**	**-**	**-**	**(0.07)**	**-**
	15.51	-	0.02	-	13.45	-	-	-	(0.07)	-
Fair value of plan assets at the end of the year	**1,886.04**	**-**	**5.41**	**-**	**1,212.49**	**-**	**-**	**-**	**5.01**	**-**
	1,857.78	-	5.12	-	943.22	-	-	-	7.14	-

Contd...

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

(` in Crore)

	Gratuity		Leave Encashment		PRMS		Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD	Ex Gratia
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded	Non-Funded
Fair Value of Plan Assets at the	**1,886.04**	**-**	**5.41**	**-**	**1,212.49**	**-**	**-**	**-**	**5.01**	**-**
end of the year	1,857.78	-	5.12	-	943.22	-	-	-	7.14	-
Defined Benefit Obligation at the	**1,422.80**	**2.40**	**5.80**	**2,059.69**	**1,952.77**	**44.27**	**74.07**	**195.94**	**5.86**	**182.97**
end of the year	1,520.28	1.79	5.50	2,092.43	1,685.72	35.77	82.83	239.66	7.61	-
Amount recognised in the	**(463.24)**	**2.40**	**0.39**	**2,059.69**	**740.28**	**44.27**	**74.07**	**195.94**	**0.85**	**182.97**
Balance Sheet	(337.50)	1.79	0.38	2,092.43	742.50	35.77	82.83	239.66	0.47	-

(f) Amount recognised in CWIP / Statement of Profit and Loss

(` in Crore)

	Gratuity		Leave Encashment		PRMS		Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD	Ex Gratia
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded	Non-Funded	Non-Funded	Funded	Non-Funded
Current Service Cost	**12.71**	**0.31**	**0.27**	**139.95**	**116.67**	**0.65**	**10.77**	**38.50**	**0.19**	**-**
	14.39	0.15	0.25	116.54	61.85	0.47	7.55	34.27	0.21	-
Interest Cost	**125.37**	**0.23**	**0.42**	**170.07**	**139.07**	**3.04**	**7.53**	**21.66**	**0.52**	**8.61**
	124.90	0.17	0.37	143.80	76.20	2.58	7.33	20.33	0.64	-
Expected (return) / loss on plan asset	**(161.46)**	**-**	**(0.44)**	**-**	**(82.06)**	**-**	**-**	**-**	**(0.52)**	**-**
	(145.88)	-	(0.38)	-	(75.93)	-	-	-	(0.64)	-
Contribution by Employees	**-**	**-**	**-**	**-**	**(1.12)**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	-	-	-	-	-
Past Service Cost	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	708.90	-	-	-	-	-
Actuarial (gain)/ loss	**(101.45)**	**0.03**	**0.21**	**(8.26)**	**121.30**	**7.01**	**(22.35)**	**(73.63)**	**0.19**	**80.41**
	45.95	(0.10)	0.97	407.17	42.53	2.38	(7.44)	0.51	0.03	-
Expenses for the year	**(124.83)**	**0.57**	**0.46**	**301.76**	**293.86**	**10.70**	**(4.05)**	**(13.47)**	**0.38**	**89.02**
	39.36	0.22	1.21	667.51	813.55	5.43	7.44	55.11	0.24	-

(g) Major Actuarial Assumptions

	Gratuity		Leave Encashment		PRMS		Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD	Ex Gratia
	Funded*	Non-Funded	Funded	Non-Funded*	Funded*	Non-Funded	Non-Funded*	Non-Funded*	Funded*	Non-Funded*
Discount rate	9.33%	10.60%	9.30%	9.33%	9.27%	9.10%	9.33%	9.33%	8.60%	9.07%
	8.25%	11.75%	8.00%	8.25%	8.25%	8.16%	8.25%	8.25%	8.25%	0.00%
Expected return on plan assets	8.70%		8.50%		8.70%				9.00%	
	8.70%		8.50%		8.70%				9.00%	
Salary escalation	8.00%	4.00%	8.00%	8.00%					8.00%	
	8.00%	4.00%	8.00%	8.00%					8.00%	
Inflation					7.00%	7.00%	6.00%			
					7.00%	7.00%	6.00%			

*Assumptions considered in acturial valuation of defined benefit obligations of Parent company

NOTE - 30: SEGMENT INFORMATION

Information regarding Primary Segment Reporting as per AS-17 for the year ended March 31, 2014 is as under:

(` in Crore)

	March-14					March-13				
	Petroleum Products	Petro-chemicals	Other Businesses	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Businesses	Eliminations	Total
Revenue										
External Revenue	4,56,148.78	18,080.49	14,115.66	-	4,88,344.93	4,35,649.07	15,596.49	10,533.95	-	4,61,779.51
Inter-segment Revenue	11,422.80	49.75	6,484.92	(17,957.47)	-	10,114.16	39.55	5,092.29	(15,246.00)	-
Total Revenue	**4,67,571.58**	**18,130.24**	**20,600.58**	**(17,957.47)**	**4,88,344.93**	**4,45,763.23**	**15,636.04**	**15,626.24**	**(15,246.00)**	**4,61,779.51**
Result										
Segment Results	14,054.22	983.59	(18.55)	-	15,019.26	9,270.41	528.93	197.57	-	9,996.91
Less: Unallocable Expenditure										
Finance Cost					5,907.88					7,118.78
Loss on Sale of Investments (Net)					40.48					-
Provision for diminution in Investments (Net)					483.12					-
Loss on sale and disposal of Assets					64.71					28.66
Exchange Loss (Net)					3,649.99					1,829.49
Amortisation of Premium/Discount on Forward Contracts					0.44					19.72
MTM Loss on IRS					-					10.81
Add: Unallocable Income										
Interest/Dividend Income					2,748.73					2,712.19
Profit on Sale of Investments (Net)					-					28.01
Provision for diminution in Investments written back (Net)					-					634.15
Provision for diminution in Trust written back (Net)					0.29					110.15
Amortisation of Premium/Discount on Forward Contracts					583.20					-
MTM Gain on IRS					30.61					-
Amortisation of FC Monetary Item Translation					47.66					-
Other non operating income					31.89					27.14
Prior year income/(expenses) -net					(83.97)					3.16
Profit before Exceptional items and Tax					**8,231.05**					**4,504.25**
Exceptional Items					1,746.80					-
Profit Before Tax					**9,977.85**					**4,504.25**
Less: Income Tax (including deferred tax)					3,011.27					876.95
Profit After Tax					**6,966.58**					**3,627.30**
Other Information										
Segment Assets	220,656.54	17,243.54	10,220.04	-	2,48,120.12	2,00,700.27	18,358.95	2,953.52	-	2,22,012.74
Corporate Assets					18,436.83					19,624.65
Total Assets					**2,66,556.95**					**2,41,637.39**
Segment Liabilities	89,303.31	502.39	1,966.70	-	91,772.40	76,849.91	437.60	1,716.11	-	79,003.62
Corporate Liabilities					105,788.78					98,421.79
Total Liabilities					**1,97,561.18**					**1,77,425.41**
Capital Employed										
Segment Wise	131,353.23	16,741.15	8,253.34		1,56,347.72	1,23,850.36	17,921.35	1,237.41		1,43,009.12
Corporate					(87,351.95)					(78,797.14)
Total Capital Employed					**68,995.77**					**64,211.98**
Capital Expenditure	15,636.85	458.21	7,000.35		23,095.41	13,452.17	317.54	569.49		14,339.20
Depreciation and Amortization	5,161.25	1,028.14	170.60		6,359.99	4,629.27	996.07	66.16		5,691.50

Notes:

1. The Group is engaged in the following business segments:
    a) Sale of Petroleum Products
    b) Sale of Petrochemicals
    c) Other Businesses, which comprises Sale of Gas, Explosives & Cryogenics, Wind Mill & Solar Power Generation and Oil & Gas Exploration Activities.

    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 (Net of Excise Duties)
    b) Net Claim/(Surrender) of SSC
    c) Subsidy / Grants received from Government of India
    d) Other Operating Income
3. There are no reportable geographical segments.

NOTE - 31: RELATED PARTY DISCLOSURES

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

1. Relationship

A) Details of Joint Venture Entities/Associates

1) IOT Infrastructure Energy Services Ltd.
2) Lubrizol India Pvt. Ltd.
3) Petronet VK Ltd.
4) IndianOil Petronas Pvt. Ltd.
5) Avi-Oil India Pvt.Ltd.
6) Petronet India Ltd.
7) Petronet LNG Ltd.
8) Green Gas Ltd.
9) IndianOil Panipat Power Consortium Ltd.
10) Petronet CI Ltd.
11) Indo Cat Pvt. Ltd. (Upto 26.03.2014)
12) IndianOil SkyTanking Ltd.
13) Suntera Nigeria 205 Ltd.
14) Delhi Aviation Fuel Facility Private Ltd.
15) Indian Synthetic Rubber Ltd.
16) Indian Oil Ruchi Biofuels LLP
17) NPCIL- IndianOil Nuclear Energy Corporation Ltd.
18) GSPL India Transco Ltd.
19) GSPL India Gasnet Ltd.
20) IndianOil Adani Gas Pvt. Ltd.
21) Petroleum India International - AOP (An Associate)
22) Indian Additives Ltd.
23) National Aromatics and Petrochemicals Corporation Ltd.
24) Ceylon Petroleum Storage terminal Ltd.

B.) Details of Joint Ventures (Unincorporated)

1) MN-OSN-2000/2
2) AA-ONN-2001/2
3) MB-OSN-2004/1
4) MB-OSN-2004/2
5) KG-DWN-2005/1
6) GK-OSN-2009/1
7) GK-OSN-2009/2
8) CB-ONN-2010/6
9) AAP-ON-94/1
10) BK-CBM-2001/1
11) NK-CBM-2001/1
12) FARSI BLOCK IRAN
13) LIBYA BLOCK 86
14) LIBYA BLOCK 102/4
15) SHAKTHI GABON
16) YEMEN 82
17) YEMEN 83
18) AREA 95-96

C) WHOLE-TIME DIRECTORS

1) Shri R.S.Butola
2) Dr. R.K.Malhotra
3) Shri Sudhir Bhalla
4) Shri A.M.K.Sinha
5) Shri P.K.Goyal
6) Shri R.K.Ghosh
7) Shri Makarand Nene
8) Shri V.S. Okhde

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

a) Details relating to parties referred to in item number 1(A) & (B)above :

(` in Crore)

		2013-14	2012-13
i)	**Sales** [Mainly Includes sales to IndianOil Petronas Pvt. Ltd. ` **501.71 crore** (2012-13 : ` 513.77 crore), Lubrizol India Pvt. Ltd. ` **150.17 crore** (2012-13 : ` 149.19 crore) and Indian Synthetic Rubber Ltd. ` **80.69 crore** (2012-13 : ` NIL)]	**749.50**	665.00
ii)	**Interest received** Mainly includes interest received from Indian Synthetic Rubber Ltd. ` **1.64 crore** (2012-13 : ` 0.76 crore)]	**1.65**	0.84
iii)	**Consultancy Services/Other Income** [Mainly includes Consultancy Service/Other Income from IndianOil Petronas Pvt. Ltd. ` **33.58 crore** (2012-13 : ` 9.13 crore), Petronet LNG Ltd. ` **27.91 crore** (2012-13 : ` 27.12 crore) and Indian Synthetic Rubber Ltd. ` **9.76 crore** (2012-13: ` 6.02 crore)]	**95.21**	141.90
iv)	**Purchase of Products** Mainly includes Purchase of Products from Petronet LNG Ltd. ` **13,124.93 crore** ( 2012-13 :` 10,971.44 crore)]	**13,229.28**	11,049.57
v)	**Purchase of Chemicals/materials** [Mainly includes Purchase of chemicals /materials from Lubrizol India Pvt. Ltd. ` **328.75 crore** (2012-13 : ` 291.46 crore)].	**328.76**	291.46
vi)	**Handling Expenses** [Mainly includes Handling Expenses to Indian Oil Petronas Pvt Ltd. ` **266.12 crore** (2012-13 : ` 249.86 crore) and IndianOil Sky Tanking Ltd. ` **231.88 crore** (2012-13 : ` 178.07 crore)]	**526.01**	443.37
vii)	**Freight Expenses** [Freight Expenses to Lubrizol India Pvt Ltd. ` **0.52 crore** (2012-13 : ` 0.37 crore)]	**0.52**	0.37
viii)	**Exploration & Production Expenses** [Mainly includes Exploration & Production Expenses to KG-DWN-2005/1 ` **153.89 crore** (2012-13 : ` 7.28 crore) and ShakthiGabon ` **50.94 crore** (2012-13 : ` 30.14 crore)]	**271.83**	209.04

Contd...

(` in Crore)

		2013-14	2012-13
ix)	**Reimbursement of Expenses** [Mainly includes Reimbursement of Expenses to Indian Oil Petronas Pvt. Ltd. ` **2.76 crore** (2012-13 : ` 2.67 crore), IndianOil Adani Gas Pvt. Ltd. ` **0.49 crore** (2012-13 : ` NIL) and Lubrizol India Pvt Ltd. ` **0.48 crore** (2012-13: ` 0.32 crore)]	**4.19**	4.85
x)	**Purchase/Acquistion of Fixed Assets incl. CWIP** [Mainly includes purchase/Acquisition of Fixed Assets incl. CWIP from IOT Infrastructure Energy Services Ltd. ` **82.08 crore** (2012-13 : ` 112.20 crore) and AREA 95-96 ` **61.00 crore** (2012-13 : ` 24.43 crore)]	**146.06**	225.78
xi)	**Provisions made/(written off) during the year** [Includes provision made against advance given to Petronet VK Ltd. ` **NIL** (2012-13: ` 0.03 crore)]	**-**	0.03
xii)	**Outstanding Receivables/ Loans Recoverable** [Mainly includes Outstanding Receivables/ Loans Recoverable from Suntera Nigeria 205 Ltd. ` **96.27 crore** (2012-13 : ` 75.58 Crore), Petronet LNG Ltd. ` **84.37 crore** (2012-13 : ` 1.10 crore), Indian Synthetic Rubber Ltd. ` **59.40 crore** (2012-13: ` 4.11 crore) and IndianOil Petronas Pvt. Ltd. ` **37.97 crore** (2012-13 : ` 58.42 crore)]	**320.78**	162.79
xiii)	**Outstanding Payables** [Mainly includes Outstanding payable to Petronet LNG. Ltd. ` **618.63 crore** (2012-13 : ` 684.07 crore) and IOT Infrastructure Energy Services Ltd. ` **84.60 crore** (2012-13 : ` 63.06 crore)]	**840.99**	916.81
xiv)	**Claims Recoverable** (Claims recoverable from National Aromatics and Petrochemicals Corporation Ltd. ` **14.40 crore** (2012-13 : ` 14.40 crore)	**14.40**	14.40
xv)	**Provision for Doubtful Claims** (Provision for Doubtful Claims in respect of National Aromatics and Petrochemicals Corporation Ltd. ` **14.40 crore** (2012-13 : ` 14.40 crore).	**14.40**	14.40

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

(` in Crore)

FY 2013-14

	B.1) Details of Whole-time Directors	**Remuneration**	**Interest & Furniture Hire Charges**	**Outstanding loans/advances receivables**
1)	Shri R.S.Butola	0.47	-	-
2)	Dr. R.K.Malhotra	0.52	-	-
3)	Shri Sudhir Bhalla	0.49	-	0.04
4)	Shri A.M.K.Sinha	0.53	-	-
5)	Shri P.K.Goyal	0.42	-	-
6)	Shri R.K.Ghosh	0.43	-	0.04
7)	Shri Makarand Nene	0.56	-	-
8)	Shri V.S. Okhde	0.42	-	-
	TOTAL	**3.84**	**-**	**0.08**

FY 2012-13

	B.1) Details of Whole-time Directors	Remuneration	Interest & Furniture Hire Charges	Outstanding loans/advances receivables
1)	Shri R.S.Butola	0.54	-	-
2)	Dr. R.K.Malhotra	0.54	-	-
3)	Shri Sudhir Bhalla	1.37	-	0.05
4)	Shri A.M.K.Sinha	0.46	-	-
5)	Shri P.K.Goyal	0.46	-	0.02
6)	Shri R.K.Ghosh	0.41	-	0.06
7)	Shri Makarand Nene	0.44	-	-
8)	Shri V.S. Okhde	0.34	-	-
	TOTAL	**4.56**	**-**	**0.13**

Notes:

1) This does not include the impact of provision made on acturial valuation of retirement benefit Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors.

2) In addition, whole - time Directors are also allowed the use of Corporation's car for private purposes upto 12,000 kms per annum on a payment of ` **520/-** per mensem for car less than 16 hp or ` **780/-** per mensem for car of above 16 hp as specified in the terms of appointment.

3) No disclosure is required for Subsidiary Companies which can be treated as state controlled enterprises '(i.e. ownership by Central/State Govt, directly or indirectly, of more than 50% of voting rights, shall be treated as state controlled enterprise).

4) In case of Joint Venture Companies constituted/acquired during the period, transactions w.e.f. date of constitution/acquisition is disclosed.

5) In case of Joint Venture Companies which have been closed/divested during the period, transactions upto the date of closure/disinvestment only are disclosed.

NOTE - 32: LEASES

Disclosure as required under Accounting Standard – 19 on "Leases":

Finance Leases :

a) As Lessee

Details of BOOT agreement with IOT Utkal in respect of Tankages facility for a period of 15 years are provided below:

A. Disclosure under Finance Lease as Lessee:

(` in Crore)

	Particulars	March-14	March-13
i)	Minimum lease payments:		
	- Not later than one year	**420.59**	-
	- Later than one year and not later than five years	**1,682.36**	-
	- Later than five years	**4,030.64**	-
	Total	**6,133.59**	**-**
ii)	Present value of minimum lease payments:		
	- Not later than one year	**396.56**	-
	- Later than one year and not later than five years	**1,215.45**	-
	- Later than five years	**1,437.14**	-
	Total	**3,049.15**	**-**
	Add: Future Finance Charges	**3,084.44**	-
	Total	**6,133.59**	**-**

B. Lessor will transfers ownership to IOCL after 15 Years at Nil value.

Contd...

C. The Net Carrying amount of the assets acquired under Finance Lease included in Note – 10, 11 & 12

Plant & Equipment - Tangible Assets	**1,875.60**	-
Plant & Equipment - Capital Work in Progress	**1,173.80**	-
	3,049.40	-

b) As Lessor

Lease Agreement with Indian Railways in respect of BTPN Tank Wagons is 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.

` Crore

	Particulars	March 14	March 13
A.	Gross Investments in Finance Lease	**415.64**	415.64
	Less: Unearned Finance Income	**2.11**	3.01
	Less: Finance Income Received	**169.04**	168.14
	Less: Minimum Lease payment received	**237.15**	235.61
	Net Investment in Finance Lease as on Date	**7.34**	8.88
B.	Unearned finance Income	**2.11**	3.01
C.	Present Value of Minimum Lease Payments Receivable		
	Not Later than one year	**1.68**	1.54
	Later than one year and not later than five years	**5.50**	6.71
	Later than Five years	**0.16**	0.63
	Total :	**7.34**	**8.88**
D.	Break-up of un-earned income		
	Not Later than one year	**0.75**	0.90
	Later than one year and not later than five years	**1.34**	2.02
	Later than Five years	**0.02**	0.09
	Total	**2.11**	**3.01**

Operating leases:

a) As Lessee

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

` Crore

	Particulars	March 14	March 13
A.	Lease rentals recognized during the period	**173.53**	72.41
B.	Lease Obligations		
	- Not later than One Year	**170.97**	157.53
	- Later than one year and not later than five years	**630.52**	632.21
	- Later than five years	**1,461.97**	1,617.67

(ii) Certain assets (including office/residential premises) are taken on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements. During the year ` **71.57 crore** (2013: ` 57.80 crore)had been paid towards cancellable Operating Lease.

b) As Lessor

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

` Crore

	Particulars	March 14	March 13
A.	Lease rentals recognized as income during the period	**0.06**	1.62
B.	Lease Rentals		
	(Category of assets – Plant & Machinery)		
	- Gross Carrying Amount	**1.96**	1.98
	- Accumulated Depreciation	**1.33**	1.27
	- Depreciation recognized in Statement of Profit and Loss Account	**0.10**	0.09

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

NOTE - 33: EARNINGS PER SHARE (EPS)

[Item No. 12, Page No. 163]

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

	March-14	March-13
Profit for the Group (` in Crore)	**7,085.59**	4,449.01
Total Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	**2,42,79,52,482**	2,42,79,52,482
Earning Per Share (Basic and Diluted) (`)	**29.18**	18.32
Face value per share (`)	**10/-**	10/-

NOTE - 34: INTEREST IN JOINT VENTURES

In compliance of AS-27, "Financial Reporting of Interest in Joint Ventures", the required information is as under:

1) Disclosure of Interest in the following categories of Joint Ventures:

(a) Jointly Controlled Operations:-

Name	**Participating Interest of IOC (%)**	
	31.03.2014	31.03.2013
IN INDIA		
Under NELP Block		
MN-OSN-2000/2	**20.00**	20.00
AA-ONN-2001/2	**20.00**	20.00
MB-OSN-2004/1	**20.00**	20.00
MB-OSN-2004/2	**20.00**	20.00
KG-DWN-2005/1	**20.00**	20.00
GK-OSN-2009/1	**20.00**	20.00
GK-OSN-2009/2	**30.00**	30.00
CB-ONN-2010/6	**20.00**	20.00
Others		
AAP-ON-94/1	**43.55**	43.55
BK-CBM-2001/1	**20.00**	20.00
NK-CBM-2001/1	**20.00**	20.00
OUTSIDE INDIA		
FARSI BLOCK IRAN	**40.00**	40.00
LIBYA BLOCK 86	**50.00**	50.00
LIBYA BLOCK 102/4	**50.00**	50.00
SHAKTHI GABON*	**50.00**	50.00
YEMEN 82	**15.00**	15.00
YEMEN 83	**15.00**	15.00
AREA 95-96	**25.00**	25.00

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

(b) Jointly Controlled Assets:-

Details of Group's share of Jointly Owned Assets:

(` in Crore)

Assets Particulars	Name of Joint Owner	Original Cost	Accumulated Depreciation & Amortisation	W.D.V. as at 31.03.14
Land - Freehold	HPC/BPC	3.10	0.00	3.10
Land - Leasehold	HPC/BPC/BALMER LAWRIE	0.18	0.05	0.13
Buildings	HPC/BPC/BALMER LAWRIE	18.53	7.09	11.44
Plant and Equipment	HPC/BPC/GSFC/IPCL/GNRE	127.48	76.21	51.27
Railway Sidings	HPC/BPC	54.95	42.40	12.55
Drainage,Sewage & Water Supply	GSFC	0.99	0.94	0.05
Total		**205.23**	**126.69**	**78.54**
Previous year		216.90	124.92	91.98

Group share in aggregate of Contingent Liabilities and Capital Commitments of Jointly Controlled Assets in **NIL** as on 31.03.2014 (2013 : NIL)

(c) Jointly Controlled Entities:-

	Name	Country of Incorporation	Ownership Interest of IOC(%) 31.03.2014	31.03.2013
(i)	IOT Infrastructure Energy Services Ltd	India	47.94	47.91
(ii)	Lubrizol India Pvt. Ltd.	India	50.00	50.00
(iii)	Petronet VK Ltd.	India	26.00	26.00
(iv)	Petronet CI Ltd.	India	26.00	26.00
(v)	IndianOil SkyTanking Ltd.	India	33.33	33.33
(vi)	Delhi Aviation Fuel Facility Pvt. Ltd.	India	37.00	37.00
(vii)	IndianOil Petronas Pvt.Ltd.	India	50.00	50.00
(viii)	Suntera Nigeria 205 Ltd	Nigeria	25.00	25.00
(ix)	IndianOil Panipat Power Consortium Ltd.	India	50.00	50.00
(x)	Avi-Oil India Pvt. Ltd.	India	25.00	25.00
(xi)	Petronet India Ltd.	India	18.00	18.00
(xii)	Petronet LNG Ltd.	India	12.50	12.50
(xiii)	Indian Synthetic Rubber Limited	India	50.00	50.00
(xiv)	Indian Oil Ruchi Biofuels LLP	India	50.00	50.00
(xv)	Green Gas Ltd.	India	22.50	22.50
(xvi)	NPCIL IndianOil Nuclear Energy Corporation Limited	India	26.00	26.00
(xvii)	GSPL India Transco Ltd.	India	26.00	20.65
(xviii)	GSPL India Gasnet Ltd.	India	26.00	22.16
(xix)	IndianOil Adani Gas Pvt. Ltd.	India	50.00	-
(xx)	Indo Cat Pvt. Ltd.*	India	-	50.00

*Indo Cat Private Limited became 100% subsidiary during the year which was a Joint Venture company in previous year

2) Share in assets, liabilities, income, expenses, contingent liabilities and capital commitments of Jointly Controlled Entities and Operations:

(` in Crore)

		Jointly Controlled Entities		Jointly Controlled Operations*	
		31.03.2014	**31.03.2013**	**31.03.2014**	**31.03.2013**
(i)	Assets				
	- Long Term Assets	**3,985.66**	3,746.38	**353.00**	288.44
	- Current Assets	**2,471.99**	2,347.67	**13.67**	2.47
(ii)	Liabilities				
	- Current Liabilities and Provisions	**1,998.80**	1,891.86	**66.82**	100.51
	- Other Liabilities	**2,497.45**	2,346.30	**-**	-
(iii)	Income	**7,334.82**	6,636.48	**-**	-
(iv)	Expenses	**7,236.29**	6,183.98	**271.28**	200.83
(v)	Contingent Liabilities	**299.24**	193.25	**21.20**	19.22
(vi)	Capital Commitments	**461.81**	386.97	**1,475.17**	1,007.68

*Unaudited

NOTE - 35: EXPOSURE TO FINANCIAL AND COMMODITY DERIVATIVES

Financial and Derivative Instruments:

1. All derivative contracts entered into by the Company are for hedging its foreign currency, interest rate and commodity exposures relating to underlying transactions and firm commitments and not for any speculative or trading purposes.
2. The Derivative contracts entered into by the Company and outstanding as on 31st March 2014 are as below:

(a) For Hedging Currency Risks

Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31st March 2014 is given below:

(` in Crore)

S. No.	Particulars	Unit of Currency	As on 31.03.2014		As on 31.03.2013	
			No of contracts	Aggregate amount	No of contracts	Aggregate amount
1.	Forward Contracts for Import and Export	USD	0	0	4	217.26

(b) For Hedging Commodity Related Risks:

Category–wise quantitative data about commodity derivative transactions that are outstanding as on 31st March 2014 is given below:

Quantity (in '000 bbls)

S. No.	Particulars	As at 31st March 2014	As at 31st March 2013
1.	Swaps on Crude oil	700	50
2.	Margin Hedging	8,000	200

(c) For Hedging Interest Rate Related Risks:

Interest rate swap for ` **2,996.00 crore** (2012-13: ` 2,714.50 crore) - (USD 500 million) syndicated loan (swap from 6 month USD LIBOR till maturity to 2.222% Fixed)

S. No.	Particulars	Number of Contracts	
		As at 31st March 2014	As at 31st March 2013
1	Interest Rate Swap	1	1

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

3. Foreign currency exposure that are not hedged by a derivative instrument as on 31st March 2014 is given below:

(` in Crore)

S. No.	Particulars	As on 31.03.2014 Aggregate amount	As on 31.03.2013 Aggregate amount
1	Unhedged*	**88,856.88**	70,923.38

** Including cross currency swaps amounting to ` **1,950.84 crore** (2013:` 1,767.54)*

4. As on 29th August 2013 RBI announced a forex swap window for public sector oil companies for meeting its daily US dollar requirements by undertaking sell-buy swap thru Designated Bank which in turn will do back to back swap with IOCL. In the first leg (spot) IOCL bought dollars from RBI through the designated bank at that day's RBI reference rate. The second leg of the swap (forward sale contracts) was priced at rates used for the first leg plus prevailing USD/INR premium for the swap tenor and at the time of expiry of the second leg, IOC was required to repay dollars through the designated Bank and receive equivalent rupee amount. Subsequently w.e.f 1st November 2013, RBI allowed IOC to book forwards for the return leg of the swaps undertaken. The company started booking return leg from 5th November 2013 and completed the total return leg of the transactions on 7th March 2014 for balance maturity period of various transactions. Summary of transations is given below:

S.No.	Particulars	Transactions entered during FY 2013-14			Outstanding maturities as on 31.03.2014		
		No. of contracts	Agrregate amount USD in million	INR in crore	No of Contracts	Aggregate amount USD in million	INR in crore
1.	Forward Sale Contracts (Second leg)	49	8,022	52,611.08	29	4,397	26,346.82
2	Forward purchase contracts (Return leg)	112	8,022	50,590.77	51	4,397	26,346.82

NOTE - 36: ADDITIONAL DISCLOSURES BY GROUP COMPANIES

Lanka IOC PLC

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

Goodwill represents future economic benefits arising from other assets which were acquired from the above business combination that were not able to individually identified and separately recognized. Accumulated amortization as at the balance sheet date amounting to INR 34,221,776 which were amortized up to 2007 based on 20 years useful life. However, as per the revised accounting standards goodwill is tested annually for impairment and carried at cost less amortisation up to 2007.

b) Lanka IOC PLC owns 1/3rd share of Ceylon Petroleum Storage Terminal Limited (CPSTL), also known as the "Common User Facility" (CUF). The Company paid US$ 45 million to Ceylon Petroleum Corporation on 22 January 2004 to obtain 1/3rd share of CPSTL. Investment is recorded at cost and details are as under :

(` in Crore)

	2013-14	2012-13
At the beginning of the year	**188.53**	176.03
Translation Difference	**12.83**	12.50
Closing Net book amount	**201.36**	188.53

Petronet LNG Ltd.

a) In terms of the provisions contained in the Dahej LNG Port Terminal Concession Agreement, the Company has to develop a Solid Cargo Port along with LNG Terminal. A Joint Venture Company "Adani Petronet (Dahej) Port Pvt Ltd (APPPL)" has been formed for development of Solid Cargo Port. The Company has acquired 26% equity in APPPL.

b) Customs Duty on import of Project material/equipment has been assessed provisionally (current and previous years) and additional liability, if, any, on this account will be provided on final assessment.

NOTE - 37: OTHER DISCLOSURES

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

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

3 Exceptional income include ` **1,746.80 crore** (Net) arising out of recovery on account of U.P. Entry Tax paid in earlier year in pursuance of MoP&NG order dated 30/03/2013 and other matters related to U.P. Entry Tax.

4 On 29th August 2013, RBI announced a forex swap window for public sector oil companies for meeting its daily US dollar requirements. Income of ` 470.25 crore has been accounted as Premium on Forward Contracts and ` 804.64 crore as Exchange Gain (Net) on transactions settled upto 31.03.2014. Net Loss, if any, on all outstanding contracts maturing after 31.03.2014 have been considered.

5 In the absence of relevant notification by the Government of India specifying the period and applicable rate at which cess on turnover is payable under section 441A of the Companies Act, 1956, the same is not determinable and hence, not provided for.

6 In respect of Oil and Gas Exploration activities, Revenue Expenditure amounting to ` **361.46 crore** (2013 : ` 213.33 crore) and Capital Expenditure amounting to ` **3,506.23 crore** (2013 : ` 166.08 crore) of Oil and Gas Exploration Projects have been incorporated in these accounts on the basis of unaudited statements provided by respective operators of Production Sharing Contracts to the Company.

7 Disclosure as required by guidance note on "Accounting for Oil & Gas Producing Activities" regarding share of Group in Proved and Proved Developed Reserves on the geographical basis is as under:

Assets	**Details**	**Crude Oil# (Thousand Ton)**		**Gas# (Million Cubic Meter)**		**Oil equivalent# Thousand Ton Oil Equivalent)****	
		As at 31.03.2014	**As at 31.03.2013**	**As at 31.03.2014**	**As at 31.03.2013**	**As at 31.03.2014**	**As at 31.03.2013**
Niobrara Shale Gas Assets, USA	Opening	19.48	-	4.88	-	23.39	-
	Addition	34.87	24.45	6.06	6.37	39.74	29.56
	Production	16.75	4.97	4.87	1.49	20.65	6.17
	Closing	37.60	19.48	6.07	4.88	42.48	23.39
Pacific Northwest LNG, Canada	Opening	-	-	-	-	-	-
	Addition	136.33	-	1,849.09	-	1,620.82	-
	Production*	0.49	-	6.34	-	5.57	-
	Closing	135.84	-	1,842.75	-	1,615.25	-
Total Outside India	Opening	19.48	-	4.88	-	23.39	-
	Addition	171.20	24.45	1,855.15	6.37	1,660.56	29.56
	Production	17.24	4.97	11.21	1.49	26.22	6.17
	Closing	173.44	19.48	1,848.82	4.88	1,657.73	23.39

Unaudited
* Production from 25th March 2014 to 31st March 2014;
** 1.2456 Thousand Cubic Meter gas = 1 Ton Oil Equivalent

8 Previous year's comparative figures have been regrouped wherever necessary. Figures in brackets indicate deductions.

Sd/-	Sd/-	Sd/-
(R. S. Butola)	**(P. K. Goyal)**	**(Raju Ranganathan)**
Chairman	Director (Finance)	Company Secretary

As per our attached Report of even date

For DASS GUPTA & ASSOCIATES	**For G M KAPADIA & CO.**	**For J GUPTA & CO.**	**For PARAKH & CO.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 000112N)	(Firm Regn. No. 104767W)	(Firm Regn. No. 314010E)	(Firm Regn. No.001475C)
Sd/-	Sd/-	Sd/-	Sd/-
(CA. Pankaj Mangal)	**(CA. Rajen Ashar)**	**(CA. J N Gupta)**	**(CA. Prakash Sharma)**
Partner	Partner	Partner	Partner
M. No. 097890	M. No. 048243	M. No. 051428	M. No. 072332

Place : New Delhi
Date : 29th May, 2014

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION

1.1 The financial statements are prepared under historical cost convention in accordance with the mandatory accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956 (to the extent applicable) and provisions of Companies Act, 2013 (to the extent notified).

1.2 The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates.

2. FIXED ASSETS

2.1 Tangible Assets

2.1.1 Fixed Assets are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment.

2.1.2 Land acquired on perpetual lease as well as on lease for over 99 years is treated as freehold land.

2.1.3 Land acquired on lease for 99 years or less is treated as leasehold land.

2.1.4 Technical know-how / license fee relating to plants/facilities are capitalised as part of cost of the underlying asset.

2.2 Construction Period Expenses on Projects

2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously are charged to revenue.

2.2.2 Financing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized on quarterly basis up to the date of capitalization.

2.2.3 Financing cost, if any, incurred on General Borrowings used for projects is capitalized at the weighted average cost. The amount of such borrowings is determined on quarterly basis after setting off the amount of internal accruals.

2.3 Capital Stores

2.3.1 Capital stores are valued at cost. Specific provision is made for likely diminution in value, wherever required.

2.4 Depreciation/Amortization

2.4.1 Cost of leasehold land for 99 years or less is amortized over the lease period.

2.4.2 Depreciation on fixed assets is provided in accordance with the rates as specified in Schedule XIV to The Companies Act, 1956, on straight line method, upto 95% of the cost of the asset other than Insurance spares which are depreciated upto 100%. Depreciation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalization/ sale, disposal/ or earmarked for disposal.

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

2.4.4 Expenditure on the items, ownership of which is not with the Company are charged off to revenue in the year of incurrence of such expenditure.

2.5 INTANGIBLE ASSETS

2.5.1 Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets and amortized on a straight line basis over a period of ten years or life of the underlying plant/ facility, whichever is earlier.

2.5.2 Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.

2.5.3 Costs incurred on computer software purchased/developed resulting in future economic benefits, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalised. However, where such computer software is still in development stage, costs incurred during the development stage of such software are accounted as “Intangible Assets Under Development”.

2.5.4 Cost of Right of Way for laying pipelines is capitalised and amortised on a straight line basis over the period of such Right of Way or 99 years whichever is less

3. Impairment of Assets

As at each balance sheet date, the carrying amount of cash generating units / assets is tested for impairment so as to determine:

(a) the provision for impairment loss, if any, required; or

(b) the reversal, if any, required of impairment loss recognized in previous periods.

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

4. BORROWING COST

Borrowing costs that are attributable to the acquisition and construction of the qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

5. FOREIGN CURRENCY TRANSLATION

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

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

5.3 Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc.) are valued at the exchange rate prevailing on the date of the transaction.

5.4.1 (a) Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit & Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.

(b) Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets in line with Para 46A of Accounting Standard -11. In other cases, exchange differences are accumulated in a “Foreign Currency Monetary Item Translation Difference Account” and amortized over the balance period of such long-term foreign currency monetary item by recognition as income or expense in each of such periods.

5.4.2 Premium/discount arising at the inception of the forward contracts entered into to hedge foreign currency risks are amortized as expense/income over the life of the contract. Outstanding forward contracts as at the reporting date are restated at the exchange rate prevailing on that date.

6. INVESTMENTS

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

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

7. INVENTORIES

7.1 Raw Materials & Stock-in-Process

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

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

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

7.2 Finished Products and Stock-in-Trade

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

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

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

7.3 Stores and Spares

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

7.3.2 Stores & Spares in transit are valued at cost.

7.3.3 Certified Emission Reductions (CERs) rights are valued at cost or net realizable value, whichever is lower.

8. TRADE RECEIVABLES

In addition to the specific provision made, an Adhoc provision @ 1% is also made in respect of Trade Receivables, other than those relating to Oil Marketing companies, Subsidiary & Joint Venture companies, Export Customers, DGS&D group of customers (i.e. DGS&D, Railway, Army, Air Force and Defence) and Retail Outlets enjoying temporary credit to recognize the element of uncertainty.

9. CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

9.1 Contingent Liabilities

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

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

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

a) a provision is recognized in respect of present obligations where the outflow of resources is probable;

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

9.2 Capital Commitments

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

10. REVENUE RECOGNITION

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

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

10.3 Claims (including interest on outstanding) are accounted:

a) When there is certainty that the claims are realizable

b) Generally at cost

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

10.5 Pre-paid expenses upto Rupees five lakhs in each case are charged to Statement of Profit & Loss in the year in which it is incurred.

11. EXCISE DUTY

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

12. TAXES ON INCOME

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred Tax Liability / Asset resulting from 'timing difference' between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

13. EMPLOYEES BENEFITS

13.1 Short Term Benefits:

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

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

a) The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Statement of Profit and Loss.

b) The Company operates defined benefit plans for Gratuity and Post Retirement Medical Benefits. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year and are administered through respective Trusts. Actuarial gains/ losses are charged to Statement of Profit and Loss.

c) Obligations on Compensated Absences, Resettlement, Long Service Awards and Ex-gratia are provided using the projected unit credit method of actuarial valuation made at the end of the year.

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

13.3 Termination Benefits:

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

14. GRANTS

14.1 Capital Grants

In case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants which are recognized as income in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

14.2 Revenue Grants

Revenue grants are reckoned as per the respective schemes notified by Government from time to time, subject to final adjustments as per separate audit wherever applicable.

15. OIL & GAS EXPLORATION ACTIVITIES

15.1 The Company is following the "Successful Efforts Method" of accounting for Oil & Gas exploration and production activities as explained below:

a) Survey costs are expensed in the year of incurrence.

b) Acquisition cost, cost of incomplete / undecided exploratory wells and development costs are carried as capital work in progress/ Intangible assets under development till the time these are either transferred to producing properties on completion or expensed in the year when determined to be dry, as the case may be.

c) Expenditure towards unfinished Minimum Work Programme with and without extension of time is expensed in the year of incurrence.

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

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

16. COMMODITY HEDGING

The realized gain or loss in respect of commodity hedging contracts, the pricing period of which has expired during the year, are recognized in the Statement of Profit & Loss. However, in respect of contracts, the pricing period of which extends beyond the balance sheet date, suitable provision for likely loss, if any, is made.


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Summary of Financial Information of Subsidiary Companies for the Financial Year 2013-14

SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES FOR THE FINANCIAL YEAR 2013-14

The Ministry of Corporate Affairs vide its Circular No. 2/2011 dt. 8th February 2011, has granted general exemption under Section 212 (8) of Companies Act, 1956 to companies from attaching the accounts of Subsidiary Companies with the Annual Report of the Company. However, companies are required to provide summarised financial information of the subsidiaries.

Accordingly, Indian Oil Corporation Limited is providing a summary of financial information of its subsidiary companies in lieu of attaching the annual accounts of its subsidiary companies with the Annual Report for the year 2013-14. The Annual Accounts of the Subsidiary Companies are available with the Company Secretary, Indian Oil Corporation Limited and are open for inspection by any shareholder at the Registered Office of the company during working days. The copy of Annual Accounts shall also be made available to any shareholder of Indian Oil Corporation Limited or its subsidiary on request in writing.

The summary of financial information of subsidiary companies for the financial year 2013-14 is as given below:

(Figures in Crore)

Sl. No.	Particulars	Chennai Petroleum Corporation Limited	IndianOil Creda Biofuels Limited	Indo Cat Private Limited	IndianOil (Mauritius) Limited		Lanka IOC PLC		IOC Middle East FZE		IOC Sweden AB		IOCL (USA) Inc.		IndOil Global B.V.	
	Financial Year ending on	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014
	Reporting Currency	INR	INR	INR	INR	MUR	INR	SLR	INR	AED	INR	EURO	INR	USD	INR	CAD
	Exchange Rate (As on 31.03.2014)	-	-	-	2.0010	-	0.4583	-	16.2651	-	82.2804	-	59.9100	-	54.3895	-
	Exchange Rate (Average Rate 2013-14)	-	-	-	2.0080	-	0.4637	-	16.4550	-	81.1399	-	60.4962	-	54.2140	-
1	Share Capital	149.00	23.58	14.01	75.67	48.82	250.54	532.47	2.30	0.20	256.20	4.13	243.36	4.30	6,103.04	111.60
2	Share Application Money	-	-	0.20	-	-	-	-	-	-	-	-	-	-	-	-
3	Reserves	1,573.45	(4.88)	(0.82)	178.80	78.35	530.44	1,171.82	18.31	1.07	52.61	(0.38)	10.05	(0.07)	(29.62)	0.06
4	Liabilities	12,219.81	0.81	1.38	349.40	174.58	455.60	994.17	14.31	0.88	0.41	0.01	19.01	0.32	569.14	10.47
5	Total Liabilities	13,942.26	19.51	14.77	603.87	301.75	1,236.58	2,698.46	34.92	2.15	309.22	3.76	272.42	4.55	6,642.56	122.13
6	Total Assets	13,942.26	19.51	14.77	603.87	301.75	1,236.58	2,698.46	34.92	2.15	309.22	3.76	272.42	4.55	6,642.56	122.13
7	Investments*	24.82	-	-	0.04	0.02	201.36	439.40	-	-	308.65	3.75	-	-	95.76	1.76
8	Turnover	53,923.70	0.17	-	1,579.25	786.21	3,793.02	8,179.28	77.42	4.70	-	-	52.20	0.86	8.43	0.16
9	Profit Before Taxation	(330.96)	(3.58)	(0.01)	45.81	14.53	267.19	576.18	3.30	0.20	(0.71)	(0.01)	(8.73)	(0.14)	4.64	0.08
10	Provision for Taxation	(27.11)	(0.12)	-	4.95	2.47	43.98	94.84	-	-	-	-	(3.27)	(0.05)	1.27	0.02
11	Profit After Taxation	(303.85)	(3.46)	(0.01)	40.86	12.06	223.21	481.34	3.30	0.20	(0.71)	(0.01)	(5.46)	(0.09)	3.37	0.06
12	Proposed Dividend	-	-	-	5.64	2.93	37.04	79.87	1.00	0.06	-	-	-	-	-	-

* Details of Investments (except in case of Investment in Subsidiaries)			` in Crore
1	Chennai Petroleum Corporation Limited	1) Indian Additives Limited	11.83
		2) Petroleum India International	12.88
		3) Others	0.11
		Total	**24.82**
2	IndianOil (Mauritius) Limited	Mer Rouge Oil Storage Terminal (MOST)	0.04
3	Lanka IOC PLC	Ceylon Petroleum Storage Terminal Limited	201.36
4	IOC Sweden AB	1) Petrocarabobo S.A. Venezuela	303.57
		2) Carabobo Ingenieria y Construcciones S.A. Venezuela	5.08
		Total	**308.65**
5	IndOil Global B.V.	1) Pacific Northwest LNG LP	95.22
		2) Pacific Northwest LNG Ltd.	0.54
		Total	**95.76**

INR : Indian Rupees
MUR : Mauritian rupees
SLR : Srilankan Rupees
AED : United Arab Emirates Dirham
USD : United States Dollars
CAD : Canadian Dollars

Note:

1. Assets and Liabilities for Balance Sheet Items of foreign subsidiaries are translated at the closing rate as on 31.03.2014.
2. Income and Expense items of foreign subsidiaries are translated at the average exchange rate during 2013-14.
3. Share Capital of Foreign Subsidiaries is translated at the exchange rate existing at the date of transaction.

NOTES

NOTES

IndianOil actively supports the Green Initiative in Corporate Governance by the Ministry of Corporate Affairs which allows paperless compliance through electronic mode. Quick Recognition code has been created for readers who can scan and access the IndianOil Annual Report 2013-14 through their smartphone application.

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